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BERGEN COUNTY
Special Services School District

**Annual
Comprehensive
Financial Report
For The Fiscal Year
Ended JUNE 30, 2021**

BERGEN COUNTY, NEW JERSEY

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Bergen County Special Services

School District

Bergen County, New Jersey

For The Fiscal Year Ended June 30, 2021

Prepared by

Bergen County Special Services

School District

Business Department

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BERGEN COUNTY TECHNICAL SCHOOLS/SPECIAL SERVICES

District Administrative Office

540 Farview Avenue, Paramus, New Jersey 07652-4897 • Tel. (201) 343-6000 ext.4056 • Fax (201) 996-6978

March 10, 2022

Honorable President and
Members of the Board of Education
Bergen County Special Services School District
County of Bergen, New Jersey

Dear Board Members:

State Department of Education statutes require that all general-purpose local governments publish within five months of the close of each fiscal year 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 of the Bergen County Special Services for the fiscal year ended June 30, 2021.

This report consists of management's representations concerning the finances of the Bergen County Special Services School District. 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 Bergen County Special Services School District has established a comprehensive internal control framework that is designed both to protect the School District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Bergen County Special Services School District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Bergen County Special Services School District'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 Bergen County Special Services School District'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 Bergen County Special Services School District for the fiscal year ended June 30, 2021, 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 Bergen County Special Services School District's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's

Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Bergen County Special Services' MD&A can be found immediately following the "Independent Auditors' Report".

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

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, as amended, and *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the state Treasury Circular Letter 15-08 OMB, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*". Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES: The District provides unique services throughout the County for individuals with severe, profound, complex or unmet needs for students ranging in age from birth to 21 years; others we serve are adults over age 21. Students are served in one of our continua, each of which is organized around broad categories in order to address severe, profound, unique and complex special needs.

The School District's revenue source is primarily tuition paid by local school districts. A small portion of overall district revenues comes from county taxes through the Bergen County Board of Chosen Freeholders. The school district operates programs in Bergen, Passaic, and Morris counties on 31 different program sites. Students who live in 10 or more counties in New Jersey are either serviced in District operated programs or receive services from the District while still attending programs in their home school.

The District completed the 2020-21 fiscal year with an average daily enrollment of 592.3 students, which is 23 students less than the previous year's enrollment. The following details the changes in the average daily enrollment over the last ten years.

Average Daily Enrollment

Fiscal Year	(ADE)	Percent Change
2020-21	592.3	(3.7%)
2019-20	615.1	4.60%
2018-19	588.0	(2.37%)
2017-18	602.3	(6.24%)
2016-17	642.4	(2.0%)
2015-16	655.0	(2.96%)
2014-15	675.0	(0.44%)
2013-14	678.0	1.73 %
2012-13	667.0	(4.10%)
2011-12	695.1	(10.02%)

ECONOMIC CONDITION AND OUTLOOK: Located in Northeastern New Jersey in close proximity to New York City, Bergen County is an important economic entity. Although Bergen County comprises only 3% of

New Jersey's total land area, it has the largest number of workers, private-sector jobs, and highest per capita income in the state. Its 900,000 residents live in 70 municipalities, which include 56 boroughs, 9 townships, 3 cities, and 2 villages.

According to the Bergen County Economic Development Corporation, Bergen has over 14% of the state's jobs (487,000) and over 14% of New Jersey's manufacturing jobs--both records for the state, at \$15 billion. Hackensack, the County Seat, is home to Bergen's top employer, Hackensack University Medical Center. This state-of-the-art teaching and research hospital is the largest provider of inpatient and outpatient services in the state. The Valley Hospital System and Bio-Reference Laboratories round out the top three employers in the county. Other leading employers include: Express Scripts, Quest Diagnostics, KMPG LLP, Englewood Hospital & Medical Center, Englewood Hospital Home Health Care Services, Unilever Best Foods and Stryker.

MAJOR INITIATIVES: During this past year, the District has increased the number of sites in which it operates programs for students. Going forward, the major initiatives of the District include the following:

- a. Continued expansion of Educational Enterprises, a division in which the District provides supports and services to local school districts, enabling students with disabilities to attend class with regular education students. This expansion also includes provision of child study team services.
- b. Establishing new programs to service elementary/middle/high school students with behavioral disorders, autism, and auditory impairments.
- c. Continued expansion of community-based learning experiences and transition services to master workplace readiness skills.
- d. Expansion and enhancement of community outreach programs.
- e. Expansion and enhancement of support services for School District families and community members.

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 regulation related to those programs. Internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal awards 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 School Estimates. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the internal service funds for the

Regional Day School. 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 reservations of fund balance at June 30, 2020.

ACCOUNTING SYSTEM 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 "*Notes to the Basic Financial Statements*".

DEBT ADMINISTRATION: At June 30, 2021, the District does not have any debt service. All bonded long-term debt is included in the County of Bergen's Financial Statements.

CASH MANAGEMENT: The investment policy of the district is guided in large part by state statute as detailed in "*Notes to the Basic Financial Statements*". The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

RISK MANAGEMENT: The Board carries various forms of insurance including but not limited to general liability, automobile liability and comprehensive insurance and property damage on buildings and contents, fidelity bonds, workers' compensation, and a self-insured unemployment fund.

ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Bergen County Special Services School Board for their concern in providing fiscal accountability to the Bergen County Executive and Board of Chosen Freeholders and to the Local Educational Agencies and, thereby, contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our accounting staff.

Respectfully submitted,



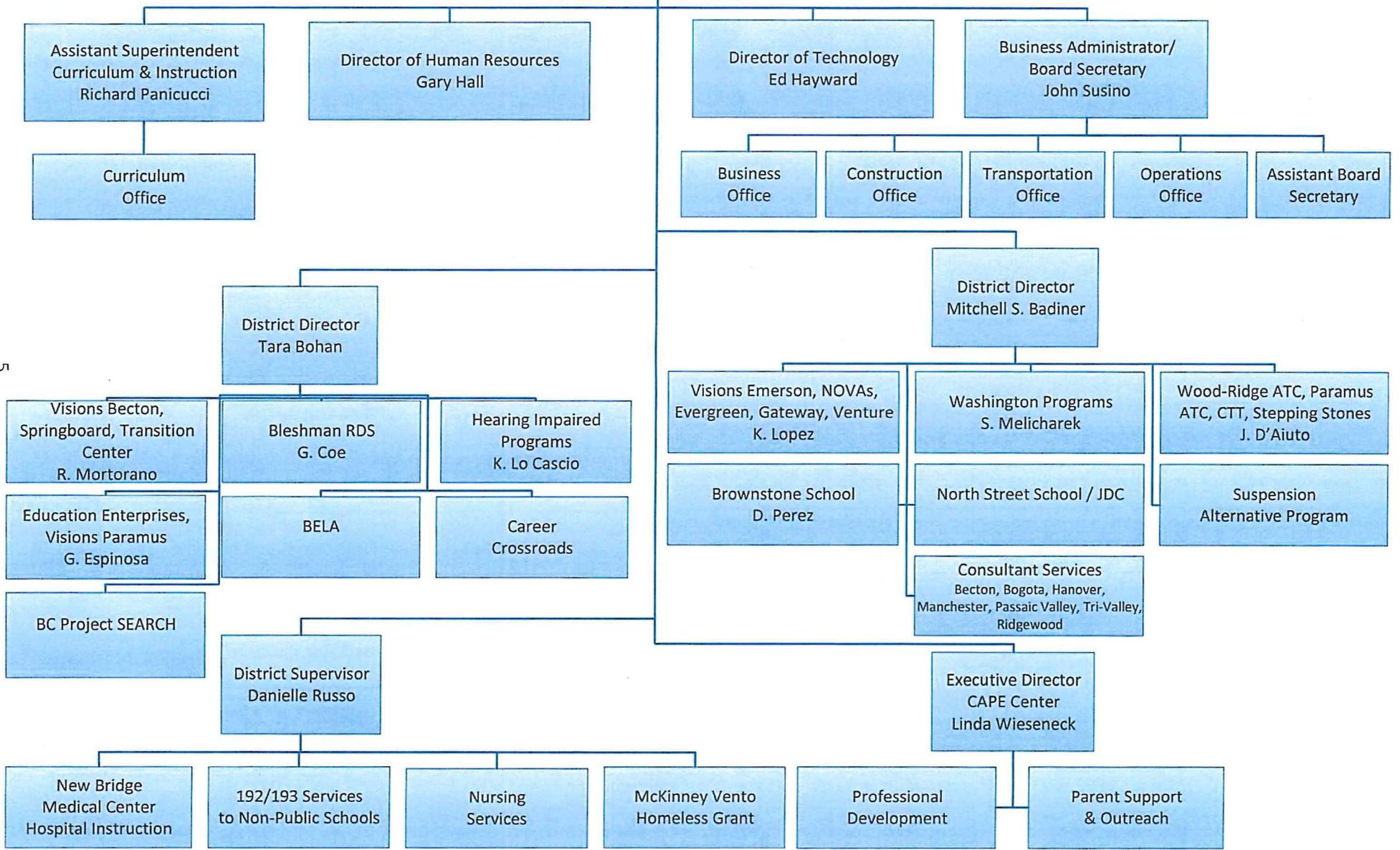
Dr. Howard Lerner, Superintendent



John Susino, Business Administrator/Board Secretary

BCSS Administrative Plan 2020-2021

Superintendent
Howard Lerner, Ed.D.



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**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
BERGEN COUNTY, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2021**

COUNTY EXECUTIVE

James J. Tedesco III

MEMBERS OF THE BOARD OF COMMISSIONERS

Steven A. Tanelli – Chairman
Tracy Silna Zur – Vice Chairman
Dr. Joan M. Voss – Chair Pro Tempore
Mary J. Amoroso
Ramon M. Hache, Sr
Germaine M. Ortiz
Thomas J. Sullivan

BOARD OF EDUCATION

President – Gary Lentini

Vice-President – Dr. Beth Lancelloti

Members of the Board

William Barnaskas
Daniel Golabek
Marisa Laura Heluk
Michael McCarthy
Dr. Louis DeLisio
Interim Executive County Superintendent
Bergen County Office of Education

OTHER OFFICIALS

Superintendent	Dr. Howard Lerner
Business Administrator/Board Secretary	John Susino
Director of Personnel	Gary Hall
District Director of Instruction	Mitchell Badiner
District Director of Instruction	Tara Bohan
Supervisor of Instruction 192/193	Danielle Russo
Principal, Bleshman	Gail Coe
Supervisor, North Street School	Reginald Marc
Principal, Brownstone	David Perez
Principal, Washington Programs	Sandra Melicharek
Principal, Nova, Emerson, Evergreen, Venture, Gateway	Kelly Lopez
Principal, Hearing Impaired	Kathleen Lo Cascio
Principal, Springboard, Transition Center, Visions	Robert Mortorano

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Consultants and Advisors

Architects

DMR Architects

Rivardo, Schnitzer and Capazzi

LAN Associates

DiCara, Rubino Architects

AECOM

Settembrino Architects

Audit Firm

Lerch, Vinci and Higgins, LLP

Attorney

Nowell, P.A.

Engineers

Remington and Vernick

LAN Associates

T&M Associates

CME Associates

Boswell Engineering

Neglia Engineering

Official Depositories

Santander Bank

TD Bank

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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
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Education
Bergen County Special Services School District
Paramus, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bergen County Special Services School District, a component unit of the County of Bergen as of and for the fiscal year ended June 30, 2021 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 Bergen County Special Services School District as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2021, the Bergen County Special Services School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities which provided guidance on identifying fiduciary activities and how they should be reported. The adoption of this standard resulted in a change to how previously reported fiduciary fund activities are currently reported in the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bergen County Special Services School District'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 Bergen County Special Services School District.

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 March 10, 2022 on our consideration of the Bergen County Special Services School District'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 Bergen County Special Services School District'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 Bergen County Special Services School District's internal control over financial reporting and compliance.



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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
March 10, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

As management of the Bergen County Special Services School District, we offer readers of the Bergen County Special Services School District's financial statements this narrative overview and analysis of the financial activities of the School District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2020-2021) and the prior year (2019-2020) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020-2021 fiscal year include the following:

- The assets and deferred outflows of resources of Bergen County Special Services School District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$18,797,066 (net position).
- The District's total net position increased by \$1,350,817.
- Overall district-wide revenues were \$126,302,539, which were \$1,350,817 more than expenses.
- As of the close of the current fiscal year, the District's governmental funds reported combining ending fund balances of \$17,355,342. Of this amount, \$3,716,912 is available for spending at the District's discretion (unassigned fund balance – General Fund).

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:

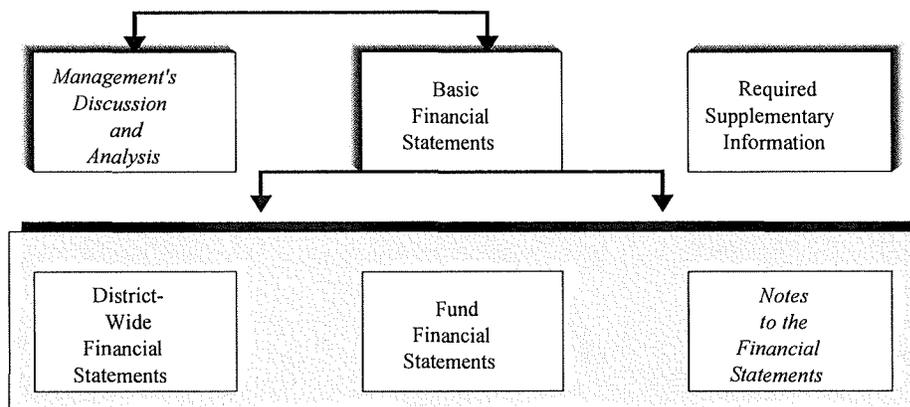
BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

- The first two statements are *district wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual* parts of the District, reporting the District's operations in *more detail* than the district-wide statements.
 - The *governmental funds statements* tell how basic services were financed in the *short term* as well as what remains for future spending.
 - *Proprietary funds* statements offer *short-term* and *long-term* financial information about the activities the district operated like *businesses*.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1



BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management’s Discussion and Analysis Fiscal Year Ended June 30, 2021

Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund	Financial
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary or fiduciary, such as instruction, building maintenance, transportation, and administration.	Activities the district operates similar to private businesses: Internal Service funds and Enterprise Funds
Required financial Statements	Statements of net position Statement of activities	Balance Sheet Statement of Revenue, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenue, Expenses, and Changes in Fund Net Position, Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows and liabilities, deferred inflows, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows and liabilities, deferred inflows, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the 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.

District-wide Statements

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

The two district-wide statements report the District’s *net position* and how they have changed. Net position – the difference between the District’s assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District’s financial health or *position*.

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

- 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 special education, transportation, administration, and community education. County taxes, tuition charged to other school districts and State and Federal aid finance most of these activities.
- *Business-type activities* – The District charges fees to help cover the costs of certain services it provides. The District's food service operations are included here.

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.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

The District has two kinds of funds:

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

The District uses *internal service funds* to report activities that provide supplies and services for the District's other programs and activities. The district currently has twelve internal service funds for the following:

- Blesham Regional Day School
- One to One Aides
- Extended Year Program
- ETTC
- Career Crossroads
- Home Hospital
- Education Enterprise
- Management Agreement
- Compensated Absences
- Interlocal Agreements
- Project Search

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

The District uses *enterprise funds* 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 one enterprise fund for its food service (cafeteria) program.

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

Other Information. In addition to the basic 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 and Special Revenue 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 comparison, if required.

DISTRICT-WIDE FINANCIAL ANALYSIS

As noted earlier net position may serve over time as a useful indicator of a government's financial position. The District's *combined* net position were \$18,797,066 on June 30, 2021 compared to \$17,446,249, as restated, on June 30, 2020. See Table A-1

**Table A-1
Net Position
As of June 30, 2021 and 2020**

	Governmental Activities		Business- Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current Assets	\$ 27,725,794	\$ 26,139,338	\$ 102,546	\$ 84,303	\$ 27,828,340	\$ 26,223,641
Capital Assets	58,851,054	56,576,886	-	-	58,851,054	56,576,886
Total Assets	86,576,848	82,716,224	102,546	84,303	86,679,394	82,800,527
Deferred Outflows	9,214,939	12,118,578	-	-	9,214,939	12,118,578
Total Assets and Deferred Outflows	95,791,787	94,834,802	102,546	84,303	95,894,333	94,919,105
Liabilities						
Long-Term Liabilities	50,125,979	54,047,313	-	-	50,125,979	54,047,313
Other Liabilities	5,829,655	3,223,538	26,694	11,758	5,856,349	3,235,296
Total Liabilities	55,955,634	57,270,851	26,694	11,758	55,982,328	57,282,609
Deferred Inflows	21,113,859	20,185,835	1,080	4,412	21,114,939	20,190,247
Total Liabilities and Deferred Inflows	77,069,493	77,456,686	27,774	16,170	77,097,267	77,472,856
Net Position						
Net Investment in capital assets	58,851,054	56,576,886	-	-	58,851,054	56,576,886
Restricted	9,327,507	7,745,206	-	-	9,327,507	7,745,206
Unrestricted	(49,456,267)	(46,943,976)	74,772	68,133	(49,381,495)	(46,875,843)
Total Net Position	\$ 18,722,294	\$ 17,378,116	\$ 74,772	\$ 68,133	\$ 18,797,066	\$ 17,446,249

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

By far, the largest portion of the Bergen County Special Services net position reflects its investment in capital assets (i.e., machinery and equipment); less any reflected 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 use. Resources need to repay this debt (i.e., capital leases) must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the District was able to report a positive balance in the net position for the government as a whole.

**Table A-2
Change in Net Position
For the Fiscal Years Ended June 30, 2021 and 2020**

	Governmental Activities		Business- Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ 77,810,241	\$ 80,317,082	\$ 2,818	\$ 102,783	\$ 77,813,059	\$ 80,419,865
Operating Grants and Contributions	34,748,201	27,335,258	184,969	152,034	34,933,170	27,487,292
Capital Grants and Contributions	1,526,228	950,308	-	-	1,526,228	950,308
General Revenues						
County Property Taxes	10,623,288	10,518,107	-	-	10,623,288	10,518,107
Investment Earnings	14,655	122,595	-	-	14,655	122,595
Miscellaneous	1,392,139	2,175,750	-	-	1,392,139	2,175,750
Total Revenues	126,114,752	121,419,100	187,787	254,817	126,302,539	121,673,917
Expenses						
Instruction						
Special Education	74,805,566	70,448,783	-	-	74,805,566	70,448,783
Support Services						
Student and Instruction Related Services	29,123,984	27,904,341	-	-	29,123,984	27,904,341
School Administration Services	5,552,701	5,161,235	-	-	5,552,701	5,161,235
General Administration	1,066,715	1,083,412	-	-	1,066,715	1,083,412
Plant Operations and Maintenance	9,786,931	9,786,159	-	-	9,786,931	9,786,159
Pupil Transportation	2,056,277	2,172,517	-	-	2,056,277	2,172,517
Business/Central Svcs/Admin. Info. Tech.	2,278,400	2,743,706	-	-	2,278,400	2,743,706
Food Services	-	-	281,148	378,688	281,148	378,688
Total Expenses	124,670,574	119,300,153	281,148	378,688	124,951,722	119,678,841
Increase (Decrease) in Net Position Before Transfers	1,444,178	2,118,947	(93,361)	(123,871)	1,350,817	1,995,076
Transfers	(100,000)	(75,000)	100,000	75,000	-	-
Change in Net Position	1,344,178	2,043,947	6,639	(48,871)	1,350,817	1,995,076
Beginning of Year, Net Position	17,378,116	14,669,024	68,133	117,004	17,446,249	14,786,028
Prior Period Adjustment	-	665,145	-	-	-	665,145
End of Year, Net Position	\$ 18,722,294	\$ 17,378,116	\$ 74,772	\$ 68,133	\$ 18,797,066	\$ 17,446,249

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

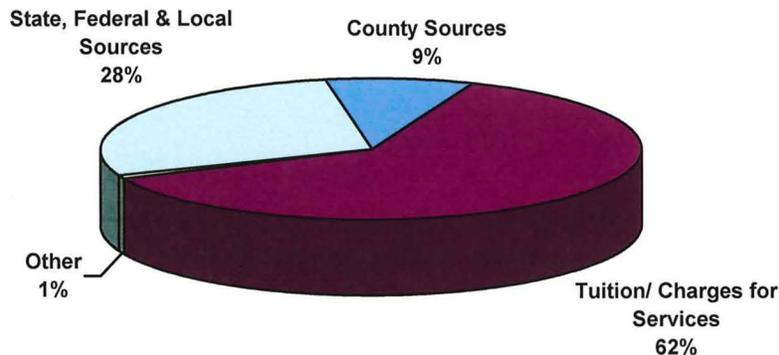
Governmental Activities. The District's total governmental activities revenues were \$126,114,752 for the fiscal year ended June 30, 2021, an increase of \$4,695,652 (4 percent) from the previous year. Tuition and charges for services accounted for 62 percent of total revenues. County property taxes and capital grants and contributions account for 9% percent of total revenue for the year. Another 28 percent came from state and federal grants, contributions and aid, the remaining balance of 1% came from investment earnings, and other miscellaneous revenues.

The total cost of all governmental activities programs and services was \$124,670,574, an increase of \$5,370,421 (4 percent) from the previous year. The District's expenses are predominantly related to educating and caring for students with special needs.

Total governmental activities revenues were more than expenses and transfers, increasing net position by \$1,344,178 from the previous year.

- The cost of all governmental activities this year was \$124,670,574.
 - Some of the cost was paid by the users of the District's programs and tuition charges for a total of \$77,810,241, a decrease of \$2,506,841 (3 percent).
 - The federal and state governments subsidized certain programs with grants, contributions and aid of \$34,748,201, an increase of \$7,412,943 (27 percent). This increase was primarily a result of an income in state on-behalf revenues and expenditures.
 - In addition, the District also received \$1,526,228 in capital contributions from the County to fund capital projects during the year, an increase of \$575,920 from the prior year.
 - District's costs in the amount of \$10,623,288 were provided by County sources from property taxes, an increase of \$105,181 over the prior year.

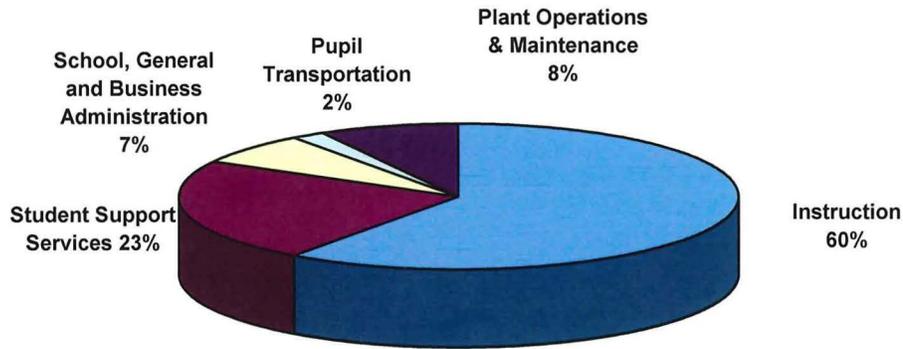
**Table A-3 Revenues by Source- Governmental Activities
For Fiscal Year 2021**



BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021**

**Table A-4 Expenditures by Type- Governmental Activities
For Fiscal Year 2021**



For the most part, increases in certain expenses closely paralleled inflation and the growth in the demand for services while others decreased.

The District's total cost of services was \$124,670,574. After applying program revenues derived from charges for services of \$77,810,241, operating grants and contributions of \$34,748,201 and capital grants and contributions of \$1,526,228, the net cost of services to the District was \$10,585,904. See Table A-5.

**Table A-5
Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2021 and 2020**

	Total Cost of Services		Net (Revenue) Cost of Services	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Instruction				
Special Education	\$ 74,805,566	\$ 70,448,783	\$ (16,985,465)	\$ (14,873,788)
Support Services				
Student and Instruction Related Services	29,123,984	27,904,341	12,412,457	10,853,062
School Administrative Services	5,552,701	5,161,235	3,674,120	3,110,101
General Administrative Services	1,066,715	1,083,412	1,012,042	952,896
Plant Operations and Maintenance	9,786,931	9,786,159	7,534,984	7,915,932
Pupil Transportation	2,056,277	2,172,517	2,056,277	2,032,109
Other Support Services-Business/Central Svc./Admin. Info. Tech.	2,278,400	2,743,706	881,489	707,193
Total	\$ 124,670,574	\$ 119,300,153	\$ 10,585,904	\$ 10,697,505

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

Business-Type Activities –The District's total business-type activities revenues were \$187,787 for the year ended June 30, 2021, a decrease of \$67,030 (26 percent) from the previous year. Charges for services accounted for 2% of total revenues. Operating grants and contributions accounted for 98% of total revenue for the year.

The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District.

Total business-type activities expenses were less than revenues and transfers, increasing net position by \$6,639 from the last year.

The cost of all business-type activities this year was \$281,148.

- Some of the cost was paid by the users of the District's Food Service program for a total of \$2,818, a decrease of \$99,965 (97 percent).
- The Federal and State governments subsidized the Food Service program with grants and contributions of \$184,969, an increase of \$32,935 (22 percent). This increase is a result of an increase in meals served during the year.
- The District transferred \$100,000 from its governmental activities to subsidize the Food Service program during the year.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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 \$17,335,342, a decrease of \$393,921 from last year's restated fund balance of \$17,749,263. \$3,716,912 of fund balance at year-end is available as fund resources for future use. The remainder of fund balance is assigned or restricted to indicate that it is not available for new spending because it has been earmarked 1) to liquidate contracts and purchase orders of the prior period \$3,381,686; 2) restricted for capital purposes \$7,670,578; 3) restricted for maintenance \$991,313; 4) restricted for unemployment claims \$578,456; 5) restricted for student activities \$13,884; 6) restricted for scholarship \$73,096; 7) restricted for FFCRA/SEMI \$29,237 or 8) designated for appropriation in the 2021/2022 budget \$900,000.

Revenues for the District's governmental funds were \$74,837,122, while total expenses and total other financing uses (net) were \$75,231,043.

General Fund

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

The following schedule presents a summary of General Fund Revenues.

	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020	Amount of Increase (Decrease)	Percent Increase (Decrease)
Local Sources				
County Property Taxes	\$ 10,623,288	\$ 10,518,107	\$ 105,181	1%
Tuition	42,396,528	45,273,830	(2,877,302)	-6%
Investment Earnings	14,655	122,595	(107,940)	-88%
Miscellaneous	2,633,875	2,192,109	441,766	20%
State Sources	7,203,300	5,863,571	1,339,729	23%
Federal Sources	<u>355,204</u>	<u>277,544</u>	<u>77,660</u>	28%
 Total General Fund Revenue	 <u>\$ 63,226,850</u>	 <u>\$ 64,247,756</u>	 <u>\$ (1,020,906)</u>	 -1.6%

Total General Fund Revenues decreased by \$1,020,906 or 1.6% from the previous year.

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

General Fund (Continued)

County Property Taxes increased 1% over the previous year. Tuition which represents 67% of total General Fund revenues for the year decreased 6% from the previous year.

Revenue from federal sources increased \$77,660 due to an increase in revenues received for Medicaid reimbursement. Revenues from state sources increased by \$1,339,729 largely due to an increase in the on-behalf contributions.

The following schedule presents a summary of General Fund expenditures.

	<u>Fiscal Year Ended June 30, 2021</u>	<u>Fiscal Year Ended June 30, 2020</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Instruction	\$ 32,511,084	\$ 32,199,529	\$ 311,555	1%
Support Services	27,341,552	25,917,261	1,424,291	5%
Capital Outlay	<u>4,245,595</u>	<u>1,717,064</u>	<u>2,528,531</u>	147%
Total General Fund Expenditures	<u>\$ 64,098,231</u>	<u>\$ 59,833,854</u>	<u>\$ 4,264,377</u>	7.1%

Total General Fund expenditures increased \$4,264,377 or 7.1% from the previous year.

In Fiscal Year 2021 General Fund revenues were less than expenditures and other financing uses by \$971,381. The fund balance decreased from \$17,276,206, as restated, at June 30, 2020 to \$16,304,825 at June 30, 2021.

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 \$10,086,182 for the year ended June 30, 2021. Local sources account for the majority of the Special Revenue Funds' revenues, which represented 71% of the total revenue for the year. The majority of the local sources comes from other LEAs that contract with Bergen County Special Services to provide services in conjunction with nonpublic allotments.

Total Special Revenue Fund revenues decreased \$904,084 or 8% from the previous year.

Expenditures of the Special Revenue Fund were \$10,086,439. Special Education instructional expenditures were \$4,052,426 or 40% of the total expended for the year ended June 30, 2021.

Total Special Revenue Fund expenditures decreased \$903,827 or 8% from the previous year.

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

Capital Projects Fund

The capital projects revenues and other financing sources were more than expenditures by \$577,717 resulting in a fund balance of \$963,537 at June 30, 2021.

Proprietary Funds

The District maintains both an Enterprise Fund and Internal Service Fund to account for activities which are supported in part through user fees.

- *Enterprise Fund* - The District uses an Enterprise Fund to report activities related to the District's 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.
- *Internal Service Fund* - The District uses internal service funds to report activities that provide services and supplies for the District's other programs and activities, as well as services provided on behalf of other districts. The internal service fund is also utilized to account for the District's liabilities relating to compensated absences.

The District also operates the Norman A. Bleshman Regional Day School. The related operations for this school are also accounted for in the internal service fund.

The internal service fund revenues were more than expenditures by \$62,474 resulting in a fund balance of \$4,456,715 at June 30, 2021 up from \$4,394,241 at June 30, 2020.

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

CAPITAL ASSETS

By the end of June 30, 2021, the District had invested \$58,851,054 in a range of capital assets for its governmental and business-type activities. This includes leasehold improvements to buildings, computers, specialized machinery and various other types of equipment. The District is a county-wide school district and all properties but one were acquired and constructed by the County of Bergen. The District also operates certain state owned facilities. Title to all real property utilized by the District with the exception of the Montesano School remains with the County of Bergen or State of New Jersey. See Table A-6 for details. Depreciation charges for the fiscal year 2020-2021 amounted to \$3,394,756 for governmental activities and \$-0- for business-type activities.

**Table A-6
Capital Assets
As of June 30, 2021 and 2020**

	Governmental Activities		Business- Type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Buildings	\$ 63,919,184	\$ 60,504,210			\$ 63,919,184	\$ 60,504,210
Improvements Other Than Buildings	1,522,707	1,522,707			1,522,707	1,522,707
Leasehold Improvements	7,565,113	7,400,204			7,565,113	7,400,204
Machinery and Equipment	<u>20,403,377</u>	<u>18,314,336</u>	\$ 69,406	\$ 69,406	<u>20,472,783</u>	<u>18,383,742</u>
Total Capital Assets	93,410,381	87,741,457	69,406	69,406	93,479,787	87,810,863
Less Accumulated Depreciation	<u>34,559,327</u>	<u>31,164,571</u>	<u>69,406</u>	<u>69,406</u>	<u>34,628,733</u>	<u>31,233,977</u>
Capital Assets, Net	<u>\$ 58,851,054</u>	<u>\$ 56,576,886</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,851,054</u>	<u>\$ 56,576,886</u>

Additional information on the District's capital assets is presented in the "Notes to the Financial Statements" of this report.

LONG TERM LIABILITIES

At year-end, the District's long-term liabilities for its governmental activities consisted of compensated absences payable of \$2,113,006 and net pension liability payable of \$48,012,973.

Additional information on the Districts long-term liabilities is presented in the "Notes to the Financial Statements" of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2021-2022 budget. The primary factors were the District's projected student population, anticipated county, state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2021-2022. Budgeted expenditures in the General Fund decreased by 3.7 percent from the 2020/2021 adopted budget to \$56,385,654 in fiscal year 2021-2022.

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (Continued)

Three goals served as the foundation for the development of the 2021/2022 budget. The goals balanced fiscal and program issues. The goals were: 1) maintain and improve program excellence; 2) maintain a balance between tuition charged and services provided; and 3) infuse technology into the instructional programs. The budget program priorities for 2021/2022 continue to include program site consolidation and expansion of the autistic programs for students, as well as program improvements to meet state and federal mandates covering instruction and services to physically, behaviorally and cognitively challenged students.

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, Bergen County Special Services, 540 Fairview Avenue, Paramus, NJ 07652.

BASIC FINANCIAL STATEMENTS

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 18,943,977	\$ 72,656	\$ 19,016,633
Receivables, net	8,681,651	24,788	8,706,439
Security Deposit	44,100		44,100
Prepaid Expenses	56,066		56,066
Inventories		5,102	5,102
Capital Assets, net of accumulated depreciation	<u>58,851,054</u>	<u>-</u>	<u>58,851,054</u>
Total Assets	<u>86,576,848</u>	<u>102,546</u>	<u>86,679,394</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>9,214,939</u>	<u>-</u>	<u>9,214,939</u>
Total Assets and Deferred Outflow of Resources	<u>95,791,787</u>	<u>102,546</u>	<u>95,894,333</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	4,853,601	26,694	4,880,295
Intergovernmental Payable	90,984		90,984
Unearned Revenue	885,070		885,070
Noncurrent Liabilities			
Due within one year			-
Due beyond one year	<u>50,125,979</u>	<u>-</u>	<u>50,125,979</u>
Total Liabilities	<u>55,955,634</u>	<u>26,694</u>	<u>55,982,328</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Commodities Revenue		1,080	1,080
Deferred Amounts on Net Pension Liability	<u>21,113,859</u>	<u>-</u>	<u>21,113,859</u>
Total Deferred Inflows of Resources	<u>21,113,859</u>	<u>1,080</u>	<u>21,114,939</u>
Total Liabilities and Deferred Inflow of Resources	<u>77,069,493</u>	<u>27,774</u>	<u>77,097,267</u>
NET POSITION			
Investment in Capital Assets	58,851,054		58,851,054
Restricted			
Capital Projects	7,670,758		7,670,758
Plant Maintenance	991,313		991,313
Other Purposes	665,436		665,436
Unrestricted	<u>(49,456,267)</u>	<u>74,772</u>	<u>(49,381,495)</u>
Total Net Position	<u>\$ 18,722,294</u>	<u>\$ 74,772</u>	<u>\$ 18,797,066</u>

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

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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:							
Special Education	\$ 74,805,566	\$ 67,661,611	\$ 24,127,282	\$ 2,138	\$ 16,985,465		\$ 16,985,465
Support Services:							
Student & Instruction Related Services	29,123,984	6,836,757	9,874,770		(12,412,457)		(12,412,457)
General Administration Services	1,066,715	54,673	-		(1,012,042)		(1,012,042)
School Administration Services	5,552,701	1,132,432	746,149		(3,674,120)		(3,674,120)
Plant Operations and Maintenance	9,786,931	727,857	-	1,524,090	(7,534,984)		(7,534,984)
Pupil Transportation	2,056,277	-	-		(2,056,277)		(2,056,277)
Support Services - Business/Central Svc/ Admin Info. Tech.	2,278,400	1,396,911	-	-	(881,489)		(881,489)
Total Governmental Activities	<u>124,670,574</u>	<u>77,810,241</u>	<u>34,748,201</u>	<u>1,526,228</u>	<u>(10,585,904)</u>	<u>-</u>	<u>(10,585,904)</u>
Business - Type Activities							
Food Service	281,148	2,818	184,969	-	-	\$ (93,361)	(93,361)
Total Business Type Activities	<u>281,148</u>	<u>2,818</u>	<u>184,969</u>	<u>-</u>	<u>-</u>	<u>(93,361)</u>	<u>(93,361)</u>
Total Primary Government	<u>\$ 124,951,722</u>	<u>\$ 77,813,059</u>	<u>\$ 34,933,170</u>	<u>\$ 1,526,228</u>	<u>(10,585,904)</u>	<u>(93,361)</u>	<u>(10,679,265)</u>
General Revenues:							
County Property Tax Levy					10,623,288		10,623,288
Investment Earnings					14,655		14,655
Miscellaneous					1,392,139		1,392,139
Loss on Sale of Assets					-		-
Transfers					(100,000)	100,000	-
Total General Revenues and Transfers					<u>11,930,082</u>	<u>100,000</u>	<u>12,030,082</u>
Change in Net Position					1,344,178	6,639	1,350,817
Net Position - Beginning of Year , as Restated					<u>17,378,116</u>	<u>68,133</u>	<u>17,446,249</u>
Net Position - End of Year					<u>\$ 18,722,294</u>	<u>\$ 74,772</u>	<u>\$ 18,797,066</u>

FUND FINANCIAL STATEMENTS

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Assets				
Cash and Cash Equivalents	\$ 17,691,357	\$ 47,807	\$ 721	\$ 17,739,885
Intergovernmental Receivables	615,034	1,284,058	1,057,929	2,957,021
Due from Other Funds	2,837,000			2,837,000
Prepaid Expenses	56,066			56,066
Security Deposits	44,100	-	-	44,100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 21,243,557</u>	<u>\$ 1,331,865</u>	<u>\$ 1,058,650</u>	<u>\$ 23,634,072</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable and Other Liabilities	\$ 3,005,913	\$ 265,409	\$ 49,113	\$ 3,320,435
Intergovernmental Payable	-	90,984		90,984
Other Payable	216,242	3,422		219,664
Due to Other Funds	1,716,577	-	46,000	1,762,577
Unearned Revenue	-	885,070	-	885,070
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>4,938,732</u>	<u>1,244,885</u>	<u>95,113</u>	<u>6,278,730</u>
Fund Balances:				
Restricted				
Capital Reserve	6,707,221			6,707,221
Maintenance Reserve	891,313			891,313
Maintenance Reserve - Designated for Subsequent Year's Expenditures	100,000			100,000
Unemployment Claims	578,456			578,456
Student Activities		13,884		13,884
Scholarship Funds		73,096		73,096
Capital Projects			963,537	963,537
Assigned				
Year End Encumbrances	3,381,686			3,381,686
Designated for Subsequent Year's Expenditures - FFCRA/SEMI	29,237			29,237
Designated for Subsequent Year's Expenditures	900,000			900,000
Unassigned	3,716,912	-	-	3,716,912
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>16,304,825</u>	<u>86,980</u>	<u>963,537</u>	<u>17,355,342</u>
Total Liabilities and Fund Balances	<u>\$ 21,243,557</u>	<u>\$ 1,331,865</u>	<u>\$ 1,058,650</u>	<u>\$ 23,634,072</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2021**

Total Fund Balance - Governmental Funds (Exhibit B-1)		\$ 17,355,342
<p>Amounts reported for governmental activities in the statement of net position(A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$91,107,137 and the accumulated depreciation is \$34,043,608.</p>		57,063,529
<p>Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.</p>		
Deferred Outflows of Resources	\$ 9,214,939	
Deferred Inflows of Resources	<u>(21,113,859)</u>	(11,898,920)
<p>Long term liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the fund</p>		
Net Pension Liability	(48,012,973)	
Compensated Absences	<u>(241,399)</u>	(48,254,372)
<p>The assets and liabilities of the Internal Service funds are included with governmental activities</p>		
		4,456,715
Net position of Governmental Activities (Exhibit A-1)		<u>\$ 18,722,294</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources				
County Property Tax Levy	\$ 10,623,288			\$ 10,623,288
County Aid			\$ 1,524,090	1,524,090
Tuition - LEA's	42,396,528			42,396,528
Non-Resident Fees	1,241,736			1,241,736
Interest on Investments	14,655			14,655
Miscellaneous	<u>1,392,139</u>	<u>\$ 7,133,826</u>	<u>-</u>	<u>8,525,965</u>
	55,668,346	7,133,826	1,524,090	64,326,262
State Sources	7,203,300	2,197,661		9,400,961
Federal Sources	<u>355,204</u>	<u>754,695</u>	<u>-</u>	<u>1,109,899</u>
Total Revenues	<u>63,226,850</u>	<u>10,086,182</u>	<u>1,524,090</u>	<u>74,837,122</u>
EXPENDITURES				
Instruction				
Special Education Instruction	32,511,084	4,052,426		36,563,510
Support Services				
Student & Instruction Related Services	14,644,074	6,031,875		20,675,949
School Administration Services	3,515,173			3,515,173
Support Services General Administration	981,512			981,512
Plant Operations and Maintenance	5,994,650		236,915	6,231,565
Pupil Transportation	1,429,960			1,429,960
Other Support Services - Business (Central Services/Admin Info Tech)	776,183			776,183
Capital Outlay	<u>4,245,595</u>	<u>2,138</u>	<u>709,458</u>	<u>4,957,191</u>
Total Expenditures	<u>64,098,231</u>	<u>10,086,439</u>	<u>946,373</u>	<u>75,131,043</u>
Excess(Deficiency) of Revenues Over (Under) Expenditures	<u>(871,381)</u>	<u>(257)</u>	<u>577,717</u>	<u>(293,921)</u>
OTHER FINANCING SOURCES(USES)				
Transfers Out	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
Total Other Financing Sources and Uses	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
Net Change in Fund Balances	(971,381)	(257)	577,717	(393,921)
Fund Balance - Beginning of Year, as Restated	<u>17,276,206</u>	<u>87,237</u>	<u>385,820</u>	<u>17,749,263</u>
Fund Balance - End of Year	<u>\$ 16,304,825</u>	<u>\$ 86,980</u>	<u>\$ 963,537</u>	<u>\$ 17,355,342</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
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, 2021**

Total Net Change in Fund Balances - Governmental Funds (B-2) \$ (393,921)

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

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

Depreciation Expense	\$ (3,371,237)	
Capital Outlays	<u>4,957,191</u>	1,585,954

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

Increase in Pension Expenses	(251,304)	
Decrease in Compensated Absences	<u>340,975</u>	89,671

Internal Service Funds are used by the District's management to charge the costs of various programs/ services to other governmental entities. The net revenue of the Internal Service Funds is reported with governmental activities

Net Income Before Transfers	62,474	
Net Transfers from General Fund	<u>-</u>	62,474
Change in Net Position		<u>62,474</u>

Change in net position of governmental activities (Exhibit A-2) **\$ 1,344,178**

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2021**

	<u>Business Type Activities Enterprise Fund Food Service</u>	<u>Governmental Activities Internal Service Funds</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 72,656	\$ 1,204,092
Intergovernmental Accounts Receivable	24,788	5,724,630
Due from Other Funds	-	1,716,577
Inventories	<u>5,102</u>	<u>-</u>
Total Current Assets	<u>102,546</u>	<u>8,645,299</u>
Capital Assets		
Furniture, machinery & equipment	69,406	2,303,244
Less: Accumulated Depreciation	<u>(69,406)</u>	<u>(515,719)</u>
Total Capital Assets, Net	<u>-</u>	<u>1,787,525</u>
Total Assets	<u>102,546</u>	<u>10,432,824</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	26,694	1,313,293
Other Payable	-	209
Due to Other Funds	<u>-</u>	<u>2,791,000</u>
Total Current Liabilities	<u>26,694</u>	<u>4,104,502</u>
Noncurrent Liabilities		
Compensated Absences	<u>-</u>	<u>1,871,607</u>
Total Noncurrent Liabilities	<u>-</u>	<u>1,871,607</u>
Total Liabilities	<u>26,694</u>	<u>5,976,109</u>
DEFERRED INFLOW OF RESOURCES		
Deferred Commodities Revenue	<u>1,080</u>	<u>-</u>
Total Liabilities and Deferred Inflow of Resources	<u>27,774</u>	<u>5,976,109</u>
NET POSITION		
Investment in Capital Assets	-	1,787,525
Unrestricted	<u>74,772</u>	<u>2,669,190</u>
Total Net Position	<u>\$ 74,772</u>	<u>\$ 4,456,715</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business- Type Activities Enterprise	Governmental Activities
	<u>Fund</u> <u>Food</u> <u>Service</u>	<u>Internal</u> <u>Service Funds</u>
OPERATING REVENUES		
Daily sales - nonreimbursable programs	\$ 2,818	
Tuition from LEAS		\$ 7,008,820
Charges and Fees		27,088,157
Federal Aid		75,000
On-Behalf State Aid	-	7,345,688
	2,818	41,517,665
OPERATING EXPENSES		
Cost of Sales - reimbursable programs	111,249	
Cost of Sales - nonreimbursable programs	-	
Salaries	102,056	23,297,698
Employee Benefits	26,088	16,403,781
Purchased Services	-	1,599,279
Supplies and Materials	6,397	121,094
Management/Admin Fee	27,810	
Miscellaneous Expenses	7,548	9,820
Depreciation	-	23,519
	281,148	41,455,191
Total Operating Expenses	281,148	41,455,191
Operating Income (Loss)	(278,330)	62,474
Nonoperating Revenues		
State Sources		
State School Lunch Program	5,286	
Federal Sources		
National School Lunch Program	98,066	
National School Lunch Program-PB Lunch	1,945	
National School Breakfast Program	61,289	
USDA Commodity	18,383	-
	184,969	-
Total Non-Operating Revenues	184,969	-
Net Income (Loss) Before Operating Transfers	(93,361)	62,474
Other Financing Sources (Uses)		
Transfers In	100,000	-
Change in Net Position	6,639	62,474
Total Net Position - Beginning of Year	68,133	4,394,241
Total Net Position - Ending of Year	\$ 74,772	\$ 4,456,715

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-Type Activities	Governmental Activities
	Enterprise Fund	
	Food Service	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 2,818	\$ 36,998,933
Payments to Employees	(128,144)	(22,595,765)
Payments to Suppliers	(111,118)	(10,547,824)
Net Cash Provided by(Used for) operating activities	(236,444)	3,855,344
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	4,359	
Federal Sources	149,198	
Operating Subsidies and transfers to/from other funds	100,000	(2,430,500)
Net cash provided by (used for) noncapital financing activities	253,557	(2,430,500)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Capital Assets	-	(711,733)
Net cash provided by (used for) for capital and related financing activities	-	(711,733)
Net decrease in cash and cash equivalents	17,113	713,111
Cash and Cash Equivalents - Beginning of Year	55,543	490,981
Cash and Cash Equivalents - End of Year	\$ 72,656	\$ 1,204,092
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income(Loss)	\$ (278,330)	\$ 62,474
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities		
Depreciation	-	23,519
Food Distribution(USDA Commodities)-National School Lunch Program	18,383	
Changes in Assets, Liabilities and deferred Inflows of Resources		
(Increase) Decrease in accounts receivable, net	-	2,826,956
Increase(Decrease) in accounts payable	14,936	942,395
Increase (Decrease) in deferred commodities revenue	(3,332)	
(Increase)Decrease in inventories	11,899	-
Total adjustments	41,886	3,792,870
Net cash provided by (used for) operating activities	\$ (236,444)	\$ 3,855,344
Non-Cash Financing Activities		
National School Lunch Program (Food Distribution)	\$ 15,051	

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

NOTES TO THE FINANCIAL STATEMENTS

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Bergen County Special Services School District (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 seven officials appointed by the County of Bergen Board of Chosen Freeholders and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. A 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 special services 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 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 Bergen County Special Services School District 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. The District would be includable as a component unit of the County of Bergen (the “County”) on the basis of such criteria.

B. New Accounting Standards

During fiscal year 2021, the District adopted the following GASB statement:

- GASB No. 84, *Fiduciary Activities*. 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. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB No. 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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.

District-Wide Financial Statements

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

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

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

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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards.

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

The District reports the following major proprietary 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 type:

The *internal service fund* accounts for financing of goods and services provided to other departments or agencies of the District, or to other Boards of Education, on a cost reimbursement basis. These activities include services related to the Norman A. Blesman Regional Day School, one to one aides, extended school year programs, career crossroads, project search, ETTC, interlocal agreements, home hospital teaching services, teachers educational services programs, school management services and compensated absences program.

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

County 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.

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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. *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.

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Improvements Other Than Buildings	20
Leasehold Improvements	20
Heavy Equipment	10-20
Office Equipment and Furniture	5-10
Vehicles	8
Computer Equipment	5

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. *Compensated Absences*

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

8. *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.

9. *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.

10. *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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

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

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2B).

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2C).

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2021/2022 District budget certified for taxes

Unemployment Compensation Reserve – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 4).

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

Scholarship Awards – This restriction was created to represents the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

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

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

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

FFCRA/SEMI - Represents fund balance assigned specifically for the Family First Coronavirus Response Act in the subsequent year's budgets.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2021/2022 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 (special revenue and capital projects 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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. *Fund Balance Policies*

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

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

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*

County property taxes are levied pursuant to law and are collected by the County Treasurer and are transferred to the District as requested. County tax revenue is recognized in the year they are levied and become available. County 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 by the County Treasurer and are levied and due in four quarterly installments on February 15, May 15, August 15 and December 1. The County has the ability to charge interest on payments remitted after these due dates. State statutes do not permit liens to be placed against the municipalities by the County for unpaid property taxes.

3. *Tuition Revenues*

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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general and special revenue funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption.

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 2020/2021. Also, during 2020/2021 the Board increased the original budget by \$6,204,375. The increase was funded by the additional appropriation of grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances.

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020		\$ 5,702,428
Increased:		
Interest	\$ 4,793	
Deposit per Board Resolution	<u>1,000,000</u>	
		<u>1,004,793</u>
Balance, June 30, 2021		<u>\$ 6,707,221</u>

C. Maintenance Reserve

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020	\$ 991,313
Increased by	
Deposits Approved by Board Resolution	<u>100,000</u>
	1,091,313
Decreased by:	
Withdrawals approved in District Budget	<u>100,000</u>
Balance, June 30, 2021	<u>\$ 991,313</u>

The June 30, 2021 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,586,525. \$100,000 of the maintenance reserve balance at June 30, 2021 was designated and appropriated for use in the 2021/2022 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2021, the book value of the Board's deposits were \$19,016,633 and bank and brokerage firm balances of the Board's deposits amounted to \$20,882,046. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	<u>\$ 20,882,046</u>
	<u>\$ 20,882,046</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2021 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, 2021, the Board had no outstanding investments.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board’s investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2021 for the district's individual major funds and internal service, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Internal Service Funds</u>	<u>Total</u>
Receivables:						
Intergovernmental						
State		\$ 13,095				\$ 13,095
Federal		24,179		\$ 23,749		47,928
Local	\$ 615,034	1,246,784	\$ 1,057,929	1,039	\$ 5,724,630	8,645,416
	615,034	1,284,058	1,057,929	24,788	5,724,630	8,706,439
Gross Receivables						
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Net Total Receivables	<u>\$ 615,034</u>	<u>\$ 1,284,058</u>	<u>\$ 1,057,929</u>	<u>\$ 24,788</u>	<u>\$ 5,724,630</u>	<u>\$ 8,706,439</u>

C. Unearned Revenue

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

Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>\$ 885,070</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Balance, <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2021</u>
Governmental activities:				
Capital assets, being depreciated:				
Buildings	\$ 60,504,210	\$ 3,414,974		\$ 63,919,184
Improvements other than buildings	1,522,707	-		1,522,707
Leasehold Improvements	7,400,204	164,909		7,565,113
Machinery and equipment	<u>18,314,336</u>	<u>2,089,041</u>	-	<u>20,403,377</u>
Total capital assets being depreciated	<u>87,741,457</u>	<u>5,668,924</u>	<u>-</u>	<u>93,410,381</u>
Less accumulated depreciation for:				
Buildings	(12,123,344)	(1,851,571)		(13,974,915)
Improvements other than buildings	(540,096)	(56,918)		(597,014)
Leasehold Improvements	(5,035,610)	(364,799)	-	(5,400,409)
Machinery and equipment	<u>(13,465,521)</u>	<u>(1,121,468)</u>	-	<u>(14,586,989)</u>
Total accumulated depreciation	<u>(31,164,571)</u>	<u>(3,394,756)</u>	<u>-</u>	<u>(34,559,327)</u>
Total capital assets, being depreciated, net	<u>56,576,886</u>	<u>2,274,168</u>	<u>-</u>	<u>58,851,054</u>
Governmental activities capital assets, net	<u>\$ 56,576,886</u>	<u>\$ 2,274,168</u>	<u>\$ -</u>	<u>\$ 58,851,054</u>
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 69,406	-	-	\$ 69,406
Total capital assets being depreciated	<u>69,406</u>	<u>-</u>	<u>-</u>	<u>69,406</u>
Less accumulated depreciation for:				
Machinery and equipment	<u>(69,406)</u>	<u>-</u>	<u>-</u>	<u>(69,406)</u>
Total accumulated depreciation	<u>(69,406)</u>	<u>-</u>	<u>-</u>	<u>(69,406)</u>
Total capital assets, being depreciated, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental activities:

Instruction	
Special Education	\$ 338,391
Total Instruction	<u>338,391</u>
Support Services	
Student and Instruction Related Services	1,677
School administration services	197,061
Plant operations and maintenance	2,375,378
Pupil transportation	<u>458,730</u>
Total Support Services	<u>3,032,846</u>
Total Governmental Funds	<u>3,371,237</u>
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>23,519</u>
Total depreciation expense - governmental activities	<u>\$ 3,394,756</u>

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2021:

<u>Project</u>	<u>Remaining Commitment</u>
Expansion and Reconstruction of Union Street Facility	\$ 1,304,427
Renovation of Montesano Building	853,369
Montesano Restroom/Ceiling/Lighting Upgrades	455,207
Godwin Renovations	215,305
Union Street Modifications - Site Work and Landscaping	<u>316,165</u>
Total	<u>\$ 3,144,473</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 46,000
General Fund	One to One Aides - Internal Service Fund	565,000
General Fund	Interlocal Agreement-Internal Service Fund	1,050,000
General Fund	Career Crossroads - Internal Svc. Fund	40,000
General Fund	Home Hospital - Internal Svc. Fund	16,000
General Fund	Education Enterprises - Internal Svc. Fund	1,120,000
Compensated Absences - Internal Svc. Fund	General Fund	<u>1,716,577</u>
		<u>\$ 4,553,577</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 except between the General Fund and the Compensated Absences Internal Service Fund.

Interfund Transfers

	<u>Transfer In:</u>	
	<u>Enterprise-Food Service</u>	<u>Total</u>
Transfer Out:		
General Fund	<u>\$ 100,000</u>	<u>\$ 100,000</u>
 Total transfers out	 <u>\$ 100,000</u>	 <u>\$ 100,000</u>

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	Balance, July 1, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, <u>2021</u>	Due Within <u>One Year</u>
Governmental activities:					
Compensated absences	\$ 2,453,981	-	\$ 340,975	\$ 2,113,006	-
Net Pension Liability	<u>51,593,332</u>	<u>-</u>	<u>3,580,359</u>	<u>48,012,973</u>	<u>-</u>
 Governmental activity					
Long-term liabilities	<u>\$ 54,047,313</u>	<u>\$ -</u>	<u>\$ 3,921,334</u>	<u>\$ 50,125,979</u>	<u>\$ -</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities, the liabilities for compensated absences, and net pension liability are generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the County of Bergen Self Insurance Pool for general liability/automobile coverage and worker's compensation insurance.

The relationship between the Board and the County of Bergen is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The District has agreed to pay an annual installment based on a computation of the District's Share of the County's premium as provided by the County. In return, the County of Bergen administers the District's insurance.

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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 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, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District’s restricted fund balance for unemployment compensation claims in the General Fund for the current and previous two years:

Fiscal Year Ended June 30,	Interest Earnings	Employee Contributions	Amount Reimbursed	Ending Balance
2021	\$ 548	-	-	\$ 578,456
2020	1,260	\$ 104,784	\$ 87,306	577,908
2019	1,156	118,445	68,309	559,170

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.

K.L. v. Bergen County Special Services (anticipated litigation)

A student of the district has filed a Notice of Tort Claim alleging that a former employee molested and sexually abused him for the period between September, 2016 and March, 2018. At the time, he was a minor attending the Brownstone School. The notice of tort claim seeks damages of ten million (\$10,000,000) dollars.

The former employee has been arrested and it is understood that law enforcement authorities are currently investigating the matter. The district has minimal information on the matter in light of the ongoing law enforcement investigation and there has been no settlement discussion of note. However, if the allegations are true, it is anticipated that the potential exposure could be material.

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, 2021, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all 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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

The following represents the membership tiers for PERS:

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

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. 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 or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required 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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32%. The collective net pension liability of the State funded TPAF at June 30, 2020 is \$66.0 billion and the plan fiduciary net position as a percentage of total pension liability is 24.60%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

Actuarial Methods and Assumptions

In the July 1, 2019 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 2021.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2021 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2021, 2020 and 2019 were equal to the required contributions.

During the fiscal years ended June 30, 2021, 2020 and 2019 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>
2021	\$ 3,220,858	\$ 4,599,124	\$ 30,336
2020	2,785,215	6,164,504	31,398
2019	2,810,868	5,866,160	5,423

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2021, 2020 and 2019 the District contributed \$-0-, \$12,977 and \$13,169, respectively for PERS and the State contributed \$3,531, \$3,549 and \$3,729, 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 \$2,058,265 during the fiscal year ended June 30, 2021 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, 2019 through June 30, 2020. 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, 2020 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2020.

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$48,012,973 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. 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, 2020. At June 30, 2020, the District's proportionate share was 0.29442 percent, which was an increase of 0.00809 percent from its proportionate share measured as of June 30, 2019 of 0.28633 percent.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$3,472,162 for PERS. The pension contribution made by the District during the current 2020/2021 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, 2021 with a measurement date of the prior fiscal year end of June 30, 2020. 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, 2021 for contributions made subsequent to the measurement date. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>2020</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 874,237	\$ 169,795
Changes of Assumptions	1,557,595	20,103,486
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,641,122	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>5,141,985</u>	<u>840,578</u>
Total	<u>\$ 9,214,939</u>	<u>\$ 21,113,859</u>

At June 30, 2021, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2022	\$ (3,458,630)
2023	(4,136,117)
2024	(3,037,377)
2025	(1,030,179)
2026	(236,617)
Thereafter	<u>-</u>
	<u>\$ (11,898,920)</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District’s total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>
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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

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>
2021	June 30, 2020	7.00%
2020	June 30, 2019	6.28%

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

There was no crossover period for the PERS defined benefit plan. Therefore the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 60,440,323</u>	<u>\$ 48,012,973</u>	<u>\$ 37,468,027</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2020. A sensitivity analysis specific to the District's net pension liability at June 30, 2020 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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2019 through June 30, 2020. 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, 2020, 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, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$11,305,680 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, 2021 the State's proportionate share of the net pension liability attributable to the District is \$181,809,352. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. 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, 2020. At June 30, 2020, the State's share of the net pension liability attributable to the District was 0.27610 percent, which was a decrease of 0.01604 percent from its proportionate share measured as of June 30, 2019 of 0.29214 percent.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

	<u>TPAF</u>
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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

Fiscal Year	Measurement Date	Discount Rate
2021	June 30, 2020	5.40%
2020	June 30, 2019	5.60%

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, 2062
Municipal Bond Rate *	From July 1, 2062 and Thereafter

* The municipal bond return rate used is 2.21% as of the measurement date of June 30, 2020. 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 5.40%, 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 (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 213,556,377</u>	<u>\$ 181,809,352</u>	<u>\$ 155,448,777</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, 2020. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2020 was not provided by the pension system.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

D. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. In addition, the plan is administered on a pay-as-you-go basis. 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 multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2019:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
Total	<u>366,108</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, 2020 is \$67.8 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, 2019 which were rolled forward to June 30, 2020.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2019 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 \$1.18 billion to the OPEB plan in fiscal year 2020.

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. 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, 2021, 2020 and 2019 were \$2,555,424, \$2,286,918 and \$2,660,881, 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, 2019 through June 30, 2020. 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, 2021, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$12,248,143. 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, 2021 the State's proportionate share of the OPEB liability attributable to the District is \$228,799,172. 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, 2020 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the District was 0.33741 percent, which was an increase of 0.00383 percent from its proportionate share measured as of June 30, 2019 of 0.33358 percent.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

The OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	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 4.45%
Rate Thereafter	1.55% to 4.45%
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-2020.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 Healthy "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2020.

*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, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions (Continued)

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

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

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>
2021	June 30, 2020	2.21%
2020	June 30, 2019	3.50%

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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2019 Measurement Date	\$ <u>139,201,575</u>
Changes Recognized for the Fiscal Year:	
Service Cost	6,170,780
Interest on the Total OPEB Liability	5,021,020
Differences Between Expected and Actual Experience	40,474,525
Changes of Assumptions	41,793,746
Gross Benefit Payments	(3,983,205)
Contributions from the Member	120,731
Net Changes	<u>\$ 89,597,597</u>
Balance, June 30, 2020 Measurement Date	\$ <u>228,799,172</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 % percent in 2019 to 2.21% percent in 2020.

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, 2020.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.21%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	1% Decrease <u>(1.21%)</u>	Current Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>275,829,212</u>	\$ <u>228,799,172</u>	\$ <u>192,026,211</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ <u>184,694,407</u>	\$ <u>228,799,172</u>	\$ <u>281,318,144</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 were not provided by the pension system.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 RESTATEMENT

On July 1, 2020, the Bergen County Special Services School District implemented GASB Statement No. 84 “Fiduciary Activities”. The Bergen County Special Services School District has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2020 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll related activities which were previously reported as fiduciary activities to governmental activities. The effect of this restatement is to increase net position of governmental activities by \$665,145 from \$16,712,971 as previously reported to \$17,378,116 as of June 30, 2020.

Governmental Funds

The financial statements of the governmental funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll activities previously reported as fiduciary funds to governmental funds. The effect of this restatement is to increase fund balances of governmental funds by \$665,145 from \$17,084,118 as previously reported to \$17,749,263 as of June 30, 2020. General Fund fund balance increased \$577,908 from \$16,698,298 as previously reported to \$17,276,206 as of June 30, 2020. Special Revenue Fund fund balance increased \$87,237 from \$-0- as previously reported to \$87,237 as of June 30, 2020.

Fiduciary Funds

The financial statements of the fiduciary funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities to governmental funds as noted above. The effect of this restatement is to decrease total fiduciary net position by \$651,864 from \$651,864 as previously reported to \$-0- as of 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 has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Governor Phil Murphy (the “Governor”) of the State of New Jersey (the “State”) declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measure, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the governor’s pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

Recently, the United States Congress has passed relief and stimulus legislations including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the School District. It is too early to predict if the legislation will have its intended affect.

The largest portion of the School District's revenues is derived from local tax revenues levied by the Borough. In that regard, under applicable State statutes, the Borough annually is required to pay 100% of the amount levied for operations and debt service to the School District regardless of delinquencies in applicable property tax collections. The ability of the Borough to fully collect property taxes on a timely basis may be affected by the economic impact of the Pandemic; however, the District does not anticipate an interruption in the timely collection of property taxes from the Borough.

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
County Aid	\$ 10,623,288		\$ 10,623,288	\$ 10,623,288	
Tuition	42,958,440	-	42,958,440	42,396,528	\$ (561,912)
Non Resident Fees	1,250,000		1,250,000	1,241,736	(8,264)
Interest on Investments	100,000	-	100,000	9,314	(90,686)
Interest on Capital Reserve	10,000	-	10,000	4,793	(5,207)
Interest on Unemployment				548	548
Miscellaneous	1,670,000	-	1,670,000	1,392,139	(277,861)
Total Local Sources	<u>56,611,728</u>	<u>-</u>	<u>56,611,728</u>	<u>55,668,346</u>	<u>(943,382)</u>
State Sources (*See Note)					
On-Behalf TPAF Pension System Contributions- Post Retirement Medical (Non-Budgeted)				1,441,294	1,441,294
On-Behalf TPAF Pension System Contributions- Normal Cost (Non-Budgeted)				4,513,253	4,513,253
On-Behalf TPAF Pension System Contributions- Non-Contributory Group Insurance (Non-Budgeted)				85,871	85,871
On-Behalf TPAF Pension System Contributions- Long Term Disability Insurance (Non-Budgeted)				1,992	1,992
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,160,890	1,160,890
Total State Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,203,300</u>	<u>7,203,300</u>
Federal Sources:					
Medicaid Reimbursement	400,000	-	400,000	355,204	(44,796)
Total Federal Sources	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>355,204</u>	<u>(44,796)</u>
Total Revenues	<u>57,011,728</u>	<u>-</u>	<u>57,011,728</u>	<u>63,226,850</u>	<u>6,215,122</u>
EXPENDITURES					
Current					
Special Education					
Auditory Impairments - Instruction					
Salaries of Teachers	1,888,362	\$ (59,293)	1,829,069	1,826,515	2,554
Other Salaries for Instruction	1,611,754	(60,707)	1,551,047	1,419,194	131,853
Purchased Prof. - Educ. Services	1,060,000	(75,000)	985,000	979,074	5,926
Lease and Rentals	10,000	-	10,000	8,740	1,260
Other Purchased Services	26,500	3,248	29,748	29,234	514
Travel	6,800	(1,000)	5,800	138	5,662
General Supplies	83,900	204,326	288,226	257,014	31,212
Textbooks	1,200	1,902	3,102	2,309	793
Other Objects	9,050	(3,000)	6,050	2,077	3,973
Total Auditory Impairments - Instruction	<u>4,697,566</u>	<u>10,476</u>	<u>4,708,042</u>	<u>4,524,295</u>	<u>183,747</u>
Behavioral Disabilities - Instruction					
Salaries of Teachers	2,375,490	1,682	2,377,172	2,270,536	106,636
Other Salaries for Instruction	1,116,248	(1,682)	1,114,566	896,555	218,011
Purchased Prof. - Educ. Service	332,000	4,200	336,200	144,790	191,410
Leases and Rentals	17,150	-	17,150	15,004	2,146
Travel	14,550	(8,000)	6,550	692	5,858
General Supplies	94,750	303,706	398,456	353,801	44,655
Textbooks	7,000	-	7,000	4,512	2,488
Other Objects	8,750	-	8,750	3,436	5,314
Total Behavioral Disabilities - Instruction	<u>3,965,938</u>	<u>299,906</u>	<u>4,265,844</u>	<u>3,689,326</u>	<u>576,518</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXPENDITURES (Continued)	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
Current (Continued)					
Psychiatric					
Salaries of Teachers	\$ 343,129	\$ 2,000	\$ 345,129	\$ 345,080	\$ 49
Other Salaries for Instruction	89,325	-	89,325	87,335	1,990
Purchased Prof. - Educ. Service	530,000	6,300	536,300	536,080	220
Travel	300	-	300	-	300
General Supplies	11,000	(9,041)	1,959	1,093	866
Textbooks	1,000	-	1,000	-	1,000
Other Objects	1,500	-	1,500	163	1,337
Total Psychiatric	976,254	(741)	975,513	969,751	5,762
Multiple Disabilities - Instruction					
Salaries of Teachers	1,457,680	90,000	1,547,680	1,524,033	23,647
Other Salaries for Instruction	1,000,291	(90,000)	910,291	890,634	19,657
Purchased Prof. - Educ. Service	310,000	-	310,000	225,982	84,018
Lease and Rentals	9,500	-	9,500	9,042	458
Travel	6,050	-	6,050	790	5,260
General Supplies	87,000	1,535	88,535	59,252	29,283
Textbooks	3,250	-	3,250	1,850	1,400
Other Objects	5,650	(1,000)	4,650	1,128	3,522
Total Multiple Disabilities	2,879,421	535	2,879,956	2,712,711	167,245
Autism - Instruction					
Salaries of Teachers	3,813,821	(217,000)	3,596,821	3,476,419	120,402
Other Salaries for Instruction	2,821,790	(235,000)	2,586,790	2,489,160	97,630
Purchased Prof. - Educ. Service	525,500	-	525,500	525,000	500
Lease and Rentals	19,250	-	19,250	18,409	841
Travel	5,350	-	5,350	615	4,735
General Supplies	204,000	203,012	407,012	278,769	128,243
Other Objects	10,500	-	10,500	6,260	4,240
Total Autistic	7,400,211	(248,988)	7,151,223	6,794,632	356,591
Preschool Disabilities - Full Time - Instruction					
Salaries of Teachers	695,494	90,000	785,494	650,105	135,389
Other Salaries for Instruction	227,891	30,000	257,891	240,988	16,903
Purchased Prof. - Educ. Service	22,000	-	22,000	12,100	9,900
Other Purchased Services	-	600	600	572	28
Travel	250	-	250	49	201
General Supplies	16,950	31,946	48,896	40,821	8,075
Textbooks	250	-	250	138	112
Other Objects	2,000	-	2,000	389	1,611
Total Preschool Disabilities - Full-Time	964,835	152,546	1,117,381	945,162	172,219
Total Special Education - Instruction	20,884,225	213,734	21,097,959	19,635,877	1,462,082
School Sponsored Co curricular Activities					
Travel	1,500	-	1,500	-	1,500
Other Objects	71,650	(7,900)	63,750	19,482	44,268
Total School Sponsored Co curricular Activities	73,150	(7,900)	65,250	19,482	45,768
Other Instructional Programs					
Salaries	89,324	2,000	91,324	91,168	156
Purchased Prof. - Educ. Service	5,000	(2,000)	3,000	-	3,000
Rentals	2,600	-	2,600	1,720	880
General Supplies	9,000	-	9,000	785	8,215
Other Objects	500	-	500	-	500
Total Other Instructional Programs	106,424	-	106,424	93,673	12,751
Community Services Programs/ Operations					
Salaries	147,563	-	147,563	147,503	60
Other Purchased Services	50,000	-	50,000	47,677	2,323
Travel	800	-	800	207	593
Supplies and Materials	6,500	-	6,500	2,207	4,293
Other Objects	2,000	-	2,000	415	1,585
Total Community Services Programs/ Operations	206,863	-	206,863	198,009	8,854
Total Instruction	21,270,662	205,834	21,476,496	19,947,041	1,529,455

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
EXPENDITURES (Continued)					
Current (Continued)					
Health Services					
Salaries	\$ 761,826	-	\$ 761,826	\$ 629,608	\$ 132,218
Purchased Professional and Technical Services	50,000	-	50,000	27,377	22,623
Other Professional Services	25,000	-	25,000	25,000	-
Supplies and Materials	10,400	\$ 602,178	612,578	251,940	360,638
Other Objects	29,850	8,060	37,910	12,174	25,736
Total Health Services	<u>877,076</u>	<u>610,238</u>	<u>1,487,314</u>	<u>946,099</u>	<u>541,215</u>
Speech, OT,PT and Related Services					
Salaries	4,380,339	(230,000)	4,150,339	3,898,881	251,458
Purchased Professional-Educational Services	275,000	330,000	605,000	604,578	422
Total Other Support Services-Students Related Serv.	<u>4,655,339</u>	<u>100,000</u>	<u>4,755,339</u>	<u>4,503,459</u>	<u>251,880</u>
Child Study Team					
Salaries of Other Professional Staff	1,958,117	-	1,958,117	1,919,854	38,263
Total Child Study Team	<u>1,958,117</u>	<u>-</u>	<u>1,958,117</u>	<u>1,919,854</u>	<u>38,263</u>
Improvement of Instruction Services					
Salaries	429,578	9,000	438,578	437,659	919
Other Purchased Services	47,000	-	47,000	45,000	2,000
Travel	3,000	-	3,000	20	2,980
Supplies and Materials	7,500	(5,000)	2,500	2,325	175
Other Objects	4,000	(4,000)	-	-	-
Total Improvement of Instruction Services	<u>491,078</u>	<u>-</u>	<u>491,078</u>	<u>485,004</u>	<u>6,074</u>
Educational Media Service/School Library					
Salaries	495,648	-	495,648	485,548	10,100
Purchased Professional-Educational Services	365,000	389,997	754,997	610,091	144,906
Travel	1,000	-	1,000	50	950
Supplies and Materials	175,000	472,200	647,200	359,922	287,278
Total Educational Media Services/School Library	<u>1,036,648</u>	<u>862,197</u>	<u>1,898,845</u>	<u>1,455,611</u>	<u>443,234</u>
Instructional Staff Training Services					
Travel	22,150	(1,900)	20,250	2,921	17,329
Other Objects	59,550	14,476	74,026	34,187	39,839
Total Instructional Staff Training Services	<u>81,700</u>	<u>12,576</u>	<u>94,276</u>	<u>37,108</u>	<u>57,168</u>
Support Services General Administration					
Salaries	117,361	-	117,361	113,981	3,380
Legal Services	225,000	(13,000)	212,000	113,711	98,289
Audit Fees	66,000	-	66,000	64,247	1,753
Expenditure and Internal Control	5,000	-	5,000	-	5,000
Architect/Engineering Fees	20,000	123,650	143,650	107,998	35,652
Other Purchased Professional Services	56,500	-	56,500	55,731	769
Leases and Rentals	5,000	-	5,000	1,592	3,408
Communications/Telephone	181,500	-	181,500	179,095	2,405
Other Purchased Services	276,500	-	276,500	246,457	30,043
BOE Other Purchase Services	4,000	-	4,000	(115)	4,115
Supplies and Materials	15,000	-	15,000	3,340	11,660
Miscellaneous Expenditures	25,000	-	25,000	23,564	1,436
Total Support Services General Administration	<u>996,861</u>	<u>110,650</u>	<u>1,107,511</u>	<u>909,601</u>	<u>197,910</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXPENDITURES (Continued)	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
Current (Continued)					
Support Services School Administration					
Salaries of Principals/ Assistant Principals	\$ 1,479,914	\$ (45,000)	\$ 1,434,914	\$ 1,337,009	\$ 97,905
Salaries of Secretarial and Clerical Assistants	790,843	-	790,843	670,756	120,087
Travel	10,750	(2,500)	8,250	532	7,718
Supplies and Materials	4,800	46,534	51,334	3,183	48,151
Other Objects	9,300	1,061	10,361	5,058	5,303
Total Support Services School Administration	2,295,607	95	2,295,702	2,016,538	279,164
Central Services					
Salaries	466,883	-	466,883	393,156	73,727
Purchased Professional Services	65,000	-	65,000	51,214	13,786
Purchased Technical Services	68,600	(1,800)	66,800	37,570	29,230
Leases and Rentals	3,400	1,800	5,200	5,093	107
Travel	3,500	-	3,500	144	3,356
Other Purchased Services	3,000	(1,500)	1,500	-	1,500
Supplies and Materials	16,000	(4,500)	11,500	3,679	7,821
Miscellaneous Expenditures	6,500	6,000	12,500	11,241	1,259
Total Central Services	632,883	-	632,883	502,097	130,786
Required Maintenance for School Facilities					
Salaries	244,295	9,000	253,295	252,973	322
Cleaning, Repair and Maintenance Services	165,000	100,942	265,942	244,883	21,059
General Supplies	82,468	30,363	112,831	103,538	9,293
Total Required Maintenance for School Facilities	491,763	140,305	632,068	601,394	30,674
Custodial Services					
Salaries	1,471,902	(32,000)	1,439,902	1,435,033	4,869
Purchased Professional and Technical Services	150,000	-	150,000	150,000	-
Cleaning, Repair and Maintenance Services	250,000	108,706	358,706	183,898	174,808
Rental of Land and Bldgs. Other Than Lease Purch	1,308,115	26,600	1,334,715	1,330,405	4,310
Other Purchased Property Services	41,200	-	41,200	38,265	2,935
Insurance	105,000	-	105,000	94,672	10,328
Travel	1,500	-	1,500	1,112	388
General Supplies	299,575	237,463	537,038	437,917	99,121
Energy (Natural Gas)	150,000	(46,600)	103,400	89,035	14,365
Energy (Electricity)	415,500	41,000	456,500	456,046	454
Energy (Gasoline)	100,000	(21,000)	79,000	25,606	53,394
Other Objects	10,000	-	10,000	7,871	2,129
Total Custodial Services	4,302,792	314,169	4,616,961	4,249,860	367,101
Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	50,000	161,876	211,876	38,632	173,244
General Supplies	10,000	-	10,000	-	10,000
Total Upkeep of Grounds	60,000	161,876	221,876	38,632	183,244
Security					
Cleaning, Repair and Maintenance Services	140,000	-	140,000	70,000	70,000
Total Security	140,000	-	140,000	70,000	70,000
Student Transportation Services					
Salaries for Pupil Transp (Other than Bet. Home & School)	734,941	-	734,941	625,679	109,262
Cleaning, Repair and Maintenance Services	10,000	-	10,000	-	10,000
Contr Serv (Other Than Between Home & School) - Vendors	8,000	-	8,000	790	7,210
Miscellaneous Purchased Services-Transportation	53,500	-	53,500	53,500	-
Supplies and Materials	75,000	7,748	82,748	55,894	26,854
Miscellaneous Expenditures	25,000	23,240	48,240	15,897	32,343
Total Student Transportation Services	906,441	30,988	937,429	751,760	185,669

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
EXPENDITURES (Continued)					
Current (Continued)					
Unallocated Benefits					
Social Security Contributions	\$ 1,140,000	-	\$ 1,140,000	\$ 993,683	\$ 146,317
Other Retirement Contributions- Regular	2,100,000	\$ (124,000)	1,976,000	1,883,469	92,531
Unemployment Compensation	8,000	2,000	10,000	9,835	165
Workmen's Compensation	985,000	20,000	1,005,000	1,004,615	385
Health Benefits	11,553,795	(3,506,627)	8,047,168	8,033,116	14,052
Tuition Reimbursement	125,000	2,217	127,217	86,863	40,354
Other Employee Benefits	175,000	47,000	222,000	218,759	3,241
Total Unallocated Benefits	16,086,795	(3,559,410)	12,527,385	12,230,340	297,045
On-Behalf TPAF Pension System Contributions- Post Retirement Medical (Non-Budgeted)					
				1,441,294	(1,441,294)
On-Behalf TPAF Pension System Contributions- Normal Cost (Non-Budgeted)					
				4,513,253	(4,513,253)
On-Behalf TPAF Pension System Contributions- Non-Contributory Group Insurance (Non-Budgeted)					
				85,871	(85,871)
On-Behalf TPAF Pension System Contributions- LongTerm Disability Insurance (Non-Budgeted)					
				1,992	(1,992)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)					
	-	-	-	1,160,890	(1,160,890)
Total TPAF Contributions	-	-	-	7,203,300	(7,203,300)
Total Undistributed Expenditures	35,013,100	(1,216,316)	33,796,784	37,920,657	(4,123,873)
Total Expenditures - Current	56,283,762	(1,010,482)	55,273,280	57,867,698	(2,594,418)
CAPITAL OUTLAY					
Equipment					
Special Education - Instruction					
Auditory Impairments	-	115,150	115,150	83,074	32,076
Behavioral Disabilities	-	146,267	146,267	76,647	69,620
Multiple Disabilities	-	17,368	17,368	4,827	12,541
Autism	-	49,625	49,625	37,625	12,000
Health Services	-	450,000	450,000	408,260	41,740
Educational Media and School Library	-	748,725	748,725	668,630	80,095
Grounds	-	471,744	471,744	290,689	181,055
Transportation	-	134,639	134,639	134,617	22
Other	-	4,054	4,054	-	4,054
Total Equipment	-	2,137,572	2,137,572	1,704,369	433,203
Facilities Acquisition and Construction Services					
Construction Services					
	10,000	4,639,331	4,649,331	2,541,226	2,108,105
Total Facilities Acquisition and Construction Services	10,000	4,639,331	4,649,331	2,541,226	2,108,105
Total Capital Outlay	10,000	6,776,903	6,786,903	4,245,595	2,541,308
SPECIAL SCHOOLS					
Other Special Schools - Instruction					
Salaries of Teachers	269,033	9,000	278,033	277,633	400
Other Salaries for Instruction	498,756	(34,000)	464,756	432,308	32,448
Other Purchased Services	325,000	-	325,000	320,700	4,300
Travel	500	-	500	-	500
General Supplies	11,000	23,446	34,446	9,117	25,329
Other Objects	10,000	-	10,000	4,118	5,882
Total Other Special Schools - Instruction	1,114,289	(1,554)	1,112,735	1,043,876	68,859
Other Special Schools - Support Services					
Salaries	371,227	1,500	372,727	307,186	65,541
Personal Services - Employee Benefits	661,000	(2,150)	658,850	602,550	56,300
Purchased Professional and Technical Services	24,500	(500)	24,000	17,383	6,617
Rental	8,500	-	8,500	7,955	545
Travel	100	-	100	-	100
Other Purchased Services	8,000	-	8,000	2,133	5,867
Supplies and Materials	9,500	(1,318)	8,182	3,855	4,327
Other Objects	150	-	150	-	150
Total Other Special Schools - Support Services	1,082,977	(2,468)	1,080,509	941,062	139,447
Total Other Special Schools	2,197,266	(4,022)	2,193,244	1,984,938	208,306
Total Expenditures	58,491,028	5,762,399	64,253,427	64,098,231	155,196
Excess(Deficiency) of Revenues Over(Under) Expenditures	(1,479,300)	(5,762,399)	(7,241,699)	(871,381)	6,370,318

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
Other Financing Sources/(Uses):					
Transfer to Food Service Fund - Board Contribution	\$ (100,000)	-	\$ (100,000)	\$ (100,000)	-
Total Other Financing Sources/(Uses)	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Excess(Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(1,579,300)	\$ (5,762,399)	(7,341,699)	(971,381)	\$ 6,370,318
Fund Balances, July 1, as Restated	<u>17,276,206</u>	<u>-</u>	<u>17,276,206</u>	<u>17,276,206</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 15,696,906</u>	<u>\$ (5,762,399)</u>	<u>\$ 9,934,507</u>	<u>\$ 16,304,825</u>	<u>\$ 6,370,318</u>
Recapitulation:					
Restricted Fund Balance					
Capital Reserve				\$ 6,707,221	
Maintenance Reserve				891,313	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				100,000	
Unemployment Claims				578,456	
Assigned Fund Balance					
Year End Encumbrances				3,381,686	
Designated for Subsequent Year's Expenditures - FFCRA/SEMI				29,237	
Designated for Subsequent Year's Expenditures				900,000	
Unassigned Fund Balance					
Undesignated				<u>3,716,912</u>	
				<u>\$ 16,304,825</u>	

* Note: The On-Behalf TPAF contributions per Exhibit K-4 are allocated to the General, Special Revenue and Internal Service Funds

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
State Sources	\$ 40,000	\$ 850,995	\$ 890,995	\$ 2,197,661	\$ 1,306,666
Federal Sources	2,005,000	(30,279)	1,974,721	706,154	(1,268,567)
Other Sources	8,005,000	(378,740)	7,626,260	7,130,599	(495,661)
Total Revenues	<u>10,050,000</u>	<u>441,976</u>	<u>10,491,976</u>	<u>10,034,414</u>	<u>(457,562)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	10,045,000	(6,240,999)	3,804,001	3,210,360	593,641
Other Salaries for Instruction	-	1,372,272	1,372,272	726,418	645,854
Purchased Professional Services	-	-	-	-	-
Other Purchased Services	-	-	-	-	-
General Supplies	5,000	152,242	157,242	103,821	53,421
Co-Curricular Student Activities	-	-	-	318	(318)
Other Objects	-	1,600	1,600	1,600	-
Total Instruction	<u>10,050,000</u>	<u>(4,714,885)</u>	<u>5,335,115</u>	<u>4,042,517</u>	<u>1,292,598</u>
Support Services					
Salaries	-	1,366,043	1,366,043	1,243,551	122,492
Personnel Services Employee Benefits	-	1,686,516	1,686,516	1,568,053	118,463
On-Behalf Benefits	-	-	-	1,306,666	(1,306,666)
Cleaning, Repair, and Maintenance Service	-	1,375	1,375	1,373	2
Purchased Professional Education Services	-	1,739,864	1,739,864	1,615,101	124,763
Communication and Telephone	-	19,502	19,502	19,502	-
Energy	-	2,055	2,055	2,055	-
Rental	-	7,368	7,368	7,368	-
Travel	-	5,637	5,637	5,123	514
Other Purchased Services	-	258,900	258,900	157,694	101,206
Supplies and Materials	-	61,054	61,054	56,484	4,570
Miscellaneous Expenditures	-	4,310	4,310	2,196	2,114
Scholarships Awarded	-	-	-	4,850	(4,850)
Student Activities	-	-	-	-	-
Total Support Services	<u>-</u>	<u>5,152,624</u>	<u>5,152,624</u>	<u>5,990,016</u>	<u>(837,392)</u>
Facilities Acquisition and Construction					
Instructional Equipment	-	4,237	4,237	2,138	2,099
Total Facilities Acquisition and Construction	<u>-</u>	<u>4,237</u>	<u>4,237</u>	<u>2,138</u>	<u>2,099</u>
Total Expenditures	<u>10,050,000</u>	<u>441,976</u>	<u>10,491,976</u>	<u>10,034,671</u>	<u>457,305</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	(257)	(257)
Fund Balance July 1 (Restated)	-	-	-	87,237	87,237
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,980</u>	<u>\$ 86,980</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Source/Inflows of Resources		
Actual Amounts (budgetary basis) "revenue"		
From the budgetary comparison schedule	\$ 63,226,850	\$ 10,034,414
Difference - budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2020		51,768
Encumbrances, June 30, 2021	-	-
	-----	-----
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 63,226,850</u>	<u>\$ 10,086,182</u>
Uses/Outflows of Resources		
Actual amounts(budgetary basis) "total expenditure" from the budgetary comparison schedule	\$ 64,098,231	\$ 10,034,671
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is 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		51,768
Encumbrances, June 30, 2021	-	-
	-----	-----
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$ 64,098,231</u>	<u>\$ 10,086,439</u>

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

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Employees Retirement System

Last Eight Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.29442 %	0.28633 %	0.28259 %	0.29004 %	0.23653 %	0.23923 %	0.23782 %	0.23468 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$48,012,973	\$51,593,332	\$55,640,770	\$67,518,565	\$70,053,677	\$53,702,644	\$44,515,531	\$ 44,853,790
District's Covered Payroll	\$22,421,850	\$20,562,178	\$19,815,633	\$19,833,888	\$18,564,076	\$16,100,179	\$16,501,385	\$ 16,005,606
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	214.13%	250.91%	280.79%	340.42%	377.36%	333.55%	269.77%	280.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32 %	56.27 %	53.60 %	48.10 %	40.14 %	47.93 %	52.08 %	48.72 %

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

Last Eight Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 3,220,858	\$ 2,785,215	\$ 2,810,868	\$ 2,686,986	\$ 2,101,307	\$ 2,056,748	\$ 1,960,564	\$ 1,870,873
Contributions in Relation to the Contractually Required Contribution	<u>3,220,858</u>	<u>2,785,215</u>	<u>2,810,868</u>	<u>2,686,986</u>	<u>2,101,307</u>	<u>2,056,748</u>	<u>1,960,564</u>	<u>1,870,873</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 21,876,745	\$ 22,421,850	\$ 20,562,178	\$ 19,815,633	\$ 19,833,888	\$ 18,564,076	\$ 16,100,179	\$ 16,501,385
Contributions as a Percentage of Covered Payroll	14.72%	12.42%	13.67%	13.56%	10.59%	11.08%	12.18%	11.34%

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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Teachers Pension and Annuity Fund

Last Eight Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>181,809,352</u>	<u>179,295,192</u>	<u>194,573,003</u>	<u>184,883,757</u>	<u>229,394,946</u>	<u>186,708,043</u>	<u>160,785,515</u>	<u>159,708,437</u>
Total	<u>\$ 181,809,352</u>	<u>\$ 179,295,192</u>	<u>\$ 194,573,003</u>	<u>\$ 184,883,757</u>	<u>\$ 229,394,946</u>	<u>\$ 186,708,043</u>	<u>\$ 160,785,515</u>	<u>\$ 159,708,437</u>
District's Covered Payroll	\$ 30,017,973	\$ 29,726,170	\$ 29,502,394	\$ 31,206,801	\$ 30,067,644	\$ 27,950,082	\$ 29,483,746	\$ 29,177,685
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
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, 2021**

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last Four Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 6,170,780	\$ 6,321,260	\$ 7,244,613	\$ 8,697,404
Interest on Total OPEB Liability	5,021,020	5,970,670	6,469,943	5,529,097
Differences Between Expected and Actual Experiences	40,474,525	(21,032,606)	(18,013,330)	
Changes of Assumptions	41,793,746	2,075,507	(17,214,760)	(22,162,909)
Contribution from the Member	(3,983,205)	(4,273,073)	(4,011,298)	(4,062,621)
Contribution from the Member	<u>120,731</u>	<u>126,666</u>	<u>138,637</u>	<u>149,596</u>
Net Change in Total OPEB Liability	89,597,597	(10,811,576)	(25,386,195)	(11,849,433)
Total OPEB Liability - Beginning	<u>139,201,575</u>	<u>150,013,151</u>	<u>175,399,346</u>	<u>187,248,779</u>
Total OPEB Liability - Ending	<u>\$ 228,799,172</u>	<u>\$ 139,201,575</u>	<u>\$ 150,013,151</u>	<u>\$ 175,399,346</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>228,799,172</u>	<u>139,201,575</u>	<u>150,013,151</u>	<u>175,399,346</u>
Total OPEB Liability - Ending	<u>\$ 228,799,172</u>	<u>\$ 139,201,575</u>	<u>\$ 150,013,151</u>	<u>\$ 175,399,346</u>
District's Covered Payroll	<u>\$ 52,439,823</u>	<u>\$ 50,288,348</u>	<u>\$ 49,318,027</u>	<u>\$ 51,040,689</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%

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

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
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, 2021**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL FUNDS

NOT APPLICABLE

SPECIAL REVENUE FUND

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Total Brought Forward (Ex. E-1b)	Total Brought Forward (Ex. E-1a)	Nonpublic ESL	Nonpublic Supp. Inst.	Nonpublic Speech	Nonpublic Transport	Nonpublic Home Inst	Nonpublic Exam & Class	Nonpublic Comp Ed	2021
REVENUES										
Intergovernmental										
State	\$ 2,197,661	-	-	-	-	-	-	-	-	\$ 2,197,661
Federal	-	\$ 706,154	-	-	-	-	-	-	-	706,154
Other	1,575,544	-	\$ 173,364	\$ 1,220,807	\$ 911,319	\$ 53,243	\$ 20,897	\$ 1,700,044	\$ 1,475,381	7,130,599
Total Revenues	\$ 3,773,205	\$ 706,154	\$ 173,364	\$ 1,220,807	\$ 911,319	\$ 53,243	\$ 20,897	\$ 1,700,044	\$ 1,475,381	\$ 10,034,414
EXPENDITURES										
Instruction										
Salaries of Teachers	\$ 785,797	\$ 146,711	\$ 121,817	\$ 892,573	\$ 628,224	\$ 51,243	\$ 13,183	-	\$ 570,812	\$ 3,210,360
Other Salaries for Instruction	587,987	138,431	-	-	-	-	-	-	-	726,418
Purchased Professional Services	-	-	-	-	-	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	-	-	-	-	-
General Supplies	16,176	48,339	-	7,033	1,712	-	-	\$ 19,042	11,519	103,821
Co-Curricular Student Activities	318	-	-	-	-	-	-	-	-	318
Other Objects	-	-	-	-	1,600	-	-	-	-	1,600
Total Instruction	1,390,278	333,481	121,817	899,606	631,536	51,243	13,183	19,042	582,331	4,042,517
Support Services										
Salaries	204,970	190,458	15,929	118,484	39,133	-	-	534,418	140,159	1,243,551
Personnel Services Employee Benefits	234,847	97,434	33,933	192,317	201,415	-	819	138,489	668,799	1,568,053
On-Behalf Benefits	1,306,666	-	-	-	-	-	-	-	-	1,306,666
Cleaning, Repair, and Maintenance Services	-	-	-	-	-	-	-	688	685	1,373
Purchased Professional Education Services	576,051	695	1,000	10,000	35,000	2,000	6,895	923,460	60,000	1,615,101
Communication and Telephone	-	-	-	-	3,550	-	-	5,263	10,689	19,502
Energy(Heat & Electricity)	-	-	685	-	685	-	-	-	685	2,055
Other Purchased Professional Services	55,000	23,994	-	400	-	-	-	40,000	-	119,394
Rental	-	-	-	-	-	-	-	3,684	3,684	7,368
Travel	-	11	-	-	-	-	-	-	5,112	5,123
Other Purchased Services	800	-	-	-	-	-	-	35,000	2,500	38,300
Supplies and Materials	-	56,247	-	-	-	-	-	-	237	56,484
Miscellaneous Expenditures	-	1,696	-	-	-	-	-	-	500	2,196
Scholarships Awarded	4,850	-	-	-	-	-	-	-	-	4,850
Student Activities	-	-	-	-	-	-	-	-	-	-
Total Support Services	2,383,184	370,535	51,547	321,201	279,783	2,000	7,714	1,681,002	893,050	5,990,016
Facilities Acquisition and Construction										
Instructional Equipment	-	2,138	-	-	-	-	-	-	-	2,138
Total Facilities Acquisition and Construction	-	2,138	-	-	-	-	-	-	-	2,138
Total Expenditures	3,773,462	706,154	173,364	1,220,807	911,319	53,243	20,897	1,700,044	1,475,381	10,034,671
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(257)	-	-	-	-	-	-	-	-	(257)
Fund Balance July 1 (Restated)	87,237	-	-	-	-	-	-	-	-	87,237
Fund Balance, End of Year	\$ 86,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,980

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

EXHIBIT E-1a

	Title I Part D	Title I Part D Carryover	Bleshman Donations	Homeless Children	Homeless Children Carryover	Leisure Bridges Medicaid	CARES Act	Adult Rehab Paramus Medicaid	Adult Rehab Wood-Ridge Medicaid	Total Exhibit E-1a
REVENUES										
Intergovernmental										
State										
Federal	\$ 15,156	\$ (108)	-	\$ 130,012	\$ 137,795	\$ 7,594	\$ 55,000	\$ 225,780	\$ 134,925	\$ 706,154
Other	-	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 15,156</u>	<u>\$ (108)</u>	<u>\$ -</u>	<u>\$ 130,012</u>	<u>\$ 137,795</u>	<u>\$ 7,594</u>	<u>\$ 55,000</u>	<u>\$ 225,780</u>	<u>\$ 134,925</u>	<u>\$ 706,154</u>
EXPENDITURES										
Instruction										
Salaries of Teachers	\$ 13,775			\$ 32,503	\$ 22,875	\$ 8,184	-	\$ 42,394	\$ 26,980	\$ 146,711
Other Salaries for Instruction								88,610	49,821	138,431
Purchased Professional Services		-								-
Other Purchased Services										-
General Supplies	327	\$ (61)	-		11,146	(590)		19,951	17,566	48,339
Other Objects	-	-	-	-	-	-	-	-	-	-
Total Instruction	<u>14,102</u>	<u>(61)</u>	<u>-</u>	<u>32,503</u>	<u>34,021</u>	<u>7,594</u>	<u>-</u>	<u>150,955</u>	<u>94,367</u>	<u>333,481</u>
Support Services										
Salaries	-	-		71,808	83,087			28,999	6,564	190,458
Personnel Services Employee Benefits	1,054	-		25,690	18,698		-	41,992	10,000	97,434
Cleaning, Repair, and Maintenance Services										-
Purchased Professional Education Services					695					695
Other Purchased Professional Services									23,994	23,994
Communication and Telephone										-
Energy (Heat & Electricity)										-
Purchased Property Services										-
Rental										-
Travel				11	-					11
Other Purchased Services										-
Supplies and Materials	0	(47)			1,294	-	\$ 55,000			56,247
Miscellaneous Expenditures								1,696		1,696
Scholarships Awarded										-
Student Activities	-	-	-	-	-	-	-	-	-	-
Total Support Services	<u>1,054</u>	<u>(47)</u>	<u>-</u>	<u>97,509</u>	<u>103,774</u>	<u>-</u>	<u>55,000</u>	<u>72,687</u>	<u>40,558</u>	<u>370,535</u>
Facilities Acquisition and Construction										
Rental of Buildings										-
Instructional Equipment								2,138		2,138
Total Facilities Acquisition and Construction								<u>2,138</u>		<u>2,138</u>
Total Expenditures	<u>15,156</u>	<u>(108)</u>	<u>-</u>	<u>130,012</u>	<u>137,795</u>	<u>7,594</u>	<u>55,000</u>	<u>225,780</u>	<u>134,925</u>	<u>706,154</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures										
	-	-	-	-	-	-	-	-	-	-
Fund Balance July 1 Restated	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	On Behalf TPAF	Student Activity Funds	Scholarship Funds	DDD COVID-19 Funds	Nonpublic IDEA Flow-thru	Nonpublic IDEA Flow-thru Carryover	Total Exhibit E-1b
REVENUES							
Intergovernmental							
State	\$ 1,306,666			\$ 890,995			\$ 2,197,661
Federal							-
Other	-	\$ 921	\$ 3,990	-	\$ 1,048,157	\$ 522,476	1,575,544
Total Revenues	\$ 1,306,666	\$ 921	\$ 3,990	\$ 890,995	\$ 1,048,157	\$ 522,476	\$ 3,773,205
EXPENDITURES							
Instruction							
Salaries of Teachers				\$ 148,121	\$ 189,589	\$ 448,087	\$ 785,797
Other Salaries for Instruction	-			587,987			587,987
Purchased Professional Services							-
Other Purchased Services					16,787	(611)	16,176
General Supplies		\$ 318					318
Co-Curricular Student Activities	-						-
Other Objects	-						-
Total Instruction	-	318	-	736,108	206,376	447,476	1,390,278
Support Services							
Salaries	-	-	-	91,887	113,083		204,970
Personnel Services Employee Benefits	-	-	-	63,000	96,847	75,000	234,847
On-Behalf Benefits	\$ 1,306,666						1,306,666
Cleaning, Repair, and Maintenance Services							-
Purchased Professional Education Services					576,051	-	576,051
Other Purchased Professional Services					55,000		55,000
Communication and Telephone							-
Energy (Heat & Electricity)							-
Purchased Property Services							-
Rental							-
Travel							-
Other Purchased Services					800		800
Supplies and Materials							-
Miscellaneous Expenditures							-
Scholarships Awarded			\$ 4,850				4,850
Student Activities	-						-
Total Support Services	1,306,666	-	4,850	154,887	841,781	75,000	2,383,184
Facilities Acquisition and Construction							
Buildings							-
Instructional Equipment							-
Total Facilities Acquisition and Construction	-	-	-	-	-	-	-
Total Expenditures	1,306,666	318	4,850	890,995	1,048,157	522,476	3,773,462
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	603	(860)	-	-	-	(257)
Other Financing Sources/(Uses) Transfer from General Fund	-	-	-	-	-	-	-
Fund Balance July 1 Restated	-	13,281	73,956	-	-	-	87,237
Fund Balance, End of Year	\$ -	\$ 13,884	\$ 73,096	\$ -	\$ -	\$ -	\$ 86,980

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION PROGRAM AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SPECIAL REVENUE FUND
STUDENT ACTIVITY AGENCY FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Balance July 1, <u>2020</u>	<u>Receipts</u>	Disburse- <u>ments</u>	Balance June 30, <u>2021</u>
SCHOOLS				
District Student Activity	\$ 13,281	\$ 921	\$ 318	\$ 13,884
	<u>\$ 13,281</u>	<u>\$ 921</u>	<u>\$ 318</u>	<u>\$ 13,884</u>

CAPITAL PROJECTS FUND

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Revenues and Other Financing Sources	
County Aid	\$ <u>1,524,090</u>
Total Revenues and Other Financing Sources	<u>1,524,090</u>
Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	70,066
Facilities Acquisition and Construction Services	209,961
Equipment	429,431
Supplies and Materials	<u>236,915</u>
Total Expenditures and Other Financing Uses	<u>946,373</u>
Excess of Revenues Over Expenditures	577,717
Fund Balance - Beginning of Year	<u>385,820</u>
Fund Balance - End of Year	<u>\$ <u>963,537</u></u>

ENTERPRISE FUNDS

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
ENTERPRISE FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

INTERNAL SERVICE FUNDS

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2021**

	Norman A. Bleshman Regional Day School	One to One Aides	Extended Year	Career Crossroads	Project Search	Home Hospital	Education Enterprises	Interlocal Agreements	ETTC	Management Agreement	Compensated Absences	Totals
ASSETS												
Current Assets												
Cash and Cash Equivalents	\$ 1,043,237	\$ 2,146	\$ 10,406	\$ 3,438	\$ 5,056	\$ 465	\$ 7,503	\$ 6,503	\$ 90,646	\$ 34,692		\$ 1,204,092
Accounts Receivable	1,069,645	1,587,312	57,000	47,952	29,376	16,120	1,347,756	1,569,469				5,724,630
Due From B.C.T.S.												
Due from Other Funds	-	-	-	-	-	-	-	-	-	-	\$ 1,716,577	1,716,577
Total Current Assets	2,112,882	1,589,458	67,406	51,390	34,432	16,585	1,355,259	1,575,972	90,646	34,692	1,716,577	8,645,299
Capital Assets												
Furniture, machinery & equipment	2,012,672			3,334	-		78,082		144,221	64,935		2,303,244
Less: Accumulated Depreciation	(335,301)	-	-	(1,776)	-	-	(78,082)	-	(100,560)	-	-	(515,719)
Total Capital Assets, Net	1,677,371	-	-	1,558	-	-	-	-	43,661	64,935	-	1,787,525
Total Assets	3,790,253	1,589,458	67,406	52,948	34,432	16,585	1,355,259	1,575,972	134,307	99,627	1,716,577	10,432,824
LIABILITIES												
Current Liabilities												
Accounts Payable	729,745	155,200		9,153	5,075	1,779	183,305	220,804	232	8,000		1,313,293
Other							209					209
Due to Other Funds	-	565,000	-	40,000	-	16,000	1,120,000	1,050,000	-	-	-	2,791,000
Total Current Liabilities	729,745	720,200	-	49,153	5,075	17,779	1,303,514	1,270,804	232	8,000	-	4,104,502
Noncurrent Liabilities												
Compensated Absences	155,030	-	-	-	-	-	-	-	-	-	1,716,577	1,871,607
Total Noncurrent Liabilities	155,030	-	-	-	-	-	-	-	-	-	1,716,577	1,871,607
Total Liabilities	884,775	720,200	-	49,153	5,075	17,779	1,303,514	1,270,804	232	8,000	1,716,577	5,976,109
NET POSITION												
Net Investment in capital assets	1,677,371			1,558			-	-	43,661	64,935		1,787,525
Unrestricted	1,228,107	869,258	67,406	2,237	29,357	(1,194)	51,745	305,168	90,414	26,692	-	2,669,190
Total Net Position	\$ 2,905,478	\$ 869,258	\$ 67,406	\$ 3,795	\$ 29,357	\$ (1,194)	\$ 51,745	\$ 305,168	\$ 134,075	\$ 91,627	\$ -	\$ 4,456,715

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Norman A. Bleshman Regional Day School	On Behalf TPAF	One to One Aides	Extended Year	Career Crossroads	Project Search	Home Hospital	Education Enterprises	Interlocal Agreements	ETTC	Management Agreement	Compensated Absences	Totals
REVENUES													
OPERATING REVENUES													
Tuition from LEAS	\$ 6,552,214				\$ 255,411	\$ 201,195							\$ 7,008,820
Charges and Fees	-		\$ 7,371,627	\$ 3,658,169			\$ 35,880	\$ 6,308,600	\$ 8,786,445	\$ 7,436	\$ 920,000		27,988,157
Federal Aid	75,000												75,000
On-Behalf (Non-Budgeted)													
TPAF Pension System													
Post Retirement Medical	-	\$ 2,896,875	-	-	-	-	-	-	-	-	-	-	2,896,875
Normal Cost	-	3,710,040	-	-	-	-	-	-	-	-	-	-	3,710,040
Non-Contributory Group Insurance	-	50,802	-	-	-	-	-	-	-	-	-	-	50,802
Non-Contributory Long Term Dis. Insurance	-	1,178	-	-	-	-	-	-	-	-	-	-	1,178
Reimbursed TPAF Social Security Contributions	-	686,793	-	-	-	-	-	-	-	-	-	-	686,793
Total Operating Revenues	6,627,214	7,345,688	7,371,627	3,658,169	255,411	201,195	35,880	6,308,600	8,786,445	7,436	920,000	-	41,517,665
OPERATING EXPENSES													
Instruction-Special Education	1,989,617		4,322,972	1,476,723	225,961	124,154	52,597	5,478,771	4,560,260	2,657			18,233,712
School Sponsored Cocurricular Activities	-												-
Health Services	179,441			75,344					50,000				304,785
Speech, OT,PT and Related Services	1,684,216		253,509	188,403					929,324				3,055,452
Child Study Team	127,462			71,142		24,521			459,464				682,589
Admin. Info. Technology	25,000												25,000
Instructional Staff Training Services	200								108				308
General Administration	36,403			9,894				2,521					48,818
School Administration	196,692			155,452		11,000		190,610	193,653				747,407
Operation and Maintenance of Plant	382,545			204,342			1,299	4,048			4,825		597,059
Student Transportation	-			-									-
Business/Central Services	66,286			297,312					260,585		708,578		1,332,761
Unallocated Benefits	1,352,820		3,114,841	1,193,623	37,255	54,998	12,460	913,431	2,165,717		212,948		9,058,093
On-behalf Benefits	-	7,345,688	-	-	-	-	-	-	-	-	-	-	7,345,688
Depreciation	10,715				333			378		12,093			23,519
Total Operating Expenses	6,051,397	7,345,688	7,691,322	3,672,235	263,549	214,673	66,356	6,589,759	8,619,111	14,750	926,351	-	41,455,191
Operating Income (Loss)	575,817	-	(319,695)	(14,066)	(8,138)	(13,478)	(30,476)	(281,159)	167,334	(7,314)	(6,351)	-	62,474
Net Income (Loss) Before Operating Transfers	575,817	-	(319,695)	(14,066)	(8,138)	(13,478)	(30,476)	(281,159)	167,334	(7,314)	(6,351)	-	62,474
Other Financing Source(Use) Transfer In(out)	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Net Position	575,817	-	(319,695)	(14,066)	(8,138)	(13,478)	(30,476)	(281,159)	167,334	(7,314)	(6,351)	-	62,474
Total Net Position - Beginning of Year	2,329,661	-	1,188,953	81,472	\$ 11,933	42,835	29,282	332,904	137,834	141,389	97,978	-	4,394,241
Total Net Position - Ending of Year	\$ 2,905,478	\$ -	\$ 869,258	\$ 67,406	\$ 3,795	\$ 29,357	\$ (1,194)	\$ 51,745	\$ 305,168	\$ 134,075	\$ 91,627	\$ -	\$ 4,456,715

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINED STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Norman A. Bleshman Regional Day School	One to Aides	Extended Year	Career Crossroads	Project Search	Home Hospital	Education Enterprises	Interlocal Agreement	ETTC	Management Agreement	Compensated Absences	Totals
CASH FLOWS FROM OPERATING ACTIVITIES												
Receipts from Customers	\$ 7,075,119	\$ 8,167,469	\$ 3,630,319	\$ 284,001	\$ 212,421	\$ 23,010	\$ 6,896,623	\$ 9,266,073	\$ 7,436	\$ 1,436,462		\$ 36,998,933
Payments to Employees	(4,007,802)	(4,403,884)	(1,943,683)	(207,520)	(152,415)	(50,819)	(5,293,427)	(5,835,638)		(700,577)		(22,595,765)
Payments to Suppliers for Goods and Services	(1,620,765)	(3,132,238)	(1,728,552)	(46,792)	(57,241)	(13,758)	(1,142,983)	(2,579,899)	(2,822)	(222,774)	-	(10,547,824)
Net Cash Provided by(Used for) operating activities	1,446,552	631,347	(41,916)	29,689	2,765	(41,567)	460,213	850,536	4,614	513,111	-	3,855,344
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES												
Operating Subsidies and transfers from(to) other funds	-	(635,000)	-	(26,500)	-	16,000	(455,000)	(850,000)	-	(480,000)	-	(2,430,500)
Net cash provided by (used for) noncapital financing activities	-	(635,000)	-	(26,500)	-	16,000	(455,000)	(850,000)	-	(480,000)	-	(2,430,500)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES												
Purchases of capital assets	(700,333)	-	-	-	-	-	-	-	(11,400)	-	-	(711,733)
Net cash provided by(used) capital and related financing activities	(700,333)	-	-	-	-	-	-	-	(11,400)	-	-	(711,733)
Net increase (decrease) in cash and cash equivalents	746,219	(3,653)	(41,916)	3,189	-	(25,567)	5,213	536	(6,786)	33,111	-	713,111
Balances - Beginning of Year	297,018	5,799	52,322	\$ 249	2,291	26,032	2,290	5,967	97,432	1,581	-	490,981
Balances - End of Year	\$ 1,043,237	\$ 2,146	\$ 10,406	\$ 3,438	\$ 5,056	\$ 465	\$ 7,503	\$ 6,503	\$ 90,646	\$ 34,692	\$ -	\$ 1,204,092
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES												
Operating Income(Loss)	\$ 575,817	\$ (319,695)	(14,066)	\$ (8,138)	\$ (13,478)	\$ (30,476)	\$ (281,159)	\$ 167,334	\$ (7,314)	\$ (6,351)	-	\$ 62,474
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities												
Depreciation and net amortization	10,715			333			378		12,093			23,519
Changes in Assets and Liabilities												
(Increase) Decrease in accounts receivable, net	447,905	795,842	(27,850)	28,590	11,226	(12,870)	588,023	479,628		516,462		2,826,956
Increase(Decrease) in other current liabilities	-	-	-	-	-	-	-	-		-		-
Increase(Decrease) in accounts payable	412,115	155,200	-	8,904	5,017	1,779	152,971	203,574	(165)	3,000	-	942,395
Total Adjustments	870,735	951,042	(27,850)	37,827	16,243	(11,091)	741,372	683,202	11,928	519,462	-	3,792,870
Net Cash Provided (Used) by Operating Activities	\$ 1,446,552	\$ 631,347	\$ (41,916)	\$ 29,689	\$ 2,765	\$ (41,567)	\$ 460,213	\$ 850,536	\$ 4,614	\$ 513,111	\$ -	\$ 3,855,344

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

STATISTICAL SECTION

This part of the Bergen County Special Services School District'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.

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020 (As Restated)	2021
Governmental Activities										
Net Investment In Capital Assets	\$ 16,655,729	\$ 18,592,221	\$ 28,029,852	\$ 55,642,957	\$ 58,293,757	\$ 56,894,523	\$ 57,165,713	\$ 57,033,773	\$ 56,576,886	\$ 58,851,054
Restricted	218,174	2,351,608	2,969,847	8,056,525	3,012,582	4,113,403	5,468,478	6,233,710	7,745,206	9,327,507
Unrestricted	8,018,160	7,439,085	(32,139,913)	(39,748,375)	(42,507,044)	(44,204,588)	(48,139,600)	(48,598,459)	(46,943,976)	(49,456,267)
Total Governmental Activities Net Position	<u>\$ 24,892,063</u>	<u>\$ 28,382,914</u>	<u>\$ (1,140,214)</u>	<u>\$ 23,951,107</u>	<u>\$ 18,799,295</u>	<u>\$ 16,803,338</u>	<u>\$ 14,494,591</u>	<u>\$ 14,669,024</u>	<u>\$ 17,378,116</u>	<u>\$ 18,722,294</u>
Business-Type Activities										
Net Investment In Capital Assets	\$ 15,151	\$ 10,301	\$ 5,451	\$ 601						
Unrestricted	14,692	(1,264)	723	296	\$ 11,496	\$ 70,389	\$ 94,678	\$ 117,004	\$ 68,133	\$ 74,772
Total Business-Type Activities Net Position	<u>\$ 29,843</u>	<u>\$ 9,037</u>	<u>\$ 6,174</u>	<u>\$ 897</u>	<u>\$ 11,496</u>	<u>\$ 70,389</u>	<u>\$ 94,678</u>	<u>\$ 117,004</u>	<u>\$ 68,133</u>	<u>\$ 74,772</u>
District-Wide										
Net Investment In Capital Assets	\$ 16,670,880	\$ 18,602,522	\$ 28,035,303	\$ 55,643,558	\$ 58,293,757	\$ 56,894,523	\$ 57,165,713	\$ 57,033,773	\$ 56,576,886	\$ 58,851,054
Restricted	218,174	2,351,608	2,969,847	8,056,525	3,012,582	4,113,403	5,468,478	6,233,710	7,745,206	9,327,507
Unrestricted	8,032,852	7,437,821	(32,139,190)	(39,748,079)	(42,495,548)	(44,134,199)	(48,044,922)	(48,481,455)	(46,875,843)	(49,381,495)
Total District Net Position	<u>\$ 24,921,906</u>	<u>\$ 28,391,951</u>	<u>\$ (1,134,040)</u>	<u>\$ 23,952,004</u>	<u>\$ 18,810,791</u>	<u>\$ 16,873,727</u>	<u>\$ 14,589,269</u>	<u>\$ 14,786,028</u>	<u>\$ 17,446,249</u>	<u>\$ 18,797,066</u>

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

Note 2 - Fund Balances at June 30, 2020 have been restated to reflect the implementation of GASB No. 84 "Fiduciary Activities".

Source: District financial statements

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
Instruction										
Special Education	\$ 53,836,446	\$ 57,197,958	\$ 57,622,070	\$ 63,251,697	\$ 67,247,123	\$ 68,922,293	\$ 75,172,372	\$ 71,260,464	\$ 70,448,783	\$ 74,805,566
Support Services:										
Student & Instruction Related Services	19,795,236	20,057,553	21,576,516	25,932,852	28,918,263	33,085,833	31,589,371	29,873,164	27,904,341	29,123,984
School Administration Services	4,415,135	4,079,030	4,060,903	4,522,433	5,079,817	5,708,571	5,480,247	5,036,095	5,161,235	5,552,701
General Administration	1,063,246	1,318,281	1,093,917	1,339,388	1,027,257	1,185,658	1,726,322	1,134,987	1,083,412	1,066,715
Plant Operations And Maintenance	7,208,351	7,409,191	7,281,327	7,726,049	8,570,967	8,418,619	9,476,019	9,377,404	9,786,159	9,786,931
Pupil Transportation	1,611,496	1,648,043	1,674,482	1,622,300	1,903,511	2,004,151	2,238,886	2,252,630	2,172,517	2,056,277
Support Svc- Central Svc/Admin Info Tech	2,429,925	2,372,887	2,435,174	2,235,759	2,272,376	2,383,844	2,836,193	2,879,868	2,743,706	2,278,400
Total Governmental Activities Expenses	<u>90,359,835</u>	<u>94,082,943</u>	<u>95,744,389</u>	<u>106,630,478</u>	<u>115,019,314</u>	<u>121,708,969</u>	<u>128,519,410</u>	<u>121,814,612</u>	<u>119,300,153</u>	<u>124,670,574</u>
Business-Type Activities:										
Food Service	450,627	452,794	419,436	404,752	489,687	490,413	477,876	476,061	378,688	281,148
Total Business-Type Activities Expense	<u>450,627</u>	<u>452,794</u>	<u>419,436</u>	<u>404,752</u>	<u>489,687</u>	<u>490,413</u>	<u>477,876</u>	<u>476,061</u>	<u>378,688</u>	<u>281,148</u>
Total District Expenses	<u>\$ 90,810,462</u>	<u>\$ 94,535,737</u>	<u>\$ 96,163,825</u>	<u>\$ 107,035,230</u>	<u>\$ 115,509,001</u>	<u>\$ 122,199,382</u>	<u>\$ 128,997,286</u>	<u>\$ 122,290,673</u>	<u>\$ 119,678,841</u>	<u>\$ 124,951,722</u>
Program Revenues										
Governmental Activities:										
Charges For Services:										
Operating Grants And Contributions	66,313,564	68,526,447	70,528,622	72,993,799	74,884,156	78,638,703	76,676,974	77,794,212	80,317,082	77,810,241
Capital Grants And Contributions	14,613,356	15,697,854	14,629,772	21,918,039	24,011,839	29,847,566	37,738,856	31,572,505	27,335,258	34,748,201
Total Governmental Activities Program Revenues	<u>2,500,547</u>	<u>4,019,887</u>	<u>10,795,942</u>	<u>38,228,087</u>	<u>586,520</u>	<u>586,520</u>	<u>881,204</u>	<u>959,231</u>	<u>950,308</u>	<u>1,526,228</u>
Total Governmental Activities Program Revenues	<u>83,427,467</u>	<u>88,244,168</u>	<u>95,954,336</u>	<u>133,139,925</u>	<u>99,753,837</u>	<u>109,072,789</u>	<u>115,297,034</u>	<u>110,325,948</u>	<u>108,602,648</u>	<u>114,084,670</u>
Business-Type Activities:										
Charges For Services										
Food Service	115,288	97,634	120,189	94,363	126,777	147,180	147,380	137,665	102,783	2,818
Operating Grants And Contributions	231,946	209,354	216,384	208,112	201,509	202,126	204,785	210,722	152,034	184,969
Total Business-Type Activities Program Revenues	<u>347,234</u>	<u>306,988</u>	<u>336,573</u>	<u>302,475</u>	<u>328,286</u>	<u>349,306</u>	<u>352,165</u>	<u>348,387</u>	<u>254,817</u>	<u>187,787</u>
Total District Program Revenues	<u>\$ 83,774,701</u>	<u>\$ 88,551,156</u>	<u>\$ 96,290,909</u>	<u>\$ 133,442,400</u>	<u>\$ 100,082,123</u>	<u>\$ 109,422,095</u>	<u>\$ 115,649,199</u>	<u>\$ 110,674,335</u>	<u>\$ 108,857,465</u>	<u>\$ 114,272,457</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (6,932,368)	\$ (5,838,775)	\$ 209,947	\$ 26,509,447	\$ (15,265,477)	\$ (12,636,180)	\$ (13,222,376)	\$ (11,488,664)	\$ (10,697,505)	\$ (10,585,904)
Business-Type Activities	(103,393)	(145,806)	(82,863)	(102,277)	(161,401)	(141,107)	(125,711)	(127,674)	(123,871)	(93,361)
Total District-Wide Net Expense	<u>\$ (7,035,761)</u>	<u>\$ (5,984,581)</u>	<u>\$ 127,084</u>	<u>\$ 26,407,170</u>	<u>\$ (15,426,878)</u>	<u>\$ (12,777,287)</u>	<u>\$ (13,348,087)</u>	<u>\$ (11,616,338)</u>	<u>\$ (10,821,376)</u>	<u>\$ (10,679,265)</u>
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 8,324,185	\$ 8,324,185	\$ 8,490,668	\$ 8,867,475	\$ 8,867,475	\$ 9,577,003	\$ 9,864,312	\$ 10,261,598	\$ 10,518,107	\$ 10,623,288
Federal And State Aid Restricted	139,503	45,335	31,905	80,341	50,791	158,326	10,449	6,990	-	-
Investment Earnings	27,915	41,718	37,817	25,775	18,330	12,187	36,974	110,368	122,595	14,655
Miscellaneous Income	1,182,038	1,043,388	944,291	1,292,403	1,349,069	1,092,707	1,151,894	1,434,141	2,192,109	1,392,139
Disposal of Capital Assets, net	-	-	(5,648,897)	-	-	-	-	-	(16,359)	-
Transfers	(80,000)	(125,000)	(80,000)	(97,000)	(172,000)	(200,000)	(150,000)	(150,000)	(75,000)	(100,000)
Total Governmental Activities	<u>9,593,641</u>	<u>9,329,626</u>	<u>9,424,681</u>	<u>4,520,097</u>	<u>10,113,665</u>	<u>10,640,223</u>	<u>10,913,629</u>	<u>11,663,097</u>	<u>12,741,452</u>	<u>11,930,082</u>
Business-Type Activities:										
Investment Earnings										
Transfers	80,000	125,000	80,000	97,000	172,000	200,000	150,000	150,000	75,000	100,000
Total Business-Type Activities	<u>80,000</u>	<u>125,000</u>	<u>80,000</u>	<u>97,000</u>	<u>172,000</u>	<u>200,000</u>	<u>150,000</u>	<u>150,000</u>	<u>75,000</u>	<u>100,000</u>
Total District-Wide	<u>\$ 9,673,641</u>	<u>\$ 9,454,626</u>	<u>\$ 9,504,681</u>	<u>\$ 4,617,097</u>	<u>\$ 10,285,665</u>	<u>\$ 10,840,223</u>	<u>\$ 11,063,629</u>	<u>\$ 11,813,097</u>	<u>\$ 12,816,452</u>	<u>\$ 12,030,082</u>
Change In Net Position										
Governmental Activities	\$ 2,661,273	\$ 3,490,851	\$ 9,634,628	\$ 31,029,544	\$ (5,151,812)	\$ (1,995,957)	\$ (2,308,747)	\$ 174,433	\$ 2,043,947	\$ 1,344,178
Business-Type Activities	(23,393)	(20,806)	(2,863)	(5,277)	10,599	58,893	24,289	22,326	(48,871)	6,639
Total District	<u>\$ 2,637,880</u>	<u>\$ 3,470,045</u>	<u>\$ 9,631,765</u>	<u>\$ 31,024,267</u>	<u>\$ (5,141,213)</u>	<u>\$ (1,937,064)</u>	<u>\$ (2,284,458)</u>	<u>\$ 196,759</u>	<u>\$ 1,995,076</u>	<u>\$ 1,350,817</u>

Source: District financial statements

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FUND BALANCES- GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020 (As Restated)	2021
General Fund										
Restricted	\$ 1,500,068	\$ 2,355,589	\$ 2,273,828	\$ 2,903,507	\$ 2,256,492	\$ 3,939,961	\$ 4,907,092	\$ 5,643,187	\$ 7,271,649	\$ 8,276,990
Committed							1,125,621	-		
Assigned	2,703,630	2,001,801	1,997,861	1,841,124	1,302,525	3,041,642	1,636,488	4,033,954	6,191,699	4,310,923
Unassigned	<u>2,550,568</u>	<u>2,572,304</u>	<u>3,288,541</u>	<u>3,262,115</u>	<u>2,990,291</u>	<u>2,694,195</u>	<u>2,640,007</u>	<u>2,641,719</u>	<u>3,812,858</u>	<u>3,716,912</u>
Total General Fund	<u>\$ 6,754,266</u>	<u>\$ 6,929,694</u>	<u>\$ 7,560,230</u>	<u>\$ 8,006,746</u>	<u>\$ 6,549,308</u>	<u>\$ 9,675,798</u>	<u>\$ 10,309,208</u>	<u>\$ 12,318,860</u>	<u>\$ 17,276,206</u>	<u>\$ 16,304,825</u>
All Other Governmental Funds										
Restricted	<u>\$ (1,281,894)</u>	<u>\$ (3,981)</u>	<u>\$ 696,019</u>	<u>\$ 4,894,565</u>	<u>\$ 630,103</u>	<u>\$ 135,984</u>	<u>\$ 561,386</u>	<u>\$ 590,523</u>	<u>\$ 473,057</u>	<u>\$ 1,050,517</u>
Total All Other Governmental Funds	<u>\$ (1,281,894)</u>	<u>\$ (3,981)</u>	<u>\$ 696,019</u>	<u>\$ 4,894,565</u>	<u>\$ 630,103</u>	<u>\$ 135,984</u>	<u>\$ 561,386</u>	<u>\$ 590,523</u>	<u>\$ 473,057</u>	<u>\$ 1,050,517</u>

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

Source: District financial statements

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
CHANGES IN FUND BALANCES- GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax Levy	\$ 8,324,185	\$ 8,324,185	\$ 8,490,668	\$ 8,867,475	\$ 8,867,475	\$ 9,577,003	\$ 9,864,312	\$ 10,261,598	\$ 10,518,107	\$ 10,623,288
County Aid	2,500,547	4,019,867	10,795,942	38,228,087	857,842	586,520	881,204	959,231	950,308	1,524,090
Tuition Charges	43,042,904	42,851,653	43,600,836	44,579,033	44,613,401	45,385,141	43,944,081	43,394,851	45,273,830	42,396,528
Non-Resident Fees	1,362,000	1,160,400	1,136,400	1,131,600	1,094,400	1,216,875	1,175,175	1,227,825	1,216,669	1,241,736
Interest Earnings	27,915	41,718	37,817	25,775	18,330	12,187	36,974	110,368	122,595	14,655
Miscellaneous	9,112,621	8,882,018	8,829,812	9,217,624	9,546,829	9,097,418	9,582,060	9,712,013	8,880,856	8,525,965
State Sources	6,112,602	7,431,345	4,569,180	5,837,277	6,225,441	6,901,917	7,794,656	7,711,831	7,472,244	9,400,961
Federal Sources	709,674	473,214	408,428	1,181,175	573,922	947,774	1,709,737	1,995,518	1,753,721	1,109,899
Total Revenue	71,192,448	73,184,400	77,869,083	109,068,046	71,797,640	73,724,835	74,988,199	75,373,235	76,188,330	74,837,122
Expenditures										
Instruction										
Special Education Instruction	38,283,775	39,725,825	36,960,825	38,383,229	40,375,830	38,636,682	38,079,430	38,096,767	37,108,889	36,563,510
Support Services:										
Student & Inst. Related Services	17,181,630	17,100,507	18,109,204	20,165,412	20,170,355	19,205,093	21,234,274	20,383,366	19,560,737	20,675,949
General Administration	957,783	1,090,815	999,609	1,025,687	952,238	1,086,849	1,332,370	1,014,696	935,666	981,512
School Administration Services	3,583,521	3,271,583	3,007,015	3,009,713	3,249,003	3,010,951	3,051,171	2,972,430	3,280,884	3,515,173
Plant Operations And Maintenanar	5,598,997	5,701,618	5,151,593	5,107,126	5,529,177	4,890,153	5,450,506	5,690,062	6,337,409	6,231,565
Pupil Transportation	1,218,738	1,261,603	1,255,480	1,209,500	1,454,088	1,405,377	1,435,645	1,583,574	1,515,736	1,429,960
Other Support Services	794,370	704,132	576,707	621,947	786,212	736,493	755,584	693,787	656,368	776,183
Capital Outlay	3,763,065	3,249,976	11,148,114	35,553,370	5,330,637	1,420,866	2,440,407	2,749,764	2,542,906	4,957,191
Total Expenditures	71,381,879	72,106,059	77,208,547	105,075,984	77,847,540	70,392,464	73,779,387	73,184,446	71,938,595	75,131,043
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	(189,431)	1,078,341	660,536	3,992,062	(6,049,900)	3,332,371	1,208,812	2,188,789	4,249,735	(293,921)
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)										
Transfers In	500,000	500,000	1,498,745	2,565,562	1,476,505	437,276	969,529	180,291	40,536	-
Transfers Out	(80,000)	(125,000)	(828,745)	(1,912,562)	(1,148,505)	(1,137,276)	(1,119,529)	(330,291)	(115,536)	(100,000)
Total Other Financing Sources (Uses)	420,000	375,000	670,000	653,000	328,000	(700,000)	(150,000)	(150,000)	(75,000)	(100,000)
Net Change In Fund Balances	\$ 230,569	\$ 1,453,341	\$ 1,330,536	\$ 4,645,062	\$ (5,721,900)	\$ 2,632,371	\$ 1,058,812	\$ 2,038,789	\$ 4,174,735	\$ (393,921)
Debt Service As A Percentage Of										
Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District financial statements

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN YEARS
(Unaudited)**

Fiscal Year Ended June 30,	<u>Interest Earned</u>	<u>Services Provided Other LEAs</u>	<u>Refunds/ Reimbursements</u>	<u>Workshop Revenue</u>	<u>Miscellaneous</u>	<u>Total</u>
2012	\$ 27,915	\$ 146,332	\$ 371,875	\$ 1,130	\$ 662,701	\$ 1,209,953
2013	41,718	878,777	119,556	16,074	28,981	1,085,106
2014	67,065	638,722	58,055	9,235	209,031	982,108
2015	18,504	1,179,712	92,186	19,461	8,315	1,318,178
2016	18,330	1,119,853	108,856	6,013	114,347	1,367,399
2017	12,187	1,058,208	7,634	15,520	11,345	1,104,894
2018	36,974	1,120,456	3,416	2,300	25,722	1,188,868
2019	110,368	835,767	280,586	2,855	314,933	1,544,509
2020	122,595	628,088	18,947	250	328,155	1,098,035
2021	14,655	603,965	410,966	-	377,208	1,406,794

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

Calendar Year	Land	Improvements	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value
2012	\$ 81,103,273,440	\$ 75,153,761,789	\$ 156,257,035,229	\$ 230,570,599	\$ 156,487,605,828	\$ 168,748,014,772
2013	79,070,936,935	75,049,684,025	154,120,620,960	129,981,494	154,250,602,454	165,008,934,260
2014	78,408,456,350	75,186,325,534	153,594,781,884	97,873,857	153,692,655,721	162,301,130,131
2015	77,512,874,732	75,335,444,029	152,828,462,316	96,580,480	152,925,042,796	163,570,157,295
2016	77,002,654,839	77,328,202,717	154,291,592,456	90,073,801	154,381,666,257	167,963,794,248
2017	77,502,137,732	79,190,477,789	156,692,615,521	90,385,516	156,783,001,037	172,030,836,227
2018	78,049,679,382	80,870,511,380	158,920,190,762	84,076,455	159,004,267,217	176,365,111,170
2019	78,392,045,418	82,037,285,718	160,429,331,136	79,624,118	160,508,955,254	180,143,991,705
2020	79,352,157,168	85,848,771,564	165,200,928,732	80,978,865	165,281,907,597	183,990,874,355
2021	79,736,547,168	86,929,813,322	166,666,360,490	84,305,337	166,750,665,827	186,043,057,570

Source: County Abstract of Ratables

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
(rate per \$100 of true value)**

Assessment Year	General	Open Space	Total County Tax Rate
2012	\$ 0.2178	\$ 0.0025	\$ 0.2203
2013	0.2248	0.0025	0.2273
2014	0.2312	0.0025	0.2337
2015	0.2377	0.0025	0.2402
2016	0.2434	0.0025	0.2459
2017	0.2417	0.0100	0.2517
2018	0.2351	0.0100	0.2451
2019	0.2338	0.0100	0.2438
2020	0.2384	0.0100	0.2484
2021	0.2416	0.0100	0.2516

Source: County Abstract of Ratables

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
PRIOR YEAR AND NINE YEARS AGO
(Unaudited)**

<u>Taxpayer</u>	<u>2020</u>		<u>2011</u>	
	<u>Assessed Valuation</u>	<u>% of County's Net Assessed Valuation</u>	<u>Assessed Valuation</u>	<u>% of County's Net Assessed Valuation</u>

INFORMATION NOT AVAILABLE

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
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	
		Amount	Percentage of Levy
2012	\$ 8,324,185	\$ 8,324,185	100.00%
2013	8,324,185	8,324,185	100.00%
2014	8,490,668	8,490,668	100.00%
2015	8,867,475	8,867,475	100.00%
2016	8,867,475	8,867,475	100.00%
2017	9,577,003	9,577,003	100.00%
2018	9,864,312	9,864,312	100.00%
2019	10,261,598	10,261,598	100.00%
2020	10,518,107	10,518,107	100.00%
2021	10,623,288	10,623,288	0.00%

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			
	<u>Capital Leases</u>	<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
2012	-	-	916,299	\$0
2013	-	-	920,021	\$0
2014	-	-	923,475	\$0
2015	-	-	926,481	\$0
2016	-	-	928,381	\$0
2017	-	-	932,449	\$0
2018	-	-	932,897	\$0
2019	-	-	932,256	\$0
2020	-	-	930,394	\$0
2021	-	-	930,394 (1)	\$0

Source: District records

(1) Estimated

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
(Unaudited)**

NOT APPLICABLE

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF DECEMBER 31, 2020
 (Unaudited)**

Net Direct Debt of School District
 as of June 30, 2021

Net Overlapping Debt of School District

Bergen County:

County of Bergen

\$ 954,754,121

Bergen County Utilities Authority - Water Pollution (100%)

114,893,166

\$ 1,069,647,287

Total Direct and Overlapping Debt

\$ 1,069,647,287

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	<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>
Legal Debt Margin Calculation as of December 31, 2020 (County Debt)									
Average equalized valuation of taxable property (last three years)	\$ 175,561,330,658	\$ 165,344,818,875	\$ 163,332,190,759	\$ 163,894,415,971	\$ 166,824,155,204	\$ 171,055,311,950	\$ 175,460,099,760	\$ 179,773,454,707	\$ 182,930,168,861
Debt limit (2% of average equalization value)	3,511,226,613	3,306,896,378	3,266,643,815	3,277,888,319	3,336,483,104	3,421,106,239	3,509,201,995	3,595,469,094	3,658,603,377
Net Debt Issued Outstanding and Authorized	<u>698,412,830</u>	<u>849,429,739</u>	<u>933,422,641</u>	<u>1,089,653,537</u>	<u>1,205,030,344</u>	<u>876,045,885</u>	<u>875,747,791</u>	<u>855,398,427</u>	<u>954,754,121</u>
Remaining Borrowing Capacity	<u>\$ 2,812,813,783</u>	<u>\$ 2,457,466,639</u>	<u>\$ 2,333,221,174</u>	<u>\$ 2,188,234,782</u>	<u>\$ 2,131,452,760</u>	<u>\$ 2,545,060,354</u>	<u>\$ 2,633,454,204</u>	<u>\$ 2,740,070,667</u>	<u>\$ 2,703,849,256</u>

Source: Annual Debt Statements - County of Bergen

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
(Unaudited)**

<u>Year</u>	<u>Population</u>	<u>County Per Capital Personal Income**</u>	<u>Unemployment Rate*</u>
2021	930,394 (1)	N/A	N/A
2020	930,394	N/A	9.6%
2019	932,256	\$ 89,456	2.9%
2018	932,897	86,404	3.4%
2017	932,449	81,676	3.9%
2016	928,381	79,407	4.2%
2015	926,481	77,767	4.6%
2014	923,475	74,480	5.4%
2013	920,021	71,699	7.1%
2012	916,299	72,164	8.1%

(1) Estimate

* Amounts noted are for Bergen County

** US Bureau of the Census, Population Division, 10/00 and Census 2000 Data for New Jersey
General Demographic Profile

Source NJ Department of Labor, Bureau of Labor Force Statistics
U.S. Department of Commerce, Bureau of Economic analysis
New Jersey Department of Labor

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

<u>Employer</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
	NOT AVAILABLE		NOT AVAILABLE	

Source: County of Bergen

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (Unaudited)**

<u>Function/Program</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>	<u>2021</u>
Instruction										
Regular										
Special education	346.4	323.2	299.2	299.2	304.9	313.0	293.4	262.0	267.3	274.2
Other special education	2.5	2.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Community Services				1.0	1.0	1.0	1.0	1.0	1.0	1.0
Support Services:										
Student & instruction related services	88.2	73.3	74.5	74.5	72.7	69.6	71.4	68.4	67.3	67.9
Health Services	9.5	10.5	10.0	10.0	10.0	10.0	10.0	10.8	10.5	10.5
Educational Media Services	8.3	6.7	9.1	9.1	9.1	9.9	9.1	7.0	6.8	6.8
General administration	1.6	1.7	1.9	1.9	2.0	2.0	2.1	2.1	2.1	1.9
School administrative services	23.8	19.9	22.3	22.8	22.8	21.9	20.9	19.2	21.9	23.4
Central services	6.0	6.0	6.2	6.2	6.1	6.1	5.6	6.1	5.9	7.8
Plant operations and maintenance	26.1	22.6	18.8	18.8	20.5	24.0	23.4	24.4	26.4	26.4
Pupil transportation	15.3	14.3	15.6	15.6	12.4	11.9	10.4	11.5	11.5	12.0
Special Schools	28.9	26.8	27.4	27.4	31.4	32.4	32.2	27.7	21.6	16.0
Total	<u>556.6</u>	<u>507.5</u>	<u>486.5</u>	<u>488.0</u>	<u>494.4</u>	<u>503.3</u>	<u>480.8</u>	<u>441.6</u>	<u>443.8</u>	<u>449.4</u>

Source: District Personnel Records

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year</u>	<u>Enrollment^a</u>	<u>Operating Expenditures^b</u>	<u>Cost Per Pupil^c</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/ Teacher Ratio</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2012	694	\$ 67,618,814	\$ 97,433	6.87%	386	1.80	695	643	-10.03%	92.52%
2013	651	68,856,083	105,770	8.56%	220	2.96	667	615	-4.10%	92.32%
2014	654	66,060,433	101,010	-4.50%	N/A	N/A	678	626	1.73%	92.33%
2015	653	69,522,614	106,466	5.40%	209	3.12	675	622	-0.44%	92.15%
2016	658	72,516,903	110,208	3.51%	129	5.10	655	602	-2.96%	91.91%
2017	663	68,971,598	104,030	-5.61%	127	5.22	642	590	-1.98%	91.90%
2018	614	71,338,980	116,187	0.12	119	5.16	612	563	-4.67%	91.99%
2019	595	70,434,682	118,378	1.89%	109	5.46	588	535	-3.92%	90.99%
2020	594	69,395,689	116,828	-1.31%	109	5.45	603	561	2.55%	93.03%
2021	594	70,173,852	118,138	1.12%	114	5.21	592	528	-1.82%	89.19%

Sources: District records

- Note: a Enrollment based on annual October district count.
b Operating expenditures equal total expenditures less debt service and capital outlay.
c Cost per pupil represents operating expenditures divided by enrollment.

N/A - Not Available

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

<u>District Building</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>	<u>2021</u>
Union St. School- Hackensack										
Square Feet	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060
Capacity (students)										
Enrollment	57	61	63	61	54	52	41	23	25	23
Piermont Campus, Rockleigh										
Square Feet	121,162									
Capacity (students)										
Enrollment	96									
Woodridge Transition Center										
Square Feet	19,261	19,261	19,261	19,261	19,261	19,261	19,261	19,261	19,261	19,261
Capacity (students)										
Enrollment	71	58	58	52	44	43	44	37	36	33
Rocco Montesano, Paramus										
Square Feet	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Capacity (students)										
Enrollment	94	130	127	132	90	85	76	70	74	78
Brownstone, Saddle Brook										
Square Feet	20,106	20,106	20,106	20,106	20,096	20,096	20,096	20,096	20,096	20,096
Capacity (students)										
Enrollment	53	58	64	76	64	55	66	72	88	73
Gateway/Venture, Hackensack										
Square Feet	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Capacity (students)										
Enrollment	17	34	37	36	40	38	31	29	34	30
Godwin, Midland Park										
Square Feet	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Capacity (students)										
Enrollment	105	108	103	98	98	102	96	76	76	124
Washington, Ridgewood/New Bridges										
Square Feet	19,974	19,974	19,974							
Capacity (students)										
Enrollment	39	63	62							
Springboard										
Square Feet	4,300	4,300	4,300				4,300	4,300	4,300	4,300
Capacity (students)										
Enrollment	48	45	53				30	27	29	30
Washington New Bridges										
Square Feet					125,000	125,000	125,000	125,000	125,000	125,000
Capacity (students)										
Enrollment					122	132	123	130	130	121
Number of Schools at June 30, 2020										
Life Skills Continuum=2										
Communication Skills Continuum=3										
Behavioral Skills Continuum=6										
Multiple Disabilities Continuum=4										
Autism Continuum=3										

Source: District Records

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)**

School Facilities	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Union St. - Hrg. Imp., Hackensack	\$ 9,991	\$ 11,365	\$ 11,798	\$ 17,100	\$ 11,122	\$ 12,483	\$ 18,863	\$ 18,489	\$ 16,083	\$ 21,551
Piermont Campus, Rockleigh	150,201									
Woodridge Transition Center	23,877	27,160	28,196	40,868	43,849	29,830	45,076	44,182	38,435	51,501
Rocco Montesano, Paramus	49,587	56,402	58,630	84,871	55,214	61,949	93,609	91,755	79,819	106,954
Brownstone, Saddle Brook	24,913	28,336	29,419	42,640	27,738	31,123	47,029	46,098	40,101	53,734
Evergreen, Hackensack										
Gateway, Hackensack	12,397	14,100	14,639	21,218	13,801	15,487	23,402	22,939	19,955	26,738
Godwin, Midland Park	3,099	3,525	3,660	5,304	3,450	3,872	5,851	5,735	4,989	6,685
Hillcrest, Paramus										
Washington, New Bridges					169,095	193,592	292,529	286,735	249,433	334,231
Washington, Ridgewood	12,397	14,100	14,639	21,218	-	-	-	-	-	-
	<u>\$ 286,462</u>	<u>\$ 154,988</u>	<u>\$ 160,981</u>	<u>\$ 233,219</u>	<u>\$ 324,269</u>	<u>\$ 348,336</u>	<u>\$ 526,359</u>	<u>\$ 515,933</u>	<u>\$ 448,815</u>	<u>\$ 601,394</u>

Source: District records.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF INSURANCE
JUNE 30, 2021
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
Educators Legal Liability United National	\$ 2,000,000	\$ 50,000
Student Accident Policy People Benefit Life Insurance Company	Full Excess	
Commercial Crime Bond CNA	250,000	1,000

Source: School District's records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
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DEBRA GOLLE, CPA
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ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

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

INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Education
Bergen County Special Services School District
Paramus, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bergen County Special Services School District as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Bergen County Special Services School District’s basic financial statements and have issued our report thereon dated March 10, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bergen County Special Services School District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Bergen County Special Services School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Bergen County Special Services School District’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 Bergen County Special Services School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

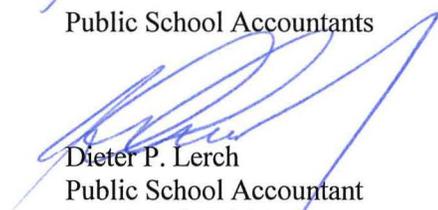
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Bergen County Special Services School District in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated March 10, 2022.

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 Bergen County Special Services School District'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 Bergen County Special Services School District'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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
March 10, 2022



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 Education
Bergen County Special Services School District
Paramus, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Bergen County Special Services School District'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 Bergen County Special Services School District's major federal and state programs for the fiscal year ended June 30, 2021. The Bergen County Special Services School District'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 Bergen County Special Services School District'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 Bergen County Special Services School District'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 Bergen County Special Services School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Bergen County Special Services School District 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, 2021.

Report on Internal Control Over Compliance

Management of the Bergen County Special Services School District 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 Bergen County Special Services School District'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 Bergen County Special Services School District's internal control over compliance.

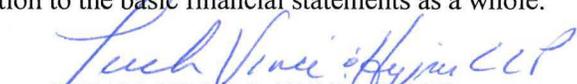
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

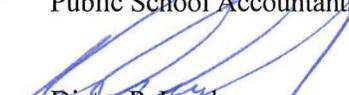
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 Bergen County Special Services School District, a component unit of the County of Bergen as of and for the fiscal year ended June 30, 2021, 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 March 10, 2022, 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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
March 10, 2022

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	FAIN Number	Grant Number	Grant Period	Award Amount	Balance July 1, 2020	Adjustment	Carryover Amount	Cash Received	Budgetary Expenditures	Refund Prior Year's Balances	Balance June 30, 2021			Memo GAAP Receivable
												(Accounts Receivable)	Unearned Revenues	Due to Grantor	
U.S. Department of Agriculture Pass-through State Department of Agriculture															
<u>Enterprise Fund</u>															
School Breakfast Program	10.553	21161NJ304N1099	N/A	7/1/20-6/30/21	\$ 61,289				\$ 52,213	\$ 61,289		\$ (9,076)			\$ (9,076)
School Breakfast Program	10.553	20161NJ304N1099	N/A	7/1/19-6/30/20	43,976	\$ (4,507)			4,507			-			
National School Lunch Program	10.555														
Cash Assistance-PB Program		21161NJ304N1099		7/1/20-6/30/21	2,960	-			1,660	1,945		(285)			(285)
Cash Assistance-PB Program		20161NJ304N1099		7/1/19-6/30/20	2,475	(143)			143			-			
Cash Assistance		21161NJ304N1099		7/1/20-6/30/21	98,066	-			83,678	98,066		(14,388)			(14,388)
Cash Assistance		20161NJ304N1099		7/1/19-6/30/20	88,176	(6,997)			6,997			-			
Non-cash Assistance		21161NJ304N1099		7/1/20-6/30/21	15,051	4,412	-	-	15,051	18,383	-	-	\$ 1,080	-	-
Total Enterprise Fund						(7,235)	-	-	164,249	179,683	-	(23,749)	1,080	-	(23,749)
U.S. Department of Education Pass-through State Department of Education															
<u>General Fund/Internal Service Fund</u>															
Medical Assistance Program	93.778	1705NJ5MAP		7/1/20-6/30/21	430,204	-	-	-	430,204	430,204	-	-	-	-	-
Total General Fund/Internal Service Fund						-	-	-	430,204	430,204	-	-	-	-	-
<u>Special Revenue Fund</u>															
Title I Part D	84.010A	S010A150030		7/1/19-9/30/20	39,968	(21,838)			21,648	(108)		(82)			(82)
Title I Part D	84.010A	S010A150030		7/1/20-9/30/21	47,236				15,156	15,156		-			
Homeless Children	84.196A			7/1/19-12/31/20	492,820	\$ (173,517)			311,312	137,795		-			-
Homeless Children	84.196A			1/1/21-6/30/21	149,626				105,915	130,012		(24,097)			(24,097)
CARES Act	84.425D	S425D200027		7/1/20-6/30/22	55,000				55,000	55,000		-			
Medicaid Assistance Programs															
Getting Us There (GUTS)	93.778	2005NJ5MAP		7/1/20-6/30/21	-	10,738								10,738	
Leisure Bridges	93.778	2005NJ5MAP		7/1/20-6/30/21	-	87,211				7,594				79,617	
Adult Rehab Woodridge	93.778	2005NJ5MAP		7/1/20-6/30/21	350,587	169,065			134,227	134,925				168,367	
Adult Rehab Paramus	93.778	2005NJ5MAP		7/1/20-6/30/21	101,307	486,351	-	-	101,307	225,780	-	-		361,878	-
Total Special Revenue Funds						558,010	-	-	744,565	706,154	-	(24,179)	620,600	-	(24,179)
Total Federal Financial Assistance						\$ 550,775	\$ -	\$ -	\$ 1,339,018	\$ 1,316,041	\$ -	\$ (47,928)	\$ 621,680	\$ -	\$ (47,928)

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this statement.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2020	Adjustment	Carryover Amount	Cash Received	Budgetary Expenditures	Refund Prior Year's Balance	Balance June 30, 2021			MEMO		
										(Accounts Receivable)	Unearned Revenues	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education															
<u>General/Special Revenue and Internal Service Funds</u>															
Reimbursed Social Security Contributions	21-495-034-5094-003	7/1/20-6/30/21	\$ 2,058,265				\$ 2,058,265	\$ 2,058,265							\$ 2,058,265
Reimbursed Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20	2,114,515	\$ (104,879)			104,879								
On Behalf Pension System Contributions - Post Retirement Medical	21-495-034-5095-001	7/1/20-6/30/21	2,555,424				2,555,424	2,555,424							2,555,424
On Behalf Pension System Contributions - Normal Costs	21-495-034-5095-007	7/1/20-6/30/21	8,002,028				8,002,028	8,002,028							8,002,028
On Behalf Pension System Contributions - Non-Contributory Group Insurance	21-495-034-5095-006	7/1/20-6/30/21	152,249				152,249	152,249							152,249
On Behalf Pension System Contributions - Long Term Disability Insurance	21-495-034-5095-006	7/1/20-6/30/21	3,531	-	-	-	3,531	3,531	-	-	-	-	-	-	3,531
Total General/Special Revenue and Internal Service Funds				(104,879)	-	-	12,876,376	12,771,497	-	-	-	-	-	-	12,771,497
<u>Special Revenue Fund</u>															
Other State Sources															
New Jersey Dept of Developmental Disabilities															
Adult Training	01BS9N	7/1/18-6/30/19	116,030	37,541							\$ 37,541				
Adult Training	01BS9N	7/1/17-6/30/18	454,494	5,727							5,727				
Adult Training	01BS9N	7/1/19-6/30/20	13,095	(13,095)						(13,095)				\$ (13,095)	-
Adult Autism	01BS9N	7/1/18-6/30/19	8,646	411							411				
After Hours	01BS9N	7/1/17-6/30/18	63,522	47,308							47,308				
COVID19	01BS9N	7/1/20-6/30/21	880,995				880,995	880,995							880,995
Teacher Quality Enhancement		7/1/04-9/30/05	2,760	(3)	-	-	-	-	-	-	-	(3)	-	-	-
Total NJ Dept of Developmental Disabilities-Special Revenue				77,889	-	-	880,995	880,995	-	(13,095)	-	90,984	(13,095)		880,995
State Department of Agriculture															
<u>Enterprise Fund</u>															
National School Lunch Program State Share	21-100-010-3360-067	7/1/20-6/30/21	5,286				4,247	5,286		\$ (1,039)			(1,039)		5,266
National School Lunch Program State Share	20-100-010-3360-067	7/1/19-6/30/20	1,893	(112)	-	-	112	-	-	-	-	-	-	-	-
Total Enterprise Fund				(112)	-	-	4,359	5,286	-	(1,039)	-	-	(1,039)		5,266
Total State Financial Assistance Subject to Single Audit Determination				(27,102)	-	-	13,761,730	13,657,778	-	(14,134)	-	90,984	(14,134)		13,657,758
State Financial Assistance Not Subject to Single Audit Determination															
<u>General Fund</u>															
On-Behalf TPAF Pension, OPEB & LTDI Contributions				-	-	-	(10,713,232)	(10,713,232)	-	-	-	-	-	-	(10,713,232)
Total State Financial Assistance Subject to Major Program Determination				\$ (27,102)	\$ -	\$ -	\$ 3,048,498	\$ 2,944,546	\$ -	\$ (14,134)	\$ -	\$ 90,984	\$ (14,134)		\$ 2,944,526

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Bergen County Special Services School District. 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 an increase of \$51,768 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	\$ 355,204	\$ 7,203,300	\$ 7,558,504
Special Revenue Fund	754,695	2,197,661	2,952,356
Internal Service Fund	75,000	7,345,688	7,420,688
Food Service Fund	<u>179,683</u>	<u>5,286</u>	<u>184,969</u>
Total Financial Assistance	<u>\$ 1,364,582</u>	<u>\$ 16,751,935</u>	<u>\$ 18,116,517</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 \$2,058,265 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, 2021. The amount reported as TPAF Pension System Contributions in the amount of \$8,154,277, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,555,424 and TPAF Long-Term Disability Insurance in the amount of \$3,531 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2021.

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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

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

CURRENT YEAR STATE AWARDS

There are none.

CURRENT YEAR FEDERAL AWARDS

There are none.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 Letter 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.