

NORTH BERGEN BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

North Bergen, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

North Bergen Board of Education

North Bergen, New Jersey

For The Fiscal Year Ended June 30, 2020

Prepared by

Business Office

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INTRODUCTORY SECTION



NORTH BERGEN BOARD OF EDUCATION

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

PATRICIA BARTOLI
PRESIDENT

GEORGE J. SOLTER JR., Ed.D
SUPERINTENDENT

CLAUDIA RODRIGUEZ
VICE PRESIDENT

STEVEN P. SOMICK
ASST. SUPERINTENDENT

HUGO D. CABRERA
BOARD SECRETARY

February 4, 2021

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

The New Jersey Department of Education statutes require that all school districts publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (the "CAFR") of the North Bergen Board of Education for the fiscal year ended June 30, 2020.

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

The North Bergen Board of Education's financial statements have been audited by Lerch, Vinci & Higgins, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Board for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the North Bergen Board of Education's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. North Bergen Board of Education’s MD&A can be found immediately following the report of the independent auditors.

The North Bergen Board of Education and all its schools constitute the District’s reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and vocational, Early Childhood Development, as well as special education for handicapped students. The District completed the 2019/2020 school year with an enrollment of 7,488 students, which is 31 students less than the previous year’s enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-2020	7,488	-.41%
2018-2019	7,519	-1.92%
2017-2018	7,666	-2.96%
2016-2017	7,900	-1.31%
2015-2016	8,005	3.14%
2014-2015	7,761	-3.57%
2013-2014	8,048	-.01%
2012-2013	8,068	-.01%
2011-2012	8,201	1.74%
2010-2011	8,061	2.86%

ECONOMIC CONDITION AND OUTLOOK

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

INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

INTERNAL ACCOUNTING CONTROLS (Continued)

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

BUDGETARY CONTROLS

In addition to internal accounting controls the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Trustees. Annual appropriated budgets are adopted for the general, special revenue and the debt service funds. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as either committed or assigned fund balance at June 30, 2020.

ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in the "Notes to the Financial Statements".

CASH MANAGEMENT

The investment policy of North Bergen is guided in large part by state statute as detailed in "Notes to the Financial Statements". The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the act.

RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

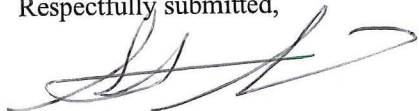
OTHER INFORMATION

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Higgins, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

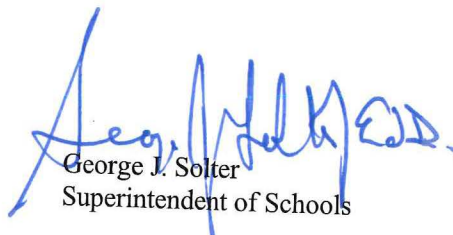
ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the North Bergen School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

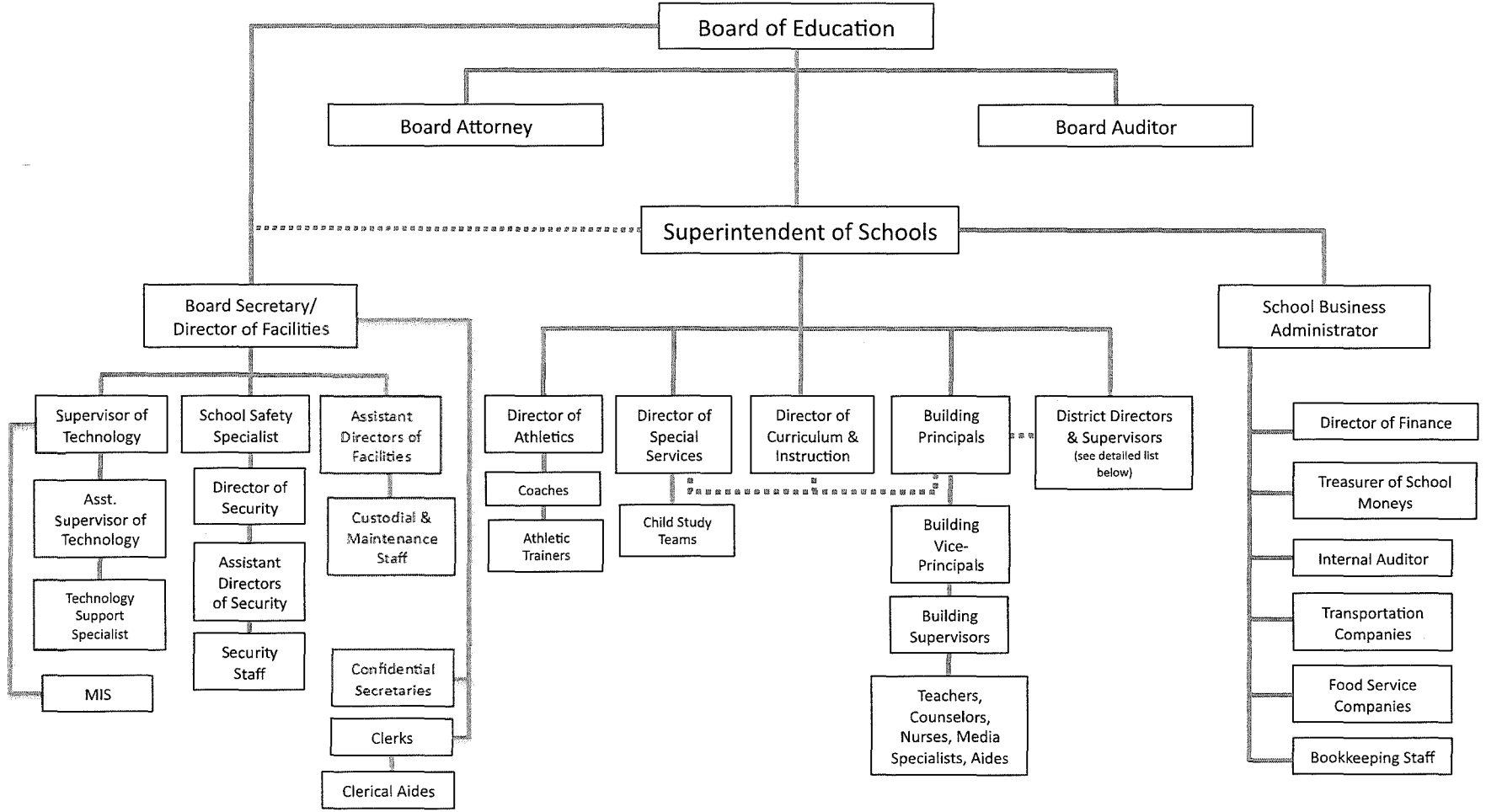
Respectfully submitted,



Steven Somick
School Business Administrator



George J. Solter
Superintendent of Schools



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

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

**NORTH BERGEN BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2020**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Patricia Bartoli, Board President	2022
Claudia Rodriguez, Vice President	2021
Claudia Baselice	2023
Luis Diaz	2023
Haissam Jaafar	2021
Kanaiyalal Patel	2023
Luis Rabelo	2022
Ruth Shaw	2021
Sai Rao	2022
Mark Rogers (Guttenberg)	2021

Other Officials

George J. Solter, Jr. Ed. D., Superintendent of Schools

Steven Somick, School Business Administrator

Hugo Cabrera, Board Secretary

Carrie Brady, Director of Finance

Thomas Tango, Treasurer of School Moneys

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

ARCHITECT

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

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORIES

Valley National Bank
TD Bank

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Bergen Board of Education, as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Bergen Board of Education as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other postemployment benefits information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

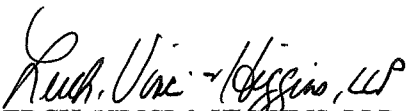
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Bergen Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the North Bergen Board of Education.


The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated February 4, 2021 on our consideration of the North Bergen Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the North Bergen Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the North Bergen Board of Education's internal control over financial reporting and compliance.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 4, 2021

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

This section of North Bergen Board of Education's comprehensive annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2019-2020 fiscal year include the following:

- The assets and deferred outflows of resources of the North Bergen Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$40,410,166 (net position).
- Overall District revenues were \$161,530,639. General revenues accounted for \$106,394,606 or 66% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$55,136,033 or 34% of total revenues.
- The School District had \$151,889,877 in expenses for governmental activities; only \$52,748,812 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$106,392,165 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$38,272,420 an increase of \$14,927,818 when compared to the ending fund balance at June 30, 2019 of \$23,344,602.
- The General Fund unassigned fund balance at June 30, 2020 was in a deficit position of \$4,258,955, a decrease of \$232,535 when compared with the ending fund balance deficit of \$4,026,420 at June 30, 2019.
- The General Fund unassigned budgetary fund balance at June 30, 2020 was \$2,540,580 which represents a decrease of \$155,581 when compared to the ending unassigned fund balance at June 30, 2019 of \$2,696,161.

NORTH BERGEN BOARD OF EDUCATION

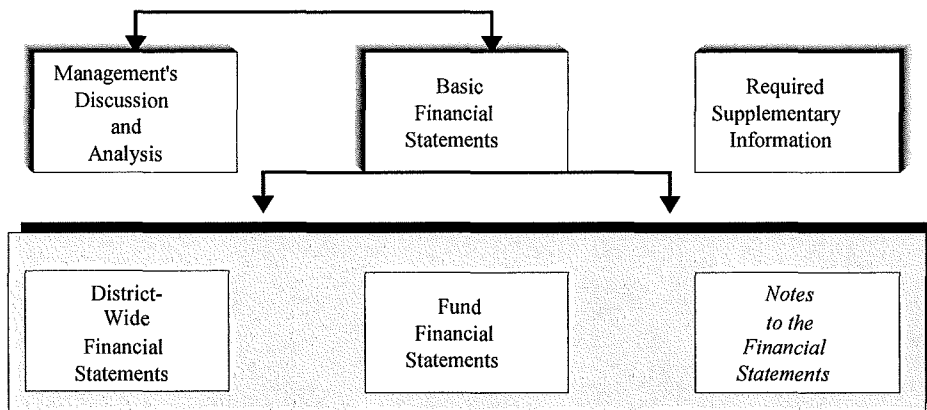
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
 - The Governmental Funds statements tell how basic services were financed in the short term as well as what remains for future spending.
 - Proprietary Funds statements offer short-term and long-term financial information about the activities the district operated like businesses.
 - Fiduciary Funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

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



NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain are summarized below. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education	Activities the district operates similar to private businesses: Enterprise funds	Instances in which the district administers resources on behalf of someone else, such as Unemployment, Payroll Agency, and Student Activities
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows	Statements of Fiduciary Net Position Statement of Changes In Fiduciary Net Position
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting And economic resources focus
Type of asset/liability 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 there after; 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	All assets and liabilities, both short-term and long Funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and dedications during the year, regardless of when cash is received or paid.

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

District-Wide Financial Statements

The district-wide statements report information about the North Bergen Board of Education as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets/deferred outflows and liabilities/deferred inflows – is one way to measure the District's financial health or position

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

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental Activities* – Most of the District's basic services are included here, such as regular instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and tuition charged to other school districts finance most of these activities.
- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – focusing on its most significant or “major” funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.

- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

Enterprise Funds – This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has an enterprise fund for the food service operations.

- *Fiduciary funds* – The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found following the fund financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

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

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$40,410,166 and \$33,285,716 as of June 30, 2020 and 2019, respectively, as shown below.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Position as of June 30, 2020 and 2019

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets						
Current and Other Assets	\$ 44,371,348	\$ 30,849,102	\$ 1,114,339	\$ 1,331,764	\$ 45,485,687	\$ 32,180,866
Capital Assets	<u>68,830,800</u>	<u>58,110,559</u>	<u>54,598</u>	<u>37,090</u>	<u>68,885,398</u>	<u>58,147,649</u>
Total Assets	<u>113,202,148</u>	<u>88,959,661</u>	<u>1,168,937</u>	<u>1,368,854</u>	<u>114,371,085</u>	<u>90,328,515</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	3,702,667	6,347,668			3,702,667	
Deferred Amounts on Refunding of Debt	<u>172,584</u>	<u>264,707</u>	<u>-</u>	<u>-</u>	<u>172,584</u>	<u>264,707</u>
Total Deferred Outflows	<u>3,875,251</u>	<u>6,612,375</u>	<u>-</u>	<u>-</u>	<u>3,875,251</u>	<u>264,707</u>
Total Assets and Deferred Outflows	<u>117,077,399</u>	<u>95,572,036</u>	<u>1,168,937</u>	<u>1,368,854</u>	<u>118,246,336</u>	<u>90,593,222</u>
Liabilities						
Long-Term Liabilities	61,182,327	45,857,541			61,182,327	45,857,541
Other Liabilities	<u>6,332,695</u>	<u>7,536,871</u>	<u>138,517</u>	<u>215,242</u>	<u>6,471,212</u>	<u>7,752,113</u>
Total Liabilities	<u>67,515,022</u>	<u>53,394,412</u>	<u>138,517</u>	<u>215,242</u>	<u>67,653,539</u>	<u>53,609,654</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	10,175,119	10,041,466			10,175,119	10,041,466
Deferred Commodities Revenue	<u>-</u>	<u>-</u>	<u>7,512</u>	<u>4,054</u>	<u>7,512</u>	<u>4,054</u>
Total Deferred Inflows	<u>10,175,119</u>	<u>10,041,466</u>	<u>7,512</u>	<u>4,054</u>	<u>10,182,631</u>	<u>4,054</u>
Total Liabilities and Deferred Inflows	<u>77,690,141</u>	<u>63,435,878</u>	<u>146,029</u>	<u>219,296</u>	<u>77,836,170</u>	<u>53,613,708</u>
Net Position						
Net Investment in Capital Assets	56,530,766	52,144,194	54,598	37,090	56,585,364	52,181,284
Restricted	19,164,201	14,582,002			19,164,201	14,582,002
Unrestricted	<u>(36,307,709)</u>	<u>(34,590,038)</u>	<u>968,310</u>	<u>1,112,468</u>	<u>(35,339,399)</u>	<u>(33,477,570)</u>
Total Net Position	<u>\$ 39,387,258</u>	<u>\$ 32,136,158</u>	<u>\$ 1,022,908</u>	<u>\$ 1,149,558</u>	<u>\$ 40,410,166</u>	<u>\$ 33,285,716</u>

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years 2020 and 2019 are as follows:

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program Revenues						
Charges for Services	\$ 5,457,950	\$ 4,937,577	\$ 418,788	\$ 568,496	\$ 5,876,738	\$ 5,506,073
Operating Grants and Contributions	46,884,690	52,617,460	1,968,433	2,432,586	48,853,123	55,050,046
Capital Grants and Contributions	406,172	8,108			406,172	8,108
General Revenues						
Property Taxes	52,047,631	51,424,579			52,047,631	51,424,579
State Aid	53,389,432	52,407,907			53,389,432	52,407,907
Investment Earnings	390,436	471,909	2,441	4,216	392,877	476,125
Miscellaneous	564,666	413,352	-	-	564,666	413,352
Total Revenues	<u>159,140,977</u>	<u>162,280,892</u>	<u>2,389,662</u>	<u>3,005,298</u>	<u>161,530,639</u>	<u>165,286,190</u>
Expenses						
Instruction						
Regular	60,458,479	63,644,374			60,458,479	63,644,374
Special Education	23,848,462	24,258,879			23,848,462	24,258,879
Other Instruction	11,751,872	12,010,820			11,751,872	12,010,820
School Sponsored Activities and Athletics	2,643,478	2,972,354			2,643,478	2,972,354
Support Services						
Student and Instruction Related Services	17,071,514	17,933,421			17,071,514	17,933,421
General Administration Services	2,241,707	2,743,501			2,241,707	2,743,501
School Administration Services	10,521,309	10,976,374			10,521,309	10,976,374
Plant Operation and Maintenance	16,187,072	16,010,748			16,187,072	16,010,748
Pupil Transportation	3,021,876	3,863,529			3,021,876	3,863,529
Business Services	3,573,405	3,836,790			3,573,405	3,836,790
Interest and Other Chgs on Long-Term Debt	570,703	436,153			570,703	436,153
Food Service	-	-	2,516,312	2,960,902	2,516,312	2,960,902
Total Expenses	<u>151,889,877</u>	<u>158,686,943</u>	<u>2,516,312</u>	<u>2,960,902</u>	<u>154,406,189</u>	<u>161,647,845</u>
Change in Net Position	7,251,100	3,593,949	(126,650)	44,396	7,124,450	3,638,345
Net Position, Beginning of Year	<u>32,136,158</u>	<u>28,542,209</u>	<u>1,149,558</u>	<u>1,105,162</u>	<u>33,285,716</u>	<u>29,647,371</u>
Net Position, End of Year	<u>\$ 39,387,258</u>	<u>\$ 32,136,158</u>	<u>\$ 1,022,908</u>	<u>\$ 1,149,558</u>	<u>\$ 40,410,166</u>	<u>\$ 33,285,716</u>

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities. The District's total governmental activities revenues were \$159,140,977 for the fiscal year ended June 30, 2020. Tuition accounted for \$5,457,950 representing 4% of total revenues. Local property taxes were \$52,047,631 representing 33% of total revenues.

State and federal aid revenues were \$100,680,294 representing 63% of total revenue for the year. Investment earnings and the miscellaneous revenues accounted for less than 1% of the District's revenues.

The total cost of all governmental activities programs and services were \$151,889,877. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$98,702,291 (65%) of total expenditures. Support services totaled \$52,616,883 (35%) of total expenditures and the remainder of expenditures were for interest and other charges on long-term debt totaling \$570,703 which were less than 1% of the District's expenses.

Total governmental activities revenues surpassed expenses, increasing net position by \$7,251,100 over the previous year.

Total and Net Cost of Governmental Activities. The District's total cost of services was \$151,889,877 for the fiscal year ended June 30, 2020. After applying program revenues, derived from charges for services of \$5,457,950; operating grants and contributions of \$46,884,690 and capital grants and contributions of \$406,172 the net cost of services of the District is \$99,141,065. The following is a comparative analysis of the net cost of governmental activities for the fiscal years ended June 30, 2020 and 2019.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Instruction				
Regular	\$ 60,458,479	\$ 63,644,374	\$ 36,384,836	\$ 37,131,713
Special Education	23,848,462	24,258,879	10,753,313	10,850,154
Other Instruction	11,751,872	12,010,820	6,693,444	6,159,177
School Sponsored Activities and Athletics	2,643,478	2,972,354	2,039,688	2,266,790
Support Services				
Student and Instruction Related Services	17,071,514	17,933,421	13,836,697	13,745,058
General Administration	2,241,707	2,743,501	1,837,219	2,270,316
School Administration Services	10,521,309	10,976,374	8,769,898	8,886,252
Plant Operation and Maintenance	16,187,072	16,010,748	12,523,309	12,657,128
Pupil Transportation	3,021,876	3,863,529	2,187,380	3,018,319
Business Services	3,573,405	3,836,790	3,544,578	3,702,738
Interest and Other Charges on Long-Term Debt	<u>570,703</u>	<u>436,153</u>	<u>570,703</u>	<u>436,153</u>
Total	<u>\$ 151,889,877</u>	<u>\$ 158,686,943</u>	<u>\$ 99,141,065</u>	<u>\$ 101,123,798</u>

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$38,272,420, an increase of \$14,927,818 from last year's fund balance of \$23,344,602.

Revenues for the District's governmental funds were \$150,948,269; total expenditures were \$156,020,451.

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

The following schedule presents a comparison of General Fund Revenues.

	Fiscal Year Ended <u>June 30, 2020</u>	Fiscal Year Ended <u>June 30, 2019</u>	Amount of Increase (Decrease)	Percent
Local Sources:				
Property Tax Levy	\$ 50,493,344	\$ 49,895,435	\$ 597,909	1.20%
Tuition	5,457,950	4,937,577	520,373	10.54%
Miscellaneous	912,998	885,261	27,737	3.13%
State/Federal Sources	<u>83,699,375</u>	<u>81,264,932</u>	<u>2,434,443</u>	3.00%
Total General Fund Revenues	<u>\$ 140,563,667</u>	<u>\$ 136,983,205</u>	<u>\$ 3,580,462</u>	<u>2.61%</u>

Total General Fund Revenues increased by \$3,580,462 or approximately 3% over the previous year.

Local property taxes increased \$597,909 over the previous year. State and federal aid increased \$2,434,443 or 3%, primarily due to the State of New Jersey providing additional State aid and increases in on-behalf TPAF pension funding to the District. Tuition charges from Guttenberg Board of Education increased \$520,373. Miscellaneous revenues increased over \$27,000 from 2018-19 to 2019-20.

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

The following schedule presents a summary of General Fund Expenditures.

	Fiscal Year Ended <u>June 30, 2020</u>	Fiscal Year Ended <u>June 30, 2019</u>	Amount of Increase (Decrease)	Percent
Instruction	\$ 85,313,961	\$ 84,225,340	\$ 1,088,621	1.29%
Support Services	47,231,371	47,783,794	(552,423)	-1.16%
Debt Service	92,716	228,236	(135,520)	-59.38%
Capital Outlay	<u>904,111</u>	<u>1,530,094</u>	<u>(625,983)</u>	-40.91%
Total Expenditures	<u>\$ 133,542,159</u>	<u>\$ 133,767,464</u>	<u>\$ (225,305)</u>	<u>-0.17%</u>

Total General Fund expenditures decreased \$225,305 or less than 1% from the previous year. The On-Behalf TPAF funding increased in 2019/20, however due to COVID-19 pandemic several expenditures decreased from 2018/19.

For the fiscal year ended June 30, 2020 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$7,063,507. After deducting statutory reserves and designations in the amount of \$28,566,008, the unassigned fund balance at June 30, 2020 was in a deficit position of \$4,258,955. This deficit occurs because the State has delayed the District's final state aid payments until July 2020. Had these payments been received prior to June 30, 2020, the District would have ended the year with an unassigned fund balance (Budgetary Basis) of \$2,540,580.

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

Revenues of the Special Revenue Fund were \$7,841,197 for the fiscal year ended June 30, 2020. State sources in the amount of \$2,752,754 accounted for 35% of the total revenue and federal sources in the amount of \$5,036,305 accounted for 64% of the total revenue in the special revenue fund. Local sources of \$52,138 accounted for the remaining 1%.

Total Special Revenue Fund revenues decreased \$1,946,741 from the previous year. State sources decreased \$975,124, Federal sources decreased by \$935,328, and local sources decreased by \$36,289.

Expenditures of the Special Revenue Fund were \$7,841,197. Instructional expenditures were \$6,474,385 or 82%, expenditures for support services were \$1,359,837 or 17% and capital outlay expenditures totaled \$6,975, for the fiscal year ended June 30, 2020.

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

Capital Projects - The capital projects revenues and other financing sources exceeded expenditures and other financing uses by \$7,864,261 increasing the fund balance from \$6,101,001 at June 30, 2019 to \$13,965,262 at June 30, 2020. The increase was due to issuance of bonds to the fund a portion of the District's referendum project.

Proprietary Funds

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

Enterprise Fund - The District uses Enterprise Funds to report activities related to the Food Services program. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2019 encumbrances.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2020 and 2019 amounts to \$68,885,398 and \$58,147,649 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2019-2020 amounted to \$2,732,756 for governmental activities and \$6,456 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2020 and 2019.

	Governmental		Business- Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 14,685,925	\$ 4,488,797			\$ 14,685,925	\$ 4,488,797
Construction in Progress	3,347,107	1,706,179			3,347,107	1,706,179
Site Improvements	1,332,087	1,289,090			1,332,087	1,289,090
Building	49,181,879	50,387,296			49,181,879	50,387,296
Machinery and Equipment	<u>283,802</u>	<u>239,197</u>	<u>\$ 54,598</u>	<u>\$ 37,090</u>	<u>338,400</u>	<u>276,287</u>
Total	<u>\$ 68,830,800</u>	<u>\$ 58,110,559</u>	<u>\$ 54,598</u>	<u>\$ 37,090</u>	<u>\$ 68,885,398</u>	<u>\$ 58,147,649</u>

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

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

LONG TERM LIABILITIES

At June 30, 2020, the District's long-term liabilities consisted of compensated absences payable of \$7,406,307, serial bonds of \$21,650,000, obligations under lease purchase agreements of \$5,200,162 (including unamortized premium) and net pension liability of \$26,925,858 totaling \$61,182,327. This is in comparison to long-term liabilities at June 30, 2019 of \$45,857,541 or an increase of \$15,324,786.

Additional information on the District's long-term liabilities are presented in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2019-2020 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were also considered when adopting the budget for fiscal year 2020-2021. Budgeted expenditures in the General Fund increased in this year's school year to fund contractual salary increases and increases in the premiums for employee benefits.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, North Bergen Board of Education, 7317 Kennedy Boulevard, North Bergen, NJ 07047.

FINANCIAL STATEMENTS

NORTH BERGEN BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 37,663,009	\$ 495,940	\$ 38,158,949
Receivables, Net	7,196,697	6,970	7,203,667
Internal Balances	(563,304)	563,304	
Other Receivables	40,789		40,789
Prepaid Items	5,000		5,000
Other Assets	20,000		20,000
Inventory		48,125	48,125
Restricted Assets			
Cash and Cash Equivalents	9,157		9,157
Capital Assets			
Not Being Depreciated	18,033,032		18,033,032
Being Depreciated, Net	<u>50,797,768</u>	<u>54,598</u>	<u>50,852,366</u>
 Total Assets	 <u>113,202,148</u>	 <u>1,168,937</u>	 <u>114,371,085</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	3,702,667		3,702,667
Deferred Amounts on Refunding of Debt	<u>172,584</u>	<u>-</u>	<u>172,584</u>
 Total Deferred Outflows of Resources	 <u>3,875,251</u>	 <u>-</u>	 <u>3,875,251</u>
 Total Assets and Deferred Outflows of Resources	 <u>117,077,399</u>	 <u>1,168,937</u>	 <u>118,246,336</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	5,150,260	138,517	5,288,777
Accrued Interest Payable	233,767		233,767
Payable to Other Governments	30,445		30,445
Unearned Revenue	918,223		918,223
Noncurrent Liabilities			
Due Within One Year	2,437,842		2,437,842
Due Beyond One Year	<u>58,744,485</u>	<u>-</u>	<u>58,744,485</u>
 Total Liabilities	 <u>67,515,022</u>	 <u>138,517</u>	 <u>67,653,539</u>

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

NORTH BERGEN BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	\$ 10,175,119		\$ 10,175,119
Deferred Commodities Revenue	<u>-</u>	<u>\$ 7,512</u>	<u>7,512</u>
Total Deferred Inflows of Resources	<u>10,175,119</u>	<u>7,512</u>	<u>10,182,631</u>
Total Liabilities and Deferred Inflows of Resources	<u>77,690,141</u>	<u>146,029</u>	<u>77,836,170</u>
NET POSITION			
Net Investment in Capital Assets	56,530,766	54,598	56,585,364
Restricted for:			
Capital Projects	14,562,701		14,562,701
Other Purposes	4,601,500		4,601,500
Unrestricted	<u>(36,307,709)</u>	<u>968,310</u>	<u>(35,339,399)</u>
Total Net Position	<u>\$ 39,387,258</u>	<u>\$ 1,022,908</u>	<u>\$ 40,410,166</u>

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

NORTH BERGEN BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 60,458,479	\$ 5,457,950	\$ 18,615,693		\$ (36,384,836)		\$ (36,384,836)
Special Education	23,848,462		13,095,149		(10,753,313)		(10,753,313)
Other Instruction	11,751,872		5,058,428		(6,693,444)		(6,693,444)
School Sponsored Activities and Athletics	2,643,478		603,790		(2,039,688)		(2,039,688)
Support Services:							
Student and Instruction Related Services	17,071,514		3,234,817		(13,836,697)		(13,836,697)
General Administrative Services	2,241,707		404,488		(1,837,219)		(1,837,219)
School Administrative Services	10,521,309		1,751,411		(8,769,898)		(8,769,898)
Plant Operations and Maintenance	16,187,072		3,257,591	\$ 406,172	(12,523,309)		(12,523,309)
Pupil Transportation	3,021,876		834,496		(2,187,380)		(2,187,380)
Business Services	3,573,405		28,827		(3,544,578)		(3,544,578)
Interest on Long-Term Debt	570,703	-	-	-	(570,703)	-	(570,703)
Total Governmental Activities	151,889,877	5,457,950	46,884,690	406,172	(99,141,065)	-	(99,141,065)
Business-Type Activities:							
Food Service	2,516,312	418,788	1,968,433	-	-	\$ (129,091)	(129,091)
Total Business-Type Activities	2,516,312	418,788	1,968,433	-	-	(129,091)	(129,091)
Total Primary Government	\$ 154,406,189	\$ 5,876,738	\$ 48,853,123	\$ 406,172	(99,141,065)	(129,091)	(99,270,156)
General Revenues							
Property Taxes							
Levied for General Purposes					50,493,344		50,493,344
Levied for Debt Service					1,554,287		1,554,287
State Aid - Unrestricted					52,848,590		52,848,590
State Aid - Restricted for Debt Service					540,842		540,842
Investment Earnings					390,436	2,441	392,877
Miscellaneous Income					564,666	-	564,666
Total General Revenues and Other Items					106,392,165	2,441	106,394,606
Change in Net Position					7,251,100	(126,650)	7,124,450
Net Position-Beginning of Year					32,136,158	1,149,558	33,285,716
Net Position-End of Year					\$ 39,387,258	\$ 1,022,908	\$ 40,410,166

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

FUND FINANCIAL STATEMENTS

**NORTH BERGEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 23,595,529		\$ 14,067,480		\$ 37,663,009
Receivables From Other Governments	5,204,438	\$ 1,992,259			7,196,697
Other Receivables	29,000				29,000
Prepaid Items	5,000				5,000
Other Assets	20,000				20,000
Due From Other Funds	335,101				335,101
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agent	-	-	-	\$ 9,157	9,157
Total Assets	<u>\$ 29,189,068</u>	<u>\$ 1,992,259</u>	<u>\$ 14,067,480</u>	<u>\$ 9,157</u>	<u>\$ 45,257,964</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 4,299,211	\$ 771,330	\$ 60,219		\$ 5,130,760
Unearned Revenue		918,223			918,223
Payables to Other Governments		30,445			30,445
Other Payables	19,500				19,500
Due To Other Funds	563,304	272,261	41,999	\$ 9,052	886,616
Total Liabilities	<u>4,882,015</u>	<u>1,992,259</u>	<u>102,218</u>	<u>9,052</u>	<u>6,985,544</u>
Fund Balances:					
Restricted					
Capital Reserve	10,026,716				10,026,716
Capital Reserve-Designated for Subsequent Year's Budget	3,250,000				3,250,000
Maintenance Reserve	3,703,000				3,703,000
Maintenance Reserve -Designated for Subsequent Year's Budget	300,000				300,000
Emergency Reserve	598,500				598,500
Excess Surplus	1,408,535				1,408,535
Excess Surplus - Designated for Subsequent Year's Budget	1,108,696				1,108,696
Capital Projects Fund			13,308,029		13,308,029
Debt Service			657,233	105	657,338
Committed					
Encumbrances	593,720				593,720
Assigned					
Designated for Subsequent Year's Budget	4,499,715				4,499,715
Encumbrances	3,077,126				3,077,126
Unassigned					
General Fund	(4,258,955)	-	-	-	(4,258,955)
Total Fund Balances	<u>24,307,053</u>	<u>-</u>	<u>13,965,262</u>	<u>105</u>	<u>38,272,420</u>
Total Liabilities and Fund Balances	<u>\$ 29,189,068</u>	<u>\$ 1,992,259</u>	<u>\$ 14,067,480</u>	<u>\$ 9,157</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 \$109,466,232 and the accumulated depreciation is \$40,635,432.

68,830,800

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:

(233,767)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 2)

(67,482,195)

Net Position of Governmental Activities

\$ 39,387,258

**NORTH BERGEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources:					
Property Taxes	\$ 50,493,344			\$ 1,554,287	\$ 52,047,631
Tuition	5,457,950				5,457,950
Interest	348,332		\$ 41,999	105	390,436
Miscellaneous	<u>564,666</u>	<u>\$ 52,138</u>	<u>-</u>	<u>-</u>	<u>616,804</u>
Total - Local Sources	56,864,292	52,138	41,999	1,554,392	58,512,821
State Sources	83,385,977	2,752,754	406,172	540,842	87,085,745
Federal Sources	<u>313,398</u>	<u>5,036,305</u>	<u>-</u>	<u>-</u>	<u>5,349,703</u>
Total Revenues	<u>140,563,667</u>	<u>7,841,197</u>	<u>448,171</u>	<u>2,095,234</u>	<u>150,948,269</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	53,193,753	2,659,952			55,853,705
Special Education Instruction	20,974,062	1,497,224			22,471,286
Other Instruction	8,670,714	2,317,209			10,987,923
School Sponsored Activities and Athletics	2,475,432				2,475,432
Support Services					
Student and Instruction Related Services	15,455,327	900,696			16,356,023
General Administrative Services	2,197,329				2,197,329
School Administrative Services	9,976,366				9,976,366
Plant Operations and Maintenance	13,095,742	375,191			13,470,933
Pupil Transportation	2,935,149	83,950			3,019,099
Business Services	3,571,458				3,571,458
Debt Service					
Principal				1,780,000	1,780,000
Interest and Other Charges	92,716			315,184	407,900
Capital Outlay	<u>904,111</u>	<u>6,975</u>	<u>12,541,911</u>	<u>-</u>	<u>13,452,997</u>
Total Expenditures	<u>133,542,159</u>	<u>7,841,197</u>	<u>12,541,911</u>	<u>2,095,184</u>	<u>156,020,451</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,021,508</u>	<u>-</u>	<u>(12,093,740)</u>	<u>50</u>	<u>(5,072,182)</u>
Other Financing Sources (Uses)					
Proceeds from Sale of Bonds			20,000,000		20,000,000
Transfers In	41,999				41,999
Transfers Out	<u>-</u>	<u>-</u>	<u>(41,999)</u>	<u>-</u>	<u>(41,999)</u>
Total Other Financing Sources (Uses)	<u>41,999</u>	<u>-</u>	<u>19,958,001</u>	<u>-</u>	<u>20,000,000</u>
Net Change in Fund Balances	7,063,507	-	7,864,261	50	14,927,818
Fund Balance, Beginning of Year	<u>17,243,546</u>	<u>-</u>	<u>6,101,001</u>	<u>55</u>	<u>23,344,602</u>
Fund Balance, End of Year	<u>\$ 24,307,053</u>	<u>\$ -</u>	<u>\$ 13,965,262</u>	<u>\$ 105</u>	<u>\$ 38,272,420</u>

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

**NORTH BERGEN BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 14,927,818**

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Outlay	\$ 13,452,997	
Depreciation Expense	<u>(2,732,756)</u>	
		10,720,241

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

Bond Proceeds	(20,000,000)	
Principal Repayments		
General Obligation Bonds	240,000	
Certificates of Participation	1,540,000	
Amortization		
Premium	130,716	
Deferred Charge on Refunding	<u>(92,123)</u>	
		(18,181,407)

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

(Increase) in Pension Expense - Public Employees' Retirement System		(81,190)
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In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

(201,396)

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

Compensated Absences		<u>67,034</u>
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Change in Net Position of Governmental Activities (Exhibit A-2)		<u>\$ 7,251,100</u>
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**NORTH BERGEN BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2020**

ASSETS

Cash	\$ 495,940
Intergovernmental Receivable	
State	6,970
Inventories	48,125
Due from Other Funds	<u>563,304</u>
 Total Current Assets	 <u>1,114,339</u>
 Capital Assets	
Equipment	175,669
Accumulated Depreciation	<u>(121,071)</u>
 Total Capital Assets, Net	 <u>54,598</u>
 Total Assets	 <u>1,168,937</u>

LIABILITIES

Current Liabilities	
Accounts Payable	<u>138,517</u>
 Total Current Liabilities	 <u>138,517</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Commodities Revenue	<u>7,512</u>
 Total Deferred Inflows of Resources	 <u>7,512</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>146,029</u>

NET POSITION

Net Investment in Capital Assets	54,598
Unrestricted	<u>968,310</u>
 Total Net Position	 <u>\$ 1,022,908</u>

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

**NORTH BERGEN BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

OPERATING REVENUES

Local Sources	
Daily Sales	
Reimbursable Programs	\$ 15,516
Non-Reimbursable Programs	389,033
Special Functions	<u>14,239</u>
 Total Operating Revenues	 <u>418,788</u>

OPERATING EXPENSES

Salaries and Wages	1,226,873
Employee Benefits	24,791
Cost of Sales	
Reimbursable Programs	807,073
Non-Reimbursable Programs	128,380
Other Purchased Services	256,617
Supplies and Materials	66,122
Depreciation	<u>6,456</u>
 Total Operating Expenses	 <u>2,516,312</u>

Operating Income (Loss)	<u>(2,097,524)</u>
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NONOPERATING REVENUES

State Sources	
State School Lunch Program	28,602
Federal Sources	
School Breakfast Program	445,252
National School Lunch Program	1,317,374
Special Milk Program	3,424
After School Snack Program	8,078
Food Distribution Program (USDA Commodities)	165,703
Interest Income	<u>2,441</u>
 Total Nonoperating Revenues	 <u>1,970,874</u>

Change in Net Position	(126,650)
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Net Position, Beginning of Year	<u>1,149,558</u>
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Net Position, End of Year	<u>\$ 1,022,908</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

**NORTH BERGEN BOARD OF EDUCATION
 PROPRIETARY FUNDS
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	\$ 418,788
Cash Payments for Salaries & Benefits	(1,251,664)
Cash Payments to Suppliers for Goods and Services	<u>(1,185,503)</u>
Net Cash (Used) by Operating Activities	<u>(2,018,379)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash Received for Interfund Transactions	487,786
Cash Received from State and Federal Subsidy Reimbursements	<u>1,989,602</u>
Net Cash Provided by Noncapital Financing Activities	<u>2,477,388</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Acquisition of Capital Assets	<u>(23,964)</u>
Net Cash (Used) by Noncapital Financing Activities	<u>(23,964)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Received on Deposits	<u>2,441</u>
Net Cash Provided by Investing Activities	<u>2,441</u>

Net Change in Cash and Cash Equivalents	437,486
Cash and Cash Equivalents, Beginning of Year	<u>58,454</u>
Cash and Cash Equivalents, End of Year	<u>\$ 495,940</u>

Reconciliation of Operating (Loss) to Net Cash**(Used) by Operating Activities**

Operating Income (Loss)	\$ <u>(2,097,524)</u>
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities	
Depreciation	6,456
Non-Cash Federal Assistance-Food Distribution Program	165,703
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	(76,725)
(Increase)/Decrease in Inventory	(19,747)
Increase/(Decrease) in Deferred Commodities Revenue	<u>3,458</u>
Total Adjustments	<u>79,145</u>

Net Cash (Used) by Operating Activities	<u>\$ (2,018,379)</u>
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Non-Cash Investing, Capital and Financing Activities

Value Received - Food Distribution Program	<u>\$ 169,161</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

**NORTH BERGEN BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2020**

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,136,676	\$ 4,033,663
Accounts Receivable	106,589	
Due From Other Funds	<u>145,228</u>	<u>-</u>
Total Assets	<u>1,388,493</u>	<u>\$ 4,033,663</u>
LIABILITIES		
Payroll Deductions and Withholdings		\$ 25,804
Accrued Salaries and Wages		3,512,804
Intergovernmental Payable	75,494	
Due to Student Groups		338,038
Due to Other Funds	<u>-</u>	<u>157,017</u>
Total Liabilities	<u>75,494</u>	<u>\$ 4,033,663</u>
NET POSITION		
Held in Trust for Unemployment Compensation Claims	<u>\$ 1,312,999</u>	

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

**NORTH BERGEN BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Employee Deductions	\$ 115,414
Interest Income	<u>13,407</u>
Total Additions	<u>128,821</u>
DEDUCTIONS	
Unemployment Claims	<u>112,586</u>
Total Deductions	<u>112,586</u>
Change in Net Position	16,235
Net Position, Beginning of Year	<u>1,296,764</u>
Net Position, End of Year	<u>\$ 1,312,999</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The North Bergen Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials from the Township of North Bergen and one appointed representative from the Guttenberg Board Education. The Board is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade twelve (12) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent of Schools is the Chief Administrative Officer of the District who is responsible for the general supervision of all schools, planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the North Bergen Board of Education this includes general operations, food service and student related activities of the District.

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

B. New Accounting Standards

For fiscal year 2020, there were no GASB statements required to be adopted and implemented by the District.

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

- GASB No. 84, *Fiduciary Activities*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary 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.

Additionally, the District reports the following fund types:

The *fiduciary trust funds* are used to account for resources legally held in trust for state unemployment insurance claims. All resources of the funds, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

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

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Prepaid Items*

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

5. *Restricted Assets*

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

6. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

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

<u>Assets</u>	<u>Years</u>
Site Improvements	20
Buildings	40
Office Equipment and Furniture	5-15
Computer Equipment	5

7. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. *Deferred Outflows/Inflows of Resources (Continued)*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items, which arise only under the accrual basis of accounting that qualify for reporting in this category. One item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

8. *Compensated Absences*

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

9. *Pensions*

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

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

10. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Losses are reported as deferred outflows of resources. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond premium or discount. Bond issuance costs are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

Capital Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2020/2021 District budget certified for taxes.

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

Maintenance Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2020/2021 District budget certified for taxes.

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2020 audited excess surplus that is required to be appropriated in the 2021/2022 original budget certified for taxes.

Excess Surplus - Designated for Subsequent Year's Budget - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that was appropriated in the 2020/2021 original budget certified for taxes.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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

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

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

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

Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2020/2021 District budget certified for taxes.

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

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

12. Fund Balance Policies

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

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

Amounts in the assigned fund balance classification are intended to be used by the Board 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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2018-2019 and 2019-2020 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Bonds Payable	\$ 21,650,000
Deferred Amount on Refunding	(14,938)
Certificates of Participation (COPS)	4,955,000
Deferred Amount on Refunding	(157,646)
Unamortized Issuance Premium	245,162
Compensated Absences	7,406,307
Net Pension Liability	26,925,858
Deferred Amounts on Net Pension Liability	
Deferred Outflows	(3,702,667)
Deferred Inflows	<u>10,175,119</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 67,482,195</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2019/2020. Also, during 2019/2020 the Board increased the original budget of the General Fund by \$3,201,490 and decreased the Special Revenue Fund budget by \$140,645. The General Fund increase was funded by the appropriation of prior year encumbrances. The decrease in the Special Revenue Fund budget was to adjust for grant awards.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

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

B. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Unallocated Benefits			
Social Security Contribution	<u>\$1,368,503</u>	<u>\$1,406,522</u>	<u>\$38,019</u>

The above variances were offset with other available resources.

C. Deficit Fund Equity

The District has an unassigned fund deficit of \$4,258,955 in the General Fund as of June 30, 2020 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2019/2020 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Deficit Fund Equity (Continued)

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The deficit in the GAAP (fund) financial statements of \$4,258,955 in the General Fund is less than the delayed state aid payments at June 30, 2020.

D. Capital Reserve

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019		\$ 8,655,216
Increased by		
Deposit Approved by Board Resolution	\$ 4,838,000	
Interest Earnings	<u>5,500</u>	
		<u>4,843,500</u>
		13,498,716
Decreased by		
Budgeted Withdrawal		<u>222,000</u>
Balance, June 30, 2020		<u>\$ 13,276,716</u>
<u>Analysis of Restricted for Capital Reserve, June 30, 2020</u>		
Capital Reserve		\$ 10,026,716
Capital Reserve - Designated for Subsequent Year's Budget		<u>3,250,000</u>
		<u>\$ 13,276,716</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019	\$ 1,300,000
Increased by	
Deposit Approved by Board Resolution	\$ 3,000,000
Interest Earnings	<u>3,000</u>
	<u>3,003,000</u>
	4,303,000
Decreased by	
Budgeted Withdrawal	<u>300,000</u>
Balance, June 30, 2020	<u>\$ 4,003,000</u>

Analysis of Restricted for Maintenance Reserve, June 30, 2020

Maintenance Reserve	\$ 3,703,000
Maintenance Reserve - Designated for Subsequent Year's Budget	<u>300,000</u>
	<u>\$ 4,003,000</u>

The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

F. Emergency Reserve

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

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

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

F. Emergency Reserve (Continued)

The activity of the emergency reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019	<u>\$ 598,500</u>
Balance, June 30, 2020	<u>\$ 598,500</u>

G. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2020 is \$2,517,231. Of this amount, \$1,108,696 was designated and appropriated in the 2020/2021 original budget certified for taxes and the remaining amount of \$1,408,535 will be appropriated in the 2021/2022 original budget certified for taxes.

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2020, the book value of the Board's deposits were \$43,338,445 and bank and brokerage firm balances of the Board’s deposits amounted to \$48,020,309. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	<u>\$ 48,020,309</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 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, 2020 none of the Board’s bank balances were exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law,” (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2020, the Board had no outstanding investments.

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

B. Receivables

Receivables as of June 30, 2020 for the district’s individual major funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Other Funds</u>	<u>Total</u>
Receivables:					
Accounts				\$ 106,589	\$ 106,589
Intergovernmental-					
Federal		\$ 1,968,400			1,968,400
State	\$ 204,596		\$ 6,970		211,566
Local	<u>4,999,842</u>	<u>23,859</u>	<u>-</u>	<u>-</u>	<u>5,023,701</u>
Gross Receivables	5,204,438	1,992,259	6,970	106,589	7,310,256
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 5,204,438</u>	<u>\$ 1,992,259</u>	<u>\$ 6,970</u>	<u>\$ 106,589</u>	<u>\$ 7,310,256</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 741,820
Grant Draw Downs for Year End Encumbrances	<u>176,403</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 918,223</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Increases</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2020</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 4,488,797	\$ 10,197,128		\$ 14,685,925
Construction in Progress	<u>1,706,179</u>	<u>3,012,402</u>	\$ (1,371,474)	<u>3,347,107</u>
Total Capital Assets, Not Being Depreciated	<u>6,194,976</u>	<u>13,209,530</u>	<u>(1,371,474)</u>	<u>18,033,032</u>
Capital Assets, Being Depreciated:				
Buildings	85,393,646		1,371,474	86,765,120
Site Improvements	1,434,351	118,997		1,553,348
Machinery and Equipment	<u>2,990,262</u>	<u>124,470</u>	-	<u>3,114,732</u>
Total Capital Assets Being Depreciated	<u>89,818,259</u>	<u>243,467</u>	<u>1,371,474</u>	<u>91,433,200</u>
Less Accumulated Depreciation for:				
Buildings	(35,006,350)	(2,576,891)		(37,583,241)
Site Improvements	(145,261)	(76,000)		(221,261)
Machinery and Equipment	<u>(2,751,065)</u>	<u>(79,865)</u>	-	<u>(2,830,930)</u>
Total Accumulated Depreciation	<u>(37,902,676)</u>	<u>(2,732,756)</u>	<u>-</u>	<u>(40,635,432)</u>
Total Capital Assets, Being Depreciated, net	<u>51,915,583</u>	<u>(2,489,289)</u>	<u>1,371,474</u>	<u>50,797,768</u>
Governmental Activities Capital Assets, net	<u>\$ 58,110,559</u>	<u>\$ 10,720,241</u>	<u>\$ -</u>	<u>\$ 68,830,800</u>

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance <u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2020</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 151,705	\$ 23,964	-	\$ 175,669
Total Capital Assets Being Depreciated	<u>151,705</u>	<u>23,964</u>	<u>-</u>	<u>175,669</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(114,615)</u>	<u>(6,456)</u>	<u>-</u>	<u>(121,071)</u>
Total Accumulated Depreciation	<u>(114,615)</u>	<u>(6,456)</u>	<u>-</u>	<u>(121,071)</u>
Total Capital Assets, Being Depreciated, net	<u>37,090</u>	<u>17,508</u>	<u>-</u>	<u>54,598</u>
Business-Type Activities Capital Assets, net	<u>\$ 37,090</u>	<u>\$ 17,508</u>	<u>\$ -</u>	<u>\$ 54,598</u>

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

Governmental Activities:

Instruction	
Regular	\$ <u>11,749</u>
Total Instruction	<u>11,749</u>
Support Services	
Support Services-Students and Instruction Related	15,810
School Administration	27,188
Operations and Maintenance of Plant	<u>2,678,009</u>
Total Support Services	<u>2,721,007</u>
Total Governmental Funds	<u>\$ 2,732,756</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 6,456</u>

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2020:

<u>Project</u>	<u>Remaining Commitment</u>
North Bergen High School (West)	\$ 1,366,260
North Bergen High School (East)	250,000
New Exterior Doors and Roof/Masonry - McKinley	<u>111,604</u>
Total	<u>\$ 1,727,864</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2020, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 272,261
General Fund	Capital Projects Fund	41,999
General Fund	Debt Service Fund	9,052
General Fund	Payroll Agency Fund	11,789
Food Service Enterprise Fund	General Fund	563,304
Unemployment Compensation Trust Fund	Payroll Agency Fund	<u>145,228</u>
Total		<u>\$ 1,043,633</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund Transfers

<u>Transfer Out</u>	<u>Transfer In</u>
	<u>General Fund</u>
Capital Projects Fund	\$ <u>41,999</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.

F. Leases

Lease Purchase Agreements

The District has entered into lease purchase agreements and issued certificates of participation (“COPS”). Refunding “COPS” were issued in 2010 and 2016. Information on the “COPS” is as follows:

<u>Series</u>	<u>Date of Issuance</u>	<u>Certificates Issued</u>	<u>Lessor</u>	<u>Agent</u>
Improvements to Various Schools	8/1/1998	\$ 9,000,000	FFL Savings Corp	Trust Company of NJ
Improvements to Various Schools	1/5/2000	10,000,000	FFL Savings Corp	Trust Company of NJ

Interest earned on the balances and unexpended costs of issuance balances totaling \$9,157 remain on deposit with the respective agents.

The maturity schedule of the remaining lease payments for principal and interest is as follows:

Governmental Activities:

<u>Fiscal Year Ended June 30,</u>	<u>Certificates of Participation</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2021	\$ 1,590,000	\$ 166,400	\$ 1,756,400
2022	1,650,000	101,600	1,751,600
2023	<u>1,715,000</u>	<u>34,300</u>	<u>1,749,300</u>
	<u>\$ 4,955,000</u>	<u>\$ 302,300</u>	<u>\$ 5,257,300</u>

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2020 are comprised of the following issues:

\$3,225,000, Pension Obligation Refunding Bonds, due in annual installments of \$250,000 to \$300,000 through April 1, 2026, interest at 4.054% to 5.054%	\$1,650,000
\$20,000,000, 2020 Bonds, due in annual installments of \$500,000 to \$990,000 through June 30, 2050, interest at 2.250% to 2.750%	<u>20,000,000</u>
Total	<u>\$21,650,000</u>

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2021	\$ 250,000	\$ 572,126	\$ 822,126
2022	765,000	579,055	1,344,055
2023	775,000	556,531	1,331,531
2024	785,000	532,270	1,317,270
2025	805,000	505,366	1,310,366
2026-2030	2,985,000	2,200,179	5,185,179
2031-2035	3,065,000	1,830,280	4,895,280
2036-2040	3,505,000	1,426,030	4,931,030
2041-2045	4,035,000	961,493	4,996,493
2046-2050	<u>4,680,000</u>	<u>393,663</u>	<u>5,073,663</u>
	<u>\$ 21,650,000</u>	<u>\$ 9,556,993</u>	<u>\$ 31,206,993</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2020 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 257,026,412
Less: Net Debt	<u>60,000,000</u>
Remaining Borrowing Power	<u>\$ 197,026,412</u>

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2020, was as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Due Withim</u> <u>One Year</u>
Governmental Activities:					
Obligations Under Lease-					
Purchase Agreement	\$ 6,495,000		\$ 1,540,000	\$ 4,955,000	\$ 1,590,000
Add: Unamortized Premium	375,878	-	130,716	245,162	-
	<u>6,870,878</u>	<u>-</u>	<u>1,670,716</u>	<u>5,200,162</u>	<u>1,590,000</u>
Bonds Payable	1,890,000	\$ 20,000,000	240,000	21,650,000	250,000
Compensated Absences Payable	7,473,341	302,220	369,254	7,406,307	597,842
Net Pension Liability	29,623,322	-	2,697,464	26,925,858	-
	<u>\$ 45,857,541</u>	<u>\$ 20,302,220</u>	<u>\$ 4,977,434</u>	<u>\$ 61,182,327</u>	<u>\$ 2,437,842</u>

The liabilities for compensated absences and net pension liability are generally liquidated by the general fund.

NOTE 5 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board is a member of the New Jersey School Insurance Group – North Jersey Educational Insurance Fund (the “Fund”). The Fund provides insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

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

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

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

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

Year Ended <u>June 30,</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ 115,414	\$ 112,586	\$ 1,312,999
2019	112,801	39,370	1,296,764
2018	110,239	92,313	1,202,550

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2020, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2020, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

Public Employees’ Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) 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.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

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

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) 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.

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

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

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

Other Pension Funds

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

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

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

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

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

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2019 is \$18.1 billion and the plan fiduciary net position as a percentage of the total pension liability is 56.27%. The collective net pension liability of the State funded TPAF at June 30, 2019 is \$61.5 billion and the plan fiduciary net position as a percentage of total pension liability is 26.95%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 which were rolled forward to June 30, 2019.

Actuarial Methods and Assumptions

In the July 1, 2018 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 2020.

PERS employers’ and TPAF State’s nonemployee contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2020 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was less than the actuarial determined amount. For 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 2020, 2019 and 2018 were equal to the required contributions.

During the fiscal years ended June 30, 2020, 2019 and 2018 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2020	\$ 1,453,565	\$ 11,913,380	\$ 5,411
2019	1,496,515	10,626,282	5,748
2018	1,384,539	8,022,614	6,571

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2020, 2019 and 2018 the District contributed \$6,420, \$6,799 and \$18,797, respectively for PERS and the State contributed \$9,746, \$10,743 and \$11,925, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$4,218,585 during the fiscal year ended June 30, 2020 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2018 through June 30, 2019. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2019 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2019.

At June 30, 2020, the District reported in the statement of net position (accrual basis) a liability of \$26,925,858 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2019. At June 30, 2019, the District's proportionate share was .14943 percent, which was a decrease of .00102 percent from its proportionate share measured as of June 30, 2018 of .15045 percent.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,534,755 for PERS. The pension contribution made by the District during the current 2019/2020 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, 2020 with a measurement date of the prior fiscal year end of June 30, 2019. 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, 2020 for contributions made subsequent to the measurement date. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 483,284	\$ 118,947
Changes of Assumptions	2,688,646	9,345,880
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		425,035
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>530,737</u>	<u>285,257</u>
Total	<u>\$ 3,702,667</u>	<u>\$ 10,175,119</u>

At June 30, 2020, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2021	\$ (520,598)
2022	(2,457,625)
2023	(2,292,475)
2024	(1,083,915)
2025	(117,839)
Thereafter	<u>-</u>
	<u>\$ (6,472,452)</u>

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

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

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

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, 2019) 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, 2019 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%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2019	6.28%
2019	June 30, 2018	5.66%

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2057
Municipal Bond Rate *	From July 1, 2057 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 6.28%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

	1% Decrease <u>5.28%</u>	Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ 34,011,734	\$ 26,925,858	\$ 20,955,004

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2019. A sensitivity analysis specific to the District's net pension liability at June 30, 2019 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2018 through June 30, 2019. 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, 2019, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$19,156,694 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2020 the State's proportionate share of the net pension liability attributable to the District is \$324,785,108. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2019. At June 30, 2019, the State's share of the net pension liability attributable to the District was .52921 percent, which was a decrease of .00266 percent from its proportionate share measured as of June 30, 2018 of .53187 percent.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55%
	Based on Years of Service
Thereafter	2.75%-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

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

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2019) 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, 2019 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%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

**NORTH BERGEN BOARD OF EDUCATION
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NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

Fiscal Year	Measurement Date	Discount Rate
2020	June 30, 2019	5.60%
2019	June 30, 2018	4.86%

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

Period of Projected Benefit

Payments for which the Following
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2054
Municipal Bond Rate *	From July 1, 2054 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 5.60%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (4.60 percent) or 1-percentage-point higher (6.60 percent) than the current rate:

	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 382,993,528</u>	<u>\$ 324,785,108</u>	<u>\$ 276,490,500</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2019. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2019 was not provided by the pension system.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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

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

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2018:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
Total	<u>364,943</u>

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2019 is \$41.7 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2018 which were rolled forward to June 30, 2019.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2018 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 \$1.28 billion to the OPEB plan in fiscal year 2019.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution 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 over a period not to exceed thirty years. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2020, 2019 and 2018 were \$4,419,646, \$4,820,064 and \$5,181,636, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2018 through June 30, 2019. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$5,369,040. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2020 the State's proportionate share of the OPEB liability attributable to the District is \$172,638,496. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2019. At June 30, 2019, the state's share of the OPEB liability attributable to the District was .41 percent, which was an increase of .01 percent from its proportionate share measured as of June 30, 2018 of .40 percent.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

The OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 3.05%
Rate Thereafter	1.55% to 3.05%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2019.
Long-Term Rate of Return	2.00%

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

For the June 30, 2019 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**NORTH BERGEN BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions (Continued)

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

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

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 2.00% as of June 30, 2019.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2019	3.50%
2019	June 30, 2018	3.87%

The discount rate represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2018 Measurement Date	\$ <u>186,170,673</u>
Changes Recognized for the Fiscal Year:	
Service Cost	7,490,941
Interest on the Total OPEB Liability	7,396,144
Differences Between Expected and Actual Experience	(25,850,921)
Changes of Assumptions	2,574,054
Gross Benefit Payments	(5,299,487)
Contributions from the Member	<u>157,092</u>
Net Changes	<u>(13,532,177)</u>
Balance, June 30, 2019 Measurement Date	\$ <u><u>172,638,496</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% percent in 2018 to 3.50% percent in 2019.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.50%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 203,954,286	\$ 172,638,496	\$ 147,762,949

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 142,246,426	\$ 172,638,496	\$ 212,871,356

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 were not provided by the pension system.

F. Tax Abatements

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

For North Bergen Board of Education, the District's share of abated taxes resulting from the Township having entered into a tax abatement agreement is indeterminate.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

New Jersey Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of all schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. The Board expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the School District. The declaration of a public health emergency remains in effect as of the date of audit. As part of a planned multi-stage approach to restart the State’s economy, Governor Murphy has signed a series of Executive Orders permitting the resumption of certain activities.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 50,493,344		\$ 50,493,344	\$ 50,493,344	
Tuition					
LEA's	5,038,500		5,038,500	5,410,341	\$ 371,841
Individuals	70,000		70,000	47,609	(22,391)
Interest on Capital Reserve	5,000		5,000	5,500	500
Interest on Emergency Reserve	1,000		1,000	3,000	2,000
Interest on Maintenance Reserve	3,000		3,000		(3,000)
Interest				339,832	339,832
Miscellaneous	400,000	-	400,000	564,666	164,666
Total Local Sources	56,010,844	-	56,010,844	56,864,292	853,448
State Sources					
Special Education Aid	5,808,963		5,808,963	5,808,963	-
Equalization Aid	52,876,513		52,876,513	52,876,513	
Security Aid	2,787,698		2,787,698	2,787,698	
Transportation Aid	747,436		747,436	747,436	
Extraordinary Aid	400,000		400,000	680,964	280,964
TPAF On Behalf					
NCGI Premium				209,774	209,774
Pension Contribution				11,703,606	11,703,606
Long Term Disability Insurance				9,746	9,746
Post Retirement				4,419,646	4,419,646
Social Security Contribution	-	-	-	4,218,585	4,218,585
Total State Source	62,620,610	-	62,620,610	83,462,931	20,842,321
Federal Sources					
Medicaid Administrative (MAC)				69,435	69,435
Medicaid Reimbursement Program	305,820	-	305,820	243,963	(61,857)
Total Federal Sources	305,820	-	305,820	313,398	7,578
Total Revenues	118,937,274	-	118,937,274	140,640,621	21,703,347
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Preschool/Kindergarten	2,140,001	-	2,140,001	2,072,619	67,382
Grades 1-5	11,752,600	\$ (155,000)	11,597,600	10,389,876	1,207,724
Grades 6-8	6,770,184	(100,000)	6,670,184	5,844,132	826,052
Grades 9-12	11,302,073	(15,925)	11,286,148	10,980,614	305,534
Regular Programs - Home Instruction					
Salaries of Teachers	199,583	-	199,583	144,524	55,059
Purchased Professional Educational Services	33,000	6,747	39,747	14,330	25,417

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	\$ 1,943,542		\$ 1,943,542	\$ 931,627	\$ 1,011,915
Purchased Professional Educational Services	215,000	\$ 12,000	227,000	151,423	75,577
Other Purchased Services	370,854	89,491	460,345	100,984	359,361
General Supplies	1,168,131	772,932	1,941,063	1,071,997	869,066
Textbooks	469,054	210,440	679,494	466,700	212,794
Total Regular Programs	36,364,022	820,685	37,184,707	32,168,826	5,015,881
Special Education					
Cognitive - Moderate					
Salaries of Teachers	333,775	216,000	549,775	511,001	38,774
Other Salaries for Instruction	142,614	1,300	143,914	143,904	10
Total Cognitive - Moderate	476,389	217,300	693,689	654,905	38,784
Learning and Learning Disabilities					
Salaries of Teachers	2,956,325	(29,300)	2,927,025	2,832,923	94,102
Other Salaries for Instruction	2,230,655	(196,000)	2,034,655	1,626,804	407,851
Purchased Professional-Educational Services	39,250	53,143	92,393	83,782	8,611
General Supplies	8,000	-	8,000	2,571	5,429
Textbooks	6,750	-	6,750	-	6,750
Total Learning and Learning Disabilities	5,240,980	(172,157)	5,068,823	4,546,080	522,743
Resource Room / Resource Center					
Salaries of Teachers	5,206,610	(65,143)	5,141,467	4,989,804	151,663
Total Resource Room / Resource Center	5,206,610	(65,143)	5,141,467	4,989,804	151,663
Preschool Disabilities - Part-Time					
Salaries of Teachers	361,239	63,550	424,789	424,761	28
Other Salaries for Instruction	387,074	(43,550)	343,524	328,360	15,164
Total Preschool Disabilities - Part-Time	748,313	20,000	768,313	753,121	15,192
Home Instruction					
Salaries of Teachers	326,545	-	326,545	274,604	51,941
Purchased Professional Educational Services	40,510	5,319	45,829	24,971	20,858
Total Home Instruction	367,055	5,319	372,374	299,575	72,799
Total Special Education	12,039,347	5,319	12,044,666	11,243,485	801,181
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,385,575	185,000	1,570,575	1,563,521	7,054
Other Salaries for Instruction	47,406	(30,000)	17,406	8,168	9,238
Purchased Professional Educational Services	20,000	-	20,000	-	20,000
Other Purchased Services	18,300	-	18,300	-	18,300
General Supplies	57,540	-	57,540	8,256	49,284
Other Objects	2,000	-	2,000	-	2,000
Total Basic Skills/Remedial - Instruction	1,530,821	155,000	1,685,821	1,579,945	105,876

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Bilingual Education					
Salaries of Teachers	\$ 3,815,768	-	\$ 3,815,768	\$ 3,570,506	\$ 245,262
Other Salaries for Instruction	76,839	-	76,839	68,507	8,332
Other Purchased Services	20,331	\$ 8,478	28,809	7,766	21,043
General Supplies	34,346	-	34,346	5,384	28,962
Textbooks	15,463	-	15,463	-	15,463
Total Bilingual Education	<u>3,962,747</u>	<u>8,478</u>	<u>3,971,225</u>	<u>3,652,163</u>	<u>319,062</u>
School Sponsored Co-Curricular Activities					
Salaries	346,629	4,500	351,129	344,390	6,739
Purchased Services	97,900	1,600	99,500	97,502	1,998
Supplies and Materials	2,475	(1,600)	875	-	875
Other Objects	225	-	225	-	225
Total School Sponsored Co-Curricular Activities	<u>447,229</u>	<u>4,500</u>	<u>451,729</u>	<u>441,892</u>	<u>9,837</u>
School Sponsored Athletics - Instruction					
Salaries	785,601	29,000	814,601	786,856	27,745
Purchased Services	525,944	(30,030)	495,914	381,606	114,308
Supplies and Materials	160,528	9,199	169,727	118,260	51,467
Total School Sponsored Athletics - Instruction	<u>1,472,073</u>	<u>8,169</u>	<u>1,480,242</u>	<u>1,286,722</u>	<u>193,520</u>
Total - Instruction	<u>55,816,239</u>	<u>1,002,151</u>	<u>56,818,390</u>	<u>50,373,033</u>	<u>6,445,357</u>
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Regular	10,780	7,871	18,651	5,871	12,780
Tuition - Other LEA's Within State - Special	17,025	2,000	19,025	18,900	125
Tuition to County Vocational School/Dist.-Reg.	828	-	828	-	828
Tuition to CSSD & Reg. Day Schools	1,633,248	(171,116)	1,462,132	1,459,965	2,167
Tuition to APSSD W/I State	1,516,231	203,149	1,719,380	1,434,000	285,380
Tuition - State Facilities	18,053	-	18,053	18,053	-
Tuition - Other	601	-	601	-	601
Total Undistributed Expenditures - Instruction	<u>3,196,766</u>	<u>41,904</u>	<u>3,238,670</u>	<u>2,936,789</u>	<u>301,881</u>
Attendance and Social Work Services					
Salaries	702,492	10,500	712,992	702,394	10,598
Other Purchased Services	2,020	-	2,020	1,108	912
Supplies and Materials	-	-	-	-	-
Total Attendance and Social Work Services	<u>704,512</u>	<u>10,500</u>	<u>715,012</u>	<u>703,502</u>	<u>11,510</u>
Health Services					
Salaries	1,078,214	(29,162)	1,049,052	967,150	81,902
Purchased Professional Technical Services	30,780	1,382	32,162	12,501	19,661
Other Purchased Services	12,150	-	12,150	9,968	2,182
Supplies and Materials	30,850	(1,500)	29,350	28,476	874
Total Health Services	<u>1,151,994</u>	<u>(29,280)</u>	<u>1,122,714</u>	<u>1,018,095</u>	<u>104,619</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Other Support Services-Speech, OT, PT and Related					
Salaries	\$ 199,614	\$ (46,500)	\$ 153,114	\$ 146,538	\$ 6,576
Purchased Professional Educational Services	419,500	127,537	547,037	458,118	88,919
Supplies and Materials	<u>3,432</u>	<u>-</u>	<u>3,432</u>	<u>-</u>	<u>3,432</u>
Total Other Support Services	<u>622,546</u>	<u>81,037</u>	<u>703,583</u>	<u>604,656</u>	<u>98,927</u>
Other Support Services - Students - Extra Serv.					
Salaries	1,082,921	162,935	1,245,856	1,195,172	50,684
Purchased Professional Educational Services	<u>676,934</u>	<u>(38,908)</u>	<u>638,026</u>	<u>293,007</u>	<u>345,019</u>
Total Other Support Services - Students - Extra Serv. -	<u>1,759,855</u>	<u>124,027</u>	<u>1,883,882</u>	<u>1,488,179</u>	<u>395,703</u>
Guidance					
Salaries of Other Professional Staff	1,648,445	(61,000)	1,587,445	1,512,128	75,317
Salaries of Secretarial and Clerical Assistants	186,088	(44,438)	141,650	35,347	106,303
Purchased Professional-Educational Services		-			
Other Purchased Prof. and Tech. Services	25,000	-	25,000	25,000	-
Other Purchased Services	24,150	-	24,150	10,741	13,409
Supplies and Materials	<u>12,050</u>	<u>43</u>	<u>12,093</u>	<u>1,375</u>	<u>10,718</u>
Total Guidance	<u>1,895,733</u>	<u>(105,395)</u>	<u>1,790,338</u>	<u>1,584,591</u>	<u>205,747</u>
Other Support Services - Child Study Team					
Salaries of Other Professional Staff	2,689,144	(85,600)	2,603,544	2,363,134	240,410
Salaries of Secretarial and Clerical Assistants	337,129	18,600	355,729	332,301	23,428
Other Purchased Professional/Technical Services	123,900	41,627	165,527	128,551	36,976
Residential Costs	525	-	525		525
Misc. Purchased Services	45,700	(1,350)	44,350	21,100	23,250
Supplies and Materials	<u>9,500</u>	<u>-</u>	<u>9,500</u>	<u>8,854</u>	<u>646</u>
Total Other Support Services - Child Study Team	<u>3,205,898</u>	<u>(26,723)</u>	<u>3,179,175</u>	<u>2,853,940</u>	<u>325,235</u>
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	207,372	(62,000)	145,372	135,487	9,885
Salaries of Other Professional Staff	1,127,496	158,950	1,286,446	1,242,727	43,719
Purchased Prof. Educational Services	600	-	600		600
Other Purchased Professional/Technical Services	900	-	900		900
Other Purchased Services	2,000	(100)	1,900		1,900
Supplies and Materials	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total Improvement of Instruction Services	<u>1,339,368</u>	<u>96,850</u>	<u>1,436,218</u>	<u>1,378,214</u>	<u>58,004</u>
Educational Media Services/School Library					
Salaries	287,643	(54,000)	233,643	215,466	18,177
Other Purchased Services	8,400	-	8,400	419	7,981
Supplies and Materials	<u>41,000</u>	<u>-</u>	<u>41,000</u>	<u>35,594</u>	<u>5,406</u>
Total Educational Media Services/School Library	<u>337,043</u>	<u>(54,000)</u>	<u>283,043</u>	<u>251,479</u>	<u>31,564</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Instructional Staff Training Services					
Salaries of Other Professional Staff	\$ 669,923	\$ (36,850)	\$ 633,073	\$ 584,316	\$ 48,757
Salaries of Secretarial and Clerical Assist.	3,915	-	3,915		3,915
Purchased Professional-Educational Serv.	75,050	218	75,268	43,780	31,488
Other Purchased Professional and Tech Svcs	4,000	-	4,000		4,000
Other Purchased Services	5,000	-	5,000		5,000
Supplies and Materials	6,000	-	6,000		6,000
Other Objects	3,800	-	3,800	-	3,800
Total Instructional Staff Training Services	<u>767,688</u>	<u>(36,632)</u>	<u>731,056</u>	<u>628,096</u>	<u>102,960</u>
Support Services General Administration					
Salaries	769,612	-	769,612	757,836	11,776
Unused Vac. Payment to Terminated/Retired Staff	53,388	-	53,388		53,388
Legal Services	500,000	23,341	523,341	390,791	132,550
Audit Fees	95,000	2,078	97,078	90,743	6,335
Expenditure and Internal Control Audit Fees	5,000	-	5,000		5,000
Architectural/Engineering Services	210,000	5,325	215,325	67,808	147,517
Other Purchased Professional Services	195,600	17,558	213,158	165,629	47,529
Communications/Telephone	151,100	7,102	158,202	100,708	57,494
BOE Other Purchased Services	12,000	655	12,655	4,441	8,214
Miscellaneous Purchased Services	62,690	1,100	63,790	36,187	27,603
Supplies and Materials	123,300	205	123,505	41,701	81,804
BOE In-House Training/Meeting Supplies	1,500	-	1,500		1,500
Judgments Against The School District	30,610	4,523	35,133		35,133
Miscellaneous Expenditures	18,350	-	18,350	9,225	9,125
BOE Membership Dues and Fees	32,050	-	32,050	31,957	93
Total Support Services General Administration	<u>2,260,200</u>	<u>61,887</u>	<u>2,322,087</u>	<u>1,697,026</u>	<u>625,061</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals	3,408,000	-	3,408,000	3,204,298	203,702
Salaries of Other Professional Staff	1,665,000	(8,917)	1,656,083	1,422,465	233,618
Salaries of Secretarial and Clerical Assistants	1,973,000	8,917	1,981,917	1,778,534	203,383
Purchased Prof. and Tech. Services	42,500	12,500	55,000	54,816	184
Other Purchased Services	133,853	(11,768)	122,085	81,464	40,621
Supplies and Materials	53,700	284	53,984	16,612	37,372
Other Objects	1,000	-	1,000	-	1,000
Total Support Services School Administration	<u>7,277,053</u>	<u>1,016</u>	<u>7,278,069</u>	<u>6,558,189</u>	<u>719,880</u>
Central Services					
Salaries	1,437,639	-	1,437,639	1,346,786	90,853
Unused Vac. Payment to Terminated/Retired Staff	64,361	-	64,361	13,773	50,588
Purchased Professional Services	56,200	24,834	81,034	73,150	7,884
Purchased Technical Services	47,500	(12,575)	34,925	30,368	4,557
Misc. Purchased Services	45,653	9,046	54,699	20,072	34,627
Supplies and Materials	27,800	1,222	29,022	16,202	12,820
Interest on Current Loans	13,500	135	13,635	1,719	11,916
Other Objects	7,050	-	7,050	4,347	2,703
Total Central Services	<u>1,699,703</u>	<u>22,662</u>	<u>1,722,365</u>	<u>1,506,417</u>	<u>215,948</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Admin. Info. Technology					
Salaries	\$ 923,000	\$ (17,300)	\$ 905,700	\$ 895,492	\$ 10,208
Purchased Professional Services	120,500	12,357	132,857	131,781	1,076
Purchased Technical Services	110,538	46,286	156,824	120,210	36,614
Other Purchased Services	5,500	3,000	8,500	4,910	3,590
Supplies and Materials	3,000	-	3,000	56	2,944
Total Admin. Info. Technology	<u>1,162,538</u>	<u>44,343</u>	<u>1,206,881</u>	<u>1,152,449</u>	<u>54,432</u>
Required Maintenance for School Facilities					
Salaries	1,106,604	(125,400)	981,204	862,592	118,612
Unused Vac. Payment to Terminated/Retired Staff	16,679		16,679		16,679
Cleaning, Repair and Maintenance Services	865,898	374,607	1,240,505	1,066,213	174,292
General Supplies	176,421	(2,124)	174,297	149,402	24,895
Total Required Maintenance for School Facilities	<u>2,165,602</u>	<u>247,083</u>	<u>2,412,685</u>	<u>2,078,207</u>	<u>334,478</u>
Custodial Services					
Salaries	4,605,227	(39,750)	4,565,477	4,142,228	423,249
Purchased Professional and Technical Services	190,000	(4,964)	185,036	165,693	19,343
Cleaning, Repair and Maintenance	208,842	6,507	215,349	210,842	4,507
Rental Land and Buildings	361,030	12,531	373,561	373,560	1
Other Purchased Property Services	111,640	11,000	122,640	118,331	4,309
Insurance	650,570	-	650,570	588,444	62,126
Miscellaneous Purchased Services	49,820	(14,000)	35,820	17,600	18,220
General Supplies	226,300	27,820	254,120	222,809	31,311
Energy (Natural Gas)	309,118	(9,900)	299,218	208,427	90,791
Energy (Electricity)	553,230	(200)	553,030	494,572	58,458
Energy (Gasoline)	29,800	(22,507)	7,293	3,757	3,536
Other Objects	7,000	-	7,000	-	7,000
Total Other Operational and Maintenance of Plant	<u>7,302,577</u>	<u>(33,463)</u>	<u>7,269,114</u>	<u>6,546,263</u>	<u>722,851</u>
Care and Upkeep of Grounds					
Salaries	119,777	(57,000)	62,777		62,777
Purchased Professional and Technical Services	42,000	(16,000)	26,000	16,558	9,442
Cleaning, Repair and Maintenance	38,725	45,378	84,103	78,321	5,782
General Supplies	2,500	261	2,761	201	2,560
Total Care and Upkeep of Grounds	<u>203,002</u>	<u>(27,361)</u>	<u>175,641</u>	<u>95,080</u>	<u>80,561</u>
Security					
Salaries	1,495,942	100,900	1,596,842	1,532,394	64,448
Purchased Professional and Technical Services	265,554	(14,221)	251,333	165,670	85,663
Cleaning, Repair and Maintenance	56,296	29,193	85,489	39,881	45,608
General Supplies	29,500	(854)	28,646	16,013	12,633
Total Security	<u>1,847,292</u>	<u>115,018</u>	<u>1,962,310</u>	<u>1,753,958</u>	<u>208,352</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Student Transportation Services					
Salaries for Pupil Transportation					
(Between Home and School) - Regular	\$ 66,915	-	\$ 66,915	\$ 35,288	\$ 31,627
Salaries for Pupil Transportation					
(Between Home and School) - Special	163,550	-	163,550	129,756	33,794
Other Purchased Prof. and Tech. Serv.	13,000	-	13,000		13,000
Cleaning, Repair and Maintenance	23,200	\$ 5,000	28,200	16,217	11,983
Contracted Services (Between Home and School) - Vendors	1,120,669	(7,639)	1,113,030	983,880	129,150
Contracted Services (Between Home and School) - Joint Agreements	33,696	-	33,696	2,800	30,896
Contracted Services (Other Than Between Home and School) - Vendors	195,914	48,353	244,267	88,674	155,593
Contracted Services (Spec Ed)-Vendors	976,526	3,502	980,028	581,147	398,881
Contracted Services (Spec Ed)-Joint Agreements	1,471,895	256,889	1,728,784	743,816	984,968
Misc. Purchased Services - Transportation	1,100	155	1,255	667	588
General Supplies	5,000	-	5,000		5,000
Transportation Supplies	10,000	-	10,000		10,000
Aid in Lieu of Payments - Nonpublic School	409,691	-	409,691	253,232	156,459
Aid in Lieu of Payments - Charter Schools	29,742	5,000	34,742	32,500	2,242
Total Student Transportation Services	4,520,898	311,260	4,832,158	2,867,977	1,964,181
Unallocated Benefits					
Group Insurance	43,994	2,500	46,494	-	46,494
Social Security Contributions	1,566,303	(197,800)	1,368,503	1,406,522	(38,019)
Other Retirement Contributions					
PERS	1,560,671	-	1,560,671	1,485,899	74,772
ERIP	53,700	300	54,000	52,061	1,939
Unemployment Compensation	55,315	209,850	265,165	262,984	2,181
Workmen's Compensation	713,900	90,000	803,900	803,306	594
Health Benefits	20,277,950	(205,620)	20,072,330	18,629,124	1,443,206
Unused Sick Payment to Terminated/Retired Staff	597,842	-	597,842	369,254	228,588
Total Unallocated Benefits	24,869,675	(100,770)	24,768,905	23,009,150	1,759,755
TPAF On Behalf (Non-Budget)					
NCGI Premium				209,774	(209,774)
Pension Contribution				11,703,606	(11,703,606)
Long Term Disability Insurance				9,746	(9,746)
Post Retirement				4,419,646	(4,419,646)
Social Security Contribution	-	-	-	4,218,585	(4,218,585)
Total TPAF On-Behalf Contributions	-	-	-	20,561,357	(20,561,357)
Total Undistributed Expenditures	68,289,943	743,963	69,033,906	81,273,614	(12,239,708)
Interest Deposit to Emergency Reserve	3,000	-	3,000	-	3,000
Interest Deposit to Maintenance Reserve	1,000	-	1,000	-	1,000
Total Current Expenditures	124,110,182	1,746,114	125,856,296	131,646,647	(5,790,351)

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CAPITAL OUTLAY					
Equipment					
Grades 1-5	\$ 10,000		\$ 10,000		\$ 10,000
Grades 6-8	10,000		10,000		10,000
Grades 9-12	25,000		25,000	\$ 13,422	11,578
Undistributed Expenditures					
General Administration	15,000		15,000		15,000
School Administration	10,000		10,000		10,000
Central Services	10,000		10,000		10,000
Admin. Info. Tech.	15,000	\$ (10,000)	5,000		5,000
Required Maintenance	60,000	43,400	103,400	65,705	37,695
Care and Upkeep	9,000	(8,400)	600		600
Security	15,000	(10,000)	5,000	4,900	100
School Buses - Regular	12,000	-	12,000	-	12,000
Total Equipment	<u>191,000</u>	<u>15,000</u>	<u>206,000</u>	<u>84,027</u>	<u>121,973</u>
Facilities Acquisition and Construction Services					
Salaries		-			-
Architectural/Engineering	15,130	264,403	279,533	37,134	242,399
Construction Services	206,305	1,033,931	1,240,236	744,582	495,654
Assessment for Debt Service on SDA Funding	92,716	-	92,716	92,716	-
Total Facilities Acquis. and Const. Services	<u>314,151</u>	<u>1,298,334</u>	<u>1,612,485</u>	<u>874,432</u>	<u>738,053</u>
Interest Deposit to Capital Reserve	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Capital Outlay	<u>510,151</u>	<u>1,313,334</u>	<u>1,823,485</u>	<u>958,459</u>	<u>865,026</u>
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	422,859	41,188	464,047	439,816	24,231
Other Salaries for Instruction	30,911	(21,187)	9,724	9,724	-
Total Summer School - Instruction	<u>453,770</u>	<u>20,001</u>	<u>473,771</u>	<u>449,540</u>	<u>24,231</u>
Summer School - Support Services					
Salaries of Teachers	<u>25,614</u>	<u>(4,076)</u>	<u>21,538</u>	<u>21,538</u>	<u>-</u>
Total Summer School - Support Services	<u>25,614</u>	<u>(4,076)</u>	<u>21,538</u>	<u>21,538</u>	<u>-</u>
Total Special Schools	<u>479,384</u>	<u>15,925</u>	<u>495,309</u>	<u>471,078</u>	<u>24,231</u>
Transfer of Funds To Charter Schools	<u>367,121</u>	<u>126,117</u>	<u>493,238</u>	<u>465,975</u>	<u>27,263</u>
Total Expenditures	<u>125,466,838</u>	<u>3,201,490</u>	<u>128,668,328</u>	<u>133,542,159</u>	<u>(4,873,831)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,529,564)</u>	<u>(3,201,490)</u>	<u>(9,731,054)</u>	<u>7,098,462</u>	<u>16,829,516</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Other Financing Sources (Uses)					
Transfer In	-	-	-	\$ 41,999	\$ 41,999
Transfer Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	41,999	41,999
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ (6,529,564)	\$ (3,201,490)	\$ (9,731,054)	7,140,461	16,871,515
Fund Balances, Beginning of Year	<u>23,966,127</u>	-	<u>23,966,127</u>	<u>23,966,127</u>	-
Fund Balances, End of Year	<u>\$ 17,436,563</u>	<u>\$ (3,201,490)</u>	<u>\$ 14,235,073</u>	<u>\$ 31,106,588</u>	<u>\$ 16,871,515</u>
Recapitulation of Fund Balance					
Restricted					
Capital Reserve				\$ 10,026,716	
Capital Reserve Designated for Subsequent Year's Budget				3,250,000	
Maintenance Reserve				3,703,000	
Maintenance Reserve Designated for Subsequent Year's Budget				300,000	
Emergency Reserve				598,500	
Excess Surplus				1,408,535	
Excess Surplus Designated for Subsequent Year's Budget				1,108,696	
Committed					
Encumbrances				593,720	
Assigned					
Designated for Subsequent Year's Budget				4,499,715	
Encumbrances				3,077,126	
Unassigned				<u>2,540,580</u>	
Fund Balance (Budgetary Basis)				31,106,588	
Less State Aid Revenue Not Recognized on GAAP Basis				<u>(6,799,535)</u>	
Fund Balance (GAAP Basis)				<u>\$ 24,307,053</u>	

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 4,953,440	\$ (1,083,474)	\$ 3,869,966	\$ 2,896,546	\$ (973,420)
Federal	5,055,438	906,799	5,962,237	5,195,380	(766,857)
Local Sources					
Miscellaneous	<u>50,000</u>	<u>36,030</u>	<u>86,030</u>	<u>48,238</u>	<u>(37,792)</u>
Total Revenues	<u>10,058,878</u>	<u>(140,645)</u>	<u>9,918,233</u>	<u>8,140,164</u>	<u>(1,778,069)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	2,989,915	332,754	3,322,669	3,197,369	125,300
Other Salaries for Instruction	175,903	53,015	228,918	225,437	3,481
Purchased Prof. and Tech. Svcs.	90,500	46,339	136,839	119,595	17,244
Other Purchased Services	1,451,951	106,697	1,558,648	1,466,176	92,472
General Supplies	388,813	214,060	602,873	328,504	274,369
Other Objects	<u>-</u>	<u>8,667</u>	<u>8,667</u>	<u>7,267</u>	<u>1,400</u>
Total Instruction	<u>5,097,082</u>	<u>761,532</u>	<u>5,858,614</u>	<u>5,344,348</u>	<u>514,266</u>
Support Services					
Salaries of Supervisors	140,517	(62,400)	78,117	50,662	27,455
Salaries of Program Directors	208,290	9,885	218,175	217,380	795
Salaries of Other Professional Staff	187,206	(64,450)	122,756	64,856	57,900
Salaries of Secretaries and Clerical Assistants	135,068	(30,654)	104,414	102,663	1,751
Other Salaries	152,744	8,363	161,107	114,801	46,306
Salaries of Master Teachers	88,613	-	88,613	-	88,613
Personal Services-Employee Benefits	2,107,974	223,378	2,331,352	1,417,525	913,827
Purchased Professional and Technical Service	83,445	85,016	168,461	128,382	40,079
Purchased Professional - Educational Services	20,201	-	20,201	20,201	-
Other Purchased Professional - Education Services	30,000	-	30,000	29,096	904
Other Purchased Professional Services	5,000	(81)	4,919	1,805	3,114
Cleaning, Repair and Maintenance Services	85,000	2,500	87,500	85,731	1,769
Rentals	350,000	(57,634)	292,366	288,698	3,668
Other Purchased Services	23,870	(3,950)	19,920	11,953	7,967
Contracted Services - Transportation	90,000	(5,000)	85,000	80,700	4,300
Travel	2,000	-	2,000	-	2,000
Miscellaneous Purchased Services	-	27,000	27,000	26,906	94
Supplies and Materials	<u>72,505</u>	<u>124,478</u>	<u>196,983</u>	<u>143,723</u>	<u>53,260</u>
Total Support Services	<u>3,782,433</u>	<u>256,451</u>	<u>4,038,884</u>	<u>2,785,082</u>	<u>1,253,802</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	333,925	(322,190)	11,735	1,734	10,001
Non-Instructional Equipment	<u>845,438</u>	<u>(836,438)</u>	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Total Facilities Acquisition and Construction Services	<u>1,179,363</u>	<u>(1,158,628)</u>	<u>20,735</u>	<u>10,734</u>	<u>10,001</u>
Total Expenditures	<u>10,058,878</u>	<u>(140,645)</u>	<u>9,918,233</u>	<u>8,140,164</u>	<u>1,778,069</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTH BERGEN BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual revenues (budgetary basis) (Exhibits C-1,C-2)	\$ 140,640,621	\$ 8,140,164
Difference - budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2019-2020)	(6,799,535)	
State Aid payment recognized for GAAP statements, not recognized for budgetary purposes (2018-2019)	6,722,581	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2020		(428,845)
Encumbrances, June 30, 2019 (net of cancellations)	-	129,878
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 140,563,667</u>	<u>\$ 7,841,197</u>
 Uses/Outflows of Resources		
Actual expenditures (budgetary basis) (Exhibits C-1, C-2)	\$ 133,542,159	\$ 8,140,164
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2020		(428,845)
Encumbrances, June 30, 2019 (net of cancellations)	-	129,878
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 133,542,159</u>	<u>\$ 7,841,197</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III
PENSION INFORMATION
AND
OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.14943%	0.15045%	0.14945%	0.15046%	0.14486%	0.14330%	0.14066%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 26,925,858	\$ 29,623,322	\$ 34,790,686	\$ 44,561,331	\$ 32,518,415	\$ 26,830,553	\$ 26,881,871
District's Covered Payroll	\$ 10,844,211	\$ 10,612,226	\$ 10,356,895	\$ 10,323,957	\$ 10,407,670	\$ 10,021,208	\$ 9,888,563
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	248.30%	279.14%	335.92%	431.63%	312.45%	267.74%	271.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

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

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

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%
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>324,785,108</u>	<u>338,362,968</u>	<u>354,838,049</u>	<u>418,493,907</u>	<u>340,769,186</u>	<u>288,185,424</u>	<u>266,185,254</u>
Total	<u>\$ 324,785,108</u>	<u>\$ 338,362,968</u>	<u>\$ 354,838,049</u>	<u>\$ 418,493,907</u>	<u>\$ 340,769,186</u>	<u>\$ 288,185,424</u>	<u>\$ 266,185,254</u>
District's Covered Payroll	\$ 57,438,423	\$ 56,584,622	\$ 54,819,749	\$ 54,487,044	\$ 53,199,487	\$ 53,640,498	\$ 52,784,010
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0	0	0	0	0	0	0
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**NORTH BERGEN BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 5D.

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

Postemployment Health Benefit Plan

Last Three Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 7,490,941	\$ 8,379,228	\$ 10,146,364
Interest on Total OPEB Liability	7,396,144	7,910,186	6,807,664
Differences Between Expected and Actual Experience	(25,850,921)	(18,906,253)	-
Changes of Assumptions	2,574,054	(21,364,016)	(28,399,011)
Gross Benefit Payments	(5,299,487)	(4,978,137)	(5,462,469)
Member Contributions	<u>157,092</u>	<u>172,052</u>	<u>201,142</u>
Net Change in Total OPEB Liability	(13,532,177)	(28,786,940)	(16,706,310)
Total OPEB Liability - Beginning of Year	<u>186,170,673</u>	<u>214,957,613</u>	<u>231,663,923</u>
Total OPEB Liability - End of Year	<u>\$ 172,638,496</u>	<u>\$ 186,170,673</u>	<u>\$ 214,957,613</u>
District's Proportionate Share of OPEB Liability	-	-	-
State's Proportionate Share of OPEB Liability	<u>\$ 172,638,496</u>	<u>\$ 186,170,673</u>	<u>\$ 214,957,613</u>
Total OPEB Liability - End of Year	<u>\$ 172,638,496</u>	<u>\$ 186,170,673</u>	<u>\$ 214,957,613</u>
District's Covered Payroll	<u>\$ 68,282,634</u>	<u>\$ 67,196,848</u>	<u>\$ 65,176,644</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	<u>0%</u>	<u>0%</u>	<u>0%</u>

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.

**NORTH BERGEN BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SPECIAL REVENUE FUND

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Preschool Education</u>	<u>Juvenile Comm. Serv.</u>	<u>HC Art Alliance</u>	<u>Subtotal Page 2</u>	<u>Subtotal Page 3</u>	<u>Grand Total</u>
REVENUES						
Intergovernmental						
State	\$ 2,896,546				\$ -	\$ 2,896,546
Federal				\$ 3,586,976	1,608,404	5,195,380
Other	-	\$ 40,971	\$ 7,267	-	-	48,238
Total Revenues	<u>2,896,546</u>	<u>40,971</u>	<u>7,267</u>	<u>3,586,976</u>	<u>1,608,404</u>	<u>8,140,164</u>
EXPENDITURES						
Instruction						
Salaries of Teachers	1,191,007			2,006,362		3,197,369
Other Salaries for Instruction	225,437					225,437
Purchased Prof. and Tech. Svcs.				119,595	-	119,595
Other Purchased Services	1,780				1,464,396	1,466,176
General Supplies	45,880			233,244	49,380	328,504
Other Objects	-	-	7,267	-	-	7,267
Total Instruction	<u>1,464,104</u>	<u>-</u>	<u>7,267</u>	<u>2,359,201</u>	<u>1,513,776</u>	<u>5,344,348</u>
Support Services						
Salaries of Supervisors of Instruction	50,662					50,662
Salaries of Program Directors	152,240			65,140		217,380
Salaries of Other Professional Staff	51,756			13,100		64,856
Salaries of Secretaries and Clerical Assistants	59,129			43,534		102,663
Other Salaries	101,659	13,142				114,801
Salaries of Master Teachers						-
Personal Services-Employee Benefits	379,119			1,038,406		1,417,525
Purchased Professional and Technical Service				47,630	80,752	128,382
Purchased Professional - Educational Services		20,201				20,201
Purchased Educational Services - Contracted Pre-K						-
Other Purchased Professional - Education Services	29,096					29,096
Other Purchased Professional Services	1,805					1,805
Cleaning, Repairs and Maintenance	85,731					85,731
Rentals	288,698					288,698
Other Purchased Services		3,638		8,315	-	11,953
Contracted Transportation Services	80,700					80,700
Miscellaneous Purchased Services	26,906					26,906
Supplies and Materials	114,207	3,990	-	11,650	13,876	143,723
Total Support Services	<u>1,421,708</u>	<u>40,971</u>	<u>-</u>	<u>1,227,775</u>	<u>94,628</u>	<u>2,785,082</u>
Facilities Acquisition and Construction Services						
Instructional Equipment	1,734				-	1,734
NonInstructional	9,000				-	9,000
Total Facilities Acquisition and Construction Services	<u>10,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,734</u>
Total Expenditures	<u>2,896,546</u>	<u>40,971</u>	<u>7,267</u>	<u>3,586,976</u>	<u>1,608,404</u>	<u>8,140,164</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-
Other Financing Uses						
Write of Prior Year Balances	-	-	-	-	-	-
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deficiency of Revenues Over Expenditures and Other Financing Uses	-					-
Fund Balance, Beginning of Year	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

ESEA						
REVENUES	<u>Title I</u>	<u>Title I SIA</u>	<u>Title II A</u>	<u>Title III</u>	<u>Title IV</u>	Page <u>Total</u>
Intergovernmental						
Federal	\$ 2,825,601	\$ 16,330	\$ 423,553	\$ 140,524	\$ 180,968	\$ 3,586,976
Total Revenues	<u>2,825,601</u>	<u>16,330</u>	<u>423,553</u>	<u>140,524</u>	<u>180,968</u>	<u>3,586,976</u>
EXPENDITURES						
Instruction						
Salaries of Teachers	1,656,202		255,060	95,100		2,006,362
Purchased Prof. and Tech. Serv.	119,595					119,595
General Supplies	11,388	15,830	-	38,158	167,868	233,244
Total Instruction	<u>1,787,185</u>	<u>15,830</u>	<u>255,060</u>	<u>133,258</u>	<u>167,868</u>	<u>2,359,201</u>
Support Services						
Salaries of Program Directors	65,140					65,140
Salaries of Other Professional Staff					13,100	13,100
Salaries of Secretaries and Clerical Assistan	43,534					43,534
Personal Services-Employee Benefits	901,277		129,863	7,266		1,038,406
Purchased Professional and Technical Svcs.	8,500	500	38,630			47,630
Other Purchased Services	8,315					8,315
Supplies and Materials	11,650	-	-	-	-	11,650
Total Support Services	<u>1,038,416</u>	<u>500</u>	<u>168,493</u>	<u>7,266</u>	<u>13,100</u>	<u>1,227,775</u>
Total Expenditures	<u>2,825,601</u>	<u>16,330</u>	<u>423,553</u>	<u>140,524</u>	<u>180,968</u>	<u>3,586,976</u>
Fund Balance, Beginning of Year	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	IDEA		Page
REVENUES	<u>Basic</u>	<u>Preschool</u>	<u>Total</u>
Intergovernmental Federal	\$ 1,605,183	\$ 3,221	\$ 1,608,404
Total Revenues	<u>1,605,183</u>	<u>3,221</u>	<u>1,608,404</u>
EXPENDITURES			
Instruction			
Other Purchased Services	1,461,175	3,221	1,464,396
General Supplies	49,380	-	49,380
Total Instruction	<u>1,510,555</u>	<u>3,221</u>	<u>1,513,776</u>
Support Services			
Purchased Professional and Technical Services	80,752		80,752
Supplies and Materials	13,876	-	13,876
Total Support Services	<u>94,628</u>	<u>-</u>	<u>94,628</u>
Facilities Acquisition and Construction Svcs			
NonInstructional Equipment	-	-	-
Total Facilities Acquisition and Construction Svcs.	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,605,183</u>	<u>3,221</u>	<u>1,608,404</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Instruction			
Salaries of Teachers	\$ 1,191,020	\$ 1,191,007	\$ 13
Other Salaries of Instruction	228,918	225,437	3,481
Other Purchased Services	3,500	1,780	1,720
General Supplies	<u>46,500</u>	<u>45,880</u>	<u>620</u>
 Total Instruction	 <u>1,469,938</u>	 <u>1,464,104</u>	 <u>5,834</u>
Support Services			
Salaries of Supervisors of Instruction	78,117	50,662	27,455
Salaries of Program Directors	152,351	152,240	111
Salaries of Other Professional Staff	104,121	51,756	52,365
Salaries of Secretaries and Clerical Assistants	59,132	59,129	3
Other Salaries	133,460	101,659	31,801
Salaries of Master Teachers	88,613	88,613	88,613
Personal Services - Employee Benefit:	1,129,633	379,119	750,514
Other Purchased Professional - Education Services	30,000	29,096	904
Other Purchased Professional Services	4,919	1,805	3,114
Cleaning, Repairs and Maintenance	87,500	85,731	1,769
Rentals	292,366	288,698	3,668
Contracted Transportation Services (Between Home and School)	80,000	80,000	-
Contracted Transportation Services (Field Trips)	5,000	700	4,300
Travel	2,000		2,000
Miscellaneous Purchased Services	27,000	26,906	94
Supplies and Materials	<u>115,081</u>	<u>114,207</u>	<u>874</u>
 Total Support Services	 <u>2,389,293</u>	 <u>1,421,708</u>	 <u>967,585</u>
Facilities Acquisition and Construction Services			
Instructional Equipment	1,735	1,734	1
Non Instructional Equipment	<u>9,000</u>	<u>9,000</u>	<u>-</u>
 Total Facilities Acquisition and Construction Services	 <u>10,735</u>	 <u>10,734</u>	 <u>1</u>
 Total Expenditures	 <u>\$ 3,869,966</u>	 <u>\$ 2,896,546</u>	 <u>\$ 973,420</u>
 Total Revised 2019-2020 Preschool Education Aid Allocation			
			\$ 2,620,896
Actual Preschool Education Aid Carryover (June 30, 2019)			1,249,070
Add: Prior Year Accounts Payable and Encumbrances Cancelled			<u>7,912</u>
Total Preschool Education Aid Funds Available for 2019-2020 Budget			3,877,878
Less: 2019-2020 Budgeted Preschool Education Aid (including Prior Year Budgeted Carryover)			<u>3,869,966</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2020			7,912
 Add: 2019-2020 Unexpended Preschool Education Aid			<u>973,420</u>
2019-2020 Carryover - Preschool Education Aid/Preschool			<u>\$ 981,332</u>
 2019-2020 Preschool Education Aid Carryover Budgeted for Preschool Programs 2020-2021			 <u>\$ 2,341,907</u>

CAPITAL PROJECTS FUND

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Issue/Project Title</u>	<u>Expenditures to Date</u>				<u>Balance, June 30, 2020</u>
	<u>Modified Appropriations</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Cancellations</u>	
McKinley Elementary School Rehabilitation - Exterior Masonry, Façade, and Sealants	\$ 493,789	\$ 184,891	\$ 374	\$ 65,175	\$ 243,349
Robert Fulton Elementary School Rehabilitation - Roof Replacement and Masonry Repairs	831,220	359,942		21,667	449,611
Lincoln Elementary School Rehabilitation - Exterior Masonry, Façade, and Sealants	711,351	313,582		114,226	283,543
Horace Mann Elementary School Rehabilitation - Roof Replacement and Masonry Repairs	754,250	444,768			309,482
Acquire Property Formerly Known as Hudson County Technical High School and provide for Additions, Renovations, Alterations and Improvements	49,585,170	331,214	12,541,537		36,712,419
Additions, Renovations, Alterations and Improvements To North Bergen High School	<u>15,372,830</u>	<u>63,205</u>	<u>-</u>	<u>-</u>	<u>15,309,625</u>
	<u>\$ 67,748,610</u>	<u>\$ 1,697,602</u>	<u>\$ 12,541,911</u>	<u>\$ 201,068</u>	<u>\$ 53,308,029</u>

Reconciliation of Project Balances to Fund Balance

Project Balances at June 30, 2020	\$ 53,308,029
Add: Reserve for Debt Service	657,233
Less: Bonds Authorized but Not Issued	<u>(40,000,000)</u>
Fund Balance (GAAP)	<u>\$ 13,965,262</u>

Recapitulation of Fund Balance

Restricted for Debt Service	\$ 657,233
Restricted for Capital Projects	
Encumbrances	2,367,260
Available for Capital Projects	<u>10,940,769</u>
Total Fund Balance- Restricted for Capital Projects	<u>\$ 13,965,262</u>

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

REVENUES AND OTHER FINANCING SOURCES

Bond Proceeds	\$ 20,000,000
Interest Income	41,999
State Share	
SDA Grant Cancelled	<u>(201,068)</u>
 Total Revenues	 <u>19,840,931</u>

EXPENDITURES AND OTHER FINANCING USES

Architectural/Engineering Services	1,239,538
Construction Services	1,105,245
Land Acquisition	10,197,128
Transfer to General Fund	<u>41,999</u>
 Total Expenditures	 <u>12,583,910</u>

Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	7,257,021
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Fund Balance, Beginning of Year	<u>6,708,241</u>
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Fund Balance, End of Year	<u><u>\$ 13,965,262</u></u>
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**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
McKINLEY ELEMENTARY SCHOOL REHABILITATION - EXTERIOR MASONRY, FAÇADE,
AND SEALANTS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 170,474	\$ (65,175)	\$ 105,299	\$ 105,299
Local Sources	<u>323,315</u>	<u>-</u>	<u>323,315</u>	<u>323,315</u>
 Total Revenues and Other Financing Sources	 <u>493,789</u>	 <u>(65,175)</u>	 <u>428,614</u>	 <u>428,614</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	32,371	\$ 374	32,745	51,434
Construction Services	<u>152,520</u>	<u>-</u>	<u>152,520</u>	<u>377,180</u>
 Total Expenditures and Other Financing Uses	 <u>184,891</u>	 <u>374</u>	 <u>185,265</u>	 <u>428,614</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 308,898</u>	 <u>\$ (65,549)</u>	 <u>\$ 243,349</u>	 <u>\$ -</u>

Additional Project Information:

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

Percentage Increase over Original Authorized

Cost	53%
Percentage Completion	43%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2021

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ROBERT FULTON ELEMENTARY SCHOOL REHABILITATION
ROOF REPLACEMENT AND MASONRY REPAIRS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 471,366	\$ (21,667)	\$ 449,699	\$ 449,699
Local Sources	<u>359,854</u>	<u>-</u>	<u>359,854</u>	<u>359,854</u>
 Total Revenues and Other Financing Sources	 <u>831,220</u>	 <u>(21,667)</u>	 <u>809,553</u>	 <u>809,553</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	29,852		29,852	97,146
Construction Services	<u>330,090</u>	<u>-</u>	<u>330,090</u>	<u>712,407</u>
 Total Expenditures and Other Financing Uses	 <u>359,942</u>	 <u>-</u>	 <u>359,942</u>	 <u>809,553</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 471,278</u>	 <u>\$ (21,667)</u>	 <u>\$ 449,611</u>	 <u>\$ -</u>

Additional Project Information:

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

Percentage Increase over Original Authorized

Cost	4%
Percentage Completion	44%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2021

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
LINCOLN ELEMENTARY SCHOOL REHABILITATION
EXTERIOR MASONRY, FAÇADE AND SEALANTS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 308,116	\$ (114,226)	\$ 193,890	\$ 193,890
Local Sources	<u>403,235</u>	<u>-</u>	<u>403,235</u>	<u>403,235</u>
 Total Revenues and Other Financing Sources	 <u>711,351</u>	 <u>(114,226)</u>	 <u>597,125</u>	 <u>597,125</u>
 Expenditures and Other Financing Uses				
Architectural/Engineering Services	22,552		22,552	71,655
Construction Services	<u>291,030</u>	<u>-</u>	<u>291,030</u>	<u>525,470</u>
 Total Expenditures and Other Financing Uses	 <u>313,582</u>	 <u>-</u>	 <u>313,582</u>	 <u>597,125</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 397,769</u>	 <u>\$ (114,226)</u>	 <u>\$ 283,543</u>	 <u>\$ -</u>

Additional Project Information:

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

Percentage Decrease over Original Authorized

Cost	18%
Percentage Completion	53%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	December 31, 2020

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
HORACE MANN ELEMENTARY SCHOOL REHABILITATION
ROOF REPLACEMENT AND MASONRY REPAIRS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Additional Project Information:

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

Percentage Decrease over Original Authorized

Cost	2%
Percentage Completion	59%
Original Target Completion Date	June 30, 2015
Revised Target Completion Date	June 30, 2021

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ACQUIRE PROPERTY FORMERLY KNOWN AS HUDSON COUNTY TECHNICAL HISGH SCHOO AND
PROVIDE FOR ADDITIONS, RENOVATIONS, ALTERATIONS AND IMPROVEMENTS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds		\$ 20,000,000	\$ 20,000,000	\$ 44,627,170
Local Sources	\$ 4,958,000	-	4,958,000	4,958,000
 Total Revenues and Other Financing Sources	<u>4,958,000</u>	<u>20,000,000</u>	<u>24,958,000</u>	<u>49,585,170</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	331,214	1,239,164	1,570,378	3,340,000
Acquisition of Land		10,197,128	10,197,128	10,000,000
Construction Services	-	1,105,245	1,105,245	36,245,170
 Total Expenditures and Other Financing Uses	<u>331,214</u>	<u>12,541,537</u>	<u>12,872,751</u>	<u>49,585,170</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 4,626,786</u>	<u>\$ 7,458,463</u>	<u>\$ 12,085,249</u>	<u>\$ -</u>

Additional Project Information:

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

Percentage Increase over Original Authorized

Cost	0%
Percentage Completion	26%
Original Target Completion Date	August 2021
Revised Target Completion Date	August 2021

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ADDITIONS, RENOVATIONS, ALTERATIONS AND IMPROVEMENTS
TO NORTH BERGEN HIGH SCHOOL
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Additional Project Information:

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

PROPRIETARY FUNDS

EXHIBIT G-1

**NORTH BERGEN BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2020**

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

EXHIBIT G-2

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

EXHIBIT G-3

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

FIDUCIARY FUNDS

**NORTH BERGEN BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2020**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 338,038	\$ 3,695,625	\$ 4,033,663
Total Assets	<u>\$ 338,038</u>	<u>\$ 3,695,625</u>	<u>\$ 4,033,663</u>
LIABILITIES			
Payroll and Payroll Deductions and Withholdings		\$ 25,804	\$ 25,804
Accrued Salaries and Wages		3,512,804	3,512,804
Due to Other Funds		157,017	157,017
Due to Student Groups	<u>\$ 338,038</u>	<u>-</u>	<u>338,038</u>
Total Liabilities	<u>\$ 338,038</u>	<u>\$ 3,695,625</u>	<u>\$ 4,033,663</u>

**NORTH BERGEN BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOT APPLICABLE

**STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Balance, July 1, <u>2019</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2020</u>
ELEMENTARY SCHOOLS	\$ 116,038	\$ 174,122	\$ 154,925	\$ 135,235
HIGH SCHOOL				
Athletic	6,283	38,155	40,219	4,219
General	<u>186,548</u>	<u>206,527</u>	<u>194,491</u>	<u>198,584</u>
Total	<u>\$ 308,869</u>	<u>\$ 418,804</u>	<u>\$ 389,635</u>	<u>\$ 338,038</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Balance, July 1, <u>2019</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2020</u>
Payroll and Payroll Deductions and Withholdings	\$ 50,669	\$ 105,422,870	\$ 105,447,735	\$ 25,804
Accrued Salaries and Wages	3,596,802	3,461,882	3,545,880	3,512,804
Due to Other Funds	<u>389,321</u>	<u>-</u>	<u>232,304</u>	<u>157,017</u>
Total Liabilities	<u>\$ 4,036,792</u>	<u>\$ 108,884,752</u>	<u>\$ 109,225,919</u>	<u>\$ 3,695,625</u>

LONG-TERM DEBT

**NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2020</u>
			<u>Date</u>	<u>Amount</u>					
Pension Obligation Refunding Bonds	10/31/2013	\$ 3,225,000	4/1/2021	\$ 250,000	4.054 %				
			4/1/2022	265,000	4.254				
			4/1/2023	275,000	4.504				
			4/1/2024	285,000	5.054				
			4/1/2025	300,000	5.054				
			4/1/2026	275,000	5.054	\$ 1,890,000	-	\$ 240,000	\$ 1,650,000
2020 School Bonds	2/13/2020	20,000,000	2/1/2022	500,000	2.250				
			2/1/2023	500,000	2.375				
			2/1/2024	500,000	2.500				
			2/1/2025	505,000	2.500				
			2/1/2026	515,000	2.500				
			2/1/2027	530,000	2.500				
			2/1/2028	540,000	2.500				
			2/1/2029	555,000	2.500				
			2/1/2030	570,000	2.500				
			2/1/2031	585,000	2.500				
			2/1/2032	595,000	2.500				
			2/1/2033	610,000	2.500				
			2/1/2034	630,000	2.500				
			2/1/2035	645,000	2.500				
			2/1/2036	665,000	2.500				
			2/1/2037	680,000	2.500				
			2/1/2038	700,000	2.500				
			2/1/2039	720,000	2.500				
			2/1/2040	740,000	2.500				
			2/1/2041	760,000	2.500				
			2/1/2042	785,000	2.500				
			2/1/2043	805,000	2.500				
			2/1/2044	830,000	2.625				
			2/1/2045	855,000	2.625				
			2/1/2046	880,000	2.750				
			2/1/2047	910,000	2.750				
			2/1/2048	935,000	2.750				
			2/1/2049	965,000	2.750				
			2/1/2050	990,000	2.750				
						-	\$ 20,000,000	-	20,000,000
						<u>\$ 1,890,000</u>	<u>\$ 20,000,000</u>	<u>\$ 240,000</u>	<u>\$ 21,650,000</u>

NORTH BERGEN BOARD OF EDUCATION
 LONG-TERM DEBT
 OBLIGATIONS UNDER LEASE-PURCHASE AGREEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2020</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Certificates of Participation	2/25/2016	\$ 7,575,000	12/15/2020	\$ 1,590,000	4.00 %				
			12/15/2021	1,650,000	4.00				
			12/15/2022	1,715,000	4.00	\$ 6,495,000	-	\$ 1,540,000	\$ 4,955,000
						\$ 6,495,000	\$ -	\$ 1,540,000	\$ 4,955,000

**NORTH BERGEN BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 1,554,287		\$ 1,554,287	\$ 1,554,287	
Miscellaneous				105	\$ 105
State Sources					
Debt Service Aid	<u>540,842</u>	<u>-</u>	<u>540,842</u>	<u>540,842</u>	<u>-</u>
Total Revenues	<u>2,095,129</u>	<u>-</u>	<u>2,095,129</u>	<u>2,095,234</u>	<u>105</u>
EXPENDITURES					
Debt Service:					
Lease Purchase					
Principal	1,540,000		1,540,000	1,540,000	
Interest	229,000		229,000	229,000	
Pension Obligation Bonds					
Principal	240,000		240,000	240,000	
Interest	<u>86,184</u>	<u>-</u>	<u>86,184</u>	<u>86,184</u>	<u>-</u>
Total Expenditures	<u>2,095,184</u>	<u>-</u>	<u>2,095,184</u>	<u>2,095,184</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(55)	-	(55)	50	105
Fund Balance, Beginning of Year	<u>55</u>	<u>-</u>	<u>55</u>	<u>55</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105</u>	<u>\$ 105</u>

STATISTICAL SECTION

This part of the North Bergen Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014 (1)	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets	\$ 40,233,862	\$ 41,423,409	\$ 42,221,991	\$ 40,601,409	\$ 45,233,311	\$ 46,523,366	\$ 49,080,720	\$ 51,220,429	\$ 52,144,194	\$ 56,530,766
Restricted	6,114,077	8,314,077	10,814,307	14,765,943	10,301,109	18,322,309	13,684,522	13,503,685	14,582,002	19,164,201
Unrestricted	<u>(7,932,653)</u>	<u>(6,036,044)</u>	<u>(8,108,779)</u>	<u>(35,618,889)</u>	<u>(31,328,800)</u>	<u>(36,862,342)</u>	<u>(34,938,961)</u>	<u>(36,181,905)</u>	<u>(34,590,038)</u>	<u>(36,307,709)</u>
Total Governmental Activities Net Position	<u>\$ 38,415,286</u>	<u>\$ 43,701,442</u>	<u>\$ 44,927,519</u>	<u>\$ 19,748,463</u>	<u>\$ 24,205,620</u>	<u>\$ 27,983,333</u>	<u>\$ 27,826,281</u>	<u>\$ 28,542,209</u>	<u>\$ 32,136,158</u>	<u>\$ 39,387,258</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 24,908	\$ 23,185	\$ 21,462	\$ 34,275	\$ 31,513	\$ 28,752	\$ 33,240	\$ 41,149	\$ 37,090	\$ 54,598
Unrestricted	<u>204,372</u>	<u>387,268</u>	<u>549,791</u>	<u>691,390</u>	<u>769,370</u>	<u>1,015,447</u>	<u>1,032,010</u>	<u>1,064,013</u>	<u>1,112,468</u>	<u>968,310</u>
Total Business-Type Activities Net Position	<u>\$ 229,280</u>	<u>\$ 410,453</u>	<u>\$ 571,253</u>	<u>\$ 725,665</u>	<u>\$ 800,883</u>	<u>\$ 1,044,199</u>	<u>\$ 1,065,250</u>	<u>\$ 1,105,162</u>	<u>\$ 1,149,558</u>	<u>\$ 1,022,908</u>
District-Wide										
Net Investment in Capital Assets	\$ 40,258,770	\$ 41,446,594	\$ 42,243,453	\$ 40,635,684	\$ 45,264,824	\$ 46,552,118	\$ 49,113,960	\$ 51,261,578	\$ 52,181,284	\$ 56,585,364
Restricted	6,114,077	8,314,077	10,814,307	14,765,943	10,301,109	18,322,309	13,684,522	13,503,685	14,582,002	19,164,201
Unrestricted	<u>(7,728,281)</u>	<u>(5,648,776)</u>	<u>(7,558,988)</u>	<u>(34,927,499)</u>	<u>(30,559,430)</u>	<u>(35,846,895)</u>	<u>(33,906,951)</u>	<u>(35,117,892)</u>	<u>(33,477,570)</u>	<u>(35,339,399)</u>
Total District Net Position	<u>\$ 38,644,566</u>	<u>\$ 44,111,895</u>	<u>\$ 45,498,772</u>	<u>\$ 20,474,128</u>	<u>\$ 25,006,503</u>	<u>\$ 29,027,532</u>	<u>\$ 28,891,531</u>	<u>\$ 29,647,371</u>	<u>\$ 33,285,716</u>	<u>\$ 40,410,166</u>

(1) Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions".

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 44,937,810	\$ 46,698,490	\$ 49,890,427	\$ 48,062,992	\$ 56,216,853	\$ 60,312,310	\$ 67,250,193	\$ 69,252,700	\$ 63,644,374	\$ 60,458,479
Special Education	13,750,989	14,935,338	15,393,829	16,364,077	20,000,057	21,371,331	24,113,217	25,056,382	24,258,879	23,848,462
Other Instruction	8,184,243	9,141,683	10,598,844	9,400,836	9,742,185	10,357,495	11,908,442	11,534,561	12,010,820	11,751,872
School Sponsored Activities And Athletics	1,688,966	1,899,603	2,101,085	2,087,712	2,284,648	2,450,975	2,784,999	2,922,663	2,972,354	2,643,478
Community Services Programs										
Support Services:										
Student & Instruction Related Services	13,829,858	14,025,679	13,655,646	13,433,274	15,204,154	16,519,639	18,686,314	19,397,649	17,933,421	17,071,514
General Administration	2,712,890	2,489,391	2,849,487	2,446,297	2,527,627	2,800,487	3,052,249	2,728,117	2,743,501	2,241,707
School Administrative Services	7,012,372	6,818,014	7,659,657	8,005,807	9,453,664	10,169,920	11,099,792	11,310,032	10,976,374	10,521,309
Plant Operations And Maintenance	12,543,652	12,807,210	13,724,829	14,789,426	14,147,869	13,723,364	16,042,326	16,298,080	16,010,748	16,187,072
Pupil Transportation	3,727,566	4,059,359	3,825,607	3,796,694	4,019,075	3,957,813	3,717,316	3,886,776	3,863,529	3,021,876
Business and Other Support Services	2,605,588	2,650,591	2,802,117	2,716,209	3,145,017	3,093,191	3,203,625	3,547,726	3,836,790	3,573,405
Interest On Long-Term Debt	964,942	925,499	900,966	910,459	819,740	841,211	547,825	494,870	436,153	570,703
Total Governmental Activities Expenses	111,958,876	116,450,857	123,402,494	122,013,783	137,560,889	145,597,736	162,406,298	166,429,556	158,686,943	151,889,877
Business-Type Activities:										
Food Service	2,778,034	2,911,970	2,947,175	2,903,222	2,945,158	2,989,029	3,061,343	2,947,323	2,960,902	2,516,312
Total Business-Type Activities Expense	2,778,034	2,911,970	2,947,175	2,903,222	2,945,158	2,989,029	3,061,343	2,947,323	2,960,902	2,516,312
Total District Expenses	\$ 114,736,910	\$ 119,362,827	\$ 126,349,669	\$ 124,917,005	\$ 140,506,047	\$ 148,586,765	\$ 165,467,641	\$ 169,376,879	\$ 161,647,845	\$ 154,406,189
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular Instruction	\$ 4,509,007	\$ 4,022,183	\$ 3,385,154	\$ 4,389,854	\$ 4,293,630	\$ 4,029,702	\$ 4,239,503	\$ 4,598,903	\$ 4,937,577	\$ 5,457,950
Operating Grants And Contributions	23,564,868	25,015,529	26,589,456	23,763,862	38,311,398	44,897,037	56,472,260	58,779,883	52,617,460	46,884,690
Capital Grants And Contributions	1,201,613	896,328	697,311	84,373	1,984,809	1,084,063	970,572	2,277	8,108	406,172
Total Governmental Activities Program Revenues	29,275,488	29,934,040	30,671,921	28,238,089	44,589,837	50,010,802	61,682,335	63,381,063	57,563,145	52,748,812
Business-Type Activities:										
Charges For Services										
Food Service	\$ 734,672	\$ 723,677	\$ 637,575	\$ 596,612	\$ 603,366	\$ 608,017	\$ 599,065	\$ 563,293	\$ 568,496	\$ 418,788
Operating Grants And Contributions	2,116,924	2,369,269	2,470,315	2,460,891	2,416,884	2,623,970	2,482,935	2,422,299	2,432,586	1,968,433
Total Business Type Activities Program Revenues	2,851,596	3,092,946	3,107,890	3,057,503	3,020,250	3,231,987	3,082,000	2,985,592	3,001,082	2,387,221
Total District Program Revenues	\$ 32,127,084	\$ 33,026,986	\$ 33,779,811	\$ 31,295,592	\$ 47,610,087	\$ 53,242,789	\$ 64,764,335	\$ 66,366,655	\$ 60,564,227	\$ 55,136,033
Net (Expense)/Revenue										
Governmental Activities	\$ (82,683,388)	\$ (86,516,817)	\$ (92,730,573)	\$ (93,775,694)	\$ (92,971,052)	\$ (95,586,934)	\$ (100,723,963)	\$ (103,048,493)	\$ (101,123,798)	\$ (99,141,065)
Business-Type Activities	73,562	180,976	160,715	154,281	75,092	242,958	20,657	38,269	40,180	(129,091)
Total District-Wide Net Expense	\$ (82,609,826)	\$ (86,335,841)	\$ (92,569,858)	\$ (93,621,413)	\$ (92,895,960)	\$ (95,343,976)	\$ (100,703,306)	\$ (103,010,224)	\$ (101,083,618)	\$ (99,270,156)

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental Activities:										
General Revenues										
Property Taxes - General Purposes	\$ 39,301,311	\$ 40,037,337	\$ 41,061,340	\$ 42,141,260	\$ 43,507,740	\$ 45,550,000	\$ 46,734,214	\$ 48,709,108	\$ 49,895,435	\$ 50,493,344
Property Taxes - Debt Service	1,676,751	1,673,267	1,482,582	1,593,869	1,576,831	1,573,392	1,423,414	1,567,487	1,529,144	1,554,287
State Aid - Unrestricted	47,233,353	48,377,423	50,230,702	50,857,905	51,010,601	51,001,448	51,387,346	52,484,655	51,877,191	52,848,590
State Aid - Restricted for Debt Service	550,958	544,966	551,162	550,827	550,049	551,188	550,674	476,785	530,716	540,842
Investment Earnings	15,034	12,744	15,591	18,341	19,253	39,121	82,733	193,891	471,909	390,436
Miscellaneous Income	717,003	1,157,236	615,273	306,307	763,735	649,498	388,530	332,495	413,352	564,666
Gain (Loss) on Disposal of Assets	-	-	-	10,000	-	-	-	-	-	-
Transfers	(13,054)	-	-	-	-	-	-	-	-	-
Total Governmental Activities	89,481,356	91,802,973	93,956,650	95,478,509	97,428,209	99,364,647	100,566,911	103,764,421	104,717,747	106,392,165
Business-Type Activities:										
General Revenues										
Investment Earnings	-	197	85	131	126	358	394	1,643	4,216	2,441
Transfers	13,054	-	-	-	-	-	-	-	-	-
Total Business Type Activities	13,054	197	85	131	126	358	394	1,643	4,216	2,441
Total District-Wide	\$ 89,494,410	\$ 91,803,170	\$ 93,956,735	\$ 95,478,640	\$ 97,428,335	\$ 99,365,005	\$ 100,567,305	\$ 103,766,064	\$ 104,721,963	\$ 106,394,606
Change in Net Position										
Governmental Activities	\$ 6,797,968	\$ 5,286,156	\$ 1,226,077	\$ 1,702,815	\$ 4,457,157	\$ 3,777,713	\$ (157,052)	\$ 715,928	\$ 3,593,949	\$ 7,251,100
Business-Type Activities	86,616	181,173	160,800	154,412	75,218	243,316	21,051	39,912	44,396	(126,650)
Total District	\$ 6,884,584	\$ 5,467,329	\$ 1,386,877	\$ 1,857,227	\$ 4,532,375	\$ 4,021,029	\$ (136,001)	\$ 755,840	\$ 3,638,345	\$ 7,124,450

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable					\$ 746,280	\$ 424,454	\$ 455,822	\$ 440,660	\$ 398,500	
Restricted	\$ 7,194,281	\$ 7,605,189	\$ 10,231,727	\$ 16,046,061	13,469,501	18,804,592	17,150,168	16,747,103	12,766,887	\$ 20,395,447
Committed	104,291	422,972	88,967	26,686	57,114	465,127	1,379,824	644,243	1,313,238	593,720
Assigned	1,219,248	4,259,700	4,652,890	3,503,405	3,696,448	2,092,745	3,434,565	3,642,763	6,791,341	7,576,841
Unassigned	<u>(2,813,482)</u>	<u>(2,984,615)</u>	<u>(3,317,010)</u>	<u>(4,726,127)</u>	<u>(3,659,697)</u>	<u>(3,768,087)</u>	<u>(3,739,862)</u>	<u>(3,743,874)</u>	<u>(4,026,420)</u>	<u>(4,258,955)</u>
Total General Fund	<u>\$ 5,704,338</u>	<u>\$ 9,303,246</u>	<u>\$ 11,656,574</u>	<u>\$ 14,850,025</u>	<u>\$ 14,309,646</u>	<u>\$ 18,018,831</u>	<u>\$ 18,680,517</u>	<u>\$ 17,730,895</u>	<u>\$ 17,243,546</u>	<u>\$ 24,307,053</u>
All Other Governmental Funds										
Restricted	\$ 4,388,642	\$ 3,489,567	\$ 2,335,710	\$ 3,694,101	\$ 4,485,954	\$ 4,012,812	\$ 3,045,706	\$ 2,971,134	\$ 6,101,056	\$ 13,965,367
Unassigned	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 4,388,642</u>	<u>\$ 3,489,567</u>	<u>\$ 2,330,710</u>	<u>\$ 3,694,101</u>	<u>\$ 4,485,954</u>	<u>\$ 4,012,812</u>	<u>\$ 3,045,706</u>	<u>\$ 2,971,134</u>	<u>\$ 6,101,056</u>	<u>\$ 13,965,367</u>

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Property Taxes	\$ 40,978,062	\$ 41,710,604	\$ 42,543,922	\$ 43,735,129	\$ 45,084,571	\$ 47,123,392	\$ 48,157,628	\$ 50,276,595	\$ 51,424,579	\$ 52,047,631
Tuition Charges	4,509,007	4,022,183	3,385,154	4,389,854	4,293,630	4,029,702	4,239,503	4,598,903	4,937,577	5,457,950
Interest Earnings	15,034	12,744	15,591	18,341	19,253	39,121	82,733	193,891	471,909	390,436
Miscellaneous	773,567	1,206,933	665,266	356,390	812,423	701,532	440,106	383,598	501,779	616,804
State Sources	65,041,850	66,726,453	71,745,246	70,212,122	73,625,973	74,785,707	77,548,384	80,050,585	85,125,679	87,085,745
Federal Sources	7,452,378	8,058,096	6,273,392	4,994,762	5,589,986	6,148,253	6,256,531	6,287,587	6,377,588	5,349,703
Total Revenue	118,769,898	121,737,013	124,628,571	123,706,598	129,425,836	132,827,707	136,724,885	141,791,159	148,839,111	150,948,269
Expenditures										
Instruction										
Regular Instruction	44,714,151	47,479,499	49,203,631	48,751,266	48,258,565	50,228,150	52,221,904	56,016,919	56,506,718	55,853,705
Special Education Instruction	13,750,989	14,935,338	15,393,829	16,364,077	18,054,376	18,677,742	19,777,356	21,123,429	22,102,670	22,471,286
Other Instruction	8,184,243	9,141,683	10,598,844	9,400,836	8,698,195	8,974,600	9,720,858	9,540,589	10,911,929	10,985,923
School Sponsored Activities and Athletics	1,688,966	1,899,603	2,101,085	2,087,712	2,056,839	2,138,965	2,293,585	2,462,631	2,700,922	2,475,432
Community Service Programs										
Support Services:										
Student and Inst. Related Services	13,795,578	13,985,726	13,615,693	13,394,135	14,118,157	14,874,866	15,695,525	16,516,797	16,584,049	16,356,023
General Administration	2,577,112	2,464,796	2,779,257	2,460,755	2,277,885	2,523,972	2,697,456	2,419,474	2,546,054	2,197,329
School Administrative Services	6,924,399	6,935,770	7,505,592	8,014,886	8,433,338	8,940,045	9,247,656	9,402,029	9,929,095	9,976,366
Plant Operations And Maintenance	10,982,784	11,142,404	11,828,538	11,709,601	12,078,308	11,412,244	12,337,585	12,521,251	13,042,755	13,470,933
Pupil Transportation	3,704,806	4,059,359	3,825,607	3,796,694	4,017,346	3,952,064	3,692,609	3,853,173	3,847,754	3,019,099
Business and Other Support Services	2,493,716	2,737,382	2,709,954	2,750,986	2,997,233	2,972,413	2,959,599	3,177,503	3,627,321	3,571,458
Capital Outlay	4,267,596	2,001,746	1,667,902	368,045	5,458,629	2,219,962	3,700,564	3,092,984	2,104,170	13,452,997
Debt Service:										
Principal	1,654,541	1,420,850	1,390,000	1,820,000	1,985,000	2,065,000	2,085,000	2,145,000	1,820,000	1,780,000
Interest and Other Charges	892,591	833,024	814,168	840,890	740,491	815,092	600,608	543,574	473,101	407,900
Debt Issuance Cost	189,516									
Advance Refunding Escrow	45,983	-	-	-	-	-	-	-	-	-
Total Expenditures	115,866,971	119,037,180	123,434,100	121,759,883	129,174,362	129,795,115	137,030,305	142,815,353	146,196,538	156,020,451
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,902,927	2,699,833	1,194,471	1,946,715	251,474	3,032,592	(305,420)	(1,024,194)	2,642,573	(5,072,182)
Other Financing Sources (Uses)										
Proceeds From Borrowing	5,590,000			5,760,000		7,575,000				20,000,000
Premium on Issuance of Bonds/Certificates of Participation						800,793				
Payments to Refunding Escrow Agent	(5,310,000)			(3,149,873)		(8,172,342)				
Original Issue Discount	(32,693)									
Transfers In	1,767,818			1,500,000	2,364,834	233,650	13,493	51,854	6,212,910	41,999
Transfers Out	(1,780,872)	-	-	(1,500,000)	(2,364,834)	(233,650)	(13,493)	(51,854)	(6,212,910)	(41,999)
Total Other Financing Sources (Uses)	234,253	-	-	2,610,127	-	203,451	-	-	-	20,000,000
Net Change in Fund Balances	\$ 3,137,180	\$ 2,699,833	\$ 1,194,471	\$ 4,556,842	\$ 251,474	\$ 3,236,043	\$ (305,420)	\$ (1,024,194)	\$ 2,642,573	\$ 14,927,818
Debt Service as a Percentage of Noncapital Expenditures	2.28%	1.93%	1.81%	2.19%	2.20%	2.26%	2.01%	1.92%	1.59%	1.53%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Refunds</u>	<u>E-Rate</u>	<u>Solar Energy</u>	<u>Gate Receipts</u>	<u>Miscellaneous</u>	<u>Total</u>
2011	\$ 4,509,007	\$ 15,023	\$ 22,706	\$ 224,648	\$ 220,467	\$ 11,179	\$ 237,450	\$ 5,240,480
2012	4,022,183	12,744	98,551	239,348	360,500	2,684	456,153	5,192,163
2013	3,385,154	15,591	121,308	251,647	61,617	4,440	176,261	4,016,018
2014	4,389,854	18,341	43,878	-	116,532	11,357	134,540	4,714,502
2015	4,293,630	19,253	151,248		144,680	10,428	457,379	5,076,618
2016	4,029,702	39,121	118,260	185,145	243,538	8,236	94,319	4,718,321
2017	4,239,503	82,733	61,722	35,929	252,919	11,515	21,440	4,705,761
2018	4,598,903	193,836	40,605	25,153	173,635	15,043	78,059	5,125,234
2019	4,937,577	471,909	10,603	12,914	166,005	9,356	214,474	5,822,838
2020	5,457,950	348,332	10,492		190,423	9,017	354,734	6,370,948

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^a
2011	\$ 69,433,900	\$ 1,486,450,500	\$ 539,785,000	\$ 274,017,700	\$ 158,468,600	\$ 2,528,155,700	\$ 3,938,089	\$ 2,532,093,789	\$ 5,537,379,395	\$ 1.633
2012	58,051,700	1,482,388,500	519,215,300	295,515,200	161,338,100	2,516,508,800	4,574,415	2,521,083,215	4,993,454,517	1.671
2013	52,378,200	1,479,713,100	428,606,000	366,192,700	158,416,800	2,485,306,800	3,915,047	2,489,221,847	4,718,625,502	1.734
2014	54,338,500	1,477,819,100	422,492,700	361,379,400	164,902,300	2,480,932,000	4,092,557	2,485,024,557	4,593,353,727	1.787
2015	44,353,300	1,476,800,900	479,620,100	363,715,900	168,470,800	2,532,961,000	4,174,875	2,537,135,875	4,805,626,920	1.817
2016	45,723,200	1,474,075,800	483,283,700	352,931,900	169,524,100	2,525,538,700	4,076,577	2,529,615,277	5,171,779,148	1.883
2017	49,625,100	1,480,100,600	501,492,600	354,589,100	174,509,200	2,560,316,600	3,940,684	2,564,257,284	5,615,942,611	1.920
2018	55,202,800	1,483,782,500	508,458,867	352,107,800	181,295,400	2,580,847,367	3,545,902	2,584,393,269	6,209,345,294	1.967
2019	46,939,200	1,486,380,800	508,047,767	351,771,100	181,655,600	2,574,794,467	3,420,264	2,578,214,731	6,571,705,138	2.007
2020	48,928,800	1,490,030,500	486,594,467	351,318,700	183,617,500	2,560,489,967	3,395,036	2,563,885,003	6,651,210,259	2.045

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

Year Ended <u>June 30,</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County</u>
2011	\$ 4.843	\$ 1.633	\$ 2.203	\$ 1.007
2012	4.953	1.671	2.260	1.022
2013	5.147	1.734	2.399	1.014
2014	5.240	1.787	2.460	0.993
2015	5.291	1.817	2.458	1.016
2016	5.467	1.883	2.513	1.071
2017	5.531	1.920	2.538	1.073
2018	5.636	1.967	2.585	1.084
2019	5.726	2.007	2.620	1.099
2020	5.732	2.045	2.679	1.008

Source: Abstract of Ratables, County Board of Taxation

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

Taxpayer	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Hartz Mountain Development	\$ 119,096,500	4.65%	\$ 22,252,300	0.88%
8100 River Road	67,638,500	2.64%		
Mack Associates	64,312,200	2.51%		
Vornado	52,454,400	2.05%		
7855 Blvd East	45,231,800	1.76%		
7400 River Road	36,680,000	1.43%		
Columbia Park	31,257,500	1.22%	24,962,200	0.99%
Woodcliff Gardens	24,369,600	0.95%	23,956,000	0.95%
M-Industries LLC			22,714,700	0.90%
7912 River Road Apts., LLC			23,250,000	0.92%
5851 Westside Assoc.	22,230,400	0.87%	20,078,300	0.79%
8200 Boulevard East	19,296,500	0.75%		
LCI Holding, Inc.			21,526,900	0.85%
2220 91st St II, LLC			20,300,000	0.80%
8101 Tonnelle Ave, LLC			19,000,000	0.75%
Westview Tower Realty Co			18,000,000	0.71%
	\$ 482,567,400	18.82%	\$ 216,040,400	8.53%

Source: Municipal Tax Assessor

**NORTH BERGEN BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 40,978,062	\$ 40,978,062	100.00%	N/A
2012	41,710,604	41,710,604	100.00%	N/A
2013	42,543,922	42,543,922	100.00%	N/A
2014	43,735,129	43,735,129	100.00%	N/A
2015	45,084,571	45,084,571	100.00%	N/A
2016	47,123,392	47,123,392	100.00%	N/A
2017	48,157,628	48,095,718	99.87%	\$ 61,910
2018	50,276,595	50,276,595	100.00%	N/A
2019	51,424,579	51,424,560	100.00%	\$ 19
2020	52,047,631	49,681,830	95.45%	\$ 2,365,801

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

Fiscal Year Ended June 30,	Governmental Activities					Sales Leaseback	Total District	Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Inter- governmental Loan					
2011	\$ 5,880,000	\$ 15,030,000		\$ 70,850			\$ 20,980,850	61,569	\$ 341
2012	5,385,000	14,175,000					19,560,000	61,872	316
2013	4,880,000	13,290,000					18,170,000	62,125	292
2014	4,435,000	12,375,000			\$ 2,180,000		18,990,000	62,197	305
2015	3,870,000	11,425,000			1,710,000		17,005,000	62,039	274
2016	3,300,000	9,930,000			1,205,000		14,435,000	62,026	233
2017	2,720,000	8,955,000			675,000		12,350,000	61,952	199
2018	2,125,000	7,945,000			135,000		10,205,000	61,289	167
2019	1,890,000	6,495,000					8,385,000	60,666	138
2020	21,650,000	4,955,000					26,605,000	60,666	439

Source: District records

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2011	\$ 5,880,000		\$ 5,880,000	0.23%	\$ 96
2012	5,385,000		5,385,000	0.21%	87
2013	4,880,000		4,880,000	0.20%	79
2014	4,435,000		4,435,000	0.18%	71
2015	3,870,000		3,870,000	0.15%	62
2016	3,300,000		3,300,000	0.13%	53
2017	2,720,000		2,720,000	0.11%	44
2018	2,125,000		2,125,000	0.08%	35
2019	1,890,000		1,890,000	0.07%	31
2020	21,650,000		21,650,000	0.84%	357

Source: District records

**NORTH BERGEN BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2019
(Unaudited)**

Direct Debt:	
North Bergen Board of Education (as of June 30, 2020)	\$ 60,000,000
Township of North Bergen (1)	<u>77,491,899</u>
Total Direct Debt	<u>137,491,899</u>
Overlapping Debt Apportioned to the Municipality:	
Hudson County:	
County of Hudson (A)	64,467,614
North Bergen Municipal Utilities Authority	<u>53,927,087</u>
Total Overlapping Debt	<u>118,394,701</u>
Total Direct and Overlapping Debt	<u>\$ 255,886,600</u>

(A) The debt for this entity was apportioned by dividing the Municipality's 2019 equalized value by the total 2019 equalized value for Hudson County.

Sources:

(1) Township of North Bergen Annual Debt Statement

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

Fiscal Year Ended June 30,

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 229,849,454	\$ 216,172,145	\$ 201,993,550	\$ 189,869,132	\$ 185,914,690	\$ 191,438,083	\$ 203,949,327	\$ 223,256,144	\$ 241,826,950	\$ 257,026,412
Total Net Debt Applicable to Limit	<u>2,505,850</u>	<u>2,100,000</u>	<u>1,760,000</u>	<u>1,415,000</u>	<u>1,070,000</u>	<u>720,000</u>	<u>365,000</u>		<u>60,000,000</u>	<u>60,000,000</u>
Legal Debt Margin	<u>\$ 227,343,604</u>	<u>\$ 214,072,145</u>	<u>\$ 200,233,550</u>	<u>\$ 188,454,132</u>	<u>\$ 184,844,690</u>	<u>\$ 190,718,083</u>	<u>\$ 203,584,327</u>	<u>\$ 223,256,144</u>	<u>\$ 181,826,950</u>	<u>\$ 197,026,412</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.09%	0.97%	0.87%	0.75%	0.58%	0.38%	0.18%	0.00%	24.81%	23.34%

Legal Debt Margin Calculation for Fiscal Year 2020

Equalized Valuation Basis

2017	\$ 6,110,540,811
2018	6,533,790,803
2019	<u>6,632,649,323</u>
	<u>\$ 19,276,980,937</u>

Average Equalized Valuation of Taxable Property

\$ 6,425,660,312

Debt Limit (4 % of Average Equalization Value)
 Total Net Debt Applicable to Limit

\$ 257,026,412
60,000,000

Legal Debt Margin

\$ 197,026,412

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

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income *</u>	<u>Population</u>
2010	11.50%	\$ 45,124	60,777
2011	10.70%	46,273	61,569
2012	10.70%	48,103	61,872
2013	9.70%	49,075	62,125
2014	7.30%	52,819	62,197
2015	5.70%	56,540	62,039
2016	5.00%	58,466	62,026
2017	4.40%	62,461	61,952
2018	3.80%	65,139	61,289
2019	3.20%	N/A	60,666

Source: Data provided by State Department of Education

N/A = Not Available

* = Hudson County

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

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction										
Regular	440	480	480	467	530	530	530	530	530	530
Special Education	75	75	75	84	50	57	59	59	59	59
Other Instruction	85	85	85	85	61	61	65	60	60	60
Support Services:										
Student and Instruction Related Services	19	18	18	18	18	18	18	35	35	35
General Administration	7	5	6	6	6	6	7	7	7	7
School Administrative Services	59	55	56	61	61	61	61	61	61	61
Other Administrative Services	30	30	30	30	30	30	30	30	30	30
Central Services	13	13	13	13	13	13	13	13	13	13
Administrative Information Technology	6	6	6	6	3	3	3	3	3	3
Plant Operations And Maintenance	118	112	109	109	109	109	106	106	106	106
Pupil Transportation	3	3	3	3	3	3	3	3	3	3
Other Support Services	72	72	72	73	77	77	77	77	77	77
Total	<u>927</u>	<u>954</u>	<u>953</u>	<u>955</u>	<u>961</u>	<u>968</u>	<u>972</u>	<u>984</u>	<u>984</u>	<u>984</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	High School				
2011	8,061	\$ 108,816,744	\$ 13,499	-4.12%	600	1:12	1:14	8,061	7,592	2.86%	94.18%
2012	8,201	114,781,560	13,996	3.68%	640	1:12	1:14	8,080	7,836	0.24%	96.98%
2013	8,068	119,562,030	14,819	5.88%	640	1:12	1:14	8,068	7,808	-0.15%	96.78%
2014	8,048	118,730,948	14,753	-0.45%	640	1:12	1:14	8,048	7,790	-0.25%	96.80%
2015	7,761	120,990,242	15,590	5.67%	641	1:12	1:14	8,031	7,764	-0.21%	96.68%
2016	8,005	124,695,061	15,577	-0.08%	648	1:12	1:14	7,869	7,629	-2.02%	96.95%
2017	7,900	130,644,133	16,537	6.16%	641	1:12	1:14	7,714	7,330	-1.96%	95.02%
2018	7,666	137,033,795	17,876	8.09%	649	1:12	1:14	7,643	7,257	-0.92%	94.95%
2019	7,519	141,799,267	18,859	5.50%	649	1:12	1:14	7,490	7,108	-2.00%	94.90%
2020	7,488	140,379,554	18,747	-0.59%	649	1:12	1:14	7,275	7,185	-2.87%	98.76%

Sources: District records

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
District Building										
Elementary										
Robert Fulton/No. 2 (1926)										
Square Feet	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409
Capacity (students)	784	784	784	784	784	784	784	784	784	784
Enrollment	995	995	995	995	995	995	995	1,022	1,022	1,196
Fulton Annex										
Square Feet	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800
Capacity (students)	155	155	155	155	155	155	155	155	155	155
Enrollment	144	144	144	144	144	144	144	223	223	
Franklin School/No. 3 (1919)										
Square Feet	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434
Capacity (students)	475	475	475	475	475	475	475	475	475	475
Enrollment	575	575	575	575	575	575	575	530	530	623
Franklin Annex (1999)										
Square Feet	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225
Capacity (students)	80	80	80	80	80	80	80	80	80	80
Enrollment	85	85	85	85	85	85	85	97	97	
Lincoln School/No. 5 (1915)										
Square Feet	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	659	659	659	659	659	659	659	972	972	1,393
Lincoln School/No. 5 Annex (2004)										
Square Feet	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300
Capacity (students)	352	352	352	352	352	352	352	352	352	352
Enrollment	436	436	436	436	436	436	436	422	422	
J.F. Kennedy School/No. 7 (including Annex)										
Square Feet	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125
Capacity (students)	662	662	662	662	662	662	662	662	662	662
Enrollment	538	538	538	538	538	538	538	549	549	472
Horace Mann School/No. 9 (1928)										
Square Feet	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068
Capacity (students)	836	836	836	836	836	836	836	836	836	836
Enrollment	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,135	1,135	1,089
McKinnely School/No. 10 (1919)										
Square Feet	46,050	46,050	46,050	46,050	46,050	46,050	46,050	46,050	46,050	46,050
Capacity (students)	426	426	426	426	426	426	426	426	426	426
Enrollment	419	419	419	419	419	419	419	361	361	346
High School										
North Bergen High School (1961)										
Square Feet	197,973	197,973	197,973	197,973	197,973	197,973	197,973	197,973	197,973	197,973
Capacity (students)	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377
Enrollment	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,355	2,355	2,369
Other										
Central Administration (1961)										
Square Feet	9,267	9,267	9,267	9,267	9,267	9,267	9,267	9,267	9,267	9,267
Number of Schools at June 30, 2020										
Elementary = 7										
Senior High School = 1										
Other = 1										

Source: District Records

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

<u>School Facilities</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
North Bergen High School	\$ 663,015	\$ 676,438	\$ 658,851	\$ 637,900	\$ 629,935	\$ 318,417	\$ 451,186	\$ 414,783	\$ 497,292	\$ 566,198
Franklin School	202,033	195,036	198,994	183,520	202,558	199,757	153,315	149,453	128,329	182,063
Horace Mann	270,101	249,303	306,554	271,850	312,045	190,335	235,531	230,235	252,236	280,472
John F. Kennedy	319,207	296,193	295,791	282,963	282,087	216,192	208,711	222,152	207,733	270,625
Lincoln School	370,947	328,705	313,341	278,965	260,058	243,465	290,374	258,402	267,911	368,568
Mc Kinley	184,365	197,378	193,450	195,682	146,528	229,206	154,055	108,112	117,762	131,702
Robert Fulton	<u>367,238</u>	<u>316,534</u>	<u>304,485</u>	<u>278,950</u>	<u>279,939</u>	<u>224,356</u>	<u>177,494</u>	<u>228,681</u>	<u>210,810</u>	<u>278,579</u>
Total School Facilities	<u>\$ 2,376,906</u>	<u>\$ 2,259,587</u>	<u>\$ 2,271,466</u>	<u>\$ 2,129,830</u>	<u>\$ 2,113,150</u>	<u>\$ 1,621,728</u>	<u>\$ 1,670,666</u>	<u>\$ 1,611,818</u>	<u>\$ 1,682,073</u>	<u>\$ 2,078,207</u>

Source: School District Records

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2020
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property	\$ 500,000,000	\$ 5,000
Extra Expense	50,000,000	5,000
Valuable Papers	10,000,000	5,000
Data Processing Equipment	4,500,000	1,000
Equipment Breakdown	100,000,000	5,000
Crime and Bonds		
Faithful Performance	500,000	1,000
Forgery and Alteration	500,000	1,000
Money and Securities	100,000	1,000
Money Orders/Counterfeit	100,000	500
Computer Fraud	500,000	1,000
Business Administrator	600,000	1,000
Board Secretary	500,000	1,000
General Liability	16,000,000	-
Automobile Liability	16,000,000	
Auto Physical Damage	ACV Basis	1,000
Public Employees' Faithful Performance Bonds (Western Surety)		
Treasurer of School Monies	600,000	1,000

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

Source: School District's records

SINGLE AUDIT



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Bergen Board of Education as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the North Bergen Board of Education's basic financial statements and have issued our report thereon dated February 4, 2021

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the North Bergen Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the North Bergen Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the North Bergen Board of Education's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

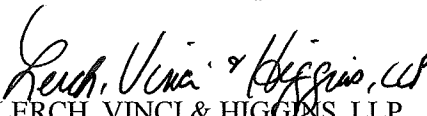
Compliance and Other Matters


As part of obtaining reasonable assurance about whether the North Bergen Board of Education’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the North Bergen Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated February 4, 2021.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the North Bergen Board of Education’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the North Bergen Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 4, 2021



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

INDEPENDENT AUDITOR’S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the North Bergen Board of Education’s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the North Bergen Board of Education’s major federal and state programs for the fiscal year ended June 30, 2020. The North Bergen Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the North Bergen Board of Education’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the North Bergen Board of Education’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the North Bergen Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the North Bergen Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the North Bergen Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the North Bergen Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the North Bergen Board of Education's internal control over compliance.


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.


Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Bergen Board of Education, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated February 4, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
February 4, 2021

NORTH BERGEN BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal/Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2019	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Refund To State	Prior Years Adjustments	Balance, June 30, 2020			Memo GAAP Receivable	Memo Cumulative Expenditures		
													(Accounts Receivable)	Unearned Revenue	Due to Grantor				
U.S. Department of Agriculture																			
Passed-Through State Department of Education																			
Enterprise Fund																			
School Breakfast Program	10.553	201N304N1099	N/A	7/1/19-6/30/20	\$ 445,252			\$ 445,252	\$ 445,252									\$ 445,252	
School Breakfast Program	10.553	191N304N1099	N/A	7/1/18-6/30/19	517,352	(46,064)		46,064											
NSLP-Cash Assistance	10.555	201N304N1099	N/A	7/1/19-6/30/20	1,317,374			1,317,374	1,317,374									1,317,374	
NSLP-Cash Assistance	10.555	191N304N1099	N/A	7/1/18-6/30/19	1,689,764	(142,980)		142,980											
Special Milk Program for Children	10.556	201N304N1099	N/A	7/1/19-6/30/20	3,424			3,424	3,424									3,424	
Special Milk Program for Children	10.556	191N304N1099	N/A	7/1/18-6/30/19	5,246	(280)		280											
NSLP-Non Cash Assistance	10.555	201N304N1099	N/A	7/1/19-6/30/20	169,161			169,161	161,649					\$ 7,512				161,649	
NSLP-Non Cash Assistance	10.555	191N304N1099	N/A	7/1/18-6/30/19	173,036	4,054			4,054									4,054	
Total Child Nutrition Programs						(185,270)		2,124,535	1,931,753									1,931,753	
After School Snack Program	10.558	191N304N1099	N/A	7/1/18-6/30/19	15,466	(1,597)		1,597											
After School Snack Program	10.558	201N304N1099	N/A	7/1/19-6/30/20	8,078			8,078	8,078									8,078	
Total U.S. Dept. of Agriculture						(186,867)		2,134,210	1,939,831									1,939,831	
U.S. Dept. of Education Passed-Through																			
State Dept. of Education																			
Special Revenue Fund																			
Title I, Part A	84.010A	S010A160030	NCLB361017	7/1/16-6/30/17	3,000,270	254											\$ 254		
Title I, Part A	84.010A	S010A170030	NCLB361018	7/1/17-6/30/18	3,244,356	21,285											21,285		
Title I, Part A	84.010A	S010A180030	ESEA361019	7/1/18-6/30/19	3,237,942	(1,070,976)	\$ (72,950)	1,070,976		\$ 72,950									
Title I, Part A	84.010A	S010A190030	ESEA361020	7/1/19-9/30/20	3,037,037		72,950	1,599,931	2,825,601	(72,950)			\$ (1,510,056)	284,386		\$ (1,146,721)		2,825,601	
Title I, SLA, Part A	84.010A	S010A190030	ESEA361020	7/1/19-9/30/20	29,000		3,969	500	16,330	(3,969)			(32,469)	16,639				16,330	
Title I, SLA, Part A	84.010A	S010A180030	ESEA361019	7/1/18-6/30/19	34,400	(38,206)	(3,969)	38,206		3,969									
Total Title I						(1,087,643)		2,709,613	2,841,931				(1,542,525)	301,025		21,539	(1,146,721)	2,841,931	
Title II, Part A	84.367A	S367A180029	ESEA361019	7/1/18-6/30/19	424,138	(164,461)	(3,934)	164,461		3,934									
Title II, Part A	84.367A	S367A190029	ESEA361020	7/1/19-9/30/20	453,972		3,934	223,977	423,553	(3,934)			(233,929)	34,353		(179,639)		423,553	
Total Title II						(164,461)		388,438	423,553				(233,929)	34,353		(179,639)		423,553	
Title III	84.365	S365A190030	ESEA361020	7/1/19-9/30/20	161,639		62,781	128,578	140,524	(62,781)			(95,842)	83,896		(11,946)		140,524	
Title III	84.365	S365A180030	ESEA361019	7/1/18-6/30/19	161,448	(98,159)	(62,781)	98,159		62,781		\$ 6,051			6,051				
Title III	84.365	S365A160030	NCLB361017	7/1/16-6/30/17	171,847	1,501									1,501				
Title III, Immigrant	84.365	S365A190030	ESEA361020	7/1/19-9/30/20	3,652		3,652			(3,652)			(3,652)	3,652					
Title III, Immigrant	84.365	S365A180030	ESEA361019	7/1/18-6/30/19	49,255	(17,907)	(3,652)	18,959		3,652			(1,052)						
Total Title III						(114,565)		245,696	140,524			4,999	(99,494)	87,548		7,552	(11,946)	140,524	
Title IV	84.424	S424A180031	ESEA361019	7/1/18-6/30/19	195,507	(77,219)	(25,898)	77,219		25,898									
Title IV	84.424	S424A190031	ESEA361020	7/1/19-9/30/20	189,732		25,898	81,932	180,968	(25,898)			(133,698)	34,662		(30,561)		180,968	
Total Title IV						(77,219)		159,151	180,968				(133,698)	34,662		(30,561)		180,968	
IDEA Part B																			
Basic, Regular	84.027A	H027A170100	FT361018	7/1/17-6/30/18	1,797,713	1,354											1,354		
Basic, Regular	84.027A	H027A180100	FT361019	7/1/18-6/30/19	1,785,500	(531,791)	(78,052)	531,791		78,052									
Basic, Regular	84.027A	H027A190100	FT361020	7/1/19-9/30/20	1,784,473		78,052	943,199	1,605,183	(78,052)			(919,326)	257,342		(596,312)		1,605,183	
Preschool	84.173A	H173A180114	PS361019	7/1/18-6/30/19	52,296	(50,280)	(2,016)	50,280		2,016									
Preschool	84.173A	H173A190114	PS361020	7/1/19-9/30/20	53,132		2,016		3,221	(2,016)			(55,148)	51,927		(3,221)		3,221	
Total IDEA						(580,717)		1,525,270	1,608,404				(974,474)	309,269		1,354	(599,533)	1,608,404	
CARES Emergency Relief Act	84.425D	S425D200027		3/13/20-9/30/22	2,441,563								(2,441,563)	2,441,563					
Total U.S. Department of Education - Special Revenue Fund						(2,024,605)		5,028,168	5,195,380			4,999	(5,425,683)	3,208,420		30,445	(1,968,400)	5,195,380	
General Fund																			
Spec.Ed. Medicaid Reimbursement	93.778	2005NJ5MAP	NA	7/1/19-6/30/20	313,398			313,398	313,398										313,398
Total Medicaid Reimbursement								313,398	313,398										313,398
Total Federal Awards						\$ (2,211,472)	\$ -	\$ 7,475,776	\$ 7,448,609	\$ -	\$ -	\$ 4,999	\$ (5,425,683)	\$ 3,215,932	\$ 30,445	\$ (1,968,400)	\$ 7,448,609		

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2019			Balance, June 30, 2020			Memo				
				Unearned Revenue/ (Accts Rec)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Cancelled Encumbrances	Prior Year Adjustment	(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable
State Department of Education														
General Fund														
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	\$ 52,876,513				\$ 47,676,809	\$ 52,876,513				\$ (5,199,704)	*	\$ 52,876,513
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	51,895,086	\$ (5,171,781)			5,171,781						*	
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	5,808,963				5,237,729	5,808,963				(571,234)	*	5,808,963
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	5,808,963	(578,912)			578,912						*	-
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	2,787,698				2,513,565	2,787,698				(274,133)	*	2,787,698
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	2,787,698	(277,818)	-	-	277,818						*	-
Total State Aid Public				(6,028,511)	-	-	61,456,614	61,473,174	-	-		(6,045,071)	*	61,473,174
Reimbursed TPAF Pension														
Non-Contributory Insurance	20-495-034-5094-004	7/1/19-6/30/20	209,774				209,774	209,774					*	209,774
Pension Contribution	20-495-034-5094-002	7/1/19-6/30/20	11,703,606				11,703,606	11,703,606					*	11,703,606
Long Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20	9,746				9,746	9,746					*	9,746
Post Retirement Contribution	20-495-034-5094-001	7/1/19-6/30/20	4,419,646	-	-	-	4,419,646	4,419,646					*	4,419,646
Total Reimbursed TPAF Pension				-	-	-	16,342,772	16,342,772	-	-			*	16,342,772
Transportation Aid														
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	747,436				673,936	747,436				(73,500)	*	747,436
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	747,436	(74,488)			74,488						*	-
Nonpublic Transportation Aid	N/A	7/1/18-6/30/19	93,380	(93,380)			93,380						*	-
				(167,868)	-	-	841,804	747,436	-	-		(73,500)	*	747,436
Extraordinary Aid														
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	680,964					680,964				(680,964)	*	680,964
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	619,582	(619,582)			619,582						*	-
Reimbursed TPAF Soc. Security Contr.	20-495-034-5094-003	7/1/19-6/30/20	4,218,585				4,013,989	4,218,585				(204,596)	*	4,218,585
Reimbursed TPAF Soc. Security Contr.	19-495-034-5094-003	7/1/18-6/30/19	4,108,435	(201,865)	-	-	201,865						*	-
Total General Fund				(7,017,826)	-	-	83,476,626	83,462,931	-	-		(7,004,131)	*	83,462,931
Special Revenue Fund														
Preschool Education Aid	19-495-034-5120-086	7/1/18-6/30/19	2,611,533	987,917		\$ (1,256,982)	261,153		\$ 7,912				*	-
Preschool Education Aid	20-495-034-5120-086	7/1/19-6/30/20	2,620,896	-		1,256,982	2,358,806	2,896,546				(262,090)	\$ 981,332	2,896,546
Total Special Revenue Fund				987,917	-	-	2,619,959	2,896,546	7,912			(262,090)	981,332	2,896,546
Debt Service Fund														
Debt Service Aid	20-495-034-5120-075	7/1/19-6/30/20	540,842				540,842	540,842						540,842
Total State Department of Education				(6,029,909)	-	-	86,637,427	86,900,319	7,912			(7,266,221)	981,332	(204,596) 86,900,319
State Department of Agriculture														
Food Service Enterprise Fund														
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	28,602				21,632	28,602				(6,970)	*	(6,970) 28,602
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	29,218	(2,921)	-	-	2,921						*	-
Total State Department of Agriculture				(2,921)	-	-	24,553	28,602	-	-		(6,970)	*	(6,970) 28,602

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2019			Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Year Balances	Balance, June 30, 2020			Memo	
				Unearned Revenue/ (Accts Rec)	Due to Grantor	Carryover Amount					(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
Economic Development Authority															*
Capital Projects Fund															*
McKinley School - Windows	3610-100-14-1014	N/A	673,885	\$ (673,885)			\$ 673,885								*
McKinley School - Exterior	3610-100-14-1025	N/A	170,474	(112,243)			105,299	\$ 227	\$ 7,171						*
Robert Fulton - Roof	3610-110-14-1021	N/A	471,366	(218,513)			449,699		(231,186)						*
Lincoln School - Exterior	3610-090-14-1024	N/A	308,116	(190,369)			193,890		(3,521)						*
Horace Mann School - Roof	3610-070-14-1020	N/A	448,418	(270,009)	-	-	448,418		(178,409)						*
Total Economic Development Authority				<u>(1,465,019)</u>	<u>-</u>	<u>-</u>	<u>1,871,191</u>	<u>227</u>	<u>(405,945)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>*</u>
Total State Assistance Subject to Single Audit Determination				<u>\$ (7,497,849)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,533,171</u>	<u>\$ 86,929,148</u>	<u>\$ (398,033)</u>	<u>\$ -</u>	<u>\$ (7,273,191)</u>	<u>\$ 981,332</u>	<u>\$ -</u>	<u>\$ (211,566)</u>	<u>\$ 88,394,167</u>
Less: State Aid Not Subject to Single Audit and Major Program Determination															*
Reimbursed TPAF Pension															*
Non-Contributory Insurance							(209,774)		(209,774)						*
Pension Contribution							(11,703,606)		(11,703,606)						*
Long Term Disability Insurance							(9,746)		(9,746)						*
Post Retirement Contribution							(4,419,646)		(4,419,646)						*
Total State Assistance Subject to Major Program Determination				<u>\$ (7,497,849)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,190,399</u>	<u>\$ 70,586,376</u>	<u>\$ (398,033)</u>	<u>\$ -</u>	<u>\$ (7,273,191)</u>	<u>\$ 981,332</u>	<u>\$ -</u>	<u>\$ -</u>	<u>*</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the North Bergen Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$76,954 for the general fund and a decrease of \$298,967 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 313,398	\$ 83,385,977	\$ 83,699,375
Special Revenue Fund	5,036,305	2,752,754	7,789,059
Capital Projects Fund		406,172	406,172
Debt Service Fund		540,842	540,842
Food Service Fund	<u>1,939,831</u>	<u>28,602</u>	<u>1,968,433</u>
Total Financial Assistance	<u>\$ 7,289,534</u>	<u>\$ 87,114,347</u>	<u>\$ 94,403,881</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$4,218,585 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, 2020. The amount reported as TPAF Pension System Contributions in the amount of \$11,913,380, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$4,419,646 and TPAF Long-Term Disability Insurance in the amount of \$9,746 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2020.

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

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

NOTE 7 DE MINIMIS INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to the basic financial statements noted? yes X no

Federal Awards Section

Internal Control over Major Programs:

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

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A180100</u>	<u>IDEA Basic</u>
<u>84.173</u>	<u>H173A180114</u>	<u>IDEA Preschool</u>
<u>84.010</u>	<u>S010A190030</u>	<u>Title I</u>
<u>84.010</u>	<u>S010A190030</u>	<u>Title I SIA</u>
<u>10.555</u>	<u>201NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>201NJ304N1099</u>	<u>School Breakfast Program</u>
<u>10.556</u>	<u>201NJ304N1099</u>	<u>Special Milk Program</u>
<u>10.555</u>	<u>201NJ304N1099</u>	<u>After School Snacks Program</u>

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

Auditee qualified as low-risk auditee? X yes no

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Part I – Summary of Auditor’s Results

State Awards Section

Dollar threshold used to distinguish between Type A and Type B Programs \$ 2,117,591

Auditee qualified as low-risk auditee? X yes no

Internal Control over Major Programs:

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

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

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

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

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
20-495-034-5120-078	Equalization Aid
20-495-034-5120-089	Special Education Aid
20-495-034-5120-084	Security Aid
20-495-034-5120-086	Preschool Education Aid
20-495-034-5094-003	Reimbursed TPAF Social Security

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Part 2 - Schedule of Financial Statement Findings

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

There are none.

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

**NORTH BERGEN BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

STATUS OF PRIOR YEAR FINDINGS

There were none.