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**BERGEN COUNTY**  
**Special Services School District**

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**Annual  
Comprehensive  
Financial Report  
For The Fiscal Year  
Ended June 30, 2023**

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BERGEN COUNTY, NEW JERSEY

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**of the**

**Bergen County Special Services**

**School District**

**Bergen County, New Jersey**

**For The Fiscal Year Ended June 30, 2023**

**Prepared by**

**Bergen County Special Services  
School District  
Business Department**

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
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## **INTRODUCTORY SECTION**



BERGEN COUNTY TECHNICAL SCHOOLS / SPECIAL SERVICES

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District Administration Office

540 Farview Avenue, Paramus, New Jersey 07652 • Tel. (201) 343-6000 • Fax (201) 225-9067

January 30, 2024

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

Dear Board Members:

State Department of Education statutes require that all general-purpose local governments publish within five months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive finance statement of the Bergen County Special Services for the fiscal year ended June 30, 2023.

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

The Bergen County Special Services School District's financial statements have been audited by Lerch, Vinci & Bliss, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Bergen County Special Services School District for the fiscal year ended June 30, 2023, are free of material

misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Bergen County Special Services School District's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Bergen County Special Services' MD&A can be found immediately following the "Independent Auditors' Report".

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

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

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

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

The District completed the 2022-23 fiscal year with an average daily enrollment of 589.7 students, which is 11.6 students more than the previous year's enrollment. The following details the changes in the average daily enrollment over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Percent Change</u>
2022-23	589.7	2.0%
2021-22	578.1	(2.4%)
2020-21	592.3	(3.7%)
2019-20	615.1	4.60%
2018-19	588.0	(2.37%)
2017-18	602.3	(6.24%)
2016-17	642.4	(2.0%)
2015-16	655.0	(2.96%)
2014-15	675.0	(0.44)%
2013-14	678.0	1.73 %

**ECONOMIC CONDITION AND OUTLOOK:** Located in Northeastern New Jersey in close proximity to New York City, Bergen County is an important economic entity. Although Bergen County comprises only 3% of New Jersey's total land area, it has the largest number of workers, private-sector jobs, and highest per capita income in the state. Its 900,000+ residents live in 70 municipalities, which include 56 boroughs, 9 townships, 3 cities, and 2 villages.

According to the Bergen County Economic Development Corporation, Bergen has over 14% of the states jobs (500,000) and over 14% of New Jersey's manufacturing jobs - both records for the state, at \$15 billion. Hackensack, the County Seat, is home to Bergen's top employer, Hackensack University Medical Center. This state-of-the-art teaching and research hospital is the largest provider of inpatient and outpatient services in the state. The Valley Hospital System and Bio-Reference Laboratories round out the top three employers in the county. Other leading employers include: Express Scripts, Quest Diagnostics, KMPG LLP, Englewood Hospital & Medical Center, Englewood Hospital Home Health Care Services, Unilever Best Foods and Stryker.

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

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

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

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

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

**BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimates. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the internal service funds for the Regional Day School. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2023.

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

**DEBT ADMINISTRATION:** At June 30, 2023 the District does not have any debt service. All bonded long-term debt is included in the County of Bergen's Financial Statements.

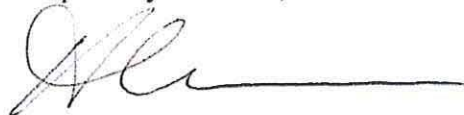
**CASH MANAGEMENT:** The investment policy of the district is guided in large part by state statute as detailed in "*Notes to the Basic Financial Statements*". The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the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

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

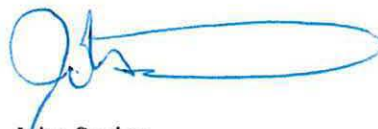
**ACKNOWLEDGMENTS:**

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

Respectfully submitted,



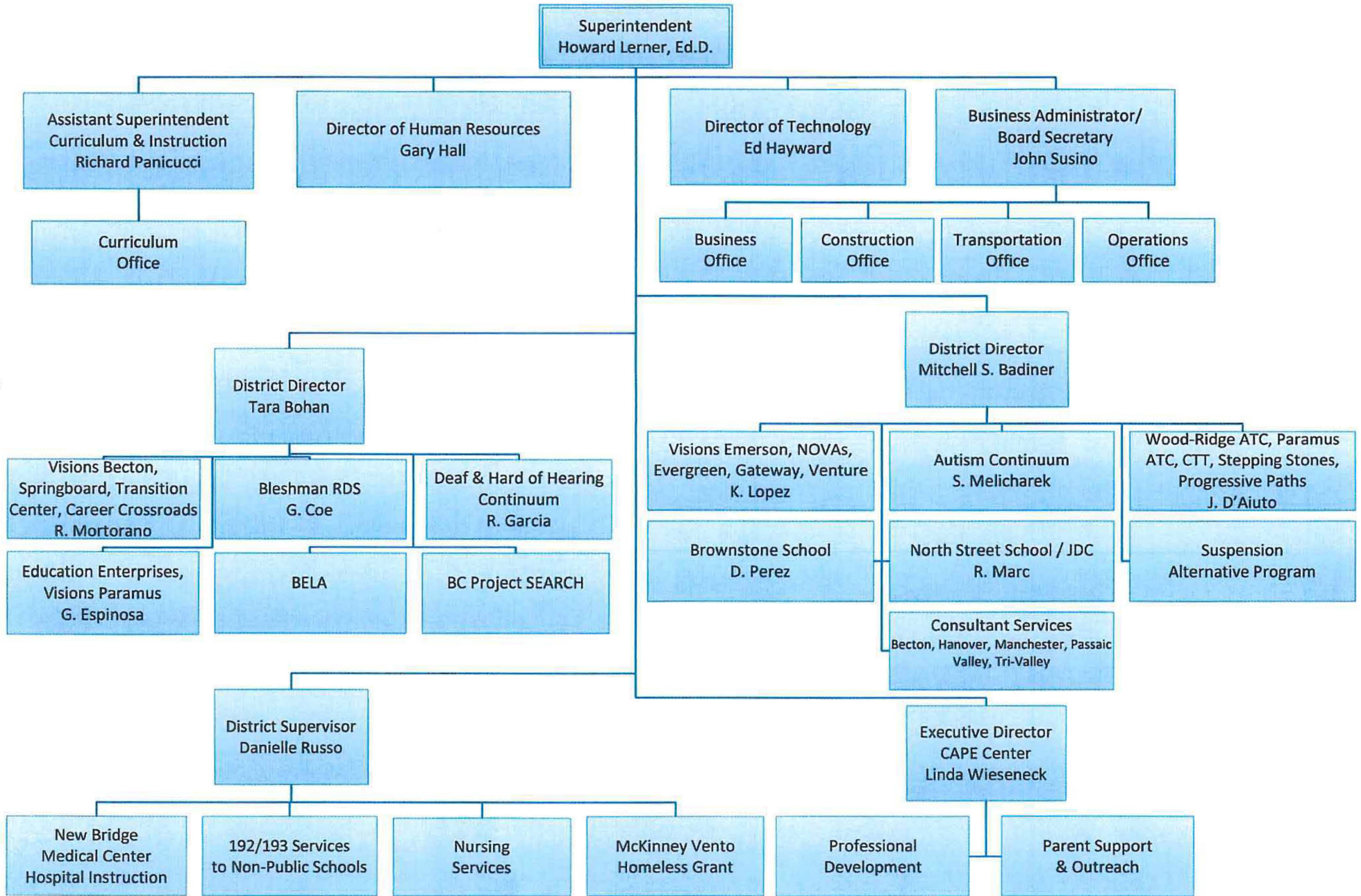
Dr. Howard Lerner  
Superintendent



John Susino  
Business Administrator/Board Secretary



# BCSS Administrative Plan 2022-2023



**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
BERGEN COUNTY, NEW JERSEY  
ROSTER OF OFFICIALS  
JUNE 30, 2023**

**COUNTY EXECUTIVE**

James J. Tedesco III

**MEMBERS OF THE BOARD OF COMMISSIONERS**

Thomas J Sullivan – Chairman  
Germaine M. Ortiz – Vice Chairwoman  
Dr. Joan M. Voss – Chair Pro Tempore  
Mary J. Amoroso  
Rafael Marte  
Steven A. Tanelli  
Tracey S. Zur

**BOARD OF EDUCATION**

President – Gary Lentini

Vice-President – Dr. Beth Lancelloti

Members of the Board

William Barnaskas  
Kelly Epstein  
Ana Marti  
Michael McCarthy  
Dr. Louis DeLisio  
Executive County Superintendent  
Bergen County Office of Education

**OTHER OFFICIALS**

Superintendent  
Business Administrator/Board Secretary  
Director of Personnel  
District Director of Instruction  
District Director of Instruction  
Supervisor of Instruction 192/193  
Principal, Bleshman  
Supervisor, North Street School  
Principal, Brownstone  
Principal, Washington Programs  
Principal, Nova, Emerson, Evergreen, Venture, Gateway  
Principal, Hearing Impaired  
Principal, Springboard, Transition Center, Visions

Dr. Howard Lerner  
John Susino  
Gary Hall  
Mitchell Badiner  
Tara Bohan  
Danielle Russo  
Gail Coe  
Reginald Marc  
David Perez  
Sandra Melicharek  
Kelly Lopez  
Rasheda Garcia  
Robert Mortorano

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Consultants and Advisors

Architects

DMR Architects

Rivardo, Schnitzer and Capazzi

DiCara, Rubino Architects

Audit Firm

Lerch, Vinci and Bliss, LLP

Attorney

Nowell, P.A.

Engineers

Remington and Vernick

CHA Consulting

T&M Associates

Construction Management

Mast Construction

Official Depositories

Santander Bank

TD Bank

**FINANCIAL SECTION**





# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA  
ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, RMA, PSA

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

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bergen County Special Services School District, a component unit of the County of Bergen as of and for the fiscal year ended June 30, 2023 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, each major fund, and the aggregate remaining fund information of the Bergen County Special Services School District as of June 30, 2023, 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 Bergen County Special Services School District 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 Bergen County Special Services School District'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 Bergen County Special Services School District'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 Bergen County Special Services School District'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 Bergen County Special Services School District's basic financial statements. The accompanying combining fund financial statements, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Bergen County Special Services School District. 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 combining fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Other Information***

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


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

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated January 30, 2024 on our consideration of the Bergen County Special Services School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bergen County Special Services School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Bergen County Special Services School District's internal control over financial reporting and compliance.



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



Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



# BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

This section of Bergen County Special Services School District's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 fiscal year include the following:

- The assets and deferred outflows of resources of the Bergen County Special Services School District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$34,211,390 (net position).
- Overall District revenues were \$122,676,271. General revenues accounted for \$12,349,889 or 10% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$110,326,382 of total revenues or 90%.
- The School District had \$115,309,676 in expenses for governmental activities; \$109,876,054 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly county property taxes) of \$12,349,889 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$20,473,589 an increase of \$2,805,450 when compared to the ending fund balance at June 30, 2022 of \$17,668,139.
- The General Fund unassigned fund balance at June 30, 2023 was \$3,745,176, an increase of \$340,133 when compared with the ending fund balance of \$3,405,043 at June 30, 2022.

# BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

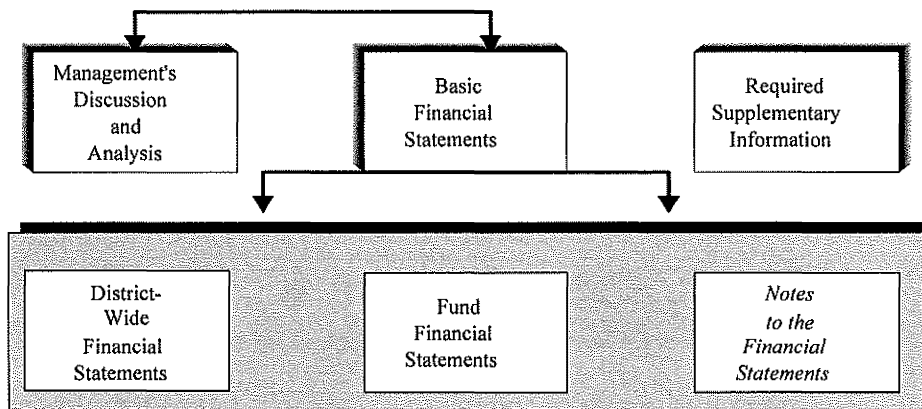
## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

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

Major Features of the District-Wide and Fund Financial Statements

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

# BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

### District-Wide Financial Statements

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

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

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

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

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

### Fund Financial Statements

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

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

# BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

### Fund Financial Statements (Continued)

The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's Enterprise Fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

### Notes to the Financial Statements

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

### Other Information

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

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2023**

**DISTRICT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$34,211,390 and \$26,565,583 as of June 30, 2023 and 2022, respectively, as shown below.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Assets</b>						
Current and Other Assets	\$ 31,254,956	\$ 26,908,512	\$ 116,618	\$ 117,187	\$ 31,371,574	\$ 27,025,699
Capital Assets	59,465,689	60,553,573	9,162	10,838	59,474,851	60,564,411
<b>Total Assets</b>	<u>90,720,645</u>	<u>87,462,085</u>	<u>125,780</u>	<u>128,025</u>	<u>90,846,425</u>	<u>87,590,110</u>
Deferred Outflows	5,630,654	6,393,737	-	-	5,630,654	6,393,737
<b>Total Assets and Deferred Outflows</b>	<u>96,351,299</u>	<u>93,855,822</u>	<u>125,780</u>	<u>128,025</u>	<u>96,477,079</u>	<u>93,983,847</u>
<b>Liabilities</b>						
Long-Term Liabilities	46,897,849	39,151,130	-	-	46,897,849	39,151,130
Other Liabilities	5,669,994	4,599,550	6,468	4,222	5,676,462	4,603,772
<b>Total Liabilities</b>	<u>52,567,843</u>	<u>43,750,680</u>	<u>6,468</u>	<u>4,222</u>	<u>52,574,311</u>	<u>43,754,902</u>
Deferred Inflows	9,688,904	23,661,167	2,474	2,195	9,691,378	23,663,362
<b>Total Liabilities and Deferred Inflows</b>	<u>62,256,747</u>	<u>67,411,847</u>	<u>8,942</u>	<u>6,417</u>	<u>62,265,689</u>	<u>67,418,264</u>
<b>Net Position</b>						
Net Investment in Capital Assets	59,465,689	60,553,573	9,162	10,838	59,474,851	60,564,411
Restricted	13,229,915	9,830,608	-	-	13,229,915	9,830,608
Unrestricted	(38,601,052)	(43,940,206)	107,676	110,770	(38,493,376)	(43,829,436)
<b>Total Net Position</b>	<u>\$ 34,094,552</u>	<u>\$ 26,443,975</u>	<u>\$ 116,838</u>	<u>\$ 121,608</u>	<u>\$ 34,211,390</u>	<u>\$ 26,565,583</u>

# BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

The changes in net position for fiscal years ended 2023 and 2022 are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 83,242,048	\$ 78,806,893	\$ 70,264	\$ 14,660	\$ 83,312,312	\$ 78,821,553
Operating Grants and Contributions	25,461,291	29,067,911	380,064	498,368	25,841,355	29,566,279
Capital Grants and Contributions	1,172,715	1,393,169	-	-	1,172,715	1,393,169
<b>General Revenues</b>						
County Property Taxes	11,052,469	10,835,754	-	-	11,052,469	10,835,754
Investment Earnings	186,620	12,611	-	-	186,620	12,611
Miscellaneous	1,110,800	1,168,685	-	-	1,110,800	1,168,685
<b>Total Revenues</b>	<b><u>122,225,943</u></b>	<b><u>121,285,023</u></b>	<b><u>450,328</u></b>	<b><u>513,028</u></b>	<b><u>122,676,271</u></b>	<b><u>121,798,051</u></b>
<b>Expenses</b>						
<b>Instruction</b>						
Special Education	61,904,648	68,974,993	-	-	61,904,648	68,974,993
<b>Support Services</b>						
Student and Instruction Related Services	34,974,851	25,910,009	-	-	34,974,851	25,910,009
General Administration Services	1,194,610	4,883,343	-	-	1,194,610	4,883,343
School Administration Services	4,408,224	1,198,892	-	-	4,408,224	1,198,892
Plant Operation and Maintenance	9,143,141	9,094,816	-	-	9,143,141	9,094,816
Pupil Transportation	1,358,776	1,523,415	-	-	1,358,776	1,523,415
Business Services	2,325,426	1,977,874	-	-	2,325,426	1,977,874
Food Service	-	-	530,098	478,707	530,098	478,707
<b>Total Expenses</b>	<b><u>115,309,676</u></b>	<b><u>113,563,342</u></b>	<b><u>530,098</u></b>	<b><u>478,707</u></b>	<b><u>115,839,774</u></b>	<b><u>114,042,049</u></b>
<b>Increase (Decrease) in Net Position</b>						
<b>Before Transfers</b>	<b>6,916,267</b>	<b>7,721,681</b>	<b>(79,770)</b>	<b>34,321</b>	<b>6,836,497</b>	<b>7,756,002</b>
<b>Transfers</b>	<b>734,310</b>	<b>-</b>	<b>75,000</b>	<b>-</b>	<b>809,310</b>	<b>-</b>
Change in Net Position	7,650,577	7,721,681	(4,770)	34,321	7,645,807	7,756,002
<b>Net Position, Beginning of Year</b>	<b><u>26,443,975</u></b>	<b><u>18,722,294</u></b>	<b><u>121,608</u></b>	<b><u>87,287</u></b>	<b><u>26,565,583</u></b>	<b><u>18,809,581</u></b>
<b>Net Position, End of Year</b>	<b><u>\$ 34,094,552</u></b>	<b><u>\$ 26,443,975</u></b>	<b><u>\$ 116,838</u></b>	<b><u>\$ 121,608</u></b>	<b><u>\$ 34,211,390</u></b>	<b><u>\$ 26,565,583</u></b>

### Governmental Activities

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**Management’s Discussion and Analysis  
Fiscal Year Ended June 30, 2023**

**Total and Net Cost of Governmental Activities.** The following schedule presents the District’s total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2023 and 2022.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction				
Special Education	\$ 61,904,648	\$ 68,974,993	\$ (15,523,752)	\$ (18,200,011)
Support Services				
Student and Instruction Related Services	34,974,851	25,910,009	8,792,367	10,730,463
School Administration Services	1,194,610	4,883,343	1,065,605	2,641,594
General Administration	4,408,224	1,198,892	2,547,810	1,031,486
Plant Operation and Maintenance	9,143,141	9,094,816	6,840,149	6,351,709
Pupil Transportation	1,358,776	1,523,415	1,194,747	1,277,521
Other Support Services-Business/Central Svc./Admin Info. Tech.	<u>2,325,426</u>	<u>1,977,874</u>	<u>516,696</u>	<u>462,607</u>
<b>Total</b>	<b><u>\$ 115,309,676</u></b>	<b><u>\$ 113,563,342</u></b>	<b><u>\$ 5,433,622</u></b>	<b><u>\$ 4,295,369</u></b>

**FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS**

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

**Governmental Funds**

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$20,473,589, an increase of \$2,805,450 from last year’s fund balance of \$17,668,139.

Revenues for the District’s governmental funds were \$79,726,900; total expenditures were \$77,625,760 as well as other financing sources of \$704,310.

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

Revenues of the General Fund were \$65,261,225 for the fiscal year ended June 30, 2023. State sources amounted to \$7,714,622, federal sources totaled \$561,009 and other sources were \$56,985,594.

Expenditures of the General Fund were \$63,896,598. Instructional expenditures were \$35,180,749, support services were \$26,343,873 and capital expenditures totaled \$2,371,976 for the fiscal year ended June 30, 2023.



# BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

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

Revenues of the Special Revenue Fund were \$13,315,675 for the fiscal year ended June 30, 2023. State sources amounted to \$1,614,661, federal sources totaled \$3,038,693 and local sources were \$8,662,321.

Expenditures of the Special Revenue Fund were \$13,312,812. Instructional expenditures were \$6,614,203, and support services were \$6,675,894 and capital expenditures totaled \$22,715 for the fiscal year ended June 30, 2023.

**Capital Projects** - The capital projects revenues exceeded expenditures and other financing uses by \$1,542,960 increasing the fund balance from \$1,086,791 at June 30, 2022 to \$2,629,751 at June 30, 2023.

### Proprietary Funds

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

- *Enterprise Fund* - The District uses an Enterprise Fund to report activities related to the District's Food services program. The Districts Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.
- *Internal Service Fund* – The District uses internal service funds to report activities that provide services and supplies for the District's other programs and activities, as well as services provided on behalf of other districts. The internal service fund is also utilized to account for the District's liabilities relating to compensated absences.

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

The internal service fund revenues including other financing sources were more than expenditures by \$395,925 resulting in a fund balance of \$6,136,181 at June 30, 2023 up from \$5,740,256 at June 30, 2022.

### GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2022 encumbrances.
- Appropriation of Capital Reserve

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

**Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2023**

**CAPITAL ASSETS**

By the end of June 30, 2023, the District had invested \$59,474,851 in a range of capital assets for its governmental and business-type activities. This includes leasehold improvements to buildings, computers, specialized machinery and various other types of equipment. The District is a county-wide school district and all properties but one were acquired and constructed by the County of Bergen. The District also operates certain state owned facilities. Title to all real property utilized by the District with the exception of the Montesano School remains with the County of Bergen or State of New Jersey.

The following is a comparative analysis of capital assets at June 30, 2023 and 2022.

	Governmental Activities		Business- Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Buildings	\$ 69,953,914	\$ 67,984,332			\$ 69,953,914	\$ 67,984,332
Improvements Other Than Buildings	1,194,970	1,126,587			1,194,970	1,126,587
Leasehold Improvements	7,565,113	7,565,113			7,565,113	7,565,113
Machinery and Equipment	<u>16,346,281</u>	<u>15,607,331</u>	\$ 25,724	\$ 25,724	<u>16,372,005</u>	<u>15,633,055</u>
<b>Total Capital Assets</b>	95,060,278	92,283,363	25,724	25,724	95,086,002	92,309,087
Less Accumulated Depreciation	<u>(35,594,589)</u>	<u>(31,729,790)</u>	<u>(16,562)</u>	<u>(14,886)</u>	<u>(35,611,151)</u>	<u>(31,744,676)</u>
<b>Capital Assets, Net</b>	<u>\$ 59,465,689</u>	<u>\$ 60,553,573</u>	<u>\$ 9,162</u>	<u>\$ 10,838</u>	<u>\$ 59,474,851</u>	<u>\$ 60,564,411</u>

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

**LONG TERM LIABILITIES**

At year-end, the District's long-term liabilities for its governmental activities consisted of compensated absences payable of \$2,294,920 and net pension liability payable of \$44,602,929.

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

# **BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT**

## **Management's Discussion and Analysis Fiscal Year Ended June 30, 2023**

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

Many factors were considered by the District's administration during the process of developing the fiscal year 2023-2024 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs.

These indicators were considered when adopting the budget for fiscal year 2023-2024.

Three goals served as the foundation for the development of the 2023/2024 budget. The goals balanced fiscal and program issues. The goals were: 1) maintain and improve program excellence; 2) maintain a balance between tuition charged and services provided; and 3) infuse technology into the instructional programs. The budget program priorities for 2023/2024 continue to include program site consolidation and expansion of the autistic programs for students, as well as program improvements to meet state and federal mandates covering instruction and services to physically, behaviorally and cognitively challenged students.

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

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Bergen County Special Services, 540 Fairview Avenue, Paramus, NJ 07652.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2023**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 18,056,852	\$ 77,799	\$ 18,134,651
Receivables, net	13,093,389	25,627	13,119,016
Security Deposit	44,100		44,100
Prepaid Expenses	60,615		60,615
Inventories		13,192	13,192
Capital Assets, net of accumulated depreciation	<u>59,465,689</u>	<u>9,162</u>	<u>59,474,851</u>
Total Assets	<u>90,720,645</u>	<u>125,780</u>	<u>90,846,425</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>5,630,654</u>	<u>-</u>	<u>5,630,654</u>
Total Assets and Deferred Outflow of Resources	<u>96,351,299</u>	<u>125,780</u>	<u>96,477,079</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	3,425,441	978	3,426,419
Intergovernmental Payable	-		-
Unearned Revenue	2,244,553	5,490	2,250,043
Noncurrent Liabilities			
Due beyond one year	<u>46,897,849</u>	<u>-</u>	<u>46,897,849</u>
Total Liabilities	<u>52,567,843</u>	<u>6,468</u>	<u>52,574,311</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Commodities Revenue		2,474	2,474
Deferred Amounts on Net Pension Liability	<u>9,688,904</u>	<u>-</u>	<u>9,688,904</u>
Total Deferred Inflows of Resources	<u>9,688,904</u>	<u>2,474</u>	<u>9,691,378</u>
Total Liabilities and Deferred Inflow of Resources	<u>62,256,747</u>	<u>8,942</u>	<u>62,265,689</u>
<b>NET POSITION</b>			
Investment in Capital Assets	59,465,689	9,162	59,474,851
Restricted			
Capital Projects	11,463,734		11,463,734
Plant Maintenance	1,091,313		1,091,313
Other Purposes	674,868		674,868
Unrestricted	<u>(38,601,052)</u>	<u>107,676</u>	<u>(38,493,376)</u>
Total Net Position	<u>\$ 34,094,552</u>	<u>\$ 116,838</u>	<u>\$ 34,211,390</u>

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

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	
Governmental activities							
Instruction:							
Special Education	\$ 61,904,648	\$ 63,250,506	\$ 14,155,179	\$ 22,715	\$ 15,523,752		\$ 15,523,752
Support Services:							
Student & Instruction Related Services	34,974,851	15,793,846	10,388,638		(8,792,367)		(8,792,367)
General Administration Services	1,194,610	72,785	56,220		(1,065,605)		(1,065,605)
School Administration Services	4,408,224	1,272,582	587,832		(2,547,810)		(2,547,810)
Plant Operations and Maintenance	9,143,141	997,782	155,210	1,150,000	(6,840,149)		(6,840,149)
Pupil Transportation	1,358,776	74,073	89,956		(1,194,747)		(1,194,747)
Support Services - Business/Central Svc/ Admin Info. Tech.	2,325,426	1,780,474	28,256	-	(516,696)		(516,696)
Total Governmental Activities	<u>115,309,676</u>	<u>83,242,048</u>	<u>25,461,291</u>	<u>1,172,715</u>	<u>(5,433,622)</u>	<u>-</u>	<u>(5,433,622)</u>
Business - Type Activities							
Food Service	530,098	70,264	380,064	-	-	\$ (79,770)	(79,770)
Total Business Type Activities	<u>530,098</u>	<u>70,264</u>	<u>380,064</u>	<u>-</u>	<u>-</u>	<u>(79,770)</u>	<u>(79,770)</u>
Total Primary Government	<u>\$ 115,839,774</u>	<u>\$ 83,312,312</u>	<u>\$ 25,841,355</u>	<u>\$ 1,172,715</u>	<u>(5,433,622)</u>	<u>(79,770)</u>	<u>(5,513,392)</u>
General Revenues:							
County Property Tax Levy					11,052,469		11,052,469
Investment Earnings					186,620		186,620
Miscellaneous					1,110,800		1,110,800
Transfers					734,310	75,000	809,310
Total General Revenues and Transfers					<u>13,084,199</u>	<u>75,000</u>	<u>13,159,199</u>
Change in Net Position					7,650,577	(4,770)	7,645,807
Net Position - Beginning of Year , as Restated					<u>26,443,975</u>	<u>121,608</u>	<u>26,565,583</u>
Net Position - End of Year					<u>\$ 34,094,552</u>	<u>\$ 116,838</u>	<u>\$ 34,211,390</u>

**FUND FINANCIAL STATEMENTS**



**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Assets				
Cash and Cash Equivalents	\$ 17,224,765	\$ 95,763		\$ 17,320,528
Intergovernmental Receivables	849,252	1,795,958	\$ 2,736,509	5,381,719
Due from Other Funds	5,307,688			5,307,688
Prepaid Expenses	60,615			60,615
Security Deposits	44,100	-	-	44,100
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 23,486,420</u>	<u>\$ 1,891,721</u>	<u>\$ 2,736,509</u>	<u>\$ 28,114,650</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts Payable and Other Liabilities	\$ 1,791,661	\$ 210,355	-	\$ 2,002,016
Intergovernmental Payable	-			-
Payroll Deductions and Withholdings Payable	969,854			969,854
Other Liabilities	193,625	-		193,625
Due to Other Funds	1,716,577	407,678	\$ 106,758	2,231,013
Unearned Revenue	1,066,628	1,177,925	-	2,244,553
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>5,738,345</u>	<u>1,795,958</u>	<u>106,758</u>	<u>7,641,061</u>
Fund Balances:				
Restricted				
Capital Reserve	8,833,983			8,833,983
Maintenance Reserve	991,313			991,313
Maintenance Reserve - Designated for Subsequent Year's Expenditures	100,000			100,000
Unemployment Claims	579,105			579,105
Student Activities		30,985		30,985
Scholarship Funds		64,778		64,778
Capital Projects			2,629,751	2,629,751
Committed				
Year End Encumbrances	-			-
Assigned				
Year End Encumbrances	2,598,498			2,598,498
Designated for Subsequent Year's Expenditures	900,000			900,000
Unassigned	3,745,176	-	-	3,745,176
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>17,748,075</u>	<u>95,763</u>	<u>2,629,751</u>	<u>20,473,589</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 23,486,420</u>	<u>\$ 1,891,721</u>	<u>\$ 2,736,509</u>	<u>\$ 28,114,650</u>

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2023**

<b>Total Fund Balance - Governmental Funds (Exhibit B-1)</b>	<b>\$</b>	<b>20,473,589</b>
Amounts reported for governmental activities in the statement of net position(A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$91,084,250 and the accumulated depreciation is \$34,514,976.		56,569,274
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.		
Deferred Outflows of Resources	\$ 5,630,654	
Deferred Inflows of Resources	<u>(9,688,904)</u>	(4,058,250)
Long term liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the fund		
Net Pension Liability	(44,602,929)	
Compensated Absences	<u>(423,313)</u>	(45,026,242)
The assets and liabilities of the Internal Service funds are included with governmental activities		<u>6,136,181</u>
<b>Net position of Governmental Activities (Exhibit A-1)</b>	<b>\$</b>	<b><u>34,094,552</u></b>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local Sources				
County Property Tax Levy	\$ 11,052,469			\$ 11,052,469
County Aid			\$ 1,150,000	1,150,000
Tuition - LEA's	43,402,369			43,402,369
Non-Resident Fees	1,233,336			1,233,336
Interest on Investments	186,620			186,620
Miscellaneous	<u>1,110,800</u>	<u>\$ 8,662,321</u>	<u>-</u>	<u>9,773,121</u>
	56,985,594	8,662,321	1,150,000	66,797,915
State Sources	7,714,622	1,614,661		9,329,283
Federal Sources	<u>561,009</u>	<u>3,038,693</u>	<u>-</u>	<u>3,599,702</u>
<b>Total Revenues</b>	<u>65,261,225</u>	<u>13,315,675</u>	<u>1,150,000</u>	<u>79,726,900</u>
<b>EXPENDITURES</b>				
Instruction				
Special Education Instruction	35,180,749	6,614,203		41,794,952
Support Services				
Student & Instruction Related Services	14,302,237	6,617,205		20,919,442
School Administration Services	3,384,434			3,384,434
Support Services General Administration	1,146,971			1,146,971
Plant Operations and Maintenance	5,779,209	15,797	199,662	5,994,668
Pupil Transportation	1,062,196	42,892		1,105,088
Other Support Services - Business (Central Services/Admin Info Tech)	668,826			668,826
Capital Outlay	<u>2,371,976</u>	<u>22,715</u>	<u>216,688</u>	<u>2,611,379</u>
<b>Total Expenditures</b>	<u>63,896,598</u>	<u>13,312,812</u>	<u>416,350</u>	<u>77,625,760</u>
Excess of Revenues Over Expenditures	1,364,627	2,863	733,650	2,101,140
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers In	-	-		-
Transfers Out	(105,000)	-	-	(105,000)
County Bonds	<u>-</u>	<u>-</u>	<u>809,310</u>	<u>809,310</u>
<b>Total Other Financing Sources and Uses</b>	<u>(105,000)</u>	<u>-</u>	<u>809,310</u>	<u>704,310</u>
Net Change in Fund Balances	1,259,627	2,863	1,542,960	2,805,450
Fund Balance - Beginning of Year	<u>16,488,448</u>	<u>92,900</u>	<u>1,086,791</u>	<u>17,668,139</u>
Fund Balance - End of Year	<u>\$ 17,748,075</u>	<u>\$ 95,763</u>	<u>\$ 2,629,751</u>	<u>\$ 20,473,589</u>

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Total Net Change in Fund Balances - Governmental Funds (B-2)** **\$ 2,805,450**

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

Capital Outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which depreciation exceeded capital outlay additions in the period

Depreciation Expense	\$ (3,624,638)	
Capital Outlays	<u>2,611,379</u>	(1,013,259)

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

Decrease in Pension Expenses	5,590,821	
Increase in Compensated Absences	<u>(128,360)</u>	5,462,461

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

Change in Net Position		<u>395,925</u>
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**Change in net position of governmental activities (Exhibit A-2)** **\$ 7,650,577**

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2023**

	<b>Business Type Activities Enterprise Fund Food Service</b>	<b>Governmental Activities  Internal Service Funds</b>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 77,799	\$ 736,324
Intergovernmental Accounts Receivable	21,033	7,711,670
Other Accounts Receivable	4,594	
Due from Other Funds		1,716,577
Inventories	13,192	-
Total Current Assets	116,618	10,164,571
Capital Assets		
Furniture, machinery & equipment	25,724	3,976,028
Less: Accumulated Depreciation	(16,562)	(1,079,613)
Total Capital Assets, Net	9,162	2,896,415
Total Assets	125,780	13,060,986
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	978	259,946
Other Payable		-
Due to Other Funds		4,793,252
Unearned Revenue	5,490	-
Total Current Liabilities	6,468	5,053,198
Noncurrent Liabilities		
Compensated Absences	-	1,871,607
Total Noncurrent Liabilities	-	1,871,607
Total Liabilities	6,468	6,924,805
<b>DEFERRED INFLOW OF RESOURCES</b>		
Deferred Commodities Revenue	2,474	-
Total Liabilities and Deferred Inflow of Resources	8,942	6,924,805
<b>NET POSITION</b>		
Investment in Capital Assets	9,162	2,896,415
Unrestricted	107,676	3,239,766
Total Net Position	\$ 116,838	\$ 6,136,181

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Business- Type Activities</b>	<b>Governmental Activities</b>
	<b>Enterprise</b>	<b>Internal</b>
	<b>Fund</b>	<b>Service Funds</b>
	<b>Food</b>	
	<b>Service</b>	
<b>OPERATING REVENUES</b>		
Charges for Services		
Daily sales - reimbursable programs	\$ 48,373	
Daily sales - nonreimbursable programs	21,891	
Tuition from LEAS		\$ 7,206,142
Charges and Fees	-	31,400,201
Federal Aid		125,000
On-Behalf State Aid	-	5,437,043
	70,264	44,168,386
Total Operating Revenues		
<b>OPERATING EXPENSES</b>		
Cost of Sales - reimbursable programs	213,338	
Cost of Sales - nonreimbursable programs	-	
Salaries	211,804	26,525,595
Employee Benefits	47,863	15,075,515
Purchased Services	8,633	1,027,798
Supplies and Materials	12,504	333,569
Management/Admin Fee	30,186	264,004
Miscellaneous Expenses	4,094	335,820
Depreciation	1,676	240,160
	530,098	43,802,461
Total Operating Expenses		
Operating Income (Loss)	(459,834)	365,925
<b>NON-OPERATING REVENUES</b>		
State Sources		
State School Lunch Program	12,645	
Federal Sources		
National School Lunch Program	185,991	
National School Breakfast Program	98,356	
Emergency Operational Cost Program-Schools	37,692	
USDA Commodity	45,380	-
	380,064	-
Total Non-Operating Revenues		
Net Income(Loss) Before Operating Transfers	(79,770)	365,925
Other Financing Sources(Uses)		
Transfers In	75,000	30,000
Change in Net Position	(4,770)	395,925
Total Net Position - Beginning of Year, Restated	121,608	5,740,256
Total Net Position - Ending of Year	\$ 116,838	\$ 6,136,181

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Enterprise Fund</b>	
	<b>Food Service</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 69,754	\$ 36,672,273
Payments to Employees	(259,667)	(26,599,476)
Payments to Suppliers	(222,550)	(11,933,214)
	(412,463)	(1,860,417)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	12,267	
Federal Sources	336,202	
Transfers to/from other funds	75,000	2,418,922
	423,469	2,418,922
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of Capital Assets	-	(165,535)
	-	(165,535)
Net Cash Provided by (Used for) Capital and Related Financing Activities		
Net Increase in Cash and Cash Equivalents	11,006	392,970
Cash and Cash Equivalents - Beginning of Year	66,793	343,354
Cash and Cash Equivalents - End of Year	\$ 77,799	\$ 736,324
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>		
Operating Income(Loss)	\$ (459,834)	\$ 365,925
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities		
Depreciation	1,676	240,160
Food Distribution(USDA Commodities)-National School Lunch Program	45,380	
Changes in Assets, Liabilities and Deferred Inflows of Resources		
(Increase) Decrease in Accounts Receivable, net	(1,778)	(2,058,861)
Increase (Decrease) in other current liabilities		(209)
Increase (Decrease) in Accounts Payable	978	(407,432)
Increase (Decrease) in Unearned Revenue	1,268	
Increase (Decrease) in Deferred Commodities Revenue	279	
(Increase) Decrease in Inventories	(432)	-
	47,371	(2,226,342)
Total Adjustments		
Net Cash Provided by (Used for) Operating Activities	\$ (412,463)	\$ (1,860,417)
<b>Non-Cash Financing Activities</b>		
National School Lunch Program (Food Distribution)	\$ 45,659	

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

**NOTES TO THE FINANCIAL STATEMENTS**



**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Bergen County Special Services School District (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of seven officials appointed by the County of Bergen Board of Commissioners 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 special services school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The 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 Bergen County Special Services School District this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. The District would be includable as a component unit of the County of Bergen (the “County”) on the basis of such criteria.

**B. New Accounting Standards**

During fiscal year 2023, the District adopted the following GASB statements:

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*. 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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**B. New Accounting Standards (Continued)**

- GASB Statement No. 99, *Omnibus 2022*. 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.

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

- 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.

**C. Basis of Presentation - Financial Statements**

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

**District-Wide Financial Statements**

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**C. Basis of Presentation - Financial Statements (continued)**

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

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

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

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

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

Additionally, the District reports the following fund type:

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**C. Basis of Presentation - Financial Statements (continued)**

**Reclassifications**

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

**D. Measurement Focus and Basis of Accounting**

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

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

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

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

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

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

**1. *Cash, Cash Equivalents and Investments***

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

**2. *Receivables***

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

**3. *Inventories***

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

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

**4. *Prepaid Items***

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

**5. *Capital Assets***

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

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

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

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

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

**7. *Compensated Absences***

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

**8. *Pensions***

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

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

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Long-Term Obligations*

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

10. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

**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

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

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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)***

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

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

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

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

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.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

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

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

**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.

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.



**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

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

**2. *Property Taxes***

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

**3. *Tuition Revenues***

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

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

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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 2022/2023. Also, during 2022/2023 the Board increased the original budget by \$10,592,132. The increase was funded by the additional tuition revenue, grant awards, and the reappropriation of prior year general fund encumbrances.

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

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

**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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Capital Reserve (Continued)**

The activity of the capital reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022		\$ 7,080,839
Increased:		
Interest	\$ 3,144	
Deposit per Board Resolution	<u>1,750,000</u>	
		<u>1,753,144</u>
Balance, June 30, 2023		<u>\$ 8,833,983</u>

The capital reserve balance is consistent with the district’s Long Range Facilities Plan as estimated by management.

**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, 2023 is as follows:

Balance, July 1, 2022		<u>\$ 991,313</u>
Increased by		
Deposits Approved by Board Resolution		<u>200,000</u>
		1,191,313
Decreased by:		
Withdrawals approved in District Budget		<u>100,000</u>
Balance, June 30, 2023		<u>\$ 1,091,313</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,286,525. \$100,000 of the maintenance reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2023, the book value of the Board's deposits was \$18,134,651 and bank and brokerage firm balances of the Board's deposits amounted to \$19,396,038. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ 18,611,450
Uninsured and Collateralized	<u>784,587</u>
	<u>\$ 19,396,037</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2023 the Board's bank balance of \$784,587 was exposed to custodial credit risk as follows:

**Depository Account**

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 784,587</u>
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**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**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, 2023, the Board had no outstanding investments.

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

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

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

**B. Receivables**

Receivables as of June 30, 2023 for the district's individual major funds and internal service funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Internal Service Funds</u>	<u>Total</u>
Receivables:						
Accounts				\$ 4,594		\$ 4,594
Intergovernmental						
State		\$ 80,638		891		81,529
Federal		246,937		20,142		267,079
Local	\$ 849,252	1,468,383	\$ 2,736,509	-	\$ 7,711,670	12,765,814
	849,252	1,795,958	2,736,509	25,627	7,711,670	13,119,016
Gross Receivables						
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Net Total Receivables	<u>\$ 849,252</u>	<u>\$ 1,795,958</u>	<u>\$ 2,736,509</u>	<u>\$ 25,627</u>	<u>\$ 7,711,670</u>	<u>\$ 13,119,016</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Unearned Revenue**

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

General Fund		
Tuition Charges - Prior Year Credits	\$	1,066,628
Special Revenue Fund		
Unencumbered Grant Draw Downs		1,075,826
Grant Draw Downs Reserved for Encumbrances		<u>102,099</u>
 Total Unearned Revenue for Governmental Funds	 \$	 <u>2,244,553</u>

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	<u>Balance, July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2023</u>
<b>Governmental activities:</b>				
Capital assets, being depreciated:				
Buildings	\$ 67,984,332	\$ 1,969,582		\$ 69,953,914
Improvements other than buildings	1,126,587	68,383	\$ -	1,194,970
Leasehold Improvements	7,565,113	-		7,565,113
Machinery and equipment	<u>15,607,331</u>	<u>738,950</u>	-	<u>16,346,281</u>
Total capital assets being depreciated	<u>92,283,363</u>	<u>2,776,915</u>	-	<u>95,060,278</u>
 Less accumulated depreciation for:				
Buildings	(15,589,026)	(2,207,037)		(17,796,063)
Improvements other than buildings	(257,812)	(58,627)	-	(316,439)
Leasehold Improvements	(5,768,998)	(360,894)	-	(6,129,892)
Machinery and equipment	<u>(10,113,954)</u>	<u>(1,238,241)</u>	-	<u>(11,352,195)</u>
Total accumulated depreciation	<u>(31,729,790)</u>	<u>(3,864,799)</u>	-	<u>(35,594,589)</u>
 Total capital assets, being depreciated, net	<u>60,553,573</u>	<u>(1,087,884)</u>	-	<u>59,465,689</u>
 Governmental activities capital assets, net	<u>\$ 60,553,573</u>	<u>\$ (1,087,884)</u>	<u>\$ -</u>	<u>\$ 59,465,689</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
<b>Business-type activities:</b>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 25,724	-	-	\$ 25,724
Total capital assets being depreciated	<u>25,724</u>	<u>-</u>	<u>-</u>	<u>25,724</u>
Less accumulated depreciation for:				
Machinery and equipment	(14,886)	\$ (1,676)	-	(16,562)
Total accumulated depreciation	<u>(14,886)</u>	<u>(1,676)</u>	<u>-</u>	<u>(16,562)</u>
Total capital assets, being depreciated, net	<u>10,838</u>	<u>(1,676)</u>	<u>-</u>	<u>9,162</u>
Business-type activities capital assets, net	<u>\$ 10,838</u>	<u>\$ (1,676)</u>	<u>\$ -</u>	<u>\$ 9,162</u>

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

<b>Governmental activities:</b>	
Instruction	
Special Education	\$ 529,005
Total Instruction	<u>529,005</u>
Support Services	
School administration services	187,973
Plant operations and maintenance	2,761,879
Pupil transportation	385,942
Total Support Services	<u>3,335,794</u>
Total Governmental Activities	<u>3,864,799</u>
<b>Business-Type Activities</b>	
Food Service Fund	<u>\$ 1,676</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2023:

<u>Project</u>	<u>Remaining Commitment</u>
Washington Elementary Renovations	\$ 726,105
Garfield House Expansion and Renovation	<u>374,458</u>
 Total	 <u>\$ 1,100,563</u>

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2023, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 407,678
General Fund	Capital Projects Fund	106,758
General Fund	One to One Aides - Internal Service Fund	1,088,444
General Fund	Maanagment Agreement - Internal Service Fund	530,372
General Fund	Home Hospital - Internal Svc. Fund	9,754
General Fund	Education Enterprises - Internal Svc. Fund	1,175,133
General Fund	Interlocal Agreement-Internal Service Fund	1,989,549
Compensated Absences - Internal Svc. Fund	General Fund	<u>1,716,577</u>
		<u>\$ 7,024,265</u>

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

The District expects all interfund balances to be liquidated within one year except between the General Fund and the Compensated Absences Internal Service Fund.



**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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, 2023, was as follows:

	Balance, July 1, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, <u>2023</u>	Due Within <u>One Year</u>
<b>Governmental activities:</b>					
Compensated absences	\$ 2,166,560	\$ 128,360		\$ 2,294,920	-
Net Pension Liability	<u>36,984,570</u>	<u>7,618,359</u>	<u>\$ -</u>	<u>44,602,929</u>	<u>-</u>
 Governmental activity					
Long-term liabilities	<u>\$ 39,151,130</u>	<u>\$ 7,746,719</u>	<u>\$ -</u>	<u>\$ 46,897,849</u>	<u>\$ -</u>

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

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

Fiscal Year Ended <u>June 30,</u>	<u>Interest Earnings</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ 340	\$ 112,952		\$ 579,105
2022	309	106,008		578,765
2021	548	95,335		578,456

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2023, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

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

**Plan Descriptions and Benefits Provided**

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

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

The vesting and benefit provisions are set by N.J.S.A. 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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

The following represents the membership tiers for PERS:

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

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

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

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

The following represent the membership tiers for TPAF:

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon 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](http://www.state.nj.us/treasury/pensions).

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Plan Amendments**

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

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

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

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of the total pension liability is 62.91%. The collective net pension liability of the State funded TPAF at June 30, 2022 is \$51.7 billion and the plan fiduciary net position as a percentage of total pension liability is 32.29%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Actuarial Methods and Assumptions**

In the July 1, 2021 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 2023.

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, 2023 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was more than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2023, 2022 and 2021 were equal to the required contributions.

During the fiscal years ended June 30, 2023, 2022 and 2021 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 accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2023	\$ 3,727,058	\$ 10,797,296	\$ 53,525
2022	3,656,205	11,269,095	48,739
2021	3,220,858	4,599,124	30,336

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

**Employer and Employee Pension Contributions (Continued)**

In addition for fiscal years 2023, 2022 and 2021 the District contributed \$-0-, each of the years for PERS and the State contributed \$3,633, \$3,625, and \$3,531, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,295,038 during the fiscal year ended June 30, 2023 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, 2021 through June 30, 2022. 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, 2022 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

For the fiscal year ended June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$44,602,929 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the District's proportionate share was 0.29555 percent, which was a decrease of 0.01664 percent from its proportionate share measured as of June 30, 2021 of 0.31219 percent.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$1,764,411 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, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. 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, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 321,923	\$ 283,891
Changes of Assumptions	138,194	6,678,824
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,846,075	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>3,324,462</u>	<u>2,726,189</u>
Total	<u>\$ 5,630,654</u>	<u>\$ 9,688,904</u>

At June 30, 2023, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2023	\$ (3,547,526)
2024	(1,540,323)
2025	(746,765)
2026	1,798,986
2027	(22,622)
Thereafter	<u>-</u>
	<u>\$ (4,058,250)</u>



**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

*Actuarial Assumptions*

The District’s total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

*Mortality Rates*

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

*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, 2022) 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, 2022 are summarized in the following table:

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

***Discount Rate***

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the PERS Net Pension Liability	\$ 57,301,698	\$ 44,602,929	\$ 33,795,765

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2022. A sensitivity analysis specific to the District's net pension liability at June 30, 2022 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

**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, 2021 through June 30, 2022. 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, 2022, the State's pension contribution was more 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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$3,748,189 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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

At June 30, 2023 the State’s proportionate share of the net pension liability attributable to the District is \$139,271,636. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the State’s share of the net pension liability attributable to the District was 0.26994 percent, which was a decrease of 0.00533 percent from its proportionate share measured as of June 30, 2021 of 0.27527 percent.

**Actuarial Assumptions**

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65%
	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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

***Discount Rate***

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2022. 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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

*Sensitivity of Net Pension Liability*

The following presents the State’s proportionate share of the TPAF net pension liability attributable to the 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:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 163,298,953</u>	<u>\$ 139,271,636</u>	<u>\$ 119,031,641</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](http://www.state.nj.us/treasury/pensions).

**D. Post-Retirement Medical Benefits**

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in 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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. 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, the Police and Firemen Retirement System (PFRS), 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. 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](http://www.state.nj.us/treasury/pensions).

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2021:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>151,669</u>
Total	<u>364,817</u>

**Measurement Focus and Basis of Accounting**

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

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit 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.

**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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2022 is \$50.6 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2022 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2022.

**Actuarial Methods and Assumptions**

In the June 30, 2021 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 \$1.33 billion to the OPEB plan in fiscal year 2022.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2023, 2022 and 2021 were \$2,836,424, \$2,632,916, and \$2,555,424, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2021 through June 30, 2022. Nonemployer allocation percentages have been rounded for presentation purposes.



**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

In accordance with GASB No. 75, the 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, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$7,027,824. 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, 2023 the State’s proportionate share of the OPEB liability attributable to the District is \$174,049,259. 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, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state’s share of the OPEB liability attributable to the District was 0.34366 percent, which was an increase of 0.00533 percent from its proportionate share measured as of June 30, 2021 of 0.33832percent.

**Actuarial Assumptions**

The OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 4.25% Based on Years of Service

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Actuarial Assumptions (Continued)**

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, 2021 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Discount Rate**

The discount rate for June 30, 2022 was 3.54%. 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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Changes in the Total OPEB Liability**

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2021 Measurement Date	\$ <u>203,020,433</u>
Changes Recognized for the Fiscal Year:	
Service Cost	9,764,373
Interest on the Total OPEB Liability	4,612,497
Differences Between Expected and Actual Experience	7,764,476
Changes of Assumptions	(46,690,275)
Gross Benefit Payments	(4,568,815)
Contributions from the Member	<u>146,570</u>
Net Changes	<u>(28,971,174)</u>
Balance, June 30, 2022 Measurement Date	\$ <u><u>174,049,259</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

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, 2022.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.54%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54% percent) or 1-percentage-point higher (4.54% percent) than the current rate:

	<b>1% Decrease (2.54%)</b>	<b>Current Discount Rate (3.54%)</b>	<b>1% Increase (4.54%)</b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 204,576,596</u>	<u>\$ 174,049,259</u>	<u>\$ 149,583,125</u>

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 143,862,351</u>	<u>\$ 174,049,259</u>	<u>\$ 213,701,596</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022 were not provided by the pension system.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 RECENT HEALTHCARE DEVELOPMENTS**

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

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

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original</u> <u>Budget</u>	<u>Adjustments</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance Final</u> <u>Budget to Actual</u>
<b>REVENUES</b>					
Local Sources					
County Aid	\$ 11,052,469		\$ 11,052,469	\$ 11,052,469	
Tuition	40,717,499	\$ 2,200,000	42,917,499	43,402,369	\$ 484,870
Non Resident Fees	1,250,000		1,250,000	1,233,336	(16,664)
Interest on Investments	30,000		30,000	183,136	153,136
Interest on Capital Reserve	10,000		10,000	3,144	(6,856)
Interest on Unemployment				340	340
Miscellaneous	1,630,000	-	1,630,000	1,110,800	(519,200)
<b>Total Local Sources</b>	<b>54,689,968</b>	<b>2,200,000</b>	<b>56,889,968</b>	<b>56,985,594</b>	<b>95,626</b>
State Sources (*See Note)					
On-Behalf TPAF Pension System Contributions - Post Retirement Medical (Non-Budgeted)				1,373,425	1,373,425
On-Behalf TPAF Pension System Contributions - Normal Cost (Non-Budgeted)				5,156,616	5,156,616
On-Behalf TPAF Pension System Contributions - Non-Contributory Group Insurance (Non-Budgeted)				71,542	71,542
On-Behalf TPAF Pension System Contributions - Long-Term Disability Insurance (Non-Budgeted)				1,759	1,759
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,111,280	1,111,280
<b>Total State Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,714,622</b>	<b>7,714,622</b>
Federal Sources:					
Medicaid Reimbursement	350,000	-	350,000	561,009	211,009
<b>Total Federal Sources</b>	<b>350,000</b>	<b>-</b>	<b>350,000</b>	<b>561,009</b>	<b>211,009</b>
<b>Total Revenues</b>	<b>55,039,968</b>	<b>2,200,000</b>	<b>57,239,968</b>	<b>65,261,225</b>	<b>8,021,257</b>
<b>EXPENDITURES</b>					
Current					
Special Education					
Auditory Impairments - Instruction					
Salaries of Teachers	1,902,163	\$ 129,200	2,031,363	2,030,777	586
Other Salaries for Instruction	1,567,528	(83,000)	1,484,528	1,431,534	52,994
Purchased Prof. - Educ. Services	1,055,000	34,000	1,089,000	1,088,713	287
Lease and Rentals	8,500		8,500	6,919	1,581
Other Purchased Services	51,500	(7,000)	44,500	27,878	16,622
Travel	6,800	(4,400)	2,400	544	1,856
General Supplies	203,900	77,222	281,122	131,148	149,974
Textbooks	1,500	259	1,759	830	929
Other Objects	9,050	-	9,050	3,648	5,402
<b>Total Auditory Impairments - Instruction</b>	<b>4,805,941</b>	<b>146,281</b>	<b>4,952,222</b>	<b>4,721,991</b>	<b>230,231</b>
Emotional Regulation Impairment - Instruction					
Salaries of Teachers	2,404,876	(57,000)	2,347,876	2,299,692	48,184
Other Salaries for Instruction	1,034,768	(105,000)	929,768	841,971	87,797
Purchased Prof. - Educ. Service	310,000	(24,000)	286,000	285,218	782
Leases and Rentals	14,000	-	14,000	3,257	10,743
Travel	14,550	-	14,550	5,172	9,378
General Supplies	91,250	86,939	178,189	147,629	30,560
Textbooks	7,000	10,800	17,800	14,958	2,842
Other Objects	8,450	24	8,474	5,466	3,008
<b>Total Behavioral Disabilities - Instruction</b>	<b>3,884,894</b>	<b>(88,237)</b>	<b>3,796,657</b>	<b>3,603,363</b>	<b>193,294</b>



**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<b>EXPENDITURES (Continued)</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final Budget to Actual</b>
<b>Current (Continued)</b>					
<b>Psychiatric</b>					
Salaries of Teachers	\$ 384,203	\$ (23,225)	\$ 360,978	\$ 354,094	\$ 6,884
Other Salaries for Instruction	100,822		100,822	100,047	775
Purchased Prof. - Educ. Service	560,000	(12,500)	547,500	547,500	-
Travel	300		300		300
General Supplies	11,500	35,435	46,935	40,584	6,351
Textbooks	1,000	-	1,000	592	408
Other Objects	2,000	2,500	4,500	3,064	1,436
<b>Total Psychiatric</b>	<b>1,059,825</b>	<b>2,210</b>	<b>1,062,035</b>	<b>1,045,881</b>	<b>16,154</b>
<b>Multiple Disabilities - Instruction</b>					
Salaries of Teachers	1,607,496	61,950	1,669,446	1,667,998	1,448
Other Salaries for Instruction	941,244	(151,600)	789,644	788,740	904
Purchased Prof. - Educ. Service	211,000	19,150	230,150	230,123	27
Lease and Rentals	8,500	(2,000)	6,500	6,456	44
Travel	6,150	-	6,150	4,905	1,245
General Supplies	85,300	206,378	291,678	136,036	155,642
Textbooks	3,250	643	3,893	1,062	2,831
Other Objects	5,650	-	5,650	3,107	2,543
<b>Total Multiple Disabilities</b>	<b>2,868,590</b>	<b>134,521</b>	<b>3,003,111</b>	<b>2,838,427</b>	<b>164,684</b>
<b>Autism - Instruction</b>					
Salaries of Teachers	4,002,772	-	4,002,772	3,983,058	19,714
Other Salaries for Instruction	3,123,773	(550,500)	2,573,273	2,568,599	4,674
Purchased Prof. - Educ. Service	525,500	-	525,500	525,000	500
Lease and Rentals	20,000		20,000	16,117	3,883
Travel	5,350		5,350	1,099	4,251
General Supplies	259,000	547,199	806,199	515,895	290,304
Other Objects	10,500	-	10,500	4,027	6,473
<b>Total Autistic</b>	<b>7,946,895</b>	<b>(3,301)</b>	<b>7,943,594</b>	<b>7,613,795</b>	<b>329,799</b>
<b>Preschool Disabilities - Full Time - Instruction</b>					
Salaries of Teachers	738,506	(203,500)	535,006	527,265	7,741
Other Salaries for Instruction	308,894	(20,000)	288,894	281,319	7,575
Purchased Prof. - Educ. Service	5,500		5,500	-	5,500
Other Purchased Services	500	-	500	-	500
Travel	350		350	-	350
General Supplies	17,750	14,571	32,321	23,009	9,312
Other Objects	2,000	-	2,000	402	1,598
<b>Total Preschool Disabilities - Full-Time</b>	<b>1,073,500</b>	<b>(208,929)</b>	<b>864,571</b>	<b>831,995</b>	<b>32,576</b>
<b>Total Special Education - Instruction</b>	<b>21,639,645</b>	<b>(17,455)</b>	<b>21,622,190</b>	<b>20,655,452</b>	<b>966,738</b>
<b>School Sponsored Co curricular Activities</b>					
Travel	1,500		1,500		1,500
Other Objects	69,150	12,195	81,345	57,874	23,471
<b>Total School Sponsored Co curricular Activities</b>	<b>70,650</b>	<b>12,195</b>	<b>82,845</b>	<b>57,874</b>	<b>24,971</b>
<b>Other Instructional Programs</b>					
Salaries	96,400	5,000	101,400	101,367	33
Purchased Prof. - Educ. Service	5,000	(5,000)			-
Rentals	2,000	-	2,000		2,000
General Supplies	9,000	21,829	30,829	26,888	3,941
Other Objects	500	-	500	140	360
<b>Total Other Instructional Programs</b>	<b>112,900</b>	<b>21,829</b>	<b>134,729</b>	<b>128,395</b>	<b>6,334</b>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<b>EXPENDITURES (Continued)</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final Budget to Actual</b>
<b>Current (Continued)</b>					
<b>Community Services Programs/ Operations</b>					
Salaries	\$ 156,424	\$ 600	\$ 157,024	\$ 156,964	\$ 60
Other Purchased Services	50,000	(55)	49,945	45,827	4,118
Travel	800	-	800	310	490
Supplies and Materials	6,500	1,438	7,938	2,503	5,435
Other Objects	2,000	-	2,000	1,479	521
<b>Total Community Services Programs/ Operations</b>	<b>215,724</b>	<b>1,983</b>	<b>217,707</b>	<b>207,083</b>	<b>10,624</b>
<b>Total Instruction</b>	<b>22,038,919</b>	<b>18,552</b>	<b>22,057,471</b>	<b>21,048,804</b>	<b>1,008,667</b>
<b>Health Services</b>					
Salaries	767,913	-	767,913	692,867	75,046
Purchased Professional and Technical Services	50,000	(7,470)	42,530	358	42,172
Other Professional Services	30,000	-	30,000	30,000	-
Supplies and Materials	12,200	510	12,710	7,117	5,593
Other Objects	29,550	-	29,550	18,592	10,958
<b>Total Health Services</b>	<b>889,663</b>	<b>(6,960)</b>	<b>882,703</b>	<b>748,934</b>	<b>133,769</b>
<b>Speech, OT,PT and Related Services</b>					
Salaries	4,471,981	(75,000)	4,396,981	4,047,846	349,135
Purchased Professional-Educational Services	350,000	75,000	425,000	420,089	4,911
Supplies and Materials	2,000	-	2,000	1,602	398
<b>Total Other Support Services-Students Related Serv.</b>	<b>4,823,981</b>	<b>-</b>	<b>4,823,981</b>	<b>4,469,537</b>	<b>354,444</b>
<b>Child Study Team</b>					
Salaries of Other Professional Staff	2,101,781	-	2,101,781	2,068,000	33,781
<b>Total Child Study Team</b>	<b>2,101,781</b>	<b>-</b>	<b>2,101,781</b>	<b>2,068,000</b>	<b>33,781</b>
<b>Improvement of Instruction Services</b>					
Salaries	490,289	9,825	500,114	500,112	2
Other Purchased Services	47,000	-	47,000	46,727	273
Travel	3,000	(1,750)	1,250	1,216	34
Supplies and Materials	7,500	(5,000)	2,500	2,425	75
Other Objects	4,000	(3,075)	925	-	925
<b>Total Improvement of Instruction Services</b>	<b>551,789</b>	<b>-</b>	<b>551,789</b>	<b>550,480</b>	<b>1,309</b>
<b>Educational Media Service/School Library</b>					
Salaries	530,494	38,500	568,994	568,939	55
Purchased Professional-Educational Services	400,000	73,700	473,700	461,282	12,418
Travel	1,000	500	1,500	1,277	223
Supplies and Materials	225,000	402,835	627,835	190,358	437,477
<b>Total Educational Media Services/School Library</b>	<b>1,156,494</b>	<b>515,535</b>	<b>1,672,029</b>	<b>1,221,856</b>	<b>450,173</b>
<b>Instructional Staff Training Services</b>					
Travel	22,250	(1,000)	21,250	9,800	11,450
Other Objects	61,050	(2,000)	59,050	32,230	26,820
<b>Total Instructional Staff Training Services</b>	<b>83,300</b>	<b>(3,000)</b>	<b>80,300</b>	<b>42,030</b>	<b>38,270</b>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<b>EXPENDITURES (Continued)</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final Budget to Actual</b>
<b>Current (Continued)</b>					
<b>Support Services General Administration</b>					
Salaries	\$ 132,054	\$ 33,150	\$ 165,204	\$ 165,186	\$ 18
Legal Services	200,000		200,000	106,844	93,156
Audit Fees	66,000		66,000	66,000	-
Expenditure and Internal Control	5,000	525	5,525	3,405	2,120
Architect/Engineering Fees	100,000	57,400	157,400	157,388	12
Other Purchased Professional Services	58,500	(16,850)	41,650	41,643	7
Leases and Rentals	2,000	-	2,000	-	2,000
Communications/Telephone	184,700	5,300	190,000	189,957	43
Travel		1,500	1,500	932	568
Other Purchased Services	300,000	(29,700)	270,300	262,541	7,759
BOE Other Purchased Services	4,000	975	4,975	4,420	555
Supplies and Materials	15,000		15,000	4,349	10,651
Miscellaneous Expenditures	30,000	-	30,000	23,348	6,652
<b>Total Support Services General Administration</b>	<b>1,097,254</b>	<b>52,300</b>	<b>1,149,554</b>	<b>1,026,013</b>	<b>123,541</b>
<b>Support Services School Administration</b>					
Salaries of Principals/ Assistant Principals	1,354,982	-	1,354,982	1,289,673	65,309
Salaries of Secretarial and Clerical Assistants	703,399		703,399	691,840	11,559
Other Purchased Professional Services	80,000	-	80,000	80,000	-
Travel	14,800	400	15,200	5,481	9,719
Supplies and Materials	5,450	265	5,715	139	5,576
Other Objects	14,250	-	14,250	8,445	5,805
<b>Total Support Services School Administration</b>	<b>2,172,881</b>	<b>665</b>	<b>2,173,546</b>	<b>2,075,578</b>	<b>97,968</b>
<b>Central Services</b>					
Salaries	448,576	(40,000)	408,576	356,443	52,133
Purchased Professional Services	20,000	10,000	30,000	30,000	-
Purchased Technical Services	72,250	(8,000)	64,250	63,601	649
Leases and Rentals	6,000	-	6,000	5,556	444
Travel	3,500		3,500	305	3,195
Other Purchased Services	3,000	(2,000)	1,000		1,000
Supplies and Materials	16,000	(7,000)	9,000	5,309	3,691
Miscellaneous Expenditures	9,000	17,000	26,000	19,824	6,176
<b>Total Central Services</b>	<b>578,326</b>	<b>(30,000)</b>	<b>548,326</b>	<b>481,038</b>	<b>67,288</b>
<b>Required Maintenance for School Facilities</b>					
Salaries	299,103	(43,500)	255,603	236,542	19,061
Cleaning, Repair and Maintenance Services	280,000	(84,063)	195,937	145,504	50,433
General Supplies	105,000	(33,001)	71,999	50,288	21,711
<b>Total Required Maintenance for School Facilities</b>	<b>684,103</b>	<b>(160,564)</b>	<b>523,539</b>	<b>432,334</b>	<b>91,205</b>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<b>EXPENDITURES (Continued)</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final Budget to Actual</b>
<b>Current (Continued)</b>					
<b>Custodial Services</b>					
Salaries	\$ 1,530,443		\$ 1,530,443	\$ 1,522,126	\$ 8,317
Purchased Professional and Technical Services	150,000	\$ 50,000	200,000	200,000	-
Cleaning, Repair and Maintenance Services	150,000	44,334	194,334	115,719	78,615
Rental of Land and Bldgs. Other Than Lease Purch	1,291,274	(11,000)	1,280,274	1,279,422	852
Other Purchased Property Services	41,200	(11,000)	30,200	29,807	393
Insurance	105,000	(5,000)	100,000	100,000	-
Travel	-	1,500	1,500	203	1,297
General Supplies	338,000	34,558	372,558	242,304	130,254
Energy (Natural Gas)	115,000	65,000	180,000	167,495	12,505
Energy (Electricity)	485,000	27,500	512,500	512,500	-
Energy (Gasoline)	95,000	13,100	108,100	108,073	27
Other Objects	12,000	(6,000)	6,000	4,768	1,232
<b>Total Custodial Services</b>	<b>4,312,917</b>	<b>202,992</b>	<b>4,515,909</b>	<b>4,282,417</b>	<b>233,492</b>
<b>Upkeep of Grounds</b>					
Cleaning, Repair and Maintenance Services	50,000	16,138	66,138	56,718	9,420
General Supplies	10,000	-	10,000	528	9,472
<b>Total Upkeep of Grounds</b>	<b>60,000</b>	<b>16,138</b>	<b>76,138</b>	<b>57,246</b>	<b>18,892</b>
<b>Security</b>					
Cleaning, Repair and Maintenance Services	115,000	7,000	122,000	73,127	48,873
<b>Total Security</b>	<b>115,000</b>	<b>7,000</b>	<b>122,000</b>	<b>73,127</b>	<b>48,873</b>
<b>Student Transportation Services</b>					
Salaries for Pupil Transp (Other than Bet. Home & School)	659,589	-	659,589	593,698	65,891
Cleaning, Repair and Maintenance Services	10,000	-	10,000	-	10,000
Contr Serv (Other Than Between Home & School) - Vendors	8,000	(4,450)	3,550	409	3,141
Miscellaneous Purchased Services-Transportation	59,000	-	59,000	59,000	-
Supplies and Materials	75,000	1,000	76,000	75,874	126
Miscellaneous Expenditures	25,000	764	25,764	20,432	5,332
<b>Total Student Transportation Services</b>	<b>836,589</b>	<b>(2,686)</b>	<b>833,903</b>	<b>749,413</b>	<b>84,490</b>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<b>EXPENDITURES (Continued)</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final Budget to Actual</b>
<b>Current (Continued)</b>					
<b>Unallocated Benefits</b>					
Social Security Contributions	\$ 1,007,000	\$ (100,000)	\$ 907,000	\$ 903,304	\$ 3,696
Other Retirement Contributions- Regular	2,200,000	(110,000)	2,090,000	2,087,362	2,638
Unemployment Compensation	10,000		10,000	7,740	2,260
Workmen's Compensation	1,100,000	(19,000)	1,081,000	1,080,900	100
Health Benefits	7,677,647	287,500	7,965,147	7,962,143	3,004
Tuition Reimbursement	125,000	(28,500)	96,500	86,723	9,777
Other Employee Benefits	200,000	(30,000)	170,000	169,800	200
<b>Total Unallocated Benefits</b>	<b>12,319,647</b>	<b>-</b>	<b>12,319,647</b>	<b>12,297,972</b>	<b>21,675</b>
On-Behalf TPAF Pension System Contributions - Post Retirement Medical (Non-Budgeted)				1,373,425	(1,373,425)
On-Behalf TPAF Pension System Contributions - Normal Cost (Non-Budgeted)				5,156,616	(5,156,616)
On-Behalf TPAF Pension System Contributions - Non-Contributory Group Insurance (Non-Budgeted)				71,542	(71,542)
On-Behalf TPAF Pension System Contributions - Long-Term Disability Insurance (Non-Budgeted)				1,759	(1,759)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,111,280	(1,111,280)
<b>Total TPAF Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,714,622</b>	<b>(7,714,622)</b>
<b>Total Undistributed Expenditures</b>	<b>31,783,725</b>	<b>591,420</b>	<b>32,375,145</b>	<b>38,290,597</b>	<b>(5,915,452)</b>
<b>Total Expenditures - Current</b>	<b>53,822,644</b>	<b>609,972</b>	<b>54,432,616</b>	<b>59,339,401</b>	<b>(4,906,785)</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
Special Education - Instruction					
Emotional Regulation		49,733	49,733	49,733	-
Multiple Disabilities		158,573	158,573	29,042	129,531
Autism		246,338	246,338	54,386	191,952
Health Services		7,310	7,310	7,305	5
Educational Media and School Library		647,240	647,240	336,294	310,946
Operations and Maintenance of Plant		11,920	11,920	3,052	8,868
Grounds		68,383	68,383	68,383	-
School Buses	-	250,120	250,120		250,120
Special Schools		350,719	350,719	19,019	331,700
Other	-	-	-	-	-
<b>Total Equipment</b>	<b>-</b>	<b>1,790,336</b>	<b>1,790,336</b>	<b>567,214</b>	<b>1,223,122</b>
<b>Facilities Acquisition and Construction Services</b>					
Construction Services	10,000	3,254,007	3,264,007	1,812,313	1,451,694
<b>Total Facilities Acquisition and Construction Services</b>	<b>10,000</b>	<b>3,254,007</b>	<b>3,264,007</b>	<b>1,812,313</b>	<b>1,451,694</b>
<b>Total Capital Outlay</b>	<b>10,000</b>	<b>5,044,343</b>	<b>5,054,343</b>	<b>2,379,527</b>	<b>2,674,816</b>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>SPECIAL SCHOOLS</b>					
Other Special Schools - Instruction					
Salaries of Teachers	\$ 283,625	\$ (32,600)	\$ 251,025	\$ 251,012	\$ 13
Other Salaries for Instruction	551,481	(105,875)	445,606	445,588	18
Other Purchased Services	350,000	123,450	473,450	473,444	6
Travel	300	(300)	-	-	-
General Supplies	11,500	37,574	49,074	47,748	1,326
Other Objects	9,500	(1,734)	7,766	7,761	5
<b>Total Other Special Schools - Instruction</b>	<b>1,206,406</b>	<b>20,515</b>	<b>1,226,921</b>	<b>1,225,553</b>	<b>1,368</b>
Other Special Schools - Support Services					
Salaries	317,168	6,000	323,168	323,095	73
Personal Services - Employee Benefits	582,000	27,630	609,630	609,034	596
Purchased Professional and Technical Services	2,500	(2,500)	-	-	-
Rental	8,000	245	8,245	8,244	1
Travel	100	-	100	-	100
Other Purchased Services	7,500	(2,850)	4,650	4,634	16
Supplies and Materials	8,500	(867)	7,633	7,110	523
Other Objects	150	-	150	-	150
<b>Total Other Special Schools - Support Services</b>	<b>925,918</b>	<b>27,658</b>	<b>953,576</b>	<b>952,117</b>	<b>1,459</b>
<b>Total Other Special Schools</b>	<b>2,132,324</b>	<b>48,173</b>	<b>2,180,497</b>	<b>2,177,670</b>	<b>2,827</b>
<b>Total Expenditures</b>	<b>55,964,968</b>	<b>5,702,488</b>	<b>61,667,456</b>	<b>63,896,598</b>	<b>(2,229,142)</b>
Excess(Deficiency) of Revenues Over(Under) Expenditures	(925,000)	(3,502,488)	(4,427,488)	1,364,627	5,792,115
Other Financing Sources(Uses):					
Transfers to Cover Deficits-Internal Service Fund		(30,000)	(30,000)	(30,000)	
Transfer to Food Service Fund - Board Contribution	(75,000)	-	(75,000)	(75,000)	-
<b>Total Other Financing Sources/(Uses)</b>	<b>(75,000)</b>	<b>(30,000)</b>	<b>(105,000)</b>	<b>(105,000)</b>	<b>-</b>
Excess(Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(1,000,000)	(3,532,488)	(4,532,488)	1,259,627	5,792,115
Fund Balances, July 1, 2022	16,488,448	-	16,488,448	16,488,448	-
<b>Fund Balances, June 30, 2023</b>	<b>\$ 15,488,448</b>	<b>\$ (3,532,488)</b>	<b>\$ 11,955,960</b>	<b>\$ 17,748,075</b>	<b>\$ 5,792,115</b>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance</b>					
Capital Reserve				\$ 8,833,983	
Maintenance Reserve				991,313	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				100,000	
Unemployment Claims				579,105	
<b>Committed Fund Balance</b>					
Year End Encumbrances				-	
<b>Assigned Fund Balance</b>					
Year End Encumbrances				2,598,498	
Designated for Subsequent Year's Expenditures				900,000	
<b>Unassigned Fund Balance</b>					
Undesignated				3,745,176	
				<b>\$ 17,748,075</b>	

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**BUDGET (NON-GAAP) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>REVENUES</b>					
State Sources	-	\$ 51,318	\$ 51,318	\$ 1,614,661	\$ 1,563,343
Federal Sources	\$ 1,890,000	1,969,293	3,859,293	3,119,009	(740,284)
Other Sources	7,705,000	2,869,033	10,574,033	8,662,321	(1,911,712)
<b>Total Revenues</b>	<b>9,595,000</b>	<b>4,889,644</b>	<b>14,484,644</b>	<b>13,395,991</b>	<b>(1,088,653)</b>
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries of Teachers	9,590,000	(4,367,061)	5,222,939	4,345,552	877,387
Other Salaries for Instruction	-	849,215	849,215	847,577	1,638
Purchased Professional Services	-	-	-	-	-
Other Purchased Services	-	-	-	-	-
General Supplies	5,000	144,953	149,953	125,037	24,916
Co-Curricular Student Activities	-	-	-	-	-
Other Objects	-	2,266	2,266	2,266	-
<b>Total Instruction</b>	<b>9,595,000</b>	<b>(3,370,627)</b>	<b>6,224,373</b>	<b>5,320,432</b>	<b>903,941</b>
<b>Support Services</b>					
Salaries	-	1,270,938	1,270,938	1,182,076	88,862
Personnel Services Employee Benefits	-	2,271,733	2,271,733	2,091,718	180,015
On-Behalf Benefits	-	-	-	1,592,361	(1,592,361)
Cleaning, Repair, and Maintenance Service	-	16,849	16,849	6,849	10,000
Purchased Professional Education Services	-	3,771,847	3,771,847	2,317,504	1,454,343
Communication and Telephone	-	17,653	17,653	17,653	-
Energy	-	2,188	2,188	2,188	-
Rental	-	3,574	3,574	3,574	-
Travel	-	6,771	6,771	6,771	-
Other Purchased Services	-	810,736	810,736	784,876	25,860
Supplies and Materials	-	42,336	42,336	25,999	16,337
Miscellaneous Expenditures	-	17,042	17,042	7,813	9,229
Scholarships Awarded (Non-Budget)	-	-	-	7,240	(7,240)
Student Activities (Non-Budget)	-	-	-	3,607	(3,607)
<b>Total Support Services</b>	<b>-</b>	<b>8,231,667</b>	<b>8,231,667</b>	<b>8,050,229</b>	<b>181,438</b>
<b>Facilities Acquisition and Construction</b>					
Instructional Equipment	-	28,604	28,604	22,467	6,137
<b>Total Facilities Acquisition and Construction</b>	<b>-</b>	<b>28,604</b>	<b>28,604</b>	<b>22,467</b>	<b>6,137</b>
<b>Total Expenditures</b>	<b>9,595,000</b>	<b>4,889,644</b>	<b>14,484,644</b>	<b>13,393,128</b>	<b>1,091,516</b>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	2,863	2,863
Fund Balance July 1, 2022	92,900	-	92,900	92,900	-
Fund Balance, June 30, 2023	\$ 92,900	\$ -	\$ 92,900	\$ 95,763	\$ 2,863
<b>Recapitulation:</b>					
<b>Restricted Fund Balance</b>					
Student Activities				\$ 30,985	
Scholarships				64,778	
				<b>\$ 95,763</b>	

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Source/Inflows of Resources</b>		
Actual Amounts (budgetary basis) "revenue"		
From the budgetary comparison schedule	\$ 65,261,225	\$ 13,395,991
Difference - budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2023	-	(102,099)
Encumbrances, June 30, 2022	-	21,783
	<u>-</u>	<u>21,783</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 65,261,225</u>	<u>\$ 13,315,675</u>
<b>Uses/Outflows of Resources</b>		
Actual amounts(budgetary basis) "total expenditure" from the budgetary comparison schedule	\$ 63,896,598	\$ 13,393,128
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Encumbrances, June 30, 2023	-	(102,099)
Encumbrances, June 30, 2022	-	21,783
	<u>-</u>	<u>21,783</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.	<u>\$ 63,896,598</u>	<u>\$ 13,312,812</u>



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

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

**Public Employees Retirement System**

**Last Ten Fiscal Years\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.29555 %	0.31219 %	0.29442 %	0.28633 %	0.28259 %	0.29004 %	0.23653 %	0.23923 %	0.23782 %	0.23468 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$44,602,929	\$ 36,984,570	\$ 48,012,973	\$ 51,593,332	\$ 55,640,770	\$ 67,518,565	\$ 70,053,677	\$ 53,702,644	\$ 44,515,531	\$ 44,853,790
District's Covered Payroll	\$22,169,134	\$ 21,876,745	\$ 22,421,850	\$ 20,562,178	\$ 19,815,633	\$ 19,833,888	\$ 18,564,076	\$ 16,100,179	\$ 16,501,385	\$ 16,005,606
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	201.19%	169.06%	214.13%	250.91%	280.79%	340.42%	377.36%	333.55%	269.77%	280.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91 %	70.33 %	58.32 %	56.27 %	53.60 %	48.10 %	40.14 %	47.93 %	52.08 %	48.72 %

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

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

**Public Employees Retirement System**

**Last Ten Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 3,727,058	\$ 3,656,205	\$ 3,220,858	\$ 2,785,215	\$ 2,810,868	\$ 2,686,986	\$ 2,101,307	\$ 2,056,748	\$ 1,960,564	\$ 1,870,873
Contributions in Relation to the Contractually Required Contribution	<u>3,727,058</u>	<u>3,656,205</u>	<u>3,220,858</u>	<u>2,785,215</u>	<u>2,810,868</u>	<u>2,686,986</u>	<u>2,101,307</u>	<u>2,056,748</u>	<u>1,960,564</u>	<u>1,870,873</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 24,027,593	\$ 22,169,134	\$ 21,876,745	\$ 22,421,850	\$ 20,562,178	\$ 19,815,633	\$ 19,833,888	\$ 18,564,076	\$ 16,100,179	\$ 16,501,385
Contributions as a Percentage of Covered Payroll	15.51%	16.49%	14.72%	12.42%	13.67%	13.56%	10.59%	11.08%	12.18%	11.34%

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

**Teachers Pension and Annuity Fund**

**Last Ten Fiscal Years\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>139,271,636</u>	<u>132,340,904</u>	<u>181,809,352</u>	<u>179,295,192</u>	<u>194,573,003</u>	<u>184,883,757</u>	<u>229,394,946</u>	<u>186,708,043</u>	<u>160,785,515</u>	<u>159,708,437</u>
<b>Total</b>	<b><u>\$139,271,636</u></b>	<b><u>\$132,340,904</u></b>	<b><u>\$181,809,352</u></b>	<b><u>\$179,295,192</u></b>	<b><u>\$194,573,003</u></b>	<b><u>\$184,883,757</u></b>	<b><u>\$229,394,946</u></b>	<b><u>\$186,708,043</u></b>	<b><u>\$160,785,515</u></b>	<b><u>\$159,708,437</u></b>
District's Covered Payroll	\$ 30,986,184	\$ 29,224,888	\$ 30,017,973	\$ 29,726,170	\$ 29,502,394	\$ 31,206,801	\$ 30,067,644	\$ 27,950,082	\$ 29,483,746	\$ 29,177,685
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Change of Benefit Terms:** None.

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

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

**Postemployment Health Benefit Plan**

Last Six Fiscal Years\*

	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>						
Service Cost	\$ 9,764,373	\$ 11,148,306	\$ 6,170,780	\$ 6,321,260	\$ 7,244,613	\$ 8,697,404
Interest on Total OPEB Liability	4,612,497	5,266,564	5,021,020	5,970,670	6,469,943	5,529,097
Changes in Benefit Terms	-	(216,091)				
Differences Between Expected and Actual Experiences	7,764,476	(38,163,876)	40,474,525	(21,032,606)	(18,013,330)	
Changes of Assumptions	(46,690,275)	200,295	41,793,746	2,075,507	(17,214,760)	(22,162,909)
Gross Benefit Payments	(4,568,815)	(4,148,577)	(3,983,205)	(4,273,073)	(4,011,298)	(4,062,621)
Contribution from the Member	146,570	134,640	120,731	126,666	138,637	149,596
<b>Net Change in Total OPEB Liability</b>	<b>(28,971,174)</b>	<b>(25,778,739)</b>	<b>89,597,597</b>	<b>(10,811,576)</b>	<b>(25,386,195)</b>	<b>(11,849,433)</b>
<b>Total OPEB Liability - Beginning</b>	<b>203,020,433</b>	<b>228,799,172</b>	<b>139,201,575</b>	<b>150,013,151</b>	<b>175,399,346</b>	<b>187,248,779</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 174,049,259</b>	<b>\$ 203,020,433</b>	<b>\$ 228,799,172</b>	<b>\$ 139,201,575</b>	<b>\$ 150,013,151</b>	<b>\$ 175,399,346</b>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	174,049,259	203,020,433	228,799,172	139,201,575	150,013,151	175,399,346
<b>Total OPEB Liability - Ending</b>	<b>\$ 174,049,259</b>	<b>\$ 203,020,433</b>	<b>\$ 228,799,172</b>	<b>\$ 139,201,575</b>	<b>\$ 150,013,151</b>	<b>\$ 175,399,346</b>
District's Covered Payroll	\$ 53,155,318	\$ 51,101,633	\$ 52,439,823	\$ 50,288,348	\$ 49,318,027	\$ 51,040,689
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

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

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

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

**OTHER SUPPLEMENTARY INFORMATION**



**SCHOOL LEVEL FUNDS**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**



**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>CRRSA ESSER II</u>	<u>Title I Part D</u>	<u>Title I Part D Carryover</u>	<u>ARP Homeless I</u>	<u>Homeless Children</u>	<u>DDD Adult Training</u>	<u>Leisure Bridges Medicaid</u>	<u>ARP Homeless II</u>	<u>Adult Rehab Paramus Medicaid</u>	<u>Adult Rehab Wood-Ridge Medicaid</u>	<u>Total Exhibit E-1a</u>
<b>REVENUES</b>											
Intergovernmental											
State						\$ 14,085					\$ 14,085
Federal	\$ 51,829	\$ 34,206	\$ 1,830	182,654	230,565		\$ 97,123	\$ 320,583	\$ 1,384,393	\$ 808,126	\$ 3,111,309
Other	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 51,829	\$ 34,206	\$ 1,830	\$ 182,654	\$ 230,565	\$ 14,085	\$ 97,123	\$ 320,583	\$ 1,384,393	\$ 808,126	\$ 3,125,394
<b>EXPENDITURES</b>											
Instruction											
Salaries of Teachers		\$ 25,000	\$ 1,700				\$ 80,925		\$ 118,103	\$ 138,794	\$ 364,522
Other Salaries for Instruction						14,085			540,040	285,237	839,362
Purchased Professional Services											-
Other Purchased Services											-
General Supplies									32,606	23,528	56,134
Other Objects											-
Total Instruction		25,000	1,700			14,085	80,925		690,749	447,559	1,260,018
Support Services											
Salaries		6,000		54,400	149,186				137,243	64,600	411,429
Personnel Services Employee Benefits		2,371	130	23,962	79,553		6,571		300,313	176,210	589,110
Cleaning, Repair, and Maintenance Services											-
Purchased Professional Education Services											-
Other Purchased Professional Services				104,292	293			114,000			114,000
Communication and Telephone											-
Energy (Heat & Electricity)											-
Purchased Property Services											-
Rental											-
Travel					1,244						1,244
Other Purchased Services					212			206,583	234,485	118,491	559,771
Supplies and Materials	16,295				77		9,627				25,999
Miscellaneous Expenditures		835							6,447		7,282
Scholarships Awarded											-
Student Activities											-
Total Support Services	51,829	9,206	130	182,654	230,565	-	16,198	320,583	678,488	359,301	1,848,954
Facilities Acquisition and Construction											
Rental of Buildings											-
Instructional Equipment									15,156	1,266	16,422
Total Facilities Acquisition and Construction									15,156	1,266	15,156
Total Expenditures	51,829	34,206	1,830	182,654	230,565	14,085	97,123	320,583	1,384,393	808,126	3,125,394
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-
Fund Balance July 1	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	On Behalf TPAF	ARP ESSER	Student Activity Funds	Scholarship Funds	DDD COVID-19 Funds	Nonpublic IDEA Flow-thru	Nonpublic IDEA Flow-thru Carryover	Nonpublic ARP IDEA	Non Public EANS Grant	Total Exhibit E-1b
<b>REVENUES</b>										
Intergovernmental										
State	\$ 1,592,361				\$ 8,215					\$ 1,600,576
Federal		\$ 7,700								7,700
Other	-	-	\$ 10,073	\$ 3,637	-	\$ 548,566	\$ 750,263	\$ 11,940	\$ 420,256	1,744,735
Total Revenues	\$ 1,592,361	\$ 7,700	\$ 10,073	\$ 3,637	\$ 8,215	\$ 548,566	\$ 750,263	\$ 11,940	\$ 420,256	\$ 3,353,011
<b>EXPENDITURES</b>										
Instruction										
Salaries of Teachers							\$ 550,263		\$ 194,463	\$ 744,726
Other Salaries for Instruction	-	-			8,215					8,215
Purchased Professional Services										-
Other Purchased Services										-
General Supplies		\$ -					5,905			5,905
Co-Curricular Student Activities	-	-								-
Other Objects	-	-								-
Total Instruction	-	-	-	-	8,215	5,905	550,263	-	194,463	758,846
Support Services										
Salaries						75,024				75,024
Personnel Services Employee Benefits						1,465	200,000		15,123	216,588
On-Behalf Benefits	\$ 1,592,361	\$ -								1,592,361
Cleaning, Repair, and Maintenance Services										-
Purchased Professional Education Services		7,700				466,172		\$ 11,940	210,670	696,482
Other Purchased Professional Services										-
Communication and Telephone										-
Energy (Heat & Electricity)										-
Rental										-
Travel										-
Other Purchased Services										-
Supplies and Materials										-
Miscellaneous Expenditures										-
Scholarships Awarded				\$ 7,240						7,240
Student Activities			\$ 3,607							3,607
Total Support Services	1,592,361	7,700	3,607	7,240	-	542,661	200,000	11,940	225,793	2,591,302
Facilities Acquisition and Construction										
Buildings										-
Instructional Equipment										-
Total Facilities Acquisition and Construction	-	-	-	-	-	-	-	-	-	-
Total Expenditures	1,592,361	7,700	3,607	7,240	8,215	548,566	750,263	11,940	420,256	3,350,148
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	6,466	(3,603)	-	-	-	-	-	2,863
Other Financing Sources/(Uses) Transfer from General Fund										
Fund Balance July 1	-	-	24,519	68,381	-	-	-	-	-	92,900
Fund Balance, End of Year	\$ -	\$ -	\$ 30,985	\$ 64,778	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,763

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION PROGRAM AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOT APPLICABLE

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Balance July 1, <u>2022</u></b>	<b><u>Receipts</u></b>	<b>Disburse- ments</b>	<b>Balance June 30, <u>2023</u></b>
<b>SCHOOLS</b>				
District Student Activity	\$ 24,519	\$ 10,073	\$ 3,607	\$ 30,985
	<u>\$ 24,519</u>	<u>\$ 10,073</u>	<u>\$ 3,607</u>	<u>\$ 30,985</u>

**CAPITAL PROJECTS FUND**



**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Issue/Project Title</u>	<u>Adjusted Appropriation</u>	<u>Prior Years</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2023</u>
			<u>Current Year</u>	<u>Cancelled</u>	
Facilities Bond #17 (2007)	1,847,000	1,841,451	4,872		\$ 677
Facilities Bond #26 (2015)	522,000	520,420	-		1,580
Facilities Bond #27 (2016)	800,000	771,039	-		28,961
Facilities Bond #28 (2017)	850,000	817,432	-		32,568
Facilities Bond #29 (2018)	1,151,000	1,069,948	31,581		49,471
Facilities Bond #30 (2019)	975,000	818,488	22,429		134,083
Facilities Bond #31 (2020)	1,200,000	484,512	56,181		659,307
Facilities Bond #32 (2021)	1,200,000	325,609	171,984		702,407
Facilities Bond #33 (2022)	<u>1,150,000</u>	<u>-</u>	<u>129,303</u>	<u>-</u>	<u>1,020,697</u>
	<u>\$ 9,695,000</u>	<u>\$ 6,648,899</u>	<u>\$ 416,350</u>	<u>\$ -</u>	<u>\$ 2,629,751</u>
					Fund Balance, June 30, 2023
					\$ 2,629,751
					<u>Analysis</u>
					Year End Encumbrances \$ 915,068
					Available for Capital Projects <u>1,714,683</u>
					<u>\$ 2,629,751</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<b>Revenues and Other Financing Sources</b>	
County Aid	\$ <u>1,150,000</u>
Total Revenues and Other Financing Sources	<u>1,150,000</u>
<b>Expenditures and Other Financing Uses</b>	
Purchased Professional and Technical Services	24,747
Cleaning, Repair and Maintenance	4,872
Facilities Acquisition and Construction Services	36,356
Equipment	150,713
Supplies and Materials	<u>199,662</u>
Total Expenditures and Other Financing Uses	<u>416,350</u>
Excess of Revenues Over Expenditures	733,650
Other Financing Sources (Uses)	
County Bonds	809,310
Fund Balance - Beginning of Year	<u>1,086,791</u>
Fund Balance - End of Year	<u>\$ 2,629,751</u>

**ENTERPRISE FUNDS**

**EXHIBIT G-1**

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
ENTERPRISE FUND  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**EXHIBIT G-2**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**INTERNAL SERVICE FUNDS**

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT**  
**INTERNAL SERVICE FUND**  
**COMBINING STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2023**

	Norman A. Bieshman Regional Day School	One to One Aides	Extended Year	Career Crossroads	Project Search	Home Hospital	Education Enterprises	Interlocal Agreements	ETTC	Management Agreement	Compensated Absences	Totals
<b>ASSETS</b>												
Current Assets												
Cash and Cash Equivalents	\$ 516,938		\$ 34,339	\$ 80,715	\$ 22,022				\$ 82,310			\$ 736,324
Accounts Receivable	1,034,798	\$ 1,986,456	36,200	\$ 53,613	\$ 35,040	\$ 8,060	\$ 1,445,054	\$ 2,577,449		\$ 535,000		7,711,670
Due from Other Funds	-	-	-	-	-	-	-	-	-	-	\$ 1,716,577	1,716,577
Total Current Assets	1,551,736	1,986,456	70,539	134,328	57,062	8,060	1,445,054	2,577,449	82,310	535,000	1,716,577	10,164,571
Capital Assets												
Furniture, machinery & equipment	3,681,724			3,334	-		78,082		147,953	64,935		3,976,028
Less: Accumulated Depreciation	(852,083)	-	-	(2,442)	-	-	(78,082)	-	(121,032)	(25,974)	-	(1,079,613)
Total Capital Assets, Net	2,829,641	-	-	892	-	-	-	-	26,921	38,961	-	2,896,415
Total Assets	4,381,377	1,986,456	70,539	135,220	57,062	8,060	1,445,054	2,577,449	109,231	573,961	1,716,577	13,060,986
<b>LIABILITIES</b>												
Current Liabilities												
Accounts Payable	109,082	1,004	1,646	1,567	150	800	100,882	42,471	155	2,189		259,946
Other												-
Due to Other Funds	-	1,088,444	-	-	-	9,754	1,175,133	1,989,549	-	530,372	-	4,793,252
Total Current Liabilities	109,082	1,089,448	1,646	1,567	150	10,554	1,276,015	2,032,020	155	532,561	-	5,053,198
Noncurrent Liabilities												
Compensated Absences	155,030	-	-	-	-	-	-	-	-	-	1,716,577	1,871,607
Total Noncurrent Liabilities	155,030	-	-	-	-	-	-	-	-	-	1,716,577	1,871,607
Total Liabilities	264,112	1,089,448	1,646	1,567	150	10,554	1,276,015	2,032,020	155	532,561	1,716,577	6,924,805
<b>NET POSITION</b>												
Net Investment in capital assets	2,829,641			892			-		26,921	38,961		2,896,415
Unrestricted	1,287,624	897,008	68,893	132,761	56,912	(2,494)	169,039	545,429	82,155	2,439	-	3,239,766
Total Net Position	\$ 4,117,265	\$ 897,008	\$ 68,893	\$ 133,653	\$ 56,912	\$ (2,494)	\$ 169,039	\$ 545,429	\$ 109,076	\$ 41,400	\$ -	\$ 6,136,181

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
INTERNAL SERVICE FUND  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Norman A. Bieshman Regional Day School	On Behalf TPAF	One to One Aides	Extended Year	Career Crossroads	Project Search	Home Hospital	Education Enterprises	Interlocal Agreements	ETTC	Management Agreement	Compensated Absences	Totals
<b>REVENUES</b>													
Operating Revenues													
Tuition from LEAS	\$ 7,206,142		\$ 8,420,411	\$ 4,140,356	\$ 376,179	\$ 249,600	\$ 34,940	\$ 7,555,980	\$ 9,600,683	\$ 7,852	\$ 970,000		\$ 7,206,142
Charges and Fees	44,200												31,400,201
Federal Aid	125,000												125,000
<b>On-Behalf (Non-Budgeted)</b>													
TPAF Pension System													
Post Retirement Medical		\$ 2,922,486											2,922,486
Normal Cost		1,497,225											1,497,225
Non-Contributory Group Insurance		61,441											61,441
Non-Contributory Long Term Dis. Insurance		1,511											1,511
Reimbursed TPAF Social Security Contributions		954,380											-
													954,380
<b>Total Operating Revenues</b>	<b>7,375,342</b>	<b>5,437,043</b>	<b>8,420,411</b>	<b>4,140,356</b>	<b>376,179</b>	<b>249,600</b>	<b>34,940</b>	<b>7,555,980</b>	<b>9,600,683</b>	<b>7,852</b>	<b>970,000</b>	<b>-</b>	<b>44,168,386</b>
<b>EXPENSES</b>													
Operating Expenses													
Instruction-Special Education	2,346,556		5,169,933	2,018,692	184,475	135,679	27,320		5,429,050	2,101			15,313,806
School Sponsored Cocurricular Activities	120												120
Health Services	224,609			94,862					57,479				376,950
Speech, OT,PT and Related Services	1,821,153		183,942	190,358				6,155,925	914,284				9,265,662
Child Study Team	141,291			114,001		25,343			337,493				618,128
Instructional Staff Training Services									324				324
General Administration	22,626			21,877				2,785					47,288
School Administration	203,761			190,601		11,000		180,273	241,155				826,790
Operation and Maintenance of Plant	473,711			238,574	604		79	10,209	25,000				748,177
Student Transportation				35,543							20,000		55,543
Business/Central Services	58,771			226,581					264,004		760,716		1,310,072
Admin. Info. Technology	25,000												25,000
Unallocated Benefits	1,511,996		3,330,789	1,007,479	35,906	56,036	8,029	1,024,591	2,351,729		210,843		9,537,398
On-behalf Benefits		5,437,043											5,437,043
Depreciation	216,703				333					10,137	12,987		240,160
<b>Total Operating Expenses</b>	<b>7,046,297</b>	<b>5,437,043</b>	<b>8,684,664</b>	<b>4,138,568</b>	<b>221,318</b>	<b>228,058</b>	<b>35,428</b>	<b>7,373,783</b>	<b>9,620,518</b>	<b>12,238</b>	<b>1,004,546</b>	<b>-</b>	<b>43,802,461</b>
<b>Operating Income (Loss)</b>	<b>329,045</b>	<b>-</b>	<b>(264,253)</b>	<b>1,788</b>	<b>154,861</b>	<b>21,542</b>	<b>(488)</b>	<b>182,197</b>	<b>(19,835)</b>	<b>(4,386)</b>	<b>(34,546)</b>	<b>-</b>	<b>365,925</b>
<b>Net Income (Loss) Before Operating Transfers</b>	<b>329,045</b>	<b>-</b>	<b>(264,253)</b>	<b>1,788</b>	<b>154,861</b>	<b>21,542</b>	<b>(488)</b>	<b>182,197</b>	<b>(19,835)</b>	<b>(4,386)</b>	<b>(34,546)</b>	<b>-</b>	<b>365,925</b>
<b>Other Financing Sources (Uses)</b>													
Transfer in(out)							30,000						30,000
<b>Change in Net Position</b>	<b>329,045</b>	<b>-</b>	<b>(264,253)</b>	<b>1,788</b>	<b>154,861</b>	<b>21,542</b>	<b>29,512</b>	<b>182,197</b>	<b>(19,835)</b>	<b>(4,386)</b>	<b>(34,546)</b>	<b>-</b>	<b>395,925</b>
<b>Total Net Position - Beginning of Year.</b>	<b>3,788,220</b>	<b>-</b>	<b>1,161,261</b>	<b>67,105</b>	<b>\$ (21,208)</b>	<b>35,370</b>	<b>(32,006)</b>	<b>(13,158)</b>	<b>565,264</b>	<b>113,462</b>	<b>75,946</b>	<b>-</b>	<b>5,740,256</b>
<b>Total Net Position - Ending of Year</b>	<b>\$ 4,117,265</b>	<b>\$ -</b>	<b>\$ 897,008</b>	<b>\$ 68,893</b>	<b>\$ 133,653</b>	<b>\$ 56,912</b>	<b>\$ (2,494)</b>	<b>\$ 169,039</b>	<b>\$ 545,429</b>	<b>\$ 109,076</b>	<b>\$ 41,400</b>	<b>\$ -</b>	<b>\$ 6,136,181</b>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
INTERNAL SERVICE FUND  
COMBINED STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Norman A. Bleshman Regional Day School</u>	<u>One to Aides</u>	<u>Extended Year</u>	<u>Career Crossroads</u>	<u>Project Search</u>	<u>Home Hospital</u>	<u>Education Enterprises</u>	<u>Interlocal Agreement</u>	<u>ETTC</u>	<u>Management Agreement</u>	<u>Compensated Absences</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>												
Receipts from Customers	\$ 7,524,045	\$ 8,176,794	\$ 4,160,756	\$ 343,878	\$ 271,910	\$ 42,480	\$ 7,402,752	\$ 8,306,806	\$ 7,852	\$ 435,000		\$ 36,672,273
Payments to Employees	(4,804,202)	(5,337,280)	(2,511,432)	(167,381)	(159,892)	(27,320)	(6,109,254)	(6,721,999)		(760,716)		(26,599,476)
Payments to Suppliers for Goods and Services	(2,259,166)	(3,347,551)	(1,625,790)	(72,352)	(76,444)	(7,387)	(1,217,627)	(3,085,946)	(2,297)	(238,654)	-	(11,933,214)
Net Cash Provided by (Used for) Operating Activities	460,677	(508,037)	23,534	104,145	35,574	7,773	75,871	(1,501,139)	5,555	(564,370)	-	(1,860,417)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>												
Transfers from (to) Other Funds	-	508,037	-	(23,430)	(13,552)	(7,773)	(75,871)	1,501,139	-	530,372	-	2,418,922
Net Cash Provided by (Used For) Noncapital Financing Activities	-	508,037	-	(23,430)	(13,552)	(7,773)	(75,871)	1,501,139	-	530,372	-	2,418,922
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>												
Purchases of Capital Assets	(165,535)	-	-	-	-	-	-	-	-	-	-	(165,535)
Net Cash Provided by (Used) Capital and Related Financing Activities	(165,535)	-	-	-	-	-	-	-	-	-	-	(165,535)
Net Increase (Decrease) in Cash and Cash Equivalents	295,142	-	23,534	80,715	-	-	-	-	5,555	(33,998)	-	392,970
Balances - Beginning of Year	221,796	-	10,805	\$ -	-	-	-	-	76,755	33,998	-	343,354
Balances - End of Year	\$ 516,938	\$ -	\$ 34,339	\$ 80,715	\$ 22,022	\$ -	\$ -	\$ -	\$ 82,310	\$ -	\$ -	\$ 736,324
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>												
Operating Income (Loss)	\$ 329,045	\$ (264,253)	1,788	\$ 154,861	\$ 21,542	\$ (488)	\$ 182,197	\$ (19,835)	\$ (4,386)	\$ (34,546)	-	\$ 365,925
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities												
Depreciation	216,703			333					10,137	12,987		240,160
Changes in Assets and Liabilities												
(Increase) Decrease in Accounts Receivable, net	148,703	(243,617)	20,400	(32,301)	22,310	7,540	(153,019)	(1,293,877)		(535,000)		(2,058,861)
Increase(Decrease) in Other Current Liabilities	-	-	-	-	-	-	(209)	-				(209)
Increase(Decrease) in Accounts Payable	(233,774)	(167)	1,346	(18,748)	(8,278)	721	46,902	(187,427)	(196)	(7,811)	-	(407,432)
Total Adjustments	131,632	(243,784)	21,746	(50,716)	14,032	8,261	(106,326)	(1,481,304)	9,941	(529,824)	-	(2,226,342)
Net Cash Provided (Used) by Operating Activities	\$ 460,677	\$ (508,037)	\$ 23,534	\$ 104,145	\$ 35,574	\$ 7,773	\$ 75,871	\$ (1,501,139)	\$ 5,555	\$ (564,370)	\$ -	\$ (1,860,417)



**FIDUCIARY FUNDS**

**NOT APPLICABLE**

**LONG-TERM DEBT**

**NOT APPLICABLE**

## STATISTICAL SECTION

This part of the Bergen County Special Services School District's annual comprehensive financial report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the district's overall financial health.

### Contents

### Exhibits

#### **Financial Trends**

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

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020 (As Restated)	2021	2022	2023
<b>Governmental Activities</b>										
Net Investment In Capital Assets	\$ 28,029,852	\$ 55,642,957	\$ 58,293,757	\$ 56,894,523	\$ 57,165,713	\$ 57,033,773	\$ 56,576,886	\$ 58,851,054	\$60,553,573	\$ 59,465,689
Restricted	2,969,847	8,056,525	3,012,582	4,113,403	5,468,478	6,233,710	7,745,206	9,327,507	9,830,608	13,229,915
Unrestricted	<u>(32,139,913)</u>	<u>(39,748,375)</u>	<u>(42,507,044)</u>	<u>(44,204,588)</u>	<u>(48,139,600)</u>	<u>(48,598,459)</u>	<u>(46,943,976)</u>	<u>(49,456,267)</u>	<u>(43,940,206)</u>	<u>(38,601,052)</u>
Total Governmental Activities Net Position	<u>\$ (1,140,214)</u>	<u>\$ 23,951,107</u>	<u>\$ 18,799,295</u>	<u>\$ 16,803,338</u>	<u>\$ 14,494,591</u>	<u>\$ 14,669,024</u>	<u>\$ 17,378,116</u>	<u>\$ 18,722,294</u>	<u>\$26,443,975</u>	<u>\$ 34,094,552</u>
<b>Business-Type Activities</b>										
Net Investment In Capital Assets	\$ 5,451	\$ 601							\$ 10,838	\$ 9,162
Unrestricted	723	296	\$ 11,496	\$ 70,389	\$ 94,678	\$ 117,004	\$ 68,133	\$ 74,772	\$ 110,770	107,676
Total Business-Type Activities Net Position	<u>\$ 6,174</u>	<u>\$ 897</u>	<u>\$ 11,496</u>	<u>\$ 70,389</u>	<u>\$ 94,678</u>	<u>\$ 117,004</u>	<u>\$ 68,133</u>	<u>\$ 74,772</u>	<u>\$ 121,608</u>	<u>\$ 116,838</u>
<b>District-Wide</b>										
Net Investment In Capital Assets	\$ 28,035,303	\$ 55,643,558	\$ 58,293,757	\$ 56,894,523	\$ 57,165,713	\$ 57,033,773	\$ 56,576,886	\$ 58,851,054	\$60,564,411	\$ 59,474,851
Restricted	2,969,847	8,056,525	3,012,582	4,113,403	5,468,478	6,233,710	7,745,206	9,327,507	9,830,608	13,229,915
Unrestricted	<u>(32,139,190)</u>	<u>(39,748,079)</u>	<u>(42,495,548)</u>	<u>(44,134,199)</u>	<u>(48,044,922)</u>	<u>(48,481,455)</u>	<u>(46,875,843)</u>	<u>(49,381,495)</u>	<u>(43,829,436)</u>	<u>(38,493,376)</u>
Total District Net Position	<u>\$ (1,134,040)</u>	<u>\$ 23,952,004</u>	<u>\$ 18,810,791</u>	<u>\$ 16,873,727</u>	<u>\$ 14,589,269</u>	<u>\$ 14,786,028</u>	<u>\$ 17,446,249</u>	<u>\$ 18,797,066</u>	<u>\$26,565,583</u>	<u>\$ 34,211,390</u>

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

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

Source: District financial statements

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

	Fiscal Year Ended June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
<b>Governmental Activities</b>										
Instruction										
Special Education	\$ 57,622,070	\$ 63,251,697	\$ 67,247,123	\$ 68,922,293	\$ 75,172,372	\$ 71,260,464	\$ 70,448,783	\$ 74,805,566	\$ 68,974,993	\$ 61,904,648
Support Services:										
Student & Instruction Related Services	21,576,516	25,932,852	28,918,263	33,085,833	31,589,371	29,873,164	27,904,341	29,123,984	25,910,009	34,974,851
School Administration Services	4,060,903	4,522,433	5,079,817	5,708,571	5,480,247	5,036,093	5,161,235	5,552,701	4,883,343	4,408,224
General Administration	1,093,917	1,339,388	1,027,257	1,185,658	1,726,322	1,134,987	1,083,412	1,066,715	1,198,892	1,194,610
Plant Operations And Maintenance	7,281,327	7,726,049	8,570,967	8,418,619	9,476,019	9,377,404	9,786,159	9,786,931	9,094,816	9,143,141
Pupil Transportation	1,674,482	1,622,300	1,903,511	2,004,151	2,238,886	2,252,630	2,172,517	2,056,277	1,523,415	1,358,776
Support Svc- Central Svc/Admin Info Tech	2,435,174	2,235,759	2,272,376	2,383,844	2,836,193	2,743,706	2,879,868	2,278,400	1,977,874	2,325,426
<b>Total Governmental Activities Expenses</b>	<b>95,744,389</b>	<b>106,630,478</b>	<b>115,019,314</b>	<b>121,708,969</b>	<b>128,519,410</b>	<b>121,814,612</b>	<b>119,300,153</b>	<b>124,670,574</b>	<b>113,563,342</b>	<b>115,309,676</b>
<b>Business-Type Activities:</b>										
Food Service	419,436	404,752	489,687	490,413	477,876	476,061	378,688	281,148	478,707	530,098
<b>Total Business-Type Activities Expense</b>	<b>419,436</b>	<b>404,752</b>	<b>489,687</b>	<b>490,413</b>	<b>477,876</b>	<b>476,061</b>	<b>378,688</b>	<b>281,148</b>	<b>478,707</b>	<b>530,098</b>
<b>Total District Expenses</b>	<b>\$ 96,163,825</b>	<b>\$ 107,035,230</b>	<b>\$ 115,509,001</b>	<b>\$ 122,199,382</b>	<b>\$ 128,997,286</b>	<b>\$ 122,290,673</b>	<b>\$ 119,678,841</b>	<b>\$ 124,951,722</b>	<b>\$ 114,042,049</b>	<b>\$ 115,839,774</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges For Services:										
Operating Grants And Contributions	14,629,772	21,918,039	24,011,839	29,847,566	37,738,856	31,572,505	27,335,258	34,748,201	29,067,911	25,461,291
Capital Grants And Contributions	10,795,942	38,228,087	857,842	586,520	881,204	959,231	950,308	1,526,228	1,393,169	1,172,715
<b>Total Governmental Activities Program Revenues</b>	<b>25,425,714</b>	<b>60,146,126</b>	<b>24,869,681</b>	<b>30,434,086</b>	<b>38,620,060</b>	<b>32,531,736</b>	<b>28,285,566</b>	<b>36,274,429</b>	<b>30,461,080</b>	<b>26,634,006</b>
<b>Business-Type Activities:</b>										
Charges For Services										
Food Service	120,189	94,363	126,777	147,180	147,380	137,665	102,783	2,818	14,660	70,264
Operating Grants And Contributions	216,384	208,112	201,509	202,126	204,785	210,722	152,034	184,969	498,368	380,064
<b>Total Business-Type Activities Program Revenues</b>	<b>336,573</b>	<b>302,475</b>	<b>328,286</b>	<b>349,306</b>	<b>352,165</b>	<b>348,387</b>	<b>254,817</b>	<b>187,787</b>	<b>513,028</b>	<b>450,328</b>
<b>Total District Program Revenues</b>	<b>\$ 96,290,909</b>	<b>\$ 133,442,400</b>	<b>\$ 100,082,123</b>	<b>\$ 109,422,095</b>	<b>\$ 115,649,199</b>	<b>\$ 110,674,335</b>	<b>\$ 108,857,465</b>	<b>\$ 114,272,457</b>	<b>\$ 109,781,001</b>	<b>\$ 110,326,382</b>
<b>Net (Expense)/Revenue</b>										
<b>Governmental Activities</b>	\$ 209,947	\$ 26,509,447	\$ (15,265,477)	\$ (12,636,180)	\$ (13,222,376)	\$ (11,488,664)	\$ (10,697,505)	\$ (10,585,904)	\$ (4,295,369)	\$ (5,433,622)
<b>Business-Type Activities</b>	(82,863)	(102,277)	(161,401)	(141,197)	(125,711)	(127,674)	(123,871)	(93,361)	34,321	(79,770)
<b>Total District-Wide Net Expense</b>	<b>\$ 127,084</b>	<b>\$ 26,407,170</b>	<b>\$ (15,426,878)</b>	<b>\$ (12,777,287)</b>	<b>\$ (13,348,087)</b>	<b>\$ (11,616,338)</b>	<b>\$ (10,821,376)</b>	<b>\$ (10,679,265)</b>	<b>\$ (4,261,048)</b>	<b>\$ (5,513,392)</b>
<b>General Revenues And Other Changes In Net Position</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied For General Purposes, Net	\$ 8,490,668	\$ 8,867,475	\$ 8,867,475	\$ 9,577,003	\$ 9,864,312	\$ 10,261,598	\$ 10,518,107	\$ 10,623,288	\$ 10,835,754	\$ 11,052,469
Federal And State Aid Restricted	31,995	80,341	50,791	158,326	10,449	6,990	-	-	-	-
Investment Earnings	37,817	25,775	18,330	12,187	36,974	110,368	122,595	14,655	12,611	186,620
Miscellaneous Income	944,291	1,292,403	1,349,069	1,092,707	1,151,894	1,434,141	2,192,109	1,392,139	1,168,685	1,110,800
Disposal of Capital Assets, net	(80,000)	(5,648,897)	-	-	-	-	(16,359)	-	-	-
Transfers	(80,000)	(97,000)	(172,000)	(200,000)	(150,000)	(150,000)	(75,000)	(100,000)	-	734,310
<b>Total Governmental Activities</b>	<b>9,424,681</b>	<b>4,520,097</b>	<b>10,113,665</b>	<b>10,640,223</b>	<b>10,913,629</b>	<b>11,663,097</b>	<b>12,741,452</b>	<b>11,930,082</b>	<b>12,017,050</b>	<b>13,084,199</b>
<b>Business-Type Activities:</b>										
Investment Earnings	80,000	97,000	172,000	200,000	150,000	150,000	75,000	100,000	-	75,000
Transfers	80,000	97,000	172,000	200,000	150,000	150,000	75,000	100,000	-	75,000
<b>Total Business-Type Activities</b>	<b>160,000</b>	<b>194,000</b>	<b>344,000</b>	<b>400,000</b>	<b>300,000</b>	<b>300,000</b>	<b>150,000</b>	<b>200,000</b>	<b>-</b>	<b>150,000</b>
<b>Total District-Wide</b>	<b>\$ 9,504,681</b>	<b>\$ 4,617,097</b>	<b>\$ 10,285,665</b>	<b>\$ 10,840,223</b>	<b>\$ 11,063,629</b>	<b>\$ 11,813,097</b>	<b>\$ 12,816,452</b>	<b>\$ 12,030,082</b>	<b>\$ 12,017,050</b>	<b>\$ 13,159,199</b>
<b>Change In Net Position</b>										
<b>Governmental Activities</b>	\$ 9,634,628	\$ 31,029,544	\$ (5,151,812)	\$ (1,995,957)	\$ (2,308,747)	\$ 174,433	\$ 2,043,947	\$ 1,344,178	\$ 7,721,681	\$ 7,650,577
<b>Business-Type Activities</b>	(2,863)	(5,277)	10,599	58,893	24,289	22,326	(48,871)	6,639	34,321	(4,770)
<b>Total District</b>	<b>\$ 9,631,765</b>	<b>\$ 31,024,267</b>	<b>\$ (5,141,213)</b>	<b>\$ (1,937,064)</b>	<b>\$ (2,284,458)</b>	<b>\$ 196,759</b>	<b>\$ 1,995,076</b>	<b>\$ 1,350,817</b>	<b>\$ 7,756,002</b>	<b>\$ 7,645,807</b>

Source: District financial statements

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020 (As Restated)	2021	2022	2023
General Fund										
Restricted	\$ 2,273,828	\$ 2,903,507	\$ 2,256,492	\$ 3,939,961	\$ 4,907,092	\$ 5,643,187	\$ 7,271,649	\$ 8,276,990	\$ 8,650,917	\$ 10,504,401
Committed					1,125,621	-			1,754,007	-
Assigned	1,997,861	1,841,124	1,302,525	3,041,642	1,636,488	4,033,954	6,191,699	4,310,923	2,678,481	3,498,498
Unassigned	<u>3,288,541</u>	<u>3,262,115</u>	<u>2,990,291</u>	<u>2,694,195</u>	<u>2,640,007</u>	<u>2,641,719</u>	<u>3,812,858</u>	<u>3,716,912</u>	<u>3,405,043</u>	<u>3,745,176</u>
Total General Fund	<u>\$ 7,560,230</u>	<u>\$ 8,006,746</u>	<u>\$ 6,549,308</u>	<u>\$ 9,675,798</u>	<u>\$ 10,309,208</u>	<u>\$ 12,318,860</u>	<u>\$ 17,276,206</u>	<u>\$ 16,304,825</u>	<u>\$ 16,488,448</u>	<u>\$ 17,748,075</u>
All Other Governmental Funds										
Restricted	<u>\$ 696,019</u>	<u>\$ 4,894,565</u>	<u>\$ 630,103</u>	<u>\$ 135,984</u>	<u>\$ 561,386</u>	<u>\$ 590,523</u>	<u>\$ 473,057</u>	<u>\$ 1,050,517</u>	<u>\$ 1,179,691</u>	<u>\$ 2,725,514</u>
Total All Other Governmental Funds	<u>\$ 696,019</u>	<u>\$ 4,894,565</u>	<u>\$ 630,103</u>	<u>\$ 135,984</u>	<u>\$ 561,386</u>	<u>\$ 590,523</u>	<u>\$ 473,057</u>	<u>\$ 1,050,517</u>	<u>\$ 1,179,691</u>	<u>\$ 2,725,514</u>

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

Source: District financial statements

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Tax Levy	\$ 8,490,668	\$ 8,867,475	\$ 8,867,475	\$ 9,577,003	\$ 9,864,312	\$ 10,261,598	\$ 10,518,107	\$ 10,623,288	\$ 10,835,754	\$ 11,052,469
County Aid	10,795,942	38,228,087	857,842	586,520	881,204	959,231	950,308	1,524,090	1,200,000	1,150,000
Tuition Charges	43,600,836	44,579,033	44,613,401	45,385,141	43,944,081	43,394,851	45,273,830	42,396,528	41,561,486	43,402,369
Non-Resident Fees	1,136,400	1,131,600	1,094,400	1,216,875	1,175,175	1,227,825	1,216,669	1,241,736	1,260,563	1,233,336
Interest Earnings	37,817	25,775	18,330	12,187	36,974	110,368	122,595	14,655	12,611	186,620
Miscellaneous	8,829,812	9,217,624	9,546,829	9,097,418	9,582,060	9,712,013	8,880,856	8,525,965	9,276,397	9,773,121
State Sources	4,569,180	5,837,277	6,225,441	6,901,917	7,794,656	7,711,831	7,472,244	9,400,961	9,873,029	9,329,283
Federal Sources	408,428	1,181,175	573,922	947,774	1,709,737	1,995,518	1,753,721	1,109,899	2,972,523	3,599,702
<b>Total Revenue</b>	<b>77,869,083</b>	<b>109,068,046</b>	<b>71,797,640</b>	<b>73,724,835</b>	<b>74,988,199</b>	<b>75,373,235</b>	<b>76,188,330</b>	<b>74,837,122</b>	<b>76,992,363</b>	<b>79,726,900</b>
<b>Expenditures</b>										
Instruction										
Special Education Instruction	36,960,825	38,383,229	40,375,830	38,636,682	38,079,430	38,096,767	37,108,889	36,563,510	40,500,078	41,794,952
Support Services:										
Student & Inst. Related Services	18,109,204	20,165,412	20,170,355	19,205,093	21,234,274	20,383,366	19,560,737	20,675,949	19,679,774	20,919,442
General Administration	999,609	1,025,687	952,238	1,086,849	1,332,370	1,014,696	935,666	981,512	1,086,752	1,146,971
School Administration Services	3,007,015	3,009,713	3,249,003	3,010,951	3,051,171	2,972,430	3,280,884	3,515,173	3,334,463	3,384,434
Plant Operations And Maintenan	5,151,593	5,107,126	5,529,177	4,890,153	5,450,506	5,690,062	6,337,409	6,231,565	6,155,106	5,994,668
Pupil Transportation	1,255,480	1,209,500	1,454,088	1,405,377	1,435,645	1,583,574	1,515,736	1,429,960	1,190,698	1,105,088
Other Support Services	576,707	621,947	786,212	736,493	755,584	693,787	656,368	776,183	610,479	668,826
Debt Service										
Principal										
Interest on Long Term Debt										
Capital Outlay	11,148,114	35,553,370	5,330,637	1,420,866	2,440,407	2,749,764	2,542,906	4,957,191	4,122,216	2,611,379
<b>Total Expenditures</b>	<b>77,208,547</b>	<b>105,075,984</b>	<b>77,847,540</b>	<b>70,392,464</b>	<b>73,779,387</b>	<b>73,184,446</b>	<b>71,938,595</b>	<b>75,131,043</b>	<b>76,679,566</b>	<b>77,625,760</b>
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	660,536	3,992,062	(6,049,900)	3,332,371	1,208,812	2,188,789	4,249,735	(293,921)	312,797	2,101,140
<b>Other Financing Sources (Uses)</b>										
Capital Leases (Non-Budgeted)										
Transfers In	1,498,745	2,565,562	1,476,505	437,276	969,529	180,291	40,536	-	-	-
Transfers Out	(828,745)	(1,912,562)	(1,148,505)	(1,137,276)	(1,119,529)	(330,291)	(115,536)	(100,000)	-	(105,000)
County Bonds										809,310
<b>Total Other Financing Sources (Uses)</b>	<b>670,000</b>	<b>653,000</b>	<b>328,000</b>	<b>(700,000)</b>	<b>(150,000)</b>	<b>(150,000)</b>	<b>(75,000)</b>	<b>(100,000)</b>	<b>-</b>	<b>704,310</b>
<b>Net Change In Fund Balances</b>	<b>\$ 1,330,536</b>	<b>\$ 4,645,062</b>	<b>\$ (5,721,900)</b>	<b>\$ 2,632,371</b>	<b>\$ 1,058,812</b>	<b>\$ 2,038,789</b>	<b>\$ 4,174,735</b>	<b>\$ (393,921)</b>	<b>\$ 312,797</b>	<b>\$ 2,805,450</b>
<b>Debt Service As A Percentage Of</b>										
Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

\* Noncapital expenditures are total expenditures less capital outlay.

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

<b>Fiscal Year Ended June 30,</b>	<b><u>Interest Earned</u></b>	<b><u>Services Provided Other LEAs</u></b>	<b><u>Refunds/ Reimbursements</u></b>	<b><u>Workshop Revenue</u></b>	<b><u>Miscellaneous</u></b>	<b><u>Total</u></b>
2014	67,065	638,722	58,055	9,235	209,031	982,108
2015	18,504	1,179,712	92,186	19,461	8,315	1,318,178
2016	18,330	1,119,853	108,856	6,013	114,347	1,367,399
2017	12,187	1,058,208	7,634	15,520	11,345	1,104,894
2018	36,974	1,120,456	3,416	2,300	25,722	1,188,868
2019	110,368	835,767	280,586	2,855	314,933	1,544,509
2020	122,595	628,088	18,947	250	328,155	1,098,035
2021	14,655	603,965	410,966	-	377,208	1,406,794
2022	12,611	750,811	-	-	417,874	1,181,296
2023	186,620	750,435	-	-	360,365	1,297,420



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

Calendar Year	Land	Improvements	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value
2014	\$ 78,408,456,350	\$ 75,186,325,534	\$ 153,594,781,884	\$ 97,873,857	\$ 153,692,655,721	\$ 162,301,130,131
2015	77,512,874,732	75,335,444,029	152,828,462,316	96,580,480	152,925,042,796	163,570,157,295
2016	77,002,654,839	77,328,202,717	154,291,592,456	90,073,801	154,381,666,257	167,963,794,248
2017	77,502,137,732	79,190,477,789	156,692,615,521	90,385,516	156,783,001,037	172,030,836,227
2018	78,049,679,382	80,870,511,380	158,920,190,762	84,076,455	159,004,267,217	176,365,111,170
2019	78,392,045,418	82,037,285,718	160,429,331,136	79,624,118	160,508,955,254	180,143,991,705
2020	79,352,157,168	85,848,771,564	165,200,928,732	80,978,865	165,281,907,597	183,990,874,355
2021	79,736,547,168	86,929,813,322	166,666,360,490	84,305,337	166,750,665,827	186,043,057,570
2022	81,890,490,190	92,833,740,694	174,724,230,884	83,552,257	174,807,783,141	194,949,256,706
2023	84,121,594,136	96,848,485,130	180,970,079,266	68,068,000	181,038,147,266	211,006,053,376

Source: County Abstract of Ratables

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

Assessment Year	General	Open Space	Total County Tax Rate
2013	\$ 0.2248	\$ 0.0025	\$ 0.2273
2014	0.2312	0.0025	0.2337
2015	0.2377	0.0025	0.2402
2016	0.2434	0.0025	0.2459
2017	0.2417	0.0100	0.2517
2018	0.2351	0.0100	0.2451
2019	0.2338	0.0100	0.2438
2020	0.2384	0.0100	0.2484
2021	0.2416	0.0100	0.2516
2022	0.2286	0.0100	0.2386

Source: County Abstract of Ratables

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

Taxpayer	2022		2013	
	Assessed Valuation	% of County's Net Assessed Valuation	Assessed Valuation	% of County's Net Assessed Valuation

INFORMATION NOT AVAILABLE

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2014	8,490,668	8,490,668	100.00%
2015	8,867,475	8,867,475	100.00%
2016	8,867,475	8,867,475	100.00%
2017	9,577,003	9,577,003	100.00%
2018	9,864,312	9,864,312	100.00%
2019	10,261,598	10,261,598	100.00%
2020	10,518,107	10,518,107	100.00%
2021	10,623,288	10,623,288	100.00%
2022	10,835,754	10,835,754	100.00%
2023	11,052,469	11,052,469	100.00%

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			
	<u>Capital Leases</u>	<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
2014	-	-	923,475	\$0
2015	-	-	926,481	\$0
2016	-	-	928,381	\$0
2017	-	-	932,449	\$0
2018	-	-	932,897	\$0
2019	-	-	932,256	\$0
2020	-	-	930,394	\$0
2021	-	-	953,819	\$0
2022	-	-	952,997	\$0
2023	-	-	952,997 (1)	\$0

Source: District records

(1) Estimated

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

**NOT APPLICABLE**

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2022  
(Unaudited)**

Net Direct Debt of School District  
as of June 30, 2023

Net Overlapping Debt of School District

Bergen County:

County of Bergen

\$ 977,925,631

Bergen County Utilities Authority - Water Pollution (100%)

210,430,830

\$ 1,188,356,461

Total Direct and Overlapping Debt

\$ 1,188,356,461

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

	<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>
<b>Legal Debt Margin Calculation as of December 31, (County Debt)</b>									
Average equalized valuation of taxable property (last three years)	\$ 163,332,190,759	\$ 163,894,415,971	\$ 166,824,155,204	\$ 171,055,311,950	\$ 175,460,099,760	\$ 179,773,454,707	\$ 182,930,168,861	\$ 187,397,717,934	\$196,252,922,450
Debt limit (2% of average equalization value)	3,266,643,815	3,277,888,319	3,336,483,104	3,421,106,239	3,509,201,995	3,595,469,094	3,658,603,377	3,747,954,359	3,925,058,449
Net Debt Issued Outstanding and Authorized	<u>933,422,641</u>	<u>1,089,653,537</u>	<u>1,205,030,344</u>	<u>876,045,885</u>	<u>875,747,791</u>	<u>855,398,427</u>	<u>954,754,121</u>	<u>839,785,818</u>	<u>977,925,631</u>
Remaining Borrowing Capacity	<u>\$ 2,333,221,174</u>	<u>\$ 2,188,234,782</u>	<u>\$ 2,131,452,760</u>	<u>\$ 2,545,060,354</u>	<u>\$ 2,633,454,204</u>	<u>\$ 2,740,070,667</u>	<u>\$ 2,703,849,256</u>	<u>\$ 2,908,168,541</u>	<u>\$ 2,947,132,818</u>

Source: Annual Debt Statements - County of Bergen



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

<u>Year</u>	<u>Population</u>		<u>County Per Capital Personal Income**</u>	<u>Unemployment Rate*</u>
2023	952,997	(1)	N/A	N/A
2022	952,997		N/A	3.4%
2021	953,819		97,343	6.0%
2020	930,394		\$ 91,972	9.6%
2019	932,256		88,241	2.9%
2018	932,897		85,191	3.4%
2017	932,449		81,024	3.9%
2016	928,381		78,836	4.2%
2015	926,481		77,323	4.6%
2014	923,475		73,883	5.4%

(1) Estimate

\* Amounts noted are for Bergen County  
 \*\* US Bureau of the Census, Population Division, 10/00 and Census 2000 Data for New Jersey  
 General Demographic Profile

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

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

<u>Employer</u>	<u>2023</u>		<u>2014</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
	NOT AVAILABLE		NOT AVAILABLE	

Source: County of Bergen

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

<u>Function/Program</u>	<u>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>	<u>2023</u>
Instruction										
Special education	299.2	299.2	304.9	313.0	293.4	262.0	267.3	274.2	263.0	261.0
Other special education	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Community Services		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Support Services:										
Student & instruction related services	74.5	74.5	72.7	69.6	71.4	68.4	67.3	67.9	67.8	68.7
Health Services	10.0	10.0	10.0	10.0	10.0	10.8	10.5	10.5	9.7	9.7
Educational Media Services	9.1	9.1	9.1	9.9	9.1	7.0	6.8	6.8	6.8	6.8
General administration	1.9	1.9	2.0	2.0	2.1	2.1	2.1	1.9	1.9	1.9
School administrative services	22.3	22.8	22.8	21.9	20.9	19.2	21.9	23.4	22.4	22.1
Central services	6.2	6.2	6.1	6.1	5.6	6.1	5.9	7.8	7.7	7.7
Plant operations and maintenance	18.8	18.8	20.5	24.0	23.4	24.4	26.4	26.4	27.4	27.9
Pupil transportation	15.6	15.6	12.4	11.9	10.4	11.5	11.5	12.0	12.0	12.0
Special Schools	27.4	27.4	31.4	32.4	32.2	27.7	21.6	16.0	16.1	18.6
<b>Total</b>	<u>486.5</u>	<u>488.0</u>	<u>494.4</u>	<u>503.3</u>	<u>480.8</u>	<u>441.6</u>	<u>443.8</u>	<u>449.4</u>	<u>437.3</u>	<u>438.9</u>

Source: District Personnel Records

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

<u>Fiscal Year</u>	<u>Enrollment <sup>a</sup></u>	<u>Operating Expenditures <sup>b</sup></u>	<u>Cost Per Pupil <sup>c</sup></u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/ Teacher Ratio</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2014	651	\$ 68,856,083	\$ 105,770	8.56%	220	2.96	667	615	-4.10%	92.32%
2015	654	66,060,433	101,010	-4.50%	N/A	N/A	678	626	1.73%	92.33%
2016	653	69,522,614	106,466	5.40%	209	3.12	675	622	-0.44%	92.15%
2017	658	72,516,903	110,208	3.51%	129	5.10	655	602	-2.96%	91.91%
2018	663	68,971,598	104,030	-5.61%	127	5.22	642	590	-1.98%	91.90%
2019	614	71,338,980	116,187	0.12	119	5.16	612	563	-4.67%	91.99%
2020	595	70,434,682	118,378	1.89%	109	5.46	588	535	-3.92%	90.99%
2021	594	69,395,689	116,828	-1.31%	109	5.45	603	561	2.55%	93.03%
2022	555	72,557,350	130,734	11.90%	112	4.96	578	501	-4.15%	86.68%
2023	584	75,014,381	128,449	-1.75%	113	5.17	590	517	2.08%	87.63%

Sources: District records

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

N/A - Not Available

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

<u>District Building</u>	<u>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>	<u>2023</u>
Union St. School- Hackensack										
Square Feet	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060
Capacity (students)										
Enrollment	63	61	54	52	41	23	25	23	26	19
Woodridge Transition Center										
Square Feet	19,261	19,261	19,261	19,261	19,261	19,261	19,261	19,261	19,261	19,261
Capacity (students)										
Enrollment	58	52	44	43	44	37	36	33	29	27
Rocco Montezano, Paramus										
Square Feet	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Capacity (students)										
Enrollment	127	132	90	85	76	70	74	78	72	71
Brownstone, Saddle Brook										
Square Feet	20,106	20,106	20,096	20,096	20,096	20,096	20,096	20,096	20,096	20,096
Capacity (students)										
Enrollment	64	76	64	55	66	72	88	73	80	80
Gateway/Venture, Hackensack										
Square Feet	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Capacity (students)										
Enrollment	37	36	40	38	31	29	34	30	28	26
Godwin, Midland Park										
Square Feet	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Capacity (students)										
Enrollment	103	98	98	102	96	76	76	124	125	134
Washington, Ridgewood/New Bridges										
Square Feet	19,974									
Capacity (students)										
Enrollment	62									
Springboard										
Square Feet	4,300				4,300	4,300	4,300	4,300	4,300	4,300
Capacity (students)										
Enrollment	53				30	27	29	30	33	40
Washington New Bridges										
Square Feet			125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Capacity (students)										
Enrollment			122	132	123	130	130	121	126	126
Number of Schools at June 30, 2023										
Life Skills Continuum=2										
Communication Skills Continuum=3										
Behavioral Skills Continuum=6										
Multiple Disabilities Continuum=4										
Autism Continuum=3										

Source: District Records

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

<u>School Facilities</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>	<u>2023</u>
Union St. - Hrg. Imp., Hackensack	\$ 11,798	\$ 17,100	\$ 11,122	\$ 12,483	\$ 18,863	\$ 18,489	\$ 16,083	\$ 21,551	\$ 18,883	\$ 15,493
Woodridge Transition Center	28,196	40,868	43,849	29,830	45,076	44,182	38,435	51,501	45,125	37,023
Rocco Montesano, Paramus	58,630	84,871	55,214	61,949	93,609	91,755	79,819	106,954	93,712	76,888
Brownstone, Saddle Brook	29,419	42,640	27,738	31,123	47,029	46,098	40,101	53,734	47,081	38,628
Gateway, Hackensack/Paramus	14,639	21,218	13,801	15,487	23,402	22,939	19,955	26,738	23,428	19,222
Godwin, Midland Park	3,660	5,304	3,450	3,872	5,851	5,735	4,989	6,685	5,857	4,805
Washington, New Bridges			169,095	193,592	292,529	286,735	249,433	334,231	292,849	240,275
Washington, Ridgewood	14,639	21,218	-	-	-	-	-	-	-	-
	<u>\$ 160,981</u>	<u>\$ 233,219</u>	<u>\$ 324,269</u>	<u>\$ 348,336</u>	<u>\$ 526,359</u>	<u>\$ 515,933</u>	<u>\$ 448,815</u>	<u>\$ 601,394</u>	<u>\$ 526,935</u>	<u>\$ 432,334</u>

Source: District records.

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SCHEDULE OF INSURANCE  
JUNE 30, 2023  
(Unaudited)

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

Source: School District's records

**SINGLE AUDIT SECTION**





# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
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ROBERT W. HAAG, CPA, RMA, PSA

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

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bergen County Special Services School District as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Bergen County Special Services School District's basic financial statements and have issued our report thereon dated January 30, 2024.

**Report on Internal Control Over Financial Reporting**

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

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


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

### **Report on Compliance and Other Matters**

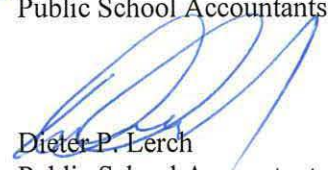
As part of obtaining reasonable assurance about whether the Bergen County Special Services School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with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

### **Purpose of this Report**

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



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



Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
January 30, 2024





# 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  
JOHN CUIFFO, CPA, PSA

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

**INDEPENDENT AUDITOR’S REPORT**

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

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

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

We have audited the Bergen County Special Services School District’s compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Bergen County Special Services School District’s major federal and state programs for the fiscal year ended June 30, 2023. The Bergen County Special Services School District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Bergen County Special Services School District 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 federal and state programs for the fiscal year ended June 30, 2023.

***Basis for Opinion on Each Major Federal and 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; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) 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, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Bergen County Special Services School District 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 federal and state program. Our audit does not provide a legal determination of the Bergen County Special Services School District'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 Bergen County Special Services School District's federal and 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 Bergen County Special Services School District'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, U.S. Uniform Guidance 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 Bergen County Special Services School District's compliance with the requirements of each major federal and 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, U.S. Uniform Guidance, 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 Bergen County Special Services School District'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 Bergen County Special Services School District'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 Bergen County Special Services School District'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 federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

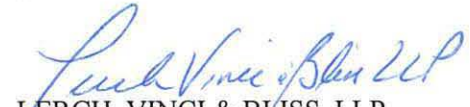
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bergen County Special Services School District, a component unit of the County of Bergen, as of and for the fiscal year ended June 30, 2023, 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 January 30, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

  
Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
January 30, 2024

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2022	Carryover Amount	Cash Received	Budgetary Expenditures	Refund Prior Year's Balances	Balance June 30, 2023			Memo GAAP Receivable
										(Accounts Receivable)	Unearned Revenues	Due to Grantor	
<b>U.S. Department of Agriculture</b>													
<b>Pass-through State Department of Agriculture</b>													
<u>Enterprise Fund</u>													
School Breakfast Program	10.553	221NJ304N1099	7/1/22-6/30/23	\$ 98,356			\$ 91,175	\$ 98,356		\$ (7,181)			\$ 7,181
School Breakfast Program	10.553	211NJ304N1099	7/1/21-6/30/22	152,003	\$ (12,012)		12,012						
Supply Chain Assistance Funding	10.555	221NJ344N8903	7/1/22-6/30/23	37,692			37,692	37,692					
National School Lunch Program	10.555												
Cash Assistance-PB Program		221NJ304N1099	7/1/22-6/30/23	3,304			3,024	3,304		(280)			280
Cash Assistance		221NJ304N1099	7/1/22-6/30/23	182,687			170,006	182,687		(12,681)			12,681
Cash Assistance		211NJ304N1099	7/1/21-6/30/22	280,067	(22,293)		22,293			-			-
Non-cash Assistance		231NJ304N1099	7/1/21-6/30/22	34,007	2,195	-	45,639	45,380	-	-	\$ 2,474	-	-
Total Enterprise Fund / Child Nutrition Cluster					(32,110)	-	381,861	367,419	-	(20,142)	2,474	-	20,142
<b>U.S. Department of Education</b>													
<b>Pass-through State Department of Education</b>													
<u>General Fund</u>													
Medicaid Assistance Program	93.778	2005NJ5MAP	7/1/22-6/30/23	647,667	-	-	561,009	561,009	-	-	-	-	-
Total General Fund					-	-	561,009	561,009	-	-	-	-	-
<u>Special Revenue Fund</u>													
Title I Part D	84.013A	S013A220030	7/1/22-9/30/23	34,206			29,296	34,206		(4,910)			4,910
Title I Part D	84.013A	S013A210030	7/1/21-9/30/22	42,469	(5,699)	-	7,529	1,830	-	-	-	-	-
Total Title I Part D					(5,699)	-	36,825	36,036	-	(4,910)	-	-	4,910
Education for Homeless Children and Youth	84.196A	S196A200031	7/1/21-6/30/22	342,486	(38,265)	-	38,265			-			-
Education for Homeless Children and Youth	84.196A	S196A220031	7/1/22-6/30/23	250,065	-	-	210,347	230,565	-	(20,218)	-	-	20,218
<b>Coronavirus Aid, Relief and Economic Response and Supplemental Appropriation Act (CRRSA - ESSER II)</b>													
American Rescue Plan	84.425D	S425D210027	1/5/21-9/20/23	207,063	(37,942)		89,771	51,829		-			-
ARP - ESSER	84.425U	S425U210027	1/1/22-9/30/24	414,126			3,500	7,700		(4,200)			4,200
ARP-Homeless I	84.425W	22E00185	6/1/21-9/30/24	540,655			95,087	182,654		(87,567)			87,567
ARP-Homeless II	84.425W	S425W210031	4/23/21-9/30/24	628,056	-	-	190,540	320,583	-	(130,043)	-	-	130,043
Total ESSER Cluster					(37,942)	-	378,898	562,766	-	(221,810)	-	-	221,810
<b>Medicaid Assistance Programs</b>													
Getting Us There (GUTS)	93.778	2005NJ5MAP	7/1/22-6/30/23	2,945	8,382	-	-	-			8,382		-
Leisure Bridges	93.778	2005NJ5MAP	7/1/22-6/30/23	96,459	116,535		131,462	97,123			150,874		-
Adult Rehab Woodridge	93.778	2005NJ5MAP	7/1/22-6/30/23	508,926	190,989		668,606	808,126			51,469		-
Adult Rehab Paramus	93.778	2005NJ5MAP	7/1/22-6/30/23	954,906	179,996	-	1,242,262	1,384,393	-	-	37,865	-	-
Total Medicaid Assistance Programs Cluster					495,902	-	2,042,330	2,289,642	-	-	248,590	-	-
Total Special Revenue Funds					413,996	-	2,706,665	3,119,009	-	(246,938)	248,590	-	246,938
Total Federal Financial Assistance					\$ 381,886	\$ -	\$ 3,649,535	\$ 4,047,437	\$ -	\$ (267,080)	\$ 251,064	\$ -	\$ 267,080

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2022	Carryover Amount	Cash Received	Budgetary Expenditures	Refund Prior Year's Balance	Balance June 30, 2023			MEMO		
									(Accounts Receivable)	Unearned Revenues	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education														
<u>General/Special Revenue and Internal Service Funds</u>														
Reimbursed Social Security Contributions - On Behalf Pension System Contributions -	23-495-034-5094-003	7/1/23-6/30/23	\$ 2,295,038	\$ (105,683)		\$ 2,400,721	\$ 2,295,038							\$ 2,295,038
Post Retirement Medical	23-495-034-5094-001	7/1/23-6/30/23	2,836,424			2,836,424	2,836,424							2,836,424
On Behalf Pension System Contributions - Normal Costs	23-495-034-5094-002	7/1/23-6/30/23	10,649,546			10,649,546	10,649,546							10,649,546
On Behalf Pension System Contributions - Non-Contributory Group Insurance	23-495-034-5094-004	7/1/23-6/30/23	147,750			147,750	147,750							147,750
On Behalf Pension System Contributions - Long Term Disability Insurance	23-495-034-5094-002	7/1/23-6/30/23	3,633	-	-	3,633	3,633	-	-	-	-	-	-	3,633
<b>Total General/Special Revenue and Internal Service Funds</b>				<u>(105,683)</u>	<u>-</u>	<u>16,038,074</u>	<u>15,932,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,932,391</u>
<u>Special Revenue Fund</u>														
New Jersey Dept of Education School Security Grant	22E00156	9/1/21-8/31/22	33,785	(31,629)	-	31,629	-	-	-	-	-	-	-	-
<b>Total NJ Dept of Education</b>				<u>(31,629)</u>	<u>-</u>	<u>31,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other State Sources														
New Jersey Dept of Developmental Disabilities Adult Training	01BS9N	7/1/22-6/30/23	14,085			14,085	14,085							14,085
COVID19	01BS9N	7/1/20-6/30/23	61,611	8,215	-	-	8,215	-	-	-	-	-	-	8,215
<b>Total NJ Dept of Developmental Disabilities-Special Revenue</b>				<u>8,215</u>	<u>-</u>	<u>14,085</u>	<u>22,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,300</u>
<b>Total Special Revenue Fund</b>				<u>(23,414)</u>	<u>-</u>	<u>45,714</u>	<u>22,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,300</u>
State Department of Agriculture														
<u>Enterprise Fund</u>														
National School Breakfast Program State Share	23-100-010-3350-023	7/1/22-6/30/23	1,835			1,677	1,835		(158)				158	1,835
Breakfast After the Bell	23-100-010-3350-023	7/1/22-6/30/23	3,237			2,954	3,237		(283)				283	3,237
National School Lunch Program State Share	23-100-010-3350-023	7/1/22-6/30/23	7,572			7,123	7,573		(450)				450	7,573
National School Lunch Program State Share	22-100-010-3350-023	7/1/21-6/30/22	6,610	(513)	-	513	-	-	-	-	-	-	-	-
<b>Total Enterprise Fund</b>				<u>(513)</u>	<u>-</u>	<u>12,267</u>	<u>12,645</u>	<u>-</u>	<u>(891)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>891</u>	<u>12,645</u>
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				<u>(129,610)</u>	<u>-</u>	<u>16,096,055</u>	<u>15,967,336</u>	<u>-</u>	<u>(891)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>891</u>	<u>15,967,336</u>
State Financial Assistance Not Subject to Single Audit Determination														
<u>General Fund</u>														
On-Behalf TPAF Pension, OPEB & LTDI Contributions				-	-	(13,637,353)	(13,637,353)	-	-	-	-	-	-	(13,637,353)
<b>Total State Financial Assistance Subject to Major Program Determination</b>				<u>\$ (129,610)</u>	<u>\$ -</u>	<u>\$ 2,458,702</u>	<u>\$ 2,329,983</u>	<u>\$ -</u>	<u>\$ (891)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 891</u>	<u>\$ 2,329,983</u>

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 REPORTING ENTITY**

The Bergen County Special Services School District (the "Board" or the "District") received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board's Financial Statements.

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board's summary of significant accounting policies are described in Note 1 to the Board's financial statements.

**NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$80,316 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 561,009	\$ 7,714,622	\$ 8,275,631
Special Revenue Fund	3,038,693	1,614,661	4,653,354
Internal Service Fund	125,000	5,437,043	5,562,043
Food Service Fund	<u>367,419</u>	<u>12,645</u>	<u>380,064</u>
Total Financial Assistance	<u>\$ 4,092,121</u>	<u>\$ 14,778,971</u>	<u>\$ 18,871,092</u>



**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 6 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$2,295,038 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, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$10,797,296, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,836,424 and TPAF Long-Term Disability Insurance in the amount of \$3,633 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

**NOTE 7 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

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

**NOTE 8 DE MINIMIS INDIRECT COST RATE**

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*Part I – Summary of Auditor's Results*

**Financial Statements**

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

1) Were any significant deficiencies over internal control identified?            yes       X       no

2) If applicable, were any such significant deficiencies considered to be material weakness(es)?            yes       X       none reported

Noncompliance material to basic financial statements noted?            yes            X            no

**Federal Awards Section**

Internal Control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weaknesses?            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 section .510(a) of U.S. Uniform Guidance?            yes       X       no

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553</u>	<u>231NJ304N1099</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>231NJ304N1099</u>	<u>National School Lunch Program</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>CRRSA - ESSER II</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP - ESSER</u>
<u>84.425W</u>	<u>22E00185</u>	<u>ARP - Homeless I</u>
<u>84.425W</u>	<u>S425W210031</u>	<u>ARP - Homeless II</u>

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

Auditee qualified as low-risk auditee?       X       yes            no

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Internal Control over major programs:

(1) Were any significant deficiencies in internal control over major programs identified? \_\_\_\_\_ yes        X   no

2) If applicable, were any such significant deficiencies 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 N.J. Circular Letter 15-08? \_\_\_\_\_   X   no

Identification of major state programs:

<u>GMIS Number</u>	<u>Name of State Program or Cluster</u>
<u>23-495-034-5094-003</u>	<u>Reimbursed Social Security Contributions</u>
_____	_____
_____	_____
_____	_____

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*Part 2 – Schedule of Financial Statement Findings*

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

There are none.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

**CURRENT YEAR STATE AWARDS**

There are none.

**CURRENT YEAR FEDERAL AWARDS**

There are none.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**STATUS OF PRIOR YEAR FINDINGS**

There were none.