

NORTH BERGEN BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

North Bergen, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the
North Bergen Board of Education
North Bergen, New Jersey
For The Fiscal Year Ended June 30, 2025**

**Prepared by
Business Office**

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NORTH BERGEN BOARD OF EDUCATION

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

LUIS DIAZ
PRESIDENT

CLAUDIA BASELICE
VICE PRESIDENT

HUGO D. CABRERA
BOARD SECRETARY

GEORGE J. SOLTER JR., Ed.D
SUPERINTENDENT

EUGENIA RAMOS
ASST. SUPERINTENDENT OF
CURRICULUM & INSTRUCTION

STEVEN P. SOMICK
ASST SUPERINTENDENT

December 10, 2025

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

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the North Bergen Board of Education (the "Board" or "District") for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the North Bergen Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

REPORTING ENTITY AND ITS SERVICES

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, advanced placement courses, bilingual instruction in Spanish, English as a second language, vocational as well as special education for handicapped youngsters. The District completed the 2024/2025 fiscal year with an enrollment of 7,004 which is 218 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2024/2025	7,004	-0.03%
2023/2024	7,222	0.21%
2022/2023	7,207	-0.07%
2021/2022	7,212	-1.40%
2020/2021	7,314	-2.33%
2019/2020	7,488	-.41%
2018/2019	7,519	-1.92%
2017/2018	7,666	-2.96%
2016/2017	7,900	-1.31%
2015/2016	8,005	3.14%

ECONOMIC CONDITION AND OUTLOOK

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

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

RELEVANT FINANCIAL POLICES

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

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

INTERNAL ACCOUNTING CONTROLS

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

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

BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2025.

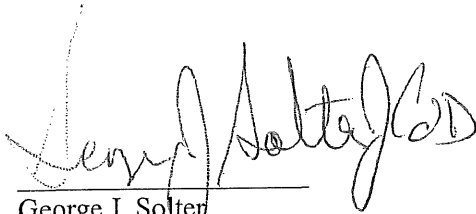
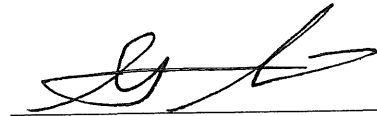
OTHER INFORMATION

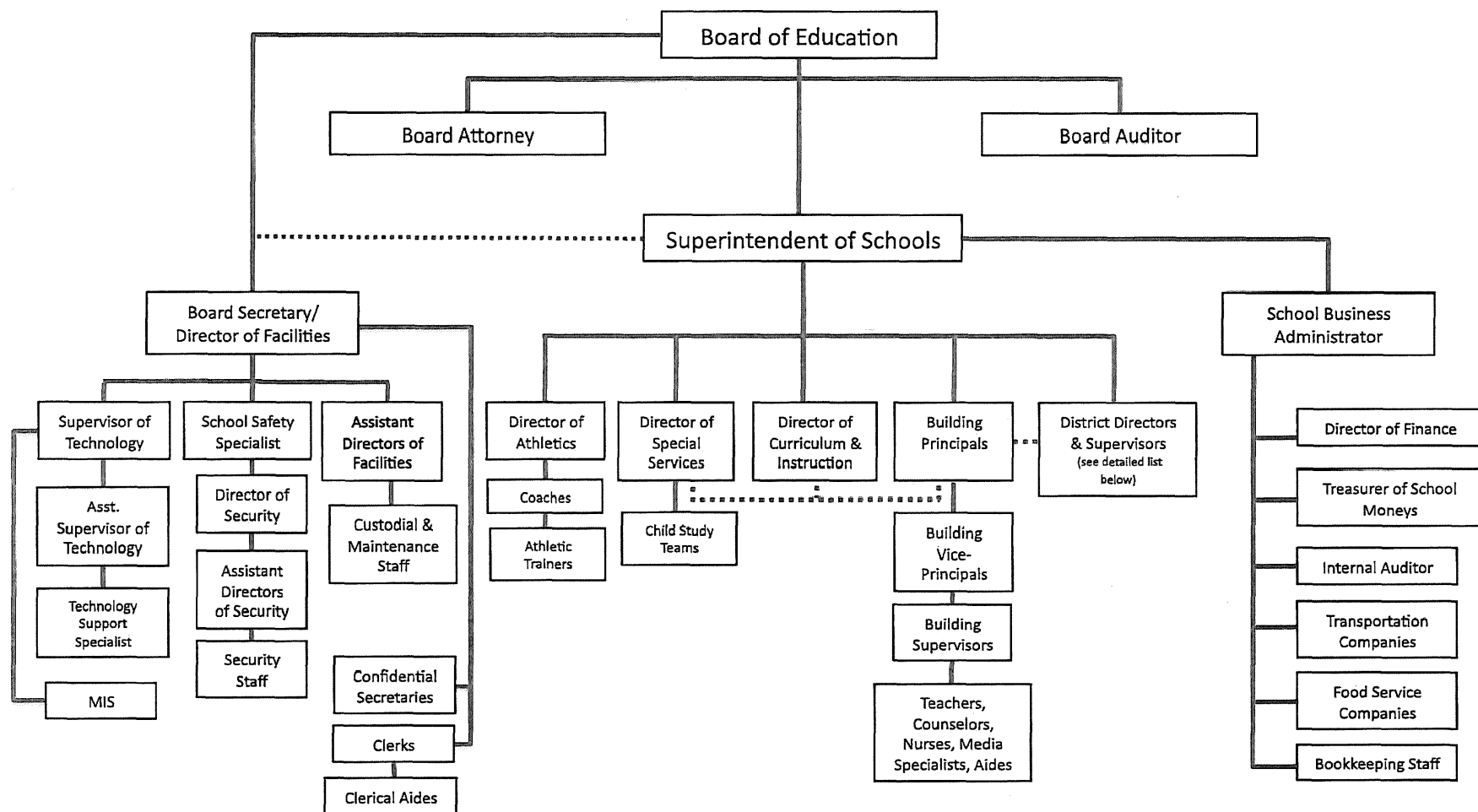
Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Bliss, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also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

ACKNOWLEDGEMENTS

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

Respectfully submitted,


George J. Solter
Superintendent of Schools
Steven Somick
Assistant Superintendent for Business



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

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

**NORTH BERGEN BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2025**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Luis Diaz, President	2026
Claudia Baselice, Vice President	2026
Patricia Bartoli	2028
Hamadi Bengabsia	2027
Haissam Jaafar	2027
Kanaiyalal Patel	2026
Luis Rabelo	2028
Sai Rao	2028
Ruth Shaw	2027
Mark Rogers (Guttenberg)	2026

Other Officials

George J. Solter, Jr. Ed. D., Superintendent of Schools
Steven Somick, Assistant Superintendent for Business
Hugo Cabrera, Board Secretary
Carrie Brady, Assistant School Business Administrator
Thomas Tango, Internal Auditor

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

ARCHITECT

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

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORIES

Valley National Bank
TD Bank

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the North Bergen Board of Education, as of and for the fiscal year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the North Bergen Board of Education as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

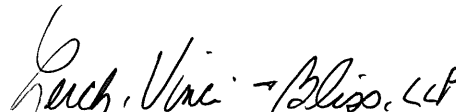
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 10, 2025 on our consideration of the North Bergen Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the North Bergen Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the North Bergen Board of Education's internal control over financial reporting and compliance.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
December 10, 2025

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

This section of North Bergen Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2024-2025) and the prior year (2023-2024) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2024-2025 fiscal year include the following:

- The assets and deferred outflows of resources of the North Bergen Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$148,045,761 (net position).
- Overall District revenues were \$171,055,264. General revenues accounted for \$120,802,248 or 71% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$50,253,016 or 29% of total revenue.
- The School District had \$157,326,030 in expenses for governmental activities; only \$46,576,995 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$120,735,383 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$91,649,387 a decrease of \$19,124,995 when compared to the ending fund balance at June 30, 2024 of 110,774,382.
- The General Fund unassigned fund balance at June 30, 2025 was in a deficit position of \$4,322,479, a decrease of \$102,621 when compared with the ending fund balance deficit of \$4,219,858 at June 30, 2024.
- The General Fund unassigned budgetary fund balance at June 30, 2025 was \$3,387,813 which represents an increase of \$693,058 when compared to the ending unassigned fund balance at June 30, 2024 of \$2,694,755.

NORTH BERGEN BOARD OF EDUCATION

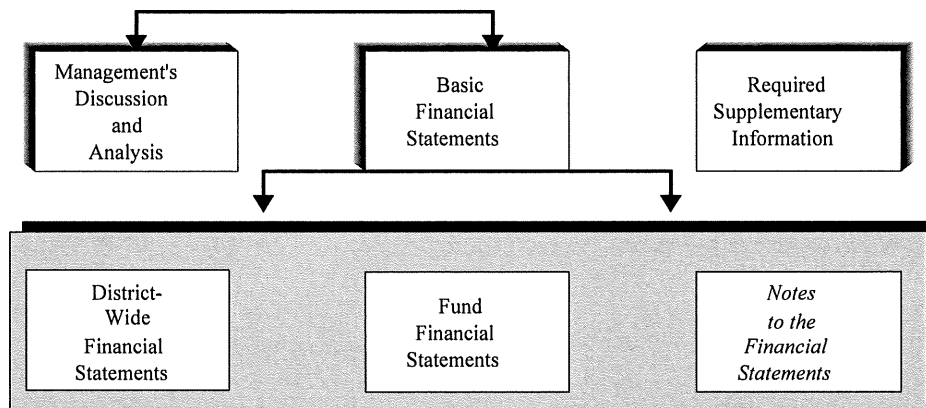
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Major Features of the District-Wide and Fund Financial Statements

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

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

District-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has two kinds of funds:

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

Notes to the Financial Statements

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

Other Information

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

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

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

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$148,045,761 and \$138,232,168 (as restated) as of June 30, 2025 and 2024, respectively, as shown below.

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

Net Position as of June 30, 2025 and 2024

	Governmental Activities		Business-Type Activities		Total	
	2025	2024 (Restated)	2025	2024	2025	2024 (Restated)
Assets						
Current and Other Assets	\$ 103,909,655	\$ 129,122,835	\$ 2,504,151	\$ 2,688,937	\$ 106,413,806	\$ 131,811,772
Capital Assets	144,008,888	118,161,918	441,015	402,675	144,449,903	118,564,593
Total Assets	<u>247,918,543</u>	<u>247,284,753</u>	<u>2,945,166</u>	<u>3,091,612</u>	<u>250,863,709</u>	<u>250,376,365</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	600,609	651,148			600,609	651,148
Deferred Amounts on Refunding of Debt	2,493	4,982	-	-	2,493	4,982
Total Deferred Outflows	<u>603,102</u>	<u>656,130</u>	<u>-</u>	<u>-</u>	<u>603,102</u>	<u>656,130</u>
Total Assets and Deferred Outflows	<u>248,521,645</u>	<u>247,940,883</u>	<u>2,945,166</u>	<u>3,091,612</u>	<u>251,466,811</u>	<u>251,032,495</u>
Liabilities						
Long-Term Liabilities	87,665,585	91,741,293			87,665,585	91,741,293
Other Liabilities	13,143,298	19,254,856	297,166	268,626	13,440,464	19,523,482
Total Liabilities	<u>100,808,883</u>	<u>110,996,149</u>	<u>297,166</u>	<u>268,626</u>	<u>101,106,049</u>	<u>111,264,775</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	2,312,000	1,530,320			2,312,000	1,530,320
Deferred Commodities Revenue	-	-	3,001	5,232	3,001	5,232
Total Deferred Inflows	<u>2,312,000</u>	<u>1,530,320</u>	<u>3,001</u>	<u>5,232</u>	<u>2,315,001</u>	<u>1,535,552</u>
Total Liabilities and Deferred Inflows	<u>103,120,883</u>	<u>112,526,469</u>	<u>300,167</u>	<u>273,858</u>	<u>103,421,050</u>	<u>112,800,327</u>
Net Position						
Net Investment in Capital Assets	100,372,595	88,129,879	441,015	402,675	100,813,610	88,532,554
Restricted	65,561,726	77,815,159			65,561,726	77,815,159
Unrestricted	(20,533,559)	(30,530,624)	2,203,984	2,415,079	(18,329,575)	(28,115,545)
Total Net Position	<u>\$ 145,400,762</u>	<u>\$ 135,414,414</u>	<u>\$ 2,644,999</u>	<u>\$ 2,817,754</u>	<u>\$ 148,045,761</u>	<u>\$ 138,232,168</u>

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years ended 2025 and 2024 are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues						
Charges for Services	\$ 5,554,648	\$ 4,958,113	\$ 320,618	\$ 342,740	\$ 5,875,266	\$ 5,300,853
Operating Grants and Contributions	38,868,247	59,993,999	3,355,403	3,219,839	42,223,650	63,213,838
Capital Grants and Contributions	2,154,100	10,770,717			2,154,100	10,770,717
General Revenues						
Property Taxes	57,953,004	56,696,596			57,953,004	56,696,596
State Aid	58,632,766	53,688,996			58,632,766	53,688,996
Investment Earnings	3,807,531	5,011,708	66,865	60,792	3,874,396	5,072,500
Miscellaneous	342,082	674,436	-	-	342,082	674,436
Total Revenues	167,312,378	191,794,565	3,742,886	3,623,371	171,055,264	195,417,936
Expenses						
Instruction						
Regular	59,766,079	69,206,828			59,766,079	69,206,828
Special Education	18,334,535	20,133,713			18,334,535	20,133,713
Other Instruction	13,925,248	8,567,520			13,925,248	8,567,520
School Sponsored Activities and Athletics	3,267,322	3,316,514			3,267,322	3,316,514
Support Services						
Student and Instruction Related Services	20,562,320	18,239,432			20,562,320	18,239,432
General Administration Services	2,377,357	2,183,349			2,377,357	2,183,349
School Administration Services	9,602,186	10,218,427			9,602,186	10,218,427
Plant Operation and Maintenance	17,653,145	16,352,347			17,653,145	16,352,347
Pupil Transportation	5,372,280	5,472,027			5,372,280	5,472,027
Business Services	4,364,924	4,120,774			4,364,924	4,120,774
Interest and Other Chgs on Long-Term Debt	2,100,634	2,171,533			2,100,634	2,171,533
Food Service	-	-	3,915,641	3,606,793	3,915,641	3,606,793
Total Expenses	157,326,030	159,982,464	3,915,641	3,606,793	161,241,671	163,589,257
Change in Net Position	9,986,348	31,812,101	(172,755)	16,578	9,813,593	31,828,679
Prior Period Restatement		(1,828,777)				(1,828,777)
Net Position, Beginning of Year	135,414,414	105,431,090	2,817,754	2,801,176	138,232,168	108,232,266
Net Position, End of Year	\$ 145,400,762	\$ 135,414,414	\$ 2,644,999	\$ 2,817,754	\$ 148,045,761	\$ 138,232,168

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities

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

Total and Net Cost of Governmental Activities. The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2025 and 2024.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Instruction				
Regular	\$ 59,766,079	\$ 69,206,828	\$ 43,652,936	\$ 31,717,409
Special Education	18,334,535	20,133,713	6,292,300	8,049,386
Other Instruction	13,925,248	8,567,520	8,127,379	3,710,008
School Sponsored Activities and Athletics	3,267,322	3,316,514	2,320,782	2,237,446
Support Services				
Student and Instruction Related Services	20,562,320	18,239,432	17,125,476	14,595,546
General Administration	2,377,357	2,183,349	2,289,797	2,062,824
School Administration Services	9,602,186	10,218,427	8,738,529	8,921,699
Plant Operations and Maintenance	17,653,145	16,352,347	11,409,267	2,198,344
Pupil Transportation	5,372,280	5,472,027	4,496,337	4,619,210
Business Services	4,364,924	4,120,774	4,195,598	3,976,230
Interest and Other Charges on Long-Term Debt	<u>2,100,634</u>	<u>2,171,533</u>	<u>2,100,634</u>	<u>2,171,533</u>
Total	<u>\$ 157,326,030</u>	<u>\$ 159,982,464</u>	<u>\$ 110,749,035</u>	<u>\$ 84,259,635</u>

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$91,649,387, a decrease of \$19,124,995 from last year's fund balance of \$110,774,382.

Revenues for the District's governmental funds were \$185,170,953 and total expenditures were \$204,295,948.

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

Revenues of the General Fund were \$165,395,014 for the fiscal year ended June 30, 2025. State sources amounted to \$101,693,286, local sources totaled \$63,534,327 and federal sources totaled \$167,401.

Expenditures of the General Fund were \$162,217,275. Instructional expenditures were \$99,175,965, expenditures for support services were \$57,881,216 and capital and debt service expenditures totaled \$5,160,094 for the fiscal year ended June 30, 2025. In addition, the District transferred \$20,821,471 of capital reserve funds to the Capital Projects Fund.

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

Revenues of the Special Revenue Fund were \$15,146,550 for the fiscal year ended June 30, 2025. State sources amounted to \$2,239,967, federal sources totaled \$12,186,947 and local sources amounted to \$719,636.

Expenditures of the Special Revenue Fund were \$15,164,630. Instructional expenditures were \$10,478,368, expenditures for support services were \$2,532,162 and capital expenditures totaled \$2,154,100 for the fiscal year ended June 30, 2025.

Capital Projects - The capital projects expenditures and other financing uses exceeded revenues and other financing sources by \$2,272,081 decreasing the fund balance from \$38,561,783 at June 30, 2024 to \$36,289,702 at June 30, 2025.

Proprietary Funds

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

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The District revised its annual operating budget to reflect the reappropriation of June 30, 2024 encumbrances and for withdrawals from the General Fund Capital Reserve.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2025 and 2023 amounts to \$144,449,903 and \$118,564,593 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2024-2025 amounted to \$3,089,464 for governmental activities and \$60,887 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2025 and 2024.

	Governmental		Business- Type		Total	
	<u>Activities</u>		<u>Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Land	\$ 14,685,925	\$ 14,685,925			\$ 14,685,925	\$ 14,685,925
Construction in Progress	74,034,246	54,427,079			74,034,246	54,427,079
Site Improvements	2,245,862	1,295,862			2,245,862	1,295,862
Buildings	50,331,365	46,213,774			50,331,365	46,213,774
Machinery and Equipment	2,545,305	1,006,537	\$ 441,015	\$ 402,675	2,986,320	1,409,212
Right-To-Use IT Software	166,185	532,741	-	-	166,185	532,741
Total	<u>\$ 144,008,888</u>	<u>\$ 118,161,918</u>	<u>\$ 441,015</u>	<u>\$ 402,675</u>	<u>\$ 144,449,903</u>	<u>\$ 118,564,593</u>

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

NORTH BERGEN BOARD OF EDUCATION

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2025, the District's long-term liabilities consisted of compensated absences payable of \$10,898,785, bonds payable of \$57,270,000, capital financing agreements of \$165,356, IT subscription arrangements of \$25,515 and net pension liability of \$19,305,929 totaling \$87,665,585. This is in comparison to long-term liabilities at June 30, 2024 of \$91,741,293 (as restated) or a decrease of \$4,075,708.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2025-2026 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs, and the opening of the new middle school. Other budgetary increases are anticipated with special education, and the investment required to repair the District's aging facilities.

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

FINANCIAL STATEMENTS

NORTH BERGEN BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 88,243,265	\$ 2,014,817	\$ 90,258,082
Receivables, Net	15,489,848	585,690	16,075,538
Internal Balances	156,542	(156,542)	
Other Assets	20,000		20,000
Inventory		60,186	60,186
Capital Assets			
Not Being Depreciated	88,720,171		88,720,171
Being Depreciated, Net	<u>55,288,717</u>	<u>441,015</u>	<u>55,729,732</u>
Total Assets	<u>247,918,543</u>	<u>2,945,166</u>	<u>250,863,709</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	600,609		600,609
Deferred Amounts on Refunding of Debt	<u>2,493</u>	<u>-</u>	<u>2,493</u>
Total Deferred Outflows of Resources	<u>603,102</u>	<u>-</u>	<u>603,102</u>
Total Assets and Deferred Outflows of Resources	<u>248,521,645</u>	<u>2,945,166</u>	<u>251,466,811</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	11,827,968	297,166	12,125,134
Accrued Interest Payable	883,030		883,030
Payable to Other Governments	9,840		9,840
Unearned Revenue	422,460		422,460
Noncurrent Liabilities			
Due Within One Year	2,687,197		2,687,197
Due Beyond One Year	<u>84,978,388</u>	<u>-</u>	<u>84,978,388</u>
Total Liabilities	<u>100,808,883</u>	<u>297,166</u>	<u>101,106,049</u>

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

NORTH BERGEN BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	\$ 2,312,000		\$ 2,312,000
Deferred Commodities Revenue	<u>-</u>	<u>\$ 3,001</u>	<u>3,001</u>
Total Deferred Inflows of Resources	<u>2,312,000</u>	<u>3,001</u>	<u>2,315,001</u>
Total Liabilities and Deferred Inflows of Resources	<u>103,120,883</u>	<u>300,167</u>	<u>103,421,050</u>
NET POSITION			
Net Investment in Capital Assets	100,372,595	441,015	100,813,610
Restricted for:			
Capital Projects	57,963,172		57,963,172
Other Purposes	7,598,554		7,598,554
Unrestricted	<u>(20,533,559)</u>	<u>2,203,984</u>	<u>(18,329,575)</u>
Total Net Position	<u>\$ 145,400,762</u>	<u>\$ 2,644,999</u>	<u>\$ 148,045,761</u>

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

**NORTH BERGEN BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
Instruction:							
Regular	\$ 59,766,079	\$ 4,885,216	\$ 11,227,927		\$ (43,652,936)		\$ (43,652,936)
Special Education	18,334,535		12,042,235		(6,292,300)		(6,292,300)
Other Instruction	13,925,248		5,797,869		(8,127,379)		(8,127,379)
School Sponsored Activities and Athletics	3,267,322	669,432	277,108		(2,320,782)		(2,320,782)
Support Services:							
Student and Instruction Related Services	20,562,320		3,436,844		(17,125,476)		(17,125,476)
General Administrative Services	2,377,357		87,560		(2,289,797)		(2,289,797)
School Administrative Services	9,602,186		863,657		(8,738,529)		(8,738,529)
Plant Operations and Maintenance	17,653,145		4,089,778	\$ 2,154,100	(11,409,267)		(11,409,267)
Pupil Transportation	5,372,280		875,943		(4,496,337)		(4,496,337)
Business Services	4,364,924		169,326		(4,195,598)		(4,195,598)
Interest on Long-Term Debt	2,100,634	-	-	-	(2,100,634)	-	(2,100,634)
 Total Governmental Activities	 157,326,030	 5,554,648	 38,868,247	 2,154,100	 (110,749,035)	 -	 (110,749,035)
Business-Type Activities:							
Food Service	3,915,641	320,618	3,355,403	-	-	\$ (239,620)	(239,620)
 Total Business-Type Activities	 3,915,641	 320,618	 3,355,403	 -	 -	 (239,620)	 (239,620)
 Total Primary Government	 \$ 161,241,671	 \$ 5,875,266	 \$ 42,223,650	 \$ 2,154,100	 (110,749,035)	 (239,620)	 (110,988,655)
 General Revenues							
Property Taxes							
General Purposes							
					55,310,019		55,310,019
Debt Service							
					2,642,985		2,642,985
State Aid - Unrestricted							
					57,456,883		57,456,883
State Aid - Restricted for Debt Service							
					1,175,883		1,175,883
Investment Earnings							
					3,807,531	66,865	3,874,396
Miscellaneous Income							
					342,082	-	342,082
 Total General Revenues and Other Items					 120,735,383	 66,865	 120,802,248
 Change in Net Position					 9,986,348	 (172,755)	 9,813,593
 Net Position, Beginning of Year (Restated)					 135,414,414	 2,817,754	 138,232,168
 Net Position, End of Year					 \$ 145,400,762	 \$ 2,644,999	 \$ 148,045,761

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

FUND FINANCIAL STATEMENTS

**NORTH BERGEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2025**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 48,923,448	\$ 375,416	\$ 38,942,129	\$ 2,272	\$ 88,243,265
Receivables From Other Governments	11,950,949	3,538,899			15,489,848
Other Assets	20,000				20,000
Due From Other Funds	<u>3,569,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,569,331</u>
Total Assets	<u>\$ 64,463,728</u>	<u>\$ 3,914,315</u>	<u>\$ 38,942,129</u>	<u>\$ 2,272</u>	<u>\$ 107,322,444</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 5,420,804	\$ 1,354,180	\$ 993,985		\$ 7,768,969
Accrued Salaries and Wages	3,656,607				3,656,607
Payroll Deductions Payable	382,892				382,892
Unearned Revenue		422,460			422,460
Payables to Other Governments		9,840			9,840
Other Payables	19,500				19,500
Due To Other Funds	<u>-</u>	<u>1,752,419</u>	<u>1,658,442</u>	<u>\$ 1,928</u>	<u>3,412,789</u>
Total Liabilities	<u>9,479,803</u>	<u>3,538,899</u>	<u>2,652,427</u>	<u>1,928</u>	<u>15,673,057</u>
Fund Balances:					
Restricted					
Capital Reserve	31,307,008				31,307,008
Capital Reserve-Designated for Subsequent Year's Budget	4,075,406				4,075,406
Maintenance Reserve	1,992,006				1,992,006
Maintenance Reserve -Designated for Subsequent Year's Budget	4,000,000				4,000,000
Emergency Reserve	113,500				113,500
Emergency Reserve -Designated for Subsequent Year's Budget	500,000				500,000
Excess Surplus	5,215,575				5,215,575
Unemployment Compensation Reserve	1,071,422				1,071,422
Student Activities		375,416			375,416
Capital Projects			36,130,336		36,130,336
Debt Service			159,366	344	159,710
Committed					
Encumbrances	1,870,139				1,870,139
Assigned					
Designated for Subsequent Year's Budget	4,692,909				4,692,909
Encumbrances	4,468,439				4,468,439
Unassigned	<u>(4,322,479)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,322,479)</u>
Total Fund Balances	<u>54,983,925</u>	<u>375,416</u>	<u>36,289,702</u>	<u>344</u>	<u>91,649,387</u>
Total Liabilities and Fund Balances	<u>\$ 64,463,728</u>	<u>\$ 3,914,315</u>	<u>\$ 38,942,129</u>	<u>\$ 2,272</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$197,881,574 and the accumulated depreciation is \$53,872,686.

144,008,888

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

(883,030)

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

(87,665,585)

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

(1,708,898)

Net Position of Governmental Activities

\$ 145,400,762

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

**NORTH BERGEN BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources:					
Property Taxes	\$ 55,310,019			\$ 2,642,985	\$ 57,953,004
Tuition	4,885,216				4,885,216
Interest	2,997,010		\$ 810,521		3,807,531
Miscellaneous	<u>342,082</u>	<u>\$ 719,636</u>	<u>-</u>	<u>-</u>	<u>1,061,718</u>
Total - Local Sources	63,534,327	719,636	810,521	2,642,985	67,707,469
State Sources	101,693,286	2,239,967		1,175,883	105,109,136
Federal Sources	<u>167,401</u>	<u>12,186,947</u>	<u>-</u>	<u>-</u>	<u>12,354,348</u>
Total Revenues	<u>165,395,014</u>	<u>15,146,550</u>	<u>810,521</u>	<u>3,818,868</u>	<u>185,170,953</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	65,127,353	3,819,816	\$ 962,433		69,909,602
Special Education Instruction	19,534,815	1,523,168			21,057,983
Other Instruction	11,514,572	4,447,872			15,962,444
School Sponsored Activities and Athletics	<u>2,999,225</u>	<u>687,512</u>			<u>3,686,737</u>
Support Services					
Student and Instruction Related Services	20,103,415	2,125,612			22,229,027
General Administrative Services	2,352,069				2,352,069
School Administrative Services	10,576,750				10,576,750
Plant Operations and Maintenance	15,129,920	399,850			15,529,770
Pupil Transportation	5,343,648	6,700			5,350,348
Business Services	<u>4,375,414</u>				<u>4,375,414</u>
Debt Service					
Principal	299,344			1,805,000	2,104,344
Interest and Other Charges	103,027			2,018,491	2,121,518
Capital Outlay	<u>4,757,723</u>	<u>2,154,100</u>	<u>22,128,119</u>	<u>-</u>	<u>29,039,942</u>
Total Expenditures	<u>162,217,275</u>	<u>15,164,630</u>	<u>23,090,552</u>	<u>3,823,491</u>	<u>204,295,948</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,177,739</u>	<u>(18,080)</u>	<u>(22,280,031)</u>	<u>(4,623)</u>	<u>(19,124,995)</u>
Other Financing Sources (Uses)					
Transfers In	810,521		20,821,471	3,000	21,634,992
Transfers Out	<u>(20,821,471)</u>	<u>-</u>	<u>(813,521)</u>	<u>-</u>	<u>(21,634,992)</u>
Total Other Financing Sources (Uses)	<u>(20,010,950)</u>	<u>-</u>	<u>20,007,950</u>	<u>3,000</u>	<u>-</u>
Net Change in Fund Balances	(16,833,211)	(18,080)	(2,272,081)	(1,623)	(19,124,995)
Fund Balance, Beginning of Year	<u>71,817,136</u>	<u>393,496</u>	<u>38,561,783</u>	<u>1,967</u>	<u>110,774,382</u>
Fund Balance, End of Year	<u>\$ 54,983,925</u>	<u>\$ 375,416</u>	<u>\$ 36,289,702</u>	<u>\$ 344</u>	<u>\$ 91,649,387</u>

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

**NORTH BERGEN BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ (19,124,995)**

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

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

Capital Outlay	\$ 29,039,942	
Depreciation Expense	(3,089,464)	
Cancelled Construction in Progress	<u>(103,508)</u>	
		25,846,970

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

Principal Repayments		
General Obligation Bonds	1,805,000	
Capital Financing Agreements	128,561	
IT Subscription Arrangements	170,783	
Amortization		
Deferred Amount on Refunding of Debt	<u>(2,489)</u>	
		2,101,855

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

Decrease in Pension Expense - Public Employees' Retirement System	1,735,347
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In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

23,373

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

Compensated Absences	<u>(596,202)</u>
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Change in Net Position of Governmental Activities (Exhibit A-2)	<u>\$ 9,986,348</u>
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**NORTH BERGEN BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2025**

ASSETS

Cash	\$ 2,014,817
Intergovernmental Receivable	
State	24,501
Federal	561,189
Inventories	<u>60,186</u>
Total Current Assets	<u>2,660,693</u>
Capital Assets	
Equipment	704,932
Accumulated Depreciation	<u>(263,917)</u>
Total Capital Assets, Net	<u>441,015</u>
Total Assets	<u>3,101,708</u>

LIABILITIES

Current Liabilities	
Accounts Payable	297,166
Due to Other Funds	<u>156,542</u>
Total Current Liabilities	<u>453,708</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Commodities Revenue	<u>3,001</u>
Total Deferred Inflows of Resources	<u>3,001</u>
Total Liabilities and Deferred Inflows of Resources	<u>456,709</u>

NET POSITION

Investment in Capital Assets	441,015
Unrestricted	<u>2,203,984</u>
Total Net Position	<u>\$ 2,644,999</u>

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

**NORTH BERGEN BOARD OF EDUCATION
 PROPRIETARY FUND
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

OPERATING REVENUES

Local Sources	
Daily Sales	
Non-Reimbursable Programs	\$ 275,812
Special Functions	<u>44,806</u>
Total Operating Revenues	<u>320,618</u>

OPERATING EXPENSES

Salaries and Wages	1,901,437
Employee Benefits	31,469
Cost of Sales	
Reimbursable Programs	1,154,447
Non-Reimbursable Programs	93,992
Other Purchased Services	667,580
Supplies and Materials	5,829
Depreciation	<u>60,887</u>
Total Operating Expenses	<u>3,915,641</u>

Operating Income (Loss)	<u>(3,595,023)</u>
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NONOPERATING REVENUES

State Sources	
State School Lunch Program	57,598
State Breakfast	6,631
After the Bell	1,871
NJEIE Lunch	42,911
NJEIE Breakfast	13,522
Pandemic EBT	2,952
Federal Sources	
School Breakfast Program	684,714
National School Lunch Program	2,274,421
Special Milk Program	8,775
Food Distribution Program (USDA Commodities)	247,684
Pandemic EBT	2,952
Local Food for Schools Cooperative	11,372
Interest Income	<u>66,865</u>
Total Nonoperating Revenues	<u>3,422,268</u>

Change in Net Position	(172,755)
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Net Position, Beginning of Year	<u>2,817,754</u>
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Net Position, End of Year	<u>\$ 2,644,999</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

**NORTH BERGEN BOARD OF EDUCATION
 PROPRIETARY FUNDS
 FOOD SERVICE ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	\$ 320,618
Cash Payments for Salaries & Benefits	(1,932,906)
Cash Payments to Suppliers for Goods and Services	<u>(1,636,622)</u>
Net Cash (Used for) Operating Activities	<u>(3,248,910)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash Received (Paid) for Interfund Transactions	969,121
Cash Received from State and Federal Subsidy Reimbursements	<u>2,740,593</u>
Net Cash Provided by Noncapital Financing Activities	<u>3,709,714</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Acquisition of Capital Assets	<u>(99,227)</u>
Net Cash (Used for) Noncapital Financing Activities	<u>(99,227)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on Deposits	<u>66,865</u>
Net Cash Provided by Investing Activities	<u>66,865</u>

Net Change in Cash and Cash Equivalents	428,442
Cash and Cash Equivalents, Beginning of Year	<u>1,586,375</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,014,817</u>

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

Operating Income (Loss)	\$ (3,595,023)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities	
Depreciation	60,887
Non-Cash Federal Assistance-Food Distribution Program	247,684
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	28,540
(Increase)/Decrease in Inventory	11,233
Increase/(Decrease) in Deferred Commodities Revenue	<u>(2,231)</u>
Total Adjustments	<u>346,113</u>
Net Cash (Used for) Operating Activities	<u>\$ (3,248,910)</u>

Non-Cash Investing, Capital and Financing Activities

Value Received - Food Distribution Program	<u>\$ 245,453</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2025, the District adopted the following GASB statements:

- GASB Statement No. 101, *Compensated Absences*, was 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.
- GASB Statement No. 102, *Certain Risk Disclosures*, was effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective beginning with the fiscal year ending June 30, 2026. The objective of this Statement is to provide user of governmental financial statements with essential information about certain types of capital assets. The requirements of this Statement will improve financial reporting by provided users of the financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

Use of Estimates

The preparation of financial statements requires management of the District to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Inventories

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

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

4. Prepaid Items

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

5. Capital Assets

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

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

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

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

6. Deferred Outflows/Inflows of Resources

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Deferred Outflows/Inflows of Resources (Continued)

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

7. Compensated Absences

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

8. Pensions

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

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

9. Subscription Bases Information Technology Arrangements (SBITAs)

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

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Financing Agreements

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

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

11. Long-Term Obligations

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

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

12. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. Net Position/Fund Balance (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.

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

Capital Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the 2025/2026 original budget certified for taxes.

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

Maintenance Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the 2025/2026 original budget certified for taxes

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2025 audited excess surplus that is required to be appropriated in the 2026/2027 original budget certified for taxes.

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

Student Activities – 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 and athletic activities.

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

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

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

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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

Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of fund balance appropriated in the 2025/2026 original budget certified for taxes.

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

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

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

13. Fund Balance Policies

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

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

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 2023-2024 and 2024-2025 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey on-behalf of the District for social security, pension, long-term disability insurance and post-retirement medical benefit contributions for District employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system, including on-behalf payments for post-retirement medical contributions for District employees enrolled in the Public Employees Retirement System (PERS).

Revenues and expenses of the governmental activities fund include the State’s proportionate share of the on-behalf actuarial determined pension and post-retirement medical benefit amounts attributable to the District for District employees enrolled in the TPAF retirement system, including the on-behalf actuarial determined post-retirement medical benefit amounts attributable to the District for District employees enrolled in the PERS retirement system.

5. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Bonds Payable	\$ 57,270,000
Capital Financing Agreements	165,356
IT Subscription Arrangements	25,515
Compensated Absences	10,898,785
Net Pension Liability	<u>19,305,929</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 87,665,585</u>

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

Deferred Inflows of Resources	
Deferred Amount on Net Pension Liability	\$ 2,312,000
Deferred Outflows of Resources	
Deferred Amount on Net Pension Liability	(600,609)
Deferred Amount on Refunding of Debt	<u>(2,493)</u>
	<u>\$ 1,708,898</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Effective for the 2025/2026 school year budget, voter approval is not required for budgets that meet levy cap requirements regardless of when the school board member elections are held.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2024/2025. Also, during 2024/2025 the Board increased the original General Fund budget by \$7,644,449 and the original Special Revenue budget by \$8,669,381. The increase was funded by the additional withdrawal from capital reserve, grant awards, student activity revenues, and the reappropriation of prior year general fund encumbrances. During the fiscal year, the Board authorized and approved the withdrawal of capital reserve fund balance of \$2,021,471.

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

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

B. Deficit Fund Equity

The District has an unassigned fund deficit of \$4,322,479 in the General Fund as of June 30, 2025 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2024/2025 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of the General Fund is less than the delayed state aid payments at June 30, 2025.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2025 is as follows:

Balance, July 1, 2024		\$ 60,790,240
Increased by		
Deposit Approved by Board Resolution	\$ 211,621	
Interest Earnings	<u>400,250</u>	
		<u>611,871</u>
		61,402,111
Decreased by		
Withdrawals Approved by Board Resolution	2,021,471	
Budgeted Withdrawal	<u>23,998,226</u>	
		<u>26,019,697</u>
Balance, June 30, 2025		<u>\$ 35,382,414</u>

The June 30, 2025 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$70,000,000. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the District's Long Range Facilities Plan. \$4,075,406 of the capital reserve balance at June 30, 2025 was designated and appropriated for use in the 2025/2026 original budget certified for taxes.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2025 is as follows:

Balance, July 1, 2024		\$ 5,999,044
Increased by		
Deposit Approved by Board Resolution	\$ 500,000	
Interest Earnings	<u>31,000</u>	
		<u>531,000</u>
		6,530,044
Decreased by		
Budgeted Withdrawal		<u>538,038</u>
Balance, June 30, 2025		<u>\$ 5,992,006</u>

The June 30, 2025 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$5,999,044.

\$4,000,000 of the maintenance reserve balance at June 30, 2025 was designated and appropriated for use in the 2025/2026 original budget certified for taxes.

E. Emergency Reserve

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

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Emergency Reserve (Continued)

The activity of the emergency reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, July 1, 2024	\$ 607,500
Increased by	
Interest Earnings	<u>6,000</u>
Balance, June 30, 2025	<u>\$ 613,500</u>

F. Transfers to Capital Outlay

During the 2024/2025 school year, the district transferred \$447,345 to the non-equipment capital outlay accounts. The transfers were approved by the County Superintendent.

G. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2025 is \$5,215,575. This amount will be appropriated in the 2026/2027 original budget certified for taxes.

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2025, the book value of the Board's deposits was \$90,258,082 and bank and brokerage firm balances of the Board's deposits amounted to \$95,321,754. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 90,525,445
Uninsured and Collateralized	<u>4,796,309</u>
	<u>\$ 95,321,754</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 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, 2025 the Board's bank balance of \$4,796,309 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized

Collateral held by the pledging financial institution's trust department
but not in the Board's name

\$ 4,796,309

Investments

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

As of June 30, 2025, the Board had no outstanding investments.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk.

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

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2025 for the District's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts		\$ 2,855		\$ 2,855
Intergovernmental-				
Federal		3,489,895	\$ 561,189	4,051,084
State	\$ 537,699		24,501	562,200
Local	<u>11,413,250</u>	<u>46,149</u>	<u>-</u>	<u>11,459,399</u>
Gross Receivables	11,950,949	3,538,899	585,690	16,075,538
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 11,950,949</u>	<u>\$ 3,538,899</u>	<u>\$ 585,690</u>	<u>\$ 16,075,538</u>

C. Unearned Revenue

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

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 316,557
Grant Draw Downs for Year End Encumbrances	<u>105,903</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 422,460</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Increases	Decreases	Transfers	Balance June 30, 2025
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 14,685,925				\$ 14,685,925
Construction in Progress	54,427,079	\$ 26,994,120	\$ (103,508)	\$ (7,283,445)	74,034,246
Total Capital Assets, Not Being Depreciated	69,113,004	26,994,120	(103,508)	(7,283,445)	88,720,171
Capital Assets, Being Depreciated:					
Buildings	91,896,658			6,283,445	98,180,103
Right-To-Use Leased Buildings	2,684,233		2,684,233		-
Site Improvements	1,860,898			1,000,000	2,860,898
Machinery and Equipment	4,916,565	2,045,822			6,962,387
Right-To-Use IT Software	1,158,015	-	-	-	1,158,015
Total Capital Assets Being Depreciated	102,516,369	2,045,822	2,684,233	7,283,445	109,161,403
Less Accumulated Depreciation for:					
Buildings	(45,682,884)	(2,165,854)			(47,848,738)
Right-To-Use Leased Buildings	(2,684,233)		(2,684,233)		-
Site Improvements	(565,036)	(50,000)			(615,036)
Machinery and Equipment	(3,880,400)	(536,682)	-	-	(4,417,082)
Right-To-Use IT Software	(654,902)	(336,928)	-	-	(991,830)
Total Accumulated Depreciation	(53,467,455)	(3,089,464)	(2,684,233)	-	(53,872,686)
Total Capital Assets, Being Depreciated, net	49,048,914	(1,043,642)	-	7,283,445	55,288,717
Governmental Activities Capital Assets, net	\$ 118,161,918	\$ 25,950,478	(103,508)	\$ -	\$ 144,008,888
	July 1, 2024	Increases	Decreases		June 30, 2025
Business-Type Activities:					
Capital Assets, Being Depreciated:					
Machinery and Equipment	\$ 605,705	\$ 99,227	-		\$ 704,932
Total Capital Assets Being Depreciated	605,705	99,227	-		704,932
Less Accumulated Depreciation for:					
Machinery and Equipment	(203,030)	(60,887)	-		(263,917)
Total Accumulated Depreciation	(203,030)	(60,887)	-		(263,917)
Total Capital Assets, Being Depreciated, net	402,675	38,340	-		441,015
Business-Type Activities Capital Assets, net	\$ 402,675	\$ 38,340	\$ -		\$ 441,015

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction	
Regular	\$ 622,113
Support Services	
Students and Instruction Related	102,760
General Administration	5,381
School Administration	4,243
Operations and Maintenance of Plant	2,277,751
Pupil Transportation	28,124
Business Services	<u>49,092</u>
 Total Support Services	 <u>2,467,351</u>
 Total Governmental Funds	 <u>\$ 3,089,464</u>

Business-Type Activities:

Food Service Fund	<u>\$ 60,887</u>
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Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2025:

<u>Project</u>	<u>Remaining Commitment</u>
North Bergen High School (East and West Campuses)	\$ 10,923,643
North Bergen High School HVAC and Electrical Upgrades	22,022,000
McKinley Terra Cotta	1,237,380
Roof Repairs and Replacements	205,855
Pre-K Furniture	552,654
High School Alarm System	1,086,324
HVAC	<u>180,921</u>
	<u>\$ 36,208,777</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2025, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 1,633,279
General Fund	Capital Projects Fund	1,658,442
General Fund	Debt Service Fund	1,928
General Fund	Food Service Enterprise Fund	275,682
Food Service Enterprise Fund	Special Revenue Fund	<u>119,140</u>
Total		<u>\$ 3,688,471</u>

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

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

Interfund Transfers

	<u>General Fund</u>	<u>Transfer In Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<u>Transfer Out</u>				
General Fund		\$ 20,821,471		\$ 20,821,471
Capital Projects Fund	\$ 810,521	-	\$ 3,000	<u>813,521</u>
	<u>\$ 810,521</u>	<u>\$ 20,821,471</u>	<u>\$ 3,000</u>	<u>\$ 21,634,992</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.

F. Financing Agreements

Capital Financing Agreements

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements (Continued)

Capital Financing Agreements (Continued)

Capital financing agreements at June 30, 2025 are comprised of the following:

\$631,063, Fiscal Year 2021 Agreement for
the acquisition of copiers for a term
of 5 years due in monthly installments
of \$10,861 to \$11,188 through August 2026
interest at 2.54%

\$ 165,356

Capital Financing Agreements

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Capital Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2026	\$ 131,864	\$ 2,672	\$ 134,536
2027	<u>33,492</u>	<u>142</u>	<u>33,634</u>
Total	<u>\$ 165,356</u>	<u>\$ 2,814</u>	<u>\$ 168,170</u>

G. Subscription – Based Information Technology Arrangements (SBITAs)

The District has the following subscriptions (SBITA's) as of June 30, 2025.

<u>Subscription Description</u>	<u>Date</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Initial Subscription Liability/ Right To Use Asset Value</u>	<u>June 30, 2025 Subscription Value/Liability</u>	<u>June 30, 2025 Accumulated Depreciation</u>
enVision Accelerated	9/1/2022	34 months	2.1843%	\$ 6,108		\$ 6,108
enVision Math	7/1/2022	36 months	2.1843%	232,673		232,673
Cisco EA Bundle	7/1/2022	49 months	2.2753%	100,593	\$ 25,515	72,620
SHI-Sophos	3/31/2023	40 months	2.6560%	80,946	-	56,061
ReadyGEN Platform	7/1/2022	36 months	2.1843%	435,992	-	435,992
EnVision Mathematics	7/1/2022	48 months	2.2753%	150,098	-	112,573
Encuentros 2022- WebSAM License	7/1/2022	72 months	2.5197%	<u>151,605</u>	<u>-</u>	<u>75,803</u>
				<u>\$ 1,158,015</u>	<u>\$ 25,515</u>	<u>\$ 991,830</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Subscription – Based Information Technology Arrangements (SBITAs) (Continued)

The future principal and interest SBITA payments as of June 30, 2025 are as follows:

Governmental Activities:

Fiscal Year Ending
June 30,

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 25,515	\$ 580	\$ 26,095
Total	<u>\$ 25,515</u>	<u>\$ 580</u>	<u>\$ 26,095</u>

H. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2025 are comprised of the following issues:

\$3,225,000, Pension Obligation Refunding Bonds, due in an annual installment of \$275,000 through April 1, 2026, interest at 5.054%	\$ 275,000
\$20,000,000, 2020 Bonds, due in annual installments of \$515,000 to \$990,000 through June 30, 2050, interest at 2.500% to 2.750%	17,995,000
\$40,000,000, 2022 Bonds, due in annual installments of \$1,000,000 to \$2,000,000 through July 15, 2052, interest at 3.125% to 4.00%	<u>39,000,000</u>
Total	<u>\$ 57,270,000</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-Term Debt (Continued)

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

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,790,000	\$ 1,958,830	\$ 3,748,830
2027	1,530,000	1,899,556	3,429,556
2028	1,540,000	1,853,806	3,393,806
2029	1,555,000	1,807,806	3,362,806
2030	1,570,000	1,761,431	3,331,431
2031-2035	8,155,000	8,083,480	16,238,480
2036-2040	9,655,000	6,612,630	16,267,630
2041-2045	11,565,000	4,784,693	16,349,693
2046-2050	13,910,000	2,547,463	16,457,463
2051-2053	<u>6,000,000</u>	<u>360,000</u>	<u>6,360,000</u>
	<u>\$ 57,270,000</u>	<u>\$ 31,669,695</u>	<u>\$ 88,939,695</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2025 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 405,820,702
Less: Net Debt	<u>56,995,000</u>
Remaining Borrowing Power	<u>\$ 348,825,702</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2025, was as follows:

	Balance <u>July 1, 2024</u> (Restated)	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2025</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 59,075,000		\$ 1,805,000	\$ 57,270,000	\$ 1,790,000
Capital Financing Agreements	293,917		128,561	165,356	131,864
IT Subscription Arrangements	196,298		170,783	25,515	25,515
Compensated Absences Payable	10,302,583	\$ 1,276,710	680,508	10,898,785	739,818
Net Pension Liability	<u>21,873,495</u>	<u>-</u>	<u>2,567,566</u>	<u>19,305,929</u>	<u>-</u>
	<u>\$ 91,741,293</u>	<u>\$ 1,276,710</u>	<u>\$ 5,352,418</u>	<u>\$ 87,665,585</u>	<u>\$ 2,687,197</u>

The liabilities for compensated absences, capital financing agreements, IT subscription arrangements and net pension liability are generally liquidated by the general fund.

NOTE 5 OTHER INFORMATION

A. Risk Management

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

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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

<u>Year Ended</u> <u>June 30,</u>	<u>Board</u> <u>Contribution</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2025		\$ 138,613	\$ 80,258	\$ 1,071,422
2024		132,174	2,011	1,026,805
2023		129,942		978,470

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2025, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2025, the District has not estimated its arbitrage earnings due to the IRS, if any.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the 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, by 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.nj.gov/treasury/pensions/annual-reports.

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

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

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

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

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

Other Pension Funds

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

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

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

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Empower Retirement (formerly Prudential) 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.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2024 is \$13.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 68.22%. The collective net pension liability of the State funded TPAF at June 30, 2024 is \$49.5billion and the plan fiduciary net position as a percentage of total pension liability is 37.99%.

The total pension liabilities for the June 30, 2024 measurement date were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

Actuarial Methods and Assumptions

In the July 1, 2023 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 2025.

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, 2025 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 2025, 2024 and 2023 were equal to the required contributions.

During the fiscal years ended June 30, 2025, 2024 and 2023 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively, for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

<u>Fiscal Year Ended June 30,</u>	<u>PERS</u>	<u>On-Behalf TPAF</u>	<u>DCRP</u>
2025	\$ 1,933,335	\$ 21,026,222	\$ 8,466
2024	2,018,350	21,402,751	7,821
2023	1,894,407	21,145,022	7,521

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2025, 2024 and 2023 the State contributed \$8,295, \$7,866 and \$7,677, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$4,379,465 during the fiscal year ended June 30, 2025 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. 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, 2023 through June 30, 2024. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

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/(benefit) 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, 2024 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2024.

At June 30, 2025, the District reported in the statement of net position (accrual basis) a liability of \$19,305,929 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2024. At June 30, 2024, the District's proportionate share was .14208 percent, which was a decrease of .00893 percent from its proportionate share measured as of June 30, 2023 of .15101 percent.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$197,988 for PERS. The pension contribution made by the District during the current 2024/2025 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, 2024 with a measurement date of the prior fiscal year end of June 30, 2024. 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, 2024 for contributions made subsequent to the measurement date. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 386,733	\$ 51,398
Changes of Assumptions	23,984	219,657
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		895,163
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>189,892</u>	<u>1,145,782</u>
Total	<u>\$ 600,609</u>	<u>\$ 2,312,000</u>

At June 30, 2025, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2026	\$ (1,082,243)
2027	471,364
2028	(611,322)
2029	(473,668)
2030	(15,522)
Thereafter	<u>-</u>
	<u>\$ (1,711,391)</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District’s total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

Mortality Rates

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2024) 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, 2024 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%	7.10%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment Grade Credit	7.00%	5.37%
US Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
Emerging Markets Equity	5.50%	10.66%
High Yield	4.50%	6.74%
Real Assets	3.00%	8.20%
Private Credit	8.00%	8.90%
Real Estate	8.00%	10.95%
Private Equity	13.00%	12.40%
International Small Cap Equity	1.25%	8.85%

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the District’s proportionate share of the PERS net pension liability as of the June 30, 2024 measurement date calculated using the discount rate of 7.00 percent, as well as what the District’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 25,652,833</u>	<u>\$ 19,305,929</u>	<u>\$ 13,904,749</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2024. A sensitivity analysis specific to the District’s net pension liability at June 30, 2024 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.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2023 through June 30, 2024. 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, 2024, the State's pension contribution was more than the actuarial determined amount.

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

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$895,331 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2025 the State's proportionate share of the net pension liability attributable to the District is \$245,440,834. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2024. At June 30, 2024, the State's share of the net pension liability attributable to the District was .49659 percent, which was a decrease of .01357 percent from its proportionate share measured as of June 30, 2023 of .51016 percent.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

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, 2024) 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, 2024 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%	7.10%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment Grade Credit	7.00%	5.37%
US Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
Emerging Markets Equity	5.50%	10.66%
High Yield	4.50%	6.74%
Real Assets	3.00%	8.20%
Private Credit	8.00%	8.90%
Real Estate	8.00%	10.95%
Private Equity	13.00%	12.40%
International Small Cap Equity	1.25%	8.85%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

The following presents the State’s proportionate share of the TPAF net pension liability attributable to the District as of the June 30, 2024 measurement date calculated using the discount rate of 7.00%, as well as what the State’s proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ 291,741,177	\$ 245,440,834	\$ 206,447,192

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2024. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2024 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2023:

Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>153,556</u>
Total	<u>372,741</u>

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2024 is \$59.7 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, 2024 were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2023 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 \$1.5 billion to the OPEB plan in fiscal year 2024.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2025, 2024 and 2023 were \$6,143,879, \$5,825,045 and \$5,554,746, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense based on a measurement date no earlier than the end of the employer's prior fiscal year. 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, 2023 through June 30, 2024. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$10,206,857. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2025 the State's proportionate share of the OPEB liability attributable to the District is \$251,182,712. The State's proportionate share of the OPEB liability attributable to the District was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2024. At June 30, 2024, the state's share of the OPEB liability attributable to the District was .42109 percent, which was an increase of .0001 percent from its proportionate share measured as of June 30, 2023 of .42099 percent.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

The OPEB liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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 5.65% Based on Years of Service

Mortality Rates

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 disables 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 July 1, 2023 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is, increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Discount Rate

The discount rate for June 30, 2024 was 3.93%. 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 District for the fiscal year ended June 30, 2025 (measurement date June 30, 2024) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2023 Measurement Date	\$ 220,437,695
Changes Recognized for the Fiscal Year:	
Service Cost	9,531,172
Interest on the Total OPEB Liability	8,268,340
Differences Between Expected and Actual Experience	252,143
Changes of Assumptions	18,791,807
Gross Benefit Payments	(6,314,665)
Contributions from the Member	216,220
Net Changes	30,745,017
Balance, June 30, 2024 Measurement Date	\$ 251,182,712

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% in 2023 to 3.93% in 2024.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024.

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District as of the June 30, 2024 measurement date calculated using the discount rate of 3.93%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	1% Decrease <u>(2.93%)</u>	Current Discount Rate <u>(3.93%)</u>	1% Increase <u>(4.93%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 294,188,751</u>	<u>\$ 251,182,712</u>	<u>\$ 216,596,930</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District as of the June 30, 2024 measurement date calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease <u></u>	Healthcare Cost Trend Rates	1% Increase <u></u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 209,237,028</u>	<u>\$ 251,182,712</u>	<u>\$ 305,819,734</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024 were not provided by the pension system.

F. Tax Abatements

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 6 RESTATEMENT

During fiscal year 2025, the North Bergen Board of Education determined that a restatement was required as a result of the implementation of GASB Statement No. 101 "Compensated Absences". The effect of implementing this change in reporting on the financial statements previously reported as of and for the fiscal year ended June 30, 2024 is as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2024 have been restated to reflect the change in accounting for compensated absences. The effect of this restatement is to decrease net position of governmental activities by \$1,828,777 from \$137,243,191 as previously reported to \$135,414,414 as of June 30, 2024. In addition, the liability for compensated absences payable is increased by \$1,828,777 from \$8,473,806 as previously reported to \$10,302,583 as of June 30, 2024.

	<u>District-Wide Net Position</u>	<u>District-Wide Long Term Liabilities - Compensated Absences</u>
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
Balance July 1, 2024 - As Previously Reported	\$ 137,243,191	\$ 8,473,806
Change in Accounting Principle (Adoption of GASB No. 101)	<u>(1,828,777)</u>	<u>1,828,777</u>
Balance July 1, 2024 - Restated	<u>\$ 135,414,414</u>	<u>\$ 10,302,583</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 55,310,019		\$ 55,310,019	\$ 55,310,019	
Tuition					
School Districts	5,500,000		5,500,000	4,884,766	\$ (615,234)
Summer School	10,000		10,000	450	(9,550)
Interest on Capital Reserve	400,250		400,250	400,250	-
Interest on Emergency Reserve	6,000		6,000	6,000	-
Interest on Maintenance Reserve	31,000		31,000	31,000	-
Interest on Unemployment Compensation				44,617	44,617
Interest Income				2,515,143	2,515,143
Unrestricted Miscellaneous Revenues	450,000	-	450,000	342,082	(107,918)
Total Local Sources	61,707,269	-	61,707,269	63,534,327	1,827,058
State Sources					
Special Education Aid	7,899,719		7,899,719	7,899,719	-
Equalization Aid	57,993,995		57,993,995	57,993,995	-
Security Aid	3,381,759		3,381,759	3,381,759	-
Transportation Aid	747,436		747,436	747,436	-
Extraordinary Aid	550,000		550,000	798,450	248,450
Reimbursed NonPublic Transportation				109,745	109,745
TPAF On Behalf					
NCGI Premium				257,272	257,272
Pension Contribution				20,768,950	20,768,950
Long Term Disability Insurance				8,295	8,295
Post Retirement				6,143,879	6,143,879
Social Security Contribution	-	-	-	4,379,465	4,379,465
Total State Source	70,572,909	-	70,572,909	102,488,965	31,916,056
Federal Sources					
Medicaid Reimbursement Program	285,439	-	285,439	167,401	(118,038)
Total Federal Sources	285,439	-	285,439	167,401	(118,038)
Total Revenues	132,565,617	-	132,565,617	166,190,693	33,625,076
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	2,448,055	\$ (93,953)	2,354,102	2,354,101	1
Grades 1-5	12,469,823	29,389	12,499,212	12,457,871	41,341
Grades 6-8	7,674,655	(1,006,613)	6,668,042	6,516,083	151,959
Grades 9-12	12,668,678	(582,558)	12,086,120	12,023,537	62,583
Regular Programs - Home Instruction					
Salaries of Teachers	221,126	415,571	636,697	636,697	-
Purchased Professional-Educational Services	33,000	(15,585)	17,415	9,890	7,525
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	972,305	65,413	1,037,718	969,821	67,897
Purchased Professional-Educational Services	165,000	145,635	310,635	243,790	66,845
Other Purchased Services	274,735	171	274,906	166,251	108,655
General Supplies	996,000	849,100	1,845,100	1,704,145	140,955
Textbooks	103,527	1,019,592	1,123,119	224,808	898,311
Total Regular Programs - Instruction	38,026,904	826,162	38,853,066	37,306,994	1,546,072

NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning and/or Learning Disabilities					
Salaries of Teachers	\$ 2,558,460	\$ (138,952)	\$ 2,419,508	\$ 2,190,401	\$ 229,107
Other Salaries for Instruction	1,707,816	(78,751)	1,629,065	1,464,596	164,469
Purchased Professional-Educational Services	511,607	154,197	665,804	390,242	275,562
General Supplies	8,000	3,232	11,232	6,143	5,089
Textbooks	3,375	-	3,375	-	3,375
Total Learning and/or Learning Disabilities	4,789,258	(60,274)	4,728,984	4,051,382	677,602
Resource Room / Resource Center					
Salaries of Teachers	5,360,564	(65,453)	5,295,111	5,125,349	169,762
Total Resource Room / Resource Center	5,360,564	(65,453)	5,295,111	5,125,349	169,762
Preschool Disabilities - Part-Time					
Salaries of Teachers	647,584	(191,500)	456,084	351,025	105,059
Other Salaries for Instruction	228,781	(30,100)	198,681	180,630	18,051
Total Preschool Disabilities - Part-Time	876,365	(221,600)	654,765	531,655	123,110
Home Instruction					
Salaries of Teachers	211,966	322,353	534,319	534,319	-
Purchased Professional-Educational Services	35,510	66,133	101,643	86,841	14,802
Total Home Instruction	247,476	388,486	635,962	621,160	14,802
Total Special Education - Instruction	11,273,663	41,159	11,314,822	10,329,546	985,276
Basic Skills/Remedial - Instruction					
Salaries of Teachers	2,511,765	(82,894)	2,428,871	2,174,321	254,550
Other Salaries for Instruction	45,590	-	45,590	12,539	33,051
Purchased Professional-Educational Services	20,000	(5,000)	15,000	-	15,000
Other Purchased Services	18,300	250	18,550	-	18,550
General Supplies	40,500	5,000	45,500	45,500	-
Other Objects	2,000	-	2,000	-	2,000
Total Basic Skills/Remedial - Instruction	2,638,155	(82,644)	2,555,511	2,232,360	323,151
Bilingual Education					
Salaries of Teachers	4,009,659	38,640	4,048,299	4,048,299	-
Other Salaries for Instruction	92,145	16,821	108,966	108,966	-
Other Purchased Services	20,331	(8,771)	11,560	11,061	499
General Supplies	34,346	(27,890)	6,456	6,262	194
Textbooks	7,732	(7,732)	-	-	-
Total Bilingual Education - Instruction	4,164,213	11,068	4,175,281	4,174,588	693
School-Sponsored Co/Extra Curricular Activities					
Salaries	371,468	79,614	451,082	451,081	1
Purchased Services	94,244	(78,771)	15,473	13,194	2,279
Supplies and Materials	315	468	783	783	-
Other Objects	225	(225)	-	-	-
Total School-Sponsored Co/Extra Curricular Activities- Instruction	466,252	1,086	467,338	465,058	2,280

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
School-Sponsored Athletics - Instruction					
Salaries	\$ 863,820	\$ (31,812)	\$ 832,008	\$ 832,008	
Purchased Services	471,466	103,306	574,772	535,280	\$ 39,492
Supplies and Materials	157,528	14,479	172,007	144,982	27,025
Total School-Sponsored Athletics - Instruction	1,492,814	85,973	1,578,787	1,512,270	66,517
Total - Instruction	58,062,001	882,804	58,944,805	56,020,816	2,923,989
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Regular		42,025	42,025	26,329	15,696
Tuition - Other LEA's Within State - Special	404,195	(92,704)	311,491	95,346	216,145
Tuition to County Vocational School/Dist.-Reg.	80,000	-	80,000		80,000
Tuition to CSSD & Reg. Day Schools	1,058,529	7,778	1,066,307	947,820	118,487
Tuition to Private School for Disabled W/I State	725,261	264,145	989,406	904,545	84,861
Tuition - State Facilities	18,782	-	18,782	18,782	-
Tuition - Other	234,456	(60,710)	173,746	-	173,746
Total Undistributed Expenditures - Instruction	2,521,223	160,534	2,681,757	1,992,822	688,935
Attendance and Social Work Services					
Salaries	820,376	(62,418)	757,958	757,958	-
Unused Vacation Payment to Terminated/Retired Staff		9,742	9,742	9,742	-
Other Purchased Services	2,020	(100)	1,920	467	1,453
Total Attendance and Social Work Services	822,396	(52,776)	769,620	768,167	1,453
Health Services					
Salaries	1,179,096	(229,648)	949,448	948,839	609
Purchased Professional and Technical Services	117,200	53,964	171,164	161,621	9,543
Other Purchased Services	13,130	(3,090)	10,040	9,066	974
Supplies and Materials	30,500	4,981	35,481	35,170	311
Total Health Services	1,339,926	(173,793)	1,166,133	1,154,696	11,437
Other Support Services-Speech, OT, PT and Related Svcs.					
Salaries	25,666	795,234	820,900	820,900	-
Purchased Professional- Educational Services	528,000	296,590	824,590	725,601	98,989
Supplies and Materials	3,432	(3,400)	32	-	32
Total Other Support Services-Speech, OT, PT and Related Svcs.	557,098	1,088,424	1,645,522	1,546,501	99,021
Other Support Services - Students - Extra Serv.					
Salaries	2,279,693	(415,523)	1,864,170	1,864,170	-
Purchased Professional-Educational Services	189,230	101,291	290,521	172,550	117,971
Total Other Support Services - Students - Extra Serv.	2,468,923	(314,232)	2,154,691	2,036,720	117,971

NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Guidance					
Salaries of Other Professional Staff	\$ 1,625,889	\$ (102,638)	\$ 1,523,251	\$ 1,430,516	\$ 92,735
Salaries of Secretarial and Clerical Assistants	242,661	(16,800)	225,861	219,212	6,649
Other Purchased Prof. and Tech. Services	25,000	-	25,000	16,500	8,500
Other Purchased Services	24,150	24,520	48,670	30,787	17,883
Supplies and Materials	12,050	-	12,050	122	11,928
Total Guidance	1,929,750	(94,918)	1,834,832	1,697,137	137,695
Other Support Services - Child Study Teams					
Salaries of Other Professional Staff	2,716,959	30,823	2,747,782	2,747,782	-
Salaries of Secretarial and Clerical Assistants	312,793	(80,681)	232,112	231,510	602
Other Purchased Professional/Technical Services	1,013,926	481,541	1,495,467	1,456,689	38,778
Residential Costs	525	-	525	-	525
Other Purchased Services	24,224	(12,950)	11,274	8,691	2,583
Supplies and Materials	9,500	-	9,500	8,675	825
Total Other Support Services - Child Study Teams	4,077,927	418,733	4,496,660	4,453,347	43,313
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	154,667	4,000	158,667	156,657	2,010
Salaries of Other Professional Staff	878,049	(24,000)	854,049	847,466	6,583
Purchased Prof.-Educational Services	600	-	600	-	600
Other Purchased Professional and Technical Services	605	-	605	-	605
Other Purchased Services	675	-	675	-	675
Supplies and Materials	1,000	-	1,000	-	1,000
Total Improvement of Instruction Services	1,035,596	(20,000)	1,015,596	1,004,123	11,473
Educational Media Services/School Library					
Salaries	323,369	(86,473)	236,896	228,399	8,497
Other Purchased Services	8,400	(7,590)	810	-	810
Supplies and Materials	41,000	443	41,443	29,481	11,962
Total Educational Media Services/School Library	372,769	(93,620)	279,149	257,880	21,269
Instructional Staff Training Services					
Salaries of Other Professional Staff	595,480	167,950	763,430	759,004	4,426
Salaries of Secretarial and Clerical Assist.	4,478	(4,450)	28	-	28
Purchased Professional-Educational Serv.	50,000	(22,767)	27,233	17,802	9,431
Other Purchased Professional and Tech Svcs	4,000	(3,500)	500	-	500
Other Purchased Services	5,000	(4,500)	500	-	500
Supplies and Materials	6,000	(5,500)	500	-	500
Other Objects	3,800	(2,000)	1,800	-	1,800
Total Instructional Staff Training Services	668,758	125,233	793,991	776,806	17,185

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Support Services - General Administration					
Salaries	\$ 771,367	\$ 30,527	\$ 801,894	\$ 801,368	\$ 526
Unused Vac. Payment to Terminated/Retired Staff	61,222	(34,365)	26,857	26,855	2
Legal Services	496,000	119,971	615,971	460,609	155,362
Audit Fees	95,000	(4,980)	90,020	85,800	4,220
Expenditure and Internal Control Audit Fees	5,000	(2,500)	2,500		2,500
Architectural/Engineering Services	105,000	119,314	224,314	113,847	110,467
Other Purchased Professional Services	179,500	23,667	203,167	173,796	29,371
Communications/Telephone	137,500	34,242	171,742	145,567	26,175
BOE Other Purchased Services	12,000	2,207	14,207	8,281	5,926
Miscellaneous Purchased Services	62,690	(26,602)	36,088	20,654	15,434
General Supplies	98,300	(4,873)	93,427	52,465	40,962
BOE In-House Training/Meeting Supplies	1,500	-	1,500		1,500
Judgments Against The School District	28,610	(10,000)	18,610	300	18,310
Miscellaneous Expenditures	9,150	-	9,150	1,610	7,540
BOE Membership Dues and Fees	41,250	300	41,550	34,915	6,635
Total Support Services - General Administration	<u>2,104,089</u>	<u>246,908</u>	<u>2,350,997</u>	<u>1,926,067</u>	<u>424,930</u>
Support Services - School Administration					
Salaries of Principals/Asst. Principals/Prog Dir	3,502,025	27,829	3,529,854	3,275,718	254,136
Salaries of Other Professional Staff	1,850,948	(137,332)	1,713,616	1,192,910	520,706
Salaries of Secretarial and Clerical Assistants	2,377,468	8,187	2,385,655	1,918,127	467,528
Purchased Prof. and Tech. Services	62,000	14,000	76,000	76,000	-
Other Purchased Services	145,453	16,996	162,449	141,595	20,854
Supplies and Materials	53,700	1,000	54,700	26,345	28,355
Other Objects	1,000	-	1,000	-	1,000
Total Support Services - School Administration	<u>7,992,594</u>	<u>(69,320)</u>	<u>7,923,274</u>	<u>6,630,695</u>	<u>1,292,579</u>
Central Services					
Salaries	1,526,237	80,120	1,606,357	1,606,355	2
Unused Vac. Payment to Terminated/Retired Staff	73,625	(19,979)	53,646	53,646	-
Purchased Professional Services	50,064	52,425	102,489	100,685	1,804
Purchased Technical Services	5,300	35,576	40,876	40,650	226
Misc. Purchased Services	15,653	9,568	25,221	12,377	12,844
Supplies and Materials	32,800	(12,551)	20,249	17,395	2,854
Interest on Current Loans	13,500	(13,500)			-
Miscellaneous Expenditures	7,050	1,218	8,268	8,267	1
Total Central Services	<u>1,724,229</u>	<u>132,877</u>	<u>1,857,106</u>	<u>1,839,375</u>	<u>17,731</u>
Admin. Info. Technology					
Salaries	991,423	37,464	1,028,887	1,028,886	1
Unused Vac. Payment to Terminated/Retired Staff		11,318	11,318	11,317	1
Purchased Professional Services	77,350	(39,149)	38,201	37,840	361
Purchased Technical Services	235,474	69,787	305,261	242,757	62,504
Other Purchased Services	52,950	(25,999)	26,951	25,382	1,569
Supplies and Materials	2,550	74	2,624	1,429	1,195
Total Admin. Info. Technology	<u>1,359,747</u>	<u>53,495</u>	<u>1,413,242</u>	<u>1,347,611</u>	<u>65,631</u>
Required Maintenance for School Facilities					
Salaries	1,239,247	(336,348)	902,899	650,487	252,412
Unused Vac. Payment to Terminated/Retired Staff		19,000	19,000	18,641	359
Cleaning, Repair and Maintenance Services	1,626,734	222,253	1,848,987	1,047,858	801,129
General Supplies	167,421	26,297	193,718	152,668	41,050
Total Required Maintenance for School Facilities	<u>3,033,402</u>	<u>(68,798)</u>	<u>2,964,604</u>	<u>1,869,654</u>	<u>1,094,950</u>

NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 5,180,210	\$ (74,517)	\$ 5,105,693	\$ 4,646,213	\$ 459,480
Purchased Professional and Technical Services	191,900	(1,594)	190,306	127,625	62,681
Cleaning, Repair and Maintenance	224,342	37,597	261,939	230,522	31,417
Rental of Land and Buildings Oth. Than					
Lease Pur Agmt.	362,000	78,850	440,850	434,900	5,950
Other Purchased Property Services	125,140	66,875	192,015	191,241	774
Insurance	700,576	224,000	924,576	750,575	174,001
Miscellaneous Purchased Services	33,320	3,984	37,304	25,950	11,354
General Supplies	216,000	56,846	272,846	232,700	40,146
Energy (Natural Gas)	332,880	90,985	423,865	353,062	70,803
Energy (Electricity)	598,553	(154,182)	444,371	364,890	79,481
Energy (Gasoline)	22,880	1,002	23,882	14,513	9,369
Other Objects	7,000	-	7,000	-	7,000
Total Custodial Services	7,994,801	329,846	8,324,647	7,372,191	952,456
Care and Upkeep of Grounds					
Salaries	21,904	-	21,904		21,904
Purchased Professional and Technical Services	32,000	8,020	40,020	20,033	19,987
Cleaning, Repair and Maintenance Services	81,000	6,767	87,767	64,032	23,735
General Supplies	6,500	2,532	9,032	1,928	7,104
Total Care and Upkeep of Grounds	141,404	17,319	158,723	85,993	72,730
Security					
Salaries	2,146,409	(91,987)	2,054,422	2,003,199	51,223
Purchased Professional and Technical Services	217,504	242,274	459,778	440,462	19,316
Cleaning, Repair and Maintenance	56,296	9,279	65,575	44,935	20,640
General Supplies	35,500	15,245	50,745	36,639	14,106
Total Security	2,455,709	174,811	2,630,520	2,525,235	105,285
Student Transportation Services					
Salaries for Pupil Transportation					
(Between Home and School) - Regular	48,499	(25,286)	23,213	23,213	-
Salaries for Pupil Transportation					
(Between Home and School) - Special Ed.	213,777	1,691	215,468	215,467	1
Other Purchased Prof. and Tech. Serv.	3,000	(3,000)			-
Cleaning, Repair and Maintenance Services	23,200	(12,356)	10,844	6,396	4,448
Aid in Lieu of Payments - Nonpublic School	324,029	148,087	472,116	409,853	62,263
Aid in Lieu of Payments - Charter Schools	30,683	(15,381)	15,302	15,301	1
Aid in Lieu of Payments - Choice School Students	2,500	2,448	4,948	4,946	2
Contracted Services (Between Home					
and School) - Vendors	1,136,183	163,091	1,299,274	1,213,803	85,471
Contracted Services (Other Than Between Home					
and School) - Vendors	101,115	240,619	341,734	327,300	14,434
Contracted Services (Between Home					
and School) - Joint Agreements	34,763	(28,760)	6,003	6,000	3
Contracted Services (Spec Ed Students)-Vendors	1,436,006	(116,573)	1,319,433	1,037,488	281,945
Contracted Services (Spec Ed Students)-Joint Agreements	1,289,473	690,063	1,979,536	1,979,530	6
Misc. Purchased Services - Transportation	1,119	1,111	2,230	1,764	466
General Supplies	5,000	(5,000)			-
Transportation Supplies	10,000	(8,481)	1,519	-	1,519
Total Student Transportation Services	4,659,347	1,032,273	5,691,620	5,241,061	450,559

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Unallocated Benefits					
Group Insurance	\$ 50,558		\$ 50,558		\$ 50,558
Social Security Contributions	1,701,833	\$ 254,576	1,956,409	\$ 1,956,409	-
Other Retirement Contributions					
PERS	1,907,408	65,000	1,972,408	1,972,032	376
ERIP	63,110	19,775	82,885	78,863	4,022
Other Retirement Contributions -Regular	5,165	3,315	8,480	8,466	14
Unemployment Compensation	282,315	(10,000)	272,315		272,315
Workmen's Compensation	810,963	142,735	953,698	948,696	5,002
Health Benefits	22,003,436	(1,079,509)	20,923,927	19,009,329	1,914,598
Other Employee Benefits	3,352	4,000	7,352	2,295	5,057
Unused Sick Payment to Terminated/Retired Staff	616,375	-	616,375	560,307	56,068
Total Unallocated Benefits	<u>27,444,515</u>	<u>(600,108)</u>	<u>26,844,407</u>	<u>24,536,397</u>	<u>2,308,010</u>
TPAF On Behalf (Non-Budget)					
NCGI Premium				257,272	(257,272)
Pension Contribution				20,768,950	(20,768,950)
Long Term Disability Insurance				8,295	(8,295)
Post Retirement				6,143,879	(6,143,879)
Social Security Contribution	-	-	-	4,379,465	(4,379,465)
Total TPAF On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,557,861</u>	<u>(31,557,861)</u>
Total Undistributed Expenditures	<u>74,704,203</u>	<u>2,292,888</u>	<u>76,997,091</u>	<u>100,620,339</u>	<u>(23,623,248)</u>
Interest Earned on Current Exp. Emergency Reserve	6,000	-	6,000	-	6,000
Interest Earned on Maintenance Reserve	31,000	-	31,000	-	31,000
Total Current Expenditures	<u>132,803,204</u>	<u>3,175,692</u>	<u>135,978,896</u>	<u>156,641,155</u>	<u>(20,662,259)</u>
CAPITAL OUTLAY					
Equipment					
Grades 1-5	48,000	3,495	51,495	2,412	49,083
Grades 6-8	381,000	125,931	506,931	341,224	165,707
Grades 9-12	213,000	113,114	326,114	44,340	281,774
Undistributed Expenditures					
General Administration	5,000	-	5,000		5,000
School Administration	100,000	-	100,000	26,909	73,091
Central Services	33,800	-	33,800		33,800
Admin. Info. Technology	10,000	-	10,000		10,000
Required Maintenance for School Facilities	350,830	88,058	438,888	165,251	273,637
Operations and Maintenance	-	561,955	561,955	-	561,955
Total Equipment	<u>1,141,630</u>	<u>892,553</u>	<u>2,034,183</u>	<u>580,136</u>	<u>1,454,047</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	431,000	361,807	792,807	310,151	482,656
Other Purchased Professional and Technical Services		131,155	131,155	65,577	65,578
Construction Services	3,590,000	2,349,171	5,939,171	4,030,795	1,908,376
Assessment for Debt Service on SDA Funding	92,716	-	92,716	92,716	-
Total Facilities Acquis. and Const. Services	<u>4,113,716</u>	<u>2,842,133</u>	<u>6,955,849</u>	<u>4,499,239</u>	<u>2,456,610</u>
Interest Deposit to Capital Reserve	<u>400,250</u>	<u>-</u>	<u>400,250</u>	<u>-</u>	<u>400,250</u>
Total Capital Outlay	<u>5,655,596</u>	<u>3,734,686</u>	<u>9,390,282</u>	<u>5,079,375</u>	<u>4,310,907</u>

**NORTH BERGEN BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	\$ 225,424	\$ (143,200)	\$ 82,224	\$ 82,120	\$ 104
Other Salaries for Instruction	257,321	(232,571)	24,750	24,750	-
Purchased Professional and Technical Services	20,853	(20,800)	53	-	53
Total Summer School - Instruction	503,598	(396,571)	107,027	106,870	157
Summer School - Support Services					
Salaries of Teachers	34,440	(4,829)	29,611	8,734	20,877
Total Summer School - Support Services	34,440	(4,829)	29,611	8,734	20,877
Total Special Schools	538,038	(401,400)	136,638	115,604	21,034
Transfer of Funds To Charter Schools	295,470	114,000	409,470	381,141	28,329
Total Expenditures	139,292,308	6,622,978	145,915,286	162,217,275	(16,301,989)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,726,691)	(6,622,978)	(13,349,669)	3,973,418	17,323,087
Other Financing Sources (Uses)					
Transfer In	-	-	-	810,521	810,521
Transfer Out	(19,800,000)	(1,021,471)	(20,821,471)	(20,821,471)	-
Total Other Financing Sources (Uses)	(19,800,000)	(1,021,471)	(20,821,471)	(20,010,950)	810,521
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(26,526,691)	(7,644,449)	(34,171,140)	(16,037,532)	18,133,608
Fund Balances, Beginning of Year	78,731,749	-	78,731,749	78,731,749	-
Fund Balances, End of Year	\$ 52,205,058	\$ (7,644,449)	\$ 44,560,609	\$ 62,694,217	\$ 18,133,608
Recapitulation of Fund Balance					
Restricted					
Capital Reserve				\$ 31,307,008	
Capital Reserve Designated for Subsequent Year's Budget				4,075,406	
Maintenance Reserve				1,992,006	
Maintenance Reserve Designated for Subsequent Year's Budget				4,000,000	
Emergency Reserve				113,500	
Emergency Reserve Designated for Subsequent Year's Budget				500,000	
Excess Surplus				5,215,575	
Unemployment Compensation Reserve				1,071,422	
Committed					
Encumbrances				1,870,139	
Assigned					
Designated for Subsequent Year's Budget				4,692,909	
Encumbrances				4,468,439	
Unassigned				3,387,813	
Fund Balance (Budgetary Basis)				62,694,217	
Less State Aid Revenue Not Recognized on GAAP Basis				(7,710,292)	
Fund Balance (GAAP Basis)				\$ 54,983,925	

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 2,779,670	\$ (522,608)	\$ 2,257,062	\$ 2,220,462	\$ (36,600)
Federal	28,767,702	(8,646,111)	20,121,591	19,591,308	(530,283)
Local Sources					
Miscellaneous	300,018	499,338	799,356	715,392	(83,964)
Total Revenues	31,847,390	(8,669,381)	23,178,009	22,527,162	(650,847)
EXPENDITURES					
Instruction					
Salaries of Teachers	17,012,574	(11,764,064)	5,248,510	4,942,200	306,310
Other Salaries for Instruction	270,623	(220,669)	49,954	49,953	1
Purchased Prof. and Tech. Svcs.	1,732,052	(14,784)	1,717,268	1,662,504	54,764
Other Purchased Services	5,000	(3,295)	1,705	100	1,605
General Supplies	1,109,414	(298,418)	810,996	775,349	35,647
Co-Curricular Student Activities and Athletics	300,000	387,512	687,512	687,512	-
Total Instruction	20,429,663	(11,913,718)	8,515,945	8,117,618	398,327
Support Services					
Salaries of Supervisors	113,475	1,875	115,350	115,350	-
Salaries of Program Directors	256,117	63,688	319,805	316,805	3,000
Salaries of Other Professional Staff	274,709	(165,640)	109,069	88,901	20,168
Salaries of Secretaries and Clerical Assistants	93,350	15,059	108,409	108,409	-
Other Salaries	268,822	(186,877)	81,945	45,016	36,929
Salaries of Master Teachers	94,694	(17)	94,677	94,677	-
Personal Services-Employee Benefits	8,660,177	(6,429,118)	2,231,059	2,226,915	4,144
Purchased Professional and Technical Service	836,015	87,010	923,025	793,004	130,021
Other Purchased Professional - Education Services	10,000	(1,172)	8,828	3,995	4,833
Other Purchased Professional Services	10,000	-	10,000	8,000	2,000
Cleaning, Repair and Maintenance Services	80,000	22,407	102,407	96,780	5,627
Rentals	302,000	4,071	306,071	306,071	-
Other Purchased Services	12,702	54,439	67,141	62,288	4,853
Contracted Services - Transportation	9,500	3,000	12,500	11,450	1,050
Travel	2	1,829	1,831		1,831
Miscellaneous Purchased Services	14,000	(2,030)	11,970	8,776	3,194
Supplies and Materials	379,789	(222,112)	157,677	141,187	16,490
Other Objects	2,375	(2,075)	300	-	300
Total Support Services	11,417,727	(6,755,663)	4,662,064	4,427,624	234,440
Facilities Acquisition and Construction Services					
Buildings and Construction Services	-	10,000,000	10,000,000	10,000,000	-
Total Facilities Acquisition and Construction Services	-	10,000,000	10,000,000	10,000,000	-
Total Expenditures	31,847,390	(8,669,381)	23,178,009	22,545,242	632,767
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	(18,080)	(18,080)
Fund Balance, Beginning of Year	353,226	-	353,226	393,496	40,270
Fund Balance, End of Year	\$ 353,226	\$ -	\$ 353,226	\$ 375,416	\$ 22,190
			Fund Balance Student Activities	\$ 374,699	

**NORTH BERGEN BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual revenues (budgetary basis) (Exhibits C-1,C-2)	\$ 166,190,693	\$ 22,527,162
Difference - budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2024-2025)	(7,710,292)	
State Aid payment recognized for GAAP statements, not recognized for budgetary purposes (2023-2024)	6,914,613	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2025		(10,825,512)
Encumbrances, June 30, 2024 (net of cancellations)	-	3,444,900
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 165,395,014</u>	<u>\$ 15,146,550</u>
Uses/Outflows of Resources		
Actual expenditures (budgetary basis) (Exhibits C-1, C-2)	\$ 162,217,275	\$ 22,545,242
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2025		(10,825,512)
Encumbrances, June 30, 2024 (net of cancellations)	-	3,444,900
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 162,217,275</u>	<u>\$ 15,164,630</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Last Ten Fiscal Years ***

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's Proportion of the Net Position Liability (Asset)	0.14208%	0.15101%	0.15022%	0.14885%	0.15002%	0.14943%	0.15045%	0.14945%	0.15046%	0.14486%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 19,305,929	\$ 21,873,495	\$ 22,670,992	\$ 17,633,236	\$ 24,464,024	\$ 26,925,858	\$ 29,623,322	\$ 34,790,686	\$ 44,561,331	\$ 32,518,415
District's Covered Payroll	\$ 11,572,843	\$ 11,189,274	\$ 11,216,390	\$ 10,880,624	\$ 11,006,253	\$ 10,844,211	\$ 10,612,226	\$ 10,356,895	\$ 10,323,957	\$ 10,407,670
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	166.82%	195.49%	202.12%	162.06%	222.27%	248.30%	279.14%	335.92%	431.63%	312.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

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

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

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Last Ten Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 1,933,335	\$ 2,018,350	\$ 1,894,407	\$ 1,743,179	\$ 1,641,123	\$ 1,453,565	\$ 1,496,515	\$ 1,384,539	\$ 1,336,647	\$ 1,245,417
Contributions in Relation to the Contractually Required Contributions	<u>1,933,335</u>	<u>2,018,350</u>	<u>1,894,407</u>	<u>1,743,179</u>	<u>1,641,123</u>	<u>1,453,565</u>	<u>1,496,515</u>	<u>1,384,539</u>	<u>1,336,647</u>	<u>1,245,417</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 12,189,398	\$ 11,572,843	\$ 11,189,274	\$ 11,216,390	\$ 10,880,624	\$ 11,006,253	\$ 10,844,211	\$ 10,612,226	\$ 10,356,895	\$ 10,323,957
Contributions as a Percentage of Covered Payroll	15.86%	17.44%	16.93%	15.54%	15.08%	13.21%	13.80%	13.05%	12.91%	12.06%

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

**TEACHERS' PENSION AND ANNUITY FUND
Last Ten Fiscal Years ***

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated With the District	<u>245,440,834</u>	<u>260,348,575</u>	<u>267,166,188</u>	<u>252,775,340</u>	<u>351,360,608</u>	<u>324,785,108</u>	<u>338,362,968</u>	<u>354,838,049</u>	<u>418,493,907</u>	<u>340,769,186</u>
Total	<u>\$ 245,440,834</u>	<u>\$ 260,348,575</u>	<u>\$ 267,166,188</u>	<u>\$ 252,775,340</u>	<u>\$ 351,360,608</u>	<u>\$ 324,785,108</u>	<u>\$ 338,362,968</u>	<u>\$ 354,838,049</u>	<u>\$ 418,493,907</u>	<u>\$ 340,769,186</u>
District's Covered Payroll	\$ 60,336,113	\$ 59,487,298	\$ 58,800,960	\$ 58,755,718	\$ 58,107,175	\$ 57,438,423	\$ 56,584,622	\$ 54,819,749	\$ 54,487,044	\$ 53,199,487
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	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

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

**NORTH BERGEN BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 5D.

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

Postemployment Health Benefit Plan

Last Eight Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018
Service Cost	\$ 9,531,172	\$ 9,511,138	\$ 12,410,210	\$ 14,213,484	\$ 7,996,066	\$ 7,490,941	\$ 8,379,228	\$ 10,146,364
Interest on Total OPEB Liability	8,268,340	7,763,546	5,702,283	6,653,655	6,238,675	7,396,144	7,910,186	6,807,664
Change in Benefit Terms				(273,004)				
Differences Between Expected and Actual Experience	252,143	(6,599,975)	3,756,496	(44,498,124)	51,056,287	(25,850,921)	(18,906,253)	-
Changes of Assumptions	18,791,807	444,311	(57,721,695)	253,048	52,098,683	2,574,054	(21,364,016)	(28,399,011)
Gross Benefit Payments	(6,314,665)	(6,051,811)	(5,648,280)	(5,241,216)	(4,965,330)	(5,299,487)	(4,978,137)	(5,462,469)
Member Contributions	216,220	198,952	181,200	170,101	150,499	157,092	172,052	201,142
Net Change in Total OPEB Liability	30,745,017	5,266,161	(41,319,786)	(28,722,056)	112,574,880	(13,532,177)	(28,786,940)	(16,706,310)
Total OPEB Liability - Beginning of Year	220,437,695	215,171,534	256,491,320	285,213,376	172,638,496	186,170,673	214,957,613	231,663,923
Total OPEB Liability - End of Year	\$ 251,182,712	\$ 220,437,695	\$ 215,171,534	\$ 256,491,320	\$ 285,213,376	\$ 172,638,496	\$ 186,170,673	\$ 214,957,613
District's Proportionate Share of OPEB Liability	-	-	-	-	-	-	-	-
State's Proportionate Share of OPEB Liability	\$ 251,182,712	\$ 220,437,695	\$ 215,171,534	\$ 256,491,320	\$ 285,213,376	\$ 172,638,496	\$ 186,170,673	\$ 214,957,613
Total OPEB Liability - End of Year	\$ 251,182,712	\$ 220,437,695	\$ 215,171,534	\$ 256,491,320	\$ 285,213,376	\$ 172,638,496	\$ 186,170,673	\$ 214,957,613
District's Covered Payroll	\$ 71,908,956	\$ 70,676,572	\$ 70,017,350	\$ 69,636,342	\$ 69,113,428	\$ 68,282,634	\$ 67,196,848	\$ 65,176,644
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%

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

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

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

**NORTH BERGEN BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SPECIAL REVENUE FUND

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Preschool Education</u>	<u>Subtotal Page 2</u>	<u>Subtotal Page 3</u>	<u>Subtotal Page 4</u>	<u>Grand Total</u>
REVENUES					
Intergovernmental					
State	\$ 2,220,462				\$ 2,220,462
Federal		\$ 6,091,189	\$ 3,500,119	\$ 10,000,000	19,591,308
Other	-	-	-	715,392	715,392
Total Revenues	<u>2,220,462</u>	<u>6,091,189</u>	<u>3,500,119</u>	<u>10,715,392</u>	<u>22,527,162</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	772,302	2,843,736	1,326,162		4,942,200
Other Salaries for Instruction	49,953		-		49,953
Purchased Prof. and Tech. Svcs.		195,099	1,467,405	-	1,662,504
Other Purchased Services	100	-	-		100
General Supplies	80,188	628,478	62,765	3,918	775,349
Co-Curricular Student Activities and Athletics	-	-	-	687,512	687,512
Total Instruction	<u>902,543</u>	<u>3,667,313</u>	<u>2,856,332</u>	<u>691,430</u>	<u>8,117,618</u>
Support Services					
Salaries of Supervisors of Instruction	115,350				115,350
Salaries of Program Directors	178,950	137,855			316,805
Salaries of Other Professional Staff	46,609	42,292		-	88,901
Salaries of Secretaries and Clerical Assistants	83,338	25,071			108,409
Other Salaries	-		28,350	16,666	45,016
Salaries of Master Teachers	94,677				94,677
Personal Services-Employee Benefits	289,571	1,914,856	22,488	-	2,226,915
Purchased Professional and Technical Service		201,488	567,986	23,530	793,004
Other Purchased Professional - Education Services	3,995				3,995
Other Purchased Professional Services	8,000				8,000
Cleaning, Repairs and Maintenance	96,780				96,780
Rentals	306,071				306,071
Other Purchased Services		62,288	-		62,288
Contracted Transportation Services	11,450				11,450
Miscellaneous Purchased Services	8,776				8,776
Supplies and Materials	74,352	40,026	24,963	1,846	141,187
Total Support Services	<u>1,317,919</u>	<u>2,423,876</u>	<u>643,787</u>	<u>42,042</u>	<u>4,427,624</u>
Facilities Acquisition and Construction Services					
Buildings and Construction Services				10,000,000	10,000,000
NonInstructional Equipment	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>	<u>10,000,000</u>
Total Expenditures	<u>2,220,462</u>	<u>6,091,189</u>	<u>3,500,119</u>	<u>10,733,472</u>	<u>22,545,242</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	-	-	-	(18,080)	(18,080)
Fund Balance, Beginning of Year	-	-	-	393,496	393,496
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 375,416</u>	<u>\$ 375,416</u>

(Continued)

NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ESEA						Page
	Title I	Title I SIA	Title II A	Title III	Title III Immigrant	Title IV	Total
REVENUES							
Intergovernmental							
Federal	\$ 4,939,984	\$ 53,943	\$ 412,960	\$ 273,936	\$ 53,099	\$ 357,267	\$ 6,091,189
Total Revenues	<u>4,939,984</u>	<u>53,943</u>	<u>412,960</u>	<u>273,936</u>	<u>53,099</u>	<u>357,267</u>	<u>6,091,189</u>
EXPENDITURES							
Instruction							
Salaries of Teachers	2,378,924	43,588	183,123	164,006	49,326	24,769	2,843,736
Purchased Prof. and Tech. Serv.	122,029					73,070	195,099
Other Purchased Services							-
General Supplies	<u>382,482</u>	<u>-</u>	<u>-</u>	<u>93,159</u>	<u>-</u>	<u>152,837</u>	<u>628,478</u>
Total Instruction	<u>2,883,435</u>	<u>43,588</u>	<u>183,123</u>	<u>257,165</u>	<u>49,326</u>	<u>250,676</u>	<u>3,667,313</u>
Support Services							
Salaries of Program Directors	137,855						137,855
Salaries of Other Professional Staff	9,445					32,847	42,292
Salaries of Secretaries and Clerical Assistants	25,071						25,071
Personal Services-Employee Benefits	1,754,627	3,335	124,800	12,623	3,773	15,698	1,914,856
Purchased Professional and Technical Svcs.	40,384	7,020	105,037	3,000		46,047	201,488
Other Purchased Services	61,140			1,148			62,288
Supplies and Materials	<u>28,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,999</u>	<u>40,026</u>
Total Support Services	<u>2,056,549</u>	<u>10,355</u>	<u>229,837</u>	<u>16,771</u>	<u>3,773</u>	<u>106,591</u>	<u>2,423,876</u>
Total Expenditures	<u>4,939,984</u>	<u>53,943</u>	<u>412,960</u>	<u>273,936</u>	<u>53,099</u>	<u>357,267</u>	<u>6,091,189</u>
Fund Balance, Beginning of Year	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	High Impact Tutoring	ARP ESSER		IDEA		Page Total
		ARP ESSER	Accelerated Learning	Basic	Preschool	
REVENUES						
Intergovernmental						
Federal	\$ 316,663	\$ 1,060,337	\$ 83,726	\$ 1,980,200	\$ 59,193	\$ 3,500,119
Total Revenues	316,663	1,060,337	83,726	1,980,200	59,193	3,500,119
EXPENDITURES						
Instruction						
Salaries of Teachers	265,825	1,060,337				1,326,162
Other Salaries for Instruction						-
Purchased Professional and Technical Services			83,726	1,383,679		1,467,405
Other Purchased Services						-
General Supplies	-	-	-	62,765	-	62,765
Total Instruction	265,825	1,060,337	83,726	1,446,444	-	2,856,332
Support Services						
Other Salaries	28,350					28,350
Personal Services-Employee Benefits	22,488					22,488
Purchased Professional and Technical Services				508,793	59,193	567,986
Other Purchased Services						-
Supplies and Materials	-	-	-	24,963	-	24,963
Total Support Services	50,838	-	-	533,756	59,193	643,787
Total Expenditures	316,663	1,060,337	83,726	1,980,200	59,193	3,500,119
Fund Balance, Beginning of Year	-	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	SLFRF ARP Fiscal Recovery (Academic Building)	Juvenile Comm. Serv.	Other Local	Student Activities	Page Total
REVENUES					
Intergovernmental					
Federal	\$ 10,000,000				\$ 10,000,000
Other	-	\$ 42,042	\$ 3,918	\$ 669,432	715,392
Total Revenues	10,000,000	42,042	3,918	669,432	715,392
EXPENDITURES					
Instruction					
Purchased Prof. and Tech. Svcs.					-
General Supplies			3,918		3,918
Co-Curricular Student Activities and Athletics	-	-	-	687,512	687,512
Total Instruction	-	-	3,918	687,512	691,430
Support Services					
Salaries of Other Professional Staff					-
Other Salaries		16,666			16,666
Salaries of Master Teachers					-
Personal Services-Employee Benefits					-
Purchased Professional and Technical Service		23,530			23,530
Supplies and Materials		1,846	-	-	1,846
Other Objects	-	-	-	-	-
Total Support Services	-	42,042	-	-	42,042
Facilities Acquisition and Construction Services					
Buildings and Construction Services	10,000,000	-	-	-	10,000,000
Total Facilities Acquisition and Construction Services	10,000,000	-	-	-	10,000,000
Total Expenditures	10,000,000	42,042	3,918	687,512	10,733,472
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	(18,080)	(18,080)
Fund Balance, Beginning of Year	-	-	-	393,496	393,496
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ 375,416	\$ 375,416

**NORTH BERGEN BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Instruction			
Salaries of Teachers	\$ 772,875	\$ 772,302	\$ 573
Other Salaries of Instruction	49,953	49,953	-
Other Purchased Services	1,705	100	1,605
General Supplies	80,564	80,188	376
	<u>905,097</u>	<u>902,543</u>	<u>2,554</u>
Total Instruction			
Support Services			
Salaries of Supervisors of Instruction	115,350	115,350	-
Salaries of Program Directors	178,950	178,950	-
Salaries of Other Professional Staff	55,624	46,609	9,015
Salaries of Secretaries and Clerical Assistants	83,338	83,338	-
Other Salaries	7,977		7,977
Salaries of Master Teachers	94,677	94,677	-
Personal Services - Employee Benefits	289,571	289,571	-
Other Purchased Professional - Education Services	8,828	3,995	4,833
Other Purchased Professional Services	10,000	8,000	2,000
Cleaning, Repairs and Maintenance	102,407	96,780	5,627
Rentals	306,071	306,071	-
Contracted Transportation Services (Between Home and School)	12,500	11,450	1,050
Miscellaneous Purchased Services	11,970	8,776	3,194
Supplies and Materials	74,402	74,352	50
Other Objects	300	-	300
	<u>1,351,965</u>	<u>1,317,919</u>	<u>34,046</u>
Total Support Services			
Total Expenditures	<u>\$ 2,257,062</u>	<u>\$ 2,220,462</u>	<u>\$ 36,600</u>
Total Revised 2024-2025 Preschool Education Aid Allocation			\$ 2,017,860
Total ECPA/ELLI Aid			25,000
Actual Preschool Education Aid Carryover (June 30, 2024)			657,624
Add: Prior Year Accounts Payable and Encumbrances Cancelled			<u>22,327</u>
Total Preschool Education Aid Funds Available for 2024-2025 Budget			2,722,811
Less: 2024-2025 Budgeted Preschool Education Aid (including Prior Year Budgeted Carryover)			<u>2,257,062</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2025			465,749
Add: 2024-2025 Unexpended Preschool Education Aid			<u>36,600</u>
2024-2025 Carryover - Preschool Education Aid/Preschool			<u>\$ 502,349</u>
2024-2025 Preschool Education Aid Carryover Budgeted for Preschool Programs 2025-2026			<u>\$ 443,422</u>

CAPITAL PROJECTS FUND

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<u>Issue/Project Title</u>	<u>Expenditures to Date</u>			<u>Balance, June 30, 2025</u>
	<u>Modified Appropriations</u>	<u>Prior Years</u>	<u>Current Year</u>	
McKinley Elementary School Rehabilitation - Exterior Masonry, Façade, and Sealants	\$ 1,450,085	\$ 185,265	\$ 27,440	\$ 1,237,380
Robert Fulton Elementary School Rehabilitation - Roof Replacement and Masonry Repairs	809,553	359,942		449,611
Lincoln Elementary School Rehabilitation - Exterior Masonry, Façade, and Sealants	597,125	313,582		283,543
Horace Mann Elementary School Rehabilitation - Roof Replacement and Masonry Repairs	754,250	444,768	207,200	102,282
Acq. of Property Formerly Known as Hudson County Technical High School and provide for Additions, Renovations, Alterations and Improvements	97,540,426	54,756,716	22,275,768	20,507,942
Additions, Renovations, Alterations and Improvements To North Bergen High School	<u>15,372,830</u>	<u>1,243,108</u>	<u>580,144</u>	<u>13,549,578</u>
	<u>\$ 116,524,269</u>	<u>\$ 57,303,381</u>	<u>\$ 23,090,552</u>	<u>\$ 36,130,336</u>

Reconciliation of Project Balances to Fund Balance

Project Balances at June 30, 2025	\$ 36,130,336
Add: Reserve for Debt Service	<u>159,366</u>
Fund Balance (GAAP)	<u>\$ 36,289,702</u>

Recapitulation of Fund Balance

Restricted for Debt Service	\$ 159,366
Restricted for Capital Projects	
Encumbrances	24,775,549
Available for Capital Projects	<u>11,354,787</u>
Total Fund Balance- Restricted for Capital Projects	<u>\$ 36,289,702</u>

NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

REVENUES AND OTHER FINANCING SOURCES

Interest Income	\$ 810,521
Transfer from Capital Reserve	<u>20,821,471</u>
Total Revenues	<u>21,631,992</u>

EXPENDITURES AND OTHER FINANCING USES

Architectural/Engineering Services	2,026,231
Construction Services	18,477,701
Furniture Over \$2,000	1,624,187
Furniture Under \$2,000	962,433
Transfer to Debt Service Fund	3,000
Transfer to General Fund	<u>810,521</u>

Total Expenditures	<u>23,904,073</u>
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Excess of Expenditures and Other Financing Uses Over Revenues and Other Financing Sources	(2,272,081)
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Fund Balance, Beginning of Year	<u>38,561,783</u>
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Fund Balance, End of Year	<u><u>\$ 36,289,702</u></u>
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NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
McKINLEY ELEMENTARY SCHOOL REHABILITATION - EXTERIOR MASONRY, FAÇADE,
AND SEALANTS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 105,299		\$ 105,299	\$ 105,299
Capital Reserve	<u>323,315</u>	<u>\$ 1,021,471</u>	<u>1,344,786</u>	<u>323,315</u>
Total Revenues and Other Financing Sources	<u>428,614</u>	<u>1,021,471</u>	<u>1,450,085</u>	<u>428,614</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	32,745	1,000	33,745	51,434
Construction Services	<u>152,520</u>	<u>26,440</u>	<u>178,960</u>	<u>377,180</u>
Total Expenditures and Other Financing Uses	<u>185,265</u>	<u>27,440</u>	<u>212,705</u>	<u>428,614</u>
Excess of Revenues Over Expenditures	<u>\$ 243,349</u>	<u>\$ 994,031</u>	<u>\$ 1,237,380</u>	<u>\$ -</u>

Additional Project Information:

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

NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ROBERT FULTON ELEMENTARY SCHOOL REHABILITATION
ROOF REPLACEMENT AND MASONRY REPAIRS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2025

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

Additional Project Information:

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

NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
LINCOLN ELEMENTARY SCHOOL REHABILITATION
EXTERIOR MASONRY, FAÇADE AND SEALANTS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2025

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

Additional Project Information:

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

NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
HORACE MANN ELEMENTARY SCHOOL REHABILITATION
ROOF REPLACEMENT AND MASONRY REPAIRS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 448,418		\$ 448,418	\$ 448,418
Capital Reserve	<u>305,832</u>	<u>-</u>	<u>305,832</u>	<u>305,832</u>
Total Revenues and Other Financing Sources	<u>754,250</u>	<u>-</u>	<u>754,250</u>	<u>754,250</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	37,978		37,978	90,510
Construction Services	<u>406,790</u>	<u>\$ 207,200</u>	<u>613,990</u>	<u>663,740</u>
Total Expenditures and Other Financing Uses	<u>444,768</u>	<u>207,200</u>	<u>651,968</u>	<u>754,250</u>
Excess of Revenues Over Expenditures	<u>\$ 309,482</u>	<u>\$ (207,200)</u>	<u>\$ 102,282</u>	<u>\$ -</u>

Additional Project Information:

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

**NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ACQ. OF PROPERTY FORMERLY KNOWN AS HUDSON COUNTY TECHNICAL HIGH SCHOOL AND
PROVIDE FOR ADDITIONS, RENOVATIONS, ALTERATIONS AND IMPROVEMENTS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 44,627,170		\$ 44,627,170	\$ 44,627,170
State Aid	20,000,000		20,000,000	20,000,000
Capital Reserve	<u>13,113,256</u>	<u>\$ 19,800,000</u>	<u>32,913,256</u>	<u>32,913,256</u>
Total Revenues and Other Financing Sources	<u>77,740,426</u>	<u>19,800,000</u>	<u>97,540,426</u>	<u>97,540,426</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	6,683,192	1,445,087	8,128,279	3,340,000
Acquisition of Land	10,197,128		10,197,128	10,000,000
Furniture Over \$2,000		1,624,187	1,624,187	1,551,184
Furniture Under \$2,000		962,433	962,433	1,000,000
Construction Services	<u>37,876,396</u>	<u>18,244,061</u>	<u>56,120,457</u>	<u>81,649,242</u>
Total Expenditures and Other Financing Uses	<u>54,756,716</u>	<u>22,275,768</u>	<u>77,032,484</u>	<u>97,540,426</u>
Excess of Revenues Over Expenditures	<u>\$ 22,983,710</u>	<u>\$ (2,475,768)</u>	<u>\$ 20,507,942</u>	<u>\$ -</u>

Additional Project Information:

Project Number	SP#3610-N06-17-1000
Original Authorized Cost	\$ 49,585,170
Additional Authorized Cost	47,955,256
Revised Authorized Cost	\$ 97,540,426

NORTH BERGEN BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
ADDITIONS, RENOVATIONS, ALTERATIONS AND IMPROVEMENTS
TO NORTH BERGEN HIGH SCHOOL
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 15,372,830		15,372,830	\$ 15,372,830
Capital Reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>15,372,830</u>	<u>-</u>	<u>15,372,830</u>	<u>15,372,830</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	\$ 1,243,108	\$ 580,144	\$ 1,823,252	2,328,088
Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,044,742</u>
Total Expenditures and Other Financing Uses	<u>1,243,108</u>	<u>580,144</u>	<u>1,823,252</u>	<u>15,372,830</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 14,129,722</u>	<u>\$ (580,144)</u>	<u>\$ 13,549,578</u>	<u>\$ -</u>
Additional Project Information:				
Project Numbers	SP#3610-050-18-1000, SP#3610-050-18-2000, SP#3610-050-18-3000 SP#3610-050-18-4000, SP#3610-050-18-5000, SP#3610-050-18-6000			
Original Authorized Cost	\$ 15,372,830			
Additional Authorized Cost				
Revised Authorized Cost	\$ 15,372,830			

PROPRIETARY FUNDS

EXHIBIT G-1

**NORTH BERGEN BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025**

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

EXHIBIT G-2

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

EXHIBIT G-3

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2024</u>	<u>Decreased</u>	<u>Balance, June 30, 2025</u>
			<u>Date</u>	<u>Amount</u>				
Pension Obligation								
Refunding Bonds	10/31/2013	\$ 3,225,000	4/1/2026	\$ 275,000	5.054 %	\$ 575,000	\$ 300,000	\$ 275,000
2020 School Bonds	2/13/2020	20,000,000	2/1/2026	515,000	2.500			
			2/1/2027	530,000	2.500			
			2/1/2028	540,000	2.500			
			2/1/2029	555,000	2.500			
			2/1/2030	570,000	2.500			
			2/1/2031	585,000	2.500			
			2/1/2032	595,000	2.500			
			2/1/2033	610,000	2.500			
			2/1/2034	630,000	2.500			
			2/1/2035	645,000	2.500			
			2/1/2036	665,000	2.500			
			2/1/2037	680,000	2.500			
			2/1/2038	700,000	2.500			
			2/1/2039	720,000	2.500			
			2/1/2040	740,000	2.500			
			2/1/2041	760,000	2.500			
			2/1/2042	785,000	2.500			
			2/1/2043	805,000	2.500			
			2/1/2044	830,000	2.625			
			2/1/2045	855,000	2.625			
			2/1/2046	880,000	2.750			
			2/1/2047	910,000	2.750			
			2/1/2048	935,000	2.750			
			2/1/2049	965,000	2.750			
			2/1/2050	990,000	2.750			
						18,500,000	505,000	17,995,000

**NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>		<u>Balance, July 1, 2024</u>	<u>Decreased</u>	<u>Balance, June 30, 2025</u>
			<u>Date</u>	<u>Amount</u>					
2022 School Bonds	7/28/2022	\$ 40,000,000	7/15/25-31	\$ 1,000,000	3.250	%			
			7/15/32-33	1,000,000	3.500				
			7/15/34	1,090,000	4.000				
			7/15/35	1,135,000	4.000				
			7/15/36	1,180,000	4.000				
			7/15/37	1,225,000	4.000				
			7/15/38	1,280,000	4.000				
			7/15/39	1,330,000	4.000				
			7/15/40	1,390,000	4.000				
			7/15/41	1,440,000	4.000				
			7/15/42	1,505,000	4.000				
			7/15/43	1,565,000	4.000				
			7/15/44	1,630,000	4.000				
			7/15/45	1,695,000	4.000				
			7/15/46	1,765,000	4.000				
			7/15/47	1,845,000	4.000				
			7/15/48	1,925,000	4.000				
			7/15/49	2,000,000	4.000				
			7/15/50	2,000,000	4.000				
			7/15/51	2,000,000	4.000				
			7/15/52	2,000,000	4.000		<u>\$ 40,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 39,000,000</u>
							<u>\$ 59,075,000</u>	<u>\$ 1,805,000</u>	<u>\$ 57,270,000</u>

NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>		<u>Balance, July 1, 2024</u>	<u>Decreased</u>	<u>Balance, June 30, 2025</u>
			<u>Date</u>	<u>Amount</u>					
Copier Machines	6/23/2021	631,093	8/1/2025-25	Various	2.54	%	\$ <u>293,917</u>	\$ <u>128,561</u>	\$ <u>165,356</u>

**NORTH BERGEN BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 2,642,985		\$ 2,642,985	\$ 2,642,985	
State Sources					
Debt Service Aid	<u>1,175,883</u>	<u>-</u>	<u>1,175,883</u>	<u>1,175,883</u>	<u>-</u>
Total Revenues	<u>3,818,868</u>	<u>-</u>	<u>3,818,868</u>	<u>3,818,868</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Bonds					
Principal	1,505,000		1,505,000	1,505,000	
Interest	<u>1,989,431</u>	<u>-</u>	<u>1,989,431</u>	<u>1,989,431</u>	<u>-</u>
Pension Obligation Bonds					
Principal	300,000		300,000	300,000	
Interest	<u>26,060</u>	<u>\$ 3,000</u>	<u>29,060</u>	<u>29,060</u>	<u>-</u>
Total Expenditures	<u>3,820,491</u>	<u>3,000</u>	<u>3,823,491</u>	<u>3,823,491</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,623)	(3,000)	(4,623)	(4,623)	-
Other Financing Sources					
Transfer In	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Excess (Deficiency) of Revenues And Other Financing Sources Over (Under) Expenditures	(1,623)	-	(1,623)	(1,623)	-
Fund Balance, Beginning of Year	<u>1,967</u>	<u>-</u>	<u>1,967</u>	<u>1,967</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 344</u>	<u>\$ -</u>	<u>\$ 344</u>	<u>\$ 344</u>	<u>\$ -</u>
Available for Debt Service				<u>\$ 344</u>	

**NORTH BERGEN BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED
INFORMATION TECHNOLOGY ARRANGEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<u>Year</u>	<u>Description</u>	<u>Balance, July 1, 2024</u>	<u>Retirements</u>	<u>Balance, June 30, 2025</u>
2022	ReadyGEN Platform	\$ 145,836	\$ 145,836	
2022	Cisco EA Bundle	<u>50,462</u>	<u>24,947</u>	<u>\$ 25,515</u>
		<u>\$ 196,298</u>	<u>\$ 170,783</u>	<u>\$ 25,515</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	As of June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net Investment in Capital Assets	\$ 46,523,366	\$ 49,080,720	\$ 51,220,429	\$ 52,144,194	\$ 56,530,766	\$ 56,151,791	\$ 70,511,164	\$ 74,364,206	\$ 88,129,879	\$ 100,372,595
Restricted	18,322,309	13,684,522	13,503,685	14,582,002	20,815,238	35,274,312	48,719,095	59,210,536	77,815,159	65,561,726
Unrestricted	<u>(36,862,342)</u>	<u>(34,938,961)</u>	<u>(36,181,905)</u>	<u>(34,590,038)</u>	<u>(36,307,709)</u>	<u>(37,136,075)</u>	<u>(31,185,334)</u>	<u>(28,143,652)</u>	<u>(30,530,624)</u>	<u>(20,533,559)</u>
Total Governmental Activities Net Position	<u>\$ 27,983,333</u>	<u>\$ 27,826,281</u>	<u>\$ 28,542,209</u>	<u>\$ 32,136,158</u>	<u>\$ 41,038,295</u>	<u>\$ 54,290,028</u>	<u>\$ 88,044,925</u>	<u>\$ 105,431,090</u>	<u>\$ 135,414,414</u>	<u>\$ 145,400,762</u>
Business-Type Activities										
Investment in Capital Assets	\$ 28,752	\$ 33,240	\$ 41,149	\$ 37,090	\$ 54,598	\$ 48,143	\$ 124,190	\$ 113,308	\$ 402,675	\$ 441,015
Unrestricted	<u>1,015,447</u>	<u>1,032,010</u>	<u>1,064,013</u>	<u>1,112,468</u>	<u>968,310</u>	<u>1,444,361</u>	<u>2,544,509</u>	<u>2,687,868</u>	<u>2,415,079</u>	<u>2,203,984</u>
Total Business-Type Activities Net Position	<u>\$ 1,044,199</u>	<u>\$ 1,065,250</u>	<u>\$ 1,105,162</u>	<u>\$ 1,149,558</u>	<u>\$ 1,022,908</u>	<u>\$ 1,492,504</u>	<u>\$ 2,668,699</u>	<u>\$ 2,801,176</u>	<u>\$ 2,817,754</u>	<u>\$ 2,644,999</u>
District-Wide										
Net Investment in Capital Assets	\$ 46,552,118	\$ 49,113,960	\$ 51,261,578	\$ 52,181,284	\$ 56,585,364	\$ 56,199,934	\$ 70,635,354	\$ 74,477,514	\$ 88,532,554	\$ 100,813,610
Restricted	18,322,309	13,684,522	13,503,685	14,582,002	20,815,238	35,274,312	48,719,095	59,210,536	77,815,159	65,561,726
Unrestricted	<u>(35,846,895)</u>	<u>(33,906,951)</u>	<u>(35,117,892)</u>	<u>(33,477,570)</u>	<u>(35,339,399)</u>	<u>(35,691,714)</u>	<u>(28,640,825)</u>	<u>(25,455,784)</u>	<u>(28,115,545)</u>	<u>(18,329,575)</u>
Total District Net Position	<u>\$ 29,027,532</u>	<u>\$ 28,891,531</u>	<u>\$ 29,647,371</u>	<u>\$ 33,285,716</u>	<u>\$ 42,061,203</u>	<u>\$ 55,782,532</u>	<u>\$ 90,713,624</u>	<u>\$ 108,232,266</u>	<u>\$ 138,232,168</u>	<u>\$ 148,045,761</u>

- (1) Net position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".
(2) Net position at June 30, 2021 is restated to reflect the implementation of GASB Statement No. 87, "Leases".
(3) Net position at June 30, 2024 is restated to reflect the implementation of GASB Statement No. 101 "Compensated Absences".

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

	For The Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 60,312,310	\$ 67,250,193	\$ 69,252,700	\$ 63,644,374	\$ 60,458,479	\$ 67,067,620	\$ 58,345,692	\$ 57,595,046	\$ 69,206,828	\$ 59,766,079
Special Education	21,371,331	24,113,217	25,056,382	24,258,879	23,848,462	23,369,643	20,762,689	18,507,070	20,133,713	18,334,535
Other Instruction	10,357,495	11,908,442	11,534,561	12,010,820	11,751,872	13,126,698	12,114,883	13,394,390	8,567,520	13,925,248
School Sponsored Activities And Athletics	2,450,975	2,784,999	2,922,663	2,972,354	2,643,478	2,595,356	3,062,203	2,956,379	3,316,514	3,267,322
Support Services:										
Student & Instruction Related Services	16,519,639	18,686,314	19,397,649	17,933,421	17,071,514	18,225,920	17,714,424	17,634,226	18,239,432	20,562,320
General Administration	2,800,487	3,052,249	2,728,117	2,743,501	2,241,707	2,406,952	1,941,563	2,037,989	2,183,349	2,377,357
School Administrative Services	10,169,920	11,099,792	11,310,032	10,976,374	10,521,309	11,897,156	9,782,371	9,641,497	10,218,427	9,602,186
Plant Operations And Maintenance	13,723,364	16,042,326	16,298,080	16,010,748	16,187,072	16,128,843	15,209,641	14,390,688	16,352,347	17,653,145
Pupil Transportation	3,957,813	3,717,316	3,886,776	3,863,529	3,021,876	2,648,568	3,927,105	5,432,736	5,472,027	5,372,280
Business And Other Support Services	3,093,191	3,203,625	3,547,726	3,836,790	3,573,405	3,908,527	3,630,192	3,576,333	4,120,774	4,364,924
Interest On Long-Term Debt	841,211	547,825	494,870	436,153	570,703	808,102	786,468	2,078,171	2,171,533	2,100,634
Total Governmental Activities Expenses	<u>145,597,736</u>	<u>162,406,298</u>	<u>166,429,556</u>	<u>158,686,943</u>	<u>151,889,877</u>	<u>162,183,385</u>	<u>147,277,231</u>	<u>147,244,525</u>	<u>159,982,464</u>	<u>157,326,030</u>
Business-Type Activities:										
Food Service	<u>2,989,029</u>	<u>3,061,343</u>	<u>2,947,323</u>	<u>2,960,902</u>	<u>2,516,312</u>	<u>2,567,242</u>	<u>3,944,212</u>	<u>3,652,101</u>	<u>3,606,793</u>	<u>3,915,641</u>
Total Business-Type Activities Expense	<u>2,989,029</u>	<u>3,061,343</u>	<u>2,947,323</u>	<u>2,960,902</u>	<u>2,516,312</u>	<u>2,567,242</u>	<u>3,944,212</u>	<u>3,652,101</u>	<u>3,606,793</u>	<u>3,915,641</u>
Total District Expenses	<u>\$ 148,586,765</u>	<u>\$ 165,467,641</u>	<u>\$ 169,376,879</u>	<u>\$ 161,647,845</u>	<u>\$ 154,406,189</u>	<u>\$ 164,750,627</u>	<u>\$ 151,221,443</u>	<u>\$ 150,896,626</u>	<u>\$ 163,589,257</u>	<u>\$ 161,241,671</u>
Program Revenues										
Governmental Activities:										
Charges For Services:	\$ 4,029,702	\$ 4,239,503	\$ 4,598,903	\$ 4,937,577	\$ 5,457,950	\$ 4,846,840	\$ 4,961,300	\$ 5,070,327	\$ 4,958,113	\$ 5,554,648
Operating Grants And Contributions	44,897,037	56,472,260	58,779,883	52,617,460	46,884,690	63,045,313	50,457,881	44,527,846	59,993,999	38,868,247
Capital Grants And Contributions	<u>1,084,063</u>	<u>970,572</u>	<u>2,277</u>	<u>8,108</u>	<u>406,172</u>	<u>414,607</u>	<u>13,704,528</u>	<u>337,013</u>	<u>10,770,717</u>	<u>2,154,100</u>
Total Governmental Activities Program Revenues	<u>50,010,802</u>	<u>61,682,335</u>	<u>63,381,063</u>	<u>57,563,145</u>	<u>52,748,812</u>	<u>68,306,760</u>	<u>69,123,709</u>	<u>49,935,186</u>	<u>75,722,829</u>	<u>46,576,995</u>
Business-Type Activities:										
Charges For Services										
Food Service	\$ 608,017	\$ 599,065	\$ 563,293	\$ 568,496	\$ 418,788	\$ 20,440	\$ 183,186	\$ 413,403	\$ 342,740	\$ 320,618
Operating Grants And Contributions	<u>2,623,970</u>	<u>2,482,935</u>	<u>2,422,299</u>	<u>2,432,586</u>	<u>1,968,433</u>	<u>3,015,851</u>	<u>4,936,385</u>	<u>3,353,779</u>	<u>3,219,839</u>	<u>3,355,403</u>
Total Business Type Activities Program Revenues	<u>3,231,987</u>	<u>3,082,000</u>	<u>2,985,592</u>	<u>3,001,082</u>	<u>2,387,221</u>	<u>3,036,291</u>	<u>5,119,571</u>	<u>3,767,182</u>	<u>3,562,579</u>	<u>3,676,021</u>
Total District Program Revenues	<u>\$ 53,242,789</u>	<u>\$ 64,764,335</u>	<u>\$ 66,366,655</u>	<u>\$ 60,564,227</u>	<u>\$ 55,136,033</u>	<u>\$ 71,343,051</u>	<u>\$ 74,243,280</u>	<u>\$ 53,702,368</u>	<u>\$ 79,285,408</u>	<u>\$ 50,253,016</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (95,586,934)	\$ (100,723,963)	\$ (103,048,493)	\$ (101,123,798)	\$ (99,141,065)	\$ (93,876,625)	\$ (78,153,522)	\$ (97,309,339)	\$ (84,259,635)	\$ (110,749,035)
Business-Type Activities	<u>242,958</u>	<u>20,657</u>	<u>38,269</u>	<u>40,180</u>	<u>(129,091)</u>	<u>469,049</u>	<u>1,175,359</u>	<u>115,081</u>	<u>(44,214)</u>	<u>(239,620)</u>
Total District-Wide Net Expense	<u>\$ (95,343,976)</u>	<u>\$ (100,703,306)</u>	<u>\$ (103,010,224)</u>	<u>\$ (101,083,618)</u>	<u>\$ (99,270,156)</u>	<u>\$ (93,407,576)</u>	<u>\$ (76,978,163)</u>	<u>\$ (97,194,258)</u>	<u>\$ (84,303,849)</u>	<u>\$ (110,988,655)</u>

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

	For The Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental Activities:										
General Revenues										
Property Taxes - General Purposes	\$ 45,550,000	\$ 46,734,214	\$ 48,709,108	\$ 49,895,435	\$ 50,493,344	\$ 51,250,000	\$ 52,119,867	\$ 53,162,264	\$ 54,225,509	\$ 55,310,019
Property Taxes - Debt Service	1,573,392	1,423,414	1,567,487	1,529,144	1,554,287	1,546,670	2,075,291	2,227,992	2,471,087	2,642,985
State Aid - Unrestricted	51,001,448	51,387,346	52,484,655	51,877,191	52,848,590	53,249,905	55,975,237	55,349,420	52,604,899	57,456,883
State Aid - Restricted for Debt Service	551,188	550,674	476,785	530,716	540,842	536,989	1,020,259	856,739	1,084,097	1,175,883
Investment Earnings	39,121	82,733	193,891	471,909	390,436	114,381	133,606	2,384,103	5,011,708	3,807,531
Miscellaneous Income	649,498	388,530	332,495	413,352	564,666	599,650	584,159	714,986	674,436	342,082
Total Governmental Activities	99,364,647	100,566,911	103,764,421	104,717,747	106,392,165	107,297,595	111,908,419	114,695,504	116,071,736	120,735,383
Business-Type Activities:										
General Revenues										
Interest Earnings	358	394	1,643	4,216	2,441	547	836	17,396	60,792	66,865
Total Business Type Activities	358	394	1,643	4,216	2,441	547	836	17,396	60,792	66,865
Total District-Wide	\$ 99,365,005	\$ 100,567,305	\$ 103,766,064	\$ 104,721,963	\$ 106,394,606	\$ 107,298,142	\$ 111,909,255	\$ 114,712,900	\$ 116,132,528	\$ 120,802,248
Change in Net Position										
Governmental Activities	\$ 3,777,713	\$ (157,052)	\$ 715,928	\$ 3,593,949	\$ 7,251,100	\$ 13,420,970	\$ 33,754,897	\$ 17,386,165	\$ 31,812,101	\$ 9,986,348
Business-Type Activities	243,316	21,051	39,912	44,396	(126,650)	469,596	1,176,195	132,477	16,578	(172,755)
Total District	\$ 4,021,029	\$ (136,001)	\$ 755,840	\$ 3,638,345	\$ 7,124,450	\$ 13,890,566	\$ 34,931,092	\$ 17,518,642	\$ 31,828,679	\$ 9,813,593

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

	As of June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 424,454	\$ 455,822	\$ 440,660	\$ 398,500						
Restricted	18,804,592	17,150,168	16,747,103	12,766,887	\$ 20,395,447	\$ 35,108,770	\$ 46,970,173	\$ 57,571,325	\$ 68,423,589	\$ 48,274,917
Committed	465,127	1,379,824	644,243	1,313,238	593,720	605,313	996,000	3,230,500	2,085,057	1,870,139
Assigned	2,092,745	3,434,565	3,642,763	6,791,341	7,576,841	5,843,118	8,370,150	7,193,116	5,528,348	9,161,348
Unassigned	<u>(3,768,087)</u>	<u>(3,739,862)</u>	<u>(3,743,874)</u>	<u>(4,026,420)</u>	<u>(4,258,955)</u>	<u>(2,381,413)</u>	<u>(2,690,369)</u>	<u>(3,079,853)</u>	<u>(4,219,858)</u>	<u>(4,322,479)</u>
Total General Fund	\$ 18,018,831	\$ 18,680,517	\$ 17,730,895	\$ 17,243,546	\$ 24,307,053	\$ 39,175,788	\$ 53,645,954	\$ 64,915,088	\$ 71,817,136	\$ 54,983,925
All Other Governmental Funds										
Restricted	\$ 4,012,812	\$ 3,045,706	\$ 2,971,134	\$ 6,101,056	\$ 13,965,367	\$ 12,301,940	\$ 14,503,474	\$ 32,986,850	\$ 38,957,246	\$ 36,665,462
Total All Other Governmental Funds	\$ 4,012,812	\$ 3,045,706	\$ 2,971,134	\$ 6,101,056	\$ 13,965,367	\$ 12,301,940	\$ 14,503,474	\$ 32,986,850	\$ 38,957,246	\$ 36,665,462

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

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

	For The Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Property Taxes	\$ 47,123,392	\$ 48,157,628	\$ 50,276,595	\$ 51,424,579	\$ 52,047,631	\$ 52,796,670	\$ 54,195,158	\$ 55,390,256	\$ 56,696,596	\$ 57,953,004
Tuition Charges	4,029,702	4,239,503	4,598,903	4,937,577	5,457,950	4,792,514	4,585,621	4,549,804	4,372,990	4,885,216
Interest Earnings	39,121	82,733	193,891	471,909	390,436	114,381	133,606	2,384,103	5,011,708	3,807,531
Miscellaneous	701,532	440,106	383,598	501,779	616,804	700,326	1,008,182	1,268,349	1,315,425	1,061,718
State Sources	74,785,707	77,548,384	80,050,585	85,125,679	87,085,745	92,094,496	110,256,038	100,213,509	107,952,497	105,109,136
Federal Sources	6,148,253	6,256,531	6,287,587	6,377,588	5,349,703	7,908,754	14,829,291	11,333,767	29,685,343	12,354,348
Total Revenue	132,827,707	136,724,885	141,791,159	148,839,111	150,948,269	158,407,141	185,007,896	175,139,788	205,034,559	185,170,953
Expenditures										
Instruction										
Regular Instruction	50,228,150	52,221,904	56,016,919	56,506,718	55,853,705	58,191,509	62,641,336	63,765,300	76,309,729	69,909,602
Special Education Instruction	18,677,742	19,777,356	21,123,429	22,102,670	22,471,286	20,911,124	22,000,249	20,433,022	22,807,562	21,057,983
Other Instruction	8,974,600	9,720,858	9,540,589	10,911,929	10,987,923	11,725,845	12,816,372	14,651,537	9,402,955	15,962,444
School Sponsored Activities and Athletics	2,138,965	2,293,585	2,462,631	2,700,922	2,475,432	2,332,681	3,220,521	3,215,457	3,700,125	3,686,737
Support Services:										
Student and Inst. Related Services	14,874,866	15,695,525	16,516,797	16,584,049	16,356,023	16,438,008	18,411,606	19,021,701	19,821,799	22,229,027
General Administration	2,523,972	2,697,456	2,419,474	2,546,054	2,197,329	2,179,107	1,996,588	2,142,778	2,283,021	2,352,069
School Administrative Services	8,940,045	9,247,656	9,402,029	9,929,095	9,976,366	10,466,025	10,290,025	10,714,680	11,280,238	10,576,750
Plant Operations And Maintenance	11,412,244	12,337,585	12,521,251	13,042,755	13,470,933	12,712,067	13,311,053	13,221,919	14,668,529	15,529,770
Pupil Transportation	3,952,064	3,692,609	3,853,173	3,847,754	3,019,099	2,642,358	3,934,748	5,428,632	5,460,940	5,350,348
Business and Other Support Services	2,972,413	2,959,599	3,177,503	3,627,321	3,571,458	3,588,811	3,759,791	3,850,347	4,245,964	4,375,414
Capital Outlay	2,219,962	3,700,564	3,092,984	2,104,170	13,452,997	2,994,094	12,959,667	25,651,091	17,874,056	29,039,942
Debt Service:										
Principal	2,065,000	2,085,000	2,145,000	1,820,000	1,780,000	1,840,000	2,811,473	3,731,386	1,420,543	2,104,344
Interest and Other Charges	815,092	600,608	543,574	473,101	407,900	831,241	813,860	717,443	2,886,654	2,121,518
Total Expenditures	129,795,115	137,030,305	142,815,353	146,196,538	156,020,451	146,852,870	168,967,289	186,545,293	192,162,115	204,295,948
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,032,592	(305,420)	(1,024,194)	2,642,573	(5,072,182)	11,554,271	16,040,607	(11,405,505)	12,872,444	(19,124,995)
Other Financing Sources (Uses)										
Proceeds From Borrowing	7,575,000				20,000,000			40,000,000		
Proceeds From Capital Financing Agreements							631,093			
IT Subscription Arrangements								1,158,015		
Premium on Issuance of Bonds/Certificates of Participation	800,793									
Payments to Refunding Escrow Agent	(8,172,342)									
Transfers In	233,650	13,493	51,854	6,212,910	41,999	542,323	11,350	646,874	19,003,176	21,634,992
Transfers Out	(233,650)	(13,493)	(51,854)	(6,212,910)	(41,999)	(542,323)	(11,350)	(646,874)	(19,003,176)	(21,634,992)
Total Other Financing Sources (Uses)	203,451	-	-	-	20,000,000	-	631,093	41,158,015	-	-
Net Change in Fund Balances	\$ 3,236,043	\$ (305,420)	\$ (1,024,194)	\$ 2,642,573	\$ 14,927,818	\$ 11,554,271	\$ 16,671,700	\$ 29,752,510	\$ 12,872,444	\$ (19,124,995)
Debt Service as a Percentage of Noncapital Expenditures	2.26%	2.01%	1.92%	1.59%	1.53%	1.86%	2.32%	2.77%	2.47%	2.41%

* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Refunds</u>	<u>E-Rate</u>	<u>Solar Energy</u>	<u>Gate Receipts</u>	<u>Miscellaneous</u>	<u>Total</u>
2016	\$ 4,029,702	\$ 39,121	\$ 118,260	\$ 185,145	\$ 243,538	\$ 8,236	\$ 94,319	\$ 4,718,321
2017	4,239,503	82,733	61,722	35,929	252,919	11,515	21,440	4,705,761
2018	4,598,903	193,836	40,605	25,153	173,635	15,043	78,059	5,125,234
2019	4,937,577	471,909	10,603	12,914	166,005	9,356	214,474	5,822,838
2020	5,457,950	348,332	10,492		190,423	9,017	354,734	6,370,948
2021	4,792,514	91,925		229,032	171,662		198,956	5,484,089
2022	4,585,621	122,256	213,386		244,864	4,478	121,426	5,292,031
2023	4,549,804	1,737,229	111,085		148,098	8,352	447,228	7,001,796
2024	4,372,990	4,163,444	13,295		97,637	6,145	557,359	9,210,870
2025	4,885,216	2,997,010	110,244		88,279	9,385	134,174	8,224,308

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^a
2016	\$ 45,723,200	\$ 1,474,075,800	\$ 483,283,700	\$ 352,931,900	\$ 169,524,100	\$ 2,525,538,700	\$ 4,076,577	\$ 2,529,615,277	\$ 5,171,779,148	1.883
2017	49,625,100	1,480,100,600	501,492,600	354,589,100	174,509,200	2,560,316,600	3,940,684	2,564,257,284	5,615,942,611	1.920
2018	55,202,800	1,483,782,500	508,458,867	352,107,800	181,295,400	2,580,847,367	3,545,902	2,584,393,269	6,209,345,294	1.967
2019	46,939,200	1,486,380,800	508,047,767	351,771,100	181,655,600	2,574,794,467	3,420,264	2,578,214,731	6,571,705,138	2.007
2020	48,928,800	1,490,030,500	486,594,467	351,318,700	183,617,500	2,560,489,967	3,395,036	2,563,885,003	6,651,210,259	2.045
2021	50,615,400	1,493,139,400	468,034,467	364,514,200	186,704,800	2,563,008,267	3,378,806	2,566,387,073	6,988,919,154	2.085
2022 *	173,412,800	5,254,501,100	1,943,695,502	1,810,298,695	646,300,300	9,828,208,397	9,271,757	9,837,480,154	8,798,272,027	0.556
2023	161,432,700	5,261,063,300	1,847,883,802	1,774,284,895	691,354,500	9,736,019,197	9,863,546	9,745,882,743	9,762,696,286	0.575
2024	158,702,200	5,281,134,800	1,767,418,402	1,748,646,395	689,394,800	9,645,296,597	9,728,326	9,655,024,923	9,698,549,112	0.593
2025	154,391,400	5,304,478,100	1,758,977,502	1,749,976,095	726,755,500	9,694,578,597	9,240,067	9,703,818,664	10,680,136,045	0.620

Source: County Abstract of Ratables

^a Tax rates are per \$100

* Revaluation effective for 2022

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

Year Ended <u>June 30,</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County</u>
2016	\$ 5.467	\$ 1.883	\$ 2.513	\$ 1.071
2017	5.531	1.920	2.538	1.073
2018	5.636	1.967	2.585	1.084
2019	5.726	2.007	2.620	1.099
2020	5.732	2.045	2.679	1.008
2021	5.853	2.085	2.730	1.038
2022*	1.579	0.556	0.681	0.342
2023	1.628	0.575	0.694	0.359
2024	1.747	0.593	0.768	0.386
2025	1.825	0.620	0.803	0.402

* Revaluation effective for 2022

Source: Table of Aggregates

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

Taxpayer	2025		2016	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Hartz Mountain Development	\$ 446,114,600	4.60%	\$ 120,457,200	4.76%
Vornado	197,539,500	2.04%	62,388,500	2.47%
5851 Westside Assoc.	201,578,895	2.08%	21,793,900	0.86%
Mack Associates	157,879,200	1.63%		
8100 River Road	152,933,200	1.58%	68,376,100	2.70%
FC/Treeco Columbia Park	78,000,000	0.80%	31,257,500	1.24%
7855 Blvd East	143,393,000	1.48%	44,834,300	1.77%
8101 Tonnelle Avenue	75,122,500	0.77%		
5903 West Side Avenue	85,000,000	0.88%		
7400 River Road			38,430,300	1.52%
Woodcliff Gardens	72,438,500	0.75%	24,007,800	0.95%
Mack Cali			38,134,200	1.51%
Granton Re Co			24,930,200	0.99%
	<u>\$ 1,609,999,395</u>	<u>16.59%</u>	<u>\$ 474,610,000</u>	<u>18.76%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	\$ 47,123,392	\$ 47,123,392	100.00%	
2017	48,157,628	48,095,718	99.87%	\$ 61,910
2018	50,276,595	50,276,595	100.00%	
2019	51,424,579	51,424,560	100.00%	19
2020	52,047,631	49,681,830	95.45%	2,365,801
2021	52,796,670	52,796,670	100.00%	
2022	54,195,158	54,195,158	100.00%	
2023	55,390,256	52,867,380	95.45%	2,522,876
2024	56,696,596	51,542,360	90.91%	5,154,236
2025	57,953,004	47,416,094	81.82%	10,536,910

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

Fiscal Year Ended June 30,	Governmental Activities						Total District	Population	Per Capita
	General Obligation Bonds	Capital Financing Agreements (COPS)	Other Capital Financing Agreements	IT Subscription Arrangements	Leases	Sales Leaseback			
2016	\$ 3,300,000	\$ 9,930,000			\$ 2,267,449	\$ 1,205,000	\$ 16,702,449	\$ 62,037	\$ 269
2017	2,720,000	8,955,000			2,038,787	675,000	14,388,787	62,022	232
2018	2,125,000	7,945,000			1,795,810	135,000	12,000,810	61,945	194
2019	1,890,000	6,495,000			1,537,881		9,922,881	61,323	162
2020	21,650,000	4,955,000			1,264,342		27,869,342	60,808	458
2021	21,400,000	3,365,000			974,509		25,739,509	59,859	430
2022	20,635,000	1,715,000	\$ 541,457		667,672		23,559,129	60,612	389
2023	59,860,000		419,257	\$ 363,410	343,091		60,985,758	60,335	1,011
2024	59,075,000		293,917	196,298			59,565,215	59,394	1,003
2025	57,270,000		165,356	25,515			57,460,871	61,668	932

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2016	\$ 3,300,000		\$ 3,300,000	0.13%	\$ 53
2017	2,720,000		2,720,000	0.11%	44
2018	2,125,000		2,125,000	0.08%	34
2019	1,890,000		1,890,000	0.07%	31
2020	21,650,000		21,650,000	0.84%	356
2021	21,400,000		21,400,000	0.83%	358
2022	20,635,000		20,635,000	0.21%	340
2023	59,860,000		59,860,000	0.61%	992
2024	59,075,000		59,075,000	0.61%	995
2025	57,270,000		57,270,000	0.59%	929

Source: District records

**NORTH BERGEN BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2024
(Unaudited)**

Direct Debt:

North Bergen Board of Education (as of June 30, 2025)	\$ 56,995,000
Township of North Bergen (1)	<u>109,187,227</u>
Total Direct Debt	<u>166,182,227</u>

Overlapping Debt Apportioned to the Municipality:

Hudson County:

County of Hudson (A)	52,696,330
North Bergen Municipal Utilities Authority	<u>31,163,407</u>

Total Overlapping Debt	<u>83,859,737</u>
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Total Direct and Overlapping Debt	<u>\$ 250,041,964</u>
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(A) The debt for this entity was apportioned by dividing the Municipality's 2024 equalized value by the total 2024 equalized value for Hudson County.

Sources:

(1) Township of North Bergen Annual Debt Statement

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

	Fiscal Year Ended June 30,									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Debt Limit	\$ 191,438,083	\$ 203,949,327	\$ 223,256,144	\$ 241,826,950	\$ 257,026,412	\$ 267,897,318	\$ 282,335,660	\$ 324,278,187	\$ 366,748,639	\$ 405,820,702
Total Net Debt Applicable to Limit	<u>720,000</u>	<u>365,000</u>		<u>60,000,000</u>	<u>60,000,000</u>	<u>60,000,000</u>	<u>59,500,000</u>	<u>59,000,000</u>	<u>58,500,000</u>	<u>56,995,000</u>
Legal Debt Margin	<u>\$ 190,718,083</u>	<u>\$ 203,584,327</u>	<u>\$ 223,256,144</u>	<u>\$ 181,826,950</u>	<u>\$ 197,026,412</u>	<u>\$ 207,897,318</u>	<u>\$ 222,835,660</u>	<u>\$ 265,278,187</u>	<u>\$ 308,248,639</u>	<u>\$ 348,825,702</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.38%	0.18%	0.00%	24.81%	23.34%	22.40%	21.07%	18.19%	15.95%	14.04%

Legal Debt Margin Calculation for Fiscal Year 2025

Equalized Valuation Basis

2022	\$ 9,778,338,869
2023	10,111,142,587
2024	<u>10,547,071,183</u>
	<u>\$ 30,436,552,639</u>

Average Equalized Valuation of Taxable Property \$ 10,145,517,546

Debt Limit (4 % of Average Equalization Value) \$ 405,820,702
Total Net Debt Applicable to Limit 56,995,000

Legal Debt Margin \$ 348,825,702

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

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income *</u>	<u>Population</u>
2015	5.60%	\$ 51,871	62,037
2016	5.10%	53,243	62,022
2017	4.40%	56,577	61,945
2018	3.70%	60,588	61,323
2019	3.20%	64,149	60,808
2020	11.90%	64,929	59,859
2021	7.70%	73,192	60,612
2022	3.90%	76,360	60,235
2023	4.30%	79,982	59,394
2024	4.60%	N/A	61,668

Source: Data provided by State Department of Education

N/A = Not Available

* = Hudson County

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

INFORMATION NOT AVAILABLE

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

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Regular	530	530	530	530	530	530	535	535	525	525
Special Education	57	59	59	59	59	59	59	59	58	58
Other Instruction	61	65	60	60	60	60	60	60	57	57
Support Services:										
Student and Instruction Related Services	18	18	35	35	35	35	35	35	36	36
General Administration	6	7	7	7	7	7	7	7	7	7
School Administrative Services	61	61	61	61	61	61	61	61	61	61
Other Administrative Services	30	30	30	30	30	30	30	30	30	30
Central Services	13	13	13	13	13	13	13	15	15	15
Administrative Information Technology	3	3	3	3	3	3	3	5	5	5
Plant Operations And Maintenance	109	106	106	106	106	106	106	106	106	106
Pupil Transportation	3	3	3	3	3	3	3	5	2	2
Other Support Services	77	77	77	77	77	79	79	79	79	79
Total	<u>968</u>	<u>972</u>	<u>984</u>	<u>984</u>	<u>984</u>	<u>986</u>	<u>991</u>	<u>997</u>	<u>981</u>	<u>981</u>

Source: District Personnel Records

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

<u>Pupil/Teacher Ratio</u>											
<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Elementary</u>	<u>High School</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2016	8,005	124,695,061	15,577	-0.08%	648	1:12	1:14	7,869	7,629	-2.02%	96.95%
2017	7,900	130,644,133	16,537	6.16%	641	1:12	1:14	7,714	7,330	-1.96%	95.02%
2018	7,666	137,033,795	17,876	8.09%	649	1:12	1:14	7,643	7,257	-0.92%	94.95%
2019	7,519	141,799,267	18,859	5.50%	649	1:12	1:14	7,490	7,108	-2.00%	94.90%
2020	7,488	140,379,554	18,747	-0.59%	649	1:12	1:14	7,275	7,185	-2.87%	98.76%
2021	7,314	141,187,535	19,304	2.97%	649	1:12	1:14	7,257	7,050	-0.25%	97.15%
2022	7,212	152,382,289	21,129	12.70%	654	1:12	1:14	7,167	6,743	-1.48%	94.08%
2023	7,207	156,445,373	21,707	12.45%	649	1:12	1:14	7,207	6,781	-0.69%	94.09%
2024	7,222	169,980,862	23,537	11.39%	649	1:12	1:14	7,092	6,671	-1.05%	94.06%
2025	7,004	171,030,144	24,419	12.49%	640	1:12	1:14	6,995	6,555	-2.94%	93.71%

Sources: District records

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

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>District Building</u>										
<u>Elementary</u>										
Robert Fulton/No. 2 (1926)										
Square Feet	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409	97,409
Capacity (students)	784	784	784	784	784	784	784	784	784	784
Enrollment	995	995	1,022	1,022	1,196	961	1,050	734	1,050	1,050
Fulton Annex										
Square Feet	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800	18,800
Capacity (students)	155	155	155	155	155	155	155	155	155	155
Enrollment	144	144	223	223	146	204	146	146	146	146
Franklin School/No. 3 (1919)										
Square Feet	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434	57,434
Capacity (students)	475	475	475	475	475	475	475	475	475	475
Enrollment	575	575	530	530	623	560	526	436	526	526
Franklin Annex (1999)										
Square Feet	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225	6,225
Capacity (students)	80	80	80	80	80	80	80	80	80	80
Enrollment	85	85	97	97	97	97	97	97	97	97
Lincoln School/No. 5 (1915)										
Square Feet	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246	58,246
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	659	659	972	972	1,393	1,363	957	824	957	957
Lincoln School/No. 5 Annex (2004)										
Square Feet	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300	62,300
Capacity (students)	352	352	352	352	352	352	352	352	352	352
Enrollment	436	436	422	422			436	436	436	436
J.F. Kennedy School/No. 7 (including Annex)										
Square Feet	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125	94,125
Capacity (students)	662	662	662	662	662	662	662	662	662	662
Enrollment	538	538	549	549	472	454	472	601	472	472
Horace Mann School/No. 9 (1928)										
Square Feet	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068	98,068
Capacity (students)	836	836	836	836	836	836	836	836	836	836
Enrollment	1,023	1,023	1,135	1,135	1,089	1,093	1,089	969	1,089	1,089
McKinnely School/No. 10 (1919)										
Square Feet	46,050	46,050	46,050	46,050	46,050	46,050	46,050	46,050	46,050	46,050
Capacity (students)	426	426	426	426	426	426	426	426	426	426
Enrollment	419	419	361	361	346	342	346	318	346	346
Polk Street School										
Square Feet										
Capacity (students)										
Enrollment							205	241	205	205
<u>High School</u>										
North Bergen High School (1961)										
Square Feet	197,973	197,973	197,973	197,973	197,973	197,973	197,973	197,973	197,973	197,973
Capacity (students)	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377
Enrollment	2,416	2,416	2,355	2,355	2,369	2,337	2,369	2,355	2,369	2,369
<u>Other</u>										
Central Administration (1961)										
Square Feet	9,267	9,267	9,267	9,267	9,267	9,267	9,267	9,267	9,267	9,267
Number of Schools at June 30, 2025										
Elementary = 7										
Senior High School = 1										
Other = 1										

Source: District Records

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

<u>School Facilities</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
North Bergen High School	\$ 318,417	\$ 451,186	\$ 414,783	\$ 497,292	\$ 566,198	\$ 541,120	\$ 488,387	\$ 477,845	\$ 568,254	\$ 509,379
Franklin School	199,757	153,315	149,453	128,329	182,063	173,999	157,044	153,653	182,725	163,793
Horace Mann	190,335	235,531	230,235	252,236	280,472	268,049	241,929	236,706	281,491	252,326
John F. Kennedy	216,192	208,711	222,152	207,733	270,625	258,639	233,434	228,395	271,607	243,467
Lincoln School	243,465	290,374	258,402	267,911	368,568	352,243	317,918	311,054	369,906	331,581
Mc Kinley	229,206	154,055	108,112	117,762	131,702	125,869	113,603	111,150	132,180	118,485
Robert Fulton	<u>224,356</u>	<u>177,494</u>	<u>228,681</u>	<u>210,810</u>	<u>278,579</u>	<u>266,240</u>	<u>240,295</u>	<u>280,485</u>	<u>279,590</u>	<u>250,623</u>
Total School Facilities	<u>\$ 1,621,728</u>	<u>\$ 1,670,666</u>	<u>\$ 1,611,818</u>	<u>\$ 1,682,073</u>	<u>\$ 2,078,207</u>	<u>\$ 1,986,159</u>	<u>\$ 1,792,610</u>	<u>\$ 1,799,288</u>	<u>\$ 2,085,753</u>	<u>\$ 1,869,654</u>

Source: School District Records

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2025
(Unaudited)**

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

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

Source: School District's records

SINGLE AUDIT



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the North Bergen Board of Education as of and for the fiscal year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the North Bergen Board of Education's basic financial statements and have issued our report thereon dated December 10, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the North Bergen Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 10, 2025.

Purpose of this Report

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


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
December 10, 2025



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the North Bergen Board of Education's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the North Bergen Board of Education's major federal and state programs for the fiscal year ended June 30, 2025. The North Bergen Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the North Bergen Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

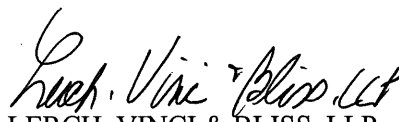
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the North Bergen Board of Education, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the North Bergen Board of Education's basic financial statements. We have issued our report thereon dated December 10, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
December 10, 2025

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Federal											Balance, June 30, 2025			Memo	Memo
Federal/Grantor/Pass-Through Grantor	AL	FAIN	Grant	Award	Balance	Carryover	Cash	Budgetary		Prior Years	(Accounts	Unearned	Due to		GAAP	Cumulative
Program Title	Number	Number	Period	Amount	July 1, 2024	Amount	Received	Expenditures	Adjustment	Adjustments	Receivable)	Revenue	Grantor		Receivable	Expenditures
U.S. Department of Agriculture																
Passed-Through State Department of Agriculture																
Enterprise Fund																
School Breakfast Program	10.553	251NJ304N1099	7/1/24-6/30/25	\$ 684,714			\$ 552,604	\$ 684,714			\$ (132,110)				\$ (132,110)	\$ 684,714
School Breakfast Program	10.553	241NJ304N1099	7/1/23-6/30/24	626,902	\$ (54,605)		54,605									
NSLP-Cash Assistance	10.555	251NJ304N1099	7/1/24-6/30/25	2,274,421			1,846,565	2,274,421			(427,856)				(427,856)	2,274,421
NSLP-Cash Assistance	10.555	221NJ304N1099	7/1/23-6/30/24	2,007,789	(153,798)		153,798									
NSLP-Non Cash Assistance	10.555	251NJ304N1099	7/1/24-6/30/25	247,684			245,453	242,452				\$ 3,001				242,452
NSLP-Non Cash Assistance	10.555	241NJ304N1099	7/1/23-6/30/24	269,993	5,232			5,232								5,232
Special Milk Program	10.556	251NJ304N1099	7/1/24-6/30/25	8,775			7,552	8,775			(1,223)				(1,223)	8,775
Special Milk Program	10.556	241NJ304N1099	7/1/23-6/30/24	7,823	(718)		718									
After School Snack	10.555	241NJ304N1099	7/1/23-6/30/24	15,963	(779)	-	779	-	-	-	-	-	-	-	-	-
Total Child Nutrition Cluster					(204,668)	-	2,862,074	3,215,594	-	-	(561,189)	3,001	-		(561,189)	3,215,594
Local Food for Schools Cooperative					10.185	NA	7/1/24-6/30/25	11,372			11,372					11,372
Pandemic EBT	10.646	NA	7/1/24-6/30/25	2,952	-	-	2,952	2,952	-	-	-	-	-	-	-	2,952
Total Department of Agriculture					(204,668)	-	2,876,398	3,229,918	-	-	(561,189)	3,001	-		(561,189)	3,229,918
U.S. Dept. of Education Passed-Through																
State Dept. of Education																
Special Revenue Fund																
Title I-A	84.010A	S010A230030	7/1/23-9/30/24	\$ 4,679,205	(2,189,927)	\$ (507,366)	2,189,927		\$ 507,366	\$ 63			\$ 63			
Title I-A	84.010A	S010A240030	7/1/24-6/30/25	4,721,178		507,366	2,731,810	4,939,984	(507,366)		(2,496,734)	288,560			(2,186,773)	4,939,984
Title I, SIA, Part A	84.010A	S010A230030	7/1/23-9/30/24	36,400	(28,369)	(18,031)	28,369		18,031							
Title I, SIA, Part A	84.010A	S010A240030	7/1/24-9/30/25	50,000	-	18,031	43,589	53,943	(18,031)	-	(24,442)	14,088	-		(10,354)	53,943
Total Title I					(2,218,296)	-	4,993,695	4,993,927	-	63	(2,521,176)	302,648	63		(2,197,127)	4,993,927
Title II-A	84.367A	S367A230029	7/1/23-9/30/24	474,821	(222,655)	(69,073)	222,655		69,073							
Title II-A	84.367A	S367A240029	7/1/24-9/30/25	369,193	-	69,073	213,593	412,960	(69,073)	-	(224,673)	25,306	-		(186,967)	412,960
Total Title II					(222,655)	-	436,248	412,960	-	-	(224,673)	25,306	-		(186,967)	412,960
Title III	84.365	S365A230030	7/1/23-9/30/24	240,801	(74,608)	(62,732)	74,608		62,732							
Title III	84.365	S365A240030	7/1/24-9/30/25	233,774		62,732	228,393	273,936	(62,732)		(68,113)	22,570			(40,824)	273,936
Title III, Immigrant	84.365	S365A230030	7/1/23-9/30/24		(4,645)		4,645									
Title III, Immigrant	84.365	S365A240030	7/1/24-9/30/25	53,099	-	-	49,326	53,099	-	-	(3,773)	-	-		(3,773)	53,099
Total Title III					(79,253)	-	356,972	327,035	-	-	(71,886)	22,570	-		(44,597)	327,035
Title IV	84.424	S424A230031	7/1/23-9/30/24	273,677	(33,889)	(43,537)	33,889		43,537							
Title IV	84.424	S424A240031	7/1/24-9/30/25	333,066	-	43,537	255,684	357,267	(43,537)	-	(120,919)	19,336	-		(97,319)	357,267
Total Title IV					(33,889)	-	289,573	357,267	-	-	(120,919)	19,336	-		(97,319)	357,267
IDEA Part B																
Basic, Regular	84.027A	H027A230100	7/1/23-9/30/24	1,985,081	(347,548)	(151,418)	347,549		151,418	180			181			
Basic, Regular	84.027A	H027A240100	7/1/24-9/30/25	1,989,000		151,418	1,278,600	1,980,200	(151,418)		(861,818)	160,218			(663,664)	1,980,200
Preschool	84.173A	H173A230114	7/1/23-9/30/24	61,656	(30,000)	(205)	30,021		205				21			
Preschool	84.173A	H173A240114	7/1/24-9/30/25	59,193	-	205	52,454	59,193	(205)	-	(6,944)	205	-		(6,739)	59,193
Total IDEA					(377,548)	-	1,708,624	2,039,393	-	180	(868,762)	160,423	202		(670,403)	2,039,393

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal/Grantor/Pass-Through Grantor Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2024	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Prior Years Adjustments	Balance, June 30, 2025			Memo GAAP Receivable	Memo Cumulative Expenditures
											(Accounts Receivable)	Unearned Revenue	Due to Grantor		
Covid ARP State and Local Fiscal Recovery Fund Passed Thru NJ Department of Education															
DOE Special Services - ACSERS High Impact Tutoring Grant	21.027 21.027	SLFRFDOE1SES SLFRFDOE1SES	7/1/23-6/30/24 3/20/24-12/31/24	\$ 512,280 383,748	\$ (340,307) (98,266)	-	\$ 340,307 121,497	\$ 316,663	-	-	\$ (293,432)	-	-	\$ (293,432)	\$ 316,663
Total State and Fiscal Recovery Fund					(438,573)	-	461,804	316,663	-	-	(293,432)	-	-	(293,432)	316,663
CARES Emergency Relief Act (ESSER 1)	84.425D	S425D200027	3/13/20-9/30/22	2,574,941	5,700					1,577	-		7,277		2,567,664
ARP ESSER	84.425U	S425U210027	3/13/20-9/30/24	22,515,195	(13,631,805)		14,063,024	1,060,337			(629,118)			(50)	22,515,195
ARP ESSER - Accelerated Learning	84.425U	S425U210027	3/13/20-9/30/24	774,591	-		83,726	83,726						-	774,591
ARP ESSER - Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	52,810	(6,968)		6,968							-	52,810
ARP ESSER - Homeless	84.425W	S425W210027	3/13/20-9/30/24	66,762	(8,717)	-	8,718	-	-	(1)	-	-	-	-	66,762
Total Education Stabilization					(13,641,790)	-	14,162,436	1,144,063	-	1,576	(629,118)	-	7,277	(50)	25,977,022
Coronavirus Relief Fund	21.019	N/A	3/1/20-12/31/20	756,416	-	-	-	-	-	2,298	-	-	2,298	-	-
Total U.S. Department of Education - Special Revenue Fund					(17,012,004)	-	22,409,352	9,591,308	-	4,117	(4,729,966)	530,283	9,840	(3,489,895)	34,424,267
Covid State and Local Fiscal Recovery Fund Passed Thru NJ Department of Community Affairs															
CSFRF - Academic Building	21.027	N/A	3/2/21-9/30/26	10,000,000	-	-	-	10,000,000	-	-	(10,000,000)	-	-	-	10,000,000
Total Special Revenue Fund					(17,012,004)	-	22,409,352	19,591,308	-	4,117	(14,729,966)	530,283	9,840	(3,489,895)	44,424,267
General Fund															
Spec.Ed. Medicaid Reimbursement	93.778	2005NJ5MAP	7/1/24-6/30/25	167,401	-	-	167,401	167,401	-	-	-	-	-	-	167,401
Total Medicaid Reimbursement					-	-	167,401	167,401	-	-	-	-	-	-	167,401
Total Federal Awards					\$ (17,216,672)	\$ -	\$ 25,453,151	\$ 22,988,627	\$ -	\$ 4,117	\$ (5,291,155)	\$ 533,284	\$ 9,840	\$ (4,051,084)	\$ 37,821,586

NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2024		Carryover Amount	Cash Received	Budgetary Expenditures	Cancelled Encumbrances	Balance, June 30, 2025		Memo	
				Revenue/ (Accts Rec)						(Accounts Receivable)	Unearned Revenue	GAAP Receivable	Cumulative Total Expenditures
State Department of Education													
General Fund													
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	\$ 52,497,472	\$ (5,187,376)			\$ 5,187,376				*	\$ -	
Equalization Aid	25-495-034-5120-078	7/1/24-6/30/25	57,993,995				52,269,507	\$ 57,993,995	\$ (5,724,488)		*	57,993,995	
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	5,808,963	(573,995)			573,995				*	-	
Special Education Aid	25-495-034-5120-089	7/1/24-6/30/25	7,899,719				7,119,951	7,899,719	(779,768)		*	7,899,719	
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	2,787,698	(275,458)			275,458				*	-	
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	3,381,759	-	-		3,047,951	3,381,759	(333,808)	-	*	3,381,759	
Total State Aid Public				(6,036,829)	-		68,474,238	69,275,473	-	-	*	69,275,473	
Reimbursed TPAF Pension													
Non-Contributory Insurance	25-495-034-5094-004	7/1/24-6/30/25	257,272				257,272	257,272			*	257,272	
Pension Contribution	25-495-034-5094-002	7/1/24-6/30/25	20,768,950				20,768,950	20,768,950			*	20,768,950	
Long Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	8,295				8,295	8,295			*	8,295	
Post Retirement Contribution	25-495-034-5094-001	7/1/24-6/30/25	6,143,879	-	-		6,143,879	6,143,879	-	-	*	6,143,879	
Total Reimbursed TPAF Pension				-	-		27,178,396	27,178,396	-	-	*	27,178,396	
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	747,436	(73,856)			73,856				*	-	
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	747,436				673,658	747,436	(73,778)		*	747,436	
Nonpublic Transportation Aid	N/A	7/1/23-6/30/24	83,720	(83,720)			83,720				\$	-	
Nonpublic Transportation Aid	N/A	7/1/24-6/30/25	109,745	-	-		-	109,745	(109,745)	-	*	109,745	
				(157,576)	-		831,234	857,181	(183,523)	-	*	857,181	
Extraordinary Aid	24-495-034-5120-044	7/1/23-6/30/24	803,928	(803,928)			803,928				*	-	
Extraordinary Aid	25-495-034-5120-044	7/1/24-6/30/25	798,450				798,450		(798,450)		*	798,450	
Reimbursed TPAF Soc. Security Contr.	24-495-034-5094-003	7/1/23-6/30/24	4,315,650	(418,060)			418,060				*	-	
Reimbursed TPAF Soc. Security Contr.	25-495-034-5094-003	7/1/24-6/30/25	4,379,465	-	-		3,951,511	4,379,465	(427,954)	-	*	4,379,465	
Total General Fund				(7,416,393)	-		101,657,367	102,488,965	(8,247,991)	-	*	102,488,965	
Special Revenue Fund													
Preschool Education Aid	25-495-034-5120-086	7/1/24-6/30/25	2,017,860		\$ 214,202		1,816,074	2,195,462	(201,786)	\$ 36,600	*	2,195,462	
Preschool Education Aid (ECPA/ELLI)	25-495-034-5120-086	7/1/24-6/30/25	25,000				25,000	25,000			*	-	
Preschool Education Aid	24-495-034-5120-086	7/1/23-6/30/24	2,320,242	425,601	(214,202)		232,023	\$ 22,327		465,749	*	-	
SDA Emergent Capital Needs	NA	7/1/23-6/30/24	171,300	(171,300)			171,300		-		*	-	
SDA Emergent Capital Needs	NA	7/1/22-6/30/23	171,442	(171,442)			171,442		-		*	-	
SDA Emergent Capital Needs	NA	7/1/21-6/30/22	177,514	(177,514)	-		177,514	-	-	-	*	-	
Total Special Revenue Fund				(94,655)	-		2,593,353	2,220,462	(201,786)	502,349	*	2,195,462	
Debt Service Fund													
Debt Service Aid	25-495-034-5120-075	7/1/24-6/30/25	1,175,883	-	-		1,175,883	1,175,883	-	-	*	1,175,883	
State Department of Agriculture													
Food Service Enterprise Fund													
State EBT - Management and Admin Svcs	25-100-010-3370-	7/1/24-6/30/25	2,952				2,952	2,952			*	-	
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	58,998	(4,541)			4,541				*	-	
State School Lunch Program	25-100-010-3350-023	7/1/24-6/30/25	57,598				46,748	57,598	(10,850)		*	57,598	
State School Breakfast Program	24-100-010-3350-023	7/1/23-6/30/24	8,818	(801)			801				*	-	
State School Breakfast Program	25-100-010-3350-023	7/1/24-6/30/25	6,631				5,387	6,631	(1,244)		*	6,631	
After the Bell	24-100-010-3350-023	7/1/23-6/30/24	2,122	(182)			182				*	-	
After the Bell	25-100-010-3350-023	7/1/24-6/30/25	1,871				1,495	1,871	(376)		*	1,871	
NJIE Breakfast	24-100-010-3350-023	7/1/23-6/30/24	8,775	(776)			776				*	-	
NJIE Breakfast	25-100-010-3350-023	7/1/24-6/30/25	13,522				10,570	13,522	(2,952)		*	-	
NJIE Lunch	24-100-010-3350-023	7/1/23-6/30/24	27,008	(2,364)			2,364				*	-	
NJIE Lunch	25-100-010-3350-023	7/1/24-6/30/25	42,911	-	-		33,832	42,911	(9,079)	-	*	42,911	
Total State Department of Agriculture				(8,664)	-		106,696	122,533	(24,501)	-	*	109,011	
Total State Assistance Subject to Single Audit Determination				\$ (7,519,712)	\$ -		105,533,299	\$ 106,007,843	\$ 22,327	\$ (8,474,278)	\$ 502,349	* \$ (562,200)	\$ 105,969,321
Less: State Aid Not Subject to Single Audit and Major Program Determination													
Reimbursed TPAF Pension													
Non-Contributory Insurance	25-495-034-5094-004	7/1/24-6/30/25	257,272				(257,272)	(257,272)					
Pension Contribution	25-495-034-5094-002	7/1/24-6/30/25	20,768,950				(20,768,950)	(20,768,950)					
Long Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	8,295				(8,295)	(8,295)					
Post Retirement Contribution	25-495-034-5094-001	7/1/24-6/30/25	6,143,879				(6,143,879)	(6,143,879)					
Total State Assistance Subject to Major Program Determination							\$ 78,354,903	\$ 78,829,447					

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

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 REPORTING ENTITY

The North Bergen Board of Education (the “Board” or the “District”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

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

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$795,679 for the general fund and a decrease of \$7,380,612 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 167,401	\$ 101,693,286	\$ 101,860,687
Special Revenue Fund	12,186,947	2,239,967	14,426,914
Debt Service Fund		1,175,883	1,175,883
Food Service Fund	<u>3,229,918</u>	<u>125,485</u>	<u>3,355,403</u>
Total Financial Assistance	<u>\$ 15,584,266</u>	<u>\$ 105,234,621</u>	<u>\$ 120,818,887</u>

**NORTH BERGEN BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$4,379,465 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, 2025. The amount reported as TPAF Pension System Contributions in the amount of \$21,026,222, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$6,143,879 and TPAF Long-Term Disability Insurance in the amount of \$8,295 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2025.

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

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

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

Federal Awards Section

Internal Control over Major Programs:

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

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

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

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

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.555	251NJ304N1099	<u>National School Lunch Program</u>
10.553	251NJ304N1099	<u>School Breakfast Program</u>
10.556	251NJ304N1099	<u>Special Milk Program for Children</u>
84.010	S010A240030	<u>Title I-A</u>
84.010	S010A240030	<u>Title I SIA Part A</u>
84.367	S367A240029	<u>Title II-A</u>
21.027	N/A	<u>Covid State and Local Fiscal Recovery Fund</u>

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

Auditee qualified as low-risk auditee? X yes no

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part I – Summary of Auditor's Results

State Awards Section

Dollar threshold used to distinguish between Type A and
Type B Programs

\$ 2,364,883

Auditee qualified as low-risk auditee?

 X yes no

Internal Control over Major Programs:

1) Material weakness(es) identified?

 yes X no

2) Significant deficiency(ies) identified that are not
considered to be material weaknesses?

 yes X none reported

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

Unmodified

Any audit findings disclosed that are required to be reported
in accordance with N.J. OMB Circular 15-08?

 yes X none

Identification of major programs:

State Grant/Project Number (s)

Name of State Program

25-495-034-5120-078

Equalization Aid

25-495-034-5120-089

Special Education Aid

25-495-034-5120-084

Security Aid

25-495-034-5120-014

Transportation Aid/

Reimbursed Nonpublic Transportation

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 2 - Schedule of Financial Statement Findings

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

There are none.

**NORTH BERGEN BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.