

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

Northvale, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the
Northvale Board of Education
Northvale, New Jersey
For The Fiscal Year Ended June 30, 2022**

**Prepared by
Business Office**

**NORTHVALE BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION

Letter of Transmittal	i-xi
Organizational Chart	xii
Roster of Officials	xiii
Consultants and Advisors	xiv

FINANCIAL SECTION

Independent Auditor's Report	1-3
------------------------------	-----

REQUIRED SUPPLEMENTARY INFORMATION- PART I

Management's Discussion and Analysis	4-11
--------------------------------------	------

Basic Financial Statements

A. District-wide Financial Statements

A-1 Statement of Net Position	12
A-2 Statement of Activities	13

B. Fund Financial Statements

Governmental Funds

B-1 Balance Sheet	14-15
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	16
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statements	17

Proprietary Funds

B-4 Statement of Net Position	18
B-5 Statement of Revenues, Expenses, and Changes in Net Position	19
B-6 Statement of Cash Flows	20

Fiduciary Funds – Not Applicable

Notes to the Financial Statements	21-61
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**NORTHVALE BOARD OF EDUCATION
TABLE OF CONTENTS**

	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION - PART II	
C. Budgetary Comparison Schedules	
C-1 Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	62-68
C-2 Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual – Special Revenue Fund	69
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II	
C-3 Notes to Required Supplementary Information	70
REQUIRED SUPPLEMENTARY INFORMATION - PART III	
L. Schedules Related to Accounting and Reporting for Pensions and OPEB (GASB 68 and 75)	
L-1 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	71
L-2 Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	72
L-3 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	73
L-4 Notes to Required Supplementary Information	74
L-5 Required Supplementary Information – Schedule of the District’s Proportionate Share of Total OPEB Liability	75
L-6 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	76
OTHER SUPPLEMENTARY INFORMATION	
D. School Level Schedules – Not Applicable	
E. Special Revenue Fund	
E-1 Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	77
E-2 Schedule of Preschool Education Aid Expenditures – Budgetary Basis – Not Applicable	78
E-3 Schedule of Student Activity Receipts and Disbursements – Special Revenue Fund	78
F. Capital Projects Fund – Not Applicable	

**NORTHVALE BOARD OF EDUCATION
TABLE OF CONTENTS**

	<u>Page</u>
G. Proprietary Funds	
<i>Enterprise Fund – Not Applicable</i>	
H. Fiduciary Funds – Not Applicable	
I. Long-Term Debt	
I-1 Schedule of Serial Bonds	79
I-2 Schedule of Obligations Under Capital Financing Agreements	80
I-3 Debt Service Fund Budgetary Comparison Schedule	81
 J. STATISTICAL SECTION (Unaudited)	
Financial Trends	
J-1 Net Position by Component	82
J-2 Changes in Net Position	83-84
J-3 Fund Balances – Governmental Funds	85
J-4 Changes in Fund Balances – Governmental Funds	86
J-5 General Fund Other Local Revenues by Source	87
Revenue Capacity	
J-6 Assessed Value and Actual Value of Taxable Property	88
J-7 Property Tax Rates	89
J-8 Principal Property Taxpayers	90
J-9 Property Tax Levies and Collections	91
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	92
J-11 Ratios of Net General Bonded Debt Outstanding	93
J-12 Computation of Direct and Overlapping Outstanding Bonded Debt	94
J-13 Legal Debt Margin Information	95
Demographic and Economic Information	
J-14 Demographic Statistics	96
J-15 Principal Employers	97
Operating Information	
J-16 Full Time Equivalent District Employees by Function/Program	98
J-17 Operating Statistics	99
J-18 School Building Information	100
J-19 Schedule of Required Maintenance for School Facilities	101
J-20 Schedule of Insurance	102

**NORTHVALE BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

K. SINGLE AUDIT SECTION

K-1	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	103-104
K-2	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	105-107
K-3	Schedule of Expenditures of Federal Awards	108
K-4	Schedule of Expenditures of State Financial Assistance	109
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	110-111
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	112
K-6	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	113
K-6	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	114-115
K-7	Summary Schedule of Prior Year Findings	116

INTRODUCTORY SECTION

NORTHVALE PUBLIC SCHOOL DISTRICT

441 TAPPAN ROAD
NORTHVALE, NEW JERSEY 07647
201-768-8484 ext. 30230

Mr. Michael Pinajian
Superintendent

Mr. Louis B. Turco
Business Administrator/
Board Secretary

February 1, 2023

The Honorable President and Members
Of the Board of Education
Northvale Public School District
County of Bergen, New Jersey

Dear Board Members:

It is with pleasure that we submit the Annual Comprehensive Financial Report (ACFR) of the Northvale Public School District for the fiscal year ended June 30, 2022. This ACFR includes the district's basic financial statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the district. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections as follows:

- The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis and the Basic Financial Statements, including the Notes to the Financial Statements, providing an overview of the school district's financial position and operating results and supplementary schedules providing detailed budgetary information;
- The Statistical Section includes selected financial and demographic information, financial trends, and the fiscal capacity of the school district, generally presented on a multi-year basis;
- The Single Audit Section- The district was required to undergo an annual single audit in conformity with the provisions of the State Treasury Circular Letter NJ OMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Information related to this single audit, including the independent auditor's reports on the

internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES

The Northvale Public School District is an independent reporting entity within the criteria adopted by the GASB in codification section 2100. All funds of the district are included in this report. The Northvale Board of Education and its schools constitute the district's reporting entity.

The school district is comprised of the Northvale Public School (Grades K-8). The district continues to provide excellent educational opportunities for its students. Northvale offers students rigorous, stimulating, and diverse academic programs, delivered by an experienced and dedicated faculty.

The Northvale Public School District provides a full range of educational services appropriate for grade levels K through 8. These services include regular, as well as special education for handicapped youngsters. The district completed the 2021-2022 fiscal year with a total enrollment of 532 students, which represents a increase of 2.5% from the previous year's enrollment. The following chart details the changes in the average daily enrollment of the district over the last ten years.

Year End Enrollment

Fiscal Year	Year End Enrollment	Percent Change
2021-2022	532	2.5%
2020-2021	519	(1.5%)
2019-2020	527	2.5%
2018-2019	514	(0.8%)
2017-2018	518	(0.9%)
2016-2017	523	0.00%
2015-2016	523	1.75%
2014-2015	514	(2.1%)
2013-2014	525	(2.2%)
2012-2013	537	(5.8%)

Source: District Records

The administrative team for the Northvale Public School District consists of a Superintendent, Principal, and the School Business Administrator/Board Secretary.

School districts in New Jersey are legally classified as Type I or Type II. The Northvale Public School District is a Type II school district and one of sixty-four districts classified by the New Jersey Department of Education as operating under an organizational structure of Kindergarten through Eighth Grade. Northvale has an elected board of education. Trustees are elected for terms of three years. During its meetings, the board determines district goals and priorities and

conducts the business of the board of education. Board meetings are held monthly, open to the public and begin at 6:30P.M.

The Northvale Public School houses kindergarten through eighth grade students. Since students begin kindergarten at varying stages of developmental readiness, our primary grades' curriculum stresses listening, speaking, following directions, letters, sounds, sight words and word families, hand writing, and fine and gross motor activities.

The Northvale Public School Staff provides a quality education to students in kindergarten through eighth grade. Since students begin kindergarten at varying stages of developmental readiness, our primary grades' curriculum stresses listening, speaking, following directions, letters, sounds, sight words and word families, hand writing, and fine and gross motor activities. We utilize the Zaner-Bloser Handwriting Program at grades two and three. The Handwriting Without Tears Program continues to create very positive results at the kindergarten and first grade levels. Kindergarten begins an introduction to numbers 1-20, addition, subtraction, shape recognition, money, and time: clocks and calendars. Among many other things, the first year of school is about learning to get along in a group and how to develop the necessary skills for reading, as well as written expression.

In the first grade, our Language Arts program is literature-based and focuses on comprehension, decoding skills, and daily writing. Students use manipulatives as they learn basic concepts. Reasoning, problem solving and independence are stressed in all areas. Science and Social Studies focus on the students' immediate world.

In second grade, reading comprehension is a major goal. Students learn word analysis using phonetic and structural skills as well as parts of speech, punctuation, spelling and types of sentences. In Math, students learn place value, multiplication and division facts, and liquid and linear measurement. In Social Studies, students examine neighborhoods and communities in the United States. They learn about the world around them by studying maps, globes, and culture.

In third, fourth, and fifth grade multiplication and division are the focus of Math, and in Science, students study sound, energy, the solar system, simple machines, and the community of living things. In preparation for their transition to middle school, students are called upon to develop increasingly higher organizational skills such as time management, responsibility for work, and respect for people and their community. Throughout the elementary journey, students also develop their love for Art, Technology, Music, and Physical Education. They participate in many enriching activities and the Parent Teacher Organization sponsors a variety of assembly programs that reinforce the concepts being taught in all curricular areas.

At the sixth through eighth grade levels students travel to different classrooms for each subject area. In Math, the students continue to work with decimals, fractions and percentages, as well as expanding on traditional mathematic operations as they prepare for Pre-Algebra and Algebra in the seventh and eighth grades. In Science, they study geology, earth, life, and physical science. Sixth grade students and teachers take a three-day trip for a hands-on approach to outdoor-environmental education. Students in sixth grade Social Studies begin the year learning about the methods employed by archaeologists to uncover the past. From there, they travel through time examining human development, starting with early humans who were hunter and gatherers, and ending with the age of global encounters and the expansion of empires. Authentic tasks, performances, publications, interdisciplinary activities, and discussions of current events are incorporated throughout the year to extend learning beyond the classroom.

The historical focus of the seventh and eighth grade Social Studies classes is American History. Seventh grade topics include: Three Worlds Meet (Exploration), Colonization and Settlement, the American Revolution, and the Growth of the New Nation. Eighth grade topics include: Westward Expansion, the Antebellum Period, Civil War, Reconstruction, Overviews of World War I, the Interwar Period, and World War II. In seventh and eighth grade English Language Arts, students work towards the mastery of skills introduced in previous years. Continued grammar practice, sophisticated vocabulary units, and study skills strategies will be utilized to enhance student communication in both the public speaking arena and written works. Students also use short stories, novels, poetry, and mythology to identify the various elements of literature such as, setting, characters, conflict, point-of-view, theme, etc. Furthermore, students are developing and refining their reading comprehension, inferential thinking, vocabulary, and critical thinking skills. Our Board of Education has approved an annual class trip for students in each of our grade seven and eight classes. Our seventh grade takes a one-day trip to Philadelphia where they visit the Franklin Institute and various historical sites throughout the city. At the eighth grade level, students take a three-day trip to Boston.

Both students and staff enjoy a facility that is dedicated to the needs of students. We have one of the finest gymnasiums in the Northern Valley for Physical Education instruction, as well as both intramural and interscholastic programs. Our Art, Instrumental, and Vocal Music rooms are bright and spacious.

Source: Michael Pinajian, Superintendent

NORTHERN VALLEY REGIONAL OFFICE OF CURRICULUM AND INSTRUCTION

The Regional Office of Curriculum and Instruction was established in January 1961 because of the interest of school board members and school administrators in the region in improving the articulation of instructional programs among the sending elementary districts and the receiving regional high school district. Over the years, with substantial progress made in the areas of articulation and with the emergence of state mandated Thorough and Efficient requirements, the role of the Office has become increasingly significant in the areas of curriculum improvement, staff development, grant writing, and program assessment. The Office, commonly referred to as the Curriculum Center, provides an effective vehicle for educational planning, curriculum development, staff development, information services, evaluation services, as well as the administration, coordination, and supervision of regional projects.

The regional office is supported by the following school districts: Closter, Demarest, Harrington Park, Haworth, Northvale, Norwood, Old Tappan, and the Northern Valley Regional High School District. The High School District administers the funds and supervises the Office operations. Personnel of the Office includes the Director, Administrative Secretary, Associate Secretary, the Supervisor of Professional Learning, and two part-time Staff Developers.

The eight school districts served by the regional office include fourteen school buildings, fifty-four board members, over 500 professional educators, and more than 6,500 students. These districts have been commended by the New Jersey State Department of Education for their cooperative efforts to strengthen curriculum and instruction, and by NJASCD and NJEA for their work in the area of professional development.

Source: Northern Valley Regional Curriculum Office Website

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Source: Northern Valley Regional Curriculum Office Website

PARENT/FACULTY ORGANIZATIONS

A very active Parent Teachers Organization provides an extremely valuable source of support for our students. The PTO works well with school personnel and acts as partners in motivating our students and applauding their achievements.

During the 2021-22 school year the Northvale PTO organized and implemented a number of fund-raising activities. The following is a partial list of some of the activities and programs that they sponsored:

- ./ Cultural Arts Assemblies and Programs for all grade levels
- ./ Health and Safety Programs
- ./ Field Day
- ./ Scholastic Book Fairs
- ./ Winter and Spring Brunch
- ./ Daily Lunch Program for all students
- ./ Kids Holiday Shopping
- ./ Bingo Night
- ./ Movie Nights
- ./ Mother's Day Plant Sale
- ./ Trunk or Treat
- ./ Casino Night
- ./ Ice Cream Social
- ./ Spring Fling
- ./ Eight Grade Promotion Awards/Bonds

Besides the aforementioned activities, the PTO membership must be acknowledged for their exemplary volunteer spirit. Each day a dedicated parent work force gathers in the All Purpose Room to assist in serving lunch to students. Another generous program the PTO sponsors is the presentation of a \$1,000 certificate of deposit for the incoming kindergarten class.

Source: District Records

DISTRICT TECHNOLOGY PLAN

The state mandatory, Three-Year District Technology Plan was approved by the Northvale Board of Education and the Bergen County Coordinating Council. A multifaceted program continues to address the instructional goals of the District Three-Year Technology Plan by focusing on the effective use of the technology tools to enhance student learning and achievement. To that end, the district continues to implement the financial plan started in 2007, which allocates approximately \$50,000 per year for the lease and purchase of computer hardware, software, digital curricula, upgrades and other services including print media that will be needed to achieve the goals of the technology plan. It is expected that the funding for these initiatives will be through local sources and when available, federal and state funds will be sought.

The continued growth of the use of staff email and of our website contributes to our efforts to enhance communication with our community. Website pages support each instructional and non-instructional area of the school. Staff email and phone contact information is also readily available on the site, along with general descriptions of curricula and student expectations, summer reading requirements, Board of Education meeting agendas and minutes, as well as many other important district informational items. The district's Student Information System, *Genesis*, includes a robust parent portal called *Parent Access*. This portal allows parents to login at any time to view their child's attendance, grading, scheduling, and discipline records. The district no longer distributes the traditional report cards, but instead all parents are asked to view grading information via *Parent Access*, which also provides an easy link for parents to download a paper copy of these documents if they desire. Lastly, this parent portal includes a powerful email function allowing district and building administrators to email district parents directly with information on any building or district news and events. The district has implemented an employee portal where staff can access their paychecks and attendance information. All employees are paid via direct deposit and traditional paystubs are no longer issued. The Board of Education employs an approach called "*The Paperless Board Meeting*", whereby all trustees are issued a district laptop, and the traditional mailings are no longer mailed to their homes. Instead, BOE members log in on a secure web site to retrieve all documentation needed for the upcoming meeting. These laptops are used during the meetings as well for quick access to all pertinent agenda related materials.

Source: District Records

NORTHVALE CHILD STUDY TEAM

The Northvale School District provides the services of its Child Study Team to assist in the identification, evaluation, determination of eligibility, and development and monitoring of special education programs and placements.

The Child Study Team consists of a Supervisor of Special Education, a school psychologist, a learning disabilities teacher-consultant, a speech & language specialist and through shared services an occupational therapist and school social worker.

- The School Psychologist determines a child's intellectual and emotional functioning.
- The Learning Disabilities Teacher-Consultant assesses a child's academic levels, learning strengths and needs, and helps develop instructional strategies.
- The School Social Worker evaluates a child's developmental history and home environment, and acts as a liaison between the school, the home and the community.
- The Speech & Language Specialist assesses the child's communication abilities and provides services in the appropriate areas.
- The Occupational Therapist conducts weekly sessions with students who have been identified as needing an improvement in their fine motor skills and handwriting, as they relate to school-based functioning.
- Other specialists such as physicians, psychiatrists, neurologists, counselors, occupational therapists, physical therapists, and school nurses can be called upon, as needed, to assist in the evaluation and planning process.

The Child Study Team also provides preventative and support services to non-disabled students. Team members act as consultants to the general education staff regarding techniques, materials, and programs for students experiencing difficulties in learning.

A Child Study Team member is designated and serves as the case manager for each student with a disability. The case manager is knowledgeable regarding the student's educational needs and program. He/She coordinates the development, monitoring and evaluation of the effectiveness of the Individualized Education Program. The case manager helps facilitate communication between home and school and coordinates the annual review and reevaluation process.

Source: District Records

NORTHERN VALLEY REGIONAL OFFICE OF SPECIAL EDUCATION REGION III

Bergen County is comprised of more than 70 small municipalities. Most of the districts are unable to provide all of their various students who have special needs with a comprehensive educational program.

Responding to this the Bergen County Superintendents Council almost 25 years ago, divided and reorganized the county into seven regions for special education. Bergen County Region III is comprised of nine participating districts: Alpine, Closter, Demarest, Harrington Park, Haworth, Northern Valley Regional High School District, Northvale, Norwood, and Old Tappan.

Working jointly, the nine districts are pledged to develop and maintain high quality special education programs and classes, provide articulation among professionals, and deliver skilled consultation services through their Acting Region III Director. The Northern Valley Regional High School District serves as the legal educational agency for the Council.

Over 1000 students with various learning disabilities are provided with special education programs located within the nine participating school districts, other public school districts outside the Region, county-administered programs, and state approved private schools, both day and residential.

Each student receives a specific program as outlined in his/her Individual Education Plan (IEP). Students are placed in the least restrictive environment, which means the special education class or service that is most closely associated with the student's local, peer group.

In carrying out the functions of the Office of Special Education, Region III, the Director meets regularly with several organized groups: the Region III Superintendents Council, the Child Study Team Chairpersons, the Principals, the Region III Parent Advisory Group, and the Bergen County Regional Directors.

At these meetings common concerns, needs, regional projects, and other special education related matters are discussed and recommendations are made for approval. The Region also provides an articulated curriculum to maintain continuity in programs.

In response to state and federal laws, the Region maintains a committee whose function is to provide comprehensive personnel development for staff members who instruct and come in contact with handicapped students. The planning committee is comprised of teachers, both regular and special education, administrators, guidance counselors, parents of handicapped students, and community representatives.

Source: Northern Valley Office of Special Education Region III Website

2) ECONOMIC CONDITION AND OUTLOOK

While the nation continues to see strong economic growth, New Jersey is closing the gap but still underperforming, according to the Wells Fargo September 2018 *New Jersey Economic Outlook* report. New Jersey's slower pace in the economic recovery is due to the many challenges it continues to face including the continued loss of residents through out-migration, a shaky fiscal situation, and a housing market with a considerable number of delinquencies and foreclosures. However, the rate of real GDP growth is at the fastest since 2012 and unemployment rate is at the lowest since 2007, at 3.7%. Transportation and logistics have been propelling the progress in New Jersey with strong payroll growth, as well as the resurgence of manufacturing and life sciences. Meanwhile, the education and healthcare services sector accounted for 34% of all new jobs added over the past year.

New Jersey's budget and fiscal position continue to be an obstacle. The state was again ranked last amongst the 50 states for its long-run fiscal solvency by George Mason University's Marcatus Center. The rating is due to unfunded pension liabilities and budgets created under the new Governor, Phil Murphy. The budget increased corporate taxes to the second highest in the country and added a marginal tax on the state's most wealthy. In addition, the Tax Cuts and Jobs Act created under the Trump administration reduced the deductibility of state and local taxes (SALT deduction) to a maximum of \$10,000. This severely impacts many New Jersey homeowners, further contributing to the significant out-migration. Yet, the housing market

improves with a decrease in the average number of days on the market and an increase to the average selling price.

Overall, economic growth is expected to continue to improve in New Jersey over the next couple years. The states real GDP is expected to increase 3.1 percent this year which is up from the 1% pace in each of the prior three years and overall employment growth is now rising roughly in line with the nation. The continued growth will come from transportation, logistics, mixed use development in urban areas and healthcare and education. With Governor Phil Murphy making big changes in New Jersey, the economic future may be slightly unpredictable but remains hopeful.

Source: Wells Fargo New Jersey Economic Outlook: September 2018

3) MAJOR INITIATIVES

As in years past, a number of building maintenance projects were completed during the year. In general, the district buildings are well maintained. A program of preventive maintenance is in place. The comprehensive maintenance plan (CMP), which is approved by the Board each year, identifies a number of priority facility projects. Funding for these projects is included in the annual budget.

The district is very concerned about maintaining a safe and hazard free working environment for students and staff. Annual safety workshops were held for custodial and maintenance employees. This is part of the district's membership in North East Bergen Insurance Group in conjunction with Selective Insurance Co. In addition, all of the required annual and semi-annual health reports, inspections and public press releases, such as AHERA, Right to Know, Medical Waste Disposal, Fire Inspections, Life Hazard Registry, have been updated, completed and filed promptly. Arrangements have been made for administering blood borne pathogen training to new staff in accordance with district policy. All required health and safety certificates and employee notices are on file in each building.

4) INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the district are protected from loss, theft, or misuse. In addition, district administration must 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 system 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 awards, the district also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control including that portion related to major federal and state financial award

programs, as well as to determine that the district has complied with applicable laws and regulations, contracts and grants.

5) 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. Annual appropriated budgets are adopted for the general, special revenue, and the debt service funds. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30.

6) ACCOUNTING SYSTEMS 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 "Notes to the Financial Statements".

7) CASH MANAGEMENT

The investment policy of the district 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 in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) 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.

The Board is a member of the Northeast Bergen County School Board Insurance Group, ("NESBIG"). The NESBIG is a risk-sharing public entity risk fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to its members. Additional information on the NESBIG is included in the "Notes to the Financial Statements".

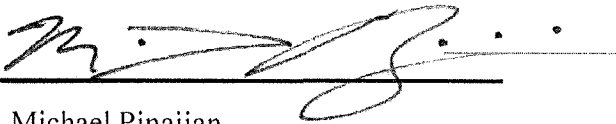
9) OTHER INFORMATION

The State of New Jersey statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Bliss, LLP, was selected by the Board to perform the audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the New Jersey OMB's Circular NJOMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and specific, required supplementary information is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

10) ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the Northvale Board of Education 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 our business office staff.

Respectfully submitted,



Mr. Michael Pinajian
Superintendent

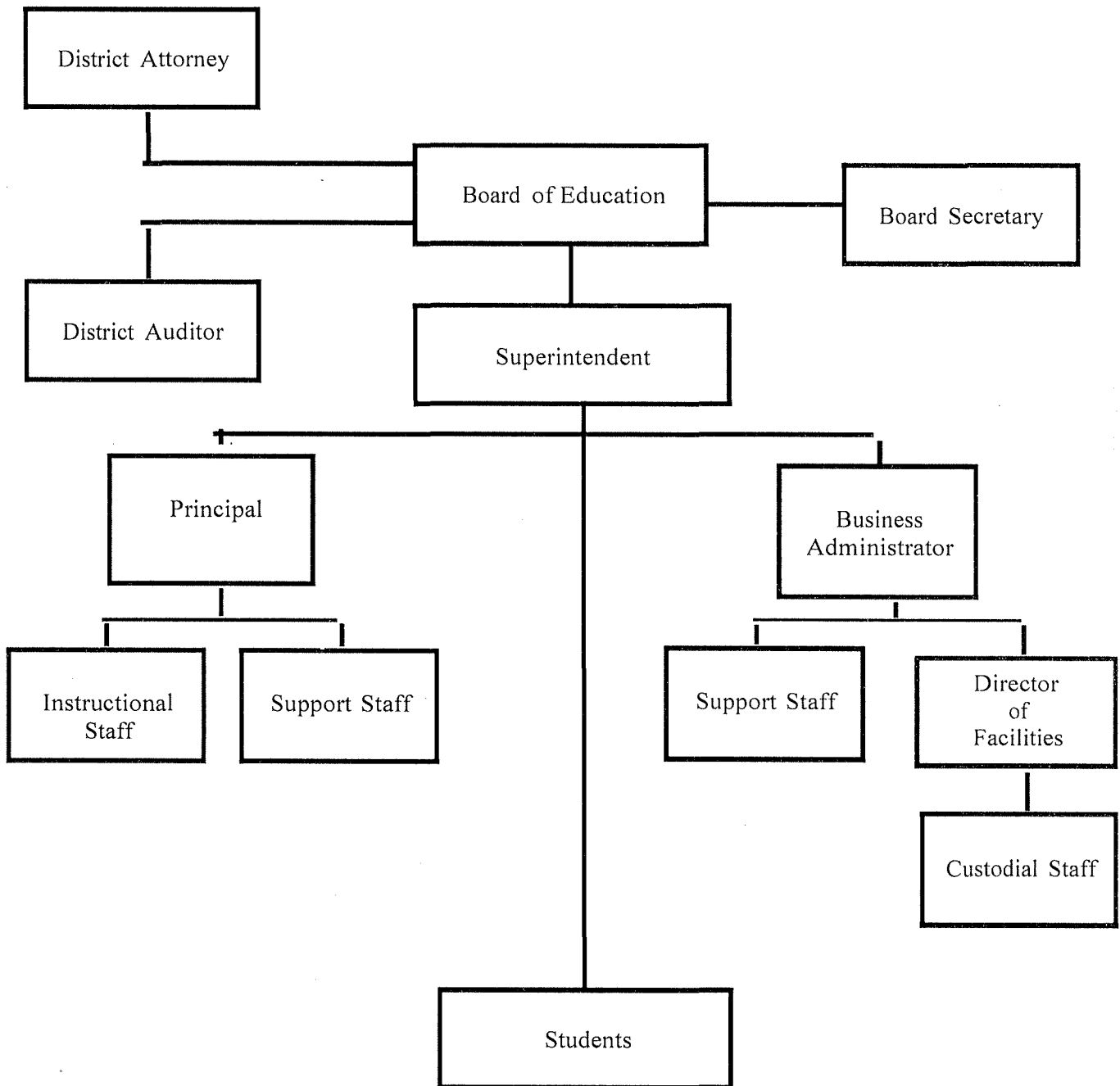


Mr. Louis B. Turco
Business Administrator/Board Secretary

NORTHVALE BOARD OF EDUCATION

ORGANIZATIONAL CHART

(UNIT CONTROL)



**NORTHVALE BOARD OF EDUCATION
NORTHVALE, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2022**

	Term Expires January
<u>Members of the Board of Education</u>	
Mrs. Jennifer Venditte, President	2024
Mrs. Jamie Corday, Vice President	2024
Mr. John Brigulio	2023
Mrs. Michele Marinuzzi	2025
Mrs. Nicole Cowley	2025

Other Officials

Mr. Michael Pinajian, Superintendent

Mr. Louis B. Turco, Business Administrator/Board Secretary

Nadine McGrath – Principal

Mr. Stephen R. Fogarty, Attorney

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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Northvale Board of Education
Northvale, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of the Northvale Board of Education, as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of the Northvale Board of Education as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Northvale Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Northvale Board of Education's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northvale Board of Education's basic financial statements. The schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Northvale Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

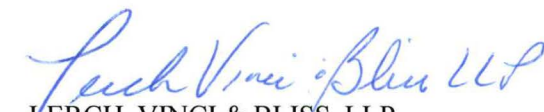
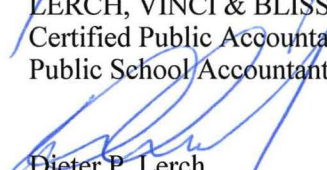
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 1, 2023 on our consideration of the Northvale 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 Northvale 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 Northvale Board of Education's internal control over financial reporting and compliance.


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

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
February 1, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

**NORTHVALE BOARD OF EDUCATION
NORTHVALE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2021-2022) and the prior year (2020-2021) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2022 are as follows:

- ◆ General revenues accounted for \$10,326,716 or 76% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,153,668 or 24% of total revenues of \$13,480,384.
- ◆ The school district had \$13,270,800 in expenses; only \$3,153,668 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$10,326,716 were adequate to provide for these programs.
- ◆ The General Fund had \$13,336,660 in revenues and other financial sources and \$13,449,684 in expenditures. The General Fund's fund balance decreased \$113,024 or 4% over the fiscal year ended June 30, 2021.

Using this Annual Comprehensive Financial Report (ACFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Northvale Board of Education as a financial whole; an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole school district, presenting both an aggregate view of the school district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Northvale Board of Education, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the school district to provide programs and activities, the view of the school district as a whole look at all financial transactions and asks the question, “How did we do financially during the fiscal year ending June 30, 2022?” The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets, liabilities and deferred outflows/inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the school district’s net position and changes in net position. This change in net position is important because it tells the reader that, for the school district as a whole, if the financial position of the school district has improved or diminished. The cause of this change may be the result of many factors, some financial, and some not. Non-financial factors include the school district’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the school district is divided into two distinct kinds of activities:

- ◆ Governmental Activities – All of the school district’s programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business-type activity.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the school district’s major funds. The school district uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the school district’s most significant funds. The school district’s major governmental funds are the General, Special Revenue and Debt Service Funds.

Governmental Funds

The school district’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the school district’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Reporting the School District's Most Significant Funds (Continued)

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the school district as a whole.

Table 1 provides a summary of the school district's net position as of June 30, 2022 and 2021.

**Table 1
Net Position**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Types</u>		<u>Activities</u>			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets						
Current and other assets	\$ 3,549,004	\$ 3,282,044	\$ 965	\$ 2,225	\$ 3,549,969	\$ 3,284,269
Capital assets, net	8,148,362	8,521,223	-	-	8,148,362	8,521,223
Total Assets	11,697,366	11,803,267	965	2,225	11,698,331	11,805,492
Deferred Outflows of Resources						
Deferred Amount on Refunding of Debt		1,387			-	1,387
Deferred Amount on Net Pension Liability	94,362	229,144	-	-	94,362	229,144
Total Deferred Outflows of Resources	94,362	230,531	-	-	94,362	230,531
Total Assets and Deferred Outflows of Resources	11,791,728	12,033,798	965	2,225	11,792,693	12,036,023
Liabilities						
Long-term liabilities	1,293,018	1,991,438			1,293,018	1,991,438
Other liabilities	445,796	194,050	-	-	445,796	194,050
Total Liabilities	1,738,814	2,185,488	-	-	1,738,814	2,185,488
Deferred Inflows of Resources						
Deferred Amount on Net Pension Liability	861,246	867,486	-	-	861,246	867,486
Total Deferred Inflows of Resources	861,246	867,486	-	-	861,246	867,486
Total Liabilities and Deferred Inflows of Resources	2,600,060	3,052,974	-	-	2,600,060	3,052,974
Net Position						
Net Investment in Capital Assets	8,011,588	8,157,813			8,011,588	8,157,813
Restricted	1,693,501	1,681,387			1,693,501	1,681,387
Unrestricted	(513,421)	(858,376)	965	2,225	(512,456)	(856,151)
Total Net Position	\$ 9,191,668	\$ 8,980,824	\$ 965	\$ 2,225	\$ 9,192,633	\$ 8,983,049

The School District as a Whole (Continued)

Table 2 shows the changes in net position for fiscal years ended June 30, 2022 and 2021.

**Table 2
Changes in Net Position**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Types</u>		<u>Activities</u>			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program revenues						
Charges for services	\$ 331,927	\$ 275,880	\$ 7,431		\$ 339,358	\$ 275,880
Operating grants and contributions	2,814,310	4,232,494			2,814,310	4,232,494
General revenues						
Property Taxes	10,207,165	10,119,525			10,207,165	10,119,525
Grants and entitlements	89,194	49,387			89,194	49,387
Other revenues	30,357	49,854	-	-	30,357	49,854
Total revenues	13,472,953	14,727,140	7,431	-	13,480,384	14,727,140
Program Expenses						
Instruction	8,668,161	9,695,330			8,668,161	9,695,330
Support services						
Student and Instruction Related Svcs.	2,384,501	2,434,379			2,384,501	2,434,379
General administration, school administration, business/central services	1,113,898	1,353,109			1,113,898	1,353,109
Plant operation and Maintenance	869,764	858,378			869,764	858,378
Pupil Transportation	216,423	118,364			216,423	118,364
Interest and Other charges	9,362	30,840			9,362	30,840
Food service	-	-	\$ 8,691	\$ 2,540	8,691	2,540
Total expenses	13,262,109	14,490,400	8,691	2,540	13,270,800	14,492,940
Change in net position before transfers	210,844	236,740	(1,260)	(2,540)	209,584	234,200
Change in net position	210,844	236,740	(1,260)	(2,540)	209,584	234,200
Net Position, Beginning of Year	8,980,824	8,744,084	2,225	4,765	8,983,049	8,748,849
Prior Period Adjustment	-	-	-	-	-	-
Net Position, End of Year	\$ 9,191,668	\$ 8,980,824	\$ 965	\$ 2,225	\$ 9,192,633	\$ 8,983,049

Governmental Activities

The district's total revenues were \$13,472,953 and \$14,727,140 for the fiscal years ended June 30, 2022 and 2021, respectively. Property taxes made up 76% and 69 of revenues for governmental activities for the Northvale School District for fiscal years ended June 30, 2022 and 2021, respectively. Federal, state and local grants and aid accounted for another 21% and 29% for fiscal years ended June 30, 2022 and 2021, respectively. Charges for services and other revenues accounted for 3% and 2% of revenues for the years ended June 30, 2022 and 2021, respectively.

The total cost of all program and services were \$13,262,109 and \$14,490,400, respectively. Instruction comprised 65% and 67% of total district expenses for the fiscal years ended June 30, 2022 and 2021, respectively.

The School District as a Whole (Continued)

Business-Type Activities

Revenues for the district's business-type activities (food service program) were comprised of charges for services.

- ◆ Food service expenses exceeded revenues by \$1,260 for the year ended June 30, 2022.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for the fiscal years ended June 30, 2022 and 2021. The net cost shows the financial burden that was placed on the district's taxpayers by each of these functions.

Table 3

	Total Cost of Services		Net Cost of Services	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Instruction	\$ 8,668,161	\$ 9,695,330	\$ 5,955,565	\$ 5,818,949
Support services				
Student and Instruction Related Svcs.	2,384,501	2,434,379	2,214,508	2,204,104
General administration, school administration, business/central services	1,113,898	1,353,109	938,103	1,048,531
Plant operation and Maintenance	869,764	858,378	817,537	787,725
Pupil Transportation	216,423	118,364	180,797	91,877
Interest and Other charges	<u>9,362</u>	<u>30,840</u>	<u>9,362</u>	<u>30,840</u>
 Total Expenses	 <u>\$ 13,262,109</u>	 <u>\$ 14,490,400</u>	 <u>\$ 10,115,872</u>	 <u>\$ 9,982,026</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Student and instruction related services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business/central services include expenses associated with administrative and financial supervision of the district.

Plant operation and maintenance activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Interest and other charges involve the transactions associated with the payment of interest and other related charges to debt of the school district.

The School District as a Whole (Continued)

Governmental Activities (Continued)

The School District's Funds

These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general, special revenue and debt service funds presented in the fund-based statements) had total revenues of \$13,933,796 and \$13,329,497 and expenditures of \$14,035,486 and \$13,416,892 for the fiscal years ended June 30, 2022 and 2021, respectively. The net change in all fund balances for the year was a decrease of \$101,690. The revenue increase of \$604,299 is mainly the result of an increase in property taxes and state aid. Expenditures increased \$618,594 mainly as of the net result of increases in instruction, support services, undistributed costs, capital outlay and principal on debt and a decrease in interest on debt.

As demonstrated by the various statements and schedules included in the financial section of this report, the district continues to meet its responsibility for sound financial management. The following schedule presents a summary of the governmental funds revenues for the fiscal years ended June 30, 2022 and 2021.

	Year Ended <u>June 30, 2022</u>	Year Ended <u>June 30, 2021</u>	Increase/ (Decrease)	Percent Increase (Decrease)
Local Sources	\$ 10,571,440	\$ 10,488,977	\$ 82,463	0.79%
State Sources	3,220,152	2,647,149	573,003	21.65%
Federal Sources	<u>142,204</u>	<u>193,371</u>	<u>(51,167)</u>	-26.46%
Total Revenues	<u>\$ 13,933,796</u>	<u>\$ 13,329,497</u>	<u>\$ 604,299</u>	4.53%

The following schedule presents a summary of the governmental funds expenditures for the fiscal years ended June 30, 2022 and 2021.

	Year Ended <u>June 30, 2022</u>	Year Ended <u>June 30, 2021</u>	Increase/ (Decrease)	Percent Increase (Decrease)
Current:				
Instruction	\$ 9,219,444	\$ 8,395,443	\$ 824,001	9.81%
Support Services and Undistributed Costs	4,334,558	4,317,447	17,111	0.40%
Capital Outlay	128,581	211,282	(82,701)	-39.14%
Debt Service:				
Principal	332,650	453,580	(120,930)	-26.66%
Interest and Other Charges	<u>20,253</u>	<u>39,140</u>	<u>(18,887)</u>	-48.25%
Total Expenditures	<u>\$ 14,035,486</u>	<u>\$ 13,416,892</u>	<u>\$ 618,594</u>	4.61%

General Fund Budgeting Highlights

The school district's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year ended June 30, 2022, the school district amended its General Fund budget as needed. The school district uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

Capital Assets

As of June 30, 2022 and 2021, the governmental activities of the school district had \$16,935,663 and \$16,807,082, respectively; invested in land, construction in progress, land improvements, building and building improvements, and machinery and equipment. Table 4 shows fiscal 2022 balances compared to 2021 net of depreciation.

Table 4
Capital Assets

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Land	\$ 474,330	\$ 474,330
Land Improvements	939,349	939,349
Buildings and Building Improvements	13,881,042	13,864,199
Machinery and Equipment	<u>1,640,942</u>	<u>1,529,204</u>
	16,935,663	16,807,082
Less Accumulated Depreciation	<u>(8,787,301)</u>	<u>(8,285,859)</u>
Total	<u>\$ 8,148,362</u>	<u>\$ 8,521,223</u>

Overall capital assets, net of depreciation decreased \$372,861 from fiscal year 2021 to fiscal year 2022 as a result of current year depreciation exceeding capital outlay additions.

Debt Administration

At June 30, 2022 and 2021, the school district had \$1,293,018 and \$1,991,438 in outstanding liabilities, respectively. Of this amount \$144,920 and \$177,840 is for compensated absences and \$0 and \$317,111 for bonds including unamortized original issue premiums for school construction and \$136,774 and \$47,686 is for capital leases and \$1,011,324 and \$1,448,801 is for net pension liability, as of June 30, 2022 and 2021, respectively.

At June 30, 2022, the school district's overall legal debt margin was \$30,138,621 and the unutilized debt margin was \$30,138,621. Following is a listing of the bond issues for which the district is currently paying debt service.

Debt Administration (Continued)

	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Balance, June 30, 2022</u>	<u>Balance, June 30, 2021</u>
Refunding School Bonds	5-14-10	3,140,000	-	\$ 310,000
			<u>\$ -</u>	<u>\$ 310,000</u>

FACTORS BEARING ON THE DISTRICT’S ECONOMIC FUTURE

The board and the administration have had discussions on how existing circumstances could affect the future financial health of the school district. The following examples may have an impact and affect the financial operation in the future:

1. The slow economic recovery in our state has generated concern in the educational community for public school funding.
2. Future challenges for the financial planning to continue the expansion and renovation of the Northvale School District to meet enrollment and curriculum demands.

Contacting the District’s Financial Management

This financial report is designed to provide the district’s 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 financial information, contact the Northvale Board of Education Office located at 441 Tappan Road, Northvale, New Jersey.

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 3,444,302	\$ 965	\$ 3,445,267
Receivables, net			
Receivables from Other Governments	19,552		19,552
Other	85,150		85,150
Capital Assets, net			
Not Being Depreciated	474,330		474,330
Being Depreciated	<u>7,674,032</u>	<u>-</u>	<u>7,674,032</u>
Total Assets	<u>11,697,366</u>	<u>965</u>	<u>11,698,331</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	<u>94,362</u>	<u>-</u>	<u>94,362</u>
Total Deferred Outflows of Resources	<u>94,362</u>	<u>-</u>	<u>94,362</u>
Total Assets and Deferred Outflows of Resources	<u>11,791,728</u>	<u>965</u>	<u>11,792,693</u>
LIABILITIES			
Accounts Payable and Other Liabilities	69,534		69,534
Payroll Deductions and Withholdings Payable	172,762		172,762
Unearned Revenue	203,500		203,500
Noncurrent Liabilities			
Due Within One Year	32,281		32,281
Due Beyond One Year	<u>1,260,737</u>	<u>-</u>	<u>1,260,737</u>
Total Liabilities	<u>1,738,814</u>	<u>-</u>	<u>1,738,814</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	<u>861,246</u>	<u>-</u>	<u>861,246</u>
Total Deferred Inflows of Resources	<u>861,246</u>	<u>-</u>	<u>861,246</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,600,060</u>	<u>-</u>	<u>2,600,060</u>
NET POSITION			
Net Investment in Capital Assets	8,011,588		8,011,588
Restricted for:			
Capital Projects	1,253,509		1,253,509
Other Purposes	439,992		439,992
Unrestricted	<u>(513,421)</u>	<u>965</u>	<u>(512,456)</u>
Total Net Position	<u>\$ 9,191,668</u>	<u>\$ 965</u>	<u>\$ 9,192,633</u>

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

**NORTHVALE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 5,043,309	\$ 204,486	\$ 1,137,067		\$ (3,701,756)		\$ (3,701,756)
Special Education	3,295,647		1,144,854		(2,150,793)		(2,150,793)
Other Instruction	84,115		71,444		(12,671)		(12,671)
School Sponsored Activities and Athletics	245,090	127,441	27,304		(90,345)		(90,345)
Support Services							
Student and Instruction Related Services	2,384,501		169,993		(2,214,508)		(2,214,508)
General Administration Services	557,356		82,233		(475,123)		(475,123)
School Administration Services	124,070		4,435		(119,635)		(119,635)
Business/Central Services	432,472		64,749		(367,723)		(367,723)
Plant Operations and Maintenance	869,764		86,726		(783,038)		(783,038)
Pupil Transportation	216,423		25,505		(190,918)		(190,918)
Interest and Other Charges	9,362	-	-	-	(9,362)	-	(9,362)
Total Governmental Activities	13,262,109	331,927	2,814,310	-	(10,115,872)	-	(10,115,872)
Business-Type Activities							
Food Service	8,691	7,431	-	-	-	\$ (1,260)	(1,260)
Total Business-Type Activities	8,691	7,431	-	-	-	(1,260)	(1,260)
Total Primary Government	\$ 13,270,800	\$ 339,358	\$ 2,814,310	\$ -	(10,115,872)	(1,260)	(10,117,132)
General Revenues							
Property Taxes:							
Levied for General Purposes					9,881,665		9,881,665
Levied for Debt Service					325,500		325,500
Investment Earnings					4,427		4,427
State Aid - Unrestricted					89,194		89,194
Miscellaneous Income					25,930		25,930
Total General Revenues					10,326,716	-	10,326,716
Change in Net Position					210,844	(1,260)	209,584
Net Position, Beginning of Year					8,980,824	2,225	8,983,049
Net Position, End of Year					\$ 9,191,668	\$ 965	\$ 9,192,633

FUND FINANCIAL STATEMENTS

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 3,208,494	\$ 235,807	\$ 1	\$ 3,444,302
Receivables				
Intergovernmental	19,552			19,552
Intergovernmental - Other	84,118	1,032	-	85,150
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 3,312,164</u>	<u>\$ 236,839</u>	<u>\$ 1</u>	<u>\$ 3,549,004</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable and Other Liabilities	\$ 69,534			\$ 69,534
Payroll Deductions and Withholdings Payable	172,762			172,762
Unearned Revenue	-	\$ 203,500	-	203,500
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>242,296</u>	<u>203,500</u>	<u>-</u>	<u>445,796</u>
Fund Balances				
Restricted Fund Balance				
Capital Reserve	1,253,509			1,253,509
Maintenance Reserve	380,152			380,152
Maintenance Reserve - Designated for Subsequent Years Expenditures	26,500			26,500
Emergency Reserve	219,441			219,441
Excess Surplus	637,483			637,483
Excess Surplus - Designated for Subsequent Years Expenditures	129,886			129,886
Debt Service			\$ 1	1
Student Activities		33,339		33,339
Assigned				
Year-End Encumbrances	20,204			20,204
Designated for Subsequent Year's Expenditures	259,204			259,204
Unassigned				
General Fund	143,489	-	-	143,489
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>3,069,868</u>	<u>33,339</u>	<u>1</u>	<u>3,103,208</u>
Total Liabilities and Fund Balances	<u>\$ 3,312,164</u>	<u>\$ 236,839</u>	<u>\$ 1</u>	<u>\$ 3,549,004</u>

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

Total Fund Balances (Exhibit B-1)	\$	3,103,208
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$16,935,663 and the accumulated depreciation is \$8,787,301.</p>		8,148,362
<p>Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.</p>		
Deferred Outflows of Resources	\$	94,362
Deferred Inflows of Resources		<u>(861,246)</u>
		(766,884)
<p>Long-term liabilities, including bonds payable, capital leases, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>		
Capital Financing Agreements Payable		(136,774)
Compensated Absences Payable		(144,920)
Net Pension Liability		<u>(1,011,324)</u>
		<u>(1,293,018)</u>
Net position of governmental activities	\$	<u>9,191,668</u>

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

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES				
Local Sources				
Property Tax Levy	\$ 9,881,665		\$ 325,500	\$ 10,207,165
Tuition	204,486			204,486
Interest	4,427			4,427
Miscellaneous	25,930	\$ 129,432	-	155,362
Total - Local Sources	<u>10,116,508</u>	<u>129,432</u>	<u>325,500</u>	<u>10,571,440</u>
State Sources	3,220,152			3,220,152
Federal Sources	-	142,204	-	142,204
Total Revenues	<u>13,336,660</u>	<u>271,636</u>	<u>325,500</u>	<u>13,933,796</u>
EXPENDITURES				
Current				
Regular Instruction	5,263,946	1,991		5,265,937
Special Education Instruction	3,248,961	135,954		3,384,915
Other Instruction	318,438			318,438
School-Sponsored Activities and Athletics	134,047	116,107		250,154
Support Services				
Student and Instruction Related Services	2,124,814	6,250		2,131,064
General Administration Services	571,025			571,025
School Administration Services	122,830			122,830
Business/Central Services	431,661			431,661
Plant Operations and Maintenance	861,925			861,925
Pupil Transportation	216,053			216,053
Debt Service				
Principal	22,650		310,000	332,650
Interest and Other Charges	4,753		15,500	20,253
Capital Outlay	128,581	-	-	128,581
Total Expenditures	<u>13,449,684</u>	<u>260,302</u>	<u>325,500</u>	<u>14,035,486</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(113,024)</u>	<u>11,334</u>	<u>-</u>	<u>(101,690)</u>
OTHER FINANCING SOURCES (USES)				
Capital Lease Proceeds (Non-Budget)	111,738	-	-	111,738
Total Other Financing Sources and (Uses)	<u>111,738</u>	<u>-</u>	<u>-</u>	<u>111,738</u>
Net Change in Fund Balances	(1,286)	11,334	-	10,048
Fund Balance, Beginning of Year	<u>3,071,154</u>	<u>22,005</u>	<u>1</u>	<u>3,093,160</u>
Fund Balance, End of Year	<u>\$ 3,069,868</u>	<u>\$ 33,339</u>	<u>\$ 1</u>	<u>\$ 3,103,208</u>

**NORTHVALE BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 10,048

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.

Capital Outlay	\$ 128,581	
Depreciation Expense	<u>(501,442)</u>	(372,861)

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

Decrease in Compensated Absences	32,920	
Decrease in Pension Expense	<u>308,934</u>	341,854

The Issuance of Long Term Debt (e.g. bonds, leases) provides current financial resources to governmental funds while the repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities. Additionally, governmental funds report the premiums, discounts and similar items when the debt is issued, whereas these amounts are deferred and amortized in the statement of activities:

Debt Issued		
Capital Financing Agreement Proceeds	(111,738)	
Principal Repayments		
Bonds Payable	310,000	
Capital Financing Agreements Paid	<u>22,650</u>	220,912

Governmental Funds report the effect of costs pertaining to bonds issued when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Deferred Amount on Refunding on Debt	(1,387)	
Original Issuance Premium	<u>7,111</u>	5,724

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in accrued interest		<u>5,167</u>
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Change in net position of governmental activities (Exhibit A-2) **\$ 210,844**

**NORTHVALE BOARD OF EDUCATION
 PROPRIETARY FUND
 ENTERPRISE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2022**

	Non-Major Enterprise Fund <u>Totals</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ <u>965</u>
Total Current Assets	<u>965</u>
Capital Assets	
Equipment	3,078
Less: Accumulated Depreciation	<u>(3,078)</u>
Total Capital Assets	<u>-</u>
Total Assets	<u>965</u>
NET POSITION	
Unrestricted	<u>965</u>
Total Net Position	<u><u>\$ 965</u></u>

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

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

	Non-Major Enterprise Fund <u>Totals</u>
OPERATING REVENUES	
Charges for Services	7,431
Total Operating Revenues	\$ <u>7,431</u>
OPERATING EXPENSES	
Other	<u>8,691</u>
Total Operating Expenses	<u>8,691</u>
Operating Income (Loss)	<u>(1,260)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(1,260)</u>
Change in Net Position	(1,260)
Net Position, Beginning of Year	<u>2,225</u>
Net Position, End of Year	<u>\$ 965</u>

**NORTHVALE BOARD OF EDUCATION
 PROPRIETARY FUND
 ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Non-Major Enterprise Fund <u>Totals</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 7,431
Cash Payments to Suppliers for Goods and Services	<u>(8,691)</u>
Net Cash Used for Operating Activities	<u>(1,260)</u>
Net Decrease in Cash and Cash Equivalents	(1,260)
Cash and Cash Equivalents, Beginning of Year	<u>2,225</u>
Cash and Cash Equivalents, End of Year	<u>\$ 965</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities	
Operating Income (Loss)	<u>\$ (1,260)</u>
Net Cash Used for Operating Activities	<u>\$ (1,260)</u>

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Northvale 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 five, elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade eight (8) 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/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools to the Board.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the 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 Northvale Board of Education this includes general operations, food service and student related activities of the District.

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

B. New Accounting Standards

During fiscal year 2022, the District adopted the following GASB statements:

- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

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

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB Statement No. 99, *Omnibus 2022*, the section applicable to the District will be effective beginning with the fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

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 does not have any Fiduciary Funds.

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs, student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards..

The *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 non 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 milk to students.

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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. 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>
Land Improvements	50
Buildings and Building Improvements	20-50
Machinery and Equipment	5-20

5. Deferred Outflows/Inflows of Resources

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused personal, and sick leave benefits. A long-term liability of accumulated 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. A liability is reported in the governmental funds for future employee resignations and retirements.

7. 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.

8. Financing Agreements

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

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

9. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

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

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

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education. (See Note 2D).

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2022 audited excess surplus that is required to be appropriated in the 2023/2034 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that was appropriated in the 2022/2023 original budget certified for taxes.

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Net Position/Fund Balance (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.

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

Designed for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2022/2023 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.

11. *Fund Balance Policies*

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

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

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided and 2) operating 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2020-2021 and 2021-2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. 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 required to be voted upon at the annual school election held on the third Tuesday in April. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2021/2022. Also, during 2021/2022 the Board increased the original General Fund budget by \$256,203. The increase was funded by the reappropriation of prior year general fund encumbrances and the appropriation of Extraordinary Aid. The Special Revenue Fund original budget was increased by \$24,045. The increase was funded by grant awards and co-curricular activities funds.

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. Capital Reserve

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

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

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

Balance, July 1, 2021	\$ 1,252,729
Increased by	
Interest Earned	<u>780</u>
Balance, June 30, 2022	<u>\$ 1,253,509</u>

The June 30, 2022 LRFP balance of local support costs of uncompleted capital projects is \$810,593,800. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve

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

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

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

Balance, July 1, 2021	\$ <u>406,652</u>
Balance, June 30, 2022	\$ <u>406,652</u>

The June 30, 2022 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$406,652. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. \$26,500 of the maintenance reserve balances at June 30, 2022 was designated and appropriated for use in the 2022/2023 original budget certified for taxes.

D. Emergency Reserve

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

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

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

Balance, July 1, 2021	\$ <u>219,441</u>
Balance, June 30, 2022	\$ <u>219,441</u>

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. 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, 2022 is \$767,369. Of this amount, \$129,886 was designated and appropriated in the 2022/2023 original budget certified for taxes and the remaining amount of \$637,483 will be appropriated in the 2023/2024 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2022, the book value of the Board's deposits were \$3,445,267 and bank and brokerage firm balances of the Board’s deposits amounted to \$3,575,808. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” are categorized as:

Depository Account

Insured	\$	3,401,986
Uninsured and Collateralized		173,822
	\$	3,575,808

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2022 none of the Board’s bank balances were exposed to custodial credit risk.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	\$ <u>173,822</u>
	\$ <u>173,822</u>

Investments

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

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

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

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

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

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Receivables:			
Intergovernmental-			-
State	\$ 19,552	-	\$ 19,552
Other	<u>84,118</u>	<u>\$ 1,032</u>	<u>85,150</u>
	103,670	1,032	104,702
 Gross Receivables			-
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>
 Net Total Receivables	<u>\$ 103,670</u>	<u>\$ 1,032</u>	<u>\$ 104,702</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	<u>\$ 203,500</u>
 Total Deferred Revenue for Governmental Funds	<u>\$ 203,500</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	Balance <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2022</u>
Governmental activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 474,330	-	-	\$ 474,330
Total Capital Assets, Not Being Depreciated	<u>474,330</u>	<u>-</u>	<u>-</u>	<u>474,330</u>
Capital Assets, Being Depreciated:				
Land Improvements	939,349			939,349
Buildings and Building Improvements	13,864,199	\$ 16,843		13,881,042
Machinery and Equipment	<u>1,529,204</u>	<u>111,738</u>	\$ -	<u>1,640,942</u>
Total Capital Assets Being Depreciated	<u>16,332,752</u>	<u>128,581</u>	<u>-</u>	<u>16,461,333</u>
Less Accumulated Depreciation for:				
Land Improvements	(416,146)	(38,423)		(454,569)
Buildings and Building Improvements	(6,721,337)	(382,375)		(7,103,712)
Machinery and Equipment	<u>(1,148,376)</u>	<u>(80,644)</u>	-	<u>(1,229,020)</u>
Total Accumulated Depreciation	<u>(8,285,859)</u>	<u>(501,442)</u>	<u>-</u>	<u>(8,787,301)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,046,893</u>	<u>(372,861)</u>	<u>-</u>	<u>7,674,032</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,521,223</u>	<u>\$ (372,861)</u>	<u>\$ -</u>	<u>\$ 8,148,362</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance July 1, 2021	Increases	Decreases	Balance, June 30, 2022
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 3,078	-	-	\$ 3,078
Total Capital Assets Being Depreciated	<u>3,078</u>	<u>-</u>	<u>-</u>	<u>3,078</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(3,078)	\$ -	-	(3,078)
Total Accumulated Depreciation	<u>(3,078)</u>	<u>-</u>	<u>-</u>	<u>(3,078)</u>
Total Capital Assets, Being Depreciated, Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-Type Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Governmental activities:	
Instruction	
Regular	\$ 226,401
Special Education	90,720
Other	14,250
School Sponsored Activities and Athletics	<u>5,446</u>
Total Instruction	<u>336,817</u>
Support Services	
Student and Instruction Related Services	103,095
General Administration	21,073
School Administration	2,793
Business / Central Services	19,171
Plant Operation and Maintenance	17,659
Student Transportation	834
Total Support Services	<u>164,625</u>
Total Governmental Funds	<u>501,442</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 501,442</u>
Business-Type Activities:	
Food Service Fund	<u>\$ -</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ -</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Financing Agreements

Capital Financing Agreements

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

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

\$57,266, fiscal year 2020 Agreement for the acquisition of copiers for a term of 5 years due in annual installments of \$12,780 through July, 2025	\$ 36,786
\$111,738, fiscal year 2022 Agreement for the acquisition of a surveillance system of 5 years due in annual installments of \$25,067 through November, 2026	<u>99,988</u>
Total	<u>\$ 136,774</u>

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Capital Agreements</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 32,281	\$ 5,567
2024	33,777	4,070
2025	35,343	2,505
2026	25,958	1,171
2027	<u>10,415</u>	<u>118</u>
Total	<u>\$ 137,774</u>	<u>\$ 13,431</u>

Statutory Borrowing Power

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

3% of Equalized Valuation Basis (Municipal)	\$ 30,138,621
Less: Net Debt	<u>-</u>
Remaining Borrowing Power	<u>\$ 30,138,621</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Other Long-Term Liabilities

Changes in Long-Term Liabilities

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

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 310,000		\$ 310,000		
Original Issue Premium	<u>7,111</u>	<u>-</u>	<u>7,111</u>	<u>-</u>	<u>-</u>
	317,111	-	317,111	-	-
Capital Leases	47,686	\$ 111,738	22,650	\$ 136,774	\$ 32,281
Compensated Absences	177,840		32,920	144,920	
Net Pension Liability	<u>1,448,801</u>	<u>-</u>	<u>437,477</u>	<u>1,011,324</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 1,991,438</u>	<u>\$ 111,738</u>	<u>\$ 810,158</u>	<u>\$ 1,293,018</u>	<u>\$ 32,281</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against various risks.

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

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

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

NESBIG 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 Group 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.

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 funded¹ by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2022, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

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

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

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

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

Actuarial Methods and Assumptions

In the July 1, 2020 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2022.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2022 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2022, 2021 and 2020 were equal to the required contributions.

During the fiscal years ended June 30, 2021, 2021 and 2020 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2022	\$ 99,977	\$ 1,706,503	\$ 15,578
2021	97,190	1,176,387	13,164
2020	92,485	920,181	14,988

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2022, 2021 and 2020 the District contributed \$0, \$0 and \$680, respectively for PERS and the State contributed \$538, \$661 and \$929, 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 \$375,615 during the fiscal year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2020 through June 30, 2021. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2021 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2021.

At June 30, 2022, the District reported in the statement of net position (accrual basis) a liability of \$1,011,324 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2021. At June 30, 2021, the District's proportionate share was .00854 percent, which was a decrease of .00034 percent from its proportionate share measured as of June 30, 2020 of .00888 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$208,957 for PERS. The pension contribution made by the District during the current 2021/2022 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2022 with a measurement date of the prior fiscal year end of June 30, 2021. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2022 for contributions made subsequent to the measurement date. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 15,950	\$ 7,240
Changes of Assumptions	5,267	360,038
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		266,409
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>73,145</u>	<u>227,559</u>
Total	<u>\$ 94,362</u>	<u>\$ 861,246</u>

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

Year Ending <u>June 30,</u>	<u>Total</u>
2023	\$ (309,173)
2024	(206,228)
2025	(145,347)
2026	(104,553)
2027	(1,583)
Thereafter	<u>-</u>
	<u>\$ (766,884)</u>

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

Mortality Rates

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

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

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>1,377,218</u>	\$ <u>1,011,324</u>	\$ <u>700,811</u>

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

Pension Plan Fiduciary Net Position

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2020 through June 30, 2021. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2021, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$449,251 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State's proportionate share of the net pension liability attributable to the District is \$19,092,323. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2021. At June 30, 2021, the State's share of the net pension liability attributable to the District was 0.03971percent, which was a decrease of 0.00150 percent from its proportionate share measured as of June 30, 2020 of 0.04121 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

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

Mortality Rates

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF’s target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

Discount Rate

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ <u>22,589,407</u>	\$ <u>19,092,323</u>	\$ <u>16,154,992</u>

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

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member’s employer does not provide this coverage. 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.

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

Plan Membership

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

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

Measurement Focus and Basis of Accounting

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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, 2021 is \$60.0 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

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

Actuarial Methods and Assumptions

In the June 30, 2020 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2021.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2022, 2021 and 2020 were \$398,708, \$368,661 and \$341,370, 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.

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

NOTE 4 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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State’s contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2020 through June 30, 2021. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,195,117. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State’s proportionate share of the OPEB liability attributable to the District is \$20,302,081. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state’s share of the OPEB liability attributable to the District was 0.03 percent, which was unchanged from its proportionate share measured as of June 30, 2020 of 0.03 percent.

Actuarial Assumptions

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

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

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

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

NOTE 4 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)

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

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

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

Health Care Trend Assumptions

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

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

NOTE 4 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, 2022 (measurement date June 30, 2021) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2020 Measurement Date	\$ <u>23,347,839</u>
Changes Recognized for the Fiscal Year:	
Service Cost	1,099,946
Interest on the Total OPEB Liability	526,657
Changes in Benefit Terms	(21,609)
Differences Between Expected and Actual Experience	(4,269,388)
Changes of Assumptions	20,030
Gross Benefit Payments	(414,858)
Contributions from the Member	13,464
Net Changes	\$ <u>(3,045,758)</u>
Balance, June 30, 2021 Measurement Date	\$ <u><u>20,302,081</u></u>

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

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2021.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.16%; as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 24,318,706	\$ 20,302,081	\$ 17,139,230

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 16,434,601	\$ 20,302,081	\$ 25,495,821

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

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

NOTE 4 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 Northvale 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

Referendum

On October 6, 2022 the voters of the Northvale Board of Education approved a \$10.6 million referendum authorizing the District to issue bonds to finance various capital improvements and upgrades to the Northvale Public School. The referendum project includes \$2.9 million or project cost eligible for State of New Jersey debt service aid.

Serial Bonds

On November 16, 2022 the District issued \$10,628,000 in School District Bonds. These Bonds were issued in order to permanently finance expenditures related to the 2022 referendum for various capital improvement projects. The District awarded the said sale of bonds to Roosevelt & Cross, Inc. and Associates at an interest rate of 3.00% to 4.00%. These Bonds dated November 16, 2022 will mature over 10 years with the first maturity due August 1, 2023.

NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS

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

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

NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS (Continued)

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

Since the pandemic began, the federal government had enacted rescue legislation to address the pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. Federal aid for public education has been provided under three 5 separate laws: The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. The School District has been awarded up to \$705,992 to address certain expenses incurred as a result of the pandemic. Because of the evolving nature of the outbreak and federal, state and local responses, the Board cannot predict how the outbreak will impact the financial condition or operations of the Board, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The School District cannot predict costs associated with this or any other potential infectious disease outbreak including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease. To date the School District has not been materially and adversely affected financially due to the virus.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

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

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 9,881,665	-	\$ 9,881,665	\$ 9,881,665	
Tuition From Other LEAs Within the State	204,486	-	204,486	204,486	\$ -
Miscellaneous	17,815	-	17,815	25,930	8,115
Interest on Investments	220	-	220	4,427	4,207
Interest Earned on Maintenance Reserve	100	-	100	-	(100)
Interest Earned on Capital Reserve	780	-	780	-	(780)
Total Local Sources	<u>10,105,066</u>	<u>-</u>	<u>10,105,066</u>	<u>10,116,508</u>	<u>11,442</u>
State Sources					
Categorical Special Education Aid	341,470	-	341,470	341,470	-
Transportation Aid	24,930	-	24,930	24,930	-
Equalization Aid	89,194	-	89,194	89,194	-
Security Aid	40,383	-	40,383	40,383	-
Extraordinary Aid	-	242,953	242,953	313,500	70,547
Additional Nonpublic Transportation Aid	-	-	-	290	290
School Security Grant	-	-	-	19,980	19,980
On-behalf TPAF Pension System Payments - Normal Costs (Non-Budget)	-	-	-	1,682,762	1,682,762
On-behalf TPAF Pension System Payments - NCGI Premium (Non-Budget)	-	-	-	23,741	23,741
On-behalf TPAF Pension System Payments - Post Retirement Medical Contribution(Non-Budget)	-	-	-	398,708	398,708
On-behalf TPAF Pension System Payments - Long-Term Disability Insurance Contributions(Non-Budget)	-	-	-	538	538
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	375,615	375,615
Total State Sources	<u>495,977</u>	<u>242,953</u>	<u>738,930</u>	<u>3,311,111</u>	<u>2,572,181</u>
Total Revenues	<u>10,601,043</u>	<u>242,953</u>	<u>10,843,996</u>	<u>13,427,619</u>	<u>2,583,623</u>
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	393,200	\$ 2,666	395,866	394,866	1,000
Grades 1-5	1,544,004	(7,107)	1,536,897	1,511,633	25,264
Grades 6-8	1,049,153	(24,822)	1,024,331	1,015,838	8,493
Regular Program - Home Instruction					
Salaries of Teachers	6,000	(1,880)	4,120	3,093	1,027
Other Salaries for Instruction	4,071	-	4,071	-	4,071
Purchased Professional - Educational Services	5,000	-	5,000	-	5,000
General Supplies	228,302	20,293	248,595	223,100	25,495
Lease Agreement	12,780	-	12,780	12,780	-
Other Objects	750	-	750	425	325
Total Regular Programs	<u>3,243,260</u>	<u>(10,849)</u>	<u>3,232,411</u>	<u>3,161,735</u>	<u>70,676</u>

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

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 210,342	\$ 47,643	\$ 257,985	\$ 257,418	\$ 567
Other Salaries for Instruction	96,718	(47,958)	48,760	47,759	1,001
General Supplies	1,297	-	1,297	985	312
Total Learning and/or Language Disabilities	<u>308,357</u>	<u>(315)</u>	<u>308,042</u>	<u>306,162</u>	<u>1,880</u>
Resource Room/Resource Center					
Salaries of Teachers	845,529	21,911	867,440	867,054	386
General Supplies	5,456	(2,397)	3,059	2,844	215
Total Resource Room/Resource Center	<u>850,985</u>	<u>19,514</u>	<u>870,499</u>	<u>869,898</u>	<u>601</u>
Home Instruction					
Salaries of Teachers	5,000	(5,000)	-	-	-
Total Home Instruction	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Special Education	<u>1,164,342</u>	<u>14,199</u>	<u>1,178,541</u>	<u>1,176,060</u>	<u>2,480</u>
Basic Skills/Remedial					
Salaries of Teachers	91,482	1,884	93,366	93,366	-
General Supplies	609	411	1,020	1,015	6
Total Basic Skills/Remedial	<u>92,091</u>	<u>2,296</u>	<u>94,387</u>	<u>94,381</u>	<u>6</u>
Bilingual Education					
Salaries of Teachers	92,665	(950)	91,715	90,767	948
General Supplies	849	(4)	845	168	677
Total Bilingual Education	<u>93,514</u>	<u>(954)</u>	<u>92,560</u>	<u>90,935</u>	<u>1,626</u>
School Sponsored Cocurricular Activities					
Salaries	50,192	(1,887)	48,305	38,119	10,186
Supplies and Materials	4,610	(780)	3,831	2,723	1,107
Other Objects	1,475	(214)	1,262	607	655
Total School Sponsored Cocurricular Activities	<u>56,277</u>	<u>(2,880)</u>	<u>53,397</u>	<u>41,449</u>	<u>11,948</u>

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

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
School Sponsored Athletics					
Salaries	\$ 30,455	\$ 1,796	\$ 32,251	\$ 32,251	\$ -
Purchased Services	5,835	1,435	7,270	6,025	1,245
Supplies and Materials	1,447	2,000	3,447	3,447	0
Total School Sponsored Athletics	<u>37,737</u>	<u>5,231</u>	<u>42,968</u>	<u>41,723</u>	<u>1,245</u>
Total Instruction	<u>4,687,221</u>	<u>7,042</u>	<u>4,694,263</u>	<u>4,606,283</u>	<u>87,980</u>
Instruction					
Tuition to Other LEAs Within the State-Special	1,274,398	14,306	1,288,704	1,214,812	73,892
Tuition private School Handicap	-	31,288	31,288	31,288	-
Total Instruction	<u>1,274,398</u>	<u>45,594</u>	<u>1,319,992</u>	<u>1,246,100</u>	<u>73,892</u>
Attendance and Social Work Services					
Salaries	62,382	-	62,382	61,602	780
Purchased Professional - Technical Services	9,000	302	9,302	9,302	-
Total Attendance and Social Work Services	<u>71,382</u>	<u>302</u>	<u>71,684</u>	<u>70,904</u>	<u>780</u>
Health Services					
Salaries	77,180	5,407	82,587	82,587	-
Purchased Professional and Technical Services	5,425	(2,709)	2,716	2,547	169
Other Purchased Services	350	-	350	71	279
Supplies and Materials	3,023	-	3,023	1,877	1,146
Total Health Services	<u>85,978</u>	<u>2,698</u>	<u>88,676</u>	<u>87,083</u>	<u>1,593</u>
Other Support Serv. Students - OT, PT & Related Serv.					
Salaries	95,067	-	95,067	95,067	-
Purchased Professional -Educational Services	248,725	19,602	268,327	176,694	91,633
Supplies and Materials	2,289	-	2,289	1,532	757
Total Other Support Serv. Students - OT, PT & Related Serv.	<u>346,081</u>	<u>19,602</u>	<u>365,683</u>	<u>273,293</u>	<u>92,390</u>
Other Support Serv. Students - Extra Serv.					
Salaries	253,025	129,512	382,537	367,528	15,009
Purchased Professional -Educational Services	118,250	(179)	118,071	107,081	10,990
Total Other Support Serv. Students - Extra Serv.	<u>371,275</u>	<u>129,333</u>	<u>500,608</u>	<u>474,609</u>	<u>25,999</u>
Other Support Services-Students-Guidance					
Salaries of Other Professional Staff	165,813	-	165,813	132,302	33,511
Purchased Professional -Educational Services	1,000	179	1,179	1,179	-
Other Purchased Services	300	(260)	40	-	40
Supplies and Materials	593	460	1,053	921	132
Total Other Support Services - Students - Guidance	<u>167,706</u>	<u>378</u>	<u>168,084</u>	<u>134,402</u>	<u>33,682</u>

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

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Other Support Services-Students-Child Study Team					
Salaries of Other Professional Staff	\$ 338,019	\$ (0)	\$ 338,019	\$ 333,929	\$ 4,090
Salaries of Secretarial and Clerical Assistants	47,741	0	47,741	47,741	-
Purchased Professional -Educational Services	53,481	780	54,261	53,221	1,040
Other Purchased Services	500	(150)	350	-	350
Supplies and Materials	6,946	1,051	7,997	5,834	2,163
	<u>446,687</u>	<u>1,681</u>	<u>448,368</u>	<u>440,725</u>	<u>7,643</u>
Total Other Support Services - Child Study Team					
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	113,300	(37)	113,264	109,584	3,679
Purchased Professional - Educational Services	27,320	-	27,320	26,970	350
Other Purchased Services	500	-	500	-	500
Supplies and Materials	1,000	(697)	303	200	102
	<u>142,120</u>	<u>(734)</u>	<u>141,386</u>	<u>136,754</u>	<u>4,632</u>
Total Improvement of Instructional Services					
Educational Media Services/School Library					
Salaries	74,675	108	74,783	74,783	-
Purchased Professional - Educational Services	9,835	10,756	20,591	16,678	3,913
	<u>84,510</u>	<u>10,865</u>	<u>95,375</u>	<u>91,461</u>	<u>3,913</u>
Total Educational Media Serv./School Library					
Staff Training Services					
Purchased Professional - Educational Services	33,509	(221)	33,288	27,042	6,246
Other Purchased Services	4,800	-	4,800	2,318	2,483
Supplies and Materials	300	-	300	-	300
	<u>38,609</u>	<u>(221)</u>	<u>38,388</u>	<u>29,360</u>	<u>9,029</u>
Total Staff Training Services					
Support Services General Administration					
Salaries	263,739	8,550	272,289	272,289	0
Legal Services	35,000	-	35,000	21,579	13,421
Audit Fees	23,000	-	23,000	22,280	720
Architectural/Engineering Services	16,500	(8,550)	7,950	-	7,950
Other Purchased Professional Services	6,000	-	6,000	3,690	2,310
Communications/Telephone	69,135	-	69,135	58,053	11,082
Miscellaneous Purchased Services	11,525	(95)	11,430	10,403	1,028
General Supplies	2,606	126	2,732	2,613	119
Judgments Against the School District	10,000	-	10,000	-	10,000
Miscellaneous Expenditures	1,000	(31)	969	-	969
BOE Membership Dues and Fees	8,575	-	8,575	6,655	1,920
	<u>447,080</u>	<u>(0)</u>	<u>447,080</u>	<u>397,561</u>	<u>49,519</u>
Total Support Services General Administration					

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

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Salaries of Principal/Asst. Principals	\$ 140,000	\$ (80,500)	\$ 59,500	\$ -	\$ 59,500
Salaries of Secretarial and Clerical Assistants	37,299	-	37,299	36,084	1,215
Other Purchased Services	3,200	-	3,200	123	3,078
Supplies and Materials	8,413	(4,420)	3,993	3,440	552
Other Objects	1,200	7,067	8,267	3,188	5,079
	<u>190,112</u>	<u>(77,853)</u>	<u>112,259</u>	<u>42,835</u>	<u>69,423</u>
Total Support Services School Administration					
	<u>190,112</u>	<u>(77,853)</u>	<u>112,259</u>	<u>42,835</u>	<u>69,423</u>
Central Services					
Salaries	253,135	-	253,135	247,711	5,424
Purchased Professional Services	14,882	-	14,882	9,615	5,267
Miscellaneous Purchased Services	4,750	572	5,322	4,339	982
Supplies and Materials	3,571	(26)	3,546	3,423	123
Miscellaneous Expenditures	2,100	(350)	1,750	1,240	510
	<u>278,438</u>	<u>196</u>	<u>278,634</u>	<u>266,328</u>	<u>12,306</u>
Total Central Services					
	<u>278,438</u>	<u>196</u>	<u>278,634</u>	<u>266,328</u>	<u>12,306</u>
Admin. Info. Tech.					
Purchased Professional Services	1,250	350	1,600	1,600	-
Purchased Technical Services	103,612	-	103,612	103,413	199
Other Purchased Services	3,000	(546)	2,454	2,000	454
	<u>107,862</u>	<u>(196)</u>	<u>107,666</u>	<u>107,013</u>	<u>653</u>
Total Admin. Info. Tech.					
	<u>107,862</u>	<u>(196)</u>	<u>107,666</u>	<u>107,013</u>	<u>653</u>
Required Maintenance for School Facilities					
Salaries	111,117	-	111,117	105,149	5,968
Cleaning, Repair and Maintenance Services	16,290	-	16,290	12,357	3,933
General Supplies	6,000	-	6,000	4,569	1,431
	<u>133,407</u>	<u>-</u>	<u>133,407</u>	<u>122,076</u>	<u>11,331</u>
Total Required Maintenance for School Fac.					
	<u>133,407</u>	<u>-</u>	<u>133,407</u>	<u>122,076</u>	<u>11,331</u>
Custodial Services					
Salaries	99,414	2,938	102,352	99,908	2,443
Salaries of Non-Instructional Aides	23,940	-	23,940	23,117	824
Purchased Prof. And Technical Serv.	2,500	342	2,842	2,842	-
Cleaning, Repair and Maint. Serv.	209,570	19,554	229,124	228,294	830
Other Purchased Property Services	7,500	-	7,500	5,703	1,797
Insurance	190,894	(21,696)	169,198	133,498	35,699
Miscellaneous Purchased Services	1,000	-	1,000	225	775
General Supplies	85,000	103	85,103	48,501	36,602
Energy (Natural Gas)	34,000	11,000	45,000	40,143	4,857
Energy (Electricity)	66,000	(11,000)	55,000	51,426	3,574
Other Objects	575	322	897	897	-
	<u>720,393</u>	<u>1,561</u>	<u>721,954</u>	<u>634,553</u>	<u>87,401</u>
Total Custodial Services					
	<u>720,393</u>	<u>1,561</u>	<u>721,954</u>	<u>634,553</u>	<u>87,401</u>

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

EXPENDITURES	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	\$ 2,600	\$ (322)	\$ 2,278	\$ -	\$ 2,278
Cleaning, Repair and Maintenance Services	48,700	(11,819)	36,881	11,286	25,595
Supplies and Materials	6,000	(300)	5,700	4,774	926
Total Care and Upkeep of Grounds	<u>57,300</u>	<u>(12,441)</u>	<u>44,859</u>	<u>16,059</u>	<u>28,800</u>
Security					
Purchased Professional and Technical Services	3,550	693	4,243	4,243	-
Cleaning, Repair and Maintenance Services	18,000	855	18,855	18,841	14
General Supplies	1,500	(0)	1,500	-	1,500
Total Security	<u>23,050</u>	<u>1,548</u>	<u>24,598</u>	<u>23,084</u>	<u>1,514</u>
Student Transportation Services					
Salaries of Non-Instructional Aides	11,172	(11,172)	-	-	-
Salaries for Pupil Trans. (Bet. Home & Sch.) - Sp Ed	10,775	(1)	10,774	10,774	-
Cleaning, Repair and Maintenance Services	2,000	1,111	3,111	3,111	-
Contracted Services (Other Than HM/SC) - Vendors	9,560	(6,241)	3,319	3,319	-
Contracted Services (Home/School) -Joint Agreements	4,000	(1,520)	2,480	2,464	17
Contracted Services (Special Ed) -Joint Agreements	105,000	86,759	191,759	191,759	-
Misc. Purchased Serv. - Transportation	250	(250)	-	-	-
General Supplies	1,250	253	1,503	1,503	-
Total Student Transportation Services	<u>144,007</u>	<u>68,939</u>	<u>212,946</u>	<u>212,929</u>	<u>17</u>
Unallocated Benefits - Employee Benefits					
Group Insurance	4,975	524	5,499	5,499	-
Social Security Contributions	95,000	3,232	98,232	98,232	-
Other Retirement Contributions - PERS	95,000	4,977	99,977	99,977	-
Other Retirement Contributions - Regular	10,000	7,713	17,713	15,578	2,135
Unemployment Compensation	19,800	1,442	21,242	21,242	-
Workmen's Compensation	44,878	-	44,878	27,116	17,762
Health Benefits	1,266,600	(13,827)	1,252,773	1,093,555	159,218
Tuition Reimbursement	10,000	-	10,000	10,000	-
Other Employee Benefits	6,860	-	6,860	4,470	2,390
Unused Sick Payment to Terminated/Retired Staff	25,000	10,000	35,000	21,175	13,825
Total Unallocated Benefits - Employee Benefits	<u>1,578,113</u>	<u>14,061</u>	<u>1,592,174</u>	<u>1,396,844</u>	<u>195,330</u>
On-behalf TPAF Pension System Payments -					
Normal Costs (Non-Budget)				1,682,762	(1,682,762)
On-behalf TPAF Pension System Payments -				23,741	(23,741)
NCGI Premium(Non-Budget)				398,708	(398,708)
On-behalf TPAF Pension System Payments -				538	(538)
Post Retirement Medical Contribution(Non-Budget)				375,615	(375,615)
On-behalf TPAF Pension System Payments -					
Long-Term Disability Insurance Contributions(Non-Budget)					
On-behalf TPAF Social Security Payments					
(Non-Budget)					
Total Undistributed Expenditures	<u>6,708,508</u>	<u>205,314</u>	<u>6,913,822</u>	<u>8,685,338</u>	<u>(1,771,516)</u>
Interest Earned on Maintenance Reserve	100	-	100	-	100
Interest Earned on Emergency Reserve	220	-	220	-	220
Total Current Expenditures	<u>11,396,049</u>	<u>212,356</u>	<u>11,608,405</u>	<u>13,291,621</u>	<u>(1,683,216)</u>

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

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
CAPITAL OUTLAY					
Equipment					
Surveillance System - Capital Financing (Non-Budget)				\$ 111,738	\$ (111,738)
Required Maintenance for School Facilities		\$ 12,081	\$ 12,081	-	12,081
Security Lease Payments	-	14,623	14,623	14,623	-
Capital Outlay	-	16,843	16,843	16,843	-
Other Objects	-	300	300	-	300
Total Equipment	-	43,847	43,847	143,204	(99,357)
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	14,859	-	14,859	14,859	-
Total Facilities Acquisition and Const. Serv.	14,859	-	14,859	14,859	-
Interest Deposit to Capital Reserve	780	-	780	-	780.00
Total Capital Outlay	15,639	43,847	59,486	158,063	(98,577)
Total Expenditures	11,411,688	256,203	11,667,891	13,449,684	(1,781,793)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(810,645)	(13,250)	(823,895)	(22,065)	801,830
Other Financing Sources (Uses)					
Capital Lease Proceeds (Non-Budget)	-	-	-	111,738	111,738
Total Other Financing Sources (Uses)	-	-	-	111,738	111,738
Excess (Deficiency) of Revenues and Other Financing					
Sources Over/(Under) Expenditures and Other	(810,645)	(13,250)	(823,895)	89,673	913,568
Financing Uses					
Fund Balance, Beginning of Year	3,341,806	-	3,341,806	3,341,806	-
Fund Balance, End of Year	\$ 2,531,161	\$ (13,250)	\$ 2,517,911	\$ 3,431,479	\$ 913,568
Recapitulation of Fund Balance					
Capital Reserve				1,253,509	
Maintenance Reserve				380,152	
Maintenance Reserve - Designated for Subsequent Years Expenditures				26,500	
Emergency Reserve				219,441	
Excess Surplus - Designated for Subsequent Years Expenditures				129,886	
Excess Surplus				637,483	
Assigned Fund Balance					
Year End Encumbrances				20,204	
Designated for Subsequent Year's Expenditures				259,204	
Unassigned				505,100	
Reconciliation to Governmental Funds Statements (GAAP):				3,431,479	
Less: Certain State Aid Payments Not Recognized on GAAP Basis				(361,611)	
Fund Balance Per Governmental Funds (GAAP)				\$ 3,069,868	

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

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
Federal	\$ 190,925	\$ 23,045	\$ 213,970	\$ 142,204	\$ (71,766)
Local Sources					
Other	<u>1,501</u>	<u>1,000</u>	<u>2,501</u>	<u>129,432</u>	<u>126,931</u>
Total Revenues	<u>192,426</u>	<u>24,045</u>	<u>216,471</u>	<u>271,636</u>	<u>55,165</u>
EXPENDITURES					
Instruction					
Tuition	120,925	23,045	143,970	135,954	8,016
General Supplies	1,500	-	1,500	1,000	500
Student Activities (Non-Budget)	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,107</u>	<u>(116,107)</u>
Total Instruction	<u>122,425</u>	<u>23,045</u>	<u>145,470</u>	<u>253,061</u>	<u>(107,591)</u>
Support Services					
Supplies and Materials	<u>70,000</u>	<u>-</u>	<u>70,000</u>	<u>6,250</u>	<u>63,750</u>
Total Support Services	<u>70,000</u>	<u>-</u>	<u>70,000</u>	<u>6,250</u>	<u>63,750</u>
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Equipment	<u>1</u>	<u>1,000</u>	<u>1,001</u>	<u>991</u>	<u>10</u>
Total Facilities Acquisition and Construction Services	<u>1</u>	<u>1,000</u>	<u>1,001</u>	<u>991</u>	<u>10</u>
Total Expenditures	<u>192,426</u>	<u>24,045</u>	<u>216,471</u>	<u>260,302</u>	<u>(43,831)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	11,334	(11,334)
Fund Balances, Beginning of Year	<u>22,005</u>	<u>-</u>	<u>22,005</u>	<u>22,005</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 22,005</u>	<u>\$ -</u>	<u>\$ 22,005</u>	<u>\$ 33,339</u>	<u>\$ (11,334)</u>
Recapitulation of Fund Balance					
Restricted:					
Student Activities				<u>\$ 33,339</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**NORTHVALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 13,427,619	\$ 271,636
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized, net of cancellations June 30, 2021		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (current year)	(361,611)	
State Aid payments recognized for GAAP Statements, not recognized for budgetary purposes (prior year)	<u>270,652</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 13,336,660</u>	<u>\$ 271,636</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 13,449,684	\$ 260,302
Difference - Budget to GAAP		
Encumbrances for goods and services ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the goods and services are received for financial reporting purposes June 30, 2021		
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 13,449,684</u>	<u>\$ 260,302</u>

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

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Position Liability (Asset)	0.00854 %	0.00888 %	0.00951 %	0.00875 %	0.00985 %	0.01029 %	0.01030 %	0.01110 %	0.01134 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,011,324	\$ 1,448,801	\$ 1,713,200	\$ 1,722,193	\$ 2,293,960	\$ 3,046,273	\$ 2,313,727	\$ 2,079,227	\$ 2,167,437
District's Covered Payroll	\$ 622,190	\$ 607,977	\$ 645,141	\$ 670,978	\$ 637,607	\$ 663,617	\$ 620,706	\$ 659,891	\$ 713,868
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	163%	238%	266%	257%	360%	459%	373%	315%	304%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.92%	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.

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 99,977	\$ 97,190	\$ 92,485	\$ 87,002	\$ 91,291	\$ 91,375	\$ 88,613	\$ 91,551	\$ 85,450
Contributions in Relation to the Contractually Required Contributions	<u>99,977</u>	<u>97,190</u>	<u>92,485</u>	<u>87,002</u>	<u>91,291</u>	<u>91,375</u>	<u>88,613</u>	<u>91,551</u>	<u>85,450</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 601,519</u>	<u>\$ 622,190</u>	<u>\$ 607,977</u>	<u>\$ 645,141</u>	<u>\$ 670,978</u>	<u>\$ 637,607</u>	<u>\$ 663,617</u>	<u>\$ 620,706</u>	<u>\$ 659,891</u>
Contributions as a Percentage of Covered Payroll	16.62%	15.62%	15.21%	13.49%	13.61%	14.33%	13.35%	14.75%	12.95%

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.

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 19,092,323</u>	<u>\$ 27,138,844</u>	<u>\$ 24,295,412</u>	<u>\$ 25,397,385</u>	<u>\$ 25,966,358</u>	<u>\$ 30,843,703</u>	<u>\$ 24,495,316</u>	<u>\$ 20,636,556</u>	<u>\$ 18,711,144</u>
Total	<u>\$ 19,092,323</u>	<u>\$ 27,138,844</u>	<u>\$ 24,295,412</u>	<u>\$ 25,397,385</u>	<u>\$ 25,966,358</u>	<u>\$ 30,843,703</u>	<u>\$ 24,495,316</u>	<u>\$ 20,636,556</u>	<u>\$ 18,711,144</u>
District's Covered Payroll	<u>\$ 4,925,847</u>	<u>\$ 4,456,536</u>	<u>\$ 4,456,536</u>	<u>\$ 4,329,097</u>	<u>\$ 4,142,276</u>	<u>\$ 4,017,478</u>	<u>\$ 3,818,305</u>	<u>\$ 3,999,195</u>	<u>\$ 3,856,673</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

**NORTHVALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Change of Benefit Terms: None.

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

**NORTHVALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Five Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Cost	\$ 1,099,946	\$ 648,100	\$ 582,450	\$ 654,316	\$ 785,773
Interest on Total OPEB Liability	526,657	511,937	630,708	652,534	565,311
Differences Between Expected and Actual Experience	(4,269,388)	4,143,041	(2,752,235)	(921,015)	-
Changes of Assumptions	20,030	4,264,848	211,336	(1,827,359)	(2,348,548)
Gross Benefit Payments	(414,858)	(406,467)	(435,101)	(425,802)	(481,111)
Contribution from the Member	13,464	12,320	12,898	14,716	17,716
Changes of Benefit Terms	(21,609)	-	-	-	-
Net Change in Total OPEB Liability	<u>(3,045,758)</u>	<u>9,173,779</u>	<u>(1,749,944)</u>	<u>(1,852,610)</u>	<u>(1,460,859)</u>
Total OPEB Liability - Beginning	<u>23,347,839</u>	<u>14,174,060</u>	<u>15,924,004</u>	<u>17,776,614</u>	<u>19,237,473</u>
Total OPEB Liability - Ending	<u>\$ 20,302,081</u>	<u>\$ 23,347,839</u>	<u>\$ 14,174,060</u>	<u>\$ 15,924,004</u>	<u>\$ 17,776,614</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>20,302,081</u>	<u>23,347,839</u>	<u>14,174,060</u>	<u>15,924,004</u>	<u>17,776,614</u>
Total OPEB Liability - Ending	<u>\$ 20,302,081</u>	<u>\$ 23,347,839</u>	<u>\$ 14,174,060</u>	<u>\$ 15,924,004</u>	<u>\$ 17,776,614</u>
District's Covered-Employee Payroll	<u>\$ 5,548,037</u>	<u>\$ 5,064,513</u>	<u>\$ 5,101,677</u>	<u>\$ 5,000,075</u>	<u>\$ 4,779,883</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll		0%	0%	0%	0%

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

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

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

**NORTHVALE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

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

	<u>IDEA Part B Basic</u>	<u>IDEA Part B Preschool</u>	<u>ARP IDEA Basic</u>	<u>ARP IDEA Preschool</u>	<u>ESSER II Learning Acceleration</u>	<u>Local Grants</u>	<u>Student Activities</u>	<u>Total</u>
REVENUES								
Intergovernmental								
Federal	\$ 21,231	\$ 1,814	\$ 106,813	\$ 6,096	\$ 6,250			\$ 142,204
Other	-	-	-	-	-	\$ 1,991	\$ 127,441	129,432
Total Revenues	<u>21,231</u>	<u>1,814</u>	<u>106,813</u>	<u>6,096</u>	<u>6,250</u>	<u>1,991</u>	<u>127,441</u>	<u>271,636</u>
EXPENDITURES								
Instruction								
Tuition	\$ 21,231	\$ 1,814	\$ 106,813	\$ 6,096				\$ 135,954
General Supplies	-	-	-	-		\$ 1,000		1,000
Student Activities	-	-	-	-	-	-	\$ 116,107	116,107
Total Instruction	<u>21,231</u>	<u>1,814</u>	<u>106,813</u>	<u>6,096</u>	<u>-</u>	<u>1,000</u>	<u>116,107</u>	<u>253,061</u>
Support Services								
Supplies and Materials	-	-	-	-	\$ 6,250	-	-	6,250
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,250</u>	<u>-</u>	<u>-</u>	<u>6,250</u>
CAPITAL OUTLAY								
Facilities Acquisition and Construction Services								
Equipment	-	-	-	-	-	991	-	991
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>991</u>	<u>-</u>	<u>991</u>
Total Expenditures	<u>\$ 21,231</u>	<u>\$ 1,814</u>	<u>\$ 106,813</u>	<u>\$ 6,096</u>	<u>\$ 6,250</u>	<u>\$ 1,991</u>	<u>\$ 116,107</u>	<u>\$ 260,302</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-	11,334	11,334
Fund Balances, Beginning of Year	-	-	-	-	-	-	22,005	22,005
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,339</u>	<u>\$ 33,339</u>

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

NOT APPLICABLE

**SPECIAL REVENUE FUND
SCHEDULE OF STUDENT ACTIVITY AND ATHLETIC RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Balance, July 1, 2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance, June 30, 2022</u>
General Account	\$ 9,497	\$ 122,333	\$ 111,876	\$ 19,954
Donated Class Funds	10,192	28		10,220
Athletic Account	<u>2,316</u>	<u>5,080</u>	<u>4,231</u>	<u>3,165</u>
 Total All Schools	 <u>\$ 22,005</u>	 <u>\$ 127,441</u>	 <u>\$ 116,107</u>	 <u>\$ 33,339</u>

CAPITAL PROJECTS FUND

NOT APPLICABLE

ENTERPRISE FUND

NOT APPLICABLE

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

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

79

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2021</u>	<u>Retired</u>	<u>Balance, June 30, 2022</u>
Refunding School Bonds	5/14/2010	3,140,000	3/1/2022	310,000	5.00%	\$ 310,000	310,000	-
						<u>\$ 310,000</u>	<u>\$ 310,000</u>	<u>\$ -</u>

**NORTHVALE BOARD OF EDUCATION
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Issue</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2022</u>
Purchase of Copiers - 2020	4.40%	\$ 57,266	\$ 47,686		\$ 10,900	\$ 36,786
Security System - 2021	4.60%	111,738	-	\$ 111,738	11,750	99,988
			<u>\$ 47,686</u>	<u>\$ 111,738</u>	<u>\$ 22,650</u>	<u>\$ 136,774</u>
			Paid		<u>\$ 22,650</u>	

**NORTHVALE BOARD OF EDUCATION
LONG-TERM DEBT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 325,500	-	\$ 325,500	\$ 325,500	-
Total Revenues	<u>325,500</u>	<u>-</u>	<u>325,500</u>	<u>325,500</u>	<u>-</u>
 EXPENDITURES					
Regular Debt Service					
Principal	310,000		310,000	310,000	
Interest	<u>15,500</u>	<u>-</u>	<u>15,500</u>	<u>15,500</u>	<u>-</u>
Total Expenditures	<u>325,500</u>	<u>-</u>	<u>325,500</u>	<u>325,500</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	<u>1</u>	<u>\$ -</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

STATISTICAL SECTION

This part of the Northvale Board of Education's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the 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 annual comprehensive financial reports for the relevant year.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
		(Restated)						(Restated)		
Governmental Activities										
Net Investment in Capital Assets	\$ 4,801,419	\$ 5,570,485	\$ 6,053,191	\$ 6,709,347	\$ 7,376,567	\$ 7,684,760	\$ 7,973,950	\$ 7,972,009	\$ 8,157,813	\$ 8,011,588
Restricted	801,923	1,594,000	1,996,497	2,097,412	1,463,187	1,653,161	1,377,213	1,285,196	1,681,387	1,693,501
Unrestricted	<u>2,566,486</u>	<u>(237,631)</u>	<u>(271,868)</u>	<u>(523,051)</u>	<u>(313,701)</u>	<u>(746,423)</u>	<u>(722,618)</u>	<u>(513,120)</u>	<u>(858,375)</u>	<u>(513,421)</u>
Total Governmental Activities Net Position	<u>\$ 8,169,828</u>	<u>\$ 6,926,854</u>	<u>\$ 7,777,820</u>	<u>\$ 8,283,708</u>	<u>\$ 8,526,053</u>	<u>\$ 8,591,498</u>	<u>\$ 8,628,545</u>	<u>\$ 8,744,085</u>	<u>\$ 8,980,825</u>	<u>\$ 9,191,668</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 2,155	\$ 1,847	\$ 1,539	\$ 1,231	\$ 923	\$ 616	\$ 308			
Unrestricted	<u>7,679</u>	<u>2,096</u>	<u>1,189</u>	<u>626</u>	<u>1,562</u>	<u>1,660</u>	<u>2,232</u>	\$ 4,765	\$ 2,225	\$ 965
Total Business-Type Activities Net Position	<u>\$ 9,834</u>	<u>\$ 3,943</u>	<u>\$ 2,728</u>	<u>\$ 1,857</u>	<u>\$ 2,485</u>	<u>\$ 2,276</u>	<u>\$ 2,540</u>	<u>\$ 4,765</u>	<u>\$ 2,225</u>	<u>\$ 965</u>
District-Wide										
Net Investment in Capital Assets	\$ 4,803,574	\$ 5,572,332	\$ 6,054,730	\$ 6,710,578	\$ 7,377,490	\$ 7,685,376	\$ 7,974,258	\$ 7,972,009	\$ 8,157,813	\$ 8,011,588
Restricted	801,923	1,594,000	1,996,497	2,097,412	1,463,187	1,653,161	1,377,213	1,285,196	1,681,387	1,693,501
Unrestricted	<u>2,574,165</u>	<u>(235,535)</u>	<u>(270,679)</u>	<u>(522,425)</u>	<u>(312,139)</u>	<u>(744,763)</u>	<u>(720,386)</u>	<u>(508,355)</u>	<u>(856,150)</u>	<u>(512,456)</u>
Total District Net Position	<u>\$ 8,179,662</u>	<u>\$ 6,930,797</u>	<u>\$ 7,780,548</u>	<u>\$ 8,285,565</u>	<u>\$ 8,528,538</u>	<u>\$ 8,593,774</u>	<u>\$ 8,631,085</u>	<u>\$ 8,748,850</u>	<u>\$ 8,983,050</u>	<u>\$ 9,192,633</u>

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

Note 2 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB No. 84 "Fiduciary Activities".

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 4,310,526	\$ 4,139,635	\$ 5,061,730	\$ 5,262,976	\$ 5,892,035	\$ 5,965,400	\$ 5,516,262	\$ 5,235,949	\$ 5,893,875	\$ 5,043,309
Special Education	1,571,735	1,589,085	1,849,552	2,283,825	2,755,549	2,940,554	3,049,454	3,195,071	3,435,116	3,295,647
Other Instruction	237,516	305,141	358,468	312,795	313,976	325,066	309,953	307,450	257,008	84,115
School Sponsored Activities And Athletics	98,980	96,596	132,857	139,630	168,930	161,550	165,904	102,902	109,331	245,090
										-
Support Services:										
Student & Instruction Related Services	1,207,546	1,217,559	1,290,658	1,548,341	1,591,110	1,833,143	1,781,998	1,941,793	2,434,379	2,384,501
General Administration Services	433,586	409,064	391,277	447,925	403,453	519,195	574,128	579,740	617,258	557,356
School Administration Services	216,253	198,796	214,226	128,676	241,524	259,466	298,665	302,820	216,630	124,070
Business/ Central Services	371,786	401,104	355,199	414,875	471,308	462,669	503,093	482,409	519,221	432,472
Plant Operations And Maintenance	714,891	787,089	935,937	894,123	890,974	841,915	814,645	828,907	858,378	869,764
Pupil Transportation	95,510	88,222	67,065	140,074	121,112	75,274	61,842	63,926	118,364	216,423
Interest and Other Charges	151,528	139,563	133,682	115,793	106,903	87,106	71,524	49,689	30,840	9,362
Total Governmental Activities Expenses	<u>9,409,857</u>	<u>9,371,854</u>	<u>10,790,651</u>	<u>11,689,033</u>	<u>12,956,874</u>	<u>13,471,338</u>	<u>13,147,468</u>	<u>13,090,656</u>	<u>14,490,400</u>	<u>13,262,109</u>
Business-Type Activities:										
Food Service	8,095	14,273	8,846	10,320	9,998	7,197	9,027	6,076	2,540	8,691
Total Business-Type Activities Expense	<u>8,095</u>	<u>14,273</u>	<u>8,846</u>	<u>10,320</u>	<u>9,998</u>	<u>7,197</u>	<u>9,027</u>	<u>6,076</u>	<u>2,540</u>	<u>8,691</u>
Total District Expenses	<u>\$ 9,417,952</u>	<u>\$ 9,386,127</u>	<u>\$ 10,799,497</u>	<u>\$ 11,699,353</u>	<u>\$ 12,966,872</u>	<u>\$ 13,478,535</u>	<u>\$ 13,156,495</u>	<u>\$ 13,096,732</u>	<u>\$ 14,492,940</u>	<u>\$ 13,270,800</u>
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular Instruction	\$ 398,345	\$ 330,991	\$ 283,553	\$ 341,929	\$ 337,854	\$ 261,471	\$ 262,574	\$ 225,556	\$ 275,880	\$ 204,486
Special Education Instruction		124,644	189,754	156,168	148,028	74,551	11,520	-		
School Sponsored Activities and Athletics										127,441
Operating Grants And Contributions	1,415,300	1,157,235	2,192,543	2,643,671	3,488,518	3,719,329	3,199,107	2,888,068	4,232,494	2,814,310
Capital Grants And Contributions	71,512	4,311	91,751	4,129	-	-	-	-	-	-
Total Governmental Activities Program Revenues	<u>1,885,157</u>	<u>1,617,181</u>	<u>2,757,601</u>	<u>3,145,897</u>	<u>3,974,400</u>	<u>4,055,351</u>	<u>3,473,201</u>	<u>3,113,624</u>	<u>4,508,374</u>	<u>3,146,237</u>
Business-Type Activities:										
Charges For Services										
Food Service	9,402	8,346	7,607	7,943	10,607	6,968	9,235	8,301		7,431
Operating Grants And Contributions	-	-	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	<u>9,402</u>	<u>8,346</u>	<u>7,607</u>	<u>7,943</u>	<u>10,607</u>	<u>6,968</u>	<u>9,235</u>	<u>8,301</u>	<u>-</u>	<u>7,431</u>
Total District Program Revenues	<u>\$ 1,894,559</u>	<u>\$ 1,625,527</u>	<u>\$ 2,765,208</u>	<u>\$ 3,153,840</u>	<u>\$ 3,985,007</u>	<u>\$ 4,062,319</u>	<u>\$ 3,482,436</u>	<u>\$ 3,121,925</u>	<u>\$ 4,508,374</u>	<u>\$ 3,153,668</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (7,524,700)	\$ (7,754,673)	\$ (8,033,050)	\$ (8,543,136)	\$ (8,982,474)	\$ (9,415,987)	\$ (9,674,267)	\$ (9,977,032)	\$ (9,982,026)	\$ (10,115,872)
Business-Type Activities	1,307	(5,927)	(1,239)	(2,377)	609	(229)	208	2,225	(2,540)	(1,260)
Total District-Wide Net Expense	<u>\$ (7,523,393)</u>	<u>\$ (7,760,600)</u>	<u>\$ (8,034,289)</u>	<u>\$ (8,545,513)</u>	<u>\$ (8,981,865)</u>	<u>\$ (9,416,216)</u>	<u>\$ (9,674,059)</u>	<u>\$ (9,974,807)</u>	<u>\$ (9,984,566)</u>	<u>\$ (10,117,132)</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues										
Governmental Activities:										
Property Taxes Levied	\$ 8,436,310	\$ 8,610,255	\$ 8,813,451	\$ 8,978,077	\$ 9,142,327	\$ 9,402,090	\$ 9,622,307	\$ 9,946,008	\$ 10,119,525	\$ 10,207,165
Unrestricted State Aid	51,505	49,989	9,213	9,833	5,055	4,908	237	-	-	89,194
Restricted State Aid			50,170	50,282	50,320	50,285	50,179	50,000	49,387	
Investment Earnings	11,822	13,125	9,884	10,186	11,668	14,857	30,842	24,084	3,400	4,427
Miscellaneous Income	40,546	5,767	1,298	2,146	15,449	9,292	7,749	45,008	46,454	25,930
Donation of Capital Assets	146,500							6,697		
Transfers	-	-	-	(1,500)	-	-	-	-	-	-
Total Governmental Activities	<u>8,686,683</u>	<u>8,679,136</u>	<u>8,884,016</u>	<u>9,049,024</u>	<u>9,224,819</u>	<u>9,481,432</u>	<u>9,711,314</u>	<u>10,071,797</u>	<u>10,218,766</u>	<u>10,326,716</u>
Total Business-Type Activities	<u>54</u>	<u>36</u>	<u>17</u>	<u>1,513</u>	<u>19</u>	<u>20</u>	<u>56</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total District-Wide	<u>\$ 8,686,737</u>	<u>\$ 8,679,172</u>	<u>\$ 8,884,033</u>	<u>\$ 9,050,537</u>	<u>\$ 9,224,838</u>	<u>\$ 9,481,452</u>	<u>\$ 9,711,370</u>	<u>\$ 10,071,797</u>	<u>\$ 10,218,766</u>	<u>\$ 10,326,716</u>
Change in Net Position										
Governmental Activities	\$ 1,161,983	\$ 924,463	\$ 850,966	\$ 505,888	\$ 242,345	\$ 65,445	\$ 37,047	\$ 94,765	\$ 236,740	\$ 210,844
Business-Type Activities	1,361	(5,891)	(1,222)	(864)	628	(209)	264	2,225	(2,540)	(1,260)
Total District	<u>\$ 1,163,344</u>	<u>\$ 918,572</u>	<u>\$ 849,744</u>	<u>\$ 505,024</u>	<u>\$ 242,973</u>	<u>\$ 65,236</u>	<u>\$ 37,311</u>	<u>\$ 96,990</u>	<u>\$ 234,200</u>	<u>\$ 209,584</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022
General Fund										
Reserved										
Unreserved										
Restricted	\$ 2,158,518	\$ 3,052,455	\$ 3,582,110	\$ 3,621,313	\$ 3,015,716	\$ 3,172,601	\$ 2,887,727	\$ 2,620,219	\$ 2,503,992	\$ 2,646,971
Committed	692,293	21,600	-		318,982					
Assigned	90,548	1,469	45,808	64,395	70,659	30,646	7,599	315,205	328,611	279,408
Unassigned	<u>231,084</u>	<u>231,213</u>	<u>237,606</u>	<u>235,726</u>	<u>240,191</u>	<u>239,068</u>	<u>228,929</u>	<u>224,355</u>	<u>238,551</u>	<u>143,489</u>
Total General Fund	<u>\$ 3,172,443</u>	<u>\$ 3,306,737</u>	<u>\$ 3,865,524</u>	<u>\$ 3,921,434</u>	<u>\$ 3,645,548</u>	<u>\$ 3,442,315</u>	<u>\$ 3,124,255</u>	<u>\$ 3,159,779</u>	<u>\$ 3,071,154</u>	<u>\$ 3,069,868</u>
⌘ All Other Governmental Funds										
Reserved										
Unreserved										
Committed										
Restricted	<u>\$ 345,239</u>	<u>\$ 345,239</u>	<u>\$ 169,453</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 22,006</u>	<u>\$ 33,340</u>
Total All Other Governmental Funds	<u>\$ 345,239</u>	<u>\$ 345,239</u>	<u>\$ 169,453</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 22,006</u>	<u>\$ 33,340</u>

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax Levy	\$ 8,436,310	\$ 8,610,255	\$ 8,813,451	\$ 8,978,077	\$ 9,142,327	\$ 9,402,090	\$ 9,622,307	\$ 9,946,008	\$ 10,119,525	\$ 10,207,165
Tuition Charges	398,345	455,635	473,307	498,097	485,882	336,022	274,094	225,556	275,880	204,486
Interest Earnings	11,822	13,125	9,884	10,186	11,668	14,857	30,842	24,084	3,400	4,427
Miscellaneous	40,883	5,767	2,297	7,409	16,596	10,976	10,173	45,550	90,172	155,362
State Sources	1,400,582	1,099,781	1,325,577	1,396,527	1,543,096	1,749,687	2,021,484	2,265,353	2,647,149	3,220,152
Federal Sources	137,398	111,754	116,189	124,381	115,362	110,534	114,829	118,337	193,371	142,204
Total Revenue	10,425,340	10,296,317	10,740,705	11,014,677	11,314,931	11,624,166	12,073,729	12,624,888	13,329,497	13,933,796
Expenditures										
Instruction										
Regular Instruction	4,134,430	3,955,871	4,144,605	4,175,030	4,262,810	4,488,372	4,585,375	4,631,160	4,916,613	5,265,937
Special Education Instruction	1,532,139	1,544,691	1,667,342	1,991,675	2,307,664	2,505,997	2,797,648	3,017,684	3,090,045	3,384,915
Other Instruction	228,063	291,138	292,351	246,627	225,360	243,471	257,447	271,902	291,717	318,438
School Sponsored Activities and Athletics	95,386	92,526	110,482	111,949	125,094	124,479	140,853	141,548	97,068	250,154
Support Services:										
Student and Inst. Related Services	1,179,757	1,180,461	1,246,120	1,466,007	1,449,917	1,647,418	1,687,904	1,858,455	2,179,722	2,131,064
General Administration Services	420,242	394,135	373,334	424,130	367,004	460,795	510,301	530,833	547,886	571,025
School Administration Services	206,858	192,809	202,279	116,621	212,552	218,828	262,159	277,698	184,740	122,830
Business/ Central Services	355,385	385,701	338,006	388,973	425,001	397,770	458,154	453,752	458,911	431,661
Plant Operations And Maintenance	700,234	771,814	916,187	872,347	866,799	795,022	788,879	828,929	829,305	861,925
Pupil Transportation	94,061	86,550	65,198	137,503	118,604	71,831	61,408	63,566	116,883	216,053
Capital Outlay	333,018	706,201	439,696	693,146	703,581	343,285	315,118	60,335	211,282	128,581
Debt Service:										
Principal	433,643	401,719	417,939	429,200	410,529	430,975	446,439	451,923	453,580	332,650
Interest and Other Charges	164,710	158,407	144,165	130,804	115,902	99,155	80,104	58,845	39,140	20,253
Payment to Refunding Bond Escrow Agent	-	-	-	-	-	-	-	-	-	-
Costs of Issuance of Refunding Bonds	-	-	-	-	-	-	-	-	-	-
Total Expenditures	9,877,926	10,162,023	10,357,704	11,184,012	11,590,817	11,827,398	12,391,789	12,646,630	13,416,892	14,035,486
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	547,414	134,294	383,001	(169,335)	(275,886)	(203,232)	(318,060)	(21,742)	(87,395)	(101,690)
Other Financing Sources (Uses)										
Capital Lease Proceeds	-	-	-	57,292	-	-	-	57,266	-	111,738
Transfers In	283	-	641,082	169,716	-	-	-	-	-	-
Transfers Out	(283)	-	(641,082)	(171,216)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	55,792	-	-	-	57,266	-	111,738
Net Change in Fund Balances	\$ 547,414	\$ 134,294	\$ 383,001	\$ (113,543)	\$ (275,886)	\$ (203,232)	\$ (318,060)	\$ 35,524	\$ (87,395)	\$ 10,048
Debt Service as a Percentage of										
Noncapital Expenditures	6.27%	5.92%	5.67%	5.34%	4.84%	4.62%	4.36%	4.06%	3.73%	0.00%

* Noncapital expenditures are total expenditures less capital outlay.

**NORTHVALE BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Fiscal Year Ended June 30</u>	<u>Tuition</u>	<u>Interest</u>	<u>Miscellaneous</u>	<u>Total</u>
2013	\$ 398,345	\$ 11,539	\$ 40,546	\$ 450,430
2014	455,635	13,125	5,767	474,527
2015	473,307	9,884	1,298	484,489
2016	498,097	10,186	2,146	510,429
2017	485,882	11,668	15,449	512,999
2018	336,022	14,857	9,292	360,171
2019	274,094	30,842	7,749	312,685
2020	225,556	24,084	45,008	294,648
2021	275,880	3,400	46,454	325,734
2022	204,486	4,427	25,930	234,843

NORTHVALE BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2013	\$ 10,277,900	\$ 576,719,800			\$ 77,344,700	\$ 187,827,700		\$ 852,170,100	-	\$ 852,170,100	\$ 929,610,243	\$ 1.001
2014	10,277,900	575,935,300			77,344,700	187,827,700		851,385,600	\$ 908,803	852,294,403	923,036,029	1.023
2015	10,049,700	576,016,200			81,420,700	186,088,200		853,574,800	908,803	854,483,603	913,012,611	1.041
2016	10,641,100	576,988,300			81,392,200	185,749,300		854,770,900	908,803	855,679,703	947,649,798	1.059
2017	9,122,000	579,726,300			81,214,600	185,541,400		855,604,300	908,803	856,513,103	937,826,702	1.083
2018	9,122,000	581,350,700			81,256,200	185,541,400		857,270,300	908,803	858,179,103	981,568,465	1.108
2019	11,071,200	590,031,600			81,313,300	183,330,100		865,746,200	908,803	866,655,003	1,007,436,738	1.129
2020	9,479,800	595,688,700			81,272,000	175,972,000		862,412,500	908,803	863,321,303	1,010,414,027	1.173
2021	9,727,700	596,193,900			87,977,300	171,472,000		865,370,900	908,803	866,279,703	989,031,798	1.175
2022	7,954,700	601,743,900			87,826,900	172,280,400		869,805,900	908,803	870,714,703	1,045,562,121	1.184

N/A - not available

Source: County Abstract of Ratables

^a Tax rates are per \$100

**NORTHVALE BOARD OF EDUCATION
PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUATION
LAST TEN YEARS
(Unaudited)**

Calendar Year	Total Direct Tax Rate	Overlapping Rates				Total
		Regional High School District	Municipality (1)	County		
2013	\$ 1.001	\$ 0.600	\$ 0.663	\$ 0.251	\$ 2.515	
2014	1.023	0.634	0.663	0.253	2.573	
2015	1.041	0.639	0.696	0.257	2.633	
2016	1.059	0.636	0.709	0.272	2.676	
2017	1.083	0.657	0.722	0.274	2.736	
2018	1.108	0.687	0.765	0.280	2.840	
2019	1.129	0.702	0.811	0.283	2.925	
2020	1.173	0.706	0.865	0.288	3.032	
2021	1.175	0.687	0.880	0.284	3.026	
2022	1.184	0.669	0.877	0.290	3.020	

Note:

(1) Includes Library Tax

Source: Tax Duplicate, Borough of Northvale

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

Taxpayer	2022		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Maxim Enterprises	\$ 22,229,600	2.55%	\$ 26,729,600	3.13%
Vale 251 LLC	11,800,000	1.36%		
Northvale Shopping Center Assoc.	9,504,700	1.09%	9,504,700	1.11%
GEA Mechanical Equipment	7,268,700	0.83%	7,268,700	0.85%
PSI Atlantic Northvale NJ LLC	6,881,100	0.79%		
Northvale Holding CO. LLC	6,094,000	0.70%	6,094,000	0.71%
255-257 Union Street Northvale LLC	6,000,000	0.69%		
Ludlow Realty LLC	5,659,800	0.65%		
Klaus Rexroth Incorporated	5,466,900	0.63%		
Landvale Realty LLC	5,492,300	0.63%		
1554 Union Street Assoc.			12,711,200	1.49%
Roselle Costa			6,252,400	0.73%
Cho Dae Presbyterian Church			6,120,200	0.72%
Northvale 1997 Assoc., LLC			5,492,306	0.64%
Klaus Rexroth Incorporated			5,466,900	0.64%
Northvale Technical Center			5,289,200	0.62%
	<u>86,397,100</u>	<u>9.92%</u>	<u>90,929,206</u>	<u>10.66%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Local School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 8,436,310	\$ 8,436,310	100.00%	
2014	8,610,255	8,610,255	100.00%	
2015	8,813,451	8,813,451	100.00%	
2016	8,978,077	8,978,077	100.00%	
2017	9,142,327	9,142,327	100.00%	
2018	9,402,090	9,402,090	100.00%	
2019	9,622,307	9,622,307	100.00%	
2020	9,946,008	9,946,008	100.00%	
2021	10,119,525	10,119,525	100.00%	
2022	10,207,165	10,207,165	100.00%	

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases				
2013	\$ 3,584,000	\$ 113,858	\$	3,697,858	4,675	\$ 791
2014	3,219,000	77,139		3,296,139	4,723	698
2015	2,839,000	39,200		2,878,200	4,771	603
2016	2,449,000	57,292		2,506,292	4,860	516
2017	2,049,000	46,763		2,095,763	4,885	429
2018	1,629,000	35,788		1,664,788	4,895	340
2019	1,194,000	24,349		1,218,349	4,920	248
2020	754,000	57,266		811,266	4,923	165
2021	310,000	47,686		357,686	4,762	75
2022	-	136,774		136,774	4,762 (1)	29

(1) - Estimated

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2013	\$ 3,584,000		\$ 3,584,000	0.42%	\$ 767
2014	3,219,000		3,219,000	0.38%	682
2015	2,839,000		2,839,000	0.33%	595
2016	2,449,000		2,449,000	0.29%	504
2017	2,049,000		2,049,000	0.24%	419
2018	1,629,000	\$ 1	1,628,999	0.19%	333
2019	1,194,000	1	1,193,999	0.14%	243
2020	754,000	1	753,999	0.09%	153
2021	310,000	1	309,999	0.04%	65
2022	-	-	-	0.00%	-

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

NORTHVALE BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR YEAR ENDED DECEMBER 31, 2021
(Unaudited)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Regional High School Tax	\$ 1,192,534	\$ 1,192,534	
Borough of Northvale School District	310,000	310,000	
Borough of Northvale	<u>6,922,449</u>	<u>-</u>	<u>\$ 6,922,449</u>
	<u>\$ 8,424,983</u>	<u>\$ 1,502,534</u>	<u>6,922,449</u>
Overlapping Debt Apportioned to the Municipality:			
Bergen County (3)			\$ 7,846,845
Bergen County Utilities Authority (2)			<u>1,926,292</u>
			<u>9,773,137</u>
Total Direct and Overlapping Debt			<u>\$ 16,695,586</u>

Sources:

- (1) Borough of Northvale Annual Debt Statement - December 31, 2021
- (2) BCUA 2021 audit.
- (3) Bergen County Annual Debt Statement - December 31, 2021

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

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis	
2021	\$ 1,031,677,277
2020	976,905,868
2019	1,005,278,913
	<u>\$ 3,013,862,058</u>
 Average equalized valuation of taxable property	 <u>\$ 1,004,620,686</u>
 Debt limit (3% of average equalization)	 \$ 30,138,621
Total Net Debt Applicable to Limit	-
Legal debt margin	<u>\$ 30,138,621</u>

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt limit	\$ 28,874,232	\$ 27,963,693	\$ 27,355,878	\$ 28,868,951	\$ 27,659,801	\$ 28,353,800	\$ 28,867,593	\$ 29,644,518	\$ 29,707,345	\$ 30,138,621
Total net debt applicable to limit	<u>(3,584,000)</u>	<u>(3,219,000)</u>	<u>(2,839,000)</u>	<u>(2,449,000)</u>	<u>(2,049,000)</u>	<u>(1,629,000)</u>	<u>(1,194,000)</u>	<u>(754,000)</u>	<u>(310,000)</u>	-
Legal debt margin	<u>\$ 25,290,232</u>	<u>\$ 24,744,693</u>	<u>\$ 24,516,878</u>	<u>\$ 26,819,951</u>	<u>\$ 25,610,801</u>	<u>\$ 26,724,800</u>	<u>\$ 27,673,593</u>	<u>\$ 28,890,518</u>	<u>\$ 29,397,345</u>	<u>\$ 30,138,621</u>
Total net debt applicable to the limit as a percentage of debt limit	12.41%	11.51%	10.38%	8.48%	7.41%	5.75%	4.14%	2.54%	1.04%	0.00%

Source: Annual Debt Statements

**NORTHVALE BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income</u>	<u>Population</u>
2013	7.1%	\$ 71,286	4,722
2014	4.3%	73,883	4,723
2015	4.2%	77,323	4,771
2016	3.6%	78,836	4,860
2017	3.2%	81,024	4,885
2018	2.8%	85,191	4,895
2019	2.6%	88,241	4,920
2020	8.1%	91,972	4,923
2021	5.3%	91,972 (1)	4,762
2022	N/A	91,971 (1)	4,762 (1)

N/A - Not Available

(1) Estimated

Source: New Jersey Department of Labor, Bergen County
United States Bureau of Census
School District Records

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

	<u>2022</u>		<u>2013</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular	46.0	46.0	46.0	36.0	36.0	36.0	36.0	35.0	36.0	36.4
Special education	10.0	10.0	10.0	13.0	13.5	14.0	14.0	17.0	23.8	24.1
Support Services:										
Student and instruction related services	6.0	6.0	6.0	12.0	13.0	16.0	8.5	6.5	3.0	7.0
General administration Services	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0
School administration Services	3.0	3.0	3.0	3.0	3.0	3.0	4.0	3.0	4.0	4.0
Central services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Administrative Information Technology				1.0	1.0	1.0	1.0	1.0		
Plant operations and maintenance	3.0	3.0	3.0	3.0	2.5	3.5	3.0	3.0	3.0	3.0
Total	<u>73.0</u>	<u>73.0</u>	<u>73.0</u>	<u>73.0</u>	<u>74.0</u>	<u>78.5</u>	<u>72.5</u>	<u>71.5</u>	<u>75.8</u>	<u>80.5</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Staff	Elementary	Middle School				
2013	508.0	\$ 8,946,555	\$ 17,611	15.68%	53	17.50	15.90	536.6	513.7	-5.81%	95.73%
2014	512.0	8,895,696	17,374	-1.35%	53	17.50	15.90	525.2	507.5	-2.12%	96.63%
2015	511.0	9,355,904	18,309	5.38%	53	17.50	15.90	513.8	496.2	-2.17%	96.57%
2016	523.0	9,930,862	18,988	3.71%	49	17.78	20.36	523.7	503.5	1.93%	96.14%
2017	517.0	10,360,805	20,040	5.54%	49	19.11	19.89	520.0	500.6	-0.70%	96.27%
2018	516.0	10,953,983	21,229	5.93%	50	19.39	18.78	516.2	497.1	-0.74%	96.30%
2019	509.0	11,550,128	22,692	6.89%	50	18.89	19.22	511.0	491.4	-1.01%	96.16%
2020	527.0	12,075,527	22,914	0.98%	52	19.00	20.70	538.2	525.9	5.32%	97.71%
2021	519.0	12,712,890	24,495	6.90%	60	18.33	21.00	519.2	507.9	-3.53%	97.82%
2022	532.0	13,554,002	25,477	4.01%	61	17.10	14.20	530.6	507.3	2.19%	95.61%

Sources: District records

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

N/A - Not Available

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

	2013	2014	2015	#	2016	2017	2018	2019	2020	2021	2022
<u>District Building</u>											
<u>Northvale School District</u>											
Square Feet	71,093	71,093	71,093		71,093	71,093	71,093	71,093	71,093	71,093	71,093
Capacity (students)	848	848	848		848	848	848	848	848	848	848
Enrollment	508	512	511		523	517	516	509	527	519	532

Number of Schools at June 30, 2022
Northvale School District = 1

Source: District Records

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

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
School Facilities										
District Totals										
Nathan Hale										
Thomas Jefferson										
Northvale School District	<u>112,611</u>	<u>\$ 114,133</u>	<u>\$ 177,642</u>	<u>\$ 152,877</u>	<u>\$ 208,004</u>	<u>\$ 134,933</u>	<u>\$ 124,269</u>	<u>\$ 142,425</u>	<u>\$ 126,719</u>	<u>\$ 122,076</u>
Grand Total	<u>\$ 112,611</u>	<u>\$ 114,133</u>	<u>\$ 177,642</u>	<u>\$ 152,877</u>	<u>\$ 208,004</u>	<u>\$ 134,933</u>	<u>\$ 124,269</u>	<u>\$ 142,425</u>	<u>\$ 126,719</u>	<u>\$ 122,076</u>

In fiscal year 2013, the two school buildings were combined into one district building, Northvale School District for reporting purposes.

NORTHVALE BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2022
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - National Union Fire		
Property - Blanket Buildings and Contents	\$ 18,466,939	\$ 25,000
Comprehensive General Liability (General Aggregate)	3,000,000	2,500
Automobile Liability	1,000,000	
Educator's Legal Liability - Greenwich Ins. Co.	1,000,000	
Public Employee Dishonesty (Per Employee/Loss) - Selective Insurance Company of America	100,000/500,000	5,000/100,000
Computers and Scheduled Equipment - Great American Insurance Company		
Miscellaneous Equipment	150,000	
Valuable Papers and Records	5,000,000	
EDP Equipment	5,000,000	
Accounts Receivable	250,000	
Commercial Umbrella Excess (per occurrence/aggregate limit) - National Union Fire	9,000,000	
Excess Unshared Umbrella (per occurrence/aggregate limit) - Hudson Insurance Company	10,000,000	
Cyber Liability (Combined Policy Aggregate Limit) Indian Harbor	6,000,000	
Commercial Umbrella Excess (per occurrence/aggregate limit) Firemen's Fund Insurance Co.	25,000,000	
Pollution Liability (Markel) Environmental Impairment	2,000,000	25,000

Source: School District's Records

**GOVERNMENT AUDITING STANDARDS
AND
SINGLE AUDIT SECTION**



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
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DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Education
Northvale Board of Education
Northvale, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of the Northvale Board of Education as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Northvale Board of Education’s basic financial statements and have issued our report thereon dated February 1, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Northvale 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 Northvale Board of Education’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Northvale Board of Education’s internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Northvale 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.

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


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

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
February 1, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY
OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Northvale Board of Education
Northvale, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Northvale Board of Education's compliance with the types of compliance requirements identified as subject to audit in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Northvale Board of Education's major state programs for the fiscal year ended June 30, 2022. The Northvale Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Northvale Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Northvale Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Northvale Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Northvale Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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


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

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


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

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, and aggregate remaining fund information of the Northvale Board of Education, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated February 1, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of 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 state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
February 1, 2023

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

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AI Number	Federal FAIN Number	Grant Period	Award Amount	Balance at June 30, 2021	Cash Received	Budgetary Expenditures	Accounts Receivable	Balance at June 30, 2022		Due to Grantor	Memo GAAP Receivable
									Deferred Revenue			
U.S. Department of Education												
Passed-Through State Department of Education												
Special Revenue Fund												
I.D.E.A. Part B, Basic	84.027	H027A200100	7/1/21-9/30/22	\$ 106,813		\$ 106,813	\$ 106,813					
I.D.E.A. Part B, Preschool	84.173	H173A200114	7/1/21-9/30/22	6,127	-	6,127	6,096	-	\$ 31	-	-	
ARP - I.D.E.A. Part B, Basic	84.027X	H027X210100	7/1/21-9/30/22	21,231		21,231	21,231					
ARP - I.D.E.A. Part B, Preschool	84.173X	H173X210114	7/1/21-9/30/22	1,814	-	1,814	1,814	-		-	-	
Total Individuals with Disabilities Cluster					-	135,985	135,954	-	31	-	-	
<i>Elementary and Secondary School Emergency Relief (ESSER)</i>												
<i>Coronavirus Aid, Relief, and Economic Security (CARES) Act</i>												
Cares Act	84.425D	S425D200027	7/1/20-6/30/22	34,179	\$ 12				\$ 12			
<i>Elementary and Secondary School Emergency Relief (ESSER II)</i>												
<i>Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act</i>												
Non-Title I	84.425D	S425D210027	3/13/20-9/30/23	200,604		200,604		-	200,604			
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	25,000		6,250	6,250	(18,750)	18,750			
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	-	-	-	(45,000)	45,000	-	-	
<i>Elementary and Secondary School Emergency Relief (ESSER III)</i>												
<i>American Rescue Plan Act</i>												
Non-Title I	84.425D	S425D210027	3/13/20-9/30/24	401,209	-	-	-	(401,209)	401,209	-	-	
ESSER Cluster Total					12	206,854	6,250	(464,959)	665,575	-	-	
Total Special Revenue Fund					12	342,839	142,204	(464,959)	665,606	-	-	
Total Federal Financial Assistance					\$ 12	\$ 342,839	\$ 142,204	\$ (464,959)	\$ 665,606	\$ -	\$ -	

Note: This schedule was not subject to a Federal Single Audit in accordance with U.S. Uniform Guidance

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

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2021			Cash Received	Budgetary Expenditures	Balance, June 30, 2022			MEMO		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor			(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Budgetary Total Expenditures	
State Department of Education														
General Fund														
Special Education Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	\$ 289,173	\$ (22,596)			\$ 22,596							
Special Education Categorical Aid	22-495-034-5120-089	7/1/21-6/30/22	341,470				301,184	\$ 341,470	\$ (40,286)					341,470
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	40,383	(3,155)			3,155							-
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	40,383				35,545	40,383	(4,838)					40,383
Equalization Aid		7/1/21-6/30/22	89,194				89,194	89,194						89,194
School Security Grant	20E00352	7/1/21-6/30/22	19,980				19,980	19,980						19,980
Total State Aid Public Cluster				(25,751)	-	-	471,654	491,027	(45,124)	-	-	-	-	491,027
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	24,930	(1,948)			1,948							
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	24,930				21,943	24,930	(2,987)					24,930
Additional Nonpublic Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	42	(42)			42							
Additional Nonpublic Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	290					290	(290)				\$ (290)	290
Total Transportation Aid Cluster				(1,990)	-	-	23,933	25,220	(3,277)	-	-	-	(290)	25,220
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	242,953	(242,953)			242,953							
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	313,500					313,500	(313,500)					313,500
Total Extraordinary Aid Cluster				(242,953)	-	-	242,953	313,500	(313,500)	-	-	-	-	313,500
TPAF Pension - NCGI Premium	22-495-034-5094-004	7/1/21-6/30/22	23,741				23,741	23,741						23,741
TPAF Pension - Normal Costs	22-495-034-5094-002	7/1/21-6/30/22	1,682,762				1,682,762	1,682,762						1,682,762
TPAF Pension PRM Contr.	22-495-034-5094-001	7/1/21-6/30/22	398,708				398,708	398,708						398,708
TPAF Pension - Long-Term Disability Contr.	22-495-034-5094-004	7/1/21-6/30/22	538				538	538						538
TPAF Social Security Contrib.	21-495-034-5094-003	7/1/20-6/30/21	352,631	(17,923)			17,923							
TPAF Social Security Contrib.	22-495-034-5094-003	7/1/21-6/30/22	375,615				356,353	375,615	(19,262)				(19,262)	375,615
Total General Fund				(288,617)	-	-	3,218,565	3,311,111	(381,163)	-	-	-	(19,552)	3,311,111
Total State Financial Assistance Subject to Single Audit Determination				(288,617)	-	-	3,218,565	3,311,111	(381,163)	-	-	-	(19,552)	3,311,111
State Financial Assistance														
Not Subject to Single Audit Determination														
General Fund														
TPAF Pension - NCGI Premium	22-495-034-5094-004	7/1/21-6/30/22	23,741				(23,741)	(23,741)						(23,741)
TPAF Pension - Normal Costs	22-495-034-5094-002	7/1/21-6/30/22	1,682,762				(1,682,762)	(1,682,762)						(1,682,762)
TPAF Pension PRM Contr.	22-495-034-5094-001	7/1/21-6/30/22	398,708				(398,708)	(398,708)						(398,708)
TPAF Pension - Long-Term Disability Contr.	22-495-034-5094-004	7/1/21-6/30/22	538				(538)	(538)						(538)
Total State Financial Assistance Subject to Major Program Determination				\$ (288,617)	\$ -	\$ -	\$ 1,112,816	\$ 1,205,362	\$ (381,163)	\$ -	\$ -	\$ -	\$ (19,552)	\$ 1,205,362

100

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are and integral Part of this Statement.

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

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$90,959 for the general 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		\$ 3,220,152	\$ 3,220,152
Special Revenue Fund	\$ 142,204	-	142,204
Total Financial Assistance	<u>\$ 142,204</u>	<u>\$ 3,220,152</u>	<u>\$ 3,362,356</u>

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

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$375,615 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2022. The amount reported as TPAF Pension System Contributions in the amount of \$1,706,503, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$398,708 and TPAF Long-Term Disability Insurance in the amount of \$538 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2022.

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

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions 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.

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

Part I – Summary of Auditor’s Results

Financial Statement Section

- A) Type of auditors' report issued: Unmodified
- B) Internal control over financial reporting:
- 1) Material weakness(es) identified? yes X no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? yes X none reported
- C) Noncompliance material to the basic financial statements noted? yes X no

State Awards Section

- Internal Control over major programs:
- (1) Material weakness(es) identified? yes X no
- 2) Significant deficiencies identified that are not considered to be material weakness(es)? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08? yes X no

Identification of major state programs:

<u>CFDA Number(s)</u>	<u>Name of State Program or Cluster</u>
22-495-034-5094-003	TPAF Social Security Contributions

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

Auditee qualified as low-risk auditee? X yes no

Federal Awards Section

NOT APPLICABLE

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

Part 2 – Schedule of Financial Statement Findings

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

There are none.

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

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

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

CURRENT YEAR FEDERAL AWARDS

Not applicable.

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

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

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

CURRENT YEAR STATE AWARDS

There are none

**NORTHVALE BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.