

**NORTH BERGEN BOARD OF EDUCATION**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**North Bergen, New Jersey**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**of the**

**North Bergen Board of Education**

**North Bergen, New Jersey**

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

**Prepared by**

**Business Office**

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## **INTRODUCTORY SECTION**



# NORTH BERGEN BOARD OF EDUCATION

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

HAISSAM JAAFAR  
PRESIDENT

SAI RAO  
VICE PRESIDENT

HUGO D. CABRERA  
BOARD SECRETARY

GEORGE J. SOLTER JR., Ed.D  
SUPERINTENDENT

STEVEN P. SOMICK  
ASST SUPERINTENDENT

December 21, 2023

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

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the North Bergen Board of Education (the "Board" or "District") for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the North Bergen Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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 that should be read in conjunction with it. North Bergen Board of Education's MD&A can be found immediately following the "Independent Auditor's Report".

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the Independent Auditors' Report, Management's Discussion and Analysis and basic financial statements including the District-Wide financial statements presented in accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statements. The basic financial statements also include individual fund financial statements, Notes to Financial Statements and Required Supplementary 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 requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (U.S. Uniform Guidance), and the State OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and questioned costs, are included in the single audit section of this report.



## REPORTING ENTITY AND ITS SERVICES

The North Bergen Board of Education is an independent reporting entity within the criteria adopted by the GASB. All funds of the District are included in this report. The North Bergen Board of Education constitutes the District's reporting entity. The District has no component units included in this report which meet the criteria of legally separate entities for which the District is financially accountable. In addition, the District is not includable in any other reporting entity as a component unit.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, advanced placement courses, bilingual instruction in Spanish, English as a second language, vocational as well as special education for handicapped youngsters. The District completed the 2022/2023 fiscal year with an enrollment of 7,207 which is 5 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022/2023	7,207	-0.07%
2021/2022	7,212	-1.40%
2020/2021	7,314	-2.33%
2019/2020	7,488	-.41%
2018/2019	7,519	-1.92%
2017/2018	7,666	-2.96%
2016/2017	7,900	-1.31%
2015/2016	8,005	3.14%
2014/2015	7,761	-3.57%
2013/2014	8,048	-.01%

## ECONOMIC CONDITION AND OUTLOOK

The North Bergen Board of Education continues to provide a high-quality education while maintaining a fiscally conservative approach. The Board has controlled costs and been mindful of the impact of its decisions on the local taxpayer. The result is that District has consistently ranked near the bottom in per pupil spending in the county, while provided its students with an excellent education. The State of New Jersey continues to add costly mandates while maintaining or reducing state aid with a 2% budget CAP. Despite the challenging environment, the North Bergen Board of Education is committed to move forward with the expectation of full compliance to regulations, adherence to the strict budget CAP and understanding of the difficult economic conditions of our taxpayers while continuing to provide high quality instruction to students.

The District continues to find itself in a strong economic position as indicated by its AA-Stable long-term credit rating from Standard & Poor's, Inc. Global ("S&P"), Ratings Services. The S&P report dated June 29, 2022 noted that the North Bergen Board of Education is characterized by stable and positive operating financial profile, which has allowed the district to significantly build up its fund balance over the last several years. The District's debt burden is low and expects it to remain at the level in the foreseeable future.

## **RELEVANT FINANCIAL POLICES**

The operations of the North Bergen Board of Education are financed primarily through the local property tax levy; however, the District receives additional revenue from state and federal aid along with other miscellaneous local revenues. The school portion of the property tax levy, the largest revenue source for the district, has been held relatively stable over the past five years (under 2%) despite increases and decreases in contractual salaries and benefits, special educational placements and related transportation.

The administration continues to operate under the District's Standard Operating Procedures and Internal Controls which are reviewed and updated annually by the School Business Administrator. The policies include internal controls, accounting, budget development and purchasing in addition to other standardized procedures.

## **INTERNAL ACCOUNTING CONTROLS**

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

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

## **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 voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

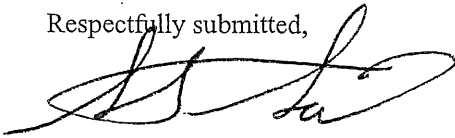
**OTHER INFORMATION**

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

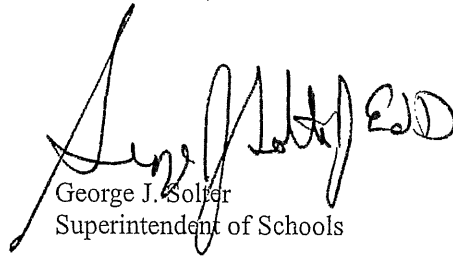
**ACKNOWLEDGEMENTS**

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

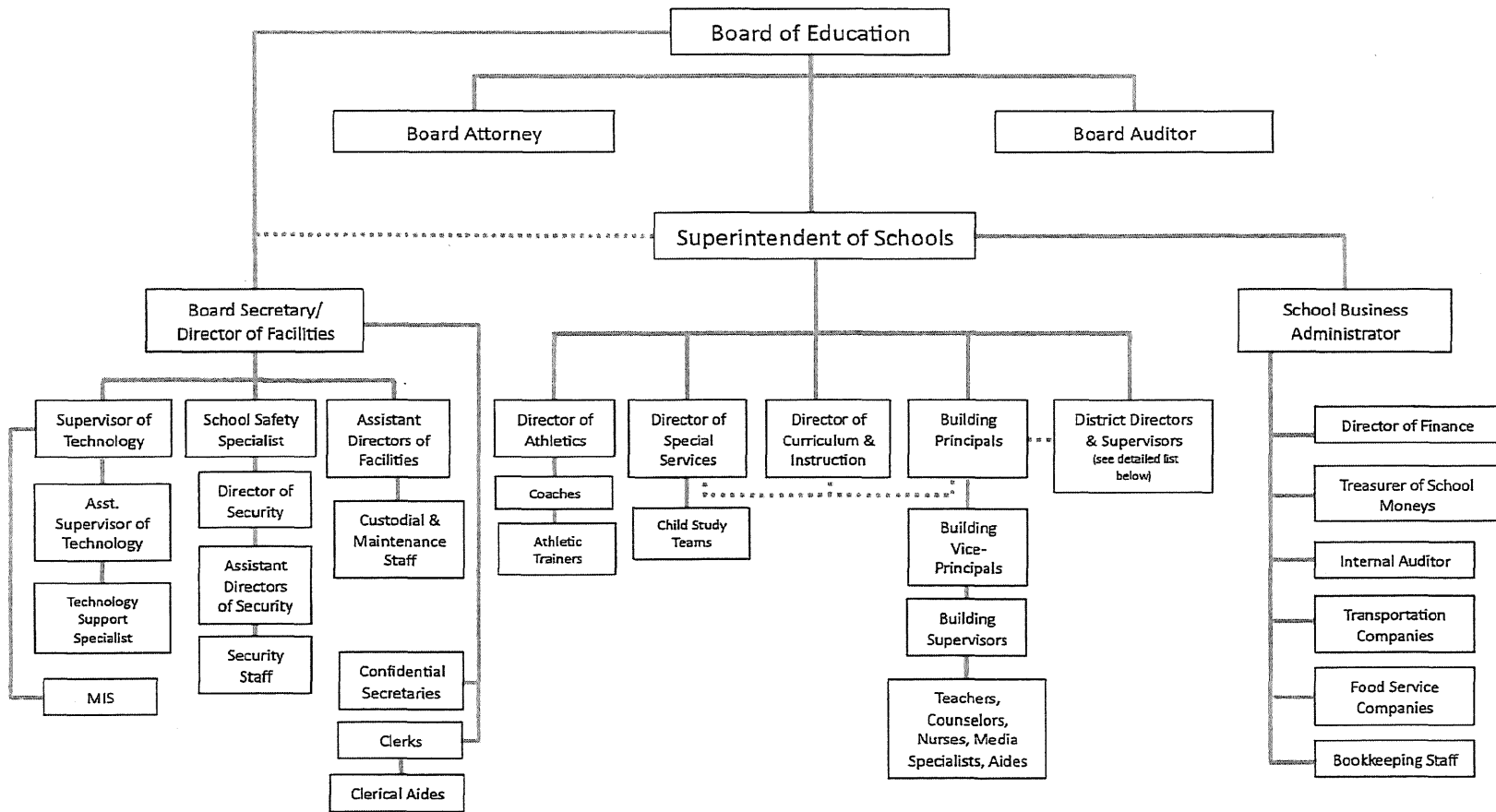
Respectfully submitted,



Steven Somick  
School Business Administrator



George J. Solter  
Superintendent of Schools



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

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

**NORTH BERGEN BOARD OF EDUCATION  
ROSTER OF OFFICIALS  
JUNE 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Haissam Jaafar, President	2024
Sai Rao, Vice President	2025
Patricia Bartoli	2025
Claudia Baselice	2026
Luis Diaz	2026
Kanaiyalal Patel	2026
Luis Rabelo	2025
Claudia Rodriguez (through June 28, 2023)	2024
Ruth Shaw	2024
Mark Rogers (Guttenberg)	2023
Hamadi Bengabsia (appointed June 29, 2023)	2024

Other Officials

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

Steven Somick, School Business Administrator

Hugo Cabrera, Board Secretary

Carrie Brady, Director of Finance

Thomas Tango, Treasurer of School Moneys

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

**ARCHITECT**

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

**AUDIT FIRM**

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

**ATTORNEY**

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

**OFFICIAL DEPOSITORIES**

Valley National Bank  
TD Bank

**FINANCIAL SECTION**



# LERCH, VINCI & 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 Trustees  
North Bergen Board of Education  
7317 Kennedy Boulevard  
North Bergen, New Jersey 07047

### Report on the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the North Bergen Board of Education, 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 and each major fund of the North Bergen Board of Education 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 North Bergen Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

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



## ***Auditor's Responsibilities for the Audit of Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Bergen Board of Education's basic financial statements. The schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the North Bergen Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

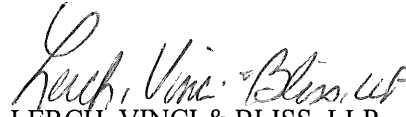
### ***Other Information***


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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2023 on our consideration of the North Bergen Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the North Bergen Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the North Bergen Board of Education's internal control over financial reporting and compliance.

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
December 21, 2023

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

This section of North Bergen Board of Education's 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 North Bergen Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$108,232,266 (net position).
- Overall District revenues were \$168,415,268. General revenues accounted for \$114,712,900 or 68% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$53,702,368 or 32% of total revenue.
- The School District had \$147,244,525 in expenses for governmental activities; only \$49,935,186 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$114,695,504 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 \$97,901,938 an increase of \$29,752,510 when compared to the ending fund balance at June 30, 2022 of \$68,149,428.
- The General Fund unassigned fund balance at June 30, 2023 was in a deficit position of \$3,079,853, a decrease of \$389,484 when compared with the ending fund balance deficit of \$2,690,369 at June 30, 2022.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$3,761,565 which represents a decrease of \$660,967 when compared to the ending unassigned fund balance at June 30, 2022 of \$4,422,532.

# NORTH BERGEN BOARD OF EDUCATION

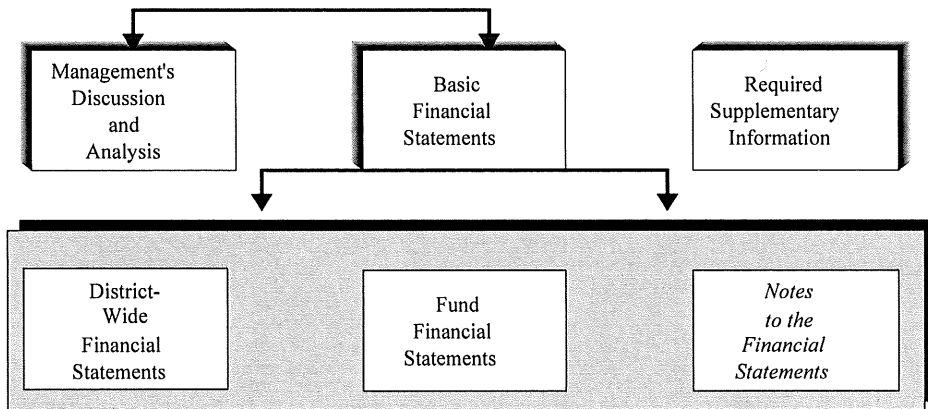
## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Major Features of the District-Wide and Fund Financial Statements

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

# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

### District-Wide Financial Statements

The district-wide statements report information about the 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).



# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

### Fund Financial Statements (Continued)

The District has two kinds of funds:

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

# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

### DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$108,232,266 and \$90,713,624 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.

#### Net Position as of June 30, 2023 and 2022

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>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	\$ 108,958,707	\$ 81,068,508	\$ 3,401,048	\$ 2,896,090	\$ 112,359,755	\$ 83,964,598
Capital Assets	<u>103,142,325</u>	<u>80,147,912</u>	<u>113,308</u>	<u>124,190</u>	<u>103,255,633</u>	<u>80,272,102</u>
<b>Total Assets</b>	<u>212,101,032</u>	<u>161,216,420</u>	<u>3,514,356</u>	<u>3,020,280</u>	<u>215,615,388</u>	<u>164,236,700</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amounts on Net Pension Liability	1,462,340	515,516			1,462,340	515,516
Deferred Amounts on Refunding of Debt	<u>7,471</u>	<u>26,084</u>	<u>-</u>	<u>-</u>	<u>7,471</u>	<u>26,084</u>
<b>Total Deferred Outflows</b>	<u>1,469,811</u>	<u>541,600</u>	<u>-</u>	<u>-</u>	<u>1,469,811</u>	<u>541,600</u>
<b>Total Assets and Deferred Outflows</b>	<u>213,570,843</u>	<u>161,758,020</u>	<u>3,514,356</u>	<u>3,020,280</u>	<u>217,085,199</u>	<u>164,778,300</u>
<b>Liabilities</b>						
Long-Term Liabilities	91,710,643	49,197,293			91,710,643	49,197,293
Other Liabilities	<u>12,680,782</u>	<u>13,144,518</u>	<u>704,215</u>	<u>343,624</u>	<u>13,384,997</u>	<u>13,488,142</u>
<b>Total Liabilities</b>	<u>104,391,425</u>	<u>62,341,811</u>	<u>704,215</u>	<u>343,624</u>	<u>105,095,640</u>	<u>62,685,435</u>
<b>Deferred Inflows of Resources</b>						
Deferred Amounts on Net Pension Liability	3,748,328	11,371,284			3,748,328	11,371,284
Deferred Commodities Revenue	<u>-</u>	<u>-</u>	<u>8,965</u>	<u>7,957</u>	<u>8,965</u>	<u>7,957</u>
<b>Total Deferred Inflows</b>	<u>3,748,328</u>	<u>11,371,284</u>	<u>8,965</u>	<u>7,957</u>	<u>3,757,293</u>	<u>11,379,241</u>
<b>Total Liabilities and Deferred Inflows</b>	<u>108,139,753</u>	<u>73,713,095</u>	<u>713,180</u>	<u>351,581</u>	<u>108,852,933</u>	<u>74,064,676</u>
<b>Net Position</b>						
Net Investment in Capital Assets	74,364,206	70,511,164	113,308	124,190	74,477,514	70,635,354
Restricted	59,210,536	48,719,095			59,210,536	48,719,095
Unrestricted	<u>(28,143,652)</u>	<u>(31,185,334)</u>	<u>2,687,868</u>	<u>2,544,509</u>	<u>(25,455,784)</u>	<u>(28,640,825)</u>
<b>Total Net Position</b>	<u>\$ 105,431,090</u>	<u>\$ 88,044,925</u>	<u>\$ 2,801,176</u>	<u>\$ 2,668,699</u>	<u>\$ 108,232,266</u>	<u>\$ 90,713,624</u>

# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

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

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>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>						
Program Revenues						
Charges for Services	\$ 5,070,327	\$ 4,961,300	\$ 413,403	\$ 183,186	\$ 5,483,730	\$ 5,144,486
Operating Grants and Contributions	44,527,846	50,457,881	3,353,779	4,936,385	47,881,625	55,394,266
Capital Grants and Contributions	337,013	13,704,528			337,013	13,704,528
General Revenues						
Property Taxes	55,390,256	54,195,158			55,390,256	54,195,158
State Aid	56,206,159	56,995,496			56,206,159	56,995,496
Investment Earnings	2,384,103	133,606	17,396	836	2,401,499	134,442
Miscellaneous	714,986	584,159	-	-	714,986	584,159
<b>Total Revenues</b>	<u>164,630,690</u>	<u>181,032,128</u>	<u>3,784,578</u>	<u>5,120,407</u>	<u>168,415,268</u>	<u>186,152,535</u>
<b>Expenses</b>						
Instruction						
Regular	57,595,046	58,345,692			57,595,046	58,345,692
Special Education	18,507,070	20,762,689			18,507,070	20,762,689
Other Instruction	13,394,390	12,114,883			13,394,390	12,114,883
School Sponsored Activities and Athletics	2,956,379	3,062,203			2,956,379	3,062,203
Support Services						
Student and Instruction Related Services	17,634,226	17,714,424			17,634,226	17,714,424
General Administration Services	2,037,989	1,941,563			2,037,989	1,941,563
School Administration Services	9,641,497	9,782,371			9,641,497	9,782,371
Plant Operation and Maintenance	14,390,688	15,209,641			14,390,688	15,209,641
Pupil Transportation	5,432,736	3,927,105			5,432,736	3,927,105
Business Services	3,576,333	3,630,192			3,576,333	3,630,192
Interest and Other Chgs on Long-Term Debt	2,078,171	786,468			2,078,171	786,468
Food Service	-	-	3,652,101	3,944,212	3,652,101	3,944,212
<b>Total Expenses</b>	<u>147,244,525</u>	<u>147,277,231</u>	<u>3,652,101</u>	<u>3,944,212</u>	<u>150,896,626</u>	<u>151,221,443</u>
Change in Net Position	17,386,165	33,754,897	132,477	1,176,195	17,518,642	34,931,092
Prior Period Restatement						
<b>Net Position, Beginning of Year</b>	<u>88,044,925</u>	<u>54,290,028</u>	<u>2,668,699</u>	<u>1,492,504</u>	<u>90,713,624</u>	<u>55,782,532</u>
<b>Net Position, End of Year</b>	<u>\$ 105,431,090</u>	<u>\$ 88,044,925</u>	<u>\$ 2,801,176</u>	<u>\$ 2,668,699</u>	<u>\$ 108,232,266</u>	<u>\$ 90,713,624</u>

# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

### 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.

**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				
Regular	\$ 57,595,046	\$ 58,345,692	\$ 37,328,933	\$ 35,479,885
Special Education	18,507,070	20,762,689	6,948,895	7,957,581
Other Instruction	13,394,390	12,114,883	7,665,323	6,592,761
School Sponsored Activities and Athletics	2,956,379	3,062,203	1,991,634	2,159,237
Support Services				
Student and Instruction Related Services	17,634,226	17,714,424	12,153,709	11,809,108
General Administration	2,037,989	1,941,563	1,929,189	1,762,878
School Administration Services	9,641,497	9,782,371	8,378,621	7,917,639
Plant Operations and Maintenance	14,390,688	15,209,641	10,827,070	(2,615,168)
Pupil Transportation	5,432,736	3,927,105	4,605,518	3,093,161
Business Services	3,576,333	3,630,192	3,402,276	3,209,972
Interest and Other Charges on Long-Term Debt	<u>2,078,171</u>	<u>786,468</u>	<u>2,078,171</u>	<u>786,468</u>
<b>Total</b>	<b><u>\$ 147,244,525</u></b>	<b><u>\$ 147,277,231</u></b>	<b><u>\$ 97,309,339</u></b>	<b><u>\$ 78,153,522</u></b>

# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

#### Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$97,901,938, an increase of \$29,752,510 from last year's fund balance of \$68,149,428.

Revenues for the District's governmental funds were \$175,139,788 and total expenditures were \$186,545,293. In addition, the District had other financing sources of \$41,158,015 due to the issuance of serial bonds to finance its capital projects and IT subscription arrangements entered into during the year.

**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 \$156,978,534 for the fiscal year ended June 30, 2023. State sources amounted to \$96,350,772, local sources totaled \$60,164,060 and federal sources totaled \$463,702.

Expenditures of the General Fund were \$147,514,289. Instructional expenditures were \$91,839,889, expenditures for support services were \$50,563,232 and capital and debt service expenditures totaled \$5,111,168 for the fiscal year ended June 30, 2023.

**Special Revenue Fund** - The Special Revenue Fund includes all restricted Federal and State and Local grants and donations utilized in the operations of the district in providing educational services to students.

Revenues of the Special Revenue Fund were \$14,429,426 for the fiscal year ended June 30, 2023. State sources amounted to \$3,005,998, federal sources totaled \$10,870,065, and local sources amounted to \$553,363.

Expenditures of the Special Revenue Fund were \$14,376,765. Instructional expenditures were \$10,225,427, expenditures for support services were \$3,814,325 and capital expenditures totaled \$337,013 for the fiscal year ended June 30, 2023.

**Capital Projects** - The capital projects revenues and other financing sources exceeded expenditures and other financing uses by \$18,429,092 increasing the fund balance from \$14,202,903 at June 30, 2022 to \$32,631,995 at June 30, 2023.

#### Proprietary Funds

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

# NORTH BERGEN BOARD OF EDUCATION

## Management's Discussion and Analysis

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

### GENERAL FUND BUDGETARY HIGHLIGHTS

The District revised its annual operating budget to reflect the reappropriation of June 30, 2022 encumbrances and for a withdrawal from capital reserve.

### CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2023 and 2022 amounts to \$103,255,633 and \$80,272,102 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2022-2023 amounted to \$2,656,678 for governmental activities and \$15,007 for the Business-Type activities.

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

	<b>Governmental</b>		<b>Business- Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Land	\$ 14,685,925	\$ 14,685,925			\$ 14,685,925	\$ 14,685,925
Construction in Progress	40,220,239	16,266,860			40,220,239	16,266,860
Site Improvements	1,346,990	1,430,993			1,346,990	1,430,993
Buildings	44,700,941	46,259,430			44,700,941	46,259,430
Right-To-Use Buildings	268,426	536,849			268,426	536,849
Machinery and Equipment	1,079,763	967,855	\$ 113,308	\$ 124,190	1,193,071	1,092,045
Right-To-Use IT Software	840,041	-	-	-	840,041	-
<b>Total</b>	<b>\$ 103,142,325</b>	<b>\$ 80,147,912</b>	<b>\$ 113,308</b>	<b>\$ 124,190</b>	<b>\$ 103,255,633</b>	<b>\$ 80,272,102</b>

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

# **NORTH BERGEN BOARD OF EDUCATION**

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

### **LONG TERM LIABILITIES**

At June 30, 2023, the District's long-term liabilities consisted of compensated absences payable of \$8,053,893, bonds payable of \$59,860,000, capital financing agreements of \$419,257, leases payable of \$343,091, IT subscription arrangements of \$363,410 and net pension liability of \$22,670,992 totaling \$91,710,643. This is in comparison to long-term liabilities at June 30, 2022 of \$49,197,293 or an increase of \$42,513,350.

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

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

Many factors were considered by the District's administration during the process of developing the fiscal year 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. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

These expenditures are to be paid for by the mandated 2% CAP on the property tax levy with certain allowable adjustments to the tax levy. In the future, any such allowable adjustments may not be permitted.

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

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

**FINANCIAL STATEMENTS**



**NORTH BERGEN BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2023**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 99,549,452	\$ 1,171,966	\$ 100,721,418
Cash and Cash Equivalents - Fiscal Agent	6,885		6,885
Receivables, Net	10,930,545	532,866	11,463,411
Internal Balances	(1,553,175)	1,553,175	
Prepaid Items	5,000		5,000
Other Assets	20,000		20,000
Inventory		143,041	143,041
Capital Assets			
Not Being Depreciated	54,906,164		54,906,164
Being Depreciated, Net	<u>48,236,161</u>	<u>113,308</u>	<u>48,349,469</u>
Total Assets	<u>212,101,032</u>	<u>3,514,356</u>	<u>215,615,388</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	1,462,340		1,462,340
Deferred Amounts on Refunding of Debt	<u>7,471</u>	<u>-</u>	<u>7,471</u>
Total Deferred Outflows of Resources	<u>1,469,811</u>	<u>-</u>	<u>1,469,811</u>
Total Assets and Deferred Outflows of Resources	<u>213,570,843</u>	<u>3,514,356</u>	<u>217,085,199</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	10,241,594	704,215	10,945,809
Accrued Interest Payable	1,624,013		1,624,013
Payable to Other Governments	278,513		278,513
Unearned Revenue	536,662		536,662
Noncurrent Liabilities			
Due Within One Year	2,036,918		2,036,918
Due Beyond One Year	<u>89,673,725</u>	<u>-</u>	<u>89,673,725</u>
Total Liabilities	<u>104,391,425</u>	<u>704,215</u>	<u>105,095,640</u>

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

**NORTH BERGEN BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2023**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	\$ 3,748,328		\$ 3,748,328
Deferred Commodities Revenue	<u>-</u>	\$ 8,965	<u>8,965</u>
Total Deferred Inflows of Resources	<u>3,748,328</u>	<u>8,965</u>	<u>3,757,293</u>
Total Liabilities and Deferred Inflows of Resources	<u>108,139,753</u>	<u>713,180</u>	<u>108,852,933</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	74,364,206	113,308	74,477,514
Restricted for:			
Capital Projects	51,278,296		51,278,296
Other Purposes	7,932,240		7,932,240
Unrestricted	<u>(28,143,652)</u>	<u>2,687,868</u>	<u>(25,455,784)</u>
Total Net Position	<u>\$ 105,431,090</u>	<u>\$ 2,801,176</u>	<u>\$ 108,232,266</u>

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

**NORTH BERGEN BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 57,595,046	\$ 4,549,804	\$ 15,716,309		\$ (37,328,933)		\$ (37,328,933)
Special Education	18,507,070		11,558,175		(6,948,895)		(6,948,895)
Other Instruction	13,394,390		5,729,067		(7,665,323)		(7,665,323)
School Sponsored Activities and Athletics	2,956,379	520,523	444,222		(1,991,634)		(1,991,634)
Support Services:							
Student and Instruction Related Services	17,634,226		5,480,517		(12,153,709)		(12,153,709)
General Administrative Services	2,037,989		108,800		(1,929,189)		(1,929,189)
School Administrative Services	9,641,497		1,262,876		(8,378,621)		(8,378,621)
Plant Operations and Maintenance	14,390,688		3,226,605	\$ 337,013	(10,827,070)		(10,827,070)
Pupil Transportation	5,432,736		827,218		(4,605,518)		(4,605,518)
Business Services	3,576,333		174,057		(3,402,276)		(3,402,276)
Interest on Long-Term Debt	2,078,171	-	-	-	(2,078,171)	-	(2,078,171)
Total Governmental Activities	<u>147,244,525</u>	<u>5,070,327</u>	<u>44,527,846</u>	<u>337,013</u>	<u>(97,309,339)</u>	<u>-</u>	<u>(97,309,339)</u>
Business-Type Activities:							
Food Service	<u>3,652,101</u>	<u>413,403</u>	<u>3,353,779</u>	<u>-</u>	<u>-</u>	<u>\$ 115,081</u>	<u>115,081</u>
Total Business-Type Activities	<u>3,652,101</u>	<u>413,403</u>	<u>3,353,779</u>	<u>-</u>	<u>-</u>	<u>115,081</u>	<u>115,081</u>
Total Primary Government	<u>\$ 150,896,626</u>	<u>\$ 5,483,730</u>	<u>\$ 47,881,625</u>	<u>\$ 337,013</u>	<u>(97,309,339)</u>	<u>115,081</u>	<u>(97,194,258)</u>
General Revenues							
Property Taxes							
General Purposes					53,162,264		53,162,264
Debt Service					2,227,992		2,227,992
State Aid - Unrestricted					55,349,420		55,349,420
State Aid - Restricted for Debt Service					856,739		856,739
Investment Earnings					2,384,103	17,396	2,401,499
Miscellaneous Income					714,986	-	714,986
Total General Revenues and Other Items					<u>114,695,504</u>	<u>17,396</u>	<u>114,712,900</u>
Change in Net Position					17,386,165	132,477	17,518,642
Net Position, Beginning of Year					<u>88,044,925</u>	<u>2,668,699</u>	<u>90,713,624</u>
Net Position, End of Year					<u>\$ 105,431,090</u>	<u>\$ 2,801,176</u>	<u>\$ 108,232,266</u>

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

**FUND FINANCIAL STATEMENTS**

**NORTH BERGEN BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2023**

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 66,489,422	\$ 353,226	\$ 32,702,904	\$ 3,900	\$ 99,549,452
Cash and Cash Equivalents with Fiscal Agent				6,885	6,885
Receivables From Other Governments	3,860,341	7,041,175			10,901,516
Other Receivables	29,029				29,029
Prepaid Items	5,000				5,000
Other Assets	20,000				20,000
Due From Other Funds	<u>4,736,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,736,561</u>
Total Assets	<u>\$ 75,140,353</u>	<u>\$ 7,394,401</u>	<u>\$ 32,702,904</u>	<u>\$ 10,785</u>	<u>\$ 115,248,443</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 4,909,487	\$ 1,514,377	\$ 70,909		\$ 6,494,773
Accrued Salaries and Wages	3,536,110				3,536,110
Payroll Deductions Payable	188,829				188,829
Unearned Revenue		536,662			536,662
Payables to Other Governments	158,153	120,360			278,513
Other Payables	21,882				21,882
Due To Other Funds	<u>1,410,804</u>	<u>4,869,776</u>	<u>-</u>	<u>\$ 9,156</u>	<u>6,289,736</u>
Total Liabilities	<u>10,225,265</u>	<u>7,041,175</u>	<u>70,909</u>	<u>9,156</u>	<u>17,346,505</u>
<b>Fund Balances:</b>					
<b>Restricted</b>					
Capital Reserve	45,338,111				45,338,111
Capital Reserve-Designated for Subsequent Year's Budget	4,654,200				4,654,200
Maintenance Reserve	3,999,044				3,999,044
Maintenance Reserve -Designated for Subsequent Year's Budget	2,000,000				2,000,000
Emergency Reserve	601,500				601,500
Unemployment Compensation Reserve	978,470				978,470
Student Activities		353,226			353,226
Capital Projects Fund			32,469,629		32,469,629
Debt Service			162,366	1,629	163,995
<b>Committed</b>					
Encumbrances	3,230,500				3,230,500
<b>Assigned</b>					
Designated for Subsequent Year's Budget	4,948,345				4,948,345
Encumbrances	2,244,771				2,244,771
Unassigned	<u>(3,079,853)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,079,853)</u>
Total Fund Balances	<u>64,915,088</u>	<u>353,226</u>	<u>32,631,995</u>	<u>1,629</u>	<u>97,901,938</u>
Total Liabilities and Fund Balances	<u>\$ 75,140,353</u>	<u>\$ 7,394,401</u>	<u>\$ 32,702,904</u>	<u>\$ 10,785</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$153,755,317 and the accumulated depreciation is \$50,612,992. 103,142,325

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (1,624,013)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 2) (91,710,643)

Deferred Inflows and Outflows related to debt refundings and not pension liability are net reported in the funds (See Note 2). (2,278,517)

Net Position of Governmental Activities \$ 105,431,090

**NORTH BERGEN BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources:					
Property Taxes	\$ 53,162,264			\$ 2,227,992	\$ 55,390,256
Tuition	4,549,804				4,549,804
Interest	1,737,229		\$ 646,874		2,384,103
Miscellaneous	714,763	\$ 553,363	-	223	1,268,349
Total - Local Sources	<u>60,164,060</u>	<u>553,363</u>	<u>646,874</u>	<u>2,228,215</u>	<u>63,592,512</u>
State Sources	96,350,772	3,005,998	-	856,739	100,213,509
Federal Sources	463,702	10,870,065	-	-	11,333,767
Total Revenues	<u>156,978,534</u>	<u>14,429,426</u>	<u>646,874</u>	<u>3,084,954</u>	<u>175,139,788</u>
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	59,302,379	4,462,921			63,765,300
Special Education Instruction	18,736,137	1,696,885			20,433,022
Other Instruction	11,053,778	3,597,759			14,651,537
School Sponsored Activities and Athletics	2,747,595	467,862			3,215,457
Support Services					
Student and Instruction Related Services	15,341,918	3,679,783			19,021,701
General Administrative Services	2,140,278			2,500	2,142,778
School Administrative Services	10,714,680				10,714,680
Plant Operations and Maintenance	13,091,127	130,792			13,221,919
Pupil Transportation	5,424,882	3,750			5,428,632
Business Services	3,850,347				3,850,347
Debt Service					
Principal	1,241,386			2,490,000	3,731,386
Interest and Other Charges	126,612			590,831	717,443
Capital Outlay	3,743,170	337,013	21,570,908	-	25,651,091
Total Expenditures	<u>147,514,289</u>	<u>14,376,765</u>	<u>21,570,908</u>	<u>3,083,331</u>	<u>186,545,293</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,464,245</u>	<u>52,661</u>	<u>(20,924,034)</u>	<u>1,623</u>	<u>(11,405,505)</u>
Other Financing Sources (Uses)					
Bond Proceeds			40,000,000		40,000,000
IT Subscription Arrangements	1,158,015				1,158,015
Transfers In	646,874				646,874
Transfers Out	-	-	(646,874)	-	(646,874)
Total Other Financing Sources (Uses)	<u>1,804,889</u>	<u>-</u>	<u>39,353,126</u>	<u>-</u>	<u>41,158,015</u>
Net Change in Fund Balances	11,269,134	52,661	18,429,092	1,623	29,752,510
Fund Balance, Beginning of Year	<u>53,645,954</u>	<u>300,565</u>	<u>14,202,903</u>	<u>6</u>	<u>68,149,428</u>
Fund Balance, End of Year	<u>\$ 64,915,088</u>	<u>\$ 353,226</u>	<u>\$ 32,631,995</u>	<u>\$ 1,629</u>	<u>\$ 97,901,938</u>

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

**NORTH BERGEN BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** **\$ 29,752,510**

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

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

Capital Outlay	\$ 25,651,091	
Depreciation Expense	<u>(2,656,678)</u>	
		22,994,413

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

IT Subscription Arrangements	(1,158,015)	
Bonds Payable	(40,000,000)	
Principal Repayments		
General Obligation Bonds	775,000	
Capital Financing Agreements - Certificates of Participation	1,715,000	
Capital Financing Agreements - Other	122,200	
IT Subscription Arrangements	794,605	
Leases	324,581	
Amortization		
Premium	56,460	
Deferred Amount on Refunding of Debt	<u>(18,613)</u>	
		(37,388,782)

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

Decrease in Pension Expense - Public Employees' Retirement System		3,532,024
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In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. (1,398,575)

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

Compensated Absences		<u>(105,425)</u>
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**Change in Net Position of Governmental Activities ( Exhibit A-2)** **\$ 17,386,165**

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

**NORTH BERGEN BOARD OF EDUCATION  
 PROPRIETARY FUND  
 FOOD SERVICE ENTERPRISE FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2023**

**ASSETS**

Cash	\$ 1,171,966
Intergovernmental Receivable	
State	13,347
Federal	519,519
Inventories	143,041
Due from Other Funds	<u>1,553,175</u>
Total Current Assets	<u>3,401,048</u>
Capital Assets	
Equipment	267,425
Accumulated Depreciation	<u>(154,117)</u>
Total Capital Assets, Net	<u>113,308</u>
Total Assets	<u>3,514,356</u>

**LIABILITIES**

Current Liabilities	
Accounts Payable	<u>704,215</u>
Total Current Liabilities	<u>704,215</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred Commodities Revenue	<u>8,965</u>
Total Deferred Inflows of Resources	<u>8,965</u>
Total Liabilities and Deferred Inflows of Resources	<u>713,180</u>

**NET POSITION**

Investment in Capital Assets	113,308
Unrestricted	<u>2,687,868</u>
Total Net Position	<u>\$ 2,801,176</u>

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



**NORTH BERGEN BOARD OF EDUCATION  
 PROPRIETARY FUND  
 FOOD SERVICE ENTERPRISE FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**OPERATING REVENUES**

Local Sources	
Daily Sales	
Reimbursable Programs	\$ 76,164
Non-Reimbursable Programs	299,315
Special Functions	<u>37,924</u>
 Total Operating Revenues	 <u>413,403</u>

**OPERATING EXPENSES**

Salaries and Wages	1,815,326
Employee Benefits	25,611
Cost of Sales	
Reimbursable Programs	1,134,904
Non-Reimbursable Programs	80,588
Other Purchased Services	519,904
Supplies and Materials	60,761
Depreciation	<u>15,007</u>
 Total Operating Expenses	 <u>3,652,101</u>

Operating Income (Loss)	<u>(3,238,698)</u>
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**NONOPERATING REVENUES**

State Sources	
State School Lunch Program	54,993
State Breakfast	5,987
After the Bell	3,417
Summer Food	14,258
Federal Sources	
School Breakfast Program	666,461
National School Lunch Program	2,091,061
Special Milk Program	3,155
After School Snack Program	13,600
Food Distribution Program (USDA Commodities)	303,731
Covid Supply Chain Assistance	190,630
Local Food for Schools Cooperative	6,486
Interest Income	<u>17,396</u>
 Total Nonoperating Revenues	 <u>3,371,175</u>

Change in Net Position	132,477
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Net Position, Beginning of Year	<u>2,668,699</u>
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Net Position, End of Year	<u>\$ 2,801,176</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

**NORTH BERGEN BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 FOOD SERVICE ENTERPRISE FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from Customers	\$ 413,403
Cash Payments for Salaries & Benefits	(1,840,937)
Cash Payments to Suppliers for Goods and Services	<u>(1,142,927)</u>
Net Cash (Used) by Operating Activities	<u>(2,570,461)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Cash Received (Paid) for Interfund Transactions	17,352
Cash Received from State and Federal Subsidy Reimbursements	<u>2,994,209</u>
Net Cash Provided by Noncapital Financing Activities	<u>3,011,561</u>

**CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES**

Acquisition of Capital Assets	<u>(4,125)</u>
Net Cash (Used) by Noncapital Financing Activities	<u>(4,125)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest on Deposits	<u>17,396</u>
Net Cash Provided by Investing Activities	<u>17,396</u>

Net Change in Cash and Cash Equivalents

454,371

Cash and Cash Equivalents, Beginning of Year

717,595

Cash and Cash Equivalents, End of Year

\$ 1,171,966**Reconciliation of Operating (Loss) to Net Cash  
(Used) by Operating Activities**

Operating Income (Loss)	<u>\$ (3,238,698)</u>
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities	
Depreciation	15,007
Non-Cash Federal Assistance-Food Distribution Program	303,731
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	360,591
(Increase)/Decrease in Inventory	(12,100)
Increase/(Decrease) in Deferred Commodities Revenue	<u>1,008</u>
Total Adjustments	<u>668,237</u>

Net Cash (Used) by Operating Activities

\$ (2,570,461)

Non-Cash Investing, Capital and Financing Activities

Value Received - Food Distribution Program	<u>\$ 304,739</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS**

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent of Schools is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The School Business Administrator is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent 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 North Bergen Board of Education this includes general operations, food service and student related activities of the District.

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

**B. New Accounting Standards**

During fiscal year 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.

**NORTH BERGEN BOARD OF EDUCATION  
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 while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.

**District-Wide Financial Statements**

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

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

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

**NORTH BERGEN BOARD OF EDUCATION  
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)**

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

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

The *capital projects fund* accounts for the proceeds from the sale of bonds, financing agreements, 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 *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

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

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

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

**Reclassifications**

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

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

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

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**D. Measurement Focus and Basis of Accounting (Continued)**

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund 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.

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

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

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

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

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

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

**2. *Receivables***

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

**3. *Inventories***

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

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

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

**4. Prepaid Items**

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

**5. Restricted Assets**

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

**6. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost except for intangible right-to-use leased assets and intangible right-to-use IT subscription assets, the measurement of which is discussed in Note 1.E.10 and E.11, respectively. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

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

<u>Assets</u>	<u>Years</u>
Site Improvements	20
Buildings	40
Right-to-use Leased Buildings	10
Office Equipment and Furniture	5-15
Computer Equipment	5
Right-to-use IT Software	2-5

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

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



**NORTH BERGEN BOARD OF EDUCATION  
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)**

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to 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. One 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 is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

***8. Compensated Absences***

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

***9. Pensions***

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

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

***10. Leases***

**Leases Payable**

Non-cancellable leases for the use of another entity's buildings and equipment are recognized as a lease liability and an intangible right-to-use lease asset in the district-wide and proprietary fund type financial statements. The District recognizes lease liabilities with an initial, individual value of \$2,000 or more. The lease liability is subsequently reduced by the principal portion of lease payments made each year. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the asset's useful life. Leases are monitored for changes in circumstances that would require a remeasurement of the lease and the lease assets and liabilities are remeasured if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

In the fund financial statements leases payable are recognized as other financing sources at the initial amount of the lease liability. Intangible right-to-use leased assets are reported as capital outlay expenditures.

**NORTH BERGEN BOARD OF EDUCATION  
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)**

***11. Subscription Bases Information Technology Arrangements (SBITAs)***

Non-cancellable subscription arrangements for the use of another party's information technology (IT) software are recognized as a subscription liability and an intangible right-to-use IT subscription asset in the district-wide and proprietary fund type financial statements. The District recognizes subscription liabilities with an initial, individual value of \$2,000 or more. The subscription liability is subsequently reduced by the principal portion of SBITA payments made each year. The IT subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the IT subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the SBITA asset's useful life. SBITAs are monitored for changes in circumstances that would require a remeasurement of the SBITA and the IT subscription assets and liabilities are remeasured if certain changes occur that are expected to significantly affect the amount of the subscription liability. IT subscription assets are reported with other capital assets and subscription liabilities are reported with long-term liabilities on the statement of net position.

In the fund financial statements SBITAs are recognized as other financing sources at the initial amount of the subscription liability. Intangible right-to-use IT subscription assets are reported as capital outlay expenditures.

***12. Financing Agreements***

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

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

***13. Long-Term Obligations***

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

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

***14. Net Position/Fund Balance***

**District-Wide Statements**

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

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

NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

**Governmental Fund Statements**

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

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

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

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

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

Maintenance Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2023/2024 District budget certified for taxes

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

Unemployment Compensation Reserve – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 5A).

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

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

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

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

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

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

**Governmental Fund Statements (Continued)**

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

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

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

**15. *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 to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

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

**NORTH BERGEN BOARD OF EDUCATION  
 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 (Continued)**

**2. *Property Taxes***

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

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

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

Tuition Expenditures - Tuition charges for the fiscal years 2021-2022 and 2022-2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

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

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

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

Bonds Payable	\$ 59,860,000
Capital Financing Agreements	419,257
Leases Payable	343,091
IT Subscription Arrangements	363,410
Compensated Absences	8,053,893
Net Pension Liability	<u>22,670,992</u>
 Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	 <u>\$ 91,710,643</u>

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

Deferred Inflows of Resources	
Deferred Amount on Net Pension Liability	\$ 3,748,328
Deferred Outflows of Resources	
Deferred Amount on Net Pension Liability	(1,462,340)
Deferred Amount on Refunding	<u>(7,471)</u>
	<u>\$ 2,278,517</u>

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

The District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of NJSA 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year’s general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters. The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund.

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

Budget adoptions and amendments are recorded in the District’s board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2022/2023. Also, during 2022/2023 the Board increased the original General Fund budget by \$4,136,701 and the original Special Revenue budget by \$1,936,681. The increase was funded by the additional appropriation capital reserve, grant awards, student activity revenues, and the reappropriation of prior year general fund encumbrances. During the fiscal year, the Board authorized and approved additional fund balance appropriations of capital reserve of \$270,083 from the general fund.

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.

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**A. Budgetary Information (Continued)**

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

**B. Excess Expenditures Over Appropriations**

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Undistributed Expenditures			
Central Services			
Miscellaneous Expenditures	<u>\$7,050</u>	<u>\$54,652</u>	<u>\$47,602</u>

The above unfavorable variance was the result of an audit adjustment. The above variance was offset with other available resources.

**C. Deficit Fund Equity**

The District has an unassigned fund deficit of \$3,079,853 in the General Fund as of June 30, 2023 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2022/2023 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of the General Fund is less than the delayed state aid payments at June 30, 2023.

**D. Capital Reserve**

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

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

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**D. Capital Reserve (Continued)**

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

Balance, July 1, 2022		\$ 40,997,538
Increased by		
Deposit Approved by Board Resolution	\$ 13,885,033	
Amount Restored to Capital Reserve from Capital Outlay	654,323	
Interest Earnings	<u>5,500</u>	
		<u>14,544,856</u>
		55,542,394
Decreased by		
Withdrawal Approved by Board Resolution	270,083	
Budgeted Withdrawal	<u>5,280,000</u>	
		<u>5,550,083</u>
Balance, June 30, 2023		<u>\$ 49,992,311</u>

Analysis of Restricted for Capital Reserve, June 30, 2023

Capital Reserve		\$ 45,338,111
Capital Reserve - Designated for Subsequent Year's Budget		<u>4,654,200</u>
		<u>\$ 49,992,311</u>

The June 30, 2023 LRFPP balance of the total costs of uncompleted capital projects is estimated by management to \$73,794,350. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan. \$4,654,200 of the capital reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

**E. Maintenance Reserve**

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

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



**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**E. Maintenance Reserve (Continued)**

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

Balance, July 1, 2022		\$ 4,414,517
Increased by		
Deposit Approved by Board Resolution	\$ 3,081,527	
Interest Earnings	<u>3,000</u>	
		<u>3,084,527</u>
		7,499,044
Decreased by		
Budgeted Withdrawal		<u>1,500,000</u>
Balance, June 30, 2023		<u>\$ 5,999,044</u>

Analysis of Restricted for Maintenance Reserve, June 30, 2023

Maintenance Reserve		\$ 3,999,044
Maintenance Reserve - Designated for Subsequent Year's Budget		<u>2,000,000</u>
		<u>\$ 5,999,044</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$5,999,044.

\$2,000,000 of the maintenance reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

**F. Emergency Reserve**

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

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

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

Balance, July 1, 2022		\$ 600,000
Increased by		
Interest Earnings		<u>1,500</u>
Balance, June 30, 2023		<u>\$ 601,500</u>

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for 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 \$100,728,303 and bank and brokerage firm balances of the Board's deposits amounted to \$103,620,979. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 98,602,210
Uninsured and Collateralized	<u>5,018,769</u>
	<u>\$ 103,620,979</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 \$5,018,769 was exposed to custodial credit risk as follows:

**Depository Account**

Uninsured and Collateralized	
Collateral held by the pledging financial institution's trust department but not in the Board's name	<u>\$ 5,018,769</u>

**Investments**

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

As of June 30, 2023, the Board had no outstanding investments.

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

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**B. Receivables**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts	\$ 29,029			\$ 29,029
Intergovernmental-				
Federal		\$ 6,831,978	\$ 519,519	7,351,497
State	859,420	177,488	13,347	1,050,255
Local	<u>3,000,921</u>	<u>31,709</u>	<u>-</u>	<u>3,032,630</u>
Gross Receivables	3,889,370	7,041,175	532,866	11,463,411
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 3,889,370</u>	<u>\$ 7,041,175</u>	<u>\$ 532,866</u>	<u>\$ 11,463,411</u>

**C. Unearned Revenue**

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

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 473,960
Grant Draw Downs for Year End Encumbrances	<u>62,702</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 536,662</u>

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**D. Capital Assets**

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

	Balance <u>July 1, 2022</u>	<u>Increases</u>	<u>Transfers</u>	Balance <u>June 30, 2023</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 14,685,925			\$ 14,685,925
Construction in Progress	<u>16,266,860</u>	\$ 23,953,379	\$ -	<u>40,220,239</u>
Total Capital Assets, Not Being Depreciated	<u>30,952,785</u>	<u>23,953,379</u>	<u>-</u>	<u>54,906,164</u>
Capital Assets, Being Depreciated:				
Buildings	88,407,197	124,947	-	88,532,144
Right-To-Use Leased Buildings	2,684,233			2,684,233
Site Improvements	1,817,723	4,175		1,821,898
Machinery and Equipment	4,242,288	410,575	-	4,652,863
Right-To-Use IT Software	<u>-</u>	<u>1,158,015</u>	<u>-</u>	<u>1,158,015</u>
Total Capital Assets Being Depreciated	<u>97,151,441</u>	<u>1,697,712</u>	<u>-</u>	<u>98,849,153</u>
Less Accumulated Depreciation for:				
Buildings	(42,147,767)	(1,683,436)		(43,831,203)
Right-To-Use Leased Buildings	(2,147,384)	(268,423)		(2,415,807)
Site Improvements	(386,730)	(88,178)		(474,908)
Machinery and Equipment	(3,274,433)	(298,667)	-	(3,573,100)
Right-To-Use IT Software	<u>-</u>	<u>(317,974)</u>	<u>-</u>	<u>(317,974)</u>
Total Accumulated Depreciation	<u>(47,956,314)</u>	<u>(2,656,678)</u>	<u>-</u>	<u>(50,612,992)</u>
Total Capital Assets, Being Depreciated, net	<u>49,195,127</u>	<u>(958,966)</u>	<u>-</u>	<u>48,236,161</u>
Governmental Activities Capital Assets, net	<u>\$ 80,147,912</u>	<u>\$ 22,994,413</u>	<u>\$ -</u>	<u>\$ 103,142,325</u>

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 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	\$ 263,300	\$ 4,125	-	\$ 267,425
Total Capital Assets Being Depreciated	<u>263,300</u>	<u>4,125</u>	<u>-</u>	<u>267,425</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(139,110)</u>	<u>(15,007)</u>	-	<u>(154,117)</u>
Total Accumulated Depreciation	<u>(139,110)</u>	<u>(15,007)</u>	<u>-</u>	<u>(154,117)</u>
Total Capital Assets, Being Depreciated, net	<u>124,190</u>	<u>(10,882)</u>	<u>-</u>	<u>113,308</u>
Business-Type Activities Capital Assets, net	<u>\$ 124,190</u>	<u>\$ (10,882)</u>	<u>\$ -</u>	<u>\$ 113,308</u>

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

<b>Governmental Activities:</b>	
Instruction	
Regular	\$ 422,375
Support Services	
Support Services-Students and Instruction Related	100,550
Operations and Maintenance of Plant	2,075,132
Pupil Transportation	28,124
Busienss Services	<u>30,497</u>
Total Support Services	<u>2,234,303</u>
Total Governmental Funds	<u>\$ 2,656,678</u>
<b>Business-Type Activities:</b>	
Food Service Fund	<u>\$ 15,007</u>

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**D. Capital Assets (Continued)**

**Construction and Other Significant Commitments**

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

<u>Project</u>	<u>Remaining Commitment</u>
North Bergen High School (East and West Campuses)	\$ 26,522,927
LED Upgrades	2,500,000
HVAC Improvements	<u>1,109,994</u>
	<u>\$ 30,132,921</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	\$ 4,727,405
General Fund	Debt Service Fund	9,156
Food Service Enterprise Fund	General Fund	1,410,804
Food Service Enterprise Fund	Special Revenue Fund	<u>142,371</u>
Total		<u>\$ 6,289,736</u>

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

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

**Interfund Transfers**

<u>Transfer Out</u>	<u>Transfer In General Fund</u>
Capital Projects Fund	<u>\$ 646,874</u>

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

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**F. Leases Payable**

On July 1, 2014, the District entered into a ten year lease agreement as lessee for the use of a school building. An initial lease liability was recorded in the amount of \$2,684,233. The lease has an interest rate of 3.5%. The District is required to make monthly payments in accordance with the lease agreement. In addition, the District has the option to purchase the building. As of June 30, 2023 the value of the lease liability was \$343,091. The building has a ten year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$2,684,233 and had accumulated depreciation of \$2,415,807.

The future principal and interest lease payments as of June 30, 2023 were as follows:

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 343,091	\$ 6,546	\$ 349,637
Total	<u>\$ 343,091</u>	<u>\$ 6,546</u>	<u>\$ 349,637</u>

**G. Financing Agreements**

**Capital Financing Agreements**

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

Capital financing agreements at June 30, 2023 are comprised of the following:

\$631,063, Fiscal Year 2021 Agreement for the acquisition of copiers for a term of 5 years due in monthly installments of \$10,324 to \$11,188 through August 2026 interest at 2.54%	<u>\$ 419,257</u>
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**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**G. Financing Agreements (Continued)**

**Capital Financing Agreements**

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

**Governmental Activities:**

Fiscal Year Ending <u>June 30,</u>	<u>Capital Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 125,340	\$ 9,196	\$ 134,536
2025	128,561	5,975	134,536
2026	131,864	2,672	134,536
2027	<u>33,492</u>	<u>142</u>	<u>33,634</u>
Total	<u>\$ 419,257</u>	<u>\$ 17,985</u>	<u>\$ 437,242</u>

**H. Subscription – Based Information Technology Arrangements (SBITAs)**

On September 1, 2022 the District entered into a 34 month subscription for the use of enVision Accelerated. An initial subscription liability was recorded in the amount of \$6,108. As of June 30, 2023, the value of the subscription liability is zero. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of June 30, 2023 is \$6,108 with accumulated depreciation of \$1,796.

On July 1, 2022, the District entered into a 36 month subscription for the use of enVision Math. An initial subscription liability was recorded in the amount of \$232,673. As of June 30, 2023, the value of the subscription liability is zero. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of June 30, 2023 is \$232,673 with accumulated depreciation of \$77,558.

On July 1, 2022, the District entered into a 49 month subscription for the use of Cisco EA Bundle. An initial subscription liability was recorded in the amount of \$100,593. As of June 30, 2023, the value of the subscription liability is \$74,854. The District is required to make annual fixed payments of \$26,095. The subscription has an interest rate of 2.2753%. The value of the right to use asset as of June 30, 2023 is \$100,593 with accumulated depreciation of \$24,207.

On March 31, 2023, the District entered into a 40 month subscription for the use of SHI-Sophos. An initial subscription liability was recorded in the amount of \$80,946. As of June 30, 2023, the value of the subscription liability is zero. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of June 30, 2023 is \$80,946 with accumulated depreciation of \$6,290.

On July 1, 2022 the District entered into a 36 month subscription for the use of ReadyGEN Platform. An initial subscription liability was recorded in the amount of \$435,992. As of June 30, 2023, the value of the subscription liability is \$288,557. The District is required to make annual fixed payments of \$149,023. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of June 30, 2023 is \$435,992 with accumulated depreciation of \$145,331.

On July 1, 2022 the District entered into a 48 month subscription for the use of Envision Mathematics Subscription. An initial subscription liability was recorded in the amount of \$150,098. As of June 30, 2023, the value of the subscription liability is zero. The subscription has an interest rate of 2.2753%. The value of the right to use asset as of June 30, 2023 is \$150,098 with accumulated depreciation of \$37,524.

On July 1, 2022, the District entered into a 72 month subscription for the use of Encuentros 2022-WebSAM License. An initial subscription liability was recorded in the amount of \$151,605. As of June 30, 2023, the value of the subscription liability is zero. The subscription has an interest rate of 2.5197%. The value of the right to use asset as of June 30, 2023 is \$151,605 with accumulated depreciation of \$25,268.



**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**H. Subscription – Based Information Technology Arrangements (SBITAs) (Continued)**

The future principal and interest SBITA payments as of June 30, 2023 are as follows:

**Governmental Activities:**

Fiscal Year Ending

June 30,

Principal

Interest

Total

2024

\$ 167,112

\$ 8,006

\$ 175,118

2025

170,784

4,334

175,118

2026

25,514

581

26,095

Total

\$ 363,410

\$ 12,921

\$ 376,331

**I. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2023 are comprised of the following issues:

\$3,225,000, Pension Obligation Refunding Bonds, due in annual installments of \$285,000 to \$300,000 through April 1, 2026, interest at 5.054%	\$860,000
\$20,000,000, 2020 Bonds, due in annual installments of \$500,000 to \$990,000 through June 30, 2050, interest at 2.500% to 2.750%	19,000,000
\$40,000,000, 2022 Bonds, due in annual installments of \$1,000,000 to \$2,000,000 through July 15, 2052, interest at 3.125% to 4.00%	<u>40,000,000</u>
Total	<u>\$ 59,860,000</u>

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

**Governmental Activities:**

Fiscal Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2024	\$ 785,000	\$ 2,770,190	\$ 3,555,190
2025	1,805,000	2,018,491	3,823,491
2026	1,790,000	1,958,830	3,748,830
2027	1,530,000	1,899,556	3,429,556
2028	1,540,000	1,853,806	3,393,806
2029-2033	7,915,000	8,570,405	16,485,405
2034-2038	8,950,000	7,250,380	16,200,380
2039-2043	10,755,000	5,557,680	16,312,680
2044-2048	12,910,000	3,499,550	16,409,550
2049-2050	<u>11,880,000</u>	<u>1,079,488</u>	<u>12,959,488</u>
	<u>\$ 59,860,000</u>	<u>\$ 36,458,376</u>	<u>\$ 96,318,376</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2023 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 324,278,187
Less: Net Debt	<u>59,000,000</u>
Remaining Borrowing Power	<u>\$ 265,278,187</u>

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**J. 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 <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2023</u>	Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Capital Financing Agreements	\$ 2,256,457		\$ 1,837,200	\$ 419,257	\$ 125,340
Add: Unamortized Premium	<u>56,460</u>	-	<u>56,460</u>	-	-
	2,312,917	-	1,893,660	419,257	125,340
Bonds Payable	20,635,000	\$ 40,000,000	775,000	59,860,000	785,000
Leases Payable	667,672		324,581	343,091	343,091
IT Subscription Arrangements		\$ 1,158,015	794,605	363,410	167,112
Compensated Absences Payable	7,948,468	608,093	502,668	8,053,893	616,375
Net Pension Liability	<u>17,633,236</u>	<u>8,569,780</u>	<u>3,532,024</u>	<u>22,670,992</u>	-
	<u>\$ 49,197,293</u>	<u>\$ 50,335,888</u>	<u>\$ 7,822,538</u>	<u>\$ 91,710,643</u>	<u>\$ 2,036,918</u>

The liabilities for compensated absences, capital financing agreements other than certificates of participation, IT subscription arrangements, leases payable and net pension liability are generally liquidated by the general fund.

**NOTE 5 OTHER INFORMATION**

**A. Risk Management**

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

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

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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

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

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

<u>Year Ended</u> <u>June 30,</u>	<u>Board</u> <u>Contribution</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2023		\$ 129,942		\$ 978,470
2022		123,872	\$ 144,028	958,118
2021	\$ 184,275	107,534	629,941	976,465

**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. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2023, the District has not estimated its arbitrage earnings due to the IRS, if any.

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

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

**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.

The following represents the membership tiers for PERS:

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

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

**Teachers’ Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined 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.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

The following represent the membership tiers for TPAF:

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

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

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

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the 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).

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

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

**Plan Amendments**

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

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

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

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 OTHER INFORMATION (Continued)**

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

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 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.

**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 unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2023	\$ 1,894,407	\$ 21,145,022	\$ 7,521
2022	1,743,179	21,617,620	7,677
2021	1,641,123	15,574,928	6,580



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

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

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

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$7,677, \$7,963 and \$8,702, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$4,293,813 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.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$22,670,992 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 .15022 percent, which was an increase of .00137 percent from its proportionate share measured as of June 30, 2021 of .14885 percent.

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

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

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

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$1,637,617 for PERS. The pension contribution made by the District during the current 2022/2023 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:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 163,629	\$ 144,297
Changes of Assumptions	70,242	3,394,745
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	938,332	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>290,137</u>	<u>209,286</u>
Total	<u>\$ 1,462,340</u>	<u>\$ 3,748,328</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	\$ (1,930,868)
2024	(964,796)
2025	(471,617)
2026	1,081,990
2027	(697)
Thereafter	<u>-</u>
	<u>\$ (2,285,988)</u>

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

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

*Actuarial Assumptions*

The District's total pension liability for the June 30, 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 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.

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

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

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

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

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

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

<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%

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

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

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

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

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

	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 29,125,584</u>	<u>\$ 22,670,992</u>	<u>\$ 17,177,875</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 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).

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**NOTE 5 OTHER INFORMATION (Continued)**

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

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

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

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 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 \$7,190,189 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.

At June 30, 2023 the State's proportionate share of the net pension liability attributable to the District is \$267,166,188. 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 .51782 percent, which was a decrease of .00797 percent from its proportionate share measured as of June 30, 2021 of .52579 percent.

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

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

**Actuarial Assumptions**

The total pension liability for the June 30, 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.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

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

**Long-Term Expected Rate of Return**

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



**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

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

***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 <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 313,258,033</u>	<u>\$ 267,166,188</u>	<u>\$ 228,339,600</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, 2022. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2022 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).

**E. Post-Retirement Medical Benefits**

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. 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.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 OTHER INFORMATION (Continued)**

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

**State Health Benefit Program Fund – Local Education Retired Employees Plan** (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. 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.

**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.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 OTHER INFORMATION (Continued)**

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

**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 \$5,554,746, \$5,050,750 and \$4,880,940, 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.

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 \$9,000,481. 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 \$215,171,534. 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 .42485 percent, which was a decrease of .00258 percent from its proportionate share measured as of June 30, 2021 of .42743 percent.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

**Actuarial Assumptions**

The OPEB liability for the June 30, 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

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.

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

**Changes in the Total OPEB Liability**

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

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2021 Measurement Date	\$ <u>256,491,320</u>
Changes Recognized for the Fiscal Year:	
Service Cost	12,410,210
Interest on the Total OPEB Liability	5,702,283
Differences Between Expected and Actual Experience	3,756,496
Changes of Assumptions	(57,721,695)
Gross Benefit Payments	(5,648,280)
Contributions from the Member	181,200
Net Changes	<u>(41,319,786)</u>
Balance, June 30, 2022 Measurement Date	\$ <u>215,171,534</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.

**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:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>252,911,504</u>	\$ <u>215,171,534</u>	\$ <u>184,924,835</u>

**NORTH BERGEN BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

**Sensitivity of OPEB Liability (Continued)**

*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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 177,852,425</u>	<u>\$ 215,171,534</u>	<u>\$ 264,192,450</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.

**F. Subsequent Events**

**Appropriation of Fund Balance**

On December 20, 2023, the Board approved the withdrawal of \$3,823,507 from its General Fund Capital Reserve account to fund various capital projects included in the District’s Long-Range Facility Plan.

**G. Tax Abatements**

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

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 6 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.

The Board has been awarded a total of \$37,987,241 in federal aid to address the effects of the COVID-19 pandemic.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**



**BUDGETARY COMPARISON SCHEDULES**

**NORTH BERGEN BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 53,162,264		\$ 53,162,264	\$ 53,162,264	
Tuition					
School Districts	4,935,480		4,935,480	4,549,804	\$ (385,676)
Summer School	10,000		10,000	-	(10,000)
Interest on Capital Reserve	5,500		5,500	5,500	-
Interest on Emergency Reserve	1,500		1,500	1,500	-
Interest on Maintenance Reserve	3,000		3,000	3,000	-
Interest on Unemployment				20,352	20,352
Interest				1,706,877	1,706,877
Unrestricted Miscellaneous Revenues	405,467	-	405,467	714,763	309,296
<b>Total Local Sources</b>	<u>58,523,211</u>	<u>-</u>	<u>58,523,211</u>	<u>60,164,060</u>	<u>1,640,849</u>
State Sources					
Special Education Aid	5,808,963		5,808,963	5,808,963	-
Equalization Aid	53,679,388		53,679,388	53,679,388	-
Security Aid	2,787,698		2,787,698	2,787,698	-
Transportation Aid	747,436		747,436	747,436	-
Supplemental Stabilization Aid				780,065	780,065
Maintenance of Equity Aid				582,465	582,465
Extraordinary Aid	600,000		600,000	624,936	24,936
Reimbursed NonPublic Transportation				67,080	67,080
TPAF On Behalf					
NCGI Premium				289,349	289,349
Pension Contribution				20,855,673	20,855,673
Long Term Disability Insurance				7,677	7,677
Post Retirement				5,554,746	5,554,746
Social Security Contribution	-	-	-	4,293,813	4,293,813
<b>Total State Source</b>	<u>63,623,485</u>	<u>-</u>	<u>63,623,485</u>	<u>96,079,289</u>	<u>32,455,804</u>
Federal Sources					
Medicaid Administrative (MAC)				109,687	109,687
FCCRA Semi				42,072	42,072
Medicaid Reimbursement Program	297,123	-	297,123	311,943	14,820
<b>Total Federal Sources</b>	<u>297,123</u>	<u>-</u>	<u>297,123</u>	<u>463,702</u>	<u>166,579</u>
<b>Total Revenues</b>	<u>122,443,819</u>	<u>-</u>	<u>122,443,819</u>	<u>156,707,051</u>	<u>34,263,232</u>
<b>CURRENT EXPENDITURES</b>					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	2,295,256	\$ (23,000)	2,272,256	2,242,450	29,806
Grades 1-5	11,846,453	(109,000)	11,737,453	11,085,392	652,061
Grades 6-8	7,054,988	(80,000)	6,974,988	6,573,278	401,710
Grades 9-12	11,974,787	(253,105)	11,721,682	11,563,250	158,432
Regular Programs - Home Instruction					
Salaries of Teachers	214,062	164,650	378,712	378,709	3
Purchased Professional-Educational Services	33,000	772	33,772	33,770	2

**NORTH BERGEN BOARD OF EDUCATION  
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 To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	\$ 1,563,905	\$ (17,000)	\$ 1,546,905	\$ 840,293	\$ 706,612
Purchased Professional-Educational Services	200,000	-	200,000	57,514	142,486
Other Purchased Services	320,854	4,573	325,427	151,663	173,764
General Supplies	995,000	425,273	1,420,273	888,172	532,101
Textbooks	204,527	(51,944)	152,583	15,420	137,163
<b>Total Regular Programs - Instruction</b>	<u>36,702,832</u>	<u>61,219</u>	<u>36,764,051</u>	<u>33,829,911</u>	<u>2,934,140</u>
Special Education					
Cognitive - Moderate					
Salaries of Teachers	578,747	(578,747)	-	-	-
Other Salaries for Instruction	152,960	(152,960)	-	-	-
<b>Total Cognitive - Moderate</b>	<u>731,707</u>	<u>(731,707)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Learning and/or Learning Disabilities					
Salaries of Teachers	3,170,805	7,122	3,177,927	2,596,410	581,517
Other Salaries for Instruction	2,288,357	(254,361)	2,033,996	1,523,786	510,210
Purchased Professional-Educational Services	39,250	1	39,251	30,700	8,551
General Supplies	8,000	19	8,019	2,018	6,001
Textbooks	3,375	-	3,375	-	3,375
<b>Total Learning and/or Learning Disabilities</b>	<u>5,509,787</u>	<u>(247,219)</u>	<u>5,262,568</u>	<u>4,152,914</u>	<u>1,109,654</u>
Resource Room / Resource Center					
Salaries of Teachers	5,441,686	(205,000)	5,236,686	4,985,851	250,835
<b>Total Resource Room / Resource Center</b>	<u>5,441,686</u>	<u>(205,000)</u>	<u>5,236,686</u>	<u>4,985,851</u>	<u>250,835</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	607,163	(177,923)	429,240	357,640	71,600
Other Salaries for Instruction	221,472	-	221,472	159,820	61,652
<b>Total Preschool Disabilities - Part-Time</b>	<u>828,635</u>	<u>(177,923)</u>	<u>650,712</u>	<u>517,460</u>	<u>133,252</u>
Home Instruction					
Salaries of Teachers	198,736	230,676	429,412	429,412	-
Purchased Professional-Educational Services	35,510	2,739	38,249	34,412	3,837
<b>Total Home Instruction</b>	<u>234,246</u>	<u>233,415</u>	<u>467,661</u>	<u>463,824</u>	<u>3,837</u>
<b>Total Special Education - Instruction</b>	<u>12,746,061</u>	<u>(1,128,434)</u>	<u>11,617,627</u>	<u>10,120,049</u>	<u>1,497,578</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	1,966,829	385,981	2,352,810	2,163,065	189,745
Other Salaries for Instruction	50,845	(8,100)	42,745	13,172	29,573
Purchased Professional-Educational Services	20,000	-	20,000	-	20,000
Other Purchased Services	18,300	-	18,300	-	18,300
General Supplies	40,500	-	40,500	29,899	10,601
Other Objects	2,000	-	2,000	-	2,000
<b>Total Basic Skills/Remedial - Instruction</b>	<u>2,098,474</u>	<u>377,881</u>	<u>2,476,355</u>	<u>2,206,136</u>	<u>270,219</u>

**NORTH BERGEN BOARD OF EDUCATION  
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 To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Bilingual Education					
Salaries of Teachers	\$ 3,763,368	\$ 151,450	\$ 3,914,818	\$ 3,914,808	\$ 10
Other Salaries for Instruction	82,413	40,560	122,973	122,972	1
Other Purchased Services	20,331	(8,054)	12,277	11,236	1,041
General Supplies	34,346	(27,960)	6,386	6,011	375
Textbooks	7,732	(7,700)	32	-	32
	<u>3,908,190</u>	<u>148,296</u>	<u>4,056,486</u>	<u>4,055,027</u>	<u>1,459</u>
Total Bilingual Education - Instruction					
School-Sponsored Co/Extra Curricular Activities					
Salaries	347,950	101,489	449,439	440,694	8,745
Purchased Services	97,139	(26,334)	70,805	69,293	1,512
Supplies and Materials	315	380	695	-	695
Other Objects	225	(225)	-	-	-
	<u>445,629</u>	<u>75,310</u>	<u>520,939</u>	<u>509,987</u>	<u>10,952</u>
Total School-Sponsored Co/Extra Curricular Activities- Instruction					
School-Sponsored Athletics - Instruction					
Salaries	831,101	25,666	856,767	829,774	26,993
Purchased Services	471,466	(3,248)	468,218	287,549	180,669
Supplies and Materials	157,528	(12,966)	144,562	128,537	16,025
	<u>1,460,095</u>	<u>9,452</u>	<u>1,469,547</u>	<u>1,245,860</u>	<u>223,687</u>
Total School-Sponsored Athletics - Instruction					
Total - Instruction	<u>57,361,281</u>	<u>(456,276)</u>	<u>56,905,005</u>	<u>51,966,970</u>	<u>4,938,035</u>
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Regular	12,780	-	12,780	-	12,780
Tuition - Other LEA's Within State - Special	495,025	(8,212)	486,813	230,732	256,081
Tuition to County Vocational School/Dist.-Reg.	8,028	71,977	80,005	62,818	17,187
Tuition to CSSD & Reg. Day Schools	1,518,248	48,246	1,566,494	492,722	1,073,772
Tuition to APSSD W/I State	910,406	(177,421)	732,985	560,583	172,402
Tuition - State Facilities	4,500	-	4,500	-	4,500
Tuition - Other	234,456	-	234,456	112,339	122,117
	<u>3,183,443</u>	<u>(65,410)</u>	<u>3,118,033</u>	<u>1,459,194</u>	<u>1,658,839</u>
Total Undistributed Expenditures - Instruction					
Attendance and Social Work Services					
Salaries	769,170	-	769,170	654,774	114,396
Unused Vacation Payment to Terminated/Retired Staff	-	8,397	8,397	8,397	-
Other Purchased Services	2,020	153	2,173	1,259	914
	<u>771,190</u>	<u>8,550</u>	<u>779,740</u>	<u>664,430</u>	<u>115,310</u>
Total Attendance and Social Work Services					
Health Services					
Salaries	1,189,181	(1,500)	1,187,681	1,066,338	121,343
Purchased Professional and Technical Services	30,780	5,011	35,791	33,111	2,680
Other Purchased Services	13,150	48	13,198	10,581	2,617
Supplies and Materials	30,500	-	30,500	22,896	7,604
	<u>1,263,611</u>	<u>3,559</u>	<u>1,267,170</u>	<u>1,132,926</u>	<u>134,244</u>
Total Health Services					

**NORTH BERGEN BOARD OF EDUCATION  
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 To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Other Support Services-Speech, OT, PT and Related Svcs.					
Salaries	\$ 299,695	\$ (133,500)	\$ 166,195	\$ 157,160	\$ 9,035
Purchased Professional- Educational Services	419,500	312,738	732,238	702,205	30,033
Supplies and Materials	3,432	-	3,432	-	3,432
	<u>722,627</u>	<u>179,238</u>	<u>901,865</u>	<u>859,365</u>	<u>42,500</u>
Total Other Support Services-Speech, OT, PT and Related Svcs.					
	<u>722,627</u>	<u>179,238</u>	<u>901,865</u>	<u>859,365</u>	<u>42,500</u>
Other Support Services - Students - Extra Serv.					
Salaries	1,201,038	242,346	1,443,384	1,443,383	1
Purchased Professional-Educational Services	328,057	(69,348)	258,709	120,043	138,666
	<u>1,529,095</u>	<u>172,998</u>	<u>1,702,093</u>	<u>1,563,426</u>	<u>138,667</u>
Total Other Support Services - Students - Extra Serv.					
	<u>1,529,095</u>	<u>172,998</u>	<u>1,702,093</u>	<u>1,563,426</u>	<u>138,667</u>
Guidance					
Salaries of Other Professional Staff	1,790,752	(152,638)	1,638,114	1,617,019	21,095
Salaries of Secretarial and Clerical Assistants	227,514	(48,987)	178,527	177,035	1,492
Other Purchased Prof. and Tech. Services	25,000	135,000	160,000	160,000	-
Other Purchased Services	24,150	661	24,811	19,982	4,829
Supplies and Materials	12,050	(4,538)	7,512	1,603	5,909
	<u>2,079,466</u>	<u>(70,502)</u>	<u>2,008,964</u>	<u>1,975,639</u>	<u>33,325</u>
Total Guidance					
	<u>2,079,466</u>	<u>(70,502)</u>	<u>2,008,964</u>	<u>1,975,639</u>	<u>33,325</u>
Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	2,862,580	-	2,862,580	2,633,502	229,078
Salaries of Secretarial and Clerical Assistants	370,751	-	370,751	279,424	91,327
Other Purchased Professional/Technical Services	125,000	35,425	160,425	131,425	29,000
Residential Costs	525	-	525	525	-
Other Purchased Services	32,700	243	32,943	10,569	22,374
Supplies and Materials	9,500	-	9,500	7,803	1,697
	<u>3,401,056</u>	<u>35,668</u>	<u>3,436,724</u>	<u>3,062,723</u>	<u>374,001</u>
Total Other Support Services - Child Study Teams					
	<u>3,401,056</u>	<u>35,668</u>	<u>3,436,724</u>	<u>3,062,723</u>	<u>374,001</u>
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	147,338	1,720	149,058	149,058	-
Salaries of Other Professional Staff	1,395,235	(201,720)	1,193,515	344,612	848,903
Purchased Prof.-Educational Services	600	-	600	600	-
Other Purchased Professional and Technical Services	900	-	900	900	-
Other Purchased Services	1,900	-	1,900	-	1,900
Supplies and Materials	1,000	-	1,000	-	1,000
	<u>1,546,973</u>	<u>(200,000)</u>	<u>1,346,973</u>	<u>493,670</u>	<u>853,303</u>
Total Improvement of Instruction Services					
	<u>1,546,973</u>	<u>(200,000)</u>	<u>1,346,973</u>	<u>493,670</u>	<u>853,303</u>
Educational Media Services/School Library					
Salaries	308,511	-	308,511	214,358	94,153
Other Purchased Services	8,400	33	8,433	376	8,057
Supplies and Materials	41,000	38,208	79,208	44,460	34,748
	<u>357,911</u>	<u>38,241</u>	<u>396,152</u>	<u>259,194</u>	<u>136,958</u>
Total Educational Media Services/School Library					
	<u>357,911</u>	<u>38,241</u>	<u>396,152</u>	<u>259,194</u>	<u>136,958</u>

**NORTH BERGEN BOARD OF EDUCATION  
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 To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Instructional Staff Training Services					
Salaries of Other Professional Staff	\$ 558,312		\$ 558,312	\$ 18,875	\$ 539,437
Salaries of Secretarial and Clerical Assist.	4,199		4,199		4,199
Purchased Professional-Educational Serv.	50,000	\$ 11,114	61,114	35,160	25,954
Other Purchased Professional and Tech Svcs	4,000	-	4,000		4,000
Other Purchased Services	5,000	-	5,000		5,000
Supplies and Materials	6,000	-	6,000		6,000
Other Objects	3,800	-	3,800	-	3,800
<b>Total Instructional Staff Training Services</b>	<b>631,311</b>	<b>11,114</b>	<b>642,425</b>	<b>54,035</b>	<b>588,390</b>
Support Services - General Administration					
Salaries	854,940	(14,800)	840,140	726,535	113,605
Unused Vac. Payment to Terminated/Retired Staff	57,400	(32,934)	24,466	24,466	-
Legal Services	488,000	37,949	525,949	425,969	99,980
Audit Fees	95,000	9,301	104,301	94,500	9,801
Expenditure and Internal Control Audit Fees	5,000	3,000	8,000	7,171	829
Architectural/Engineering Services	105,000	100,826	205,826	85,038	120,788
Other Purchased Professional Services	181,500	34,259	215,759	183,889	31,870
Communications/Telephone	141,500	75,001	216,501	97,942	118,559
BOE Other Purchased Services	12,000	968	12,968	12,642	326
Miscellaneous Purchased Services	62,690	11,677	74,367	26,834	47,533
General Supplies	98,300	11,876	110,176	58,556	51,620
BOE In-House Training/Meeting Supplies	1,500	-	1,500		1,500
Judgments Against The School District	30,610	-	30,610		30,610
Miscellaneous Expenditures	18,350	-	18,350	5,582	12,768
BOE Membership Dues and Fees	32,050	1	32,051	29,882	2,169
<b>Total Support Services - General Administration</b>	<b>2,183,840</b>	<b>237,124</b>	<b>2,420,964</b>	<b>1,779,006</b>	<b>641,958</b>
Support Services - School Administration					
Salaries of Principals/Asst. Principals/Prog Dir	3,628,189	20,318	3,648,507	3,166,051	482,456
Salaries of Other Professional Staff	1,821,861	2,830	1,824,691	1,494,051	330,640
Salaries of Secretarial and Clerical Assistants	2,173,800	(32,648)	2,141,152	1,949,360	191,792
Purchased Prof. and Tech. Services	60,500	1,187	61,687	58,687	3,000
Other Purchased Services	139,853	18,297	158,150	136,826	21,324
Supplies and Materials	53,700	5,750	59,450	34,181	25,269
Other Objects	1,000	-	1,000	-	1,000
<b>Total Support Services - School Administration</b>	<b>7,878,903</b>	<b>15,734</b>	<b>7,894,637</b>	<b>6,839,156</b>	<b>1,055,481</b>
Central Services					
Salaries	1,591,922	(18,000)	1,573,922	1,490,859	83,063
Unused Vac. Payment to Terminated/Retired Staff	69,030	(1,213)	67,817	48,184	19,633
Purchased Professional Services	50,064	47,855	97,919	94,166	3,753
Purchased Technical Services	31,500	20,181	51,681	38,577	13,104
Misc. Purchased Services	45,653	(18,719)	26,934	12,471	14,463
Supplies and Materials	27,800	7,547	35,347	20,383	14,964
Interest on Current Loans	13,500	(5,500)	8,000		8,000
Miscellaneous Expenditures	7,050	-	7,050	54,652	(47,602)
<b>Total Central Services</b>	<b>1,836,519</b>	<b>32,151</b>	<b>1,868,670</b>	<b>1,759,292</b>	<b>109,378</b>

**NORTH BERGEN BOARD OF EDUCATION  
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 To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Admin. Info. Technology					
Salaries	\$ 952,981	-	\$ 952,981	\$ 939,022	\$ 13,959
Unused Vac. Payment to Terminated/Retired Staff		\$ 10,465	10,465	10,465	-
Purchased Professional Services	77,350	(1,906)	75,444	5,031	70,413
Purchased Technical Services	183,474	20,002	203,476	168,222	35,254
Other Purchased Services	52,950	577	53,527	5,966	47,561
Supplies and Materials	2,550	348	2,898	116	2,782
<b>Total Admin. Info. Technology</b>	<u>1,269,305</u>	<u>29,486</u>	<u>1,298,791</u>	<u>1,128,822</u>	<u>169,969</u>
Required Maintenance for School Facilities					
Salaries	1,065,177	-	1,065,177	786,988	278,189
Unused Vac. Payment to Terminated/Retired Staff		15,285	15,285	15,284	1
Cleaning, Repair and Maintenance Services	1,598,634	523,321	2,121,955	875,733	1,246,222
General Supplies	167,421	32,464	199,885	121,283	78,602
<b>Total Required Maintenance for School Facilities</b>	<u>2,831,232</u>	<u>571,070</u>	<u>3,402,302</u>	<u>1,799,288</u>	<u>1,603,014</u>
Custodial Services					
Salaries	4,856,877	(43,781)	4,813,096	4,181,438	631,658
Purchased Professional and Technical Services	195,000	18,939	213,939	136,924	77,015
Cleaning, Repair and Maintenance	224,342	17,638	241,980	237,415	4,565
Rental of Land and Buildings Oth. Than Lease Pur Agmt.	362,000	37,982	399,982	394,831	5,151
Other Purchased Property Services	125,140	59,794	184,934	183,007	1,927
Insurance	700,576	1,000	701,576	659,347	42,229
Miscellaneous Purchased Services	33,320	3,513	36,833	12,573	24,260
General Supplies	206,000	43,575	249,575	231,687	17,888
Energy (Natural Gas)	332,880	120,427	453,307	235,287	218,020
Energy (Electricity)	608,553	83,837	692,390	491,022	201,368
Energy (Gasoline)	22,880	2,886	25,766	7,034	18,732
Other Objects	7,000	-	7,000	600	6,400
<b>Total Custodial Services</b>	<u>7,674,568</u>	<u>345,810</u>	<u>8,020,378</u>	<u>6,771,165</u>	<u>1,249,213</u>
Care and Upkeep of Grounds					
Salaries	20,537	-	20,537		20,537
Purchased Professional and Technical Services	32,000	8,270	40,270	26,956	13,314
Cleaning, Repair and Maintenance Services	85,000	(11,900)	73,100	43,275	29,825
General Supplies	2,500	4,180	6,680	4,512	2,168
<b>Total Care and Upkeep of Grounds</b>	<u>140,037</u>	<u>550</u>	<u>140,587</u>	<u>74,743</u>	<u>65,844</u>
Security					
Salaries	1,797,248	(5,180)	1,792,068	1,789,243	2,825
Purchased Professional and Technical Services	245,554	52,379	297,933	136,065	161,868
Cleaning, Repair and Maintenance	56,296	(2,048)	54,248	42,935	11,313
General Supplies	29,500	16,618	46,118	43,157	2,961
<b>Total Security</b>	<u>2,128,598</u>	<u>61,769</u>	<u>2,190,367</u>	<u>2,011,400</u>	<u>178,967</u>

**NORTH BERGEN BOARD OF EDUCATION  
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 To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Student Transportation Services					
Salaries for Pupil Transportation					
(Between Home and School) - Regular	\$ 38,598	\$ (38,066)	\$ 532		\$ 532
Salaries for Pupil Transportation					
(Between Home and School) - Special Ed.	167,633	30,568	198,201	\$ 184,448	13,753
Other Purchased Prof. and Tech. Serv.	3,000	-	3,000		3,000
Cleaning, Repair and Maintenance Services	23,200	528	23,728	17,028	6,700
Contracted Services (Between Home and School) - Vendors	1,235,183	(146,139)	1,089,044	988,153	100,891
Contracted Services (Between Home and School) - Joint Agreements	34,763	(13,550)	21,213	14,146	7,067
Contracted Services (Other Than Between Home and School) - Vendors	202,115	40,030	242,145	163,497	78,648
Contracted Services (Spec Ed Students)-Vendors	928,379	558,707	1,487,086	1,442,196	44,890
Contracted Services (Spec Ed Students)-Joint Agreements	1,518,473	722,226	2,240,699	2,238,630	2,069
Misc. Purchased Services - Transportation	1,119	584	1,703	825	878
General Supplies	5,000	-	5,000		5,000
Transportation Supplies	10,000	(10,000)	-		-
Aid in Lieu of Payments - Nonpublic School	372,656	4,498	377,154	291,750	85,404
Aid in Lieu of Payments - Charter Schools	30,683	(19,000)	11,683	7,000	4,683
Aid in Lieu of Payments - Choice School Students	-	2,500	2,500	2,000	500
	<u>4,570,802</u>	<u>1,132,886</u>	<u>5,703,688</u>	<u>5,349,673</u>	<u>354,015</u>
Total Student Transportation Services					
Unallocated Benefits					
Group Insurance	50,558	40,095	90,653	6,038	84,615
Social Security Contributions	1,701,833	63,633	1,765,466	1,689,288	76,178
Other Retirement Contributions					
PERS	1,709,136	198,272	1,907,408	1,894,407	13,001
ERIP	59,893	3,017	62,910	45,798	17,112
Other Retirement Contributions - Deferred PERS					
Regular	5,165	2,357	7,522	7,522	-
Unemployment Compensation	282,315	(1,412)	280,903	-	280,903
Workmen's Compensation	736,031	39,846	775,877	702,924	72,953
Health Benefits	19,571,329	(223,937)	19,347,392	16,070,220	3,277,172
Other Employee Benefits		3,352	3,352	2,295	1,057
Unused Sick Payment to Terminated/Retired Staff	616,375	-	616,375	502,668	113,707
	<u>24,732,635</u>	<u>125,223</u>	<u>24,857,858</u>	<u>20,921,160</u>	<u>3,936,698</u>
Total Unallocated Benefits					
TPAF On Behalf (Non-Budget)					
NCGI Premium				289,349	(289,349)
Pension Contribution				20,855,673	(20,855,673)
Long Term Disability Insurance				7,677	(7,677)
Post Retirement				5,554,746	(5,554,746)
Social Security Contribution	-	-	-	4,293,813	(4,293,813)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,001,258</u>	<u>(31,001,258)</u>
Total TPAF On-Behalf Contributions					
Total Undistributed Expenditures	<u>70,733,122</u>	<u>2,665,259</u>	<u>73,398,381</u>	<u>90,959,565</u>	<u>(17,561,184)</u>



**NORTH BERGEN BOARD OF EDUCATION  
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 To Actual</u>
Interest Earned on Current Exp. Emergency Reserve	\$ 1,500	-	\$ 1,500	-	\$ 1,500
Interest Earned on Maintenance Reserve	3,000	-	3,000	-	3,000
<b>Total Current Expenditures</b>	<u>128,098,903</u>	<u>\$ 2,208,983</u>	<u>130,307,886</u>	<u>\$ 142,926,535</u>	<u>(12,618,649)</u>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
Grades 1-5	5,000	5,907	10,907		10,907
Grades 6-8	5,000	13,655	18,655	14,335	4,320
Grades 9-12	15,000	3,495	18,495	5,000	13,495
<b>Undistributed Expenditures</b>					
General Administration	5,000		5,000		5,000
School Administration	5,000		5,000		5,000
Central Services	5,000		5,000		5,000
Admin. Info. Technology	10,000	-	10,000		10,000
Required Maintenance for School Facilities	335,000	41,796	376,796	126,350	250,446
Care and Upkeep of Grounds	9,000	-	9,000		9,000
Security	15,000	-	15,000	-	15,000
School Buses - Regular	-	281,248	281,248	281,248	-
<b>Total Equipment</b>	<u>409,000</u>	<u>346,101</u>	<u>755,101</u>	<u>426,933</u>	<u>328,168</u>
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services	1,280,000	190,308	1,470,308	745,887	724,421
Construction Services	4,000,000	1,322,724	5,322,724	1,434,202	3,888,522
Assessment for Debt Service on SDA Funding	92,716	-	92,716	92,716	-
<b>Total Facilities Acquis. and Const. Services</b>	<u>5,372,716</u>	<u>1,513,032</u>	<u>6,885,748</u>	<u>2,272,805</u>	<u>4,612,943</u>
<b>Assets Acquired Under IT Subscription Arrangements</b>					
Instruction				976,476	(976,476)
Admin. Info Technology	-	-	-	181,539	(181,539)
	-	-	-	1,158,015	(1,158,015)
<b>Interest Deposit to Capital Reserve</b>	<u>5,500</u>	<u>-</u>	<u>5,500</u>	<u>-</u>	<u>5,500</u>
<b>Total Capital Outlay</b>	<u>5,787,216</u>	<u>1,859,133</u>	<u>7,646,349</u>	<u>3,857,753</u>	<u>3,788,596</u>
<b>SPECIAL SCHOOLS</b>					
<b>Summer School - Instruction</b>					
Salaries of Teachers	312,721	(87,297)	225,424	201,224	24,200
Other Salaries for Instruction	118,674	138,647	257,321	242,514	14,807
Purchased Professional and Technical Services	32,203	(11,350)	20,853	-	20,853
<b>Total Summer School - Instruction</b>	<u>463,598</u>	<u>40,000</u>	<u>503,598</u>	<u>443,738</u>	<u>59,860</u>
<b>Summer School - Support Services</b>					
Salaries of Teachers	74,440	(40,000)	34,440	-	34,440
<b>Total Summer School - Support Services</b>	<u>74,440</u>	<u>(40,000)</u>	<u>34,440</u>	<u>-</u>	<u>34,440</u>

NORTH BERGEN BOARD OF EDUCATION  
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 To Actual</u>
Total Special Schools	\$ 538,038	-	\$ 538,038	\$ 443,738	\$ 94,300
Transfer of Funds To Charter Schools	299,195	\$ 68,585	367,780	286,263	81,517
Total Expenditures	134,723,352	4,136,701	138,860,053	147,514,289	(8,654,236)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,279,533)	(4,136,701)	(16,416,234)	9,192,762	25,608,996
Other Financing Sources (Uses)					
IT Subscription Arrangements				1,158,015	1,158,015
Transfer In	-	-	-	646,874	646,874
Total Other Financing Sources (Uses)	-	-	-	1,804,889	1,804,889
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(12,279,533)	(4,136,701)	(16,416,234)	10,997,651	27,413,885
Fund Balances, Beginning of Year	60,758,855	-	60,758,855	60,758,855	-
Fund Balances, End of Year	\$ 48,479,322	\$ (4,136,701)	\$ 44,342,621	\$ 71,756,506	\$ 27,413,885
<b>Recapitulation of Fund Balance</b>					
Restricted					
Capital Reserve				\$ 45,338,111	
Capital Reserve Designated for Subsequent Year's Budget				4,654,200	
Maintenance Reserve				3,999,044	
Maintenance Reserve Designated for Subsequent Year's Budget				2,000,000	
Emergency Reserve				601,500	
Unemployment Compensation Reserve				978,470	
Committed					
Encumbrances				3,230,500	
Assigned					
Designated for Subsequent Year's Budget				4,948,345	
Encumbrances				2,244,771	
Unassigned				3,761,565	
<b>Fund Balance (Budgetary Basis)</b>				71,756,506	
Less State Aid Revenue Not Recognized on GAAP Basis				(6,841,418)	
<b>Fund Balance (GAAP Basis)</b>				\$ 64,915,088	

**NORTH BERGEN BOARD OF EDUCATION  
SPECIAL REVENUE 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 to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 3,071,849		\$ 3,071,849	\$ 2,885,690	\$ (186,159)
Federal	34,744,147	\$ 1,600,270	36,344,417	12,843,413	(23,501,004)
Local Sources					
Miscellaneous	<u>300,000</u>	<u>336,411</u>	<u>636,411</u>	<u>546,163</u>	<u>(90,248)</u>
Total Revenues	<u>38,115,996</u>	<u>1,936,681</u>	<u>40,052,677</u>	<u>16,275,266</u>	<u>(23,777,411)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	3,860,435	1,073,423	4,933,858	4,140,963	792,895
Other Salaries for Instruction	27,238	93,000	120,238	-	120,238
Purchased Prof. and Tech. Svcs.	332,051	(85,669)	246,382	129,092	117,290
Other Purchased Services	1,456,644	861,632	2,318,276	2,283,053	35,223
General Supplies	3,263,751	704,403	3,968,154	3,528,057	440,097
Co-Curricular Student Activities and Athletics	<u>300,000</u>	<u>220,523</u>	<u>520,523</u>	<u>467,862</u>	<u>52,661</u>
Total Instruction	<u>9,240,119</u>	<u>2,867,312</u>	<u>12,107,431</u>	<u>10,549,027</u>	<u>1,558,404</u>
Support Services					
Salaries of Supervisors	103,067	-	103,067	102,510	557
Salaries of Program Directors	168,943	83,000	251,943	240,475	11,468
Salaries of Other Professional Staff	213,701	(58,867)	154,834	112,431	42,403
Salaries of Secretaries and Clerical Assistants	65,007	46,921	111,928	91,135	20,793
Other Salaries	16,485	879,816	896,301	778,168	118,133
Salaries of Master Teachers	82,926	72,251	155,177	155,176	1
Personal Services-Employee Benefits	1,799,555	1,173,591	2,973,146	2,532,184	440,962
Purchased Professional and Technical Service	822,372	373,702	1,196,074	1,054,656	141,418
Purchased Professional - Educational Services		-		-	-
Other Purchased Professional - Education Services	5,000	-	5,000	1,500	3,500
Other Purchased Professional Services	13,000	22,000	35,000	34,000	1,000
Cleaning, Repair and Maintenance Services	81,000	-	81,000	79,892	1,108
Rentals	260,000	20,100	280,100	280,067	33
Other Purchased Services	276,195	29,773	305,968	22,019	283,949
Contracted Services - Transportation	9,500	(3,000)	6,500	3,750	2,750
Travel		1,700	1,700		1,700
Miscellaneous Purchased Services	8,230	7,508	15,738	15,732	6
Supplies and Materials	487,299	(319,406)	167,893	93,813	74,080
Other Objects	<u>3,613</u>	<u>(3,513)</u>	<u>100</u>	<u>-</u>	<u>100</u>
Total Support Services	<u>4,415,893</u>	<u>2,325,576</u>	<u>6,741,469</u>	<u>5,597,508</u>	<u>1,143,961</u>
Facilities Acquisition and Construction Services					
Buildings	21,000,000	-	21,000,000		21,000,000
Instructional Equipment	58,500	-	58,500	5,509	52,991
Non-Instructional Equipment	<u>3,401,484</u>	<u>(3,256,207)</u>	<u>145,277</u>	<u>70,561</u>	<u>74,716</u>
Total Facilities Acquisition and Construction Services	<u>24,459,984</u>	<u>(3,256,207)</u>	<u>21,203,777</u>	<u>76,070</u>	<u>21,127,707</u>
Total Expenditures	<u>38,115,996</u>	<u>1,936,681</u>	<u>40,052,677</u>	<u>16,222,605</u>	<u>23,830,072</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	52,661	52,661
Fund Balance, Beginning of Year	-	-	-	300,565	300,565
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 353,226</u>	<u>\$ 353,226</u>
			Fund Balance		
			Student Activities	<u>\$ 353,226</u>	

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources</b>		
Actual revenues (budgetary basis) (Exhibits C-1, C-2)	\$ 156,707,051	\$ 16,275,266
Difference - budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2022-2023)	(6,841,418)	
State Aid payment recognized for GAAP statements, not recognized for budgetary purposes (2021-2022)	7,112,901	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2023		(2,955,678)
Encumbrances, June 30, 2022 (net of cancellations)	<u>-</u>	<u>1,109,838</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 156,978,534</u>	<u>\$ 14,429,426</u>
<b>Uses/Outflows of Resources</b>		
Actual expenditures (budgetary basis) (Exhibits C-1, C-2)	\$ 147,514,289	\$ 16,222,605
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2023		(2,955,678)
Encumbrances, June 30, 2022 (net of cancellations)	<u>-</u>	<u>1,109,838</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 147,514,289</u>	<u>\$ 14,376,765</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
Last 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)	0.15022%	0.14885%	0.15002%	0.14943%	0.15045%	0.14945%	0.15046%	0.14486%	0.14330%	0.14066%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 22,670,992	\$ 17,633,236	\$ 24,464,024	\$ 26,925,858	\$ 29,623,322	\$ 34,790,686	\$ 44,561,331	\$ 32,518,415	\$ 26,830,553	\$ 26,881,871
District's Covered Payroll	\$ 11,216,390	\$ 10,880,624	\$ 11,006,253	\$ 10,844,211	\$ 10,612,226	\$ 10,356,895	\$ 10,323,957	\$ 10,407,670	\$ 10,021,208	\$ 9,888,563
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	202.12%	162.06%	222.27%	248.30%	279.14%	335.92%	431.63%	312.45%	267.74%	271.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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.

**NORTH BERGEN BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S 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	\$ 1,894,407	\$ 1,743,179	\$ 1,641,123	\$ 1,453,565	\$ 1,496,515	\$ 1,384,539	\$ 1,336,647	\$ 1,245,417	\$ 1,181,383	\$ 1,051,611
Contributions in Relation to the Contractually Required Contributions	<u>1,894,407</u>	<u>1,743,179</u>	<u>1,641,123</u>	<u>1,453,565</u>	<u>1,496,515</u>	<u>1,384,539</u>	<u>1,336,647</u>	<u>1,245,417</u>	<u>1,181,383</u>	<u>1,051,611</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 11,189,274	\$ 11,216,390	\$ 10,880,624	\$ 11,006,253	\$ 10,844,211	\$ 10,612,226	\$ 10,356,895	\$ 10,323,957	\$ 10,407,670	\$ 10,021,208
Contributions as a Percentage of Covered Payroll	16.93%	15.54%	15.08%	13.21%	13.80%	13.05%	12.91%	12.06%	11.35%	10.49%

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

**TEACHERS' PENSION AND ANNUITY FUND  
Last 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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated With the District	<u>267,166,188</u>	<u>252,775,340</u>	<u>351,360,608</u>	<u>324,785,108</u>	<u>338,362,968</u>	<u>354,838,049</u>	<u>418,493,907</u>	<u>340,769,186</u>	<u>288,185,424</u>	<u>266,185,254</u>
<b>Total</b>	<b><u>\$ 267,166,188</u></b>	<b><u>\$ 252,775,340</u></b>	<b><u>\$ 351,360,608</u></b>	<b><u>\$ 324,785,108</u></b>	<b><u>\$ 338,362,968</u></b>	<b><u>\$ 354,838,049</u></b>	<b><u>\$ 418,493,907</u></b>	<b><u>\$ 340,769,186</u></b>	<b><u>\$ 288,185,424</u></b>	<b><u>\$ 266,185,254</u></b>
District's Covered Payroll	\$ 58,800,960	\$ 58,755,718	\$ 58,107,175	\$ 57,438,423	\$ 56,584,622	\$ 54,819,749	\$ 54,487,044	\$ 53,199,487	\$ 53,640,498	\$ 52,784,010
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0	0	0	0	0	0	0	0	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.



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

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

**Postemployment Health Benefit Plan**

**Last Six Fiscal Years\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 12,410,210	\$ 14,213,484	\$ 7,996,066	\$ 7,490,941	\$ 8,379,228	\$ 10,146,364
Interest on Total OPEB Liability	5,702,283	6,653,655	6,238,675	7,396,144	7,910,186	6,807,664
Change in Benefit Terms		(273,004)				
Differences Between Expected and Actual Experience	3,756,496	(44,498,124)	51,056,287	(25,850,921)	(18,906,253)	-
Changes of Assumptions	(57,721,695)	253,048	52,098,683	2,574,054	(21,364,016)	(28,399,011)
Gross Benefit Payments	(5,648,280)	(5,241,216)	(4,965,330)	(5,299,487)	(4,978,137)	(5,462,469)
Member Contributions	<u>181,200</u>	<u>170,101</u>	<u>150,499</u>	<u>157,092</u>	<u>172,052</u>	<u>201,142</u>
Net Change in Total OPEB Liability	(41,319,786)	(28,722,056)	112,574,880	(13,532,177)	(28,786,940)	(16,706,310)
Total OPEB Liability - Beginning of Year	<u>256,491,320</u>	<u>285,213,376</u>	<u>172,638,496</u>	<u>186,170,673</u>	<u>214,957,613</u>	<u>231,663,923</u>
Total OPEB Liability - End of Year	<u>\$ 215,171,534</u>	<u>\$ 256,491,320</u>	<u>\$ 285,213,376</u>	<u>\$ 172,638,496</u>	<u>\$ 186,170,673</u>	<u>\$ 214,957,613</u>
District's Proportionate Share of OPEB Liability	-	-	-	-	-	-
State's Proportionate Share of OPEB Liability	<u>\$ 215,171,534</u>	<u>\$ 256,491,320</u>	<u>\$ 285,213,376</u>	<u>\$ 172,638,496</u>	<u>\$ 186,170,673</u>	<u>\$ 214,957,613</u>
Total OPEB Liability - End of Year	<u>\$ 215,171,534</u>	<u>\$ 256,491,320</u>	<u>\$ 285,213,376</u>	<u>\$ 172,638,496</u>	<u>\$ 186,170,673</u>	<u>\$ 214,957,613</u>
District's Covered Payroll	<u>\$ 70,017,350</u>	<u>\$ 69,636,342</u>	<u>\$ 69,113,428</u>	<u>\$ 68,282,634</u>	<u>\$ 67,196,848</u>	<u>\$ 65,176,644</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>

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

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

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

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

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

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

**SPECIAL REVENUE FUND**

NORTH BERGEN BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Preschool Education	Subtotal Page 2	Subtotal Page 3	Subtotal Page 4	Subtotal Page 5	Grand Total
<b>REVENUES</b>						
Intergovernmental						
State	\$ 2,885,690					\$ 2,885,690
Federal		\$ 5,671,337	\$ 5,565,118	\$ 1,606,958		12,843,413
Other	-	-	-	-	\$ 546,163	546,163
<b>Total Revenues</b>	<b>2,885,690</b>	<b>5,671,337</b>	<b>5,565,118</b>	<b>1,606,958</b>	<b>546,163</b>	<b>16,275,266</b>
<b>EXPENDITURES</b>						
Instruction						
Salaries of Teachers	1,236,085	2,351,571		553,307		4,140,963
Other Salaries for Instruction	-					-
Purchased Prof. and Tech. Svcs.		129,092	-	-	-	129,092
Other Purchased Services	300	694,775	1,587,978			2,283,053
General Supplies	57,741	665,375	1,802,224	997,207	5,510	3,528,057
Co-Curricular Student Activities and Athletics	-	-	-	-	467,862	467,862
<b>Total Instruction</b>	<b>1,294,126</b>	<b>3,840,813</b>	<b>3,390,202</b>	<b>1,550,514</b>	<b>473,372</b>	<b>10,549,027</b>
Support Services						
Salaries of Supervisors of Instruction	102,510					102,510
Salaries of Program Directors	168,270	72,205				240,475
Salaries of Other Professional Staff	74,320	35,611			2,500	112,431
Salaries of Secretaries and Clerical Assistants	66,928	24,207				91,135
Other Salaries	-		761,315		16,853	778,168
Salaries of Master Teachers	155,176					155,176
Personal Services-Employee Benefits	510,511	1,484,492	497,389	39,015	777	2,532,184
Purchased Professional and Technical Service		177,737	868,719	8,200	-	1,054,656
Purchased Professional - Educational Services						-
Other Purchased Professional - Education Services	1,500					1,500
Other Purchased Professional Services	34,000					34,000
Cleaning, Repairs and Maintenance	79,892					79,892
Rentals	280,067					280,067
Other Purchased Services		12,509	281	9,229		22,019
Contracted Transportation Services	3,750					3,750
Miscellaneous Purchased Services	15,732					15,732
Supplies and Materials	28,347	23,763	41,703		-	93,813
Other Objects	-	-	-	-	-	-
<b>Total Support Services</b>	<b>1,521,003</b>	<b>1,830,524</b>	<b>2,169,407</b>	<b>56,444</b>	<b>20,130</b>	<b>5,597,508</b>
Facilities Acquisition and Construction Services						
Construction Services						
Instructional Equipment	-		5,509	-	-	5,509
NonInstructional	70,561	-	-	-	-	70,561
<b>Total Facilities Acquisition and Construction Services</b>	<b>70,561</b>	<b>-</b>	<b>5,509</b>	<b>-</b>	<b>-</b>	<b>76,070</b>
<b>Total Expenditures</b>	<b>2,885,690</b>	<b>5,671,337</b>	<b>5,565,118</b>	<b>1,606,958</b>	<b>493,502</b>	<b>16,222,605</b>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	52,661	52,661
Fund Balance, Beginning of Year	-	-	-	-	300,565	300,565
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ 353,226	\$ 353,226

NORTH BERGEN BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

ESEA								Page
	Title I	Title I SIA	Title II A	Title III	Title III Immigrant	Title IV	ACSERS	Total
<b>REVENUES</b>								
Intergovernmental								
Federal	\$ 3,869,459	\$ 128,478	\$ 385,442	\$ 197,273	\$ 84,417	\$ 311,493	\$ 694,775	\$ 5,671,337
Total Revenues	<u>3,869,459</u>	<u>128,478</u>	<u>385,442</u>	<u>197,273</u>	<u>84,417</u>	<u>311,493</u>	<u>694,775</u>	<u>5,671,337</u>
<b>EXPENDITURES</b>								
Instruction								
Salaries of Teachers	1,934,857		215,124	123,969	77,621			2,351,571
Purchased Prof. and Tech. Serv.	129,092							129,092
Other Purchased Services							\$ 694,775	694,775
General Supplies	224,800	128,478	-	66,967	-	245,130	-	665,375
Total Instruction	<u>2,288,749</u>	<u>128,478</u>	<u>215,124</u>	<u>190,936</u>	<u>77,621</u>	<u>245,130</u>	<u>694,775</u>	<u>3,840,813</u>
Support Services								
Salaries of Program Directors	72,205							72,205
Salaries of Other Professional Staff					-	35,611		35,611
Salaries of Secretaries and Clerical Assistar	24,207							24,207
Personal Services-Employee Benefits	1,334,034		135,000	5,938	6,796	2,724		1,484,492
Purchased Professional and Technical Svcs.	113,992	-	35,318	399	-	28,028		177,737
Other Purchased Services	12,509							12,509
Supplies and Materials	23,763	-	-	-	-	-	-	23,763
Total Support Services	<u>1,580,710</u>	<u>-</u>	<u>170,318</u>	<u>6,337</u>	<u>6,796</u>	<u>66,363</u>	<u>-</u>	<u>1,830,524</u>
Total Expenditures	<u>3,869,459</u>	<u>128,478</u>	<u>385,442</u>	<u>197,273</u>	<u>84,417</u>	<u>311,493</u>	<u>694,775</u>	<u>5,671,337</u>
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTH BERGEN BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ARP IDEA				IDEA		Page Total
	ESSER II	CARES ESSER I	Basic	Preschool	Basic	Preschool	
<b>REVENUES</b>							
Intergovernmental							
Federal	\$ 3,022,926	\$ 1,432	\$ 131,478	\$ 31,504	\$ 2,291,000	\$ 86,778	\$ 5,565,118
Total Revenues	<u>3,022,926</u>	<u>1,432</u>	<u>131,478</u>	<u>31,504</u>	<u>2,291,000</u>	<u>86,778</u>	<u>5,565,118</u>
<b>EXPENDITURES</b>							
Instruction							
Purchased Professional and Technical Services					1,587,978		-
Other Purchased Services			-		53,281		1,587,978
General Supplies	1,747,511	1,432	-	-	-	-	1,802,224
Total Instruction	<u>1,747,511</u>	<u>1,432</u>	<u>-</u>	<u>-</u>	<u>1,641,259</u>	<u>-</u>	<u>3,390,202</u>
Support Services							
Other Salaries	761,315						761,315
Personal Services-Employee Benefits	497,389						497,389
Purchased Professional and Technical Services	-		131,478	31,504	618,959	86,778	868,719
Other Purchased Services					281		281
Supplies and Materials	16,711	-	-	-	24,992	-	41,703
Total Support Services	<u>1,275,415</u>	<u>-</u>	<u>131,478</u>	<u>31,504</u>	<u>644,232</u>	<u>86,778</u>	<u>2,169,407</u>
Facilities Acquisition and Construction Svcs							
Instructional Equipment	-	-	-	-	5,509	-	5,509
NonInstructional Equipment	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Svcs.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,509</u>	<u>-</u>	<u>5,509</u>
Total Expenditures	<u>3,022,926</u>	<u>1,432</u>	<u>131,478</u>	<u>31,504</u>	<u>2,291,000</u>	<u>86,778</u>	<u>5,565,118</u>
Fund Balance, Beginning of Year	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTH BERGEN BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ARP ESSER					Page Total
	ARP ESSER	Accelerated Learning	Summer	Mental Health	Homeless	
<b>REVENUES</b>						
Intergovernmental						
Federal	\$ 997,207	\$ 538,250	\$ 49,057	\$ 8,200	\$ 14,244	\$ 1,606,958
Total Revenues	<u>997,207</u>	<u>538,250</u>	<u>49,057</u>	<u>8,200</u>	<u>14,244</u>	<u>1,606,958</u>
<b>EXPENDITURES</b>						
Instruction						
Salaries of Teachers		500,000	49,057		4,250	553,307
Purchased Professional and Technical Services		-				-
General Supplies	997,207	-	-	-	-	997,207
Total Instruction	<u>997,207</u>	<u>500,000</u>	<u>49,057</u>	<u>-</u>	<u>4,250</u>	<u>1,550,514</u>
Support Services						
Personal Services-Employee Benefits		38,250	-		765	39,015
Purchased Professional and Technical Services	-			8,200		8,200
Other Purchased Services	-	-	-	-	9,229	9,229
Total Support Services	<u>-</u>	<u>38,250</u>	<u>-</u>	<u>8,200</u>	<u>9,994</u>	<u>56,444</u>
Total Expenditures	<u>997,207</u>	<u>538,250</u>	<u>49,057</u>	<u>8,200</u>	<u>14,244</u>	<u>1,606,958</u>
Fund Balance, Beginning of Year	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



NORTH BERGEN BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Juvenile Comm. Serv.	Local	Student Activities	Page Total
<b>REVENUES</b>				
Intergovernmental				
Other	\$ 17,630	\$ 8,010	\$ 520,523	\$ 546,163
Total Revenues	<u>17,630</u>	<u>8,010</u>	<u>520,523</u>	<u>546,163</u>
<b>EXPENDITURES</b>				
Instruction				
Purchased Prof. and Tech. Svcs.		-		-
General Supplies		5,510		5,510
Co-Curricular Student Activities and Athletics	-	-	467,862	467,862
Total Instruction	<u>-</u>	<u>5,510</u>	<u>467,862</u>	<u>473,372</u>
Support Services				
Salaries of Other Professional Staff		2,500		2,500
Other Salaries	16,853			16,853
Salaries of Master Teachers				-
Personal Services-Employee Benefits	777			777
Purchased Professional and Technical Service	-			-
Supplies and Materials	-	-	-	-
Other Objects	-	-	-	-
Total Support Services	<u>17,630</u>	<u>2,500</u>	<u>-</u>	<u>20,130</u>
Total Expenditures	<u>17,630</u>	<u>8,010</u>	<u>467,862</u>	<u>493,502</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	52,661	52,661
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>300,565</u>	<u>300,565</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 353,226</u>	<u>\$ 353,226</u>

**NORTH BERGEN BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES</b>			
Instruction			
Salaries of Teachers	\$ 1,236,931	\$ 1,236,085	\$ 846
Other Salaries of Instruction	238	-	238
Other Purchased Services	5,000	300	4,700
General Supplies	<u>58,200</u>	<u>57,741</u>	<u>459</u>
Total Instruction	<u>1,300,369</u>	<u>1,294,126</u>	<u>6,243</u>
Support Services			
Salaries of Supervisors of Instruction	103,067	102,510	557
Salaries of Program Directors	168,943	168,270	673
Salaries of Other Professional Staff	91,289	74,320	16,969
Salaries of Secretaries and Clerical Assistants	66,928	66,928	-
Other Salaries	11,345	-	11,345
Salaries of Master Teachers	155,177	155,176	1
Personal Services - Employee Benefits	510,511	510,511	-
Other Purchased Professional - Education Services	5,000	1,500	3,500
Other Purchased Professional Services	35,000	34,000	1,000
Cleaning, Repairs and Maintenance	81,000	79,892	1,108
Rentals	280,100	280,067	33
Contracted Transportation Services (Between Home and School)	6,500	3,750	2,750
Miscellaneous Purchased Services	15,738	15,732	6
Supplies and Materials	52,005	28,347	23,658
Other Objects	<u>100</u>	<u>-</u>	<u>100</u>
Total Support Services	<u>1,582,703</u>	<u>1,521,003</u>	<u>61,700</u>
Facilities Acquisition and Construction Services			
Instructional Equipment	43,500		43,500
Non Instructional Equipment	<u>145,277</u>	<u>70,561</u>	<u>74,716</u>
Total Facilities Acquisition and Construction Services	<u>188,777</u>	<u>70,561</u>	<u>118,216</u>
Total Expenditures	<u>\$ 3,071,849</u>	<u>\$ 2,885,690</u>	<u>\$ 186,159</u>
Total Revised 2022-2023 Preschool Education Aid Allocation			\$ 2,402,000
Actual Preschool Education Aid Carryover (June 30, 2022)			1,139,351
Add: Prior Year Accounts Payable and Encumbrances Cancelled			<u>12,465</u>
Total Preschool Education Aid Funds Available for 2022-2023 Budget			3,553,816
Less: 2022-2023 Budgeted Preschool Education Aid (including Prior Year Budgeted Carryover)			<u>3,071,849</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023			481,967
Add: 2022-2023 Unexpended Preschool Education Aid			<u>186,159</u>
2022-2023 Carryover - Preschool Education Aid/Preschool			<u>\$ 668,126</u>
2022-2023 Preschool Education Aid Carryover Budgeted for Preschool Programs 2023-2024			<u>\$ 453,924</u>

**CAPITAL PROJECTS FUND**

**NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Issue/Project Title</u>	<u>Expenditures to Date</u>			<u>Balance, June 30, 2023</u>
	<u>Modified Appropriations</u>	<u>Prior Years</u>	<u>Current Year</u>	
McKinley Elementary School Rehabilitation - Exterior Masonry, Façade, and Sealants	\$ 428,614	\$ 185,265		\$ 243,349
Robert Fulton Elementary School Rehabilitation - Roof Replacement and Masonry Repairs	809,553	359,942		449,611
Lincoln Elementary School Rehabilitation - Exterior Masonry, Façade, and Sealants	597,125	313,582		283,543
Horace Mann Elementary School Rehabilitation - Roof Replacement and Masonry Repairs	754,250	444,768		309,482
Acq. of Property Formerly Known as Hudson County Technical High School and provide for Additions, Renovations, Alterations and Improvements	59,585,170	22,140,243	\$ 20,592,194	16,852,733
Additions, Renovations, Alterations and Improvements To North Bergen High School	<u>15,372,830</u>	<u>63,205</u>	<u>978,714</u>	<u>14,330,911</u>
	<u>\$ 77,547,542</u>	<u>\$ 23,507,005</u>	<u>\$ 21,570,908</u>	<u>\$ 32,469,629</u>

**Reconciliation of Project Balances to Fund Balance**

Project Balances at June 30, 2023	\$ 32,469,629
Add: Reserve for Debt Service	<u>162,366</u>
Fund Balance (GAAP)	<u>\$ 32,631,995</u>

**Recapitulation of Fund Balance**

Restricted for Debt Service	\$ 162,366
Restricted for Capital Projects	
Encumbrances	26,522,927
Available for Capital Projects	<u>5,946,702</u>
Total Fund Balance- Restricted for Capital Projects	<u>\$ 32,631,995</u>

**NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**REVENUES AND OTHER FINANCING SOURCES**

Interest Income	\$ 646,874
Bond Proceeds	<u>40,000,000</u>
 Total Revenues	 <u>40,646,874</u>

**EXPENDITURES AND OTHER FINANCING USES**

Architectural/Engineering Services	2,166,156
Construction Services	19,404,752
Transfer to General Fund	<u>646,874</u>
 Total Expenditures	 <u>22,217,782</u>

Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	18,429,092
 Fund Balance, Beginning of Year	 <u>14,202,903</u>
 Fund Balance, End of Year	 <u>\$ 32,631,995</u>

NORTH BERGEN BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
 MCKINLEY ELEMENTARY SCHOOL REHABILITATION - EXTERIOR MASONRY, FAÇADE,  
 AND SEALANTS  
 FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2023

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

## Additional Project Information:

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

## Percentage Increase over Original Authorized

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

**NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
ROBERT FULTON ELEMENTARY SCHOOL REHABILITATION  
ROOF REPLACEMENT AND MASONRY REPAIRS  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 449,699		\$ 449,699	\$ 449,699
Capital Reserve	<u>359,854</u>	<u>-</u>	<u>359,854</u>	<u>359,854</u>
Total Revenues and Other Financing Sources	<u>809,553</u>	<u>-</u>	<u>809,553</u>	<u>809,553</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	29,852		29,852	97,146
Construction Services	<u>330,090</u>	<u>-</u>	<u>330,090</u>	<u>712,407</u>
Total Expenditures and Other Financing Uses	<u>359,942</u>	<u>-</u>	<u>359,942</u>	<u>809,553</u>
Excess of Revenues Over Expenditures	<u>\$ 449,611</u>	<u>\$ -</u>	<u>\$ 449,611</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	3610-110-14-1021			
Grant Date	January 6, 2014			
Original Authorized Cost	\$ 776,450			
Additional Authorized Cost	33,103			
Revised Authorized Cost	\$ 809,553			
Percentage Increase over Original Authorized				
Cost	4%			
Original Target Completion Date	June 30, 2015			
Revised Target Completion Date	June 30, 2021			

NORTH BERGEN BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
 LINCOLN ELEMENTARY SCHOOL REHABILITATION  
 EXTERIOR MASONRY, FAÇADE AND SEALANTS  
 FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2023

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

## Additional Project Information:

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

Percentage Decrease over Original Authorized  
 Cost

18%

Original Target Completion Date

June 30, 2015

Revised Target Completion Date

December 31, 2020



NORTH BERGEN BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
 HORACE MANN ELEMENTARY SCHOOL REHABILITATION  
 ROOF REPLACEMENT AND MASONRY REPAIRS  
 FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2023

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

## Additional Project Information:

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

## Percentage Decrease over Original Authorized

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

**NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
ACQ. OF PROPERTY FORMERLY KNOWN AS HUDSON COUNTY TECHNICAL HIGH SCHOOL AND  
PROVIDE FOR ADDITIONS, RENOVATIONS, ALTERATIONS AND IMPROVEMENTS  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 20,000,000	\$ 24,627,170	\$ 44,627,170	\$ 44,627,170
State Aid	10,000,000		10,000,000	10,000,000
Capital Reserve	4,958,000	-	4,958,000	4,958,000
	<u>34,958,000</u>	<u>24,627,170</u>	<u>59,585,170</u>	<u>59,585,170</u>
<b>Total Revenues and Other Financing Sources</b>				
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	4,093,757	1,187,442	5,281,199	3,340,000
Acquisition of Land	10,197,128		10,197,128	10,000,000
Construction Services	7,849,358	19,404,752	27,254,110	46,245,170
	<u>22,140,243</u>	<u>20,592,194</u>	<u>42,732,437</u>	<u>59,585,170</u>
<b>Total Expenditures and Other Financing Uses</b>				
Excess of Revenues Over Expenditures	<u>\$ 12,817,757</u>	<u>\$ 4,034,976</u>	<u>\$ 16,852,733</u>	<u>\$ -</u>

## Additional Project Information:

Project Number	SP#3610-N06-17-1000
Original Authorized Cost	\$ 49,585,170
Additional Authorized Cost	10,000,000
Revised Authorized Cost	\$ 59,585,170

## Percentage Increase over Original Authorized

Cost	20%
Original Target Completion Date	August 2021
Revised Target Completion Date	August 2024

**NORTH BERGEN BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
ADDITIONS, RENOVATIONS, ALTERATIONS AND IMPROVEMENTS  
TO NORTH BERGEN HIGH SCHOOL  
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds		15,372,830	15,372,830	\$ 15,372,830
Capital Reserve	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>-</u>	<u>15,372,830</u>	<u>15,372,830</u>	<u>15,372,830</u>
<b>Expenditures and Other Financing Uses</b>				
Architectural/Engineering Services	\$ 63,205	\$ 978,714	\$ 1,041,919	2,328,088
Construction Services	-	-	-	13,044,742
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>63,205</u>	<u>978,714</u>	<u>1,041,919</u>	<u>15,372,830</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (63,205)</u>	<u>\$ 14,394,116</u>	<u>\$ 14,330,911</u>	<u>\$ -</u>

Additional Project Information:

Project Numbers	SP#3610-050-18-1000, SP#3610-050-18-2000, SP#3610-050-18-3000 SP#3610-050-18-4000, SP#3610-050-18-5000, SP#3610-050-18-6000
Original Authorized Cost	\$ 15,372,830
Additional Authorized Cost	
Revised Authorized Cost	\$ 15,372,830
Percentage Increase over Original Authorized Cost	0%
Original Target Completion Date	August 2021
Revised Target Completion Date	August 2024

**PROPRIETARY FUNDS**

**EXHIBIT G-1**

**NORTH BERGEN BOARD OF EDUCATION  
PROPRIETARY FUND  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2022**

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

**EXHIBIT G-2**

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

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

**EXHIBIT G-3**

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

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

**FIDUCIARY FUNDS**

**NOT APPLICABLE**

**LONG-TERM DEBT**

**NORTH BERGEN BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
Pension Obligation Refunding Bonds	10/31/2013	\$ 3,225,000	4/1/2024	\$ 285,000	5.054 %	\$ 1,135,000		\$ 275,000	\$ 860,000
			4/1/2025	300,000	5.054				
			4/1/2026	275,000	5.054				
2020 School Bonds	2/13/2020	20,000,000	2/1/2024	500,000	2.500				
			2/1/2025	505,000	2.500				
			2/1/2026	515,000	2.500				
			2/1/2027	530,000	2.500				
			2/1/2028	540,000	2.500				
			2/1/2029	555,000	2.500				
			2/1/2030	570,000	2.500				
			2/1/2031	585,000	2.500				
			2/1/2032	595,000	2.500				
			2/1/2033	610,000	2.500				
			2/1/2034	630,000	2.500				
			2/1/2035	645,000	2.500				
			2/1/2036	665,000	2.500				
			2/1/2037	680,000	2.500				
			2/1/2038	700,000	2.500				
			2/1/2039	720,000	2.500				
			2/1/2040	740,000	2.500				
			2/1/2041	760,000	2.500				
			2/1/2042	785,000	2.500				
			2/1/2043	805,000	2.500				
			2/1/2044	830,000	2.625				
			2/1/2045	855,000	2.625				
2/1/2046	880,000	2.750							
2/1/2047	910,000	2.750							
2/1/2048	935,000	2.750							
2/1/2049	965,000	2.750							
2/1/2050	990,000	2.750	19,500,000	500,000	19,000,000				



**NORTH BERGEN BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>		<u>Balance, July 1, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2023</u>	
			<u>Date</u>	<u>Amount</u>							
2022 School Bonds	7/28/2022	\$ 40,000,000	7/15/24	\$ 1,000,000	3.125	%					
			7/15/25-31	1,000,000	3.250						
			7/15/32-33	1,000,000	3.500						
			7/15/34	1,090,000	4.000						
			7/15/35	1,135,000	4.000						
			7/15/36	1,180,000	4.000						
			7/15/37	1,225,000	4.000						
			7/15/38	1,280,000	4.000						
			7/15/39	1,330,000	4.000						
			7/15/40	1,390,000	4.000						
			7/15/41	1,440,000	4.000						
			7/15/42	1,505,000	4.000						
			7/15/43	1,565,000	4.000						
			7/15/44	1,630,000	4.000						
			7/15/45	1,695,000	4.000						
			7/15/46	1,765,000	4.000						
			7/15/47	1,845,000	4.000						
			7/15/48	1,925,000	4.000						
			7/15/49	2,000,000	4.000						
			7/15/50	2,000,000	4.000						
7/15/51	2,000,000	4.000									
7/15/52	2,000,000	4.000				\$ -	\$ 40,000,000	\$ -	\$ 40,000,000		
						\$ 20,635,000	\$ 40,000,000	\$ 775,000	\$ 59,860,000		

NORTH BERGEN BOARD OF EDUCATION  
LONG-TERM DEBT  
CAPITAL FINANCING AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Certificates of Participation	2/25/2016	\$ 7,575,000	12/15/2022	\$ 1,715,000	4.00	\$ 1,715,000		\$ 1,715,000	
Copier Machines	6/23/2021	631,093	8/1/2023-25	Various	2.54 %	541,457	\$ -	122,200	\$ 419,257
						<u>\$ 2,256,457</u>	<u>\$ -</u>	<u>\$ 1,837,200</u>	<u>\$ 419,257</u>

CAPITAL LEASES PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Description</u>	<u>Date of Lease</u>	<u>Amount of Issue</u>	<u>Annual Payments</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2023</u>
			<u>Year</u>	<u>Amount</u>					
Right-To-Use Building Lease - 7117 Polk Street	7/1/2014	\$ 2,684,233	2023/2024	\$ 343,091	3.50 %	\$ 667,672	\$ -	\$ 324,581	\$ 343,091

**NORTH BERGEN BOARD OF EDUCATION  
DEBT SERVICE 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 to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 2,227,992		\$ 2,227,992	\$ 2,227,992	
Miscellaneous				223	\$ 223
State Sources					
Debt Service Aid	<u>856,739</u>	<u>-</u>	<u>856,739</u>	<u>856,739</u>	<u>-</u>
Total Revenues	<u>3,084,731</u>	<u>-</u>	<u>3,084,731</u>	<u>3,084,954</u>	<u>223</u>
<b>EXPENDITURES</b>					
Debt Service					
Lease Purchase					
Principal	1,715,000		1,715,000	1,715,000	
Interest	34,300		34,300	34,300	
Bonds					
Principal		\$ 500,000	500,000	500,000	
Interest	504,581	-	504,581	500,681	3,900
Pension Obligation Bonds					
Principal	775,000	(500,000)	275,000	275,000	
Interest	55,850	-	55,850	55,850	-
Miscellaneous - Trustee Admin Fee	-	-	-	2,500	(2,500)
Total Expenditures	<u>3,084,731</u>	<u>-</u>	<u>3,084,731</u>	<u>3,083,331</u>	<u>1,400</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	1,623	1,623
Fund Balance, Beginning of Year	<u>6</u>	<u>-</u>	<u>6</u>	<u>6</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 1,629</u>	<u>\$ 1,623</u>

Designated for Subsequent Year's Budget	\$ 6
Available for Debt Service	<u>1,623</u>
	<u>\$ 1,629</u>

**NORTH BERGEN BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED  
INFORMATION TECHNOLOGY ARRANGEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Year</u>	<u>Description</u>	<u>Balance, July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, June 30, 2023</u>
2022	ReadyGEN Platform		\$ 435,992	\$ 147,436	\$ 288,556
2022	enVision Accelerated		6,108	6,108	-
2022	Envision Mathematics Subscription		150,098	150,098	-
2022	enVision Math		232,673	232,673	-
2022	SHI - Sophos		80,946	80,946	-
2022	Encuentros 2022 - WebSAM License		151,605	151,605	-
2022	Cisco EA Bundle	-	100,593	25,739	74,854
		<u>\$ -</u>	<u>\$ 1,158,015</u>	<u>\$ 794,605</u>	<u>\$ 363,410</u>

## STATISTICAL SECTION

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

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

	As of June 30,									
	2014 (1)	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 40,601,409	\$ 45,233,311	\$ 46,523,366	\$ 49,080,720	\$ 51,220,429	\$ 52,144,194	\$ 56,530,766	\$ 56,151,791	\$ 70,511,164	\$ 74,364,206
Restricted	14,765,943	10,301,109	18,322,309	13,684,522	13,503,685	14,582,002	20,815,238	35,274,312	48,719,095	59,210,536
Unrestricted	(35,618,889)	(31,328,800)	(36,862,342)	(34,938,961)	(36,181,905)	(34,590,038)	(36,307,709)	(37,136,075)	(31,185,334)	(28,143,652)
<b>Total Governmental Activities Net Position</b>	<b>\$ 19,748,463</b>	<b>\$ 24,205,620</b>	<b>\$ 27,983,333</b>	<b>\$ 27,826,281</b>	<b>\$ 28,542,209</b>	<b>\$ 32,136,158</b>	<b>\$ 41,038,295</b>	<b>\$ 54,290,028</b>	<b>\$ 88,044,925</b>	<b>\$ 105,431,090</b>
<b>Business-Type Activities</b>										
Investment in Capital Assets	\$ 34,275	\$ 31,513	\$ 28,752	\$ 33,240	\$ 41,149	\$ 37,090	\$ 54,598	\$ 48,143	\$ 124,190	\$ 113,308
Unrestricted	691,390	769,370	1,015,447	1,032,010	1,064,013	1,112,468	968,310	1,444,361	2,544,509	2,687,868
<b>Total Business-Type Activities Net Position</b>	<b>\$ 725,665</b>	<b>\$ 800,883</b>	<b>\$ 1,044,199</b>	<b>\$ 1,065,250</b>	<b>\$ 1,105,162</b>	<b>\$ 1,149,558</b>	<b>\$ 1,022,908</b>	<b>\$ 1,492,504</b>	<b>\$ 2,668,699</b>	<b>\$ 2,801,176</b>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 40,635,684	\$ 45,264,824	\$ 46,552,118	\$ 49,113,960	\$ 51,261,578	\$ 52,181,284	\$ 56,585,364	\$ 56,199,934	\$ 70,635,354	\$ 74,477,514
Restricted	14,765,943	10,301,109	18,322,309	13,684,522	13,503,685	14,582,002	20,815,238	35,274,312	48,719,095	59,210,536
Unrestricted	(34,927,499)	(30,559,430)	(35,846,895)	(33,906,951)	(35,117,892)	(33,477,570)	(35,339,399)	(35,691,714)	(28,640,825)	(25,455,784)
<b>Total District Net Position</b>	<b>\$ 20,474,128</b>	<b>\$ 25,006,503</b>	<b>\$ 29,027,532</b>	<b>\$ 28,891,531</b>	<b>\$ 29,647,371</b>	<b>\$ 33,285,716</b>	<b>\$ 42,061,203</b>	<b>\$ 55,782,532</b>	<b>\$ 90,713,624</b>	<b>\$ 108,232,266</b>

- (1) Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions".  
(2) Net position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".  
(3) Net position at June 30, 2021 is restated to reflect the implementation of GASB Statement No. 87, "Leases".

**NORTH BERGEN BOARD OF EDUCATION  
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>										
<b>Instruction</b>										
Regular	\$ 48,062,992	\$ 56,216,853	\$ 60,312,310	\$ 67,250,193	\$ 69,252,700	\$ 63,644,374	\$ 60,458,479	\$ 67,067,620	\$ 58,345,692	\$ 57,595,046
Special Education	16,364,077	20,000,057	21,371,331	24,113,217	25,056,382	24,258,879	23,848,462	23,369,643	20,762,689	18,507,070
Other Instruction	9,400,836	9,742,185	10,357,495	11,908,442	11,534,561	12,010,820	11,751,872	13,126,698	12,114,883	13,394,390
School Sponsored Activities And Athletics	2,087,712	2,284,648	2,450,975	2,784,999	2,922,663	2,972,354	2,643,478	2,595,356	3,062,203	2,956,379
<b>Support Services:</b>										
Student & Instruction Related Services	13,433,274	15,204,154	16,519,639	18,686,314	19,397,649	17,933,421	17,071,514	18,225,920	17,714,424	17,634,226
General Administration	2,446,297	2,527,627	2,800,487	3,052,249	2,728,117	2,743,501	2,241,707	2,406,952	1,941,563	2,037,989
School Administrative Services	8,005,807	9,453,664	10,169,920	11,099,792	11,310,032	10,976,374	10,521,309	11,897,156	9,782,371	9,641,497
Plant Operations And Maintenance	14,789,426	14,147,869	13,723,364	16,042,326	16,298,080	16,010,748	16,187,072	16,128,843	15,209,641	14,390,688
Pupil Transportation	3,796,694	4,019,075	3,957,813	3,717,316	3,886,776	3,863,529	3,021,876	2,648,568	3,927,105	5,432,736
Business and Other Support Services	2,716,209	3,145,017	3,093,191	3,203,625	3,547,726	3,836,790	3,573,405	3,908,527	3,630,192	3,576,333
Interest On Long-Term Debt	910,459	819,740	841,211	547,825	494,870	436,153	570,703	808,102	786,468	2,078,171
<b>Total Governmental Activities Expenses</b>	<b>122,013,783</b>	<b>137,560,889</b>	<b>145,597,736</b>	<b>162,406,298</b>	<b>166,429,556</b>	<b>158,686,943</b>	<b>151,889,877</b>	<b>162,183,385</b>	<b>147,277,231</b>	<b>147,244,525</b>
<b>Business-Type Activities:</b>										
Food Service	2,903,222	2,945,158	2,989,029	3,061,343	2,947,323	2,960,902	2,516,312	2,567,242	3,944,212	3,652,101
<b>Total Business-Type Activities Expense</b>	<b>2,903,222</b>	<b>2,945,158</b>	<b>2,989,029</b>	<b>3,061,343</b>	<b>2,947,323</b>	<b>2,960,902</b>	<b>2,516,312</b>	<b>2,567,242</b>	<b>3,944,212</b>	<b>3,652,101</b>
<b>Total District Expenses</b>	<b>\$ 124,917,005</b>	<b>\$ 140,506,047</b>	<b>\$ 148,586,765</b>	<b>\$ 165,467,641</b>	<b>\$ 169,376,879</b>	<b>\$ 161,647,845</b>	<b>\$ 154,406,189</b>	<b>\$ 164,750,627</b>	<b>\$ 151,221,443</b>	<b>\$ 150,896,626</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges For Services:</b>										
Regular Instruction	\$ 4,389,854	\$ 4,293,630	\$ 4,029,702	\$ 4,239,503	\$ 4,598,903	\$ 4,937,577	\$ 5,457,950	\$ 4,792,514	\$ 4,585,621	\$ 4,549,804
School Sponsored Activities and Athletics								54,326	375,679	520,523
Operating Grants And Contributions	23,763,862	38,311,398	44,897,037	56,472,260	58,779,883	52,617,460	46,884,690	63,045,313	50,457,881	44,527,846
Capital Grants And Contributions	84,373	1,984,809	1,084,063	970,572	2,277	8,108	406,172	414,607	13,704,528	337,013
<b>Total Governmental Activities Program Revenues</b>	<b>28,238,089</b>	<b>44,589,837</b>	<b>50,010,802</b>	<b>61,682,335</b>	<b>63,381,063</b>	<b>57,563,145</b>	<b>52,748,812</b>	<b>68,306,760</b>	<b>69,123,709</b>	<b>49,935,186</b>
<b>Business-Type Activities:</b>										
<b>Charges For Services</b>										
Food Service	\$ 596,612	\$ 603,366	\$ 608,017	\$ 599,065	\$ 563,293	\$ 568,496	\$ 418,788	\$ 20,440	\$ 183,186	\$ 413,403
Operating Grants And Contributions	2,460,891	2,416,884	2,623,970	2,482,935	2,422,299	2,432,586	1,968,433	3,015,851	4,936,385	3,353,779
<b>Total Business Type Activities Program Revenues</b>	<b>3,057,503</b>	<b>3,020,250</b>	<b>3,231,987</b>	<b>3,082,000</b>	<b>2,985,592</b>	<b>3,001,082</b>	<b>2,387,221</b>	<b>3,036,291</b>	<b>5,119,571</b>	<b>3,767,182</b>
<b>Total District Program Revenues</b>	<b>\$ 31,295,592</b>	<b>\$ 47,610,087</b>	<b>\$ 53,242,789</b>	<b>\$ 64,764,335</b>	<b>\$ 66,366,655</b>	<b>\$ 60,564,227</b>	<b>\$ 55,136,033</b>	<b>\$ 71,343,051</b>	<b>\$ 74,243,280</b>	<b>\$ 53,702,368</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (93,775,694)	\$ (92,971,052)	\$ (95,586,934)	\$ (100,723,963)	\$ (103,048,493)	\$ (101,123,798)	\$ (99,141,065)	\$ (93,876,625)	\$ (78,153,522)	\$ (97,309,339)
Business-Type Activities	154,281	75,092	242,958	20,657	38,269	40,180	(129,091)	469,049	1,175,359	115,081
<b>Total District-Wide Net Expense</b>	<b>\$ (93,621,413)</b>	<b>\$ (92,895,960)</b>	<b>\$ (95,343,976)</b>	<b>\$ (100,703,306)</b>	<b>\$ (103,010,224)</b>	<b>\$ (101,083,618)</b>	<b>\$ (99,270,156)</b>	<b>\$ (93,407,576)</b>	<b>\$ (76,978,163)</b>	<b>\$ (97,194,258)</b>

**NORTH BERGEN BOARD OF EDUCATION**  
**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>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
General Revenues										
Property Taxes - General Purposes	\$ 42,141,260	\$ 43,507,740	\$ 45,550,000	\$ 46,734,214	\$ 48,709,108	\$ 49,895,435	\$ 50,493,344	\$ 51,250,000	\$ 52,119,867	\$ 53,162,264
Property Taxes - Debt Service	1,593,869	1,576,831	1,573,392	1,423,414	1,567,487	1,529,144	1,554,287	1,546,670	2,075,291	2,227,992
State Aid - Unrestricted	50,857,905	51,010,601	51,001,448	51,387,346	52,484,655	51,877,191	52,848,590	53,249,905	55,975,237	55,349,420
State Aid - Restricted for Debt Service	550,827	550,049	551,188	550,674	476,785	530,716	540,842	536,989	1,020,259	856,739
Investment Earnings	18,341	19,253	39,121	82,733	193,891	471,909	390,436	114,381	133,606	2,384,103
Miscellaneous Income	306,307	763,735	649,498	388,530	332,495	413,352	564,666	599,650	584,159	714,986
Gain (Loss) on Disposal of Assets	10,000	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<u>95,478,509</u>	<u>97,428,209</u>	<u>99,364,647</u>	<u>100,566,911</u>	<u>103,764,421</u>	<u>104,717,747</u>	<u>106,392,165</u>	<u>107,297,595</u>	<u>111,908,419</u>	<u>114,695,504</u>
Business-Type Activities:										
General Revenues										
Interest Earnings	131	126	358	394	1,643	4,216	2,441	547	836	17,396
<b>Total Business Type Activities</b>	<u>131</u>	<u>126</u>	<u>358</u>	<u>394</u>	<u>1,643</u>	<u>4,216</u>	<u>2,441</u>	<u>547</u>	<u>836</u>	<u>17,396</u>
<b>Total District-Wide</b>	<u>\$ 95,478,640</u>	<u>\$ 97,428,335</u>	<u>\$ 99,365,005</u>	<u>\$ 100,567,305</u>	<u>\$ 103,766,064</u>	<u>\$ 104,721,963</u>	<u>\$ 106,394,606</u>	<u>\$ 107,298,142</u>	<u>\$ 111,909,255</u>	<u>\$ 114,712,900</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,702,815	\$ 4,457,157	\$ 3,777,713	\$ (157,052)	\$ 715,928	\$ 3,593,949	\$ 7,251,100	\$ 13,420,970	\$ 33,754,897	\$ 17,386,165
Business-Type Activities	154,412	75,218	243,316	21,051	39,912	44,396	(126,650)	469,596	1,176,195	132,477
<b>Total District</b>	<u>\$ 1,857,227</u>	<u>\$ 4,532,375</u>	<u>\$ 4,021,029</u>	<u>\$ (136,001)</u>	<u>\$ 755,840</u>	<u>\$ 3,638,345</u>	<u>\$ 7,124,450</u>	<u>\$ 13,890,566</u>	<u>\$ 34,931,092</u>	<u>\$ 17,518,642</u>



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

	As of June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Nonspendable		\$ 746,280	\$ 424,454	\$ 455,822	\$ 440,660	\$ 398,500				
Restricted	\$ 16,046,061	13,469,501	18,804,592	17,150,168	16,747,103	12,766,887	\$ 20,395,447	\$ 35,108,770	\$ 46,970,173	\$ 57,571,325
Committed	26,686	57,114	465,127	1,379,824	644,243	1,313,238	593,720	605,313	996,000	3,230,500
Assigned	3,503,405	3,696,448	2,092,745	3,434,565	3,642,763	6,791,341	7,576,841	5,843,118	8,370,150	7,193,116
Unassigned	(4,726,127)	(3,659,697)	(3,768,087)	(3,739,862)	(3,743,874)	(4,026,420)	(4,258,955)	(2,381,413)	(2,690,369)	(3,079,853)
<b>Total General Fund</b>	<u>\$ 14,850,025</u>	<u>\$ 14,309,646</u>	<u>\$ 18,018,831</u>	<u>\$ 18,680,517</u>	<u>\$ 17,730,895</u>	<u>\$ 17,243,546</u>	<u>\$ 24,307,053</u>	<u>\$ 39,175,788</u>	<u>\$ 53,645,954</u>	<u>\$ 64,915,088</u>
<b>All Other Governmental Funds</b>										
Restricted	\$ 3,694,101	\$ 4,485,954	\$ 4,012,812	\$ 3,045,706	\$ 2,971,134	\$ 6,101,056	\$ 13,965,367	\$ 12,301,940	\$ 14,503,474	\$ 32,986,850
<b>Total All Other Governmental Funds</b>	<u>\$ 3,694,101</u>	<u>\$ 4,485,954</u>	<u>\$ 4,012,812</u>	<u>\$ 3,045,706</u>	<u>\$ 2,971,134</u>	<u>\$ 6,101,056</u>	<u>\$ 13,965,367</u>	<u>\$ 12,301,940</u>	<u>\$ 14,503,474</u>	<u>\$ 32,986,850</u>

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

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Property Taxes	\$ 43,735,129	\$ 45,084,571	\$ 47,123,392	\$ 48,157,628	\$ 50,276,595	\$ 51,424,579	\$ 52,047,631	\$ 52,796,670	\$ 54,195,158	\$ 55,390,256
Tuition Charges	4,389,854	4,293,630	4,029,702	4,239,503	4,598,903	4,937,577	5,457,950	4,792,514	4,585,621	4,549,804
Interest Earnings	18,341	19,253	39,121	82,733	193,891	471,909	390,436	114,381	133,606	2,384,103
Miscellaneous	356,390	812,423	701,532	440,106	383,598	501,779	616,804	700,326	1,008,182	1,268,349
State Sources	70,212,122	73,625,973	74,785,707	77,548,384	80,050,585	85,125,679	87,085,745	92,094,496	110,256,038	100,213,509
Federal Sources	4,994,762	5,589,986	6,148,253	6,256,531	6,287,587	6,377,588	5,349,703	7,908,754	14,829,291	11,333,767
<b>Total Revenue</b>	<b>123,706,598</b>	<b>129,425,836</b>	<b>132,827,707</b>	<b>136,724,885</b>	<b>141,791,159</b>	<b>148,839,111</b>	<b>150,948,269</b>	<b>158,407,141</b>	<b>185,007,896</b>	<b>175,139,788</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	48,751,266	48,258,565	50,228,150	52,221,904	56,016,919	56,506,718	55,853,705	58,191,509	62,641,336	63,765,300
Special Education Instruction	16,364,077	18,054,376	18,677,742	19,777,356	21,123,429	22,102,670	22,471,286	20,911,124	22,000,249	20,433,022
Other Instruction	9,400,836	8,698,195	8,974,600	9,720,858	9,540,589	10,911,929	10,987,923	11,725,845	12,816,372	14,651,537
School Sponsored Activities and Athletics	2,087,712	2,056,839	2,138,965	2,293,585	2,462,631	2,700,922	2,475,432	2,332,681	3,220,521	3,215,457
<b>Support Services:</b>										
Student and Inst. Related Services	13,394,135	14,118,157	14,874,866	15,695,525	16,516,797	16,584,049	16,356,023	16,438,008	18,411,606	19,021,701
General Administration	2,460,755	2,277,885	2,523,972	2,697,456	2,419,474	2,546,054	2,197,329	2,179,107	1,996,588	2,142,778
School Administrative Services	8,014,886	8,433,338	8,940,045	9,247,656	9,402,029	9,929,095	9,976,366	10,466,025	10,290,025	10,714,680
Plant Operations And Maintenance	11,709,601	12,078,308	11,412,244	12,337,585	12,521,251	13,042,755	13,470,933	12,712,067	13,311,053	13,221,919
Pupil Transportation	3,796,694	4,017,346	3,952,064	3,692,609	3,853,173	3,847,754	3,019,099	2,642,358	3,934,748	5,428,632
Business and Other Support Services	2,750,986	2,997,233	2,972,413	2,959,599	3,177,503	3,627,321	3,571,458	3,588,811	3,759,791	3,850,347
Capital Outlay	368,045	5,458,629	2,219,962	3,700,564	3,092,984	2,104,170	13,452,997	2,994,094	12,959,667	25,651,091
<b>Debt Service:</b>										
Principal	1,820,000	1,985,000	2,065,000	2,085,000	2,145,000	1,820,000	1,780,000	1,840,000	2,811,473	3,731,386
Interest and Other Charges	840,890	740,491	815,092	600,608	543,574	473,101	407,900	831,241	813,860	717,443
<b>Total Expenditures</b>	<b>121,759,883</b>	<b>129,174,362</b>	<b>129,795,115</b>	<b>137,030,305</b>	<b>142,815,353</b>	<b>146,196,538</b>	<b>156,020,451</b>	<b>146,852,870</b>	<b>168,967,289</b>	<b>186,545,293</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	1,946,715	251,474	3,032,592	(305,420)	(1,024,194)	2,642,573	(5,072,182)	11,554,271	16,040,607	(11,405,505)
<b>Other Financing Sources (Uses)</b>										
Proceeds From Borrowing	5,760,000		7,575,000				20,000,000			40,000,000
Proceeds From Capital Financing Agreements								631,093		
IT Subscription Arrangements										1,158,015
Premium on Issuance of Bonds/Certificates of Participation			800,793							
Payments to Refunding Escrow Agent	(3,149,873)		(8,172,342)							
Transfers In	1,500,000	2,364,834	233,650	13,493	51,854	6,212,910	41,999	542,323	11,350	646,874
Transfers Out	(1,500,000)	(2,364,834)	(233,650)	(13,493)	(51,854)	(6,212,910)	(41,999)	(542,323)	(11,350)	(646,874)
<b>Total Other Financing Sources (Uses)</b>	<b>2,610,127</b>	<b>-</b>	<b>203,451</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000,000</b>	<b>-</b>	<b>631,093</b>	<b>41,158,015</b>
<b>Net Change in Fund Balances</b>	<b>\$ 4,556,842</b>	<b>\$ 251,474</b>	<b>\$ 3,236,043</b>	<b>\$ (305,420)</b>	<b>\$ (1,024,194)</b>	<b>\$ 2,642,573</b>	<b>\$ 14,927,818</b>	<b>\$ 11,554,271</b>	<b>\$ 16,671,700</b>	<b>\$ 29,752,510</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	2.19%	2.20%	2.26%	2.01%	1.92%	1.59%	1.53%	1.86%	2.32%	2.77%

\* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Refunds</u>	<u>E-Rate</u>	<u>Solar Energy</u>	<u>Gate Receipts</u>	<u>Miscellaneous</u>	<u>Total</u>
2014	\$ 4,389,854	\$ 18,341	\$ 43,878		\$ 116,532	\$ 11,357	\$ 134,540	\$ 4,714,502
2015	4,293,630	19,253	151,248		144,680	10,428	457,379	5,076,618
2016	4,029,702	39,121	118,260	\$ 185,145	243,538	8,236	94,319	4,718,321
2017	4,239,503	82,733	61,722	35,929	252,919	11,515	21,440	4,705,761
2018	4,598,903	193,836	40,605	25,153	173,635	15,043	78,059	5,125,234
2019	4,937,577	471,909	10,603	12,914	166,005	9,356	214,474	5,822,838
2020	5,457,950	348,332	10,492		190,423	9,017	354,734	6,370,948
2021	4,792,514	91,925		229,032	171,662		198,956	5,484,089
2022	4,585,621	122,256	213,386		244,864	4,478	121,426	5,292,031
2023	4,549,804	1,737,229	111,085		148,098	8,352	447,228	7,001,796

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate <sup>a</sup>
2014	54,338,500	1,477,819,100	422,492,700	361,379,400	164,902,300	2,480,932,000	4,092,557	2,485,024,557	4,593,353,727	1.787
2015	44,353,300	1,476,800,900	479,620,100	363,715,900	168,470,800	2,532,961,000	4,174,875	2,537,135,875	4,805,626,920	1.817
2016	45,723,200	1,474,075,800	483,283,700	352,931,900	169,524,100	2,525,538,700	4,076,577	2,529,615,277	5,171,779,148	1.883
2017	49,625,100	1,480,100,600	501,492,600	354,589,100	174,509,200	2,560,316,600	3,940,684	2,564,257,284	5,615,942,611	1.920
2018	55,202,800	1,483,782,500	508,458,867	352,107,800	181,295,400	2,580,847,367	3,545,902	2,584,393,269	6,209,345,294	1.967
2019	46,939,200	1,486,380,800	508,047,767	351,771,100	181,655,600	2,574,794,467	3,420,264	2,578,214,731	6,571,705,138	2.007
2020	48,928,800	1,490,030,500	486,594,467	351,318,700	183,617,500	2,560,489,967	3,395,036	2,563,885,003	6,651,210,259	2.045
2021	50,615,400	1,493,139,400	468,034,467	364,514,200	186,704,800	2,563,008,267	3,378,806	2,566,387,073	6,988,919,154	2.085
2022 *	173,412,800	5,254,501,100	1,943,695,502	1,810,298,695	646,300,300	9,828,208,397	9,271,757	9,837,480,154	8,798,272,027	0.556
2023	161,432,700	5,261,063,300	1,847,883,802	1,774,284,895	691,354,500	9,736,019,197	9,863,546	9,745,882,743	9,762,696,286	0.575

Source: County Abstract of Ratables

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

\* Revaluation effective for 2022

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

<b>Year Ended June 30,</b>	<b><u>Total</u></b>	<b><u>Local School District</u></b>	<b><u>Municipality</u></b>	<b><u>County</u></b>
2014	\$ 5.240	\$ 1.787	\$ 2.460	\$ 0.993
2015	5.291	1.817	2.458	1.016
2016	5.467	1.883	2.513	1.071
2017	5.531	1.920	2.538	1.073
2018	5.636	1.967	2.585	1.084
2019	5.726	2.007	2.620	1.099
2020	5.732	2.045	2.679	1.008
2021	5.853	2.085	2.730	1.038
2022*	1.579	0.556	0.681	0.342
2023	1.628	0.575	0.694	0.359

\* Revaluation effective for 2022

Source: Table of Aggregates

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

Taxpayer	2023		2014	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Hartz Mountain Development	\$ 446,114,600	4.58%	\$ 71,458,300	2.88%
Vornado	211,356,000	2.17%		
5851 Westside Assoc.	201,578,895	2.07%	22,230,400	0.89%
Mack Associates	158,730,600	1.63%		
8100 River Road	152,682,100	1.57%		
FC/Treeco Columbia Park	149,933,000	1.54%	24,962,200	1.00%
7855 Blvd East	143,065,100	1.47%		
8101 Tonnelle Avenue	118,398,600	1.21%		
5901 West Side Avenue	93,612,800	0.96%		
5903 West Side Avenue	90,285,500	0.93%		
Woodcliff Gardens			24,007,800	0.97%
M-Industries LLC			34,857,600	1.40%
7912 River Road Apts., LLC			19,710,600	0.79%
Westview Tower Realty Co			18,000,000	0.72%
Stone Henge Apartments LLC			15,281,000	0.61%
Target			14,763,000	0.59%
2101 91st St LLC			14,400,000	0.58%
	<u>\$ 1,765,757,195</u>	<u>18.12%</u>	<u>\$ 259,670,900</u>	<u>10.45%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 43,735,129	\$ 43,735,129	100.00%	N/A
2015	45,084,571	45,084,571	100.00%	N/A
2016	47,123,392	47,123,392	100.00%	N/A
2017	48,157,628	48,095,718	99.87%	\$ 61,910
2018	50,276,595	50,276,595	100.00%	N/A
2019	51,424,579	51,424,560	100.00%	\$ 19
2020	52,047,631	49,681,830	95.45%	\$ 2,365,801
2021	52,796,670	52,796,670	100.00%	N/A
2022	54,195,158	54,195,158	100.00%	N/A
2023	55,390,256	52,867,380	95.45%	\$ 2,522,876

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

Governmental Activities

Fiscal Year Ended June 30,	General Obligation Bonds	Capital Financing Agreements (COPS)	Other Capital Financing Agreements	IT Subscription Arrangements	Leases	Sales Leaseback	Total District	Population	Per Capita
2014	\$ 4,435,000	\$ 12,375,000			\$ 2,684,233	\$ 2,180,000	\$ 21,674,233	62,118	\$ 349
2015	3,870,000	11,425,000			2,482,403	1,710,000	19,487,403	62,192	313
2016	3,300,000	9,930,000			2,267,449	1,205,000	16,702,449	62,037	269
2017	2,720,000	8,955,000			2,038,787	675,000	14,388,787	62,022	232
2018	2,125,000	7,945,000			1,795,810	135,000	12,000,810	61,945	194
2019	1,890,000	6,495,000			1,537,881		9,922,881	61,323	162
2020	21,650,000	4,955,000			1,264,342		27,869,342	60,808	458
2021	21,400,000	3,365,000			974,509		25,739,509	59,859	430
2022	20,635,000	1,715,000	\$ 541,457		667,672		23,559,129	60,612	389
2023	59,860,000		419,257	\$ 363,410	343,091		60,985,758	60,335	1,011

Source: District records



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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2014	\$ 4,435,000		\$ 4,435,000	0.18%	\$ 71
2015	3,870,000		3,870,000	0.15%	62
2016	3,300,000		3,300,000	0.13%	53
2017	2,720,000		2,720,000	0.11%	44
2018	2,125,000		2,125,000	0.08%	34
2019	1,890,000		1,890,000	0.07%	31
2020	21,650,000		21,650,000	0.84%	356
2021	21,400,000		21,400,000	0.83%	358
2022	20,635,000		20,635,000	0.21%	340
2023	59,860,000		59,860,000	0.61%	992

Source: District records

**NORTH BERGEN BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
AS OF DECEMBER 31, 2022  
(Unaudited)**

Direct Debt:	
North Bergen Board of Education (as of June 30, 2023)	\$ 59,000,000
Township of North Bergen (1)	<u>87,005,325</u>
Total Direct Debt	<u>146,005,325</u>
Overlapping Debt Apportioned to the Municipality:	
Hudson County:	
County of Hudson (A)	108,424,438
North Bergen Municipal Utilities Authority	<u>46,355,085</u>
Total Overlapping Debt	<u>154,779,523</u>
Total Direct and Overlapping Debt	<u>\$ 300,784,848</u>

(A) The debt for this entity was apportioned by dividing the Municipality's 2022 equalized value by the total 2022 equalized value for Hudson County.

Sources:

(1) Township of North Bergen Annual Debt Statement

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

	Fiscal Year Ended June 30,									
	<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>
Debt Limit	\$ 189,869,132	\$ 185,914,690	\$ 191,438,083	\$ 203,949,327	\$ 223,256,144	\$ 241,826,950	\$ 257,026,412	\$ 267,897,318	\$ 282,335,660	\$ 324,278,187
Total Net Debt Applicable to Limit	<u>1,415,000</u>	<u>1,070,000</u>	<u>720,000</u>	<u>365,000</u>	<u>60,000,000</u>	<u>60,000,000</u>	<u>60,000,000</u>	<u>60,000,000</u>	<u>59,500,000</u>	<u>59,000,000</u>
Legal Debt Margin	<u>\$ 188,454,132</u>	<u>\$ 184,844,690</u>	<u>\$ 190,718,083</u>	<u>\$ 203,584,327</u>	<u>\$ 223,256,144</u>	<u>\$ 181,826,950</u>	<u>\$ 197,026,412</u>	<u>\$ 207,897,318</u>	<u>\$ 222,835,660</u>	<u>\$ 265,278,187</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.75%	0.58%	0.38%	0.18%	0.00%	24.81%	23.34%	22.40%	21.07%	18.19%

**Legal Debt Margin Calculation for Fiscal Year 2023**

Equalized Valuation Basis

2020	\$ 6,925,858,715
2021	7,616,666,470
2022	<u>9,778,338,869</u>
	<u>\$ 24,320,864,054</u>

Average Equalized Valuation of Taxable Property

\$ 8,106,954,685

Debt Limit (4 % of Average Equalization Value)

\$ 324,278,187

Total Net Debt Applicable to Limit

59,000,000

Legal Debt Margin

\$ 265,278,187

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

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

<b><u>Year Ended December 31,</u></b>	<b><u>Unemployment Rate</u></b>	<b><u>Per Capita Income *</u></b>	<b><u>Population</u></b>
2013	9.70%	\$ 47,381	62,118
2014	7.30%	51,066	62,192
2015	5.70%	54,675	62,037
2016	5.00%	56,597	62,022
2017	4.40%	60,558	61,945
2018	3.80%	65,090	61,323
2019	3.20%	67,570	60,808
2020	12.20%	71,682	59,859
2021	7.30%	72,046	60,612
2022	3.70%	N/A	60,235

Source: Data provided by State Department of Education

N/A = Not Available

\* = Hudson County

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

**INFORMATION NOT AVAILABLE**

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

<u>Function/Program</u>	<u>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										
Regular	467	530	530	530	530	530	530	530	535	535
Special Education	84	50	57	59	59	59	59	59	59	59
Other Instruction	85	61	61	65	60	60	60	60	60	60
Support Services:										
Student and Instruction Related Services	18	18	18	18	35	35	35	35	35	35
General Administration	6	6	6	7	7	7	7	7	7	7
School Administrative Services	61	61	61	61	61	61	61	61	61	61
Other Administrative Services	30	30	30	30	30	30	30	30	30	30
Central Services	13	13	13	13	13	13	13	13	13	15
Administrative Information Technology	6	3	3	3	3	3	3	3	3	5
Plant Operations And Maintenance	109	109	109	106	106	106	106	106	106	106
Pupil Transportation	3	3	3	3	3	3	3	3	3	5
Other Support Services	73	77	77	77	77	77	77	79	79	79
<b>Total</b>	<b>955</b>	<b>961</b>	<b>968</b>	<b>972</b>	<b>984</b>	<b>984</b>	<b>984</b>	<b>986</b>	<b>991</b>	<b>997</b>

Source: District Personnel Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	High School				
2014	8,048	\$ 118,730,948	14,753	-0.45%	640	1:12	1:14	8,048	7,790	-0.25%	96.80%
2015	7,761	120,990,242	15,590	5.67%	641	1:12	1:14	8,031	7,764	-0.21%	96.68%
2016	8,005	124,695,061	15,577	-0.08%	648	1:12	1:14	7,869	7,629	-2.02%	96.95%
2017	7,900	130,644,133	16,537	6.16%	641	1:12	1:14	7,714	7,330	-1.96%	95.02%
2018	7,666	137,033,795	17,876	8.09%	649	1:12	1:14	7,643	7,257	-0.92%	94.95%
2019	7,519	141,799,267	18,859	5.50%	649	1:12	1:14	7,490	7,108	-2.00%	94.90%
2020	7,488	140,379,554	18,747	-0.59%	649	1:12	1:14	7,275	7,185	-2.87%	98.76%
2021	7,314	141,187,535	19,304	2.97%	649	1:12	1:14	7,257	7,050	-0.25%	97.15%
2022	7,212	152,382,289	21,129	12.70%	654	1:12	1:14	7,167	6,743	-1.48%	94.08%
2023	7,207	156,445,373	21,707	12.45%	649	1:12	1:14	7,207	6,781	-0.69%	94.09%

Sources: District records

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>District Building</b>										
<b>Elementary</b>										
Robert Fulton/No. 2 (1926)										
Square Feet	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409
Capacity (students)	784	784	784	784	784	784	784	784	784	784
Enrollment	995	995	995	995	1,022	1,022	1,196	961	1,050	734
Fulton Annex										
Square Feet	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800
Capacity (students)	155	155	155	155	155	155	155	155	155	155
Enrollment	144	144	144	144	223	223	146	204	146	146
Franklin School/No. 3 (1919)										
Square Feet	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434
Capacity (students)	475	475	475	475	475	475	475	475	475	475
Enrollment	575	575	575	575	530	530	623	560	526	436
Franklin Annex (1999)										
Square Feet	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225
Capacity (students)	80	80	80	80	80	80	80	80	80	80
Enrollment	85	85	85	85	97	97	97	97	97	97
Lincoln School/No. 5 (1915)										
Square Feet	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	659	659	659	659	972	972	1,393	1,363	957	824
Lincoln School/No. 5 Annex (2004)										
Square Feet	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300
Capacity (students)	352	352	352	352	352	352	352	352	352	352
Enrollment	436	436	436	436	422	422			436	436
J.F. Kennedy School/No. 7 (including Annex)										
Square Feet	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125
Capacity (students)	662	662	662	662	662	662	662	662	662	662
Enrollment	538	538	538	538	549	549	472	454	472	601
Horace Mann School/No. 9 (1928)										
Square Feet	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068
Capacity (students)	836	836	836	836	836	836	836	836	836	836
Enrollment	1,023	1,023	1,023	1,023	1,135	1,135	1,089	1,093	1,089	969
McKinnely School/No. 10 (1919)										
Square Feet	46,050	46,050	46,050	46,050	46,050	46,050	46,050	46,050	46,050	46,050
Capacity (students)	426	426	426	426	426	426	426	426	426	426
Enrollment	419	419	419	419	361	361	346	342	346	318
Polk Street School										
Square Feet										
Capacity (students)										
Enrollment										
<b>High School</b>									205	241
North Bergen High School (1961)										
Square Feet	197,973	197,973	197,973	197,973	197,973	197,973	197,973	197,973	197,973	197,973
Capacity (students)	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377
Enrollment	2,416	2,416	2,416	2,416	2,355	2,355	2,369	2,337	2,369	2,355
<b>Other</b>										
Central Administration (1961)										
Square Feet	9,267	9,267	9,267	9,267	9,267	9,267	9,267	9,267	9,267	9,267
Number of Schools at June 30, 2022										
Elementary = 7										
Senior High School = 1										
Other = 1										

Source: District Records



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

<u>School Facilities</u>	<u>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>
North Bergen High School	\$ 637,900	\$ 629,935	\$ 318,417	\$ 451,186	\$ 414,783	\$ 497,292	\$ 566,198	\$ 541,120	\$ 488,387	\$ 477,845
Franklin School	183,520	202,558	199,757	153,315	149,453	128,329	182,063	173,999	157,044	153,653
Horace Mann	271,850	312,045	190,335	235,531	230,235	252,236	280,472	268,049	241,929	236,706
John F. Kennedy	282,963	282,087	216,192	208,711	222,152	207,733	270,625	258,639	233,434	228,395
Lincoln School	278,965	260,058	243,465	290,374	258,402	267,911	368,568	352,243	317,918	311,054
Mc Kinley	195,682	146,528	229,206	154,055	108,112	117,762	131,702	125,869	113,603	111,150
Robert Fulton	<u>278,950</u>	<u>279,939</u>	<u>224,356</u>	<u>177,494</u>	<u>228,681</u>	<u>210,810</u>	<u>278,579</u>	<u>266,240</u>	<u>240,295</u>	<u>280,485</u>
Total School Facilities	<u>\$ 2,129,830</u>	<u>\$ 2,113,150</u>	<u>\$ 1,621,728</u>	<u>\$ 1,670,666</u>	<u>\$ 1,611,818</u>	<u>\$ 1,682,073</u>	<u>\$ 2,078,207</u>	<u>\$ 1,986,159</u>	<u>\$ 1,792,610</u>	<u>\$ 1,799,288</u>

Source: School District Records

**NORTH BERGEN BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
JUNE 30, 2023  
(Unaudited)**

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

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

Source: School District's records

**SINGLE AUDIT**



# LERCH, VINCI & 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  
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

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the North Bergen Board of Education as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the North Bergen Board of Education's basic financial statements and have issued our report thereon dated December 21, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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


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

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the North Bergen Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated December 21, 2023.

### **Purpose of this Report**

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



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



Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
December 21, 2023



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

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

**INDEPENDENT AUDITOR'S REPORT**

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

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

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

We have audited the North Bergen Board of Education'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 North Bergen Board of Education's major federal and state programs for the fiscal year ended June 30, 2023. The North Bergen Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the North Bergen Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major 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 North Bergen Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the North Bergen Board of Education's compliance with the compliance requirements referred to above.

## ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the North Bergen Board of Education'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 North Bergen Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 North Bergen Board of Education'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 North Bergen Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the North Bergen Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the North Bergen Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 and each major fund of the North Bergen Board of Education, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the North Bergen Board of Education's basic financial statements. We have issued our report thereon dated December 21, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of 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



Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
December 21, 2023



**NORTH BERGEN BOARD OF EDUCATION  
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	Adjustment	Refund To State	Prior Years Adjustments	Balance, June 30, 2023			Memo GAAP Receivable	Memo Cumulative Expenditures	
												(Accounts Receivable)	Unearned Revenue	Due to Grantor			
<b>U.S. Department of Agriculture</b>																	
<b>Passed-Through State Department of Education</b>																	
<b>Enterprise Fund</b>																	
School Breakfast Program	10.553	231NJ304N1099	7/1/22-6/30/23	\$ 666,461			\$ 549,294	\$ 666,461						\$ (117,167)	\$ (117,167)	\$ 666,461	
School Breakfast Program	10.553	221NJ304N1099	7/1/21-6/30/22	1,038,879	\$ (79,400)		79,400										
NSLP-Cash Assistance	10.555	231NJ304N1099	7/1/22-6/30/23	2,091,061			1,699,096	2,091,061						(391,965)	(391,965)	2,091,061	
NSLP-Cash Assistance	10.555	221NJ304N1099	7/1/21-6/30/22	3,175,361	(249,514)		249,514									-	
Supply Chain Assistance Funding	10.555	231NJ304N1099	7/1/22-6/30/23	190,630			190,630	190,630								190,630	
Supply Chain Assistance Funding	10.555	221NJ344N8903	7/1/21-6/30/23	142,371	(142,371)		142,371									-	
NSLP-Non Cash Assistance	10.555	231NJ304N1099	7/1/22-6/30/23	304,739			304,739	295,774						\$ 8,965	-	295,774	
NSLP-Non Cash Assistance	10.555	221NJ304N1099	7/1/21-6/30/22	226,139	7,957			7,957								226,139	
Special Milk Program	10.556	231NJ304N1099	7/1/22-6/30/23	3,155			1,814	3,155						(1,341)	(1,341)	3,155	
After School Snack	10.555	221NJ304N1099	7/1/22-6/30/23	13,600			11,040	13,600						(2,560)	(2,560)	13,600	
Local Food for Schools Cooperative	10.185	NA	7/1/22-6/30/23	6,486				6,486						(6,486)	(6,486)	6,486	
<b>Total Department of Agriculture</b>					<b>(463,328)</b>	<b>-</b>	<b>3,227,898</b>	<b>3,275,124</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(519,519)</b>	<b>8,965</b>	<b>-</b>	<b>(519,519)</b>	<b>3,493,306</b>	
<b>U.S. Dept. of Education Passed-Through</b>																	
<b>State Dept. of Education</b>																	
<b>Special Revenue Fund</b>																	
Title I, Part A	84.010A	S010A210030	7/1/21-9/30/22	3,244,435	(1,871,313)	\$ (494,590)	1,871,313	\$ 494,590			68,673				68,673	-	
Title I, Part A	84.010A	S010A220030	7/1/22-9/30/23	3,616,656	-	494,590	1,598,544	3,869,459	(494,590)					(2,512,702)	241,787	(2,185,060)	3,869,459
Title I, SIA, Part A	84.010A	S010A210030	7/1/21-9/30/22	109,900	(91,838)	(34,578)	91,838	34,578			929				929	-	
Title I, SIA, Part A	84.010A	S010A220030	7/1/22-9/30/23	103,900	-	34,578	6,589	128,478	(34,578)					(131,889)	10,000	(11,178)	128,478
<b>Total Title I</b>					<b>(1,963,151)</b>	<b>-</b>	<b>3,568,284</b>	<b>3,997,937</b>	<b>-</b>	<b>-</b>	<b>69,602</b>	<b>(2,644,591)</b>	<b>251,787</b>	<b>69,602</b>	<b>(2,196,238)</b>	<b>3,997,937</b>	
Title II, Part A	84.367A	S367A220029	7/1/22-9/30/23	440,787			155,841	385,442						(284,946)	55,345	(228,713)	385,442
Title II, Part A	84.367A	S367A210029	7/1/21-9/30/22	437,690	(232,572)	-	232,572	-			19,937			-	19,937	-	
<b>Total Title II</b>					<b>(232,572)</b>	<b>-</b>	<b>388,413</b>	<b>385,442</b>	<b>-</b>	<b>-</b>	<b>19,937</b>	<b>(284,946)</b>	<b>55,345</b>	<b>19,937</b>	<b>(228,713)</b>	<b>385,442</b>	
Title III	84.365	S365A220030	7/1/22-9/30/23	192,428		51,468	37,540	197,273	(51,468)					(206,356)	46,623	(96,564)	197,273
Title III	84.365	S365A210030	7/1/21-9/30/22	152,005	(153,588)	(51,468)	153,588	51,468			216				216	-	
Title III, Immigrant	84.365	S365A220030	7/1/22-9/30/23	95,629	-	-	74,942	84,417	-					(20,687)	11,212	(9,475)	84,417
<b>Total Title III</b>					<b>(153,588)</b>	<b>-</b>	<b>266,070</b>	<b>281,690</b>	<b>-</b>	<b>-</b>	<b>216</b>	<b>(227,043)</b>	<b>57,835</b>	<b>216</b>	<b>(106,039)</b>	<b>281,690</b>	
Title IV	84.424	S424A200031	7/1/20-9/30/21	224,254	871					871					-	-	
Title IV	84.424	S424A210031	7/1/21-9/30/22	223,100	(76,730)	(64,703)	76,730		64,703		9,858				9,858	-	
Title IV	84.424	S424A220031	7/1/22-9/30/23	278,427	-	64,703	229,306	311,493	(64,703)					(113,824)	31,637	(27,290)	311,493
<b>Total Title IV</b>					<b>(75,859)</b>	<b>-</b>	<b>306,036</b>	<b>311,493</b>	<b>-</b>	<b>871</b>	<b>9,858</b>	<b>(113,824)</b>	<b>31,637</b>	<b>9,858</b>	<b>(27,290)</b>	<b>311,493</b>	
<b>IDEA Part B</b>																	
Basic, Regular	84.027A	H027A210100	7/1/21-9/30/22	1,869,313	(542,185)	(455,730)	542,184		455,730		20,748				20,747	-	
Basic, Regular	84.027A	H027A200100	7/1/20-9/30/21	1,887,055	5,058					5,058					-	-	
Basic, Regular	84.027A	H027A220100	7/1/22-9/30/23	1,864,157	-	455,730	1,318,324	2,291,000	(455,730)					(1,001,563)	28,887	(934,189)	2,291,000
Preschool	84.173A	H173A200114	7/1/20-9/30/21	53,179	2,255					2,255					-	-	
Preschool	84.173A	H173A210114	7/1/21-9/30/22	54,642	(53,179)	(54,642)	53,179		54,642					-	-	-	
Preschool	84.173A	H173A220114	7/1/22-9/30/23	62,136		54,642	29,900	86,778	(54,642)					(86,878)	30,000	(18,977)	86,778
ARP Basic	84.027X	H027X210100	7/1/21-9/30/22	411,693	(306,654)			131,478			26,439				(411,693)	411,693	
ARP Preschool	84.173X	H173A200114	7/1/21-9/30/22	34,904	(3,400)	-		31,504	-					(34,904)	-	34,904	
<b>Total IDEA</b>					<b>(898,105)</b>	<b>-</b>	<b>1,943,587</b>	<b>2,540,760</b>	<b>-</b>	<b>7,313</b>	<b>47,187</b>	<b>(1,535,038)</b>	<b>58,887</b>	<b>20,747</b>	<b>(1,399,763)</b>	<b>2,824,375</b>	

NORTH BERGEN BOARD OF EDUCATION  
 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	Adjustment	Refund To State	Prior Years Adjustments	Balance, June 30, 2023			Memo GAAP Receivable	Memo Cumulative Expenditures
												(Accounts Receivable)	Unearned Revenue	Due to Grantor		
Covid ARP State and Local Fiscal Recovery Fund																
DOE Special Services - ACSERS	21.027	SLFRFDOE1SES	7/1/21-6/30/22	284,886	(142,443)		142,443							-	-	
DOE Special Services - ACSERS	21.027	SLFRFDOE1SES	7/1/22-6/30/23	694,775			347,388	694,775				(347,387)	-	-	(347,387)	694,775
CARES Emergency Relief Act (ESSER I)	84.425D	S425D200027	3/13/20-9/30/22	2,574,941	(463,722)		469,850	1,432			1,004	-	5,700	-	-	2,569,241
CRRSA - ESSER II	84.425D	S425D210027	3/13/20-9/30/23	10,018,172	(2,852,143)		2,609,027	3,022,926			22,925	(4,609,700)	1,366,583	-	(1,306,525)	8,651,589
CRRSA - Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	642,915	(59,418)		59,418							-	-	642,915
CRRSA - Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(45,000)		45,000							-	-	45,000
ARP ESSER	84.425U	S425U210027	3/13/20-9/30/24	22,515,195	-			997,207				(22,515,195)	21,517,988	-	(437,507)	997,207
ARP ESSER - Accelerated Learning	84.425U	S425U210027	3/13/20-9/30/24	774,591	(119,866)			538,250				(774,591)	116,475	-	(658,116)	658,116
ARP ESSER - Evidence Based Summer	84.425U	S425U210027	3/13/20-9/30/24	52,810	(3,753)			49,057				(52,810)	-	-	(52,810)	52,810
ARP ESSER - Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	52,810	(45,841)							(52,810)	6,969	-	(45,841)	45,841
ARP ESSER - Mental Health	84.425U	S425U210027	3/13/20-9/30/24	45,000	-			8,200				(45,000)	36,800	-	(8,200)	8,200
ARP ESSER - Homeless	84.425W	S425W210027	3/13/20-9/30/24	62,794	(47,850)	-	39,795	14,244	-	-	-	(22,999)	700	-	(17,549)	62,794
<b>Total Education Stabilization</b>					<b>(3,637,593)</b>	<b>-</b>	<b>3,223,090</b>	<b>4,631,316</b>	<b>-</b>	<b>-</b>	<b>23,929</b>	<b>(28,073,105)</b>	<b>23,051,215</b>	<b>-</b>	<b>(2,526,548)</b>	<b>13,733,713</b>
Coronavirus Relief Fund	21.019	NA	3/1/20-12/31/20	756,416	4,094	-	-	-	-	4,094	-	-	-	-	-	-
<b>Total U.S. Department of Education - Special Revenue Fund</b>					<b>(7,099,217)</b>	<b>-</b>	<b>10,185,311</b>	<b>12,843,413</b>	<b>-</b>	<b>12,278</b>	<b>170,729</b>	<b>(33,225,934)</b>	<b>23,506,706</b>	<b>120,360</b>	<b>(6,831,978)</b>	<b>22,229,425</b>
<b>General Fund</b>																
Spec.Ed. Medicaid Reimbursement - Admin	93.778	2005NJ5MAP	7/1/21-6/30/22	57,037	(16,638)		16,638								-	-
Spec.Ed. Medicaid Reimbursement - Admin	93.778	2005NJ5MAP	7/1/22-6/30/23	109,687			109,687	109,687								109,687
FPCRA/SEMI	93.778	2005NJ5MAP	1/1/21-12/31/21	42,072			42,072	42,072								42,072
Spec.Ed. Medicaid Reimbursement	93.778	2005NJ5MAP	7/1/22-6/30/23	311,943			311,943	311,943								311,943
Spec.Ed. Medicaid Reimbursement	93.778	2005NJ5MAP	7/1/21-6/30/22	306,601	(82,229)	-	82,229	-	-	-	-	-	-	-	-	-
<b>Total Medicaid Reimbursement</b>					<b>(98,867)</b>	<b>-</b>	<b>562,569</b>	<b>463,702</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>463,702</b>
<b>Total Federal Awards</b>					<b>\$ (7,661,412)</b>	<b>\$ -</b>	<b>\$ 13,975,778</b>	<b>\$ 16,582,239</b>	<b>\$ -</b>	<b>\$ 12,278</b>	<b>\$ 170,729</b>	<b>\$ (33,745,453)</b>	<b>\$ 23,515,671</b>	<b>\$ 120,360</b>	<b>\$ (7,351,497)</b>	<b>\$ 26,186,433</b>

NORTH BERGEN BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022			Balance, June 30, 2023			Memo	
				Unearned Revenue/ (Accts Rec)	Carryover Amount	Cash Received	Budgetary Expenditures	Cancelled Encumbrances	(Accounts Receivable)	Unearned Revenue	GAAP Receivable
<b>State Department of Education</b>											
<b>General Fund</b>											
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	\$ 56,336,475	\$ (5,602,305)		\$ 5,602,305				*	\$ -
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	53,679,388			48,384,585	\$ 53,679,388		\$ (5,294,803)	*	53,679,388
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	5,808,963	(577,664)		577,664				*	-
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	5,808,963			5,235,981	5,808,963		(572,982)	*	5,808,963
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	2,787,698	(277,219)		277,219				*	-
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	2,787,698			2,512,726	2,787,698		(274,972)	*	2,787,698
Supplemental Stabilization Aid	22-495-034-5120-128	7/1/22-6/30/23	780,065			780,065	780,065			*	780,065
Maintenance of Equity Aid	23-495-034-5120-128	7/1/22-6/30/23	582,465	-	-	-	582,465		(582,465)	*	582,465
Total State Aid Public				(6,457,188)	-	63,370,545	63,638,579	-	(6,725,222)	*	63,638,579
Reimbursed TPAF Pension										*	
Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	289,349			289,349	289,349			*	289,349
Pension Contribution	23-495-034-5094-002	7/1/22-6/30/23	20,855,673			20,855,673	20,855,673			*	20,855,673
Long Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	7,677			7,677	7,677			*	7,677
Post Retirement Contribution	23-495-034-5094-001	7/1/22-6/30/23	5,554,746	-	-	5,554,746	5,554,746		-	*	5,554,746
Total Reimbursed TPAF Pension				-	-	26,707,445	26,707,445	-	-	*	26,707,445
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	747,436	(74,328)		74,328				*	-
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	747,436	-		673,711	747,436		(73,725)	*	747,436
Nonpublic Transportation Aid	N/A	7/1/21-6/30/22	51,330	(51,330)		51,330				*	-
Nonpublic Transportation Aid	N/A	7/1/22-6/30/23	67,080	-	-	-	67,080		(67,080)	*	67,080
Total Transportation Aid				(125,658)	-	799,369	814,516	-	(140,805)	*	814,516
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	581,385	(581,385)		581,385				*	-
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	624,936	-			624,936		(624,936)	*	624,936
School Security Grant (Alyssa's Law)	N/A		414,607	(414,607)		414,607				*	-
Reimbursed TPAF Soc. Security Contr.	22-495-034-5094-003	7/1/21-6/30/22	4,341,284	(620,856)		620,856				*	-
Reimbursed TPAF Soc. Security Contr.	23-495-034-5094-003	7/1/22-6/30/23	4,293,813	-	-	4,083,938	4,293,813		(209,875)	*	4,293,813
Total General Fund				(8,199,694)	-	96,578,145	96,079,289	-	(7,700,838)	*	96,079,289
<b>Special Revenue Fund</b>											
Preschool Education Aid	23-495-034-5120-086	7/1/22-6/30/23	2,402,000		\$ 1,151,816	2,161,800	2,885,690		(240,200)	\$ 668,126	2,885,690
Preschool Education Aid	22-495-034-5120-086	7/1/21-6/30/22	2,386,422	900,709	(1,151,816)	238,642		\$ 12,465			-
SDA Emergent Capital Needs	NA	NA	177,514	(177,514)	-	-			(177,514)		(177,488)
Total Special Revenue Fund				723,195	-	2,400,442	2,885,690	12,465	(417,714)	668,126	(177,488)
<b>Debt Service Fund</b>											
Debt Service Aid	23-495-034-5120-075	7/1/22-6/30/23	856,739	-	-	856,739	856,739		-		856,739
<b>State Department of Agriculture</b>											
<b>Food Service Enterprise Fund</b>											
State School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	74,761	(5,742)		5,742					-
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	54,993			43,902	54,993		(11,091)		54,993
State School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	5,987			4,417	5,987		(1,570)		5,987
After the Bell	23-100-010-3350-023	7/1/22-6/30/23	3,417			2,731	3,417		(686)		3,417
State Supplement for Summer Food Service	23-100-010-3350-023	7/1/22-6/30/23	14,258	-	-	14,258	14,258		-		14,258
Total State Department of Agriculture				(5,742)	-	71,050	78,655	-	(13,347)		(13,347)
Total State Assistance Subject to Single Audit Determination				\$ (7,482,241)	\$ -	\$ 99,906,376	\$ 99,900,373	\$ 12,465	\$ (8,131,899)	\$ 668,126	\$ (1,050,255)
Less: State Aid Not Subject to Single Audit and Major Program Determination											
Reimbursed TPAF Pension						(289,349)	(289,349)				
Non-Contributory Insurance						(20,855,673)	(20,855,673)				
Pension Contribution						(7,677)	(7,677)				
Long Term Disability Insurance						(5,554,746)	(5,554,746)				
Post Retirement Contribution						-	-				
Total State Assistance Subject to Major Program Determination				\$ (7,482,241)	\$ -	\$ 73,198,931	\$ 73,192,928	\$ 12,465	\$ (8,131,899)	\$ 668,126	

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 REPORTING ENTITY**

The North Bergen Board of Education (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 PRESENTATION**

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 an increase of \$271,483 for the general fund and a decrease of \$1,845,840 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	\$ 463,702	\$ 96,350,772	\$ 96,814,474
Special Revenue Fund	10,870,065	3,005,998	13,876,063
Debt Service Fund		856,739	856,739
Food Service Fund	<u>3,275,124</u>	<u>78,655</u>	<u>3,353,779</u>
Total Financial Assistance	<u>\$ 14,608,891</u>	<u>\$ 100,292,164</u>	<u>\$ 114,901,055</u>

**NORTH BERGEN BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 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 \$4,293,813 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 \$21,145,022, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$5,554,746 and TPAF Long-Term Disability Insurance in the amount of \$7,677 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. m Guidance.

**NORTH BERGEN BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

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

**Federal Awards Section**

Internal Control over Major Programs:

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

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

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

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

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>S010A220030</u>	<u>Title I, Title I SIA</u>
<u>84.027A</u>	<u>H027A220100</u>	<u>IDEA Basic</u>
<u>84.173A</u>	<u>H173A220114</u>	<u>IDEA Preschool</u>
<u>84.027X</u>	<u>H027X210100</u>	<u>ARP IDEA Basic</u>
<u>84.173X</u>	<u>H173A200114</u>	<u>ARP IDEA Preschool</u>
<u>10.555</u>	<u>221NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>221NJ304N1099</u>	<u>School Breakfast Program</u>
<u>84.425D</u>	<u>S425D200027</u>	<u>Coronavirus Relief and Economic Security (CARES-ESSER I)</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>Coronavirus Response and Relief Supplemental (CRRSA-ESSER II)</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>American Rescue Plan - Emergency Relief Fund (ARP-ESSER)</u>
<u>84.425W</u>	<u>S425W210031</u>	<u>American Rescue Plan - Emergency Relief Fund - Homeless Children and Youth (ARP-HCY)</u>

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

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

**NORTH BERGEN BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Dollar threshold used to distinguish between Type A and Type B Programs \$ 2,195,788

Auditee qualified as low-risk auditee?  X  yes        no

Internal Control over Major Programs:

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

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

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

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

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
23-495-034-5120-078	Equalization Aid
23-495-034-5120-089	Special Education Aid
23-495-034-5120-084	Security Aid
23-495-034-5120-128	Supplemental Stabilization Aid
23-495-034-5120-128	Maintenance of Equity Aid
23-495-034-5120-086	Preschool Education Aid
23-495-034-5094-003	Reimbursed TPAF Social Security

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



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

There are none.

**CURRENT YEAR STATE AWARDS**

There are none.

**NORTH BERGEN BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

**STATUS OF PRIOR YEAR FINDINGS**

There were none.