

**NORTH BERGEN BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**North Bergen, New Jersey**

**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

**of the**

**North Bergen Board of Education**

**North Bergen, New Jersey**

**For The Fiscal Year Ended June 30, 2021**

**Prepared by**

**Business Office**

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## **INTRODUCTORY SECTION**



# NORTH BERGEN BOARD OF EDUCATION

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

LUIS RABELO  
PRESIDENT

GEORGE J. SOLTER JR., Ed.D  
SUPERINTENDENT

KANAIYALAL PATEL  
VICE PRESIDENT

STEVEN P. SOMICK  
ASST. SUPERINTENDENT

HUGO D. CABRERA  
BOARD SECRETARY

March 10, 2022

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

The New Jersey Department of Education statutes require that all school districts publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (the "CAFR") of the North Bergen Board of Education for the fiscal year ended June 30, 2021.

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

The North Bergen Board of Education's financial statements have been audited by Lerch, Vinci & Higgins, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Board for the fiscal year ended June 30, 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 North Bergen Board of Education's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

The North Bergen Board of Education and all its schools constitute the District’s reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and vocational, Early Childhood Development, as well as special education for handicapped students. The District completed the 2020/2021 school year with an enrollment of 7,314 students, which is 174 students less than the previous year’s enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-2021	7,314	-2.33%
2019-2020	7,488	-.41%
2018-2019	7,519	-1.92%
2017-2018	7,666	-2.96%
2016-2017	7,900	-1.31%
2015-2016	8,005	3.14%
2014-2015	7,761	-3.57%
2013-2014	8,048	-.01%
2012-2013	8,068	-.01%
2011-2012	8,201	1.74%

**ECONOMIC CONDITION AND OUTLOOK**

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

**INTERNAL ACCOUNTING CONTROLS**

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

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

## **INTERNAL ACCOUNTING CONTROLS (Continued)**

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

## **BUDGETARY CONTROLS**

In addition to internal accounting controls the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Trustees. Annual appropriated budgets are adopted for the general, special revenue and the debt service funds. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as either committed or assigned fund balance at June 30, 2021.

## **ACCOUNTING SYSTEM AND REPORTS**

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

## **CASH MANAGEMENT**

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

## **RISK MANAGEMENT**

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

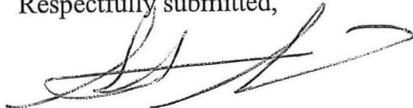
## **OTHER INFORMATION**

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

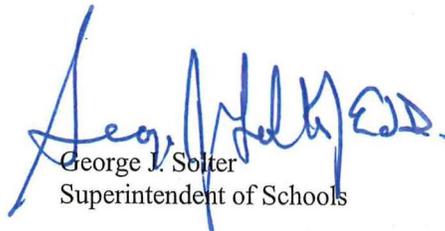
**ACKNOWLEDGEMENTS**

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

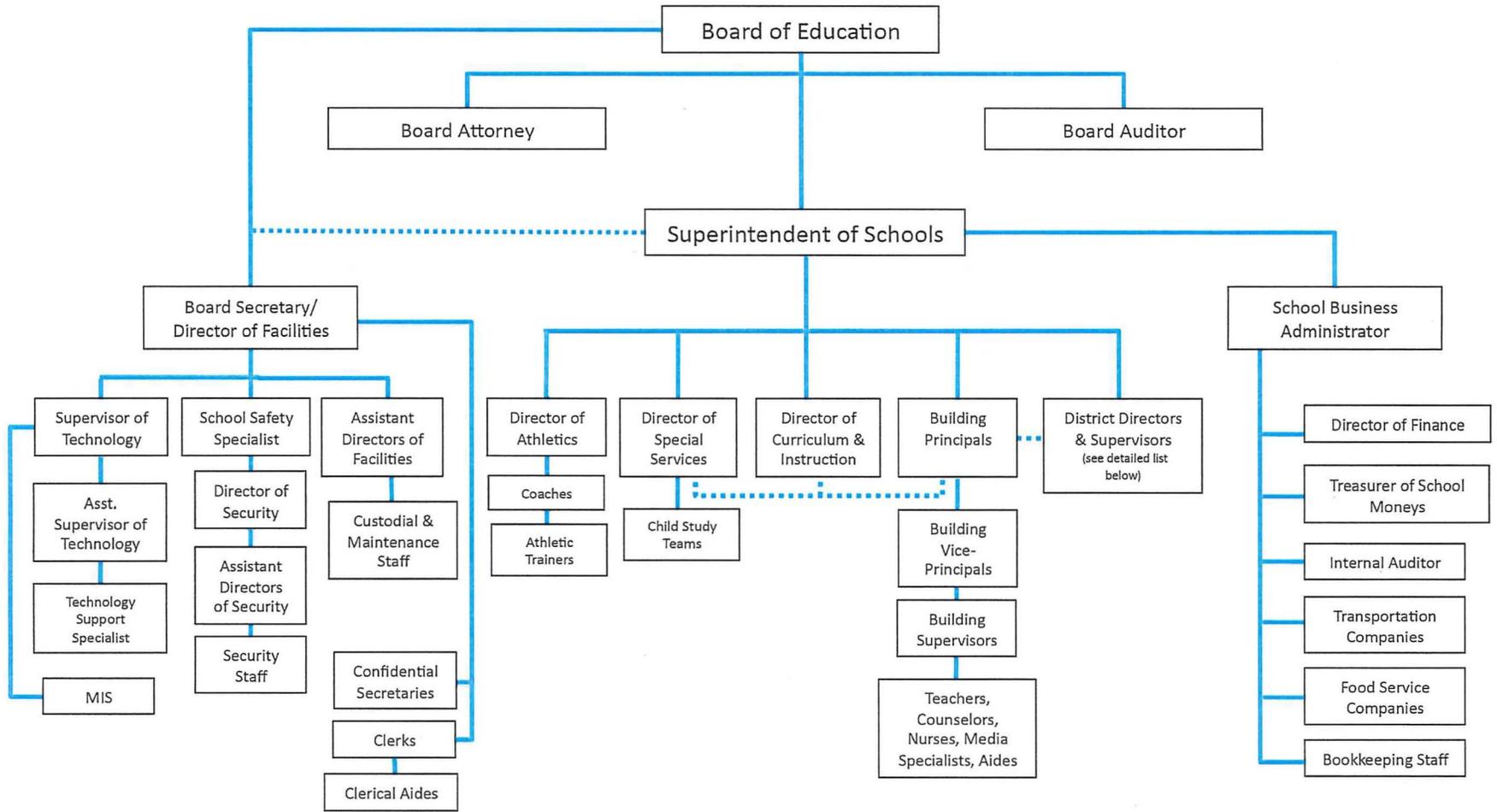
Respectfully submitted,



Steven Somick  
School Business Administrator



George J. Solter  
Superintendent of Schools



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

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

**NORTH BERGEN BOARD OF EDUCATION  
ROSTER OF OFFICIALS  
JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Luis Rabelo, Board President	2022
Kanaiyalal Patel, Vice President	2021
Patricia Bartoli	2022
Sai Rao	2022
Claudia Baselice	2023
Luis Diaz	2023
Haissam Jaafar	2024
Claudia Rodriguez	2024
Ruth Shaw	2024
Mark Rogers (Guttenberg)	2022

Other Officials

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

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

**ARCHITECT**

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

**AUDIT FIRM**

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

**ATTORNEY**

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

**OFFICIAL DEPOSITORIES**

Valley National Bank  
TD Bank

**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, RMA, 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 Trustees  
North Bergen Board of Education  
North Bergen, New Jersey 07047

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the North Bergen Board of Education, 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 and each major fund of the North Bergen Board of Education 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 North Bergen Board of Education 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 North Bergen Board of Education's basic financial statements. The introductory section, fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the North Bergen Board of Education.

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

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
March 10, 2022

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

This section of North Bergen Board of Education's comprehensive annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

### FINANCIAL HIGHLIGHTS

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

- The assets and deferred outflows of resources of the North Bergen Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$55,951,769 (net position).
- Overall District revenues were \$178,641,193. General revenues accounted for \$107,298,142 or 60% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$71,343,051 or 40% of total revenues.
- The School District had \$162,183,385 in expenses for governmental activities; only \$68,306,760 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$107,297,595 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$51,477,728 an increase of \$11,554,271 when compared to the ending fund balance at June 30, 2020 of \$39,923,457 (as restated).
- The General Fund unassigned fund balance at June 30, 2021 was in a deficit position of \$2,381,413, an increase of \$1,877,542 when compared with the ending fund balance deficit of \$4,258,955 at June 30, 2020.
- The General Fund unassigned budgetary fund balance at June 30, 2021 was \$4,381,547 which represents an increase of \$1,840,967 when compared to the ending unassigned fund balance at June 30, 2020 of \$2,540,580.

# NORTH BERGEN BOARD OF EDUCATION

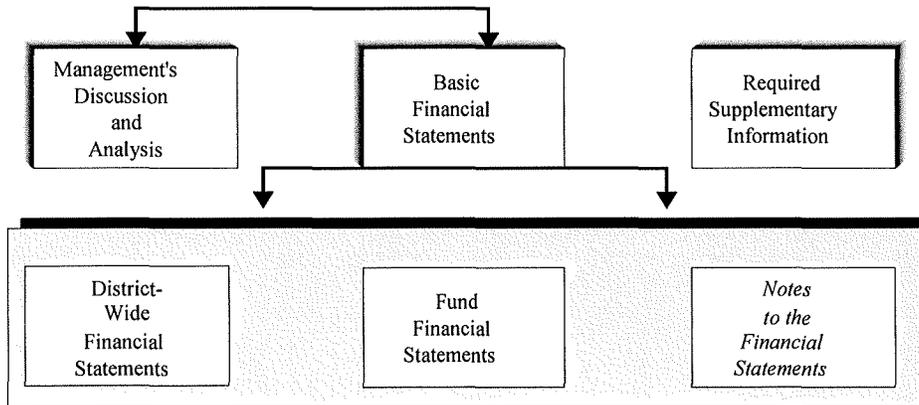
## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education	Activities the district operates similar to private businesses: Enterprise funds
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

### District-Wide Financial Statements

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

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

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

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

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

### Fund Financial Statements

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

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

# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

### Fund Financial Statements (Continued)

The District has two kinds of funds:

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

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

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

### Notes to the Financial Statements

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

### Other Information

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

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

# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

### DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$55,951,769 and \$42,061,203 as of June 30, 2021 and 2020 (restated), respectively, as shown below.

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

#### Net Position as of June 30, 2021 and 2020

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u> <u>(Restated)</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u> <u>(Restated)</u>
<b>Assets</b>						
Current and Other Assets	\$ 62,277,332	\$ 44,371,348	\$ 1,716,240	\$ 1,114,339	\$ 63,993,572	\$ 45,485,687
Capital Assets	<u>68,954,921</u>	<u>68,830,800</u>	<u>48,143</u>	<u>54,598</u>	<u>69,003,064</u>	<u>68,885,398</u>
<b>Total Assets</b>	<u>131,232,253</u>	<u>113,202,148</u>	<u>1,764,383</u>	<u>1,168,937</u>	<u>132,996,636</u>	<u>114,371,085</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amounts on Net Pension Liability	2,400,056	3,702,667			2,400,056	
Deferred Amounts on Refunding of Debt	<u>90,964</u>	<u>172,584</u>	<u>-</u>	<u>-</u>	<u>90,964</u>	<u>172,584</u>
<b>Total Deferred Outflows</b>	<u>2,491,020</u>	<u>3,875,251</u>	<u>-</u>	<u>-</u>	<u>2,491,020</u>	<u>172,584</u>
<b>Total Assets and Deferred Outflows</b>	<u>133,723,273</u>	<u>117,077,399</u>	<u>1,764,383</u>	<u>1,168,937</u>	<u>135,487,656</u>	<u>114,543,669</u>
<b>Liabilities</b>						
Long-Term Liabilities	57,697,778	61,182,327			57,697,778	61,182,327
Other Liabilities	<u>11,035,298</u>	<u>6,332,695</u>	<u>242,994</u>	<u>138,517</u>	<u>11,278,292</u>	<u>6,471,212</u>
<b>Total Liabilities</b>	<u>68,733,076</u>	<u>67,515,022</u>	<u>242,994</u>	<u>138,517</u>	<u>68,976,070</u>	<u>67,653,539</u>
<b>Deferred Inflows of Resources</b>						
Deferred Amounts on Net Pension Liability	10,530,932	10,175,119			10,530,932	10,175,119
Deferred Commodities Revenue	<u>-</u>	<u>-</u>	<u>28,885</u>	<u>7,512</u>	<u>28,885</u>	<u>7,512</u>
<b>Total Deferred Inflows</b>	<u>10,530,932</u>	<u>10,175,119</u>	<u>28,885</u>	<u>7,512</u>	<u>10,559,817</u>	<u>7,512</u>
<b>Total Liabilities and Deferred Inflows</b>	<u>79,264,008</u>	<u>77,690,141</u>	<u>271,879</u>	<u>146,029</u>	<u>79,535,887</u>	<u>67,661,051</u>
<b>Net Position</b>						
Net Investment in Capital Assets	56,321,028	56,530,766	48,143	54,598	56,369,171	56,585,364
Restricted	35,274,312	20,815,238			35,274,312	20,815,238
Unrestricted	<u>(37,136,075)</u>	<u>(36,307,709)</u>	<u>1,444,361</u>	<u>968,310</u>	<u>(35,691,714)</u>	<u>(35,339,399)</u>
<b>Total Net Position</b>	<u>\$ 54,459,265</u>	<u>\$ 41,038,295</u>	<u>\$ 1,492,504</u>	<u>\$ 1,022,908</u>	<u>\$ 55,951,769</u>	<u>\$ 42,061,203</u>

**NORTH BERGEN BOARD OF EDUCATION**

**Management's Discussion and Analysis**

The changes in net position for fiscal years 2021 and 2020 are as follows:

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 4,846,840	\$ 5,457,950	\$ 20,440	\$ 418,788	\$ 4,867,280	\$ 5,876,738
Operating Grants and Contributions	63,045,313	46,884,690	3,015,851	1,968,433	66,061,164	48,853,123
Capital Grants and Contributions	414,607	406,172			414,607	406,172
General Revenues						
Property Taxes	52,796,670	52,047,631			52,796,670	52,047,631
State Aid	53,786,894	53,389,432			53,786,894	53,389,432
Investment Earnings	114,381	390,436	547	2,441	114,928	392,877
Miscellaneous	599,650	564,666	-	-	599,650	564,666
<b>Total Revenues</b>	<u>175,604,355</u>	<u>159,140,977</u>	<u>3,036,838</u>	<u>2,389,662</u>	<u>178,641,193</u>	<u>161,530,639</u>
<b>Expenses</b>						
Instruction						
Regular	67,067,620	60,458,479			67,067,620	60,458,479
Special Education	23,369,643	23,848,462			23,369,643	23,848,462
Other Instruction	13,126,698	11,751,872			13,126,698	11,751,872
School Sponsored Activities and Athletics	2,595,356	2,643,478			2,595,356	2,643,478
Support Services						
Student and Instruction Related Services	18,225,920	17,071,514			18,225,920	17,071,514
General Administration Services	2,406,952	2,241,707			2,406,952	2,241,707
School Administration Services	11,897,156	10,521,309			11,897,156	10,521,309
Plant Operation and Maintenance	16,128,843	16,187,072			16,128,843	16,187,072
Pupil Transportation	2,648,568	3,021,876			2,648,568	3,021,876
Business Services	3,908,527	3,573,405			3,908,527	3,573,405
Interest and Other Chgs on Long-Term Debt	808,102	570,703			808,102	570,703
Food Service	-	-	2,567,242	2,516,312	2,567,242	2,516,312
<b>Total Expenses</b>	<u>162,183,385</u>	<u>151,889,877</u>	<u>2,567,242</u>	<u>2,516,312</u>	<u>164,750,627</u>	<u>154,406,189</u>
Change in Net Position	13,420,970	7,251,100	469,596	(126,650)	13,890,566	7,124,450
Prior Period Adjustment		1,651,037				1,651,037
<b>Net Position, Beginning of Year</b>	<u>41,038,295</u>	<u>32,136,158</u>	<u>1,022,908</u>	<u>1,149,558</u>	<u>42,061,203</u>	<u>33,285,716</u>
<b>Net Position, End of Year</b>	<u>\$ 54,459,265</u>	<u>\$ 41,038,295</u>	<u>\$ 1,492,504</u>	<u>\$ 1,022,908</u>	<u>\$ 55,951,769</u>	<u>\$ 42,061,203</u>

# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

**Governmental Activities.** The District's total governmental activities revenues were \$175,604,355 for the fiscal year ended June 30, 2021. Tuition and other charges for services accounted for \$4,846,840 representing 3% of total revenues. Local property taxes were \$52,796,670 representing 30% of total revenues.

State and federal aid revenues were \$117,246,814 representing 67% of total revenue for the year. Investment earnings and the miscellaneous revenues accounted for less than 1% of the District's revenues.

The total cost of all governmental activities programs and services were \$162,183,385. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$106,159,317 (65%) of total expenditures. Support services totaled \$55,215,966 (34%) of total expenditures and the remainder of expenditures were for interest and other charges on long-term debt totaling \$808,102 which were less than 1% of the District's expenses.

Total governmental activities revenues surpassed expenses, increasing net position by \$13,420,970 over the previous year.

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$162,183,385 for the fiscal year ended June 30, 2021. After applying program revenues, derived from charges for services of \$4,846,840; operating grants and contributions of \$63,045,313 and capital grants and contributions of \$414,607 the net cost of services of the District is \$93,876,625. The following is a comparative analysis of the net cost of governmental activities for the fiscal years ended June 30, 2021 and 2020.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Instruction				
Regular	67,067,620	\$ 60,458,479	\$ 35,499,692	\$ 36,384,836
Special Education	23,369,643	23,848,462	8,596,717	10,753,313
Other Instruction	13,126,698	11,751,872	6,531,098	6,693,444
School Sponsored Activities and Athletics	2,595,356	2,643,478	1,828,583	2,039,688
Support Services				
Student and Instruction Related Services	18,225,920	17,071,514	12,498,665	13,836,697
General Administration	2,406,952	2,241,707	1,856,415	1,837,219
School Administration Services	11,897,156	10,521,309	9,010,013	8,769,898
Plant Operation and Maintenance	16,128,843	16,187,072	11,866,873	12,523,309
Pupil Transportation	2,648,568	3,021,876	1,816,934	2,187,380
Business Services	3,908,527	3,573,405	3,563,533	3,544,578
Interest and Other Charges on Long-Term Debt	<u>808,102</u>	<u>570,703</u>	<u>808,102</u>	<u>570,703</u>
<b>Total</b>	<b><u>\$ 162,183,385</u></b>	<b><u>\$ 151,889,877</u></b>	<b><u>\$ 93,876,625</u></b>	<b><u>\$ 99,141,065</u></b>

# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

#### Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$51,477,728, an increase of \$11,554,271 from last year's fund balance of \$39,923,457.

Revenues for the District's governmental funds were \$158,407,141; total expenditures were \$146,852,870.

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

The following schedule presents a comparison of General Fund Revenues.

	Fiscal Year Ended <u>June 30, 2021</u>	Fiscal Year Ended <u>June 30, 2020</u>	Amount of Increase (Decrease)	Percent
Local Sources:				
Property Taxes	\$ 51,250,000	\$ 50,493,344	\$ 756,656	1.50%
Tuition	4,792,514	5,457,950	(665,436)	-12.19%
Miscellaneous	691,575	912,998	(221,423)	-24.25%
State/Federal Sources	<u>88,855,578</u>	<u>83,699,375</u>	<u>5,156,203</u>	6.16%
Total General Fund Revenues	<u>\$ 145,589,667</u>	<u>\$ 140,563,667</u>	<u>\$ 5,026,000</u>	<u>3.58%</u>

Total General Fund Revenues increased by \$5,026,000 or approximately 4% over the previous year.

Local property taxes increased \$756,656 over the previous year. State and federal aid increased \$5,156,203 or 6%, primarily due to the State of New Jersey providing additional State aid and increases in on-behalf TPAF pension funding to the District. Tuition charges from Guttenberg Board of Education decreased \$665,436. Miscellaneous revenues decreased over \$221,000 from 2019-20 to 2020-21. The decrease in miscellaneous revenues is due to the impact of the pandemic.

# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

The following schedule presents a summary of General Fund Expenditures.

	Fiscal Year Ended <u>June 30, 2021</u>	Fiscal Year Ended <u>June 30, 2020</u>	Amount of Increase <u>(Decrease)</u>	<u>Percent</u>
Instruction	\$ 84,256,087	\$ 85,313,961	\$ (1,057,874)	-1.24%
Support Services	46,145,143	47,231,371	(1,086,228)	-2.30%
Debt Service	92,716	92,716	-	0.00%
Capital Outlay	<u>1,537,441</u>	<u>904,111</u>	<u>633,330</u>	70.05%
 Total Expenditures	 <u>\$ 132,031,387</u>	 <u>\$ 133,542,159</u>	 <u>\$ (1,510,772)</u>	 <u>-1.13%</u>

Total General Fund expenditures decreased \$1,510,772 or slightly more than 1% from the previous year. The On-Behalf TPAF funding increased in 2020/21, however due to COVID-19 pandemic several expenditures decreased from 2019/20.

For the fiscal year ended June 30, 2021 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$13,555,736. After deducting statutory reserves and designations in the amount of \$41,557,201, the unassigned fund balance at June 30, 2021 was in a deficit position of \$2,381,413. This deficit occurs because the State has delayed the District's final state aid payments until July 2021. Had these payments been received prior to June 30, 2021, the District would have ended the year with an unassigned fund balance (Budgetary Basis) of \$4,381,547.

**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 \$10,711,359 for the fiscal year ended June 30, 2021. State sources in the amount of \$3,111,348 accounted for 29% of the total revenue and federal sources in the amount of \$7,499,335 accounted for 70% of the total revenue in the special revenue fund. Local sources of \$100,676 accounted for the remaining 1%.

Total Special Revenue Fund revenues increased \$2,870,162 from the previous year. State sources increased \$358,594, Federal sources increased by \$2,463,030, and local sources increased by \$48,538.

Expenditures of the Special Revenue Fund were \$10,786,305. Instructional expenditures were \$8,905,072 or 83%, expenditures for support services were \$1,881,233 or 17% for the fiscal year ended June 30, 2021.

# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

**Capital Projects** - The capital projects expenditures and other financing uses exceeded revenues by \$1,951,520 decreasing the fund balance from \$13,965,262 at June 30, 2020 to \$12,013,742 at June 30, 2021. The district's high schools projects are in progress and are expected to be completed in 2022.

#### Proprietary Funds

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

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

### GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2020 encumbrances.

### CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2021 and 2020 amounts to \$69,003,063 and \$68,885,398 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2020-2021 amounted to \$2,869,973 for governmental activities and \$6,456 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2021 and 2020.

	<b>Governmental</b>		<b>Business- Type</b>		<b>Total</b>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 14,685,925	\$ 14,685,925			\$ 14,685,925	\$ 14,685,925
Construction in Progress	4,772,092	3,347,107			4,772,092	3,347,107
Site Improvements	1,260,837	1,332,087			1,260,837	1,332,087
Building	47,638,907	49,181,879			47,638,907	49,181,879
Machinery and Equipment	<u>597,160</u>	<u>283,802</u>	<u>\$ 48,142</u>	<u>\$ 54,598</u>	<u>645,302</u>	<u>338,400</u>
<b>Total</b>	<u>\$ 68,954,921</u>	<u>\$ 68,830,800</u>	<u>\$ 48,142</u>	<u>\$ 54,598</u>	<u>\$ 69,003,063</u>	<u>\$ 68,885,398</u>

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

# **NORTH BERGEN BOARD OF EDUCATION**

## **Management's Discussion and Analysis**

### **LONG TERM LIABILITIES**

At June 30, 2021, the District's long-term liabilities consisted of compensated absences payable of \$8,330,278 serial bonds of \$21,400,000, obligations under lease purchase agreements of \$3,503,476 (including unamortized premium) and net pension liability of \$24,464,024 totaling \$57,697,778. This is in comparison to long-term liabilities at June 30, 2020 of \$61,182,327 or a decrease of \$3,484,549.

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

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Many factors were considered by the District's administration during the process of developing the fiscal year 2020-2021 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were also considered when adopting the budget for fiscal year 2021-2022. Budgeted expenditures in the General Fund increased in this year's school year to fund contractual salary increases and increases in the premiums for employee benefits.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

**FINANCIAL STATEMENTS**

**NORTH BERGEN BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2021**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 59,090,777	\$ 516,928	\$ 59,607,705
Receivables, Net	3,669,247	448,457	4,117,704
Internal Balances	(641,584)	641,584	
Other Receivables	124,735		124,735
Prepaid Items	5,000		5,000
Other Assets	20,000		20,000
Inventory		109,271	109,271
Restricted Assets			
Cash and Cash Equivalents	9,157		9,157
Capital Assets			
Not Being Depreciated	19,458,017		19,458,017
Being Depreciated, Net	49,496,904	48,143	49,545,047
Total Assets	<u>131,232,253</u>	<u>1,764,383</u>	<u>132,996,636</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	2,400,056		2,400,056
Deferred Amounts on Refunding of Debt	90,964	-	90,964
Total Deferred Outflows of Resources	<u>2,491,020</u>	<u>-</u>	<u>2,491,020</u>
Total Assets and Deferred Outflows of Resources	<u>133,723,273</u>	<u>1,764,383</u>	<u>135,487,656</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	9,275,117	242,994	9,518,111
Accrued Interest Payable	235,694		235,694
Payable to Other Governments	678,240		678,240
Unearned Revenue	846,247		846,247
Noncurrent Liabilities			
Due Within One Year	3,031,375		3,031,375
Due Beyond One Year	54,666,403	-	54,666,403
Total Liabilities	<u>68,733,076</u>	<u>242,994</u>	<u>68,976,070</u>

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

**NORTH BERGEN BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	\$ 10,530,932		\$ 10,530,932
Deferred Commodities Revenue	<u>-</u>	<u>\$ 28,885</u>	<u>28,885</u>
Total Deferred Inflows of Resources	<u>10,530,932</u>	<u>28,885</u>	<u>10,559,817</u>
Total Liabilities and Deferred Inflows of Resources	<u>79,264,008</u>	<u>271,879</u>	<u>79,535,887</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	56,321,028	48,143	56,369,171
Restricted for:			
Capital Projects	28,998,738		28,998,738
Other Purposes	6,275,574		6,275,574
Unrestricted	<u>(37,136,075)</u>	<u>1,444,361</u>	<u>(35,691,714)</u>
Total Net Position	<u>\$ 54,459,265</u>	<u>\$ 1,492,504</u>	<u>\$ 55,951,769</u>

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

**NORTH BERGEN BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
Instruction:							
Regular	\$ 67,067,620	\$ 4,792,514	\$ 26,775,414		\$ (35,499,692)		\$ (35,499,692)
Special Education	23,369,643		14,772,926		(8,596,717)		(8,596,717)
Other Instruction	13,126,698		6,595,600		(6,531,098)		(6,531,098)
School Sponsored Activities and Athletics	2,595,356	54,326	712,447		(1,828,583)		(1,828,583)
Support Services:							
Student and Instruction Related Services	18,225,920		5,727,255		(12,498,665)		(12,498,665)
General Administrative Services	2,406,952		550,537		(1,856,415)		(1,856,415)
School Administrative Services	11,897,156		2,887,143		(9,010,013)		(9,010,013)
Plant Operations and Maintenance	16,128,843		3,847,363	\$ 414,607	(11,866,873)		(11,866,873)
Pupil Transportation	2,648,568		831,634		(1,816,934)		(1,816,934)
Business Services	3,908,527		344,994		(3,563,533)		(3,563,533)
Interest on Long-Term Debt	808,102	-	-	-	(808,102)	-	(808,102)
<b>Total Governmental Activities</b>	<b>162,183,385</b>	<b>4,846,840</b>	<b>63,045,313</b>	<b>414,607</b>	<b>(93,876,625)</b>	<b>-</b>	<b>(93,876,625)</b>
Business-Type Activities:							
Food Service	2,567,242	20,440	3,015,851	-	-	\$ 469,049	469,049
<b>Total Business-Type Activities</b>	<b>2,567,242</b>	<b>20,440</b>	<b>3,015,851</b>	<b>-</b>	<b>-</b>	<b>469,049</b>	<b>469,049</b>
<b>Total Primary Government</b>	<b>\$ 164,750,627</b>	<b>\$ 4,867,280</b>	<b>\$ 66,061,164</b>	<b>\$ 414,607</b>	<b>(93,876,625)</b>	<b>469,049</b>	<b>(93,407,576)</b>
General Revenues							
Property Taxes							
General Purposes					51,250,000		51,250,000
Debt Service					1,546,670		1,546,670
State Aid - Unrestricted					53,249,905		53,249,905
State Aid - Restricted for Debt Service					536,989		536,989
Investment Earnings					114,381	547	114,928
Miscellaneous Income					599,650	-	599,650
<b>Total General Revenues and Other Items</b>					<b>107,297,595</b>	<b>547</b>	<b>107,298,142</b>
<b>Change in Net Position</b>					<b>13,420,970</b>	<b>469,596</b>	<b>13,890,566</b>
<b>Net Position, Beginning of Year (Restated)</b>					<b>41,038,295</b>	<b>1,022,908</b>	<b>42,061,203</b>
<b>Net Position, End of Year</b>					<b>\$ 54,459,265</b>	<b>\$ 1,492,504</b>	<b>\$ 55,951,769</b>

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

**FUND FINANCIAL STATEMENTS**

**NORTH BERGEN BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 46,638,260	\$ 296,011	\$ 12,156,506		\$ 59,090,777
Receivables From Other Governments	1,578,008	2,091,239			3,669,247
Other Receivables	124,735				124,735
Prepaid Items	5,000				5,000
Other Assets	20,000				20,000
Due From Other Funds	431,909				431,909
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agent	-	-	-	\$ 9,157	9,157
<b>Total Assets</b>	<u>\$ 48,797,912</u>	<u>\$ 2,387,250</u>	<u>\$ 12,156,506</u>	<u>\$ 9,157</u>	<u>\$ 63,350,825</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 4,721,239	\$ 846,209	\$ 78,309		\$ 5,645,757
Accrued Salaries and Wages	3,589,554				3,589,554
Payroll Deductions Payable	19,806				19,806
Unearned Revenue		846,247			846,247
Payables to Other Governments	629,941	48,299			678,240
Other Payables	20,000				20,000
Due To Other Funds	641,584	358,403	64,455	\$ 9,051	1,073,493
<b>Total Liabilities</b>	<u>9,622,124</u>	<u>2,099,158</u>	<u>142,764</u>	<u>9,051</u>	<u>11,873,097</u>
Fund Balances:					
Restricted					
Capital Reserve	27,079,953				27,079,953
Capital Reserve-Designated for Subsequent Year's Budget	632,800				632,800
Maintenance Reserve	4,412,517				4,412,517
Emergency Reserve	598,500				598,500
Excess Surplus - Designated for Subsequent Year's Budget	1,408,535				1,408,535
Unemployment Compensation Reserve	976,465				976,465
Student Activities and Athletics		288,092			288,092
Capital Projects Fund			11,851,376		11,851,376
Debt Service			162,366	106	162,472
Committed					
Encumbrances	605,313				605,313
Assigned					
Designated for Subsequent Year's Budget	4,353,094				4,353,094
Encumbrances	1,490,024				1,490,024
Unassigned	(2,381,413)	-	-	-	(2,381,413)
<b>Total Fund Balances</b>	<u>39,175,788</u>	<u>288,092</u>	<u>12,013,742</u>	<u>106</u>	<u>51,477,728</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 48,797,912</u>	<u>\$ 2,387,250</u>	<u>\$ 12,156,506</u>	<u>\$ 9,157</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$112,460,326 and the accumulated depreciation is \$43,505,405.	68,954,921
The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:	(235,694)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 2)	(57,697,778)
Deferred Inflows and Outflows related to debt refundings and not pension liability are net reported in the funds (See Note 2).	(8,039,912)
<b>Net Position of Governmental Activities</b>	<u>\$ 54,459,265</u>

**NORTH BERGEN BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources:					
Property Taxes	\$ 51,250,000			\$ 1,546,670	\$ 52,796,670
Tuition	4,792,514				4,792,514
Interest	91,925		\$ 22,456		114,381
Miscellaneous	<u>599,650</u>	<u>\$ 100,676</u>	-	-	<u>700,326</u>
Total - Local Sources	56,734,089	100,676	22,456	1,546,670	58,403,891
State Sources	88,446,159	3,111,348		536,989	92,094,496
Federal Sources	<u>409,419</u>	<u>7,499,335</u>	-	-	<u>7,908,754</u>
Total Revenues	<u>145,589,667</u>	<u>10,711,359</u>	<u>22,456</u>	<u>2,083,659</u>	<u>158,407,141</u>
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	53,597,498	4,594,011			58,191,509
Special Education Instruction	19,528,524	1,382,600			20,911,124
Other Instruction	8,926,656	2,799,189			11,725,845
School Sponsored Activities and Athletics	2,203,409	129,272			2,332,681
Support Services					
Student and Instruction Related Services	14,674,615	1,763,393			16,438,008
General Administrative Services	2,179,107				2,179,107
School Administrative Services	10,466,025				10,466,025
Plant Operations and Maintenance	12,616,327	95,740			12,712,067
Pupil Transportation	2,620,258	22,100			2,642,358
Business Services	3,588,811				3,588,811
Debt Service					
Principal				1,840,000	1,840,000
Interest and Other Charges	92,716			738,525	831,241
Capital Outlay	<u>1,537,441</u>	-	<u>1,456,653</u>	-	<u>2,994,094</u>
Total Expenditures	<u>132,031,387</u>	<u>10,786,305</u>	<u>1,456,653</u>	<u>2,578,525</u>	<u>146,852,870</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>13,558,280</u>	<u>(74,946)</u>	<u>(1,434,197)</u>	<u>(494,866)</u>	<u>11,554,271</u>
Other Financing Sources (Uses)					
Proceeds from Sale of Bonds					-
Transfers In	22,456	25,000		494,867	542,323
Transfers Out	<u>(25,000)</u>	-	<u>(517,323)</u>	-	<u>(542,323)</u>
Total Other Financing Sources (Uses)	<u>(2,544)</u>	<u>25,000</u>	<u>(517,323)</u>	<u>494,867</u>	<u>-</u>
Net Change in Fund Balances	13,555,736	(49,946)	(1,951,520)	1	11,554,271
Fund Balance, Beginning of Year (Restated)	<u>25,620,052</u>	<u>338,038</u>	<u>13,965,262</u>	<u>105</u>	<u>39,923,457</u>
Fund Balance, End of Year	<u>\$ 39,175,788</u>	<u>\$ 288,092</u>	<u>\$ 12,013,742</u>	<u>\$ 106</u>	<u>\$ 51,477,728</u>

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

**NORTH BERGEN BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** **\$ 11,554,271**

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

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

Capital Outlay	\$ 2,994,094	
Depreciation Expense	<u>(2,869,973)</u>	124,121

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

Principal Repayments		
General Obligation Bonds	250,000	
Certificates of Participation	1,590,000	
Amortization		
Premium	106,686	
Deferred Amount on Refunding of Debt	<u>(81,620)</u>	1,865,066

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

Decrease in Pension Expense - Public Employees' Retirement System		803,410
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In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.		(1,927)
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In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).

Compensated Absences		<u>(923,971)</u>
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**Change in Net Position of Governmental Activities ( Exhibit A-2)** **\$ 13,420,970**

**NORTH BERGEN BOARD OF EDUCATION  
 PROPRIETARY FUND  
 FOOD SERVICE ENTERPRISE FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2021**

**ASSETS**

Cash	\$ 516,928
Intergovernmental Receivable	
State	18,664
Federal	429,793
Inventories	109,271
Due from Other Funds	<u>641,584</u>
Total Current Assets	<u>1,716,240</u>
Capital Assets	
Equipment	175,669
Accumulated Depreciation	<u>(127,526)</u>
Total Capital Assets, Net	<u>48,143</u>
Total Assets	<u>1,764,383</u>

**LIABILITIES**

Current Liabilities	
Accounts Payable	<u>242,994</u>
Total Current Liabilities	<u>242,994</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred Commodities Revenue	<u>28,885</u>
Total Deferred Inflows of Resources	<u>28,885</u>
Total Liabilities and Deferred Inflows of Resources	<u>271,879</u>

**NET POSITION**

Investment in Capital Assets	48,143
Unrestricted	<u>1,444,361</u>
Total Net Position	<u>\$ 1,492,504</u>

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

**NORTH BERGEN BOARD OF EDUCATION  
 PROPRIETARY FUND  
 FOOD SERVICE ENTERPRISE FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**OPERATING REVENUES**

Local Sources	
Daily Sales	
Non-Reimbursable Programs	\$ 2,252
Special Functions	<u>18,188</u>
 Total Operating Revenues	 <u>20,440</u>

**OPERATING EXPENSES**

Salaries and Wages	1,110,231
Employee Benefits	15,756
Cost of Sales	
Reimbursable Programs	991,973
Non-Reimbursable Programs	10,004
Other Purchased Services	430,583
Supplies and Materials	2,239
Depreciation	<u>6,456</u>
 Total Operating Expenses	 <u>2,567,242</u>
 Operating Income (Loss)	 <u>(2,546,802)</u>

**NONOPERATING REVENUES**

State Sources	
State School Lunch Program	76,370
Federal Sources	
School Breakfast Program	1,054,686
National School Lunch Program	1,680,030
Food Distribution Program (USDA Commodities)	204,765
Interest Income	<u>547</u>
 Total Nonoperating Revenues	 <u>3,016,398</u>
 Change in Net Position	 469,596
 Net Position, Beginning of Year	 <u>1,022,908</u>
 Net Position, End of Year	 <u>\$ 1,492,504</u>

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

**NORTH BERGEN BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 FOOD SERVICE ENTERPRISE FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from Customers	\$ 20,440
Cash Payments for Salaries & Benefits	(1,125,987)
Cash Payments to Suppliers for Goods and Services	<u>(1,165,330)</u>
Net Cash (Used) by Operating Activities	<u>(2,270,877)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Cash Received for Interfund Transactions	(78,280)
Cash Received from State and Federal Subsidy Reimbursements	<u>2,369,598</u>
Net Cash Provided by Noncapital Financing Activities	<u>2,291,318</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest on Deposits	<u>547</u>
Net Cash Provided by Investing Activities	<u>547</u>

Net Change in Cash and Cash Equivalents	20,988
Cash and Cash Equivalents, Beginning of Year	<u>495,940</u>
Cash and Cash Equivalents, End of Year	<u>\$ 516,928</u>

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

Operating Income (Loss)	<u>\$ (2,546,802)</u>
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities	
Depreciation	6,456
Non-Cash Federal Assistance-Food Distribution Program	204,765
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	104,477
(Increase)/Decrease in Inventory	(61,146)
Increase/(Decrease) in Deferred Commodities Revenue	<u>21,373</u>
Total Adjustments	<u>275,925</u>

Net Cash (Used) by Operating Activities	<u>\$ (2,270,877)</u>
Non-Cash Investing, Capital and Financing Activities	
Value Received - Food Distribution Program	<u>\$ 226,138</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

**B. New Accounting Standards**

During fiscal year 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.

**NORTH BERGEN BOARD OF EDUCATION  
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.

**NORTH BERGEN BOARD OF EDUCATION  
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 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. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

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

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

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

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

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

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

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.

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.

**NORTH BERGEN BOARD OF EDUCATION  
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)**

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.

***5. Restricted Assets***

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

**NORTH BERGEN BOARD OF EDUCATION  
 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)**

**6. *Capital Assets***

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

**7. *Deferred Outflows/Inflows of Resources***

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

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

**NORTH BERGEN BOARD OF EDUCATION  
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)**

**8. *Compensated Absences***

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

**9. *Pensions***

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

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

**10. *Long-Term Obligations***

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

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

**11. *Net Position/Fund Balance***

**District-Wide Statements**

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

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

**NORTH BERGEN BOARD OF EDUCATION  
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. Net Position/Fund Balance (Continued)**

**Governmental Fund Statements**

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

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

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

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

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

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

Excess Surplus – Designated for Subsequent Year's Budget - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2020 audited excess surplus that was appropriated in the 2021/2022 original 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 5A).

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

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

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

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

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

**NORTH BERGEN BOARD OF EDUCATION  
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. Net Position/Fund Balance (Continued)***

**Governmental Fund Statements (Continued)**

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

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

*Designated for Subsequent Year's Budget* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 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, capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

***12. Fund Balance Policies***

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

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

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

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

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

**2. *Property Taxes***

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

**3. *Tuition Revenues and Expenditures***

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

Tuition Expenditures - Tuition charges for the fiscal years 2019-2020 and 2020-2021 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

Bonds Payable	\$ 21,400,000
Certificates of Participation (COPS)	3,365,000
Unamortized Issuance Premium	138,476
Compensated Absences	8,330,278
Net Pension Liability	<u>24,464,024</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 57,697,778</u>

Another element of that reconciliation states that “deferred inflows and outflows related to debt refundings and net pension liability are not reported in the fund”. The details are as follows:

Deferred Inflows of Resources	
Deferred Amount on Net Pension Liability	\$ 10,530,932
Deferred Outflows of Resources	
Deferred Amount on Net Pension Liability	(2,400,056)
Deferred Amount on Refunding	<u>(90,964)</u>
	<u>\$8,039,912</u>

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2020/2021. Also, during 2020/2021 the Board increased the original General Fund budget by \$3,525,351 and the original Special Revenue budget by \$4,492,620. The increases were funded by the additional appropriation of capital reserve, grant awards, student activity revenues, and the reappropriation of prior year general fund encumbrances.

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

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

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

**B. Excess Expenditures Over Appropriations**

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Undistributed Expenditures			
Tuition – Other LEA’s			
Within State – Special	<u>\$73,025</u>	<u>\$171,963</u>	<u>\$98,938</u>

The overexpended appropriation was the result of an audit adjustment and was offset with other available resources.

**C. Deficit Fund Equity**

The District has an unassigned fund deficit of \$2,381,413 in the General Fund as of June 30, 2021 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, “Accounting and Financial Reporting for Nonexchange Transactions”, requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2020/2021 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements in the General Fund is less than the delayed state aid payments at June 30, 2021.

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**D. Capital Reserve**

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

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

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

Balance, July 1, 2020		\$ 13,276,716
Increased by		
Deposit Approved by Board Resolution		<u>17,743,297</u>
		31,020,013
Decreased by		
Withdrawal Approved by Board Resolution	\$ 57,260	
Budgeted Withdrawal	<u>3,250,000</u>	
		<u>3,307,260</u>
Balance, June 30, 2021		<u>\$ 27,712,753</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan. \$632,800 of the capital reserve balance at June 30, 2021 was designated and appropriated for use in the 2021/2022 original budget certified for taxes.

**E. Maintenance Reserve**

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

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

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**E. Maintenance Reserve (Continued)**

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

Balance, July 1, 2020		\$ 4,003,000
Increased by		
Deposit Approved by Board Resolution	\$ 1,199,900	
Interest Earnings	<u>                  -</u>	
		<u>1,199,900</u>
		5,202,900
Decreased by		
Budgeted Withdrawal		<u>790,383</u>
Balance, June 30, 2021		<u>\$ 4,412,517</u>

The June 30, 2021 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$4,412,517. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

**F. Emergency Reserve**

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

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

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

Balance, July 1, 2020	<u>\$ 598,500</u>
Balance, June 30, 2021	<u>\$ 598,500</u>

**G. Transfers to Capital Outlay**

During the 2020/2021 school year, the district appropriated \$286,291 to the non-equipment capital outlay accounts. The appropriation was funded from the capital reserve account and e-rate funding for e-rate switches.

**H. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2021 is \$1,408,535. This amount was designated and appropriated in the 2021/2022 original budget certified for taxes.

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2021, the book value of the Board's deposits were \$59,607,705 and bank and brokerage firm balances of the Board's deposits amounted to \$63,157,917. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	<u>\$ 63,157,917</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 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.

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

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts	\$ 124,735			\$ 124,735
Intergovernmental-				
Federal		\$ 2,064,624	\$ 429,793	2,494,417
State	1,086,539		18,664	1,105,203
Local	<u>491,469</u>	<u>26,615</u>	<u>-</u>	<u>518,084</u>
Gross Receivables	1,702,743	2,091,239	448,457	4,242,439
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 1,702,743</u>	<u>\$ 2,091,239</u>	<u>\$ 448,457</u>	<u>\$ 4,242,439</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:

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 713,375
Grant Draw Downs for Year End Encumbrances	<u>132,872</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 846,247</u>

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

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

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increases</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2021</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 14,685,925			\$ 14,685,925
Construction in Progress	<u>3,347,107</u>	\$ 2,032,563	\$ (607,578)	<u>4,772,092</u>
Total Capital Assets, Not Being Depreciated	<u>18,033,032</u>	<u>2,032,563</u>	<u>(607,578)</u>	<u>19,458,017</u>
Capital Assets, Being Depreciated:				
Buildings	86,765,120	554,420	533,916	87,853,456
Site Improvements	1,553,348	5,000		1,558,348
Machinery and Equipment	<u>3,114,732</u>	<u>402,111</u>	<u>73,662</u>	<u>3,590,505</u>
Total Capital Assets Being Depreciated	<u>91,433,200</u>	<u>961,531</u>	<u>607,578</u>	<u>93,002,309</u>
Less Accumulated Depreciation for:				
Buildings	(37,583,241)	(2,631,308)		(40,214,549)
Site Improvements	(221,261)	(76,250)		(297,511)
Machinery and Equipment	<u>(2,830,930)</u>	<u>(162,415)</u>	-	<u>(2,993,345)</u>
Total Accumulated Depreciation	<u>(40,635,432)</u>	<u>(2,869,973)</u>	<u>-</u>	<u>(43,505,405)</u>
Total Capital Assets, Being Depreciated, net	<u>50,797,768</u>	<u>(1,908,442)</u>	<u>607,578</u>	<u>49,496,904</u>
Governmental Activities Capital Assets, net	<u>\$ 68,830,800</u>	<u>\$ 124,121</u>	<u>\$ -</u>	<u>\$ 68,954,921</u>

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2021</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 175,669	-	-	\$ 175,669
Total Capital Assets Being Depreciated	<u>175,669</u>	<u>-</u>	<u>-</u>	<u>175,669</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(121,070)	\$ (6,456)	-	(127,526)
Total Accumulated Depreciation	<u>(121,070)</u>	<u>(6,456)</u>	<u>-</u>	<u>(127,526)</u>
Total Capital Assets, Being Depreciated, net	<u>54,599</u>	<u>(6,456)</u>	<u>-</u>	<u>48,143</u>
Business-Type Activities Capital Assets, net	<u>\$ 54,599</u>	<u>\$ (6,456)</u>	<u>\$ -</u>	<u>\$ 48,143</u>

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

**Governmental Activities:**

Instruction		
Regular		\$ <u>8,687</u>
Total Instruction		<u>8,687</u>
Support Services		
Support Services-Students and Instruction Related		100,780
School Administration		27,188
Operations and Maintenance of Plant		<u>2,733,318</u>
Total Support Services		<u>2,861,286</u>
Total Governmental Funds		<u>\$ 2,869,973</u>
<b>Business-Type Activities:</b>		
Food Service Fund		<u>\$ 6,456</u>

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

**Construction and Other Significant Commitments**

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

<u>Project</u>	<u>Remaining Commitment</u>
North Bergen High School (West) High School Windows	\$ 1,601,970 <u>3,445,527</u>
Total	<u>\$ 5,047,497</u>

**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	Special Revenue Fund	\$ 358,403
General Fund	Capital Projects Fund	64,455
General Fund	Debt Service Fund	9,051
Food Service Enterprise Fund	General Fund	<u>641,584</u>
Total		<u>\$ 1,073,493</u>

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

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

**Interfund Transfers**

<u>Transfer Out</u>	<u>General Fund</u>	<u>Transfer In Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
General Fund		\$ 25,000		\$ 25,000
Capital Projects Fund	\$ 22,456	-	\$ 494,867	<u>517,323</u>
	<u>\$ 22,456</u>	<u>\$ 25,000</u>	<u>\$ 494,867</u>	<u>\$ 542,323</u>

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

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Leases**

**Lease Purchase Agreements**

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

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

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

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

**Governmental Activities:**

Fiscal Year Ended	<u>Certificates of Participation</u>		<u>Total</u>
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	
2022	\$ 1,650,000	\$ 101,600	\$ 1,751,600
2023	<u>1,715,000</u>	<u>34,300</u>	<u>1,749,300</u>
	<u>\$ 3,365,000</u>	<u>\$ 135,900</u>	<u>\$ 3,500,900</u>

**G. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2021 are comprised of the following issues:

\$3,225,000, Pension Obligation Refunding Bonds, due in annual installments of \$265,000 to \$300,000 through April 1, 2026, interest at 4.254% to 5.054%	\$1,400,000
\$20,000,000, 2020 Bonds, due in annual installments of \$500,000 to \$990,000 through June 30, 2050, interest at 2.250% to 2.750%	<u>20,000,000</u>
Total	<u>\$21,400,000</u>

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt (Continued)**

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

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 765,000	\$ 579,055	\$ 1,344,055
2023	775,000	556,531	1,331,531
2024	785,000	532,270	1,317,270
2025	805,000	505,366	1,310,366
2026	790,000	477,580	1,267,580
2027-2031	2,780,000	2,118,530	4,898,530
2032-2036	3,145,000	1,753,655	4,898,655
2037-2041	3,600,000	1,338,405	4,938,405
2042-2046	4,155,000	858,512	5,013,512
2047-2050	<u>3,800,000</u>	<u>264,963</u>	<u>4,064,963</u>
	<u>\$ 21,400,000</u>	<u>\$ 8,984,867</u>	<u>\$ 30,384,867</u>

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

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2021 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 267,897,318
Less: Net Debt	<u>60,000,000</u>
Remaining Borrowing Power	<u>\$ 207,897,318</u>

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

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

	Balance <u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2021</u>	Due Withim <u>One Year</u>
<b>Governmental Activities:</b>					
Obligations Under Lease-					
Purchase Agreement	\$ 4,955,000		\$ 1,590,000	\$ 3,365,000	\$ 1,650,000
Add: Unamortized Premium	<u>245,162</u>	-	<u>106,686</u>	<u>138,476</u>	-
	5,200,162	-	1,696,686	3,503,476	1,650,000
Bonds Payable	21,650,000		250,000	21,400,000	765,000
Compensated Absences Payable	7,406,307	\$ 1,860,150	936,179	8,330,278	616,375
Net Pension Liability	<u>26,925,858</u>	-	<u>2,461,834</u>	<u>24,464,024</u>	-
	<u>\$ 61,182,327</u>	<u>\$ 1,860,150</u>	<u>\$ 5,344,699</u>	<u>\$ 57,697,778</u>	<u>\$ 3,031,375</u>

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

**NOTE 5 OTHER INFORMATION**

**A. Risk Management**

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

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

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

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

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

<u>Year Ended</u> <u>June 30,</u>	<u>Board</u> <u>Contribution</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2021	\$ 184,275	\$ 107,534	\$ 629,941	\$ 976,465
2020		115,414	112,586	1,312,999
2019		112,801	39,370	1,296,764

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 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. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2021, the District has not estimated its arbitrage earnings due to the IRS, if any.

**D. Employee Retirement Systems and Pension Plans**

**Plan Descriptions and Benefits Provided**

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

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

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. 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 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> 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](http://www.state.nj.us/treasury/pensions).

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represent the membership tiers for TPAF:

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

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> 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 PERS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required 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](http://www.state.nj.us/treasury/pensions).

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

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

**Plan Amendments**

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

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

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

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 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	\$ 1,641,123	\$ 15,574,928	\$ 6,580
2020	1,453,565	11,913,380	5,411
2019	1,496,515	10,626,282	5,748

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. 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-, \$6,420 and \$6,799, respectively for PERS and the State contributed \$8,702, \$9,746 and \$10,743, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$4,238,758 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 \$24,464,024 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 .15002 percent, which was an increase of .00059 percent from its proportionate share measured as of June 30, 2019 of .14943 percent.

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

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

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

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

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$837,713 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:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 445,450	\$ 86,515
Changes of Assumptions	793,641	10,243,318
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	836,200	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>324,765</u>	<u>201,099</u>
Total	<u>\$ 2,400,056</u>	<u>\$ 10,530,932</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:

<u>Year Ending June 30,</u>	<u>Total</u>
2022	\$ (2,968,494)
2023	(2,803,347)
2024	(1,594,786)
2025	(628,714)
2026	(135,535)
Thereafter	<u>-</u>
	<u>\$ (8,130,876)</u>

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

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

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

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

*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.

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.

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

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

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

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

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 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%

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

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

***Discount Rate (Continued)***

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:

	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 30,796,125</u>	<u>\$ 24,464,024</u>	<u>\$ 19,091,063</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](http://www.state.nj.us/treasury/pensions).

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

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

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

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

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 \$21,849,099 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 \$351,360,608. 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 .53359 percent, which was an increase of .00438 percent from its proportionate share measured as of June 30, 2019 of .52921 percent.

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

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

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

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

**Actuarial Assumptions**

The total pension liability for the June 30, 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.

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.

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

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

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

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 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%

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**NOTE 5 OTHER INFORMATION (Continued)**

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

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

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

***Discount Rate***

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

<b>Fiscal Year</b>	<b>Measurement Date</b>	<b>Discount Rate</b>
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:

	<b>1% Decrease (4.40%)</b>	<b>Current Discount Rate (5.40%)</b>	<b>1% Increase (6.40%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 412,714,184</u>	<u>\$ 351,360,608</u>	<u>\$ 300,416,761</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.

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

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

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

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

***Pension Plan Fiduciary Net Position***

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

**E. Post-Retirement Medical Benefits**

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 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.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://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	<u>149,304</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.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**E. 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 \$4,880,940, \$4,419,646 and \$4,820,064, 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 \$15,803,983. 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 \$285,213,376. 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 .42061 percent, which was an increase of .0069 percent from its proportionate share measured as of June 30, 2019 of .41371 percent.

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

**Actuarial Assumptions**

The OPEB liability for the June 30, 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%.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the June 30, 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:

<b><u>Fiscal Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
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.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

**Changes in the Total OPEB Liability**

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

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2019 Measurement Date	\$ <u>172,638,496</u>
Changes Recognized for the Fiscal Year:	
Service Cost	7,996,066
Interest on the Total OPEB Liability	6,238,675
Differences Between Expected and Actual Experience	51,056,287
Changes of Assumptions	52,098,683
Gross Benefit Payments	(4,965,330)
Contributions from the Member	<u>150,499</u>
Net Changes	<u>112,574,880</u>
Balance, June 30, 2020 Measurement Date	\$ <u><u>285,213,376</u></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.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.21%, 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:

	<b>1% Decrease <u>(1.21%)</u></b>	<b>Current Discount Rate <u>(2.21%)</u></b>	<b>1% Increase <u>(3.21%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 343,839,446	\$ 285,213,376	\$ 239,373,435

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	\$ 230,233,855	\$ 285,213,376	\$ 350,681,766

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.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 OTHER INFORMATION (Continued)**

**F. Tax Abatements**

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

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

**G. Subsequent Events**

On September 15, 2021, the Board approved the withdrawal of \$996,000 from the General Fund Capital Reserve account to fund the costs associated with the acquisition and installation of a generator at the North Bergen High School.

**NOTE 6 RESTATEMENT**

On July 1, 2020, the North Bergen Board of Education implemented GASB Statement No. 84 "Fiduciary Activities". The North Bergen Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 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 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 \$1,651,037 from \$39,387,258 as previously reported to \$41,038,295 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 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 \$1,651,037 from \$38,272,420 as previously reported to \$39,923,457 as of June 30, 2020. General Fund fund balance increased \$1,312,999 from \$24,307,053 as previously reported to \$25,650,052 as of June 30, 2020. Special Revenue Fund fund balance increased \$383,038 from \$-0- as previously reported to \$338,038 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 \$1,312,999 from \$1,312,999 as previously reported to \$-0- as of June 30, 2020.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 7 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.

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 Township. In that regard, under applicable State statutes, the Township 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 Township 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 Township.

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

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**NORTH BERGEN BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 51,250,000		\$ 51,250,000	\$ 51,250,000	
Tuition					
LEA's	5,624,110		5,624,110	4,792,514	\$ (831,596)
Individuals	70,000		70,000		(70,000)
Interest on Capital Reserve	5,000		5,000		(5,000)
Interest on Emergency Reserve	1,000		1,000		(1,000)
Interest on Maintenance Reserve	2,000		2,000		(2,000)
Interest on Unemployment				1,599	1,599
Interest				90,326	90,326
Unrestricted Miscellaneous Revenues	400,000	-	400,000	599,650	199,650
Total Local Sources	<u>57,352,110</u>	<u>-</u>	<u>57,352,110</u>	<u>56,734,089</u>	<u>(618,021)</u>
State Sources					
Special Education Aid	5,808,963		5,808,963	5,808,963	-
Equalization Aid	54,181,651	\$ (890,383)	53,291,268	53,291,268	-
Security Aid	2,787,698		2,787,698	2,787,698	-
Transportation Aid	747,436		747,436	747,436	-
Extraordinary Aid	527,000		527,000	602,924	75,924
Reimbursed NonPublic Transportation				53,360	53,360
School Security Grant (Alyssa's Law)				414,607	414,607
TPAF On Behalf					
NCGI Premium				290,801	290,801
Pension Contribution				15,284,127	15,284,127
Long Term Disability Insurance				8,702	8,702
Post Retirement				4,880,940	4,880,940
Social Security Contribution	-	-	-	4,238,758	4,238,758
Total State Source	<u>64,052,748</u>	<u>(890,383)</u>	<u>63,162,365</u>	<u>88,409,584</u>	<u>25,247,219</u>
Federal Sources					
Medicaid Administrative (MAC)				64,441	64,441
FFCRA Semi				28,905	28,905
Medicaid Reimbursement Program	313,252	-	313,252	316,073	2,821
Total Federal Sources	<u>313,252</u>	<u>-</u>	<u>313,252</u>	<u>409,419</u>	<u>96,167</u>
Total Revenues	<u>121,718,110</u>	<u>(890,383)</u>	<u>120,827,727</u>	<u>145,553,092</u>	<u>24,725,365</u>
<b>CURRENT EXPENDITURES</b>					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	2,204,201	-	2,204,201	2,097,944	106,257
Grades 1-5	12,080,178	(100,000)	11,980,178	10,673,954	1,306,224
Grades 6-8	6,950,275	(100,000)	6,850,275	5,872,128	978,147
Grades 9-12	11,499,732	-	11,499,732	10,940,095	559,637
Regular Programs - Home Instruction					
Salaries of Teachers	205,570	-	205,570	111,047	94,523
Purchased Professional-Educational Services	33,000	16,916	49,916	622	49,294

**NORTH BERGEN BOARD OF EDUCATION  
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 To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	\$ 2,001,848		\$ 2,001,848	\$ 380,056	\$ 1,621,792
Purchased Professional-Educational Services	215,000	\$ 39,138	254,138	98,114	156,024
Other Purchased Services	370,854	113,031	483,885	159,348	324,537
General Supplies	1,168,131	337,237	1,505,368	578,816	926,552
Textbooks	234,527	(2,165)	232,362	47,379	184,983
<b>Total Regular Programs - Instruction</b>	<b>36,963,316</b>	<b>304,157</b>	<b>37,267,473</b>	<b>30,959,503</b>	<b>6,307,970</b>
Special Education					
Cognitive - Moderate					
Salaries of Teachers	343,788	212,000	555,788	435,678	120,110
Other Salaries for Instruction	146,892	-	146,892	79,308	67,584
<b>Total Cognitive - Moderate</b>	<b>490,680</b>	<b>212,000</b>	<b>702,680</b>	<b>514,986</b>	<b>187,694</b>
Learning and/or Learning Disabilities					
Salaries of Teachers	3,045,015	(30,000)	3,015,015	2,397,856	617,159
Other Salaries for Instruction	2,297,575	(100,000)	2,197,575	942,348	1,255,227
Purchased Professional-Educational Services	39,250	37,121	76,371	53,020	23,351
General Supplies	8,000	2,497	10,497		10,497
Textbooks	3,375	-	3,375	-	3,375
<b>Total Learning and/or Learning Disabilities</b>	<b>5,393,215</b>	<b>(90,382)</b>	<b>5,302,833</b>	<b>3,393,224</b>	<b>1,909,609</b>
Resource Room / Resource Center					
Salaries of Teachers	5,362,808	(137,000)	5,225,808	5,013,319	212,489
<b>Total Resource Room / Resource Center</b>	<b>5,362,808</b>	<b>(137,000)</b>	<b>5,225,808</b>	<b>5,013,319</b>	<b>212,489</b>
Preschool Disabilities - Part-Time					
Salaries of Teachers	372,076	211,000	583,076	575,906	7,170
Other Salaries for Instruction	398,686	(186,000)	212,686	211,833	853
<b>Total Preschool Disabilities - Part-Time</b>	<b>770,762</b>	<b>25,000</b>	<b>795,762</b>	<b>787,739</b>	<b>8,023</b>
Home Instruction					
Salaries of Teachers	336,341	-	336,341	37,544	298,797
Purchased Professional-Educational Services	40,510	14,328	54,838	1,310	53,528
<b>Total Home Instruction</b>	<b>376,851</b>	<b>14,328</b>	<b>391,179</b>	<b>38,854</b>	<b>352,325</b>
<b>Total Special Education - Instruction</b>	<b>12,394,316</b>	<b>23,946</b>	<b>12,418,262</b>	<b>9,748,122</b>	<b>2,670,140</b>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,427,142	206,500	1,633,642	1,621,704	11,938
Other Salaries for Instruction	48,828	(30,000)	18,828	3,226	15,602
Purchased Professional-Educational Services	20,000	-	20,000		20,000
Other Purchased Services	18,300	-	18,300	4,829	13,471
General Supplies	57,540	7,765	65,305	7,765	57,540
Other Objects	2,000	-	2,000	-	2,000
<b>Total Basic Skills/Remedial - Instruction</b>	<b>1,573,810</b>	<b>184,265</b>	<b>1,758,075</b>	<b>1,637,524</b>	<b>120,551</b>

**NORTH BERGEN BOARD OF EDUCATION  
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 To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Bilingual Education					
Salaries of Teachers	\$ 3,930,241	\$ (176,500)	\$ 3,753,741	\$ 3,472,301	\$ 281,440
Other Salaries for Instruction	79,144	-	79,144	18,276	60,868
Other Purchased Services	20,331	9,538	29,869	13,695	16,174
General Supplies	34,346	285	34,631	6,167	28,464
Textbooks	7,732	-	7,732	-	7,732
<b>Total Bilingual Education - Instruction</b>	<u>4,071,794</u>	<u>(166,677)</u>	<u>3,905,117</u>	<u>3,510,439</u>	<u>394,678</u>
School-Sponsored Co/Extra Curricular Activities					
Salaries	346,629	-	346,629	243,340	103,289
Purchased Services	97,900	1,998	99,898	95,000	4,898
Supplies and Materials	875	-	875	-	875
Other Objects	225	-	225	-	225
<b>Total School-Sponsored Co/Extra Curricular Activities- Instruction</b>	<u>445,629</u>	<u>1,998</u>	<u>447,627</u>	<u>338,340</u>	<u>109,287</u>
School-Sponsored Athletics - Instruction					
Salaries	785,601	45,500	831,101	713,459	117,642
Purchased Services	525,944	13,892	539,836	364,237	175,599
Supplies and Materials	160,528	27,381	187,909	79,397	108,512
<b>Total School-Sponsored Athletics - Instruction</b>	<u>1,472,073</u>	<u>86,773</u>	<u>1,558,846</u>	<u>1,157,093</u>	<u>401,753</u>
<b>Total - Instruction</b>	<u>56,920,938</u>	<u>434,462</u>	<u>57,355,400</u>	<u>47,351,021</u>	<u>10,004,379</u>
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Regular	12,780	11,163	23,943	3,133	20,810
Tuition - Other LEA's Within State - Special	15,025	58,000	73,025	171,963	(98,938)
Tuition to County Vocational School/Dist.-Reg.	828	-	828	-	828
Tuition to CSSD & Reg. Day Schools	1,593,248	2,168	1,595,416	1,413,997	181,419
Tuition to APSSD W/I State	1,556,231	(14,845)	1,541,386	1,197,567	343,819
Tuition - State Facilities	4,500	-	4,500	4,500	-
Tuition - Other	601	191,000	191,601	191,500	101
<b>Total Undistributed Expenditures - Instruction</b>	<u>3,183,213</u>	<u>247,486</u>	<u>3,430,699</u>	<u>2,982,660</u>	<u>448,039</u>
Attendance and Social Work Services					
Salaries	726,657	12,000	738,657	654,026	84,631
Other Purchased Services	2,020	88	2,108	979	1,129
<b>Total Attendance and Social Work Services</b>	<u>728,677</u>	<u>12,088</u>	<u>740,765</u>	<u>655,005</u>	<u>85,760</u>
Health Services					
Salaries	1,155,365	(12,000)	1,143,365	861,114	282,251
Purchased Professional and Technical Services	30,780	18,412	49,192	20,150	29,042
Other Purchased Services	12,150	2,067	14,217	7,471	6,746
Supplies and Materials	30,850	631	31,481	11,506	19,975
<b>Total Health Services</b>	<u>1,229,145</u>	<u>9,110</u>	<u>1,238,255</u>	<u>900,241</u>	<u>338,014</u>

**NORTH BERGEN BOARD OF EDUCATION  
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 To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Other Support Services-Speech, OT, PT and Related Svcs.					
Salaries	\$ 158,320	-	\$ 158,320	\$ 132,202	\$ 26,118
Purchased Professional- Educational Services	419,500	\$ 86,894	506,394	347,638	158,756
Supplies and Materials	3,432	-	3,432	-	3,432
	<u>581,252</u>	<u>86,894</u>	<u>668,146</u>	<u>479,840</u>	<u>188,306</u>
Other Support Services - Students - Extra Serv.					
Salaries	1,082,921	(9,800)	1,073,121	601,158	471,963
Purchased Professional-Educational Services	676,934	179,748	856,682	83,130	773,552
	<u>1,759,855</u>	<u>169,948</u>	<u>1,929,803</u>	<u>684,288</u>	<u>1,245,515</u>
Guidance					
Salaries of Other Professional Staff	1,616,528	180,000	1,796,528	1,540,144	256,384
Salaries of Secretarial and Clerical Assistants	191,671	(50,000)	141,671	69,633	72,038
Other Purchased Prof. and Tech. Services	25,000	-	25,000	25,000	-
Other Purchased Services	24,150	1,894	26,044	8,259	17,785
Supplies and Materials	12,050	551	12,601	919	11,682
	<u>1,869,399</u>	<u>132,445</u>	<u>2,001,844</u>	<u>1,643,955</u>	<u>357,889</u>
Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	2,763,638	(28,800)	2,734,838	2,466,653	268,185
Salaries of Secretarial and Clerical Assistants	347,243	8,800	356,043	322,507	33,536
Other Purchased Professional/Technical Services	123,900	49,482	173,382	135,637	37,745
Residential Costs	525	-	525	-	525
Other Purchased Services	45,700	2,319	48,019	20,924	27,095
Supplies and Materials	9,500	-	9,500	6,639	2,861
	<u>3,290,506</u>	<u>31,801</u>	<u>3,322,307</u>	<u>2,952,360</u>	<u>369,947</u>
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	141,493	-	141,493	139,364	2,129
Salaries of Other Professional Staff	1,239,882	100,000	1,339,882	1,176,352	163,530
Purchased Prof.-Educational Services	600	-	600	-	600
Other Purchased Professional and Technical Services	900	-	900	-	900
Other Purchased Services	1,900	-	1,900	-	1,900
Supplies and Materials	1,000	-	1,000	-	1,000
	<u>1,385,775</u>	<u>100,000</u>	<u>1,485,775</u>	<u>1,315,716</u>	<u>170,059</u>
Educational Media Services/School Library					
Salaries	296,272	-	296,272	220,471	75,801
Other Purchased Services	8,400	116	8,516	403	8,113
Supplies and Materials	41,000	3,345	44,345	25,685	18,660
	<u>345,672</u>	<u>3,461</u>	<u>349,133</u>	<u>246,559</u>	<u>102,574</u>

**NORTH BERGEN BOARD OF EDUCATION  
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 To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Instructional Staff Training Services					
Salaries of Other Professional Staff	\$ 690,021	\$ (100,000)	\$ 590,021	\$ 543,281	\$ 46,740
Salaries of Secretarial and Clerical Assist.	4,032	-	4,032	-	4,032
Purchased Professional-Educational Serv.	75,050	4,680	79,730	26,888	52,842
Other Purchased Professional and Tech Svcs	4,000	-	4,000	-	4,000
Other Purchased Services	5,000	-	5,000	-	5,000
Supplies and Materials	6,000	-	6,000	-	6,000
Other Objects	3,800	-	3,800	-	3,800
Total Instructional Staff Training Services	<u>787,903</u>	<u>(95,320)</u>	<u>692,583</u>	<u>570,169</u>	<u>122,414</u>
Support Services - General Administration					
Salaries	794,624	26,400	821,024	739,356	81,668
Unused Vac. Payment to Terminated/Retired Staff	55,123	-	55,123	-	55,123
Legal Services	488,000	116,445	604,445	336,053	268,392
Audit Fees	95,000	-	95,000	82,586	12,414
Expenditure and Internal Control Audit Fees	5,000	-	5,000	-	5,000
Architectural/Engineering Services	105,000	147,516	252,516	100,863	151,653
Other Purchased Professional Services	181,500	28,702	210,202	171,796	38,406
Communications/Telephone	151,100	29,793	180,893	62,736	118,157
BOE Other Purchased Services	12,000	-	12,000	-	12,000
Miscellaneous Purchased Services	62,690	12,211	74,901	17,571	57,330
General Supplies	123,300	14,430	137,730	43,966	93,764
BOE In-House Training/Meeting Supplies	1,500	-	1,500	-	1,500
Judgments Against The School District	30,610	4,523	35,133	-	35,133
Miscellaneous Expenditures	18,350	-	18,350	9,482	8,868
BOE Membership Dues and Fees	32,050	-	32,050	31,721	329
Total Support Services - General Administration	<u>2,155,847</u>	<u>380,020</u>	<u>2,535,867</u>	<u>1,596,130</u>	<u>939,737</u>
Support Services - School Administration					
Salaries of Principals/Asst. Principals/Prog Dir	3,460,240	89,000	3,549,240	3,190,803	358,437
Salaries of Other Professional Staff	1,712,975	20,600	1,733,575	1,452,327	281,248
Salaries of Secretarial and Clerical Assistants	2,034,165	95,600	2,129,765	1,842,810	286,955
Purchased Prof. and Tech. Services	42,500	18,184	60,684	57,674	3,010
Other Purchased Services	133,853	30,198	164,051	105,171	58,880
Supplies and Materials	53,700	(6,356)	47,344	11,692	35,652
Other Objects	1,000	-	1,000	-	1,000
Total Support Services - School Administration	<u>7,438,433</u>	<u>247,226</u>	<u>7,685,659</u>	<u>6,660,477</u>	<u>1,025,182</u>
Central Services					
Salaries	1,480,768	48,000	1,528,768	1,289,560	239,208
Unused Vac. Payment to Terminated/Retired Staff	66,291	-	66,291	64,826	1,465
Purchased Professional Services	56,200	6,001	62,201	52,134	10,067
Purchased Technical Services	39,500	(743)	38,757	19,820	18,937
Misc. Purchased Services	45,653	7,036	52,689	15,991	36,698
Supplies and Materials	27,800	1,319	29,119	13,226	15,893
Interest on Current Loans	13,500	916	14,416	-	14,416
Miscellaneous Expenditures	7,050	-	7,050	1,980	5,070
Total Central Services	<u>1,736,762</u>	<u>62,529</u>	<u>1,799,291</u>	<u>1,457,537</u>	<u>341,754</u>

**NORTH BERGEN BOARD OF EDUCATION  
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 To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Admin. Info. Technology					
Salaries	\$ 950,690	\$ (7,100)	\$ 943,590	\$ 934,139	\$ 9,451
Purchased Professional Services	120,500	635	121,135	110,156	10,979
Purchased Technical Services	107,538	36,357	143,895	105,973	37,922
Other Purchased Services	5,500	1,850	7,350	6,043	1,307
Supplies and Materials	3,000	169	3,169	126	3,043
<b>Total Admin. Info. Technology</b>	<b>1,187,228</b>	<b>31,911</b>	<b>1,219,139</b>	<b>1,156,437</b>	<b>62,702</b>
Required Maintenance for School Facilities					
Salaries	1,070,660	(70,000)	1,000,660	823,085	177,575
Cleaning, Repair and Maintenance Services	895,000	247,555	1,142,555	1,065,352	77,203
General Supplies	167,421	22,425	189,846	97,722	92,124
<b>Total Required Maintenance for School Facilities</b>	<b>2,133,081</b>	<b>199,980</b>	<b>2,333,061</b>	<b>1,986,159</b>	<b>346,902</b>
Custodial Services					
Salaries	4,743,384	(65,500)	4,677,884	3,896,887	780,997
Purchased Professional and Technical Services	190,000	(47)	189,953	154,518	35,435
Cleaning, Repair and Maintenance	207,342	20,277	227,619	223,170	4,449
Rental of Land and Buildings Oth. Than Lease Pur Agmt.	362,000	10,002	372,002	366,971	5,031
Other Purchased Property Services	111,640	17,764	129,404	90,346	39,058
Insurance	700,576	35,666	736,242	674,305	61,937
Miscellaneous Purchased Services	49,820	(3,097)	46,723	19,445	27,278
General Supplies	226,300	1,084	227,384	115,494	111,890
Energy (Natural Gas)	309,118	116,373	425,491	278,762	146,729
Energy (Electricity)	553,230	26,428	579,658	397,489	182,169
Energy (Gasoline)	20,800	-	20,800	-	20,800
Other Objects	7,000	-	7,000	-	7,000
<b>Total Custodial Services</b>	<b>7,481,210</b>	<b>158,950</b>	<b>7,640,160</b>	<b>6,217,387</b>	<b>1,422,773</b>
Care and Upkeep of Grounds					
Salaries	123,370	(60,000)	63,370	-	63,370
Purchased Professional and Technical Services	32,000	1,207	33,207	17,719	15,488
Cleaning, Repair and Maintenance Services	40,000	5,021	45,021	40,440	4,581
General Supplies	2,500	1,060	3,560	975	2,585
<b>Total Care and Upkeep of Grounds</b>	<b>197,870</b>	<b>(52,712)</b>	<b>145,158</b>	<b>59,134</b>	<b>86,024</b>
Security					
Salaries	1,540,820	108,500	1,649,320	1,493,314	156,006
Purchased Professional and Technical Services	245,554	53,870	299,424	35,264	264,160
Cleaning, Repair and Maintenance	56,296	13,119	69,415	53,091	16,324
General Supplies	29,500	14,800	44,300	42,400	1,900
<b>Total Security</b>	<b>1,872,170</b>	<b>190,289</b>	<b>2,062,459</b>	<b>1,624,069</b>	<b>438,390</b>

**NORTH BERGEN BOARD OF EDUCATION  
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 To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Student Transportation Services					
Salaries for Pupil Transportation					
(Between Home and School) - Regular	\$ 67,919	-	\$ 67,919	\$ 6,187	\$ 61,732
Salaries for Pupil Transportation					
(Between Home and School) - Special Ed.	166,003	-	166,003	50,195	115,808
Other Purchased Prof. and Tech. Serv.	13,000	-	13,000		13,000
Cleaning, Repair and Maintenance Services	23,200	\$ 11,278	34,478	11,350	23,128
Contracted Services (Between Home and School) - Vendors	1,136,919	92,331	1,229,250	1,013,319	215,931
Contracted Services (Between Home and School) - Joint Agreements	34,185	1,200	35,385		35,385
Contracted Services (Other Than Between Home and School) - Vendors	198,755	90,154	288,909	22,020	266,889
Contracted Services (Spec Ed Students)-Vendors	990,686	167,746	1,158,432	461,973	696,459
Contracted Services (Spec Ed Students)-Joint Agreemer	1,493,237	301,332	1,794,569	761,107	1,033,462
Misc. Purchased Services - Transportation	1,100	558	1,658	400	1,258
General Supplies	5,000	-	5,000		5,000
Transportation Supplies	10,000	-	10,000		10,000
Aid in Lieu of Payments - Nonpublic School	415,632	1,330	416,962	238,990	177,972
Aid in Lieu of Payments - Charter Schools	30,173	-	30,173	30,000	173
<b>Total Student Transportation Services</b>	<b>4,585,809</b>	<b>665,929</b>	<b>5,251,738</b>	<b>2,595,541</b>	<b>2,656,197</b>
Unallocated Benefits					
Group Insurance	43,994	5,200	49,194	5,608	43,586
Social Security Contributions	1,621,124	(105,000)	1,516,124	1,300,364	215,760
Other Retirement Contributions					
PERS	1,612,173	69,300	1,681,473	1,653,484	27,989
ERIP	53,700	9,064	62,764	55,042	7,722
Unemployment Compensation	55,315	27,000	82,315	73,441	8,874
Unemployment Compensation (Non Budget)				338,133	(338,133)
Workmen's Compensation	713,900	594	714,494	704,415	10,079
Health Benefits	20,384,071	(806,044)	19,578,027	16,939,905	2,638,122
Other Employee Benefits		2,200	2,200	2,130	70
Unused Sick Payment to Terminated/Retired Staff	597,842	338,340	936,182	936,179	3
<b>Total Unallocated Benefits</b>	<b>25,082,119</b>	<b>(459,346)</b>	<b>24,622,773</b>	<b>22,008,701</b>	<b>2,614,072</b>
TPAF On Behalf (Non-Budget)					
NCGI Premium				290,801	(290,801)
Pension Contribution				15,284,127	(15,284,127)
Long Term Disability Insurance				8,702	(8,702)
Post Retirement				4,880,940	(4,880,940)
Social Security Contribution	-	-	-	4,238,758	(4,238,758)
<b>Total TPAF On-Behalf Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,703,328</b>	<b>(24,703,328)</b>
<b>Total Undistributed Expenditures</b>	<b>69,031,926</b>	<b>2,122,689</b>	<b>71,154,615</b>	<b>82,495,693</b>	<b>(11,341,078)</b>
Interest Earned on Current Exp. Emergency Reserve	1,000	-	1,000	-	1,000
Interest Earned on Maintenance Reserve	2,000	-	2,000	-	2,000
<b>Total Current Expenditures</b>	<b>125,955,864</b>	<b>2,557,151</b>	<b>128,513,015</b>	<b>129,846,714</b>	<b>(1,333,699)</b>

**NORTH BERGEN BOARD OF EDUCATION  
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 To Actual</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Grades 1-5	\$ 10,000		\$ 10,000		\$ 10,000
Grades 6-8	10,000		10,000		10,000
Grades 9-12	25,000		25,000		25,000
Undistributed Expenditures					
General Administration	10,000		10,000		10,000
School Administration	10,000		10,000		10,000
Central Services	10,000		10,000		10,000
Admin. Info. Tech.	15,000	-	15,000		15,000
Required Maintenance for School Fac.	75,000	\$ 37,090	112,090	\$ 23,634	88,456
Care and Upkeep of Grounds	9,000	-	9,000	5,000	4,000
Security	15,000	-	15,000	-	15,000
Total Equipment	<u>189,000</u>	<u>37,090</u>	<u>226,090</u>	<u>28,634</u>	<u>197,456</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	390,000	208,147	598,147	279,778	318,369
Construction Services	3,250,000	671,863	3,921,863	1,270,692	2,651,171
Assessment for Debt Service on SDA Funding	92,716	-	92,716	92,716	-
Total Facilities Acquis. and Const. Services	<u>3,732,716</u>	<u>880,010</u>	<u>4,612,726</u>	<u>1,643,186</u>	<u>2,969,540</u>
Interest Deposit to Capital Reserve	5,000	-	5,000	-	5,000
Total Capital Outlay	<u>3,926,716</u>	<u>917,100</u>	<u>4,843,816</u>	<u>1,671,820</u>	<u>3,171,996</u>
<b>SPECIAL SCHOOLS</b>					
Summer School - Instruction					
Salaries of Teachers	464,047	(33,000)	431,047	70,601	360,446
Other Salaries for Instruction	9,724	(2,000)	7,724	-	7,724
Total Summer School - Instruction	<u>473,771</u>	<u>(35,000)</u>	<u>438,771</u>	<u>70,601</u>	<u>368,170</u>
Summer School - Support Services					
Salaries of Teachers	21,538	35,000	56,538	48,249	8,289
Total Summer School - Support Services	<u>21,538</u>	<u>35,000</u>	<u>56,538</u>	<u>48,249</u>	<u>8,289</u>
Total Special Schools	<u>495,309</u>	<u>-</u>	<u>495,309</u>	<u>118,850</u>	<u>376,459</u>
Transfer of Funds To Charter Schools	498,632	51,100	549,732	394,003	155,729
Total Expenditures	<u>130,876,521</u>	<u>3,525,351</u>	<u>134,401,872</u>	<u>132,031,387</u>	<u>2,370,485</u>

**NORTH BERGEN BOARD OF EDUCATION  
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 To Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (9,158,411)	\$ (4,415,734)	\$ (13,574,145)	\$ 13,521,705	\$ 27,095,850
Other Financing Sources (Uses)					
Transfer In	-	-	-	22,456	22,456
Transfer Out	-	-	-	(25,000)	(25,000)
Total Other Financing Sources (Uses)	-	-	-	(2,544)	(2,544)
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(9,158,411)	(4,415,734)	(13,574,145)	13,519,161	27,093,306
Fund Balances, Beginning of Year (Restated)	<u>32,419,587</u>	-	<u>32,419,587</u>	<u>32,419,587</u>	-
Fund Balances, End of Year	<u>\$ 23,261,176</u>	<u>\$ (4,415,734)</u>	<u>\$ 18,845,442</u>	<u>\$ 45,938,748</u>	<u>\$ 27,093,306</u>
<b>Recapitulation of Fund Balance</b>					
Restricted					
Capital Reserve				\$ 27,079,953	
Capital Reserve Designated for Subsequent Year's Budget				632,800	
Maintenance Reserve				4,412,517	
Emergency Reserve				598,500	
Excess Surplus Designated for Subsequent Year's Budget				1,408,535	
Unemployment Compensation Reserve				976,465	
Committed					
Encumbrances				605,313	
Assigned					
Designated for Subsequent Year's Budget				4,353,094	
Encumbrances				1,490,024	
Unassigned				<u>4,381,547</u>	
<b>Fund Balance (Budgetary Basis)</b>				45,938,748	
Less State Aid Revenue Not Recognized on GAAP Basis				<u>(6,762,960)</u>	
<b>Fund Balance (GAAP Basis)</b>				<u>\$ 39,175,788</u>	

**NORTH BERGEN BOARD OF EDUCATION  
SPECIAL REVENUE 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 to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 4,962,803	\$ (997,355)	\$ 3,965,448	\$ 3,095,381	\$ (870,067)
Federal	5,507,122	5,276,686	10,783,808	11,933,337	1,149,529
Local Sources					
Miscellaneous	-	213,289	213,289	102,751	(110,538)
Total Revenues	<u>10,469,925</u>	<u>4,492,620</u>	<u>14,962,545</u>	<u>15,131,469</u>	<u>168,924</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	2,772,693	889,453	3,662,146	3,224,333	437,813
Other Salaries for Instruction	134,665	95,000	229,665	183,490	46,175
Purchased Prof. and Tech. Svcs.	101,656	90,138	191,794	157,582	34,212
Other Purchased Services	1,325,162	803,363	2,128,525	1,639,629	488,896
General Supplies	1,100,169	2,014,993	3,115,162	2,998,728	116,434
Co-Curricular Student Activities and Athletics	-	129,272	129,272	129,272	-
Total Instruction	<u>5,434,345</u>	<u>4,022,219</u>	<u>9,456,564</u>	<u>8,333,034</u>	<u>1,123,530</u>
Support Services					
Salaries of Supervisors	154,747	3,900	158,647	158,630	17
Salaries of Program Directors	152,286	24,737	177,023	170,125	6,898
Salaries of Other Professional Staff	150,913	(23,744)	127,169	66,490	60,679
Salaries of Secretaries and Clerical Assistants	90,906	20,544	111,450	104,618	6,832
Other Salaries	140,027	15,053	155,080	129,825	25,255
Salaries of Master Teachers	83,923	(80,000)	3,923	-	3,923
Personal Services-Employee Benefits	2,186,854	284,067	2,470,921	1,647,582	823,339
Purchased Professional and Technical Service	128,989	81,915	210,904	175,073	35,831
Purchased Professional - Educational Services	7,237	27,604	34,841	25,200	9,641
Other Purchased Professional - Education Services	30,000	-	30,000	11,900	18,100
Other Purchased Professional Services	5,000	-	5,000	3,033	1,967
Cleaning, Repair and Maintenance Services	85,000	7,000	92,000	88,607	3,393
Rentals	350,000	(25,010)	324,990	291,139	33,851
Other Purchased Services	8,681	88,581	97,262	87,480	9,782
Contracted Services - Transportation	90,000	-	90,000	22,100	67,900
Travel	2,000	-	2,000	-	2,000
Miscellaneous Purchased Services	-	24,475	24,475	24,475	-
Supplies and Materials	140,990	516,734	657,724	530,529	127,195
Total Support Services	<u>3,807,553</u>	<u>965,856</u>	<u>4,773,409</u>	<u>3,536,806</u>	<u>1,236,603</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	333,500	(300,455)	33,045	-	33,045
Non-Instructional Equipment	894,527	(195,000)	699,527	3,336,575	(2,637,048)
Total Facilities Acquisition and Construction Services	<u>1,228,027</u>	<u>(495,455)</u>	<u>732,572</u>	<u>3,336,575</u>	<u>(2,604,003)</u>
Total Expenditures	<u>10,469,925</u>	<u>4,492,620</u>	<u>14,962,545</u>	<u>15,206,415</u>	<u>(243,870)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	(74,946)	(74,946)
Other Financing Sources					
Transfers In	-	-	-	25,000	25,000
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Deficiency of Revenues Over Expenditures and Other Financing Uses	-	-	-	(49,946)	(49,946)
Fund Balance, Beginning of Year (Restated)	-	-	-	338,038	338,038
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 288,092</u>	<u>\$ 288,092</u>

**NORTH BERGEN BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 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 Funds are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual revenues (budgetary basis) (Exhibits C-1,C-2)	\$ 145,553,092	\$ 15,131,469
Difference - budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2020-2021)	(6,762,960)	
State Aid payment recognized for GAAP statements, not recognized for budgetary purposes (2019-2020)	6,799,535	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2021		(4,684,598)
Encumbrances, June 30, 2020 (net of cancellations)	-	264,488
	-----	-----
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 145,589,667</u>	<u>\$ 10,711,359</u>
<b>Uses/Outflows of Resources</b>		
Actual expenditures (budgetary basis) (Exhibits C-1, C-2)	\$ 132,031,387	\$ 15,206,415
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2021		(4,684,598)
Encumbrances, June 30, 2020 (net of cancellations)	-	264,488
	-----	-----
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 132,031,387</u>	<u>\$ 10,786,305</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**PENSION INFORMATION**  
**AND**  
**OTHER POST-EMPLOYMENT BENEFITS INFORMATION**

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

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
Last 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)	0.15002%	0.14943%	0.15045%	0.14945%	0.15046%	0.14486%	0.14330%	0.14066%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 24,464,024	\$ 26,925,858	\$ 29,623,322	\$ 34,790,686	\$ 44,561,331	\$ 32,518,415	\$ 26,830,553	\$ 26,881,871
District's Covered Payroll	\$ 11,006,253	\$ 10,844,211	\$ 10,612,226	\$ 10,356,895	\$ 10,323,957	\$ 10,407,670	\$ 10,021,208	\$ 9,888,563
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	222.27%	248.30%	279.14%	335.92%	431.63%	312.45%	267.74%	271.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

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

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
Last 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	\$ 1,641,123	\$ 1,453,565	\$ 1,496,515	\$ 1,384,539	\$ 1,336,647	\$ 1,245,417	\$ 1,181,383	\$ 1,051,611
Contributions in Relation to the Contractually Required Contributions	<u>1,641,123</u>	<u>1,453,565</u>	<u>1,496,515</u>	<u>1,384,539</u>	<u>1,336,647</u>	<u>1,245,417</u>	<u>1,181,383</u>	<u>1,051,611</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 10,880,624	\$ 11,006,253	\$ 10,844,211	\$ 10,612,226	\$ 10,356,895	\$ 10,323,957	\$ 10,407,670	\$ 10,021,208
Contributions as a Percentage of Covered Payroll	15.08%	13.21%	13.80%	13.05%	12.91%	12.06%	11.35%	10.49%

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

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

**TEACHERS' PENSION AND ANNUITY FUND  
Last 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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated With the District	<u>351,360,608</u>	<u>324,785,108</u>	<u>338,362,968</u>	<u>354,838,049</u>	<u>418,493,907</u>	<u>340,769,186</u>	<u>288,185,424</u>	<u>266,185,254</u>
<b>Total</b>	<b><u>\$ 351,360,608</u></b>	<b><u>\$ 324,785,108</u></b>	<b><u>\$ 338,362,968</u></b>	<b><u>\$ 354,838,049</u></b>	<b><u>\$ 418,493,907</u></b>	<b><u>\$ 340,769,186</u></b>	<b><u>\$ 288,185,424</u></b>	<b><u>\$ 266,185,254</u></b>
District's Covered Payroll	\$ 58,107,175	\$ 57,438,423	\$ 56,584,622	\$ 54,819,749	\$ 54,487,044	\$ 53,199,487	\$ 53,640,498	\$ 52,784,010
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0	0	0	0	0	0	0	0
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.

**NORTH BERGEN BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 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 5D.

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

**Postemployment Health Benefit Plan**

**Last Four Fiscal Years\***

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

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

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

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

**NORTH BERGEN BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

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

**SPECIAL REVENUE FUND**

NORTH BERGEN BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Preschool Education	Juvenile Comm. Serv.	HC Art Alliance	Student Activities	Subtotal Page 2	Subtotal Page 3	Grand Total
<b>REVENUES</b>							
Intergovernmental							
State	\$ 3,095,381					\$ -	\$ 3,095,381
Federal					\$ 3,788,446	8,144,891	11,933,337
Other	-	\$ 38,276	\$ 10,149	\$ 54,326	-	-	102,751
<b>Total Revenues</b>	<b>3,095,381</b>	<b>38,276</b>	<b>10,149</b>	<b>54,326</b>	<b>3,788,446</b>	<b>8,144,891</b>	<b>15,131,469</b>
<b>EXPENDITURES</b>							
Instruction							
Salaries of Teachers	1,246,323				1,978,010		3,224,333
Other Salaries for Instruction	183,490						183,490
Purchased Prof. and Tech. Svcs.					154,733	2,849	157,582
Other Purchased Services	1,076				-	1,638,553	1,639,629
General Supplies	46,946		10,149		373,357	2,568,276	2,998,728
Co-Curricular Student Activities and Athletics	-	-	-	129,272	-	-	129,272
<b>Total Instruction</b>	<b>1,477,835</b>	<b>-</b>	<b>10,149</b>	<b>129,272</b>	<b>2,506,100</b>	<b>4,209,678</b>	<b>8,333,034</b>
Support Services							
Salaries of Supervisors of Instruction	158,630						158,630
Salaries of Program Directors	96,340				73,785		170,125
Salaries of Other Professional Staff	53,390				13,100		66,490
Salaries of Secretaries and Clerical Assistants	59,585				45,033		104,618
Other Salaries	116,749	13,076					129,825
Salaries of Master Teachers							-
Personal Services-Employee Benefits	593,002				1,054,580		1,647,582
Purchased Professional and Technical Service					62,416	112,657	175,073
Purchased Professional - Educational Services		25,200					25,200
Other Purchased Professional - Education Services	11,900						11,900
Other Purchased Professional Services	3,033						3,033
Cleaning, Repairs and Maintenance	88,607						88,607
Rentals	291,139						291,139
Other Purchased Services					280	87,200	87,480
Contracted Transportation Services	22,100						22,100
Miscellaneous Purchased Services	24,475						24,475
Supplies and Materials	81,021	-	-	-	33,152	416,356	530,529
<b>Total Support Services</b>	<b>1,599,971</b>	<b>38,276</b>	<b>-</b>	<b>-</b>	<b>1,282,346</b>	<b>616,213</b>	<b>3,536,806</b>
Facilities Acquisition and Construction Services							
Instructional Equipment						-	-
NonInstructional	17,575	-	-	-	-	3,319,000	3,336,575
<b>Total Facilities Acquisition and Construction Services</b>	<b>17,575</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,319,000</b>	<b>3,336,575</b>
<b>Total Expenditures</b>	<b>3,095,381</b>	<b>38,276</b>	<b>10,149</b>	<b>129,272</b>	<b>3,788,446</b>	<b>8,144,891</b>	<b>15,206,415</b>
Excess (Deficiency) of Revenues							
Over/(Under) Expenditures	-	-	-	(74,946)	-	-	(74,946)
Other Financing Sources							
Transfers In	-	-	-	25,000	-	-	25,000
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>25,000</b>
Deficiency of Revenues Over Expenditures and Other Financing Uses							
	-	-	-	(49,946)	-	-	(49,946)
<b>Fund Balance, Beginning of Year (Restated)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>338,038</b>	<b>-</b>	<b>-</b>	<b>338,038</b>
<b>Fund Balance, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 288,092</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 288,092</b>

NORTH BERGEN BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ESEA							
	Title I	Title I SIA	Title II A	Title III	Title III Immig	Title IV	Page Total
<b>REVENUES</b>							
Intergovernmental							
Federal	\$ 2,928,276	\$ 86,134	\$ 355,390	\$ 168,455	\$ 53,083	\$ 197,108	\$ 3,788,446
Total Revenues	<u>2,928,276</u>	<u>86,134</u>	<u>355,390</u>	<u>168,455</u>	<u>53,083</u>	<u>197,108</u>	<u>3,788,446</u>
<b>EXPENDITURES</b>							
Instruction							
Salaries of Teachers	1,646,722		200,938	81,050	49,300		1,978,010
Purchased Prof. and Tech. Serv.	154,733						154,733
Other Purchased Services							-
General Supplies	<u>40,809</u>	<u>86,134</u>	<u>-</u>	<u>85,577</u>	<u>-</u>	<u>160,837</u>	<u>373,357</u>
Total Instruction	<u>1,842,264</u>	<u>86,134</u>	<u>200,938</u>	<u>166,627</u>	<u>49,300</u>	<u>160,837</u>	<u>2,506,100</u>
Support Services							
Salaries of Program Directors	73,785						73,785
Salaries of Other Professional Staff						13,100	13,100
Salaries of Secretaries and Clerical Assistan	45,033						45,033
Personal Services-Employee Benefits	934,042		115,615	1,140	3,783		1,054,580
Purchased Professional and Technical Svcs.			38,837	408		23,171	62,416
Other Purchased Services				280			280
Supplies and Materials	<u>33,152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,152</u>
Total Support Services	<u>1,086,012</u>	<u>-</u>	<u>154,452</u>	<u>1,828</u>	<u>3,783</u>	<u>36,271</u>	<u>1,282,346</u>
Total Expenditures	<u>2,928,276</u>	<u>86,134</u>	<u>355,390</u>	<u>168,455</u>	<u>53,083</u>	<u>197,108</u>	<u>3,788,446</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTH BERGEN BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Coronavirus Relief Fund	Digital Divide	ESSER II	CARES ESSER I	IDEA		Page Total
					Basic	Preschool	
<b>REVENUES</b>							
Intergovernmental Federal	\$ 755,978	\$ 591,659	\$ 3,319,000	\$ 1,679,311	\$ 1,747,016	\$ 51,927	\$ 8,144,891
Total Revenues	<u>755,978</u>	<u>591,659</u>	<u>3,319,000</u>	<u>1,679,311</u>	<u>1,747,016</u>	<u>51,927</u>	<u>8,144,891</u>
<b>EXPENDITURES</b>							
Instruction							
Purchased Professional and Technical Services				2,849			2,849
Other Purchased Services				18,600	1,568,026	51,927	1,638,553
General Supplies	599,771	591,659	-	1,325,527	51,319	-	2,568,276
Total Instruction	<u>599,771</u>	<u>591,659</u>	<u>-</u>	<u>1,346,976</u>	<u>1,619,345</u>	<u>51,927</u>	<u>4,209,678</u>
Support Services							
Purchased Professional and Technical Services					112,657		112,657
Other Purchased Services				87,200			87,200
Supplies and Materials	156,207	-	-	245,135	15,014	-	416,356
Total Support Services	<u>156,207</u>	<u>-</u>	<u>-</u>	<u>332,335</u>	<u>127,671</u>	<u>-</u>	<u>616,213</u>
Facilities Acquisition and Construction Svcs							
NonInstructional Equipment	-	-	3,319,000	-	-	-	3,319,000
Total Facilities Acquisition and Construction Svcs.	<u>-</u>	<u>-</u>	<u>3,319,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,319,000</u>
Total Expenditures	<u>755,978</u>	<u>591,659</u>	<u>3,319,000</u>	<u>1,679,311</u>	<u>1,747,016</u>	<u>51,927</u>	<u>8,144,891</u>
Fund Balance, Beginning of Year	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTH BERGEN BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES</b>			
Instruction			
Salaries of Teachers	\$ 1,246,446	\$ 1,246,323	\$ 123
Other Salaries of Instruction	229,665	183,490	46,175
Other Purchased Services	2,500	1,076	1,424
General Supplies	50,000	46,946	3,054
	<u>1,528,611</u>	<u>1,477,835</u>	<u>50,776</u>
Total Instruction			
Support Services			
Salaries of Supervisors of Instruction	158,647	158,630	17
Salaries of Program Directors	96,346	96,340	6
Salaries of Other Professional Staff	104,169	53,390	50,779
Salaries of Secretaries and Clerical Assistants	59,586	59,585	1
Other Salaries	137,502	116,749	20,753
Salaries of Master Teachers	3,923		3,923
Personal Services - Employee Benefit:	1,176,754	593,002	583,752
Other Purchased Professional - Education Services	30,000	11,900	18,100
Other Purchased Professional Services	5,000	3,033	1,967
Cleaning, Repairs and Maintenance	92,000	88,607	3,393
Rentals	324,990	291,139	33,851
Contracted Transportation Services (Between Home and School)	80,000	22,100	57,900
Contracted Transportation Services (Field Trips)	10,000		10,000
Travel	2,000		2,000
Miscellaneous Purchased Services	24,475	24,475	-
Supplies and Materials	81,273	81,021	252
	<u>2,386,665</u>	<u>1,599,971</u>	<u>786,694</u>
Total Support Services			
Facilities Acquisition and Construction Services			
Instructional Equipment	22,645		22,645
Non Instructional Equipment	27,527	17,575	9,952
	<u>50,172</u>	<u>17,575</u>	<u>32,597</u>
Total Facilities Acquisition and Construction Services			
	<u>\$ 3,965,448</u>	<u>\$ 3,095,381</u>	<u>\$ 870,067</u>
Total Expenditures			
Total Revised 2020-2021 Preschool Education Aid Allocation			\$ 2,984,116
Actual Preschool Education Aid Carryover (June 30, 2020)			981,332
Add: Prior Year Accounts Payable and Encumbrances Cancelled			<u>115,360</u>
Total Preschool Education Aid Funds Available for 2020-2021 Budget			4,080,808
Less: 2020-2021 Budgeted Preschool Education Aid (including Prior Year Budgeted Carryover)			<u>3,965,448</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021			115,360
Add: 2020-2021 Unexpended Preschool Education Aid			<u>870,067</u>
2020-2021 Carryover - Preschool Education Aid/Preschool			<u>\$ 985,427</u>
2020-2021 Preschool Education Aid Carryover Budgeted for Preschool Programs 2021-2022			<u>\$ 300,000</u>

**NORTH BERGEN BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF STUDENT ACTIVITIES RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Balance, July 1, <u>2020</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2021</u>
<b>ELEMENTARY SCHOOLS</b>	\$ 135,235	\$ 10,136	\$ 41,702	\$ 103,669
<b>HIGH SCHOOL</b>				
Athletic	4,219	25,161	10,974	18,406
General	<u>198,584</u>	<u>44,029</u>	<u>68,677</u>	<u>173,936</u>
Total	<u>\$ 338,038</u>	<u>\$ 79,326</u>	<u>\$ 121,353</u>	<u>\$ 296,011</u>
		Accounts Payable		\$ 7,919
		Restricted Fund Balance		<u>288,092</u>
				<u>\$ 296,011</u>

**CAPITAL PROJECTS FUND**

NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Issue/Project Title</u>	<u>Modified Appropriations</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2021</u>
		<u>Prior Years</u>	<u>Current Year</u>	
McKinley Elementary School Rehabilitation - Exterior Masonry, Façade, and Sealants	\$ 428,614	\$ 185,265		\$ 243,349
Robert Fulton Elementary School Rehabilitation - Roof Replacement and Masonry Repairs	809,553	359,942		449,611
Lincoln Elementary School Rehabilitation - Exterior Masonry, Façade, and Sealants	597,125	313,582		283,543
Horace Mann Elementary School Rehabilitation - Roof Replacement and Masonry Repairs	754,250	444,768		309,482
Acquire Property Formerly Known as Hudson County Technical High School and provide for Additions, Renovations, Alterations and Improvements	49,585,170	12,872,751	\$ 1,456,653	35,255,766
Additions, Renovations, Alterations and Improvements To North Bergen High School	15,372,830	63,205	-	15,309,625
	<u>\$ 67,547,542</u>	<u>\$ 14,239,513</u>	<u>\$ 1,456,653</u>	<u>\$ 51,851,376</u>

**Reconciliation of Project Balances to Fund Balance**

Project Balances at June 30, 2021	\$ 51,851,376
Add: Reserve for Debt Service	162,366
Less: Bonds Authorized but Not Issued	<u>(40,000,000)</u>

Fund Balance (GAAP) \$ 12,013,742

**Recapitulation of Fund Balance**

Restricted for Debt Service	\$ 162,366
Restricted for Capital Projects	
Encumbrances	1,601,970
Available for Capital Projects	<u>10,249,406</u>

Total Fund Balance- Restricted for Capital Projects \$ 12,013,742

**NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**REVENUES**

Interest Income	\$ 22,456
Total Revenues	<u>22,456</u>

**EXPENDITURES AND OTHER FINANCING USES**

Architectural/Engineering Services	637,869
Construction Services	818,784
Transfer to Debt Service Fund	494,867
Transfer to General Fund	<u>22,456</u>
Total Expenditures	<u>1,973,976</u>

Excess (Deficiency) of Revenues an Over (Under) Expenditures and Other Financing Uses	(1,951,520)
Fund Balance, Beginning of Year	<u>13,965,262</u>
Fund Balance, End of Year	<u>\$ 12,013,742</u>

**NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
McKINLEY ELEMENTARY SCHOOL REHABILITATION - EXTERIOR MASONRY, FAÇADE,  
AND SEALANTS  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2021**

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

## Additional Project Information:

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

## Percentage Increase over Original Authorized

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

**NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
ROBERT FULTON ELEMENTARY SCHOOL REHABILITATION  
ROOF REPLACEMENT AND MASONRY REPAIRS  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2021**

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

## Additional Project Information:

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

## Percentage Increase over Original Authorized

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

**NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
LINCOLN ELEMENTARY SCHOOL REHABILITATION  
EXTERIOR MASONRY, FAÇADE AND SEALANTS  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2021**

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

## Additional Project Information:

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

Percentage Decrease over Original Authorized  
Cost

18%

Original Target Completion Date

June 30, 2015

Revised Target Completion Date

December 31, 2020

**NORTH BERGEN BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -**  
**HORACE MANN ELEMENTARY SCHOOL REHABILITATION**  
**ROOF REPLACEMENT AND MASONRY REPAIRS**  
**FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2021**

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

## Additional Project Information:

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

## Percentage Decrease over Original Authorized

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

**NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
ACQUIRE PROPERTY FORMERLY KNOWN AS HUDSON COUNTY TECHNICAL HIGH SCHOOL AND  
PROVIDE FOR ADDITIONS, RENOVATIONS, ALTERATIONS AND IMPROVEMENTS  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 20,000,000		\$ 20,000,000	\$ 44,627,170
Local Sources	<u>4,958,000</u>	<u>-</u>	<u>4,958,000</u>	<u>4,958,000</u>
Total Revenues and Other Financing Sources	<u>24,958,000</u>	<u>-</u>	<u>24,958,000</u>	<u>49,585,170</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	1,570,378	\$ 637,869	2,208,247	3,340,000
Acquisition of Land	10,197,128		10,197,128	10,000,000
Construction Services	<u>1,105,245</u>	<u>818,784</u>	<u>1,924,029</u>	<u>36,245,170</u>
Total Expenditures and Other Financing Uses	<u>12,872,751</u>	<u>1,456,653</u>	<u>14,329,404</u>	<u>49,585,170</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 12,085,249</u>	<u>\$ (1,456,653)</u>	<u>\$ 10,628,596</u>	<u>\$ -</u>

## Additional Project Information:

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

## Percentage Increase over Original Authorized

Cost	0%
Original Target Completion Date	August 2021
Revised Target Completion Date	August 2022

**NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
ADDITIONS, RENOVATIONS, ALTERATIONS AND IMPROVEMENTS  
TO NORTH BERGEN HIGH SCHOOL  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2021**

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

## Additional Project Information:

Project Numbers	SP#3610-050-18-1000, SP#3610-050-18-2000, SP#3610-050-18-3000 SP#3610-050-18-4000, SP#3610-050-18-5000, SP#3610-050-18-6000
Original Authorized Cost	\$ 15,372,830
Additional Authorized Cost	
Revised Authorized Cost	\$ 15,372,830
Percentage Increase over Original Authorized Cost	0%
Original Target Completion Date	August 2021
Revised Target Completion Date	August 2022

**PROPRIETARY FUNDS**

**EXHIBIT G-1**

**NORTH BERGEN BOARD OF EDUCATION  
PROPRIETARY FUND  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021**

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

**EXHIBIT G-2**

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

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

**EXHIBIT G-3**

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

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

**FIDUCIARY FUNDS**

**NOT APPLICABLE**

**LONG-TERM DEBT**

NORTH BERGEN BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>					
Pension Obligation Refunding Bonds	10/31/2013	\$ 3,225,000	4/1/2022	\$ 265,000	4.254 %				
			4/1/2023	275,000	4.504				
			4/1/2024	285,000	5.054				
			4/1/2025	300,000	5.054				
			4/1/2026	275,000	5.054	\$ 1,650,000	-	\$ 250,000	\$ 1,400,000
2020 School Bonds	2/13/2020	20,000,000	2/1/2022	500,000	2.250				
			2/1/2023	500,000	2.375				
			2/1/2024	500,000	2.500				
			2/1/2025	505,000	2.500				
			2/1/2026	515,000	2.500				
			2/1/2027	530,000	2.500				
			2/1/2028	540,000	2.500				
			2/1/2029	555,000	2.500				
			2/1/2030	570,000	2.500				
			2/1/2031	585,000	2.500				
			2/1/2032	595,000	2.500				
			2/1/2033	610,000	2.500				
			2/1/2034	630,000	2.500				
			2/1/2035	645,000	2.500				
			2/1/2036	665,000	2.500				
			2/1/2037	680,000	2.500				
			2/1/2038	700,000	2.500				
			2/1/2039	720,000	2.500				
			2/1/2040	740,000	2.500				
			2/1/2041	760,000	2.500				
			2/1/2042	785,000	2.500				
			2/1/2043	805,000	2.500				
			2/1/2044	830,000	2.625				
			2/1/2045	855,000	2.625				
			2/1/2046	880,000	2.750				
			2/1/2047	910,000	2.750				
			2/1/2048	935,000	2.750				
			2/1/2049	965,000	2.750				
			2/1/2050	990,000	2.750				
						<u>20,000,000</u>	<u>-</u>	<u>-</u>	<u>20,000,000</u>
						<u>\$ 21,650,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 21,400,000</u>

NORTH BERGEN BOARD OF EDUCATION  
LONG-TERM DEBT  
OBLIGATIONS UNDER LEASE-PURCHASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Certificates of Participation	2/25/2016	\$ 7,575,000	12/15/2021	\$ 1,650,000	4.00 %				
			12/15/2022	1,715,000	4.00	\$ 4,955,000	-	\$ 1,590,000	\$ 3,365,000
						<u>\$ 4,955,000</u>	<u>\$ -</u>	<u>\$ 1,590,000</u>	<u>\$ 3,365,000</u>

**NORTH BERGEN BOARD OF EDUCATION  
DEBT SERVICE 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 to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 1,546,670		\$ 1,546,670	\$ 1,546,670	
State Sources					
Debt Service Aid	<u>536,989</u>	<u>-</u>	<u>536,989</u>	<u>536,989</u>	<u>-</u>
Total Revenues	<u>2,083,659</u>	<u>-</u>	<u>2,083,659</u>	<u>2,083,659</u>	<u>-</u>
<b>EXPENDITURES</b>					
Debt Service:					
Lease Purchase					
Principal	1,590,000		1,590,000	1,590,000	
Interest	166,400		166,400	166,400	
Bonds					
Interest		\$ 494,867	494,867	494,866	
Pension Obligation Bonds					
Principal	250,000		250,000	250,000	
Interest	<u>77,259</u>	<u>-</u>	<u>77,259</u>	<u>77,259</u>	<u>-</u>
Total Expenditures	<u>2,083,659</u>	<u>494,867</u>	<u>2,578,526</u>	<u>2,578,525</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(494,867)	(494,867)	(494,866)	-
Other Financing Sources					
Transfer In	<u>-</u>	<u>494,867</u>	<u>494,867</u>	<u>494,867</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-	-	-	1	\$ 1
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>105</u>	<u>105</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106</u>	<u>\$ 106</u>
				Designated for Subsequent Year's Budget	\$ 105
				Available for Debt Service	<u>1</u>
				<u>\$ 106</u>	

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

#### **Demographic and Economic Information**

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2012	2013	2014 (1)	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 41,423,409	\$ 42,221,991	\$ 40,601,409	\$ 45,233,311	\$ 46,523,366	\$ 49,080,720	\$ 51,220,429	\$ 52,144,194	\$ 56,530,766	\$ 56,321,028
Restricted	8,314,077	10,814,307	14,765,943	10,301,109	18,322,309	13,684,522	13,503,685	14,582,002	20,815,238	35,274,312
Unrestricted	<u>(6,036,044)</u>	<u>(8,108,779)</u>	<u>(35,618,889)</u>	<u>(31,328,800)</u>	<u>(36,862,342)</u>	<u>(34,938,961)</u>	<u>(36,181,905)</u>	<u>(34,590,038)</u>	<u>(36,307,709)</u>	<u>(37,136,075)</u>
<b>Total Governmental Activities Net Position</b>	<b>\$ 43,701,442</b>	<b>\$ 44,927,519</b>	<b>\$ 19,748,463</b>	<b>\$ 24,205,620</b>	<b>\$ 27,983,333</b>	<b>\$ 27,826,281</b>	<b>\$ 28,542,209</b>	<b>\$ 32,136,158</b>	<b>\$ 41,038,295</b>	<b>\$ 54,459,265</b>
<b>Business-Type Activities</b>										
Investment in Capital Assets	\$ 23,185	\$ 21,462	\$ 34,275	\$ 31,513	\$ 28,752	\$ 33,240	\$ 41,149	\$ 37,090	\$ 54,598	\$ 48,143
Unrestricted	<u>387,268</u>	<u>549,791</u>	<u>691,390</u>	<u>769,370</u>	<u>1,015,447</u>	<u>1,032,010</u>	<u>1,064,013</u>	<u>1,112,468</u>	<u>968,310</u>	<u>1,444,361</u>
<b>Total Business-Type Activities Net Position</b>	<b>\$ 410,453</b>	<b>\$ 571,253</b>	<b>\$ 725,665</b>	<b>\$ 800,883</b>	<b>\$ 1,044,199</b>	<b>\$ 1,065,250</b>	<b>\$ 1,105,162</b>	<b>\$ 1,149,558</b>	<b>\$ 1,022,908</b>	<b>\$ 1,492,504</b>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 41,446,594	\$ 42,243,453	\$ 40,635,684	\$ 45,264,824	\$ 46,552,118	\$ 49,113,960	\$ 51,261,578	\$ 52,181,284	\$ 56,585,364	\$ 56,369,171
Restricted	8,314,077	10,814,307	14,765,943	10,301,109	18,322,309	13,684,522	13,503,685	14,582,002	20,815,238	35,274,312
Unrestricted	<u>(5,648,776)</u>	<u>(7,558,988)</u>	<u>(34,927,499)</u>	<u>(30,559,430)</u>	<u>(35,846,895)</u>	<u>(33,906,951)</u>	<u>(35,117,892)</u>	<u>(33,477,570)</u>	<u>(35,339,399)</u>	<u>(35,691,714)</u>
<b>Total District Net Position</b>	<b>\$ 44,111,895</b>	<b>\$ 45,498,772</b>	<b>\$ 20,474,128</b>	<b>\$ 25,006,503</b>	<b>\$ 29,027,532</b>	<b>\$ 28,891,531</b>	<b>\$ 29,647,371</b>	<b>\$ 33,285,716</b>	<b>\$ 42,061,203</b>	<b>\$ 55,951,769</b>

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

(2) Net position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

**NORTH BERGEN BOARD OF EDUCATION**  
**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
<b>Expenses</b>										
<b>Governmental Activities</b>										
Instruction										
Regular	\$ 46,698,490	\$ 49,890,427	\$ 48,062,992	\$ 56,216,853	\$ 60,312,310	\$ 67,250,193	\$ 69,252,700	\$ 63,644,374	\$ 60,458,479	\$ 67,067,620
Special Education	14,935,338	15,393,829	16,364,077	20,000,057	21,371,331	24,113,217	25,056,382	24,258,879	23,848,462	23,369,643
Other Instruction	9,141,683	10,598,844	9,400,836	9,742,185	10,357,495	11,908,442	11,534,561	12,010,820	11,751,872	13,126,698
School Sponsored Activities And Athletics	1,899,603	2,101,085	2,087,712	2,284,648	2,450,975	2,784,999	2,922,663	2,972,354	2,643,478	2,595,356
Support Services:										
Student & Instruction Related Services	14,025,679	13,655,646	13,433,274	15,204,154	16,519,639	18,686,314	19,397,649	17,933,421	17,071,514	18,225,920
General Administration	2,489,391	2,849,487	2,446,297	2,527,627	2,800,487	3,052,249	2,728,117	2,743,501	2,241,707	2,406,952
School Administrative Services	6,818,014	7,659,657	8,005,807	9,453,664	10,169,920	11,099,792	11,310,032	10,976,374	10,521,309	11,897,156
Plant Operations And Maintenance	12,807,210	13,724,829	14,789,426	14,147,869	13,723,364	16,042,326	16,298,080	16,010,748	16,187,072	16,128,843
Pupil Transportation	4,059,359	3,825,607	3,796,694	4,019,075	3,957,813	3,717,316	3,886,776	3,863,529	3,021,876	2,648,568
Business and Other Support Services	2,650,591	2,802,117	2,716,209	3,145,017	3,093,191	3,203,625	3,547,726	3,836,790	3,573,405	3,908,527
Interest On Long-Term Debt	925,499	900,966	910,459	819,740	841,211	547,825	494,870	436,153	570,703	808,102
<b>Total Governmental Activities Expenses</b>	<b>116,450,857</b>	<b>123,402,494</b>	<b>122,013,783</b>	<b>137,560,889</b>	<b>145,597,736</b>	<b>162,406,298</b>	<b>166,429,556</b>	<b>158,686,943</b>	<b>151,889,877</b>	<b>162,183,385</b>
<b>Business-Type Activities:</b>										
Food Service	2,911,970	2,947,175	2,903,222	2,945,158	2,989,029	3,061,343	2,947,323	2,960,902	2,516,312	2,567,242
<b>Total Business-Type Activities Expense</b>	<b>2,911,970</b>	<b>2,947,175</b>	<b>2,903,222</b>	<b>2,945,158</b>	<b>2,989,029</b>	<b>3,061,343</b>	<b>2,947,323</b>	<b>2,960,902</b>	<b>2,516,312</b>	<b>2,567,242</b>
<b>Total District Expenses</b>	<b>\$ 119,362,827</b>	<b>\$ 126,349,669</b>	<b>\$ 124,917,005</b>	<b>\$ 140,506,047</b>	<b>\$ 148,586,765</b>	<b>\$ 165,467,641</b>	<b>\$ 169,376,879</b>	<b>\$ 161,647,845</b>	<b>\$ 154,406,189</b>	<b>\$ 164,750,627</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges For Services:										
Regular Instruction	\$ 4,022,183	\$ 3,385,154	\$ 4,389,854	\$ 4,293,630	\$ 4,029,702	\$ 4,239,503	\$ 4,598,903	\$ 4,937,577	\$ 5,457,950	\$ 4,792,514
School Sponsored Activities and Athletics										54,326
Operating Grants And Contributions	25,015,529	26,589,456	23,763,862	38,311,398	44,897,037	56,472,260	58,779,883	52,617,460	46,884,690	63,045,313
Capital Grants And Contributions	896,328	697,311	84,373	1,984,809	1,084,063	970,572	2,277	8,108	406,172	414,607
<b>Total Governmental Activities Program Revenues</b>	<b>29,934,040</b>	<b>30,671,921</b>	<b>28,238,089</b>	<b>44,589,837</b>	<b>50,010,802</b>	<b>61,682,335</b>	<b>63,381,063</b>	<b>57,563,145</b>	<b>52,748,812</b>	<b>68,306,760</b>
<b>Business-Type Activities:</b>										
Charges For Services										
Food Service	\$ 723,677	\$ 637,575	\$ 596,612	\$ 603,366	\$ 608,017	\$ 599,065	\$ 563,293	\$ 568,496	\$ 418,788	\$ 20,440
Operating Grants And Contributions	2,369,269	2,470,315	2,460,891	2,416,884	2,623,970	2,482,935	2,422,299	2,432,586	1,968,433	3,015,851
<b>Total Business Type Activities Program Revenues</b>	<b>3,092,946</b>	<b>3,107,890</b>	<b>3,057,503</b>	<b>3,020,250</b>	<b>3,231,987</b>	<b>3,082,000</b>	<b>2,985,592</b>	<b>3,001,082</b>	<b>2,387,221</b>	<b>3,036,291</b>
<b>Total District Program Revenues</b>	<b>\$ 33,026,986</b>	<b>\$ 33,779,811</b>	<b>\$ 31,295,592</b>	<b>\$ 47,610,087</b>	<b>\$ 53,242,789</b>	<b>\$ 64,764,335</b>	<b>\$ 66,366,655</b>	<b>\$ 60,564,227</b>	<b>\$ 55,136,033</b>	<b>\$ 71,343,051</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (86,516,817)	\$ (92,730,573)	\$ (93,775,694)	\$ (92,971,052)	\$ (95,586,934)	\$ (100,723,963)	\$ (103,048,493)	\$ (101,123,798)	\$ (99,141,065)	\$ (93,876,625)
Business-Type Activities	180,976	160,715	154,281	75,092	242,958	20,657	38,269	40,180	(129,091)	469,049
<b>Total District-Wide Net Expense</b>	<b>\$ (86,335,841)</b>	<b>\$ (92,569,858)</b>	<b>\$ (93,621,413)</b>	<b>\$ (92,895,960)</b>	<b>\$ (95,343,976)</b>	<b>\$ (100,703,306)</b>	<b>\$ (103,010,224)</b>	<b>\$ (101,083,618)</b>	<b>\$ (99,270,156)</b>	<b>\$ (93,407,576)</b>

**NORTH BERGEN BOARD OF EDUCATION**  
**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
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
General Revenues										
Property Taxes - General Purposes	\$ 40,037,337	\$ 41,061,340	\$ 42,141,260	\$ 43,507,740	\$ 45,550,000	\$ 46,734,214	\$ 48,709,108	\$ 49,895,435	\$ 50,493,344	\$ 51,250,000
Property Taxes - Debt Service	1,673,267	1,482,582	1,593,869	1,576,831	1,573,392	1,423,414	1,567,487	1,529,144	1,554,287	1,546,670
State Aid - Unrestricted	48,377,423	50,230,702	50,857,905	51,010,601	51,001,448	51,387,346	52,484,655	51,877,191	52,848,590	53,249,905
State Aid - Restricted for Debt Service	544,966	551,162	550,827	550,049	551,188	550,674	476,785	530,716	540,842	536,989
Investment Earnings	12,744	15,591	18,341	19,253	39,121	82,733	193,891	471,909	390,436	114,381
Miscellaneous Income	1,157,236	615,273	306,307	763,735	649,498	388,530	332,495	413,352	564,666	599,650
Gain (Loss) on Disposal of Assets	-	-	10,000	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<u>91,802,973</u>	<u>93,956,650</u>	<u>95,478,509</u>	<u>97,428,209</u>	<u>99,364,647</u>	<u>100,566,911</u>	<u>103,764,421</u>	<u>104,717,747</u>	<u>106,392,165</u>	<u>107,297,595</u>
Business-Type Activities:										
General Revenues										
Interest Earnings	197	85	131	126	358	394	1,643	4,216	2,441	547
<b>Total Business Type Activities</b>	<u>197</u>	<u>85</u>	<u>131</u>	<u>126</u>	<u>358</u>	<u>394</u>	<u>1,643</u>	<u>4,216</u>	<u>2,441</u>	<u>547</u>
<b>Total District-Wide</b>	<u>\$ 91,803,170</u>	<u>\$ 93,956,735</u>	<u>\$ 95,478,640</u>	<u>\$ 97,428,335</u>	<u>\$ 99,365,005</u>	<u>\$ 100,567,305</u>	<u>\$ 103,766,064</u>	<u>\$ 104,721,963</u>	<u>\$ 106,394,606</u>	<u>\$ 107,298,142</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 5,286,156	\$ 1,226,077	\$ 1,702,815	\$ 4,457,157	\$ 3,777,713	\$ (157,052)	\$ 715,928	\$ 3,593,949	\$ 7,251,100	\$ 13,420,970
Business-Type Activities	181,173	160,800	154,412	75,218	243,316	21,051	39,912	44,396	(126,650)	469,596
<b>Total District</b>	<u>\$ 5,467,329</u>	<u>\$ 1,386,877</u>	<u>\$ 1,857,227</u>	<u>\$ 4,532,375</u>	<u>\$ 4,021,029</u>	<u>\$ (136,001)</u>	<u>\$ 755,840</u>	<u>\$ 3,638,345</u>	<u>\$ 7,124,450</u>	<u>\$ 13,890,566</u>

**NORTH BERGEN BOARD OF EDUCATION**  
**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
<b>General Fund</b>										
Nonspendable				\$ 746,280	\$ 424,454	\$ 455,822	\$ 440,660	\$ 398,500		
Restricted	\$ 7,605,189	\$ 10,231,727	\$ 16,046,061	13,469,501	18,804,592	17,150,168	16,747,103	12,766,887	\$ 20,395,447	\$ 35,108,770
Committed	422,972	88,967	26,686	57,114	465,127	1,379,824	644,243	1,313,238	593,720	605,313
Assigned	4,259,700	4,652,890	3,503,405	3,696,448	2,092,745	3,434,565	3,642,763	6,791,341	7,576,841	5,843,118
Unassigned	(2,984,615)	(3,317,010)	(4,726,127)	(3,659,697)	(3,768,087)	(3,739,862)	(3,743,874)	(4,026,420)	(4,258,955)	(2,381,413)
<b>Total General Fund</b>	<u>\$ 9,303,246</u>	<u>\$ 11,656,574</u>	<u>\$ 14,850,025</u>	<u>\$ 14,309,646</u>	<u>\$ 18,018,831</u>	<u>\$ 18,680,517</u>	<u>\$ 17,730,895</u>	<u>\$ 17,243,546</u>	<u>\$ 24,307,053</u>	<u>\$ 39,175,788</u>
<b>All Other Governmental Funds</b>										
Restricted	\$ 3,489,567	\$ 2,335,710	\$ 3,694,101	\$ 4,485,954	\$ 4,012,812	\$ 3,045,706	\$ 2,971,134	\$ 6,101,056	\$ 13,965,367	\$ 12,301,940
Unassigned	-	(5,000)	-	-	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<u>\$ 3,489,567</u>	<u>\$ 2,330,710</u>	<u>\$ 3,694,101</u>	<u>\$ 4,485,954</u>	<u>\$ 4,012,812</u>	<u>\$ 3,045,706</u>	<u>\$ 2,971,134</u>	<u>\$ 6,101,056</u>	<u>\$ 13,965,367</u>	<u>\$ 12,301,940</u>

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

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Property Taxes	\$ 41,710,604	\$ 42,543,922	\$ 43,735,129	\$ 45,084,571	\$ 47,123,392	\$ 48,157,628	\$ 50,276,595	\$ 51,424,579	\$ 52,047,631	\$ 52,796,670
Tuition Charges	4,022,183	3,385,154	4,389,854	4,293,630	4,029,702	4,239,503	4,598,903	4,937,577	5,457,950	4,792,514
Interest Earnings	12,744	15,591	18,341	19,253	39,121	82,733	193,891	471,909	390,436	114,381
Miscellaneous	1,206,933	665,266	356,390	812,423	701,532	440,106	383,598	501,779	616,804	700,326
State Sources	66,726,453	71,745,246	70,212,122	73,625,973	74,785,707	77,548,384	80,050,585	85,125,679	87,085,745	92,094,496
Federal Sources	8,058,096	6,273,392	4,994,762	5,589,986	6,148,253	6,256,531	6,287,587	6,377,588	5,349,703	7,908,754
<b>Total Revenue</b>	<b>121,737,013</b>	<b>124,628,571</b>	<b>123,706,598</b>	<b>129,425,836</b>	<b>132,827,707</b>	<b>136,724,885</b>	<b>141,791,159</b>	<b>148,839,111</b>	<b>150,948,269</b>	<b>158,407,141</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	47,479,499	49,203,631	48,751,266	48,258,565	50,228,150	52,221,904	56,016,919	56,506,718	55,853,705	58,191,509
Special Education Instruction	14,935,338	15,393,829	16,364,077	18,054,376	18,677,742	19,777,356	21,123,429	22,102,670	22,471,286	20,911,124
Other Instruction	9,141,683	10,598,844	9,400,836	8,698,195	8,974,600	9,720,858	9,540,589	10,911,929	10,987,923	11,725,845
School Sponsored Activities and Athletics	1,899,603	2,101,085	2,087,712	2,056,839	2,138,965	2,293,585	2,462,631	2,700,922	2,475,432	2,332,681
<b>Support Services:</b>										
Student and Inst. Related Services	13,985,726	13,615,693	13,394,135	14,118,157	14,874,866	15,695,525	16,516,797	16,584,049	16,356,023	16,438,008
General Administration	2,464,796	2,779,257	2,460,755	2,277,885	2,523,972	2,697,456	2,419,474	2,546,054	2,197,329	2,179,107
School Administrative Services	6,935,770	7,505,592	8,014,886	8,433,338	8,940,045	9,247,656	9,402,029	9,929,095	9,976,366	10,466,025
Plant Operations And Maintenance	11,142,404	11,828,538	11,709,601	12,078,308	11,412,244	12,337,585	12,521,251	13,042,755	13,470,933	12,712,067
Pupil Transportation	4,059,359	3,825,607	3,796,694	4,017,346	3,952,064	3,692,609	3,853,173	3,847,754	3,019,099	2,642,358
Business and Other Support Services	2,737,382	2,709,954	2,750,986	2,997,233	2,972,413	2,959,599	3,177,503	3,627,321	3,571,458	3,588,811
Capital Outlay	2,001,746	1,667,902	368,045	5,458,629	2,219,962	3,700,564	3,092,984	2,104,170	13,452,997	2,994,094
<b>Debt Service:</b>										
Principal	1,420,850	1,390,000	1,820,000	1,985,000	2,065,000	2,085,000	2,145,000	1,820,000	1,780,000	1,840,000
Interest and Other Charges	833,024	814,168	840,890	740,491	815,092	600,608	543,574	473,101	407,900	831,241
<b>Total Expenditures</b>	<b>119,037,180</b>	<b>123,434,100</b>	<b>121,759,883</b>	<b>129,174,362</b>	<b>129,795,115</b>	<b>137,030,305</b>	<b>142,815,353</b>	<b>146,196,538</b>	<b>156,020,451</b>	<b>146,852,870</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	2,699,833	1,194,471	1,946,715	251,474	3,032,592	(305,420)	(1,024,194)	2,642,573	(5,072,182)	11,554,271
<b>Other Financing Sources (Uses)</b>										
Proceeds From Borrowing			5,760,000		7,575,000				20,000,000	
Premium on Issuance of Bonds/Certificates of Participation					800,793					
Payments to Refunding Escrow Agent			(3,149,873)		(8,172,342)					
Original Issue Discount										
Transfers In			1,500,000	2,364,834	233,650	13,493	51,854	6,212,910	41,999	542,323
Transfers Out	-	-	(1,500,000)	(2,364,834)	(233,650)	(13,493)	(51,854)	(6,212,910)	(41,999)	(542,323)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>2,610,127</b>	<b>-</b>	<b>203,451</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000,000</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 2,699,833</b>	<b>\$ 1,194,471</b>	<b>\$ 4,556,842</b>	<b>\$ 251,474</b>	<b>\$ 3,236,043</b>	<b>\$ (305,420)</b>	<b>\$ (1,024,194)</b>	<b>\$ 2,642,573</b>	<b>\$ 14,927,818</b>	<b>\$ 11,554,271</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	1.93%	1.81%	2.19%	2.20%	2.26%	2.01%	1.92%	1.59%	1.53%	1.86%

\* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Refunds</u>	<u>E-Rate</u>	<u>Solar Energy</u>	<u>Gate Receipts</u>	<u>Miscellaneous</u>	<u>Total</u>
2012	\$ 4,022,183	\$ 12,744	\$ 98,551	\$ 239,348	\$ 360,500	\$ 2,684	\$ 456,153	\$ 5,192,163
2013	3,385,154	15,591	121,308	251,647	61,617	4,440	176,261	4,016,018
2014	4,389,854	18,341	43,878	-	116,532	11,357	134,540	4,714,502
2015	4,293,630	19,253	151,248		144,680	10,428	457,379	5,076,618
2016	4,029,702	39,121	118,260	185,145	243,538	8,236	94,319	4,718,321
2017	4,239,503	82,733	61,722	35,929	252,919	11,515	21,440	4,705,761
2018	4,598,903	193,836	40,605	25,153	173,635	15,043	78,059	5,125,234
2019	4,937,577	471,909	10,603	12,914	166,005	9,356	214,474	5,822,838
2020	5,457,950	348,332	10,492		190,423	9,017	354,734	6,370,948
2021	4,792,514	91,925		229,032	171,662		198,956	5,484,089

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate <sup>a</sup>
2012	\$ 58,051,700	\$ 1,482,388,500	\$ 519,215,300	\$ 295,515,200	\$ 161,338,100	\$ 2,516,508,800	\$ 4,574,415	\$ 2,521,083,215	\$ 4,993,454,517	\$ 1.671
2013	52,378,200	1,479,713,100	428,606,000	366,192,700	158,416,800	2,485,306,800	3,915,047	2,489,221,847	4,718,625,502	1.734
2014	54,338,500	1,477,819,100	422,492,700	361,379,400	164,902,300	2,480,932,000	4,092,557	2,485,024,557	4,593,353,727	1.787
2015	44,353,300	1,476,800,900	479,620,100	363,715,900	168,470,800	2,532,961,000	4,174,875	2,537,135,875	4,805,626,920	1.817
2016	45,723,200	1,474,075,800	483,283,700	352,931,900	169,524,100	2,525,538,700	4,076,577	2,529,615,277	5,171,779,148	1.883
2017	49,625,100	1,480,100,600	501,492,600	354,589,100	174,509,200	2,560,316,600	3,940,684	2,564,257,284	5,615,942,611	1.920
2018	55,202,800	1,483,782,500	508,458,867	352,107,800	181,295,400	2,580,847,367	3,545,902	2,584,393,269	6,209,345,294	1.967
2019	46,939,200	1,486,380,800	508,047,767	351,771,100	181,655,600	2,574,794,467	3,420,264	2,578,214,731	6,571,705,138	2.007
2020	48,928,800	1,490,030,500	486,594,467	351,318,700	183,617,500	2,560,489,967	3,395,036	2,563,885,003	6,651,210,259	2.045
2021	50,615,400	1,493,139,400	468,034,467	364,514,200	186,704,800	2,563,008,267	3,378,806	2,566,387,073	6,988,919,154	2.085

Source: County Abstract of Ratables

<sup>a</sup> Tax rates are per \$100

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

<b>Year Ended <u>June 30,</u></b>	<b><u>Total</u></b>	<b>Local School <u>District</u></b>	<b><u>Municipality</u></b>	<b><u>County</u></b>
2012	\$ 4.953	\$ 1.671	\$ 2.260	\$ 1.022
2013	5.147	1.734	2.399	1.014
2014	5.240	1.787	2.460	0.993
2015	5.291	1.817	2.458	1.016
2016	5.467	1.883	2.513	1.071
2017	5.531	1.920	2.538	1.073
2018	5.636	1.967	2.585	1.084
2019	5.726	2.007	2.620	1.099
2020	5.732	2.045	2.679	1.008
2021	5.853	2.085	2.730	1.038

Source: Abstract of Ratables, County Board of Taxation

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

Taxpayer	2021		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Hartz Mountain Development	\$ 118,754,200	4.63%	\$ 78,708,300	3.12%
8100 River Road	65,479,800	2.55%		
Mack Associates	38,134,200	1.49%		
Vornado	52,454,400	2.04%		
7855 Blvd East	45,323,900	1.77%		
7400 River Road	36,209,800	1.41%		
FC/Treeco Columbia Park	31,257,500	1.22%	24,962,200	0.99%
Woodcliff Gardens	24,430,100	0.95%	23,956,000	0.95%
M-Industries LLC			30,214,700	1.20%
7912 River Road Apts., LLC			24,960,600	0.99%
5851 Westside Assoc.	22,230,400	0.87%	20,078,000	0.80%
8200 Boulevard East	19,380,500	0.76%		
LCI Holding, Inc.			21,526,900	0.85%
Stone Henge Apartments LLC			15,281,000	0.61%
Ogden Realty II			15,219,900	0.60%
Westview Tower Realty Co			18,000,000	0.71%
	<u>\$ 453,654,800</u>	<u>17.68%</u>	<u>\$ 272,907,600</u>	<u>10.83%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 41,710,604	\$ 41,710,604	100.00%	N/A
2013	42,543,922	42,543,922	100.00%	N/A
2014	43,735,129	43,735,129	100.00%	N/A
2015	45,084,571	45,084,571	100.00%	N/A
2016	47,123,392	47,123,392	100.00%	N/A
2017	48,157,628	48,095,718	99.87%	\$ 61,910
2018	50,276,595	50,276,595	100.00%	N/A
2019	51,424,579	51,424,560	100.00%	\$ 19
2020	52,047,631	49,681,830	95.45%	\$ 2,365,801
2021	52,796,670	52,796,670	100.00%	N/A

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

Fiscal Year Ended June 30,	Governmental Activities					Total District	Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Inter- governmental Loan	Sales Leaseback			
2012	\$ 5,385,000	\$ 14,175,000				\$ 19,560,000	61,863	\$ 316
2013	4,880,000	13,290,000				18,170,000	62,118	293
2014	4,435,000	12,375,000			\$ 2,180,000	18,990,000	62,192	305
2015	3,870,000	11,425,000			1,710,000	17,005,000	62,037	274
2016	3,300,000	9,930,000			1,205,000	14,435,000	62,022	233
2017	2,720,000	8,955,000			675,000	12,350,000	61,945	199
2018	2,125,000	7,945,000			135,000	10,205,000	61,323	166
2019	1,890,000	6,495,000				8,385,000	60,808	138
2020	21,650,000	4,955,000				26,605,000	59,859	444
2021	21,400,000	3,365,000				24,765,000	59,859	414

Source: District records

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2012	\$ 5,385,000		\$ 5,385,000	0.21%	\$ 87
2013	4,880,000		4,880,000	0.20%	79
2014	4,435,000		4,435,000	0.18%	71
2015	3,870,000		3,870,000	0.15%	62
2016	3,300,000		3,300,000	0.13%	53
2017	2,720,000		2,720,000	0.11%	44
2018	2,125,000		2,125,000	0.08%	35
2019	1,890,000		1,890,000	0.07%	31
2020	21,650,000		21,650,000	0.84%	362
2021	21,400,000		21,400,000	0.83%	358

Source: District records

**NORTH BERGEN BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
AS OF DECEMBER 31, 2020  
(Unaudited)**

Direct Debt:	
North Bergen Board of Education (as of June 30, 2021)	\$ 60,000,000
Township of North Bergen (1)	<u>80,990,979</u>
Total Direct Debt	<u>140,990,979</u>
Overlapping Debt Apportioned to the Municipality:	
Hudson County:	
County of Hudson (A)	89,859,140
North Bergen Municipal Utilities Authority	<u>53,927,087</u>
Total Overlapping Debt	<u>143,786,227</u>
Total Direct and Overlapping Debt	<u>\$ 284,777,206</u>

(A) The debt for this entity was apportioned by dividing the Municipality's 2020 equalized value by the total 2020 equalized value for Hudson County.

Sources:

(1) Township of North Bergen Annual Debt Statement

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 216,172,145	\$ 201,993,550	\$ 189,869,132	\$ 185,914,690	\$ 191,438,083	\$ 203,949,327	\$ 223,256,144	\$ 241,826,950	\$ 257,026,412	\$ 267,897,318
Total Net Debt Applicable to Limit	<u>2,100,000</u>	<u>1,760,000</u>	<u>1,415,000</u>	<u>1,070,000</u>	<u>720,000</u>	<u>365,000</u>	<u>60,000,000</u>	<u>60,000,000</u>	<u>60,000,000</u>	<u>60,000,000</u>
Legal Debt Margin	<u>\$ 214,072,145</u>	<u>\$ 200,233,550</u>	<u>\$ 188,454,132</u>	<u>\$ 184,844,690</u>	<u>\$ 190,718,083</u>	<u>\$ 203,584,327</u>	<u>\$ 223,256,144</u>	<u>\$ 181,826,950</u>	<u>\$ 197,026,412</u>	<u>\$ 207,897,318</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.97%	0.87%	0.75%	0.58%	0.38%	0.18%	0.00%	24.81%	23.34%	22.40%

**Legal Debt Margin Calculation for Fiscal Year 2021**

Equalized Valuation Basis

2018	\$ 6,533,790,803
2019	6,632,649,323
2020	<u>6,925,858,715</u>
	<u>\$ 20,092,298,841</u>

Average Equalized Valuation of Taxable Property

\$ 6,697,432,947

Debt Limit (4 % of Average Equalization Value)

\$ 267,897,318

Total Net Debt Applicable to Limit

60,000,000

Legal Debt Margin

\$ 207,897,318

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

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

<b><u>Year Ended December 31,</u></b>	<b><u>Unemployment Rate</u></b>	<b><u>Per Capita Income *</u></b>	<b><u>Population</u></b>
2011	10.70%	\$ 46,270	61,559
2012	10.70%	48,108	61,863
2013	9.70%	49,088	62,118
2014	7.30%	52,840	62,192
2015	5.70%	56,581	62,037
2016	5.00%	58,536	62,022
2017	4.40%	62,353	61,945
2018	3.80%	66,705	61,323
2019	3.20%	69,406	60,808
2020	12.20%	N/A	59,859

Source: Data provided by State Department of Education

N/A = Not Available

\* = Hudson County

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

**INFORMATION NOT AVAILABLE**

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

<u>Function/Program</u>	<u>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	480	480	467	530	530	530	530	530	530	530
Special Education	75	75	84	50	57	59	59	59	59	59
Other Instruction	85	85	85	61	61	65	60	60	60	60
Support Services:										
Student and Instruction Related Services	18	18	18	18	18	18	35	35	35	35
General Administration	5	6	6	6	6	7	7	7	7	7
School Administrative Services	55	56	61	61	61	61	61	61	61	61
Other Administrative Services	30	30	30	30	30	30	30	30	30	30
Central Services	13	13	13	13	13	13	13	13	13	13
Administrative Information Technology	6	6	6	3	3	3	3	3	3	3
Plant Operations And Maintenance	112	109	109	109	109	106	106	106	106	106
Pupil Transportation	3	3	3	3	3	3	3	3	3	3
Other Support Services	72	72	73	77	77	77	77	77	77	79
Total	<u>954</u>	<u>953</u>	<u>955</u>	<u>961</u>	<u>968</u>	<u>972</u>	<u>984</u>	<u>984</u>	<u>984</u>	<u>986</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	<u>Pupil/Teacher Ratio</u>							Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
		Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Elementary	High School					
2012	8,201	\$ 114,781,560	\$ 13,996	3.68%	640	1:12	1:14	8,080	7,836	0.24%	96.98%	
2013	8,068	119,562,030	14,819	5.88%	640	1:12	1:14	8,068	7,808	-0.15%	96.78%	
2014	8,048	118,730,948	14,753	-0.45%	640	1:12	1:14	8,048	7,790	-0.25%	96.80%	
2015	7,761	120,990,242	15,590	5.67%	641	1:12	1:14	8,031	7,764	-0.21%	96.68%	
2016	8,005	124,695,061	15,577	-0.08%	648	1:12	1:14	7,869	7,629	-2.02%	96.95%	
2017	7,900	130,644,133	16,537	6.16%	641	1:12	1:14	7,714	7,330	-1.96%	95.02%	
2018	7,666	137,033,795	17,876	8.09%	649	1:12	1:14	7,643	7,257	-0.92%	94.95%	
2019	7,519	141,799,267	18,859	5.50%	649	1:12	1:14	7,490	7,108	-2.00%	94.90%	
2020	7,488	140,379,554	18,747	-0.59%	649	1:12	1:14	7,275	7,185	-2.87%	98.76%	
2021	7,314	141,187,535	19,304	2.97%	649	1:12	1:14	7,257	7,050	-0.25%	97.15%	

Sources: District records

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>District Building</b>										
<b>Elementary</b>										
Robert Fulton/No. 2 (1926)										
Square Feet	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409
Capacity (students)	784	784	784	784	784	784	784	784	784	784
Enrollment	995	995	995	995	995	995	1,022	1,022	1,196	961
Fulton Annex										
Square Feet	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800
Capacity (students)	155	155	155	155	155	155	155	155	155	155
Enrollment	144	144	144	144	144	144	223	223		204
Franklin School/No. 3 (1919)										
Square Feet	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434
Capacity (students)	475	475	475	475	475	475	475	475	475	475
Enrollment	575	575	575	575	575	575	530	530	623	560
Franklin Annex (1999)										
Square Feet	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225
Capacity (students)	80	80	80	80	80	80	80	80	80	80
Enrollment	85	85	85	85	85	85	97	97		
Lincoln School/No. 5 (1915)										
Square Feet	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	659	659	659	659	659	659	972	972	1,393	1,363
Lincoln School/No. 5 Annex (2004)										
Square Feet	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300
Capacity (students)	352	352	352	352	352	352	352	352	352	352
Enrollment	436	436	436	436	436	436	422	422		
J.F. Kennedy School/No. 7 (including Annex)										
Square Feet	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125
Capacity (students)	662	662	662	662	662	662	662	662	662	662
Enrollment	538	538	538	538	538	538	549	549	472	454
Horace Mann School/No. 9 (1928)										
Square Feet	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068
Capacity (students)	836	836	836	836	836	836	836	836	836	836
Enrollment	1,023	1,023	1,023	1,023	1,023	1,023	1,135	1,135	1,089	1,093
McKinnely School/No. 10 (1919)										
Square Feet	46,050	46,050	46,050	46,050	46,050	46,050	46,050	46,050	46,050	46,050
Capacity (students)	426	426	426	426	426	426	426	426	426	426
Enrollment	419	419	419	419	419	419	361	361	346	342
<b>High School</b>										
North Bergen High School (1961)										
Square Feet	197,973	197,973	197,973	197,973	197,973	197,973	197,973	197,973	197,973	197,973
Capacity (students)	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377
Enrollment	2,416	2,416	2,416	2,416	2,416	2,416	2,355	2,355	2,369	2,337
<b>Other</b>										
Central Administration (1961)										
Square Feet	9,267	9,267	9,267	9,267	9,267	9,267	9,267	9,267	9,267	9,267
Number of Schools at June 30, 2021										
Elementary =	7									
Senior High School =	1									
Other =	1									

Source: District Records

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

<u>School Facilities</u>	<u>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>
North Bergen High School	\$ 676,438	\$ 658,851	\$ 637,900	\$ 629,935	\$ 318,417	\$ 451,186	\$ 414,783	\$ 497,292	\$ 566,198	\$ 541,120
Franklin School	195,036	198,994	183,520	202,558	199,757	153,315	149,453	128,329	182,063	173,999
Horace Mann	249,303	306,554	271,850	312,045	190,335	235,531	230,235	252,236	280,472	268,049
John F. Kennedy	296,193	295,791	282,963	282,087	216,192	208,711	222,152	207,733	270,625	258,639
Lincoln School	328,705	313,341	278,965	260,058	243,465	290,374	258,402	267,911	368,568	352,243
Mc Kinley	197,378	193,450	195,682	146,528	229,206	154,055	108,112	117,762	131,702	125,869
Robert Fulton	<u>316,534</u>	<u>304,485</u>	<u>278,950</u>	<u>279,939</u>	<u>224,356</u>	<u>177,494</u>	<u>228,681</u>	<u>210,810</u>	<u>278,579</u>	<u>266,240</u>
Total School Facilities	<u>\$ 2,259,587</u>	<u>\$ 2,271,466</u>	<u>\$ 2,129,830</u>	<u>\$ 2,113,150</u>	<u>\$ 1,621,728</u>	<u>\$ 1,670,666</u>	<u>\$ 1,611,818</u>	<u>\$ 1,682,073</u>	<u>\$ 2,078,207</u>	<u>\$ 1,986,159</u>

Source: School District Records

**NORTH BERGEN BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
JUNE 30, 2021  
(Unaudited)**

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

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

Source: School District's records

**SINGLE AUDIT**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

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

### INDEPENDENT AUDITOR'S REPORT

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

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

#### Internal Control Over Financial Reporting

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

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

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

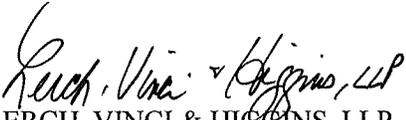
### **Compliance and Other Matters**

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the North Bergen Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated 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 North Bergen Board of Education’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the North Bergen Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
March 10, 2022



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
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CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

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

**INDEPENDENT AUDITOR’S REPORT**

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

**Report on Compliance for Each Major Federal and State Program**

We have audited the North Bergen Board of Education’s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the North Bergen Board of Education’s major federal and state programs for the fiscal year ended June 30, 2021. The North Bergen Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

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

***Auditor’s Responsibility***

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

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

### ***Opinion on Each Major Federal and State Program***

In our opinion, the North Bergen Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2021.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal and state program is not modified with respect to these matters.

The North Bergen Board of Education's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The North Bergen Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

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

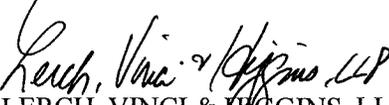
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the North Bergen Board of Education, 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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
March 10, 2022

NORTH BERGEN BOARD OF EDUCATION  
 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 or State Project Number	Grant Period	Award Amount	Balance July 1, 2020	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Refund To State	Prior Years Adjustments	Balance, June 30, 2021			Memo GAAP Receivable	Memo Cumulative Expenditures	
													(Accounts Receivable)	Uncearned Revenue	Due to Grantor			
<b>U.S. Department of Agriculture</b>																		
<b>Passed-Through State Department of Education</b>																		
<b>Enterprise Fund</b>																		
School Breakfast Program	10.553	211N304N1099	N/A	7/1/20-6/30/21	\$ 1,054,685			\$ 957,572	\$ 1,054,686						\$ (97,114)		\$ 1,054,686	
NSLP-Cash Assistance	10.555	211N304N1099	N/A	7/1/20-6/30/21	1,680,030			1,347,351	1,680,030						(332,679)		1,680,030	
NSLP-Non Cash Assistance	10.555	201N304N1099	N/A	7/1/19-6/30/20	169,161	\$ 7,512			7,512								7,512	
NSLP-Non Cash Assistance	10.555	211N304N1099	N/A	7/1/20-6/30/21	226,138			226,138	197,253							\$ 28,885	197,253	
Total Department of Agriculture						7,512		2,531,061	2,939,481					(429,793)	28,885		2,939,481	
<b>U.S. Dept. of Education Passed-Through State Dept. of Education Special Revenue Fund</b>																		
Title I, Part A	84.010A	S010A160030	NCLB361017	7/1/16-6/30/17	3,000,270	254					\$ 254						-	
Title I, Part A	84.010A	S010A170030	NCLB361018	7/1/17-6/30/18	3,244,356	21,285					21,285						-	
Title I, Part A	84.010A	S010A200030	ESEA361021	7/1/20-9/30/21	3,227,084		\$ 284,385	1,757,857	2,928,276	\$ (284,385)				\$ (1,753,612)	583,193	(1,162,648)	2,928,276	
Title I, Part A	84.010A	S010A190030	ESEA361020	7/1/19-9/30/20	3,037,037	(1,225,670)	(284,385)	1,225,671				(1)					-	
Title I, SIA, Part A	84.010A	S010A190030	ESEA361020	7/1/19-9/30/20	29,000	(15,830)	(16,639)	15,830									-	
Title I, SIA, Part A	84.010A	S010A200030	ESEA361021	7/1/20-9/30/21	96,200		16,639		86,134	(16,639)				(112,839)	26,705		86,134	
Total Title I						(1,219,961)		2,999,358	3,014,410		21,539	(1)		(1,866,451)	609,898	(1,162,648)	3,014,410	
Title II, Part A	84.367A	S367A200029	ESEA361021	7/1/20-9/30/21	387,585		34,352	189,917	355,390	(34,352)				(232,020)	66,547	(164,295)	355,390	
Title II, Part A	84.367A	S367A190029	ESEA361020	7/1/19-9/30/20	453,972	(199,576)		199,577		34,352		(1)					-	
Total Title II						(199,576)		389,494	355,390			(1)		(232,020)	66,547	(164,295)	355,390	
Title III	84.365	S365A200030	ESEA361021	7/1/20-9/30/21	169,148		65,523	122,550	150,082	(65,523)				(112,121)	84,589	(6,205)	150,082	
Title III	84.365	S365A190030	ESEA361020	7/1/19-9/30/20	161,639	(11,946)	(65,523)	30,319	18,373	65,523		3,071					18,373	
Title III	84.365	S365A180030	ESEA361019	7/1/18-6/30/19	161,448		6,051				6,051						-	
Title III	84.365	S365A160030	NCLB361017	7/1/16-6/30/17	171,847		1,501				1,501						-	
Title III, Immigrant	84.365	S365A200030	ESEA361021	7/1/20-9/30/21	49,431		3,652	38,994	53,083	(3,652)				(14,089)		(14,089)	53,083	
Title III, Immigrant	84.365	S365A190030	ESEA361020	7/1/19-9/30/20	3,652		(3,652)			3,652							-	
Total Title III						(4,394)		191,863	221,538		7,552	3,071		(126,210)	84,589	(20,294)	221,538	
Title IV	84.424	S424A200031	ESEA361021	7/1/20-9/30/21	224,254		34,662	45,910	197,108	(34,662)				(213,006)	61,808	(135,961)	197,108	
Title IV	84.424	S424A190031	ESEA361020	7/1/19-9/30/20	189,732	(99,036)		99,036		34,662		1,145				1,145	-	
Total Title IV						(99,036)		144,946	197,108			1,145		(213,006)	61,808	(135,961)	197,108	
<b>IDEA Part B</b>																		
Basic, Regular	84.027A	H027A170100	FT361018	7/1/17-6/30/18	1,797,713	1,354					1,354						-	
Basic, Regular	84.027A	H027A200100	FT361021	7/1/20-9/30/21	1,887,055		257,342	1,002,316	1,747,016	(257,342)				(1,142,081)	397,381	(441,223)	1,747,016	
Basic, Regular	84.027A	H027A190100	FT361020	7/1/19-9/30/20	1,784,473	(661,984)	(257,342)	661,983		257,342		43,646				43,645	-	
Preschool	84.173A	H173A200114	PS361021	7/1/20-9/30/21	53,179		51,927	10,776	51,927	(51,927)				(94,330)	53,179	(32,620)	51,927	
Preschool	84.173A	H173A190114	PS361020	7/1/19-9/30/20	53,132	(3,221)	(51,927)	3,221		51,927							-	
Total IDEA						(663,851)		1,678,296	1,798,943		1,354	43,646		(1,236,411)	450,560	(473,843)	1,798,943	
CARES Emergency Relief Act (ESSER I)	84.425D	S425D200027		3/13/20-9/30/22	2,574,941			788,895	1,679,311					(1,786,046)	895,630	(107,583)	1,679,311	
Digital Divide	84.425D	S425D200027	21E00047	7/16/20-10/31/20	591,659			591,659									591,659	
CRRSA - ESSER II	84.425D	S425D210027		3/13/20-9/30/23	10,018,172				3,319,000					(10,018,172)	6,699,172		3,319,000	
CRRSA - Learning Acceleration	84.425D	S425D210027		3/13/20-9/30/23	642,915									(642,915)	642,915		-	
CRRSA - Mental Health	84.425D	S425D210027		3/13/20-9/30/23	45,000									(45,000)	45,000		-	
Total Education Stabilization								1,380,554	5,589,970					(12,492,133)	8,282,717	(107,583)	5,589,970	
Coronavirus Relief Fund	21.019	NA		3/1/20-12/31/20	756,416			756,416	755,978							438	755,978	
Total U.S. Department of Education - Special Revenue Fund						(2,186,818)		7,540,927	11,933,337		30,445	47,860		(16,166,231)	9,556,119	(2,064,624)	11,933,337	
<b>General Fund</b>																		
FFCRA Semi	93.778	2005NJ5MAP	NA	7/1/20-6/30/21	28,905			28,905	28,905									28,905
Spec.Ed. Medicaid Reimbursement	93.778	2005NJ5MAP	NA	7/1/20-6/30/21	380,514			380,514	380,514									380,514
Total Medicaid Reimbursement								409,419	409,419									409,419
Total Federal Awards						\$ (2,179,306)	\$ -	\$ 10,481,407	\$ 15,282,237	\$ -	\$ 30,445	\$ 47,860	\$ (16,596,024)	\$ 9,585,004	\$ 48,299	\$ (2,064,624)	\$ 15,282,237	

NORTH BERGEN BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2020			Cash Received	Budgetary Expenditures	Cancelled Encumbrances	Balance, June 30, 2021			Memo		
				Unearned Revenue/(Accts Rec)	Due to Grantor	Carryover Amount				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
<b>State Department of Education</b>															
<b>General Fund</b>															
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	\$ 52,876,513	\$ (5,199,704)		\$ 5,199,704								*	
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	53,291,268			48,050,201	\$ 53,291,268		\$ (5,241,067)					*	\$ 53,291,268
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	5,808,963	(571,234)		571,234								*	-
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	5,808,963			5,237,666	5,808,963		(571,297)					*	5,808,963
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	2,787,698	(274,133)		274,133								*	-
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	2,787,698			2,513,535	2,787,698		(274,163)					*	2,787,698
<b>Total State Aid Public</b>				<b>(6,045,071)</b>	<b>-</b>	<b>-</b>	<b>61,846,473</b>	<b>61,887,929</b>	<b>-</b>	<b>(6,086,527)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>*</b>	<b>61,887,929</b>
<b>Reimbursed TPAF Pension</b>															
Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	290,801			290,801	290,801							*	290,801
Pension Contribution	21-495-034-5094-002	7/1/20-6/30/21	15,284,127			15,284,127	15,284,127							*	15,284,127
Long Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	8,702			8,702	8,702							*	8,702
Post Retirement Contribution	21-495-034-5094-001	7/1/20-6/30/21	4,880,940			4,880,940	4,880,940							*	4,880,940
<b>Total Reimbursed TPAF Pension</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>20,464,570</b>	<b>20,464,570</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>*</b>	<b>20,464,570</b>
<b>Transportation Aid</b>															
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	747,436	(73,500)		73,500								*	-
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	747,436			673,927	747,436		(73,509)					*	747,436
Nonpublic Transportation Aid	N/A	7/1/20-6/30/21	53,360			-	53,360		(53,360)					*	\$ (53,360)
				<b>(73,500)</b>	<b>-</b>	<b>-</b>	<b>747,427</b>	<b>800,796</b>	<b>-</b>	<b>(126,869)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>*</b>	<b>800,796</b>
<b>Extraordinary Aid</b>															
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	680,964	(680,964)		680,964								*	-
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	602,924			602,924	602,924		(602,924)					*	602,924
School Security Grant (Alyssa's Law)	N/A		414,607			414,607	414,607		(414,607)					*	(414,607)
Reimbursed TPAF Soc. Security Contr.	20-495-034-5094-003	7/1/19-6/30/20	4,218,585	(204,596)		204,596								*	-
Reimbursed TPAF Soc. Security Contr.	21-495-034-5094-003	7/1/20-6/30/21	4,238,758			3,620,186	4,238,758		(618,572)					*	(618,572)
<b>Total General Fund</b>				<b>(7,004,131)</b>	<b>-</b>	<b>-</b>	<b>87,564,216</b>	<b>88,409,584</b>	<b>-</b>	<b>(7,849,499)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>*</b>	<b>(1,086,539)</b>
<b>Special Revenue Fund</b>															
Preschool Education Aid	21-495-034-5120-086	7/1/20-6/30/21	2,984,116			\$ 981,332	2,685,704	3,095,381	\$ 115,360	(298,412)	\$ 985,427			*	3,095,381
Preschool Education Aid	20-495-034-5120-086	7/1/19-6/30/20	2,620,896	719,242		(981,332)	262,090							*	-
<b>Total Special Revenue Fund</b>				<b>719,242</b>	<b>-</b>	<b>-</b>	<b>2,947,794</b>	<b>3,095,381</b>	<b>115,360</b>	<b>(298,412)</b>	<b>985,427</b>	<b>-</b>	<b>-</b>	<b>*</b>	<b>3,095,381</b>
<b>Debt Service Fund</b>															
Debt Service Aid	21-495-034-5120-075	7/1/20-6/30/21	536,989				536,989	536,989						*	536,989
<b>Total State Department of Education</b>				<b>(6,284,889)</b>	<b>-</b>	<b>-</b>	<b>91,048,999</b>	<b>92,041,954</b>	<b>115,360</b>	<b>(8,147,911)</b>	<b>985,427</b>	<b>-</b>	<b>-</b>	<b>*</b>	<b>(1,086,539)</b>
<b>State Department of Agriculture</b>															
<b>Food Service Enterprise Fund</b>															
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	28,602	(6,970)		6,970								*	-
State School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	76,370			57,706	76,370		(18,664)					*	(18,664)
<b>Total State Department of Agriculture</b>				<b>(6,970)</b>	<b>-</b>	<b>-</b>	<b>64,676</b>	<b>76,370</b>	<b>-</b>	<b>(18,664)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>*</b>	<b>(18,664)</b>
<b>Total State Assistance Subject to Single Audit Determination</b>				<b>\$ (6,291,859)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 91,113,675</b>	<b>\$ 92,118,324</b>	<b>\$ 115,360</b>	<b>\$ (8,166,575)</b>	<b>\$ 985,427</b>	<b>\$ -</b>	<b>\$ -</b>	<b>*</b>	<b>\$ (1,105,203)</b>
<b>Less: State Aid Not Subject to Single Audit and Major Program Determination</b>															
<b>Reimbursed TPAF Pension</b>															
Non-Contributory Insurance						(290,801)	(290,801)							*	-
Pension Contribution						(15,284,127)	(15,284,127)							*	-
Long Term Disability Insurance						(8,702)	(8,702)							*	-
Post Retirement Contribution						(4,880,940)	(4,880,940)							*	-
<b>Total State Assistance Subject to Major Program Determination</b>				<b>\$ (6,291,859)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70,649,105</b>	<b>\$ 71,653,754</b>	<b>\$ 115,360</b>	<b>\$ (8,166,575)</b>	<b>\$ 985,427</b>	<b>\$ -</b>	<b>\$ -</b>	<b>*</b>	<b>\$ -</b>

The Notes to the Schedules of Federal Awards and State Financial Assistance are an Integral Part of the Statement

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$36,575 for the general fund and a decrease of \$4,420,110 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	\$ 409,419	\$ 88,446,159	\$ 88,855,578
Special Revenue Fund	7,499,335	3,111,348	10,610,683
Debt Service Fund		536,989	536,989
Food Service Fund	<u>2,939,481</u>	<u>76,370</u>	<u>3,015,851</u>
Total Financial Assistance	<u>\$ 10,848,235</u>	<u>\$ 92,170,866</u>	<u>\$ 103,019,101</u>

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 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 \$4,238,758 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 \$15,574,928, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$4,880,940 and TPAF Long-Term Disability Insurance in the amount of \$8,702 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.

**NORTH BERGEN BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

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

**Federal Awards Section**

Internal Control over Major Programs:

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

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A200100</u>	<u>IDEA Basic</u>
<u>84.173</u>	<u>H173A200114</u>	<u>IDEA Preschool</u>
<u>84.010</u>	<u>S010A200030</u>	<u>Title I</u>
<u>84.010</u>	<u>S010A200030</u>	<u>Title I SIA</u>
<u>10.555</u>	<u>211NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>211NJ304N1099</u>	<u>School Breakfast Program</u>
<u>84.425D</u>	<u>S425D200027</u>	<u>Coronavirus Stabilization</u>
<u>21.019</u>		<u>Coronavirus Relief Fund</u>

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

Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no

**NORTH BERGEN BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Dollar threshold used to distinguish between Type A and Type B Programs \$ 2,149,613

Auditee qualified as low-risk auditee?  X  yes        no

Internal Control over Major Programs:

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

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

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

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

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
21-495-034-5120-078	Equalization Aid
21-495-034-5120-089	Special Education Aid
21-495-034-5120-084	Security Aid
21-495-034-5120-086	Preschool Education Aid
21-495-034-5094-003	Reimbursed TPAF Social Security

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

**NORTH BERGEN BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
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 FEDERAL AWARDS**

There are none.

**CURRENT YEAR STATE AWARDS**

**Finding 2021-001:**

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

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

**Information on the State Program**

State Aid Public

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084

**Criteria or Specific Requirement**

Verification of enrollments reported on the District's ASSA with the pupil counts on the District's workpapers.

**Condition**

The District's ASSA report was not in agreement with District workpapers.

**Questioned Costs**

Undetermined.

**NORTH BERGEN BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
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 (Continued)**

**Context**

Numerous exceptions were noted when comparing the amounts reported on the ASSA to the District's workpapers. (See Finding above).

**Effect**

Enrollment numbers for state aid calculations may be over(under) stated.

**Cause**

Unknown.

**Recommendation**

Internal procedures regarding the preparation of the ASSA be reviewed and enhanced to ensure all student counts are accurately reported.

**Management's Response**

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**NORTH BERGEN BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS  
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 Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.