

**SOUTH BERGEN JOINTURE COMMISSION**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Hasbrouck Heights, New Jersey**

**ANNUAL COMPREHENSIVE**

**FINANCIAL REPORT**

**of the**

**South Bergen Jointure Commission**

**Hasbrouck Heights, New Jersey**

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

**Prepared by**

**Business Office**

**SOUTH BERGEN JOINTURE COMMISSION  
TABLE OF CONTENTS**

**Page**

**INTRODUCTORY SECTION**

Letter of Transmittal	i-iii
Organizational Chart	iv
Roster of Officials and Member Commissions	v
Consultants and Advisors	vi

**FINANCIAL SECTION**

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

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

Management's Discussion and Analysis	4-14
--------------------------------------	------

**Basic Financial Statements**

**A. Commission-wide Financial Statements**

A-1 Statement of Net Position	15
A-2 Statement of Activities	16

**B. Fund Financial Statements**

*Governmental Funds*

B-1 Balance Sheet	17
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	18
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19

*Proprietary Funds*

B-4 Statement of Net Position	20
B-5 Statement of Revenues, Expenses, and Changes in Net Position	21
B-6 Statement of Cash Flows	22

*Fiduciary Funds – Not Applicable*

Notes to the Financial Statements	23-55
-----------------------------------	-------

**SOUTH BERGEN JOINTURE COMMISSION  
TABLE OF CONTENTS**

		<u>Page</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION – PART II</b>		
<b>C. Budgetary Comparison Schedules</b>		
C-1	Budgetary Comparison Schedule – General Fund	56-59
C-2	Budgetary Comparison Schedule – Special Revenue Fund	60
<b>NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II</b>		
C-3	Budgetary Comparison Schedule – Note to Required Supplementary Information	61
<b>REQUIRED SUPPLEMENTARY INFORMATION - PART III</b>		
<b>L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)</b>		
L-1	Required Supplementary Information – Schedule of the Commission’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	62
L-2	Required Supplementary Information – Schedule of Commission Contributions – Public Employees Retirement System	63
L-3	Required Supplementary Information – Schedule of the Commission’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	64
L-4	Notes to Required Supplementary Information	65
<b>M. Schedules Related to Accounting and Reporting for Other Postemployment Benefits Other Than Pensions (OPEB – GASB 75)</b>		
M-1	Required Supplementary Information – Schedule of Changes in the Commission’s Proportionate Share of Total OPEB Liability	66
M-2	Notes to Required Supplementary Information	67
<b>OTHER SUPPLEMENTARY INFORMATION</b>		
<b>D. School Level Schedules - Not Applicable</b>		
<b>E. Special Revenue Fund</b>		
E-1	Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	68
<b>F. Capital Projects Fund – Not Applicable</b>		
F-1	Summary Schedule of Project Expenditures and Changes in Fund Balance – N/A	69
<b>G. Enterprise Funds</b>		
G-1	Statement of Net Position – Not Applicable	70
G-2	Statement of Revenues, Expenses and Changes in Fund Net Position – Not Applicable	70
G-3	Statement of Cash Flows – Not Applicable	70

**SOUTH BERGEN JOINTURE COMMISSION  
TABLE OF CONTENTS**

**Page**

**OTHER SUPPLEMENTARY INFORMATION (Continued)**

**H. Fiduciary Funds – Not Applicable**

**I. Long-Term Debt –**

I-1	Schedule of Serial Bonds Payable – Not Applicable	71
I-2	Schedule of Obligations Under Capital Lease Agreements – Not Applicable	71
I-3	Debt Service Fund Budgetary Comparison Schedule – Not Applicable	71

**J. STATISTICAL SECTION (Unaudited)**

J-1	Net Position by Component	72
J-2	Changes in Net Position	73
J-3	Fund Balances – Governmental Funds	74
J-4	Changes in Fund Balances – Governmental Funds	75
J-5	Revenue by Source	76
J-6	Assessed Value and Actual Value of Taxable Property – N/A	77
J-7	Direct and Overlapping Property Tax Rates – N/A	78
J-8	Principal Property Taxpayers – N/A	79
J-9	Property Tax Levies and Collections – N/A	80
J-10	Ratios of Outstanding Debt by Type – N/A	81
J-11	Ratios of Net General Bonded Debt Outstanding – N/A	82
J-12	Direct and Overlapping Governmental Activities Debt – N/A	83
J-13	Legal Debt Margin Information – N/A	84
J-14	Demographic and Economic Statistics – N/A	85
J-15	Principal Employers – N/A	86
J-16	Full-Time Equivalent Commission Employees by Function/Program – N/A	87
J-17	Attendance Data	88
J-18	School Building Information – N/A	89
J-19	Schedule of Required Maintenance for School Facilities – N/A	90
J-20	Schedule of Insurance	91

**SOUTH BERGEN JOINTURE COMMISSION  
TABLE OF CONTENTS**

**Page**

**SINGLE AUDIT SECTION**

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	92-93
K-2	Report on Compliance for Each Major State Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08 – Independent Auditor’s Report	94-96
K-3	Schedule of Expenditures of Federal Awards	97
K-4	Schedule of State Financial Assistance	98
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	99-100
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	101-102
K-6	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	103
K-6	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	104
K-7	Summary Schedule of Prior Year Findings	105

## **INTRODUCTORY SECTION**



**SOUTH  
BERGEN  
JOINTURE  
COMMISSION**

**Susan E. Cucciniello**  
Business Administrator

**Board Office**  
500 Route 17 South  
Suite 307  
Hasbrouck Heights  
New Jersey 07604

**(T)** 201-393-0475 ext. 238  
**(E)** [scucciniello@njsbjc.org](mailto:scucciniello@njsbjc.org)  
**(F)** 201-288-2825

January 19, 2024

Honorable President and Members  
of the Board of Education  
South Bergen Jointure Commission  
Hasbrouck Heights, New Jersey

Dear Board Members:

The annual comprehensive financial report of the South Bergen Jointure Commission 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 Commission. 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.

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 basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, U.S. Uniform Guidance and New Jersey 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES:** The Commission is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Commission and all its schools constitute the District's reporting entity.

**2. INTERNAL ACCOUNTING CONTROLS:** Management of the Commission 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 Commission also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the Commission management.

As part of the Commission'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 Commission has complied with applicable laws and regulations.

3. BUDGETARY CONTROLS: In addition to internal accountability controls, the Commission maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Commissioners. Annual appropriated budgets are adopted for the general fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

4. ACCOUNTING SYSTEM AND REPORTS: The Commission's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on the basis funds.

5. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the Commission continues to meet its responsibilities for sound financial management.

6. CASH MANAGEMENT: The investment policy of the Commission is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The Commission has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the act.

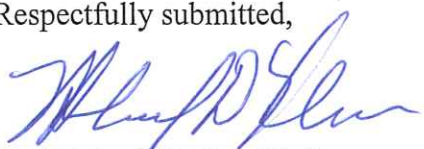
7. RISK MANAGEMENT: The Commission carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

8. OTHER INFORMATION: Independent Audit -State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm

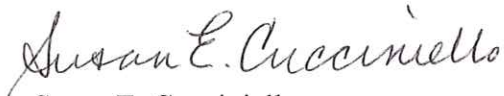
of Lerch, Vinci and Bliss, LLP, was selected by the Commission. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related U.S. Uniform Guidance and state Treasury Circular Letter 15-08 OMB. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

9. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Commission for their concern in providing fiscal accountability and contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our Business Office staff.

Respectfully submitted,



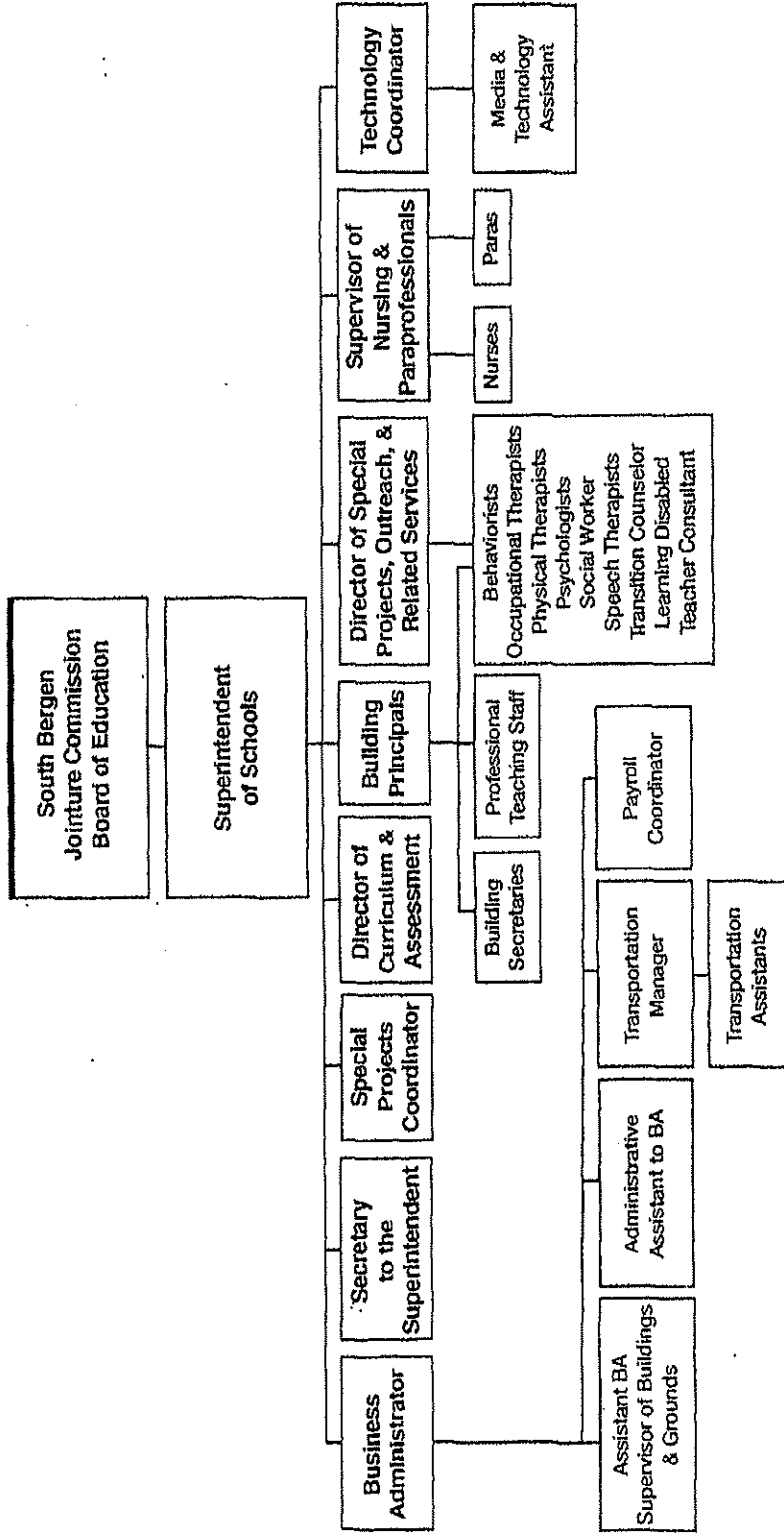
Dr. Michael Kuchar, Ph.D  
Superintendent of Schools



Susan E. Cucciniello  
Board Secretary/Business Administrator

# POLICY

## SOUTH BERGEN JOINTURE COMMISSION BOARD OF EDUCATION



**SOUTH BERGEN JOINTURE COMMISSION**  
**Roster of Officials and Member Districts**  
**Fiscal Year Ended June 30, 2023**

<u>Members of the Board of Education</u>	<u>Member District</u>	<u>Term Expires</u>
Mr. Jason Chirichella	South Hackensack	June 30, 2023
Dr. Stephen Yurchak	North Arlington	June 30, 2023
Dr. Dario Sforza	Becton Regional	June 30, 2023
Mr. Damian Kennedy - Pres	Bogota	June 30, 2023
Mr. Allison Evans	Carlstadt	June 30, 2023
Mr. Giovanni Giancaspro	East Rutherford	June 30, 2023
Mr. Nick Perrapato	Garfield	June 30, 2023
Dr. Matt Helfant	Hasbrouck Heights	June 30, 2023
Mr. Frank D'Amico	Lodi	June 30, 2023
Mr. Joseph DeCorso - VP	Lyndhurst	June 30, 2023
Mr. James Knipper	Moonachie	June 30, 2023
Mr. John Hurley	Rutherford	June 30, 2023
Mr. James Albro	Wallington	June 30, 2023
Mr. Anthony Albro	Wood-Ridge	June 30, 2023
Mr. Frank Scarafilo	Little Ferry	June 30, 2023
Ms. Danielle Shanley	New Milford	June 30, 2023
Ms. Sue DeNobile	Rochelle Park	June 30, 2023

Other Officials

Dr. Michael Kuchar, Superintendent

Ms. Susan Cucciniello, Board Secretary/Business Administrator

Mrs. Nancy Bucci, Treasurer

**SOUTH BERGEN JOINTURE COMMISSION**  
**Consultants and Advisors**  
**Fiscal Year Ended June 30, 2023**

Audit Firm

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

Attorney

Fogarty & Hara, Esqs.  
1600 Route 208 South  
Fair Lawn, New Jersey 07410

Official Depository

Capital One 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 E. 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 Commission  
South Bergen Jointure Commission  
Teterboro, New Jersey

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

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the South Bergen Jointure Commission, as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Commission'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 South Bergen Jointure Commission 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 South Bergen Jointure Commission 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 South Bergen Jointure Commission'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 South Bergen Jointure Commission'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 South Bergen Jointure Commission'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 South Bergen Jointure Commission's basic financial statements. The schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the South Bergen Jointure Commission. 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 January 19, 2024 on our consideration of the South Bergen Jointure Commission'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 South Bergen Jointure Commission'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 South Bergen Jointure Commission's internal control over financial reporting and compliance.

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

  
Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
January 19, 2024

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

# **SOUTH BERGEN JOINTURE COMMISSION**

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

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

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Commission'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 South Bergen Jointure Commission exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$14,455,738 (net position).
- Overall Commission revenues were \$74,249,426. General revenues accounted for \$288,621 or less than 1% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$73,960,805 of total revenues.
- The Commission had \$71,699,389 in expenses for governmental activities; \$73,706,310 of these expenses were offset by program specific charges, grants or contributions, which were adequate to provide for all programs. General revenues (predominantly Interest Income) of \$288,621 also was earned to cover expenses.
- As of the close of the current fiscal year, the Commission's governmental funds reported a combined ending fund balance of \$15,379,106 a decrease of \$898,431 when compared to the ending fund balance at June 30, 2022 of \$16,277,537.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$9,924,740 which represents an increase of \$930,344 when compared to the ending unassigned fund balance at June 30, 2022 of \$8,994,396.

# SOUTH BERGEN JOINTURE COMMISSION

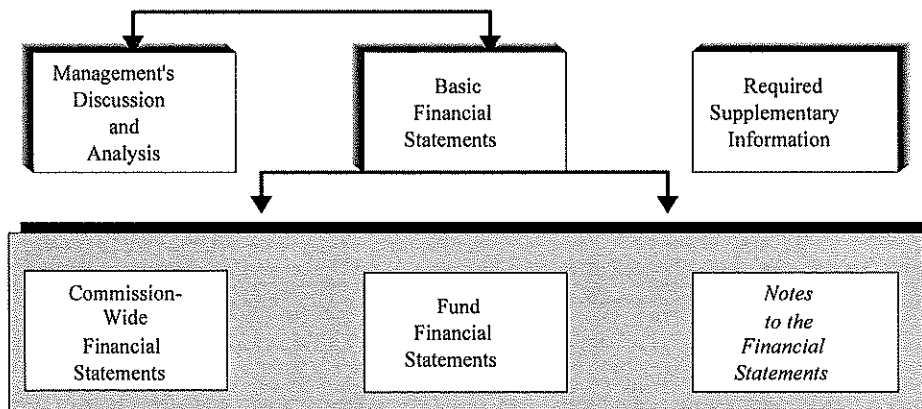
## Management's Discussion and Analysis

### 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 Commission:

- The first two statements are Commission wide financial statements that provide both short-term and long-term information about the Commission's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Commission, reporting the Commission'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 Commission 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.



# SOUTH BERGEN JOINTURE COMMISSION

## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The major features of the Commission's financial statements, including the portion of the Commission'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 Commission	The activities of the Commission that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education	Activities the Commission 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.

# SOUTH BERGEN JOINTURE COMMISSION

## Management's Discussion and Analysis

### District-Wide Financial Statements

The District-Wide statements report information about the Commission as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Commission'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 Commission's net position and how it has changed. Net position – the difference between the Commission's assets/deferred outflows and liabilities/deferred inflows – is one way to measure the Commission's financial health or position

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

In the District-Wide financial statements the Commission's activities are shown in two categories:

- *Governmental Activities* – Most of the Commission'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 Commissions 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 Commission's Food Service Fund is included here.

### Fund Financial Statements

The fund financial statements provide more detailed information about the Commission's funds – focusing on its most significant or "major" funds – not the Commission as a whole. Funds are accounting devices the Commission 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 Commission 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).

# SOUTH BERGEN JOINTURE COMMISSION

## Management's Discussion and Analysis

### Fund Financial Statements (Continued)

The Commission has two kinds of funds:

- *Governmental funds* – Most of the Commission'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 Commission'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 Commission charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-Wide statements. The Commission'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 Commission's budget process. The Commission 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 Commission 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 and individual financial schedules are presented immediately following the major budgetary comparisons if required.

# SOUTH BERGEN JOINTURE COMMISSION

## Management's Discussion and Analysis

### DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the Commission's financial position. The Commission's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14,455,738 and \$12,185,787 as of June 30, 2023 and 2022, respectively, as shown below.

By far the largest portion of the Commission'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 Commission uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the Commission'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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and Other Assets	\$ 15,800,274	\$ 16,927,321	\$ 170,254	\$ 146,668	\$ 15,970,528	\$ 17,073,989
Capital Assets	4,352,304	2,184,882	-	-	4,352,304	2,184,882
<b>Total Assets</b>	<u>20,152,578</u>	<u>19,112,203</u>	<u>170,254</u>	<u>146,668</u>	<u>20,322,832</u>	<u>19,258,871</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amounts on Net Pension Liability	511,142	65,601	-	-	511,142	65,601
<b>Total Deferred Outflows</b>	<u>511,142</u>	<u>65,601</u>	<u>-</u>	<u>-</u>	<u>511,142</u>	<u>65,601</u>
<b>Total Assets and Deferred Outflows</b>	<u>20,663,720</u>	<u>19,177,804</u>	<u>170,254</u>	<u>146,668</u>	<u>20,833,974</u>	<u>19,324,472</u>
<b>Liabilities</b>						
Long-Term Liabilities	5,421,089	4,971,944			5,421,089	4,971,944
Other Liabilities	71,208	47,824	-	-	71,208	47,824
<b>Total Liabilities</b>	<u>5,492,297</u>	<u>5,019,768</u>	<u>-</u>	<u>-</u>	<u>5,492,297</u>	<u>5,019,768</u>
<b>Deferred Inflows of Resources</b>						
Deferred Amounts on Net Pension Liability	885,319	2,117,474			885,319	2,117,474
Deferred Commodities Revenue	-	-	620	1,443	620	1,443
<b>Total Deferred Inflows</b>	<u>885,319</u>	<u>2,117,474</u>	<u>620</u>	<u>1,443</u>	<u>885,939</u>	<u>2,118,917</u>
<b>Total Liabilities and Deferred Inflows</b>	<u>6,377,616</u>	<u>7,137,242</u>	<u>620</u>	<u>1,443</u>	<u>6,378,236</u>	<u>7,138,685</u>
<b>Net Position</b>						
Net Investment in Capital Assets	2,688,718	2,184,882	-	-	2,688,718	2,184,882
Restricted	484,027	143,301			484,027	143,301
Unrestricted	11,113,359	9,712,379	169,634	145,225	11,282,993	9,857,604
<b>Total Net Position</b>	<u>\$ 14,286,104</u>	<u>\$ 12,040,562</u>	<u>\$ 169,634</u>	<u>\$ 145,225</u>	<u>\$ 14,455,738</u>	<u>\$ 12,185,787</u>



**SOUTH BERGEN JOINTURE COMMISSION**

**Management's Discussion and Analysis**

The changes in net position for fiscal years ended June 30, 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	\$ 68,641,288	\$ 59,350,980	\$ 42,773		\$ 68,684,061	\$ 59,350,980
Operating Grants and Contributions	5,065,022	5,854,182	211,722	\$ 329,963	5,276,744	6,184,145
General Revenues						
Investment Earnings	<u>288,621</u>	<u>22,873</u>	<u>-</u>	<u>-</u>	<u>288,621</u>	<u>22,873</u>
<b>Total Revenues</b>	<u>73,994,931</u>	<u>65,228,035</u>	<u>254,495</u>	<u>329,963</u>	<u>74,249,426</u>	<u>65,557,998</u>
<b>Expenses</b>						
Instruction						
Special Education	13,740,269	13,684,597			13,740,269	13,684,597
School Sponsored Activities and Athletics	2,072	909			2,072	909
Support Services						
Student and Instruction Related Services	13,830,456	13,449,170			13,830,456	13,449,170
General Administration Services	1,464,589	1,288,038			1,464,589	1,288,038
School Administration Services	2,325,214	2,317,568			2,325,214	2,317,568
Plant Operation and Maintenance	2,404,929	2,331,830			2,404,929	2,331,830
Pupil Transportation	37,234,622	29,421,480			37,234,622	29,421,480
Central Services	630,416	557,087			630,416	557,087
Interest and Other Chgs on Long-Term Debt	66,822	84,801			66,822	84,801
Food Service	<u>-</u>	<u>-</u>	<u>280,086</u>	<u>272,469</u>	<u>280,086</u>	<u>272,469</u>
<b>Total Expenses</b>	<u>71,699,389</u>	<u>63,135,480</u>	<u>280,086</u>	<u>272,469</u>	<u>71,979,475</u>	<u>63,407,949</u>
<b>Transfers</b>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>\$ 2,245,542</u>	<u>\$ 2,092,555</u>	<u>\$ 24,409</u>	<u>\$ 57,494</u>	<u>\$ 2,269,951</u>	<u>\$ 2,150,049</u>

# SOUTH BERGEN JOINTURE COMMISSION

## Management's Discussion and Analysis

### Governmental Activities

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

**Total and Net Cost of Governmental Activities.** The following schedule presents the Commission'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) Revenue of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction				
Special Education	\$ 13,740,269	\$ 13,684,597	\$ 2,631,026	\$ 2,961,262
School Sponsored Activities and Athletics	2,072	909	198	(189)
Support Services				
Student and Instruction Related Services	13,830,456	13,449,170	5,170,238	4,656,964
General Administration	1,464,589	1,288,038	(1,237,219)	(1,061,226)
School Administration Services	2,325,214	2,317,568	(2,070,812)	(1,972,653)
Plant Operation and Maintenance	2,404,929	2,331,830	(2,404,929)	(2,331,830)
Pupil Transportation	37,234,622	29,421,480	587,145	405,898
Central Services	630,416	557,087	(601,904)	(503,743)
Interest and Other Charges on Long-Term Debt	<u>66,822</u>	<u>84,801</u>	<u>(66,822)</u>	<u>(84,801)</u>
<b>Total</b>	<b><u>\$ 71,699,389</u></b>	<b><u>\$ 63,135,480</u></b>	<b><u>\$ 2,006,921</u></b>	<b><u>\$ 2,069,682</u></b>

# SOUTH BERGEN JOINTURE COMMISSION

## Management's Discussion and Analysis

### FINANCIAL ANALYSIS OF THE COMMISSION'S FUNDS

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

#### Governmental Funds

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

The financial performance of the Commission as a whole is reflected in its governmental funds as well. As the Commission completed the year, its governmental funds reported a combined fund balance of \$15,379,106, a decrease of \$898,431 from last year's fund balance of \$16,277,537.

Revenues for the Commission's governmental funds were \$75,500,332; total expenditures were \$76,348,763.

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

Revenues of the General Fund were \$75,291,400 for the fiscal year ended June 30, 2023. State sources amounts to \$6,363,761 and local sources total \$68,927,639.

Expenditures of the General Fund were \$76,140,029. Instructional expenditures were \$14,421,959 for support services were \$58,402,961, capital expenditures totaled \$2,679,701, and lease principal and interest payments totaled \$635,408 for the fiscal year ended June 30, 2023.

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

Revenues of the Special Revenue Fund were \$208,932 for the fiscal year ended June 30, 2023. Federal sources amounts to \$204,662 and local sources totaled \$4,270.

Expenditures of the Special Revenue Fund were \$208,734. Instructional expenditures were \$144,061 and support services totaled \$64,673 for the fiscal year ended June 30, 2023.

#### Proprietary Funds

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

**SOUTH BERGEN JOINTURE COMMISSION**

**Management’s Discussion and Analysis**

**Enterprise Fund** - The Commission uses Enterprise Funds to report activities related to the Food Services program. The Commission’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 Commission’s business-type activities.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Additional service fee revenue is earned by the Commission throughout the year which allows for budgetary increases.

**CAPITAL ASSETS**

The Commission’s investment in capital assets for its governmental and business type activities as of June 30, 2023 and 2022 amounts to \$4,352,304 and \$2,184,882 (net of accumulated depreciation), respectively. The capital assets consist of buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2022-2023 amounted to \$512,279.

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

	<b>Governmental Activities</b>	
	<u>2023</u>	<u>2022</u>
Buildings	\$ 2,679,701	
Right-To-Use Buildings	<u>1,672,603</u>	<u>\$ 2,184,882</u>
<b>Total</b>	<u>\$ 4,352,304</u>	<u>\$ 2,184,882</u>

Additional information on the Commission’s capital assets are presented in the Notes to the Financial Statements.

## **SOUTH BERGEN JOINTURE COMMISSION**

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

#### **LONG TERM LIABILITIES**

At June 30, 2023, the Commission's long-term liabilities consisted of compensated absences payable of \$234,752, leases of \$1,663,586 and net pension liability of \$3,522,751 totaling \$5,421,089. This is in comparison to long-term liabilities at June 30, 2022 of \$4,971,944 or an increase of \$449,145.

Additional information on the Commission'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 Commission's administration during the process of developing the fiscal year 2022-2023 budget. The primary factors were the Commission'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 Commission's aging facilities.

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

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, South Bergen Jointure Commission, 696 Route 46 West, Teterboro, NJ 07608.

## **BASIC FINANCIAL STATEMENTS**

**SOUTH BERGEN JOINTURE COMMISSION**  
**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	\$ 5,066,675	\$ 43,342	\$ 5,110,017
Receivables, net	10,464,239	13,243	10,477,482
Inventory	349,960	3,236	353,196
Other Assets	29,833		29,833
Internal Balances	(110,433)	110,433	-
Capital Assets, Being Depreciated net	<u>4,352,304</u>	<u>-</u>	<u>4,352,304</u>
Total Assets	<u>20,152,578</u>	<u>170,254</u>	<u>20,322,832</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>511,142</u>	<u>-</u>	<u>511,142</u>
Total Deferred Outflows of Resources	<u>511,142</u>	<u>-</u>	<u>511,142</u>
Total Assets and Deferred Outflows of Resources	<u>20,663,720</u>	<u>170,254</u>	<u>20,833,974</u>
<b>LIABILITIES</b>			
Payroll Deductions & Withholdings Payable	71,208		71,208
Noncurrent Liabilities			
Due Within One Year	598,529		598,529
Due Beyond One Year	<u>4,822,560</u>	<u>-</u>	<u>4,822,560</u>
Total Liabilities	<u>5,492,297</u>	<u>-</u>	<u>5,492,297</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue		620	620
Deferred Amounts on Net Pension Liability	<u>885,319</u>	<u>-</u>	<u>885,319</u>
Total Deferred Inflows of Resources	<u>885,319</u>	<u>620</u>	<u>885,939</u>
Total Liabilities and Deferred Inflows of Resources	<u>6,377,616</u>	<u>620</u>	<u>6,378,236</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	2,688,718	-	2,688,718
Restricted	484,027		484,027
Unrestricted	<u>11,113,359</u>	<u>169,634</u>	<u>11,282,993</u>
Total Net Position	<u>\$ 14,286,104</u>	<u>\$ 169,634</u>	<u>\$ 14,455,738</u>

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

**SOUTH BERGEN JOINTURE COMMISSION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>						
Instruction:						
Special Education	\$ 13,740,269	\$ 14,524,719	\$ 1,846,576	\$ 2,631,026	\$	\$ 2,631,026
School Sponsored Co-Curricular Activities	2,072	2,270	-	198	-	198
Support Services:						
Student and Instruction Related Services	13,830,456	16,314,414	2,686,280	5,170,238	-	5,170,238
Support Services-General Administration	1,464,589		227,370	(1,237,219)		(1,237,219)
Support Services-School Administration	2,325,214		254,402	(2,070,812)		(2,070,812)
Central Services	630,416		28,512	(601,904)		(601,904)
Operation and Maintenance of Plant Services	2,404,929			(2,404,929)		(2,404,929)
Student Transportation Services	37,234,622	37,799,885	21,882	587,145		587,145
Interest on Debt and Other Charges	66,822	-	-	(66,822)		(66,822)
<b>Total Governmental Activities</b>	<b>71,699,389</b>	<b>68,641,288</b>	<b>5,065,022</b>	<b>2,006,921</b>	<b>-</b>	<b>2,006,921</b>
<b>Business-Type Activities:</b>						
Food Service	280,086	42,773	211,722	-	\$ (25,591)	(25,591)
<b>Total Business-Type Activities</b>	<b>280,086</b>	<b>42,773</b>	<b>211,722</b>	<b>-</b>	<b>(25,591)</b>	<b>(25,591)</b>
<b>Total Primary Government</b>	<b>\$ 71,979,475</b>	<b>\$ 68,684,061</b>	<b>\$ 5,276,744</b>	<b>2,006,921</b>	<b>(25,591)</b>	<b>1,981,330</b>
<b>General Revenues and Transfers:</b>						
Interest Transfers				288,621		288,621
				(50,000)	50,000	-
<b>Total General Revenues and Transfers</b>				<b>238,621</b>	<b>50,000</b>	<b>288,621</b>
Change in Net Position				2,245,542	24,409	2,269,951
Net Position, Beginning of Year				12,040,562	145,225	12,185,787
Net Position, End of Year				\$ 14,286,104	\$ 169,634	\$ 14,455,738

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



**FUND FINANCIAL STATEMENTS**

**SOUTH BERGEN JOINTURE COMMISSION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash	\$ 5,064,625	\$ 2,050	\$ 5,066,675
Accounts Receivable			
Intergovernmental	10,464,239		10,464,239
Other Assets	29,833	-	29,833
Total Assets	15,558,697	2,050	15,560,747
<b>LIABILITIES</b>			
Payroll Deductions & Withholdings Payable	71,208		71,208
Due to Other Funds	110,433	-	110,433
Total Liabilities	181,641	-	181,641
<b>FUND BALANCE</b>			
Restricted:			
Unemployment Compensation Reserve	132,017		132,017
Student Activities		2,050	2,050
Committed:			
Designated for Building Fund	2,320,299		2,320,299
Designated for CBI Program	3,000,000		3,000,000
Unassigned	9,924,740	-	9,924,740
Total Fund Balances	15,377,056	2,050	15,379,106
Total Liabilities and Fund Balances	\$ 15,558,697	\$ 2,050	

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 \$7,606,974 and the accumulated depreciation is \$3,254,670. \$ 4,352,304

Inventory assets used in governmental activities are not financial resources and therefore are not reported in the funds. 349,960

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and amortized over future years.

Deferred Outflows of Resources	\$ 511,142	
Deferred Inflows of Resources	(885,319)	(374,177)

Long-term liabilities, including compensating absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities consist of:

Leases Payable	(1,663,586)	
Compensated Absences	(234,752)	
Net Pension Liability	(3,522,751)	(5,421,089)

Net position of governmental activities		\$ 14,286,104
---	--	---------------

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

**SOUTH BERGEN JOINTURE COMMISSION**  
**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</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Local Sources:			
Tuition	\$ 21,359,881		\$ 21,359,881
Transportation Fees	37,799,885		37,799,885
Interest/Misc.	288,621		288,621
Miscellaneous Fees/Charges	<u>9,479,252</u>	<u>\$ 4,270</u>	<u>9,483,522</u>
Total - Local Sources	68,927,639	4,270	68,931,909
Federal Sources		204,662	204,662
State Sources	<u>6,363,761</u>	<u>-</u>	<u>6,363,761</u>
Total Revenues	<u>75,291,400</u>	<u>208,932</u>	<u>75,500,332</u>
<b>EXPENDITURES</b>			
Current			
Instruction			
Special Education - Instruction	14,421,959	141,989	14,563,948
School Sponsored Co-Curricular Activities		2,072	2,072
Support Services			
Student and Instruction Related Services	14,864,508	64,673	14,929,181
Support Services-General Administration	1,560,198		1,560,198
Support Services-School Administration	2,182,453		2,182,453
Central Services	651,980		651,980
Operation and Maintenance of Plant Services	1,892,650		1,892,650
Student Transportation Services	37,251,172		37,251,172
Capital Outlay	2,679,701		2,679,701
Debt Service - Principal	568,586		568,586
Debt Service - Interest	<u>66,822</u>	<u>-</u>	<u>66,822</u>
Total Expenditures	<u>76,140,029</u>	<u>208,734</u>	<u>76,348,763</u>
Excess/(Deficit) of Revenues Over Expenditures	<u>(848,629)</u>	<u>198</u>	<u>(848,431)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating Transfer Out - Food Service	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
Net Change in Fund Balances	(898,629)	198	(898,431)
Fund Balance, Beginning of Year	<u>16,275,685</u>	<u>1,852</u>	<u>16,277,537</u>
Fund Balance, End of Year	<u>\$ 15,377,056</u>	<u>\$ 2,050</u>	<u>\$ 15,379,106</u>

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

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

**Total net change in fund balances - governmental funds (Exhibit B-2)** **\$ (898,431)**

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

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

Depreciation Expense	\$ (512,279)	
Capital Outlay	<u>2,679,701</u>	
		2,167,422

The issuance of long term debt ( e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long term debt.

Lease Principal Payments	<u>568,586</u>	
		568,586

Inventory adjustment that decreases net position in the statement of activities, but does not appear in the governmental funds. (252,000)

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

Compensated Absences, Net	(4,661)	
Decrease in Pension Expense	<u>664,626</u>	
		<u>659,965</u>

**Change in net position of governmental activities (Exhibit A-2)** **\$ 2,245,542**

**SOUTH BERGEN JOINTURE COMMISSION  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2023**

	<b>Business-Type Activities Enterprise Fund <u>Food Services</u></b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 43,342
Due From Other Funds	110,433
Intergovernmental Receivable	13,243
Inventory	<u>3,236</u>
 Total Assets	 <u>170,254</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Commodities Revenue	<u>620</u>
 Total Deferred Inflows of Resources	 <u>620</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>620</u>
<b>NET POSITION</b>	
Unrestricted	<u>169,634</u>
 Total Net Position	 <u>\$ 169,634</u>

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

	<b>Business-Type Activities Enterprise Fund <u>Food Services</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales - Non-Reimbursable Programs	\$ 42,773
	<hr/>
Total Operating Revenues	42,773
<b>OPERATING EXPENSES</b>	
Cost of Sales - Reimbursable Programs	\$ 75,472
Cost of Sales - Non-Reimbursable Programs	4,961
Salaries and Wages	94,740
Insurance	9,941
Supplies and Materials	14,044
Maintenance	13,102
Management Fee	10,406
Miscellaneous	57,420
	<hr/>
Total Operating Expenses	280,086
Operating (Loss)	<hr/> <u>(237,313)</u>
<b>NONOPERATING REVENUES</b>	
State Sources	
State School Breakfast Program	1,114
State School Lunch Program	3,517
Federal Sources	
National School Breakfast Program	50,952
National School Lunch Program	92,157
COVID Emergency Management Operation Program	47,054
USDA Commodities	16,928
	<hr/>
Total Nonoperating Revenues	211,722
Net Income (Loss) Before Transfers	(25,591)
Transfer from General Fund	<hr/> 50,000
Change in Net Position	24,409
Net Position, Beginning of Year	<hr/> 145,225
Net Position, End of Year	<hr/> <u>\$ 169,634</u>

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

**SOUTH BERGEN JOINTURE COMMISSION  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Business-Type Activities Enterprise Fund <u>Food Services</u></b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 42,773
Cash Payments for Salaries and Wages	(94,740)
Cash Payments for Goods and Services	<u>(200,822)</u>
Net Cash Provided (Used) by Operating Activities	<u>(252,789)</u>
<b>Cash Flows from Non-Capital Financing Activities</b>	
Cash Received/Paid from Other Funds	50,000
Cash Received from State and Federal Subsidy	<u>211,426</u>
Net Cash Provided by Non-Capital Financing Activities	<u>261,426</u>
Net Increase in Cash and Cash Equivalents	8,637
Cash and Cash Equivalents, Beginning of Year	<u>34,705</u>
Cash and Cash Equivalents, End of Year	<u>\$ 43,342</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities</b>	
Operating Income (Loss)	\$ (237,313)
Adjustments to Reconcile Operating/Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Non-Cash Federal Assistance-National School Lunch (Food Distribution)	16,928
Change in Assets and Liabilities	
(Increase)/Decrease in Inventory	(157)
(Increase)/Decrease in Due From Other Funds	(31,424)
Increase/(Decrease) in Unearned Revenue	<u>(823)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (252,789)</u>
Non-Cash Financing Activities	
Fair Value Received - Food Distribution Program	\$ 16,105

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

**NOTES TO THE FINANCIAL STATEMENTS**



**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The South Bergen Jointure Commission (the “Commission” or the “Board”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Commission consists of fourteen appointed officials, one from each member school District and is responsible for the fiscal control of the Commission. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the Commission. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the Commission. Under existing statutes, the Commission’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 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 Commission who is responsible for general supervision of all schools, planning and operational functions of the Commission. The Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools to the Board.

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

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

**B. New Accounting Standards**

During fiscal year 2023, the Commission 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.

**SOUTH BERGEN JOINTURE COMMISSION  
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 Commission 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 commission-wide financial statements (based on the Commission as a whole) and fund financial statements (based on specific Commission activities or objectives). Both the commission-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate commission-wide and fund financial statements are presented, they are interrelated. In the commission-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the Commission's enterprise funds. Fiduciary funds are excluded from the commission-wide financial statements. Currently the Commission has no fiduciary funds.

**Commission-Wide Financial Statements**

The commission-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 Commission. 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 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 Commissions, 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. 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 commission-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**SOUTH BERGEN JOINTURE COMMISSION  
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, proprietary, and fiduciary activities, even though the latter are excluded from the commission-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The Commission considers all of its governmental and enterprise funds to be major funds.

The Commission reports the following major governmental funds:

The *general fund* is the School Commission's primary operating fund. It accounts for all financial resources of the Commission, 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 and student activity funds derived from athletic events or other activities of pupil organizations.

The Commission 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 commission-wide financial statements as "internal balances".

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

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

The commission-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. 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 Commission 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.

**SOUTH BERGEN JOINTURE COMMISSION  
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)**

Tuition, transportation fees, 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 Commission.

When both restricted and unrestricted resources are available for use, it is the Commission'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. Inventories are capitalized on the Commission-wide financial statements.

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

***4. Capital Assets***

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the commission-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years. The Commission was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the Commission constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost except for intangible right-to-use leased assets the measurement of which is discussed in Note 1.E.8. 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.

**SOUTH BERGEN JOINTURE COMMISSION  
 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. *Capital Assets (Continued)***

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

<u>Assets</u>	<u>Years</u>
Right to Use Leased Facilities	5
Office Equipment and Furniture	7-10
Computer Equipment	5

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission 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 commission-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 commission-wide and the proprietary funds statements or 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.

**6. *Compensated Absences***

It is the Commission'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 commission-wide financial statements, representing the Commission's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated vacation, personal and sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

**SOUTH BERGEN JOINTURE COMMISSION  
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. Pensions**

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

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

**8. Leases Payable**

Non-cancellable leases for the use of another entity's buildings are recognized as a lease liability and an intangible right-to-use lease asset in the commission-wide and proprietary fund type financial statements. The Commission 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.

**9. Net Position/Fund Balance**

**Commission-Wide Statements**

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

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

**Governmental Fund Statements**

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

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

**Governmental Fund Statements (Continued)**

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

*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 Commission's election for payment in lieu of contributions (benefit reimbursement method). (See Note 4).

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

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

*Designated for Building Fund* – Represents funds committed by Commission resolution for the purchase of a new building for the Commission.

*Designated for CBI Program* – Represents funds committed by Commission resolution for the implementation of a community based instruction program.

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

**10. *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 commission 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 commission's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the commission 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 commission for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. The District has no assigned fund balances at year end.

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

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

**2. *Tuition Revenues and Transportation Charges***

Tuition Revenues - Tuition charges were established by the Commission based on estimated costs and pupil enrollment. The charges are not subject to adjustment.

Transportation Charges – These charges are based upon actual routes, contract awards and students transported. The Commission assesses a 3% surcharge to cover administrative costs.

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

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the Commission 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.

The annual budget is adopted in the spring of the preceding year for the general and special revenue funds. The budget is submitted to the county superintendent for review and approval prior to adoption.

Budget adoptions and amendments are recorded in the Commission'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 general fund budget by \$14,998,178 as a result of additional revenue and appropriation of capital reserve.



**SOUTH BERGEN JOINTURE COMMISSION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**A. Budgetary Information (Continued)**

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

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

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2023, the book value of the Board's deposits were \$5,110,017 and bank and brokerage firm balances of the Board's deposits amounted to \$12,260,480. The Board's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

**Depository Account**

Insured	\$ 12,029,367
Uninsured and Collateralized	<u>231,113</u>
	<u>\$ 12,260,480</u>

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

**Cash Deposits (Continued)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2023 the Board’s bank balances of \$231,113 were exposed to custodial credit risk as follows:

**Depository Account**

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 231,113</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 Commission or bonds or other obligations of the local unit or units within which the school Commission 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 Commissions, 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 Commissions; 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.

**B. Receivables**

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

	<u>General</u>	<u>Food Service</u>	<u>Total</u>
Receivables:			
Intergovernmental -			
Federal		\$ 12,821	\$ 12,821
State	\$ 90,842	422	91,264
Local	<u>10,373,397</u>	<u>-</u>	<u>10,373,397</u>
Gross Receivables	10,464,239	13,243	10,477,482
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 10,464,239</u>	<u>\$ 13,243</u>	<u>\$ 10,477,482</u>

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**C. Capital Assets**

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

	<u>Balance, July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2023</u>
<b>Governmental activities:</b>				
Capital assets, being depreciated:				
Right-to-Use Leased Buildings	\$ 4,168,911			\$ 4,168,911
Buildings		\$ 2,679,701		2,679,701
Machinery and Equipment	758,362	-	-	758,362
Total capital assets being depreciated	<u>4,927,273</u>	<u>2,679,701</u>	<u>-</u>	<u>7,606,974</u>
Less accumulated depreciation for:				
Right-to-Use Leased Buildings	(1,984,029)	(512,279)		(2,496,308)
Machinery and Equipment	(758,362)	-	-	(758,362)
Total accumulated depreciation	<u>(2,742,391)</u>	<u>(512,279)</u>	<u>-</u>	<u>(3,254,670)</u>
Total capital assets, being depreciated, net	<u>2,184,882</u>	<u>2,167,422</u>	<u>-</u>	<u>4,352,304</u>
Governmental activities capital assets, net	<u>\$ 2,184,882</u>	<u>\$ 2,167,422</u>	<u>\$ -</u>	<u>\$ 4,352,304</u>
	<u>Balance, July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2023</u>
<b>Business-type activities:</b>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 43,242	-	-	\$ 43,242
Total capital assets being depreciated	<u>43,242</u>	<u>-</u>	<u>-</u>	<u>43,242</u>
Less accumulated depreciation for:				
Machinery and equipment	(43,242)	-	-	(43,242)
Total accumulated depreciation	<u>(43,242)</u>	<u>-</u>	<u>-</u>	<u>(43,242)</u>
Total capital assets, being depreciated, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**C. Capital Assets (Continued)**

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

**Governmental activities:**

Support Services	
Operations and Maintenance of Plant	\$ 512,279
Total Support Services	<u>512,279</u>
Total Governmental Funds	<u>512,279</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 512,279</u>

**D. 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>
Food Service Enterprise Fund	General Fund	<u>\$ 110,433</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.

**Interfund Transfers**

	<u>Transfer Out:</u>	
	<u>General Fund</u>	<u>Total</u>
Transfer In:		
Food Service - Enterprise Fund	\$ 50,000	\$ 50,000
Total	<u>\$ 50,000</u>	<u>\$ 50,000</u>

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

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**E. Leases Payable**

On January 11, 2019, the Commission entered into a 3 year lease agreement with two year renewal option executed on April 26, 2022 as lessee for the use of Saint Frances De Sales Roman Catholic Church. An initial lease liability was recorded in the amount of \$1,341,782. The lease has an interest rate of 3.00%. The Commission is required to make monthly payments of \$24,612. As of June 30, 2023 the value of the lease liability was \$296,410. The value of the right-to-use asset as of June 30, 2023 is \$268,357 and had accumulated depreciation of \$1,073,424.

On April 26, 2017, the Commission entered into a 5 year lease agreement as lessee for the use of Our Lady Queen of Peace. An initial lease liability was recorded in the amount of \$1,219,613. On May 24, 2022, the Commission executed the 5 year renewal option. An additional lease liability was recorded in the amount of \$1,607,516. The lease has an interest rate of 3.50%. The Commission is required to make monthly payments of \$28,409. As of June 30, 2023 the value of the lease liability was \$1,367,176. The value of the right-to-use asset as of June 30, 2023 is \$1,404,247 and had accumulated depreciation of \$1,422,884.

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

**Governmental Activities:**

<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 598,529	\$ 47,886	\$ 646,415
2025	318,126	32,219	350,345
2026	334,781	20,819	355,600
2027	352,108	8,826	360,934
2028	60,042	263	60,305
Total	<u>\$ 1,663,586</u>	<u>\$ 110,013</u>	<u>\$ 1,773,599</u>

**F. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Compensated Absences	\$ 230,091	\$ 4,661		\$ 234,752	
Net Pension Liability	2,509,681	1,307,434	\$ 294,364	3,522,751	
Leases Payable	2,232,172	-	568,586	1,663,586	\$ 598,529
Governmental activity					
Long-term liabilities	<u>\$ 4,971,944</u>	<u>\$ 1,312,095</u>	<u>\$ 862,950</u>	<u>\$ 5,421,089</u>	<u>\$ 598,529</u>

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

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

The Commission is a member of the New Jersey School Boards Association Insurance Group (NJSBAIG). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

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

Fiscal Year Ended June 30,	Employee Contributions	Amount Reimbursed	Ending Balance
2023	\$ 35,470	\$ 44,902	\$ 132,017
2022	32,716	554	141,449
2021	30,348	623	29,725

**B. Contingent Liabilities**

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

**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 Commission.

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**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 Commission, 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 benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**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 Commission 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).



**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Plan Amendments**

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

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

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

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**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, 2022 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was 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 Commission was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, was required to contribute for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2023	\$ 294,364	\$ 4,304,469	\$ 91,271
2022	248,101	4,323,714	146,794
2021	243,066	2,912,336	127,357

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$1,395, \$1,413 and \$1,350, 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 commission-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 Commission \$927,123 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 commission-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 Commission reported in the statement of net position (accrual basis) a liability of \$3,522,751 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 Commission's proportionate share of the net pension liability was based on the ratio of the Commission'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 Commission's proportionate share was 0.0233 percent, which was an increase of 0.0021 percent from its proportionate share measured as of June 30, 2021 of 0.0212 percent.

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

For the fiscal year ended June 30, 2023, the Commission recognized in the Commission-wide statement of activities (accrual basis) pension benefit of \$370,262 for PERS. The pension contribution made by the Commission 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 Commission 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	\$ 25,426	\$ 22,422
Changes of Assumptions	10,915	527,495
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	145,803	
Changes in Proportion and Differences Between Commission Contributions and Proportionate Share of Contributions	<u>328,998</u>	<u>335,402</u>
Total	<u>\$ 511,142</u>	<u>\$ 885,319</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 (benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2023	\$ (521,071)
2024	(245,045)
2025	(83,486)
2026	181,060
2027	294,365
Thereafter	<u>-</u>
	<u>\$ (374,177)</u>

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Actuarial Assumptions***

The Commission'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.

	<b><u>PERS</u></b>
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.

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***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%

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***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 Commission's proportionate share of the PERS net pension liability calculated using the discount rate of 7.00 percent, as well as what the Commission'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>
Commission's Proportionate Share of the PERS Net Pension Liability	\$ <u>4,525,703</u>	\$ <u>3,522,751</u>	\$ <u>2,669,198</u>

The sensitivity analysis was based on the proportionate share of the Commission's net pension liability as of the measurement date of June 30, 2022. A sensitivity analysis specific to the Commission'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).

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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 Commission 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 Commission. Accordingly, the Commission'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 Commission for TPAF. Therefore, in addition, the Commission does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2022, the Commission recognized in the Commission-wide statement of activities (accrual basis) pension expense of \$1,438,101 for TPAF. This amount has been included in the Commission-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 Commission is \$53,435,590. The net pension liability was measured as of June 30, 2021 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 Commission 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 Commission was 0.10357 percent, which was an increase of 0.00525 percent from its proportionate share measured as of June 30, 2021 of 0.09832 percent.



**SOUTH BERGEN JOINTURE COMMISSION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

**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.

	<u>TPAF</u>
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.

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

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

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***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.

***Sensitivity of Net Pension Liability***

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the Commission	<u>\$ 62,654,365</u>	<u>\$ 53,435,590</u>	<u>\$ 45,669,931</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the Commission 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 Commission 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).

**D. Post-Retirement Medical Benefits**

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

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.

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Plan Description and Benefits Provided**

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

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

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Collective Net OPEB Liability**

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

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

**Actuarial Methods and Assumptions**

In the June 30, 2021 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.33 billion to the OPEB plan in fiscal year 2022.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School Commission for the fiscal years ended June 30, 2023, 2022 and 2021 were \$1,130,774, \$1,010,194 and \$912,681, 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 Commission 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.

**SOUTH BERGEN JOINTURE COMMISSION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

In accordance with GASB No. 75, the Commission 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 Commission. Accordingly, the Commission'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 Commission. Therefore, in addition, the Commission 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 Commission recognized in the Commission-wide statement of activities (accrual basis) OPEB expense of \$2,491,711. This amount has been included in the Commission-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 Commission is \$37,506,292. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the Commission 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 Commission was 0.07 percent, which was unchanged from its proportionate share measured as of June 30, 2021 of 0.07 percent.

**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.

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**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.

**Changes in the Total OPEB Liability**

The change in the State's proportionate share of the OPEB liability attributable to the Commission 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	\$ 44,572,372
Changes Recognized for the Fiscal Year:	
Service Cost	2,586,240
Interest on the Total OPEB Liability	993,958
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	368,081
Changes of Assumptions	(10,061,399)
Gross Benefit Payments	(984,545)
Contributions from the Member	31,585
<b>Net Changes</b>	<u>(7,066,080)</u>
Balance, June 30, 2022 Measurement Date	<u>\$ 37,506,292</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 Commission at June 30, 2022.

**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Sensitivity of OPEB Liability**

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

	<b>1% Decrease (2.54%)</b>	<b>Current Discount Rate (3.54%)</b>	<b>1% Increase (4.54%)</b>
State's Proportionate Share of the OPEB Liability Attributable to the Commission	\$ 44,084,701	\$ 37,506,292	\$ 32,234,026

*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 Commission calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State's Proportionate Share of the OPEB Liability Attributable to the Commission	\$ 31,001,243	\$ 37,506,292	\$ 46,051,069

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

**NOTE 5 RECENT HEALTHCARE DEVELOPMENTS**

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



**SOUTH BERGEN JOINTURE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 RECENT HEALTHCARE DEVELOPMENTS (Continued)**

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 \$306,993 in federal aid to address the effects of the COVID-19 pandemic.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**SOUTH BERGEN JOINTURE COMMISSION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>					
<b>Local Sources</b>					
Tuition from Other LEA's - Within the State	\$ 21,780,505		\$ 21,780,505	\$ 21,359,881	\$ (420,624)
Transportation Fees from Other LEA's	26,417,909	\$ 11,005,600	37,423,509	37,799,885	376,376
Interest	-	90,750	90,750	288,621	197,871
Miscellaneous	7,699,972	1,222,126	8,922,098	9,479,252	557,154
<b>Total Local Sources</b>	<b>55,898,386</b>	<b>12,318,476</b>	<b>68,216,862</b>	<b>68,927,639</b>	<b>710,777</b>
<b>State Sources</b>					
On Behalf TPAF Pension Contribution (Non Budgeted) - Normal Costs				4,245,567	4,245,567
On Behalf TPAF Pension Contribution (Non Budgeted) - NCGI Premium				58,902	58,902
On Behalf TPAF Pension Contribution (Non Budgeted) - Post Retirement Medical				1,130,774	1,130,774
On Behalf TPAF Pension Contribution (Non Budgeted) - Long-Term Disab. Insurance				1,395	1,395
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	927,123	927,123
<b>Total State Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,363,761</b>	<b>6,363,761</b>
<b>Total Revenues</b>	<b>55,898,386</b>	<b>12,318,476</b>	<b>68,216,862</b>	<b>75,291,400</b>	<b>7,074,538</b>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
<b>Special Education</b>					
<b>Behavioral Disabilities</b>					
Salaries of Teachers	771,653	367,113	1,138,766	1,106,732	32,034
Other Salaries for Instruction	1,097,533	69,993	1,167,526	1,131,771	35,755
Other Purchased Services	39,761	18,000	57,761	57,760	1
General Supplies	12,731	2,000	14,731	11,562	3,169
Textbooks	68,800	-	68,800	62,864	5,936
<b>Total Behavioral Disabilities</b>	<b>1,990,478</b>	<b>457,106</b>	<b>2,447,584</b>	<b>2,370,689</b>	<b>76,895</b>
<b>Multiple Disabilities</b>					
Salaries of Teachers	511,937	100,202	612,139	560,940	51,199
Other Salaries for Instruction	761,866	(24,442)	737,424	618,570	118,854
Other Purchased Services	37,021	(6,600)	30,421	30,340	81
General Supplies	7,059	2,450	9,509	8,017	1,492
Textbooks	48,100	15,000	63,100	55,554	7,546
<b>Total Multiple Disabilities</b>	<b>1,365,983</b>	<b>86,610</b>	<b>1,452,593</b>	<b>1,273,421</b>	<b>179,172</b>
<b>Autistic Program</b>					
Salaries of Teachers	1,997,441	81,239	2,078,680	2,011,214	67,466
Other Salaries for Instruction	2,553,702	28,675	2,582,377	2,532,224	50,153
Other Purchased Services	36,964	(11,549)	25,415	25,415	-
General Supplies	11,337	17,068	28,405	25,970	2,435
Textbooks	28,350	-	28,350	24,446	3,904
<b>Total Autistic Program</b>	<b>4,627,794</b>	<b>115,433</b>	<b>4,743,227</b>	<b>4,619,269</b>	<b>123,958</b>

**SOUTH BERGEN JOINTURE COMMISSION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Preschool Disabilities - Part-Time					
Salaries of Teachers	\$ 903,472	\$ (248,121)	\$ 655,351	\$ 635,540	\$ 19,811
Other Salaries for Instruction	631,977	(170,000)	461,977	379,375	82,602
Other Purchased Services	27,462	(6,341)	21,121	21,120	1
General Supplies	12,284	(5,300)	6,984	3,755	3,229
<b>Total Preschool Disabilities - Part-Time</b>	<b>1,575,195</b>	<b>(429,762)</b>	<b>1,145,433</b>	<b>1,039,790</b>	<b>105,643</b>
Home Instruction					
Salaries of Teachers	84,628	42,434	127,062	127,060	2
Other Salaries for Instruction	42,656	2,000	44,656	15,538	29,118
<b>Total Home Instruction</b>	<b>127,284</b>	<b>44,434</b>	<b>171,718</b>	<b>142,598</b>	<b>29,120</b>
<b>Total Special Education</b>	<b>9,686,734</b>	<b>273,821</b>	<b>9,960,555</b>	<b>9,445,767</b>	<b>514,788</b>
Undistributed Expenditures					
Health Services					
Salaries	307,243	62,854	370,097	364,389	5,708
Purchased Professional and Technical Services	40,506	(8,500)	32,006	31,950	56
Supplies and Materials	21,189	4,623	25,812	16,771	9,041
<b>Total Health Services</b>	<b>368,938</b>	<b>58,977</b>	<b>427,915</b>	<b>413,110</b>	<b>14,805</b>
Speech, OT/PT, and Related Services					
Salaries	7,442,598	486,524	7,929,122	7,829,123	99,999
Purchased Professional and Technical Services	575,518	(31,316)	544,202	537,859	6,343
Supplies and Materials	15,250	23,660	38,910	29,138	9,772
<b>Total Speech, OT/PT, and Related Services</b>	<b>8,033,366</b>	<b>478,868</b>	<b>8,512,234</b>	<b>8,396,120</b>	<b>116,114</b>
Child Study Teams					
Salaries of Other Professional Staff	310,421	-	310,421	215,132	95,289
Supplies and Materials	2,150	-	2,150	-	2,150
<b>Total Child Study Teams</b>	<b>312,571</b>	<b>-</b>	<b>312,571</b>	<b>215,132</b>	<b>97,439</b>
Improvement of Instructional Services					
Purchase Professional - Educational Services	30,000	45,000	75,000	73,319	1,681
Other Purchased Services	1,565	-	1,565	150	1,415
Other Objects	22,421	14,278	36,699	33,461	3,238
<b>Total Improvement of Instructional Services</b>	<b>53,986</b>	<b>59,278</b>	<b>113,264</b>	<b>106,930</b>	<b>6,334</b>

**SOUTH BERGEN JOINTURE COMMISSION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Support Services General Administration					
Salaries	\$ 769,410	\$ -	\$ 769,410	\$ 729,276	\$ 40,134
Legal Service	27,507	23,731	51,238	51,237	1
Audit Fees	26,850	8,468	35,318	35,318	-
Communications/Telephone	86,103	(32,700)	53,403	53,376	27
BOE Other Purchased Services		487	487	487	-
Misc. Purchased Services	13,332	(13,300)	32		32
General Supplies	61,505	32,015	93,520	92,645	875
Miscellaneous Expenditures	101,310	(684)	100,626	100,621	5
<b>Total Support Services General Administration</b>	<b>1,086,017</b>	<b>18,017</b>	<b>1,104,034</b>	<b>1,062,960</b>	<b>41,074</b>
Support Services School Administration					
Salaries of Principals/Asst. Principals	895,087	54,959	950,046	789,746	160,300
Salaries of Secretarial and Clerical Assistants	163,132	(30,555)	132,577	119,614	12,963
Purchased Professional and Technical Services	27,917	(27,900)	17		17
Supplies and Materials	487,875	156,915	644,790	623,269	21,521
Other Objects	49,750	14,556	64,306	62,708	1,598
<b>Total Support Services School Administration</b>	<b>1,623,761</b>	<b>167,975</b>	<b>1,791,736</b>	<b>1,595,337</b>	<b>196,399</b>
Central Services					
Salaries	363,549	53,414	416,963	416,962	1
Purchased Professional Services	35,286	13,121	48,407	48,406	1
Misc Purchased Services	8,242	278	8,520	6,488	2,032
Supplies and Materials	2,248	-	2,248		2,248
Miscellaneous Expenditures	5,050	5,492	10,542	10,541	1
<b>Total Central Services</b>	<b>414,375</b>	<b>72,305</b>	<b>486,680</b>	<b>482,397</b>	<b>4,283</b>
Administration Information Technology					
Other Purchased Services	1,550	-	1,550	671	879
<b>Total Administration Information Technology</b>	<b>1,550</b>	<b>-</b>	<b>1,550</b>	<b>671</b>	<b>879</b>
Custodial Services					
Cleaning, Repair and Maintenance Services	486,333	45,854	532,187	531,527	660
Rental of Land and Buildings	1,839,911	111,423	1,951,334	1,945,906	5,428
Insurance	37,961	9,175	47,136	47,136	-
General Supplies	35,414	(32,400)	3,014	2,818	196
<b>Total Custodial Services</b>	<b>2,399,619</b>	<b>134,052</b>	<b>2,533,671</b>	<b>2,527,387</b>	<b>6,284</b>
Student Transportation Services					
Salaries for Pupil Transp. Btw. Home and Sch. - Sp Ed	338,633	(5,292)	333,341	320,006	13,335
Other Purchased Professional and Technical Services	14,450	14,269	28,719	28,719	-
Contracted Services - Transportation (Other than Between Home and School) - Vendors	36,675	62,120	98,795	98,624	171
Contracted Services ( Special Education Students) - Vendors	25,623,455	11,050,218	36,673,673	36,673,673	-
<b>Total Student Transportation Services</b>	<b>26,013,213</b>	<b>11,121,315</b>	<b>37,134,528</b>	<b>37,121,022</b>	<b>13,506</b>

**SOUTH BERGEN JOINTURE COMMISSION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXHIBIT C-1

	Original Budget	Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Unallocated Benefits - Employee Benefits					
Social Security Contributions	\$ 507,630	\$ 5,292	\$ 512,922	\$ 512,921	\$ 1
Other Retirement Contribution	395,673	20,691	416,364	415,491	873
Unemployment Compensation	74,280	(10,800)	63,480	9,432	54,048
Worker's Compensation	127,186	27,770	154,956	154,956	-
Health Benefits	4,634,250	(46,515)	4,587,735	4,586,855	880
Tuition Reimbursement	42,420	3,080	45,500	45,500	-
Other Employee Benefits	5,167	-	5,167	4,579	588
<b>Total Unallocated Benefits - Employee Benefits</b>	<u>5,786,606</u>	<u>(482)</u>	<u>5,786,124</u>	<u>5,729,734</u>	<u>56,390</u>
On Behalf Payments (Non-Budgeted)					
On Behalf TPAF Pension Contribution (Non Budgeted) - Normal Costs				4,245,567	(4,245,567)
On Behalf TPAF Pension Contribution (Non Budgeted) - NCGI Premium				58,902	(58,902)
On Behalf TPAF Pension Contribution (Non Budgeted) - Post Retirement Medical				1,130,774	(1,130,774)
On Behalf TPAF Pension Contribution (Non Budgeted) - Long-Term Disab. Insurance				1,395	(1,395)
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	927,123	(927,123)
<b>Total Undistributed Expenditures</b>	<u>46,094,002</u>	<u>12,110,305</u>	<u>58,204,307</u>	<u>64,014,561</u>	<u>(5,810,254)</u>
<b>Total - Current Expenditures</b>	<u>55,780,736</u>	<u>12,384,126</u>	<u>68,164,862</u>	<u>73,460,328</u>	<u>(5,295,466)</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed Expenditures					
General Administration	15,150	(15,150)	-	-	-
School Administration	-	-	-	-	-
<b>Total Equipment</b>	<u>15,150</u>	<u>(15,150)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities Acquisitions and Construction Services					
Undistributed Expenditures					
Building Purchase	50,500	2,629,202	2,679,702	2,679,701	1
<b>Total Facilities Acquisition and Construction Services</b>	<u>50,500</u>	<u>2,629,202</u>	<u>2,679,702</u>	<u>2,679,701</u>	<u>1</u>
<b>Total Capital Outlay</b>	<u>65,650</u>	<u>2,614,052</u>	<u>2,679,702</u>	<u>2,679,701</u>	<u>1</u>
<b>Total Expenditures - General Fund</b>	<u>55,846,386</u>	<u>14,998,178</u>	<u>70,844,564</u>	<u>76,140,029</u>	<u>(5,295,465)</u>
Excess of Revenues Over Expenditures	52,000	(2,679,702)	(2,627,702)	(848,629)	1,779,073
Other Financing Uses					
Operating Transfers Out - Food Service	(52,000)	-	(52,000)	(50,000)	2,000
<b>Total Other Financing Uses</b>	<u>(52,000)</u>	<u>-</u>	<u>(52,000)</u>	<u>(50,000)</u>	<u>2,000</u>
Excess/(Deficit) of Revenues Over Expenditures and Other Financing Uses	-	(2,679,702)	(2,679,702)	(898,629)	1,781,073
Fund Balances, Beginning of Year	16,275,685	-	16,275,685	16,275,685	-
<b>Fund Balances, End of Year</b>	<u>\$ 16,275,685</u>	<u>\$ (2,679,702)</u>	<u>\$ 13,595,983</u>	<u>\$ 15,377,056</u>	<u>\$ 1,781,073</u>
<b>Recapitulation of Fund Balance</b>					
Restricted:					
Unemployment Compensation				\$ 132,017	
Committed Fund Balance					
Designated for Building Fund				2,320,299	
Designated for CBI Program				3,000,000	
Unassigned Fund Balance				9,924,740	
<b>Fund Balance per Governmental Funds (GAAP)</b>				<u>\$ 15,377,056</u>	

SOUTH BERGEN JOINTURE COMMISSION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>					
Federal Sources	-	\$ 204,662	\$ 204,662	\$ 204,662	\$ -
Local Sources	-	2,000	2,000	4,270	2,270
Total Revenues	-	206,662	206,662	208,932	2,270
<b>EXPENDITURES</b>					
Instruction					
General Supplies	-	130,800	130,800	130,800	-
Purchased Services	-	11,189	11,189	11,189	-
Student Activities (Non-Budget)	-	-	-	2,072	(2,072)
Total Instruction	-	141,989	141,989	144,061	(2,072)
Support Services					
Purchased Professional Services	-	64,673	64,673	64,673	-
Total Support Services	-	64,673	64,673	64,673	-
Total Expenditures	-	206,662	206,662	208,734	(2,072)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	198	198
Fund Balances, Beginning of Year	\$ 1,852	-	1,852	1,852	-
Fund Balances, End of Year	\$ 1,852	\$ -	\$ 1,852	\$ 2,050	\$ 198
			Restricted:		
			Student Activities	\$ 2,050	



**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**SOUTH BERGEN JOINTURE COMMISSION  
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. 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 following presents a reconciliation of the General Fund from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule (Exhibit C-1)	\$ 75,291,400	\$ 208,932
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 75,291,400</u>	<u>\$ 208,932</u>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule	\$ 76,140,029	\$ 208,734
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 76,140,029</u>	<u>\$ 208,734</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

SOUTH BERGEN JOINTURE COMMISSION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Employees Retirement System  
Last Ten Fiscal Years\*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Position Liability (Asset)	.0233442%	.021185%	0.022222%	0.02315%	0.00024%	0.02616%	0.02548%	0.08219%	0.03034%	0.03510%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 3,522,751	\$ 2,509,681	\$ 3,623,343	\$ 4,170,440	\$ 4,804,433	\$ 6,090,146	\$ 7,547,623	\$ 6,330,038	\$ 5,681,464	\$ 6,708,121
District's Covered Payroll	\$ 1,728,762	\$ 1,742,632	\$ 1,511,884	\$ 1,629,589	\$ 1,635,201	\$ 1,710,632	\$ 1,741,527	\$ 1,833,132	\$ 1,927,098	\$ 2,126,937
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	203.77%	144.02%	239.66%	255.92%	293.81%	356.02%	433.39%	345.31%	294.82%	315.39%
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%	47.92%	52.08%	48.72%

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

SOUTH BERGEN JOINTURE COMMISSION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 294,364	\$ 248,101	\$ 243,066	\$ 225,136	\$ 242,711	\$ 242,365	\$ 229,396	\$ 242,433	\$ 250,162	\$ 264,464
Contributions in Relation to the Contractually Required Contribution	294,364	248,101	243,066	225,136	242,711	242,365	229,396	242,433	250,162	264,464
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 1,675,785	\$ 1,728,762	\$ 1,742,632	\$ 1,511,884	\$ 1,629,589	\$ 1,635,201	\$ 1,710,632	\$ 1,741,527	\$ 1,833,132	\$ 1,927,098
Contributions as a Percentage of Covered Payroll	17.57%	14.35%	13.95%	14.89%	14.89%	14.82%	13.41%	13.92%	13.68%	13.72%

SOUTH BERGEN JOINTURE COMMISSION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	Teachers Pension and Annuity Fund									
	Last Ten Fiscal Years*									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	\$ 53,435,590	\$ 47,266,133	\$ 63,907,991	\$ 59,966,449	\$ 61,635,016	\$ 59,890,053	\$ 64,111,285	\$ 51,874,146	\$ 45,078,903	\$ 45,568,935
Total	\$ 53,435,590	\$ 47,266,133	\$ 63,907,991	\$ 59,966,449	\$ 61,635,016	\$ 59,890,053	\$ 64,111,285	\$ 51,874,146	\$ 45,078,903	\$ 45,568,935
District's Covered Payroll	\$ 12,187,306	\$ 11,851,820	\$ 11,253,534	\$ 10,933,258	\$ 10,322,070	\$ 10,304,758	\$ 9,849,559	\$ 8,908,782	\$ 8,264,745	\$ 8,243,046
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%	28.74%	33.64%	33.76%

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

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

**Change of Benefit Terms:** None.

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

**SOUTH BERGEN JOINTURE COMMISSION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF  
TOTAL OPEB 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>
<b>Total OPEB Liability</b>						
Service Cost	\$ 2,586,240	\$ 2,950,978	\$ 1,669,676	\$ 1,640,690	\$ 1,887,608	\$ 2,306,975
Interest on Total OPEB Liability	993,958	1,156,254	1,018,155	1,184,830	1,256,115	1,056,892
Changes of Benefit Terms	-	(47,442)	-	-	-	-
Differences Between Expected and Actual Experience	368,081	(6,928,462)	9,762,244	(3,972,650)	(3,202,818)	-
Changes of Assumptions	(10,061,399)	43,974	8,818,789	414,865	(3,372,137)	(4,435,792)
Gross Benefit Payments	(984,545)	(910,805)	(840,486)	(854,128)	(785,759)	(1,369,010)
Contribution from the Member	31,585	29,560	25,475	25,319	27,157	50,410
<b>Net Change in Total OPEB Liability</b>	<b>(7,066,080)</b>	<b>(3,705,943)</b>	<b>20,453,853</b>	<b>(1,561,074)</b>	<b>(4,189,834)</b>	<b>(2,390,525)</b>
<b>Total OPEB Liability - Beginning</b>	<b>44,572,372</b>	<b>48,278,315</b>	<b>27,824,462</b>	<b>29,385,536</b>	<b>33,575,370</b>	<b>35,965,895</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 37,506,292</b>	<b>\$ 44,572,372</b>	<b>\$ 48,278,315</b>	<b>\$ 27,824,462</b>	<b>\$ 29,385,536</b>	<b>\$ 33,575,370</b>
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	37,506,292	44,572,372	48,278,315	27,824,462	29,385,536	33,575,370
<b>Total OPEB Liability - Ending</b>	<b>\$ 37,506,292</b>	<b>\$ 44,572,372</b>	<b>\$ 48,278,315</b>	<b>\$ 27,824,462</b>	<b>\$ 29,385,536</b>	<b>\$ 33,575,370</b>
District's Covered Payroll	<u>\$ 13,916,068</u>	<u>\$ 13,594,452</u>	<u>\$ 12,765,418</u>	<u>\$ 12,562,847</u>	<u>\$ 11,957,271</u>	<u>\$ 12,015,390</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

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

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

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



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

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

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

**SPECIAL REVENUE FUND**

**SOUTH BERGEN JOINTURE COMMISSION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ESSER III Nonpublic Title I	Miscellaneous Local Grant	Student Activities	Total
<b>REVENUES</b>				
Federal Sources	\$ 204,662			\$ 204,662
Local Sources	<u>-</u>	<u>\$ 2,000</u>	<u>\$ 2,270</u>	<u>4,270</u>
Total Revenues	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 2,270</u>	<u>\$ 208,932</u>
<b>EXPENDITURES</b>				
Instruction				
General Supplies	\$ 128,800	\$ 2,000		\$ 130,800
Purchased Services	11,189			11,189
Student Activities	<u>-</u>	<u>-</u>	<u>\$ 2,072</u>	<u>2,072</u>
Total Instruction	<u>139,989</u>	<u>2,000</u>	<u>2,072</u>	<u>144,061</u>
Support Services				
Purchased Professional Services	<u>64,673</u>	<u>-</u>	<u>-</u>	<u>64,673</u>
Total Support Services	<u>64,673</u>	<u>-</u>	<u>-</u>	<u>64,673</u>
Total Expenditures	<u>\$ 204,662</u>	<u>\$ 2,000</u>	<u>\$ 2,072</u>	<u>\$ 208,734</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			\$ 198	\$ 198
Fund Balances, Beginning of Year			<u>\$ 1,852</u>	<u>\$ 1,852</u>
Fund Balances, End of Year			<u>\$ 2,050</u>	<u>\$ 2,050</u>

**SCHOOL LEVEL SCHEDULES**

**EXHIBITS D-1, D-2 AND D-3**

**NOT APPLICABLE**

**CAPITAL PROJECTS FUND**

**SOUTH BERGEN JOINTURE COMMISSION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

THIS SCHEDULE IS NOT APPLICABLE

**ENTERPRISE FUNDS**

**SOUTH BERGEN JOINTURE COMMISSION  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2023**

THIS SCHEDULE IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

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

THIS SCHEDULE IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

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

THIS SCHEDULE IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6



**INTERNAL SERVICE FUND**

**EXHIBITS G-4, G-5 AND G-6**

**NOT APPLICABLE**

**FIDUCIARY FUNDS**

**NOT APPLICABLE**

**LONG-TERM DEBT**

**EXHIBIT I-1**

**SOUTH BERGEN JOINTURE COMMISSION  
LONG TERM DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

THIS STATEMENT IS NOT APPLICABLE

**EXHIBIT I-2**

**LONG TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

THIS STATEMENT IS NOT APPLICABLE

**EXHIBIT I-3**

**DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

THIS STATEMENT IS NOT APPLICABLE

## STATISTICAL SECTION

This part of the South Bergen Jointure Commission'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 commission's overall financial health.

### Contents

### Exhibits

#### **Financial Trends**

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

**SOUTH BERGEN JOINTURE COMMISSION**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(Unaudited)  
(accural basis of accounting)

	Fiscal Year Ended									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 264,247	\$ 357,975	\$ 244,068	\$ 107,185	\$ 13,670			\$ 1,089,645	\$ 2,184,882	\$ 2,688,718
Restricted	(563,941)	1,125,375	2,164,948	2,830,630	4,690,782	\$ 7,960,179	\$ 9,627,085	111,328	143,301	484,027
Unrestricted	(299,694)	1,483,350	2,409,016	2,937,815	4,704,452	\$ 7,960,179	\$ 9,627,085	8,747,034	9,712,379	11,113,359
<b>Total Governmental Activities Net Position</b>	<b>\$ (299,694)</b>	<b>\$ 1,483,350</b>	<b>\$ 2,409,016</b>	<b>\$ 2,937,815</b>	<b>\$ 4,704,452</b>	<b>\$ 7,960,179</b>	<b>\$ 9,627,085</b>	<b>\$ 9,948,007</b>	<b>\$ 12,040,562</b>	<b>\$ 14,286,104</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 8,304	\$ 6,407	\$ 4,510	\$ 2,613	\$ 716					
Restricted	43,782	45,613	46,812	47,364	54,525	\$ 75,165	\$ 93,770	\$ 87,731	\$ 145,225	\$ 169,634
Unrestricted	52,086	52,020	51,322	49,977	55,241	\$ 75,165	\$ 93,770	\$ 87,731	\$ 145,225	\$ 169,634
<b>Total Business-Type Activities Net Position</b>	<b>\$ 52,086</b>	<b>\$ 52,020</b>	<b>\$ 51,322</b>	<b>\$ 49,977</b>	<b>\$ 55,241</b>	<b>\$ 75,165</b>	<b>\$ 93,770</b>	<b>\$ 87,731</b>	<b>\$ 145,225</b>	<b>\$ 169,634</b>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 272,551	\$ 364,382	\$ 248,578	\$ 109,798	\$ 14,386			\$ 1,089,645	\$ 2,184,882	\$ 2,688,718
Restricted	(520,159)	1,170,988	2,211,760	2,877,994	4,745,307	\$ 8,035,344	\$ 9,720,855	111,328	143,301	484,027
Unrestricted	(247,608)	1,535,370	2,460,338	2,987,792	4,759,693	\$ 8,035,344	\$ 9,720,855	8,834,765	9,857,604	11,282,993
<b>Total District Net Position</b>	<b>\$ (247,608)</b>	<b>\$ 1,535,370</b>	<b>\$ 2,460,338</b>	<b>\$ 2,987,792</b>	<b>\$ 4,759,693</b>	<b>\$ 8,035,344</b>	<b>\$ 9,720,855</b>	<b>\$ 10,035,738</b>	<b>\$ 12,183,787</b>	<b>\$ 14,455,738</b>

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

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

Note 3 - Net Position at June 30, 2021 is restated to reflect the implementation of GASB Statement No. 75, "Leases".

**SOUTH BERGEN JOINTURE COMMISSION**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*  
*(face/total basis of accounting)*

	Fiscal Year Ended									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental Activities										
Instruction	\$ 8,765,898	\$ 10,799,247	\$ 10,642,272	\$ 11,131,466	\$ 12,482,828	\$ 12,504,367	\$ 13,309,134	\$ 14,770,812	\$ 13,684,597	\$ 13,740,269
Special Education									909	2,072
School Sponsored Co-Curricular										
Support Services:										
Student & Instruction Related Services	7,159,895	8,042,814	11,097,934	12,776,326	13,206,650	12,548,526	12,341,249	13,739,521	13,449,170	13,830,456
School Administrative Services	459,214	2,268,258	2,345,133	1,916,551	1,885,528	2,125,279	2,343,305	2,945,480	2,317,568	2,325,214
General Administration	1,436,669	359,641	712,010	632,574	687,040	757,803	775,998	885,135	1,288,038	1,464,589
Central Services	483,136	545,508	676,760	544,524	663,964	573,956	615,000	585,642	557,087	630,416
Plant Operations And Maintenance	1,925,426	1,944,218	2,087,439	2,015,571	2,085,057	2,076,256	2,259,348	2,756,184	2,331,830	2,404,929
Pupil Transportation	17,217,172	17,922,633	20,831,751	22,299,374	19,514,611	22,363,631	20,889,083	18,295,999	29,421,480	37,234,622
Interest on Debt									84,801	66,822
Total Governmental Activities Expenses	\$ 37,449,410	\$ 41,882,319	\$ 48,393,299	\$ 51,316,386	\$ 50,525,678	\$ 52,949,818	\$ 52,733,117	\$ 53,978,773	\$ 63,135,480	\$ 71,699,389
Business-Type Activities:										
Food Service	202,201	211,174	214,967	218,121	219,066	245,571	168,501	216,788	272,469	280,086
Total Business-Type Activities Expense	202,201	211,174	214,967	218,121	219,066	245,571	168,501	216,788	272,469	280,086
Total District Expenses	\$ 37,651,611	\$ 42,093,493	\$ 48,608,266	\$ 51,534,507	\$ 50,744,744	\$ 53,195,389	\$ 52,901,618	\$ 54,195,561	\$ 63,407,949	\$ 71,979,475
<b>Program Revenues</b>										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 19,269,624	\$ 22,057,777	\$ 23,754,275	\$ 23,356,191	\$ 25,070,227	\$ 27,271,092	\$ 27,276,919	\$ 27,745,224	\$ 29,571,677	\$ 30,839,133
School Sponsored Co-Curricular									720	2,270
Pupil Transportation	17,106,392	17,828,139	20,914,639	22,085,148	19,439,884	22,432,082	21,187,147	18,366,015	29,778,583	37,799,885
Operating Grants And Contributions	1,561,983	3,805,181	4,672,388	6,392,386	7,788,115	6,451,228	5,794,517	8,286,327	5,854,182	5,065,022
Total Governmental Activities Program Revenues	\$ 37,940,001	\$ 43,691,097	\$ 49,341,302	\$ 51,833,925	\$ 52,298,226	\$ 56,154,402	\$ 54,258,583	\$ 54,397,566	\$ 65,205,162	\$ 73,706,310
Business-Type Activities:										
Charges For Services	50,211	51,455	51,530	45,045	46,623	49,108	34,938	163,749	379,863	42,773
Food Service	111,017	119,641	121,929	116,731	133,807	168,387	107,148	165,749	329,963	211,722
Operating Grants And Contributions	161,228	171,076	173,469	161,776	180,530	217,495	142,106	165,749	329,963	254,495
Total Business-Type Activities Program Revenues	\$ 38,101,229	\$ 43,862,175	\$ 49,514,771	\$ 51,995,701	\$ 52,478,556	\$ 56,371,897	\$ 54,400,689	\$ 54,363,315	\$ 65,555,125	\$ 73,960,805
<b>Net (Expenses)/Revenue</b>										
Governmental Activities	\$ 490,591	\$ 1,808,778	\$ 948,003	\$ 517,539	\$ 1,772,548	\$ 3,204,584	\$ 1,525,466	\$ 418,793	\$ 2,069,682	\$ 2,006,921
Business-Type Activities	(40,973)	(40,098)	(41,498)	(56,343)	(38,756)	(76,395)	(26,395)	(51,039)	57,494	(25,591)
Total District-Wide Net Expense	\$ 449,618	\$ 1,768,680	\$ 906,505	\$ 461,194	\$ 1,733,812	\$ 3,128,189	\$ 1,499,071	\$ 367,754	\$ 2,127,176	\$ 1,981,330
<b>General Revenues And Other Changes in Net Position</b>										
Governmental Activities:										
Investment Earnings	\$ 22,470	\$ 14,266	\$ 18,463	\$ 66,260	\$ 38,089	\$ 99,143	\$ 105,677	\$ 21,660	\$ 22,873	\$ 288,621
Transfers	(40,000)	(40,000)	(40,800)	(53,000)	(44,000)	(48,000)	(45,000)	(45,000)	(50,000)	(50,000)
Total Governmental Activities	(17,530)	(25,734)	(22,337)	(11,260)	(5,911)	51,143	60,677	(23,940)	22,873	238,621
Business-Type Activities:										
Investment Earnings	288	32								
Transfers	40,000	40,000	40,800	55,000	44,000	48,000	45,000	45,000	50,000	50,000
Total Business-Type Activities	40,288	40,032	40,800	55,000	44,000	48,000	45,000	45,000	50,000	50,000
Total District-Wide	\$ 22,758	\$ 14,298	\$ 18,463	\$ 66,260	\$ 38,089	\$ 99,143	\$ 105,677	\$ 21,660	\$ 22,873	\$ 288,621
<b>Change in Net Position</b>										
Governmental Activities	\$ 473,061	\$ 1,783,044	\$ 925,656	\$ 328,799	\$ 1,766,637	\$ 3,255,727	\$ 1,386,143	\$ 395,453	\$ 2,092,555	\$ 2,245,542
Business-Type Activities	(685)	(66)	(698)	(1,345)	5,964	19,924	18,605	(6,039)	57,494	24,409
Total District	\$ 472,376	\$ 1,782,978	\$ 924,958	\$ 327,454	\$ 1,772,601	\$ 3,275,651	\$ 1,604,748	\$ 389,414	\$ 2,150,049	\$ 2,269,951

SOUTH BERGEN JOINTURE COMMISSION  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS

(Unaudited)  
 (modified accrual basis of accounting)

	Fiscal Year Ended									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Committed	\$ 997,340	\$ 997,340	\$ 997,340	\$ 997,340	\$ 997,340	\$ 997,340	\$ 6,997,340	\$ 6,997,340	\$ 7,139,840	\$ 5,320,299
Restricted							80,763	111,328	143,301	132,017
Assigned				639			1,967,683			
Unassigned	5,202,845	6,793,216	7,796,279	8,664,726	10,466,192	13,399,607	7,553,875	7,888,403	8,994,396	9,924,740
Total General Fund	\$ 6,200,185	\$ 7,790,556	\$ 8,793,619	\$ 9,662,705	\$ 11,463,532	\$ 14,396,947	\$ 15,699,661	\$ 14,997,071	\$ 16,277,537	\$ 15,377,056
All Other Governmental Funds										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,201	\$ 2,041	\$ 1,852	\$ 2,050
Total All Other Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,201	\$ 2,041	\$ 1,852	\$ 2,050

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



**SOUTH BERGEN JOINTURE COMMISSION**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

(Unaudited)  
 (modified accrual basis of accounting)

	Fiscal Year Ended									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Tuition	\$ 15,576,178	\$ 17,451,550	\$ 18,571,406	\$ 18,032,878	\$ 19,787,062	\$ 21,688,926	\$ 22,198,087	\$ 20,273,218	\$ 21,143,392	\$ 21,359,881
Transportation Fees	17,108,392	17,828,139	20,914,639	22,085,148	19,439,884	22,432,082	21,187,147	18,366,015	29,778,583	37,799,885
Miscellaneous	3,716,916	4,622,493	5,202,964	5,390,050	5,321,804	5,685,044	5,185,828	7,495,665	8,453,260	9,772,143
State Sources	1,560,985	1,821,234	2,155,874	2,574,162	3,145,025	3,633,168	3,778,915	4,662,890	6,218,178	6,363,761
Federal Sources	-	-	-	-	-	-	-	119,669	-	204,662
<b>Total Revenue</b>	<b>37,962,471</b>	<b>41,723,416</b>	<b>46,844,883</b>	<b>48,082,238</b>	<b>47,693,775</b>	<b>53,439,220</b>	<b>52,349,977</b>	<b>50,917,457</b>	<b>65,593,413</b>	<b>75,500,332</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	8,766,095	9,188,932	9,853,837	9,808,001	10,785,774	11,711,770	13,122,447	13,622,368	14,012,371	14,563,948
Special Education Instruction								909		2,072
School Sponsored Co-Curricular										
Support Services:										
Student and Inst. Related Services	7,145,249	7,956,177	9,592,467	10,416,786	10,727,214	11,097,461	11,258,826	12,167,470	14,153,569	14,929,181
School Administrative Services	1,399,697	1,973,036	2,079,095	1,567,729	1,562,908	1,943,043	2,201,454	3,359,778	2,382,574	2,182,453
General Administration	449,419	443,935	634,403	532,371	579,507	690,399	722,030	814,951	1,342,664	1,560,198
Plant Operations And Maintenance	1,923,420	1,942,212	2,085,433	2,013,486	2,083,736	2,076,256	2,259,348	2,756,184	1,819,551	1,892,650
Pupil Transportation	17,217,172	17,922,633	20,840,058	22,278,060	19,481,723	22,364,249	20,902,834	18,283,499	29,420,726	37,251,172
Central Services	485,136	469,632	687,600	530,943	628,086	574,627	616,087	570,797	556,262	651,980
Capital Outlay	192,839	196,468	28,127	10,776						267,970
Debt Service Principal									539,520	568,586
Debt Service Interest									84,801	66,822
<b>Total Expenditures</b>	<b>37,579,027</b>	<b>40,093,045</b>	<b>45,801,020</b>	<b>47,158,152</b>	<b>45,848,948</b>	<b>50,457,805</b>	<b>51,083,026</b>	<b>51,575,047</b>	<b>64,312,947</b>	<b>76,348,763</b>
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	383,444	1,630,371	1,043,863	924,086	1,844,827	2,981,415	1,266,951	(657,590)	1,280,466	(848,431)
<b>Other Financing Sources (Uses)</b>										
Transfers Out	(40,000)	(40,000)	(40,800)	(55,000)	(44,000)	(48,000)	(45,000)	(45,000)	-	(50,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(40,000)</b>	<b>(40,000)</b>	<b>(40,800)</b>	<b>(55,000)</b>	<b>(44,000)</b>	<b>(48,000)</b>	<b>(45,000)</b>	<b>(45,000)</b>	<b>-</b>	<b>(50,000)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 343,444</b>	<b>\$ 1,590,371</b>	<b>\$ 1,003,063</b>	<b>\$ 869,086</b>	<b>\$ 1,800,827</b>	<b>\$ 2,933,415</b>	<b>\$ 1,221,951</b>	<b>\$ (702,590)</b>	<b>\$ 1,280,466</b>	<b>\$ (898,431)</b>

**SOUTH BERGEN JOINTURE COMMISSION  
GENERAL FUND REVENUE BY SOURCE  
LAST TEN YEARS  
(Unaudited)**

<b>Fiscal Year Ended June 30,</b>	<b>Tuition</b>	<b>Transportation Fees</b>	<b>Other Local Revenue</b>	<b>State Revenue</b>	<b>Federal Revenue</b>	<b>Total</b>
2023	\$ 21,359,881	\$ 37,799,885	\$ 9,767,873	\$ 6,363,761	\$	\$ 75,291,400
2022	21,143,392	29,778,583	8,451,158	6,218,178		65,591,311
2021	20,273,218	18,366,015	7,493,666	4,662,890		50,795,789
2020	22,198,087	21,187,147	5,184,509	3,778,915		52,348,658
2019	21,688,926	22,432,082	5,681,309	3,633,168		53,435,485
2018	19,787,062	19,439,884	5,321,254	3,145,025		47,693,225
2017	18,032,878	22,085,148	5,389,573	2,574,162		48,081,761
2016	18,571,406	20,914,639	5,201,332	2,155,874		46,843,251
2015	17,451,550	17,828,139	4,620,493	1,821,234		41,721,416
2014	15,576,178	17,108,392	3,715,916	1,560,985		37,961,471

**SOUTH BERGEN JOINTURE COMMISSION  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
(Unaudited)**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
(Unaudited)  
*(rate per \$100 of assessed value)***

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Unaudited)**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(Unaudited)**

**NOT APPLICABLE**



**SOUTH BERGEN JOINTURE COMMISSION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2023  
(Unaudited)**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Unaudited)**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
ATTENDANCE DATA  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30	Average Daily Enrollment	Average Daily Attendance	% Change in Average Daily Enrollment	ADA Rate
2023	317.5	281.6	0.0%	88.7%
2022	317.5	281.6	-4.3%	88.7%
2021	322.5	294.3	-16.2%	91.2%
2020	374.6	350.9	8.2%	93.7%
2019	354.5	324.5	8.4%	91.5%
2018	324.7	299.2	5.7%	92.2%
2017	308.2	283.2	-10.9%	91.9%
2016	343.8	317.9	2.4%	92.5%
2015	339.5	310.4	6.6%	91.4%
2014	314.4	291.3	-0.8%	92.6%

**SOUTH BERGEN JOINTURE COMMISSION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

**NOT APPLICABLE**

**SOUTH BERGEN JOINTURE COMMISSION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN YEARS  
(Unaudited)**

**NOT APPLICABLE**



**SOUTH BERGEN JOINTURE COMMISSION  
SCHEDULE OF INSURANCE  
JUNE 30, 2023  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - (Pooled Coverage) Property Blanket Real and Personal Property	\$500,000,000	\$1,000
Comprehensive General Liability	6,000,000	1,000
Comprehensive Automobile	6,000,000	
Liability		
Comprehensive Crime Coverage	25,000	500
Excess Property		
Hardware/Software	250,000	1,000
Paper & Records	10,000,000	1,000
School Board Legal Liability	3,000,000	5,000
Public Employees' Faithful Performance Blanket		
Position Bond - Western Surety		
Treasurer	250,000	1,000
Business Administrator	150,000	1,000
Property Damage	100,000,000	1,000

Source School District's records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS E. 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 Commission  
South Bergen Jointure Commission  
Teterboro, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the South Bergen Jointure Commission as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the South Bergen Jointure Commission's basic financial statements and have issued our report thereon dated January 19, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the South Bergen Jointure Commission'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 South Bergen Jointure Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the South Bergen Jointure Commission'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 South Bergen Jointure Commission'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 South Bergen Jointure Commission in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 19, 2024.

### 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 South Bergen Jointure Commission'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 South Bergen Jointure Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

  
Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
January 19, 2024





# 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 STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE 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 Commission  
South Bergen Jointure Commission  
Teterboro, New Jersey

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

***Opinion on Each Major State Program***

We have audited the South Bergen Jointure Commission's compliance with the types of compliance requirements identified as subject to audit in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the South Bergen Jointure Commission's major state programs for the fiscal year ended June 30, 2023. The South Bergen Jointure Commission's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the South Bergen Jointure Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2023.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards 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 South Bergen Jointure Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the South Bergen Jointure Commission'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 South Bergen Jointure Commission's state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the South Bergen Jointure Commission'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 South Bergen Jointure Commission'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 New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the South Bergen Jointure Commission's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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


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


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

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

**Report on 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 South Bergen Jointure Commission, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 19, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and is 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, schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

  
Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
January 19, 2024

**SOUTH BERGEN JOINTURE COMMISSION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2022	Cash Received	Budgetary Expenditures	Adjustments	Refund of Prior Years' Balances	Balance, June 30, 2023		
										(Accounts Receivable)	Unearned Revenue	Due to Grantor
<b>U.S. Department of Education</b>												
<b>Passed-through State Department of Education</b>												
<i>Enterprise Fund</i>												
Food Distribution Program - Non-Cash Assistance	10.555	221NJ304NI099	7/1/21-6/30/22	\$ 12,395	\$ 1,443	\$ -	\$ 1,443	-	-	\$ -	\$ 620	-
Food Distribution Program - Non-Cash Assistance	10.555	231NJ304NI099	7/1/22-6/30/23	16,105	16,105	16,105	15,485	-	-	-	-	-
National School Lunch Program	10.555	221NJ304NI099	7/1/21-6/30/22	186,070	(18,793)	18,793	89,730	-	-	\$ (7,894)	-	-
National School Lunch Program	10.555	231NJ304NI099	7/1/22-6/30/23	89,730	81,836	81,836	2,427	-	-	(202)	-	-
National School Lunch PB	10.555	231NJ304NI099	7/1/22-6/30/23	2,427	(10,649)	2,225	50,952	-	-	(4,725)	-	-
School Breakfast Program	10.553	221NJ304NI099	7/1/21-6/30/22	98,622	-	46,227	29,449	-	-	-	-	-
School Breakfast Program	10.553	231NJ304NI099	7/1/22-6/30/23	50,952	-	29,449	17,605	-	-	-	-	-
COVID PPP Chain Assistance				29,449	-	29,449	-	-	-	-	-	-
COVID PPP Reimbursement				17,605	-	17,605	-	-	-	-	-	-
<b>Total Enterprise Fund</b>				<b>(27,999)</b>	<b>222,889</b>	<b>207,091</b>	<b>207,091</b>	<b>-</b>	<b>-</b>	<b>(12,821)</b>	<b>620</b>	<b>-</b>
<i>Special Revenue Fund</i>												
<i>Elementary and Secondary School Emergency Relief (ESSER II)</i>												
Coronavirus Response and Relief Supplemental Appropriations (CRRSAL Act)												
ARP - Not-Title 1	84-425U	S425U210028	3/13/20-9/30/24	204,662	-	204,662	204,662	-	-	-	-	-
<b>Total Special Revenue Fund</b>				<b>204,662</b>	<b>-</b>	<b>204,662</b>	<b>204,662</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Federal Financial Awards</b>				<b>\$ (27,999)</b>	<b>\$ 427,551</b>	<b>\$ 411,753</b>	<b>\$ 411,753</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (12,821)</b>	<b>\$ 620</b>	<b>\$ -</b>

This schedule was not subject to single audit in accordance with U.S. Uniform Guidance



**SOUTH BERGEN JOINTURE COMMISSION  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

State Grants/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2022			Balance, June 30, 2023			Memo	
				(Accounts Receivable)	Deferred Revenue	Due to Grantor	(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Resizable	Cumulative Total Expenditures
<b>State Department of Education</b>											
<i>General Fund</i>											
On-Behalf TPAF Pension System Contributions (Normal Cost)	23-495-034-5094-006	7/1/22-6/30/23	\$ 4,245,567	\$ -	\$ -	\$ -	\$ 4,245,567	\$ -	\$ -	\$ -	\$ 4,245,567
On-Behalf TPAF Pension System Contributions (NCCI Premium)	23-495-034-5094-007	7/1/22-6/30/23	58,902	-	-	-	58,902	-	-	-	58,902
On-Behalf TPAF Pension System Contributions (Post Retirement Medical)	23-495-034-5095-001	7/1/22-6/30/23	1,130,774	-	-	-	1,130,774	-	-	-	1,130,774
On-Behalf TPAF Pension System Contributions (Long Term Disability Insurance)	23-495-034-5095-004	7/1/22-6/30/23	1,395	-	-	-	1,395	-	-	-	1,395
Reimbursed TPAF Social Security	23-495-034-5094-003	7/1/21-6/30/23	882,857	\$ (43,186)	-	-	43,186	-	-	-	-
Reimbursed TPAF Social Security	23-495-034-5094-003	7/1/22-6/30/23	927,123	-	-	-	836,281	\$ (90,842)	-	-	927,123
<b>Total General Fund</b>				<b>(43,186)</b>	<b>-</b>	<b>-</b>	<b>6,316,105</b>	<b>(90,842)</b>	<b>-</b>	<b>-</b>	<b>6,363,761</b>
<i>Enterprise Fund</i>											
State School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	4,815	(433)	-	-	433	-	-	-	-
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	3,517	-	-	-	3,205	(312)	-	-	3,517
State School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	1,114	-	-	-	1,004	(110)	-	-	1,114
<b>Total Enterprise Fund</b>				<b>(433)</b>	<b>-</b>	<b>-</b>	<b>4,642</b>	<b>(422)</b>	<b>-</b>	<b>-</b>	<b>4,631</b>
<b>Total</b>				<b>(43,619)</b>	<b>-</b>	<b>-</b>	<b>6,320,747</b>	<b>(91,264)</b>	<b>-</b>	<b>-</b>	<b>6,368,392</b>
<b>State Financial Assistance Not Subject to Single Audit Determination</b>											
<i>General Fund</i>											
On-Behalf TPAF Pension System Contributions (Normal Cost)	23-495-034-5094-006	7/1/22-6/30/23	\$ 4,245,567	-	-	-	(4,245,567)	-	-	-	\$ (4,245,567)
On-Behalf TPAF Pension System Contributions (NCCI Premium)	23-495-034-5094-007	7/1/22-6/30/23	58,902	-	-	-	(58,902)	-	-	-	(58,902)
On-Behalf TPAF Pension System Contributions (Post Retirement Medical)	23-495-034-5095-001	7/1/22-6/30/23	1,130,774	-	-	-	(1,130,774)	-	-	-	(1,130,774)
On-Behalf TPAF Pension System Contributions (Long Term Disability Insurance)	23-495-034-5095-004	7/1/22-6/30/23	1,395	-	-	-	(1,395)	-	-	-	(1,395)
<b>Total</b>				<b>\$ (43,619)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 884,109</b>	<b>\$ (91,264)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 931,754</b>
<b>State Financial Assistance Subject to Major Program Determination</b>											
<i>General Fund</i>											
On-Behalf TPAF Pension System Contributions (Normal Cost)	23-495-034-5094-006	7/1/22-6/30/23	\$ 4,245,567	-	-	-	(4,245,567)	-	-	-	\$ (4,245,567)
On-Behalf TPAF Pension System Contributions (NCCI Premium)	23-495-034-5094-007	7/1/22-6/30/23	58,902	-	-	-	(58,902)	-	-	-	(58,902)
On-Behalf TPAF Pension System Contributions (Post Retirement Medical)	23-495-034-5095-001	7/1/22-6/30/23	1,130,774	-	-	-	(1,130,774)	-	-	-	(1,130,774)
On-Behalf TPAF Pension System Contributions (Long Term Disability Insurance)	23-495-034-5095-004	7/1/22-6/30/23	1,395	-	-	-	(1,395)	-	-	-	(1,395)
<b>Total</b>				<b>\$ (43,619)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 884,109</b>	<b>\$ (91,264)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 931,754</b>

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

**SOUTH BERGEN JOINTURE COMMISSION  
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 South Bergen Jointure Commission (the “Board” or the “Commission”) 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 Principals, 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.

There was no adjustment required to reconcile from the budgetary basis to the GAAP basis. 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 Commission’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 6,363,761	\$ 6,363,761
Special Revenue Fund	\$ 204,662		204,662
Food Service Fund	<u>207,091</u>	<u>4,631</u>	<u>211,722</u>
Total Awards Financial Assistance	<u>\$ 411,753</u>	<u>\$ 6,368,392</u>	<u>\$ 6,780,145</u>

**SOUTH BERGEN JOINTURE COMMISSION  
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 Commission'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 \$927,123 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 \$4,304,469, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,130,774 and TPAF Long-Term Disability Insurance in the amount of \$1,395 represents the amount paid by the State on behalf of the Commission 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 Commission's financial statements and the amount subject to State single audit and major program determination.

**SOUTH BERGEN JOINTURE COMMISSION  
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	_____ <u>X</u> no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	_____ yes	_____ <u>X</u> none reported
Noncompliance material to the basic financial statements noted?	_____ yes	_____ <u>X</u> no

**Federal Awards Section - NOT APPLICABLE**

SOUTH BERGEN JOINTURE COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over compliance:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes  X  no
- 2) Were significant deficiency(ies) identified that were 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 04-04, as amended? \_\_\_\_\_ yes  X  none

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
<u>23-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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

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

**SOUTH BERGEN JOINTURE COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
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.

**SOUTH BERGEN JOINTURE COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable.

**CURRENT YEAR STATE AWARDS**

There are none.

**SOUTH BERGEN JOINTURE COMMISSION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**STATUS OF PRIOR YEAR FINDINGS**

There were none.