

EST. 1971 **BERGEN COUNTY**
Special Services School District

**Comprehensive
Annual
Financial Report
For The Fiscal Year
Ended JUNE 30, 2020**

BERGEN COUNTY, NEW JERSEY

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Bergen County Special Services

School District

Bergen County, New Jersey

For The Fiscal Year Ended June 30, 2020

Prepared by

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

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BERGEN COUNTY TECHNICAL SCHOOLS / SPECIAL SERVICES

District Administration Office

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

January 29, 2021

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

Dear Board Members:

State Department of Education statutes require that all general-purpose local governments publish within five months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Bergen County Special Services for the fiscal year ended June 30, 2020.

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

The Bergen County Special Services School District's financial statements have been audited by Lerch, Vinci & Higgins, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Bergen County Special Services School District for the fiscal year ended June 30, 2020, are free of material

misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Bergen County Special Services School District's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

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

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

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

The District completed the 2019-20 fiscal year with an average daily enrollment of 615.1 students, which is 27 students more than the previous year's enrollment. The following details the changes in the average daily enrollment over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Percent Change</u>
2019-20	615.1	4.60%
2018-19	588.0	(2.37%)
2017-18	602.3	(6.24%)
2016-17	642.4	(2.0%)
2015-16	655.0	(2.96%)
2014-15	675.0	(0.44)%
2013-14	678.0	1.73 %
2012-13	667.0	(4.10) %
2011-12	695.1	(10.02)%
2010-11	772.5	(3.80)%

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

According to the Bergen County Economic Development Corporation, Bergen has over 14% of the state's jobs (487,000) and over 14% of New Jersey's manufacturing jobs - both records for the state, at \$15 billion. Hackensack, the County Seat, is home to Bergen's top employer, Hackensack University Medical Center. This state-of-the-art teaching and research hospital is the largest provider of inpatient and outpatient services in the state and has been rated one of the best hospitals in the United States by U.S. News. The New Jersey Sports and Exposition Authority (Met Life Stadium, Meadowlands Racetrack, IZOD Arena) and the Valley Hospital System round out the top three employers in the county. Other leading notable employers include: Quest Diagnostics, Englewood Hospital & Medical Center, Bergen Regional Medical Center, AT&T Wireless, Holy Name Hospital, United Parcel Service, The County of Bergen, Mercedes-Benz and BMW.

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

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2020.

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

DEBT ADMINISTRATION: At June 30, 2020 the District does not have any debt service. All bonded long-term debt is included in the County of Bergen's Financial Statements.

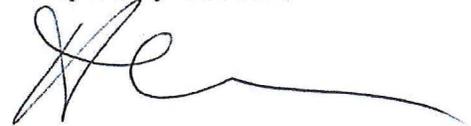
CASH MANAGEMENT: The investment policy of the district is guided in large part by state statute as detailed in "*Notes to the Basic Financial Statements*". The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions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

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

ACKNOWLEDGMENTS:

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

Respectfully submitted,



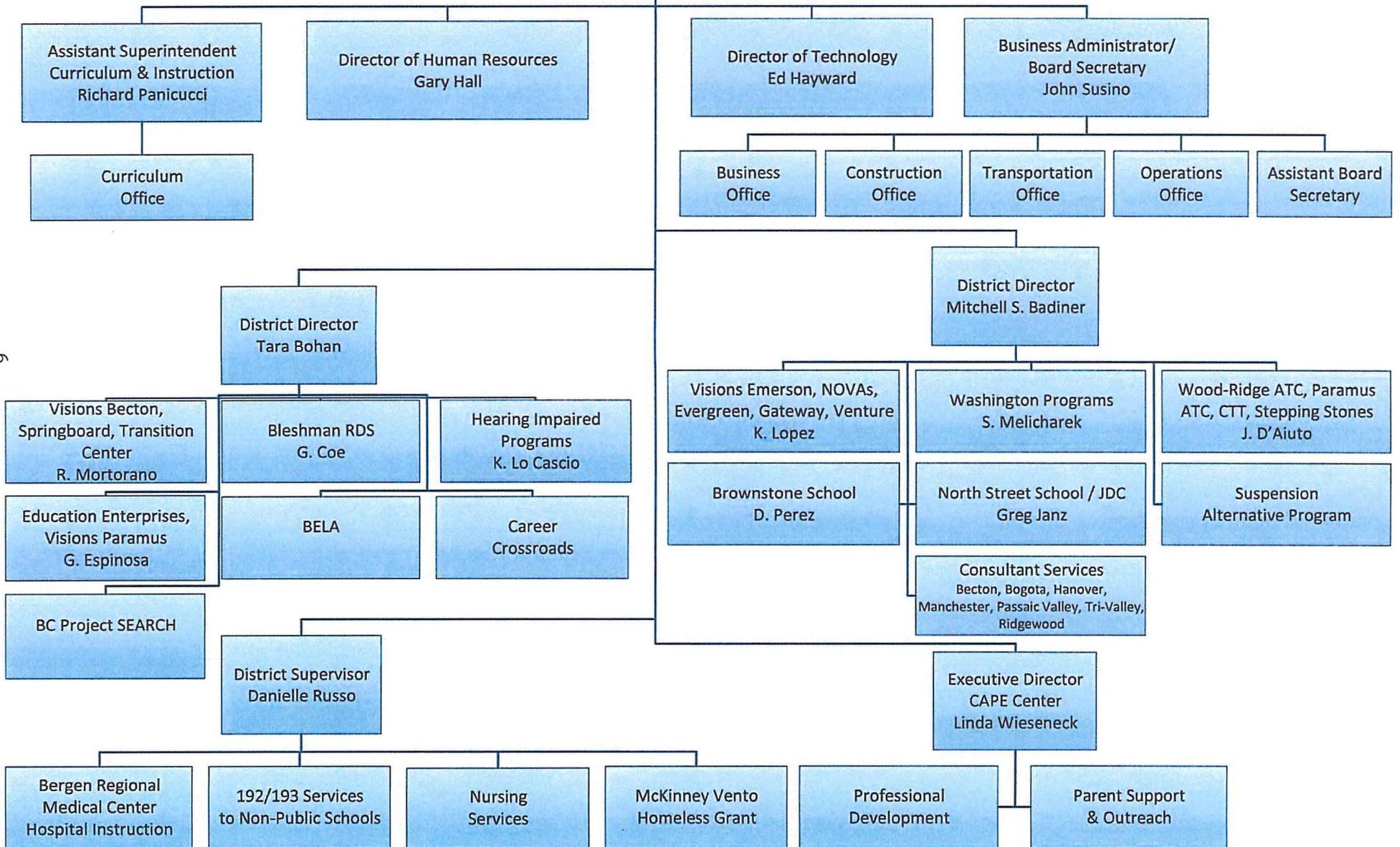
Dr. Howard Lerner
Superintendent



John Susino
Business Administrator/Board Secretary

BCSS Administrative Plan 2019-2020

Superintendent
Howard Lerner, Ed.D.



**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
BERGEN COUNTY, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2020**

COUNTY EXECUTIVE

James J. Tedesco III

MEMBERS OF THE BOARD OF COMMISSIONERS

Mary J. Amoroso – Chairwoman
Dr Joan M. Voss – Vice Chairwoman
Steven Tanelli – Chair Pro Tempore
David L. Ganz
Germaine M. Ortiz
Thomas J. Sullivan
Tracy S. Zur

BOARD OF EDUCATION

President – Gary Lentini

Vice-President – Dr. Beth Lancelloti

Members of the Board

William Barnaskas
Daniel Golabek
Marisa Laura Heluk
Michael McCarthy
Dr. Louis DeLisio
Interim Executive County Superintendent
Bergen County Office of Education

OTHER OFFICIALS

Superintendent	Dr. Howard Lerner
Business Administrator/Board Secretary	John Susino
Director of Personnel	Gary Hall
District Director of Instruction	Mitchell Badiner
District Director of Instruction	Tara Bohan
Supervisor of Instruction 192/193	Danielle Russo
Principal, Bleshman	Gail Coe
Supervisor, North Street School	Reginald Marc
Principal, Brownstone	David Perez
Principal, Washington Programs	Sandra Melicharek
Principal, Nova, Emerson, Evergreen, Venture, Gateway	Kelly Lopez
Principal, Hearing Impaired	Kathleen Lo Cascio
Principal, Springboard, Transition Center, Visions	Robert Mortorano

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Consultants and Advisors

Architects

Netta Architects

Rivardo, Schnitzer and Capazzi

LAN Associates

DiCara, Rubino Architects

AECOM

Settembrino Architects

Audit Firm

Lerch, Vinci and Higgins, LLP

Attorney

Nowell, P.A.

Engineers

CHA Associates

Lan Associates

T&M Associates

CME Associates

Boswell Engineering

Official Depositories

Santander Bank

TD Bank

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, 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, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bergen County Special Services School District, a component unit of the County of Bergen as of and for the fiscal year ended June 30, 2020 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bergen County Special Services School District as of June 30, 2020, 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.

Other Matters

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, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bergen County Special Services School District's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Bergen County Special Services School District.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

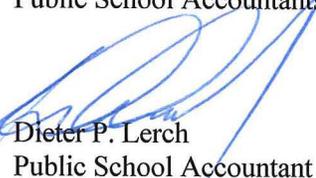
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 29, 2021 on our consideration of the Bergen County Special Services School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bergen County Special Services School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Bergen County Special Services School District's internal control over financial reporting and compliance.



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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 29, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

As management of the Bergen County Special Services School District, we offer readers of the Bergen County Special Services School District's financial statements this narrative overview and analysis of the financial activities of the School District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2019-2020) and the prior year (2018-2019) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2019-2020 fiscal year include the following:

- The assets and deferred outflows of resources of Bergen County Special Services School District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$16,781,104 (net position).
- The District's total net position increased by \$1,995,076.
- Overall district-wide revenues were \$121,673,917, which were \$1,995,076 more than expenses.
- As of the close of the current fiscal year, the District's governmental funds reported combining ending fund balances of \$17,084,118. Of this amount, \$3,812,858 is available for spending at the District's discretion (unassigned fund balance – General Fund).

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:

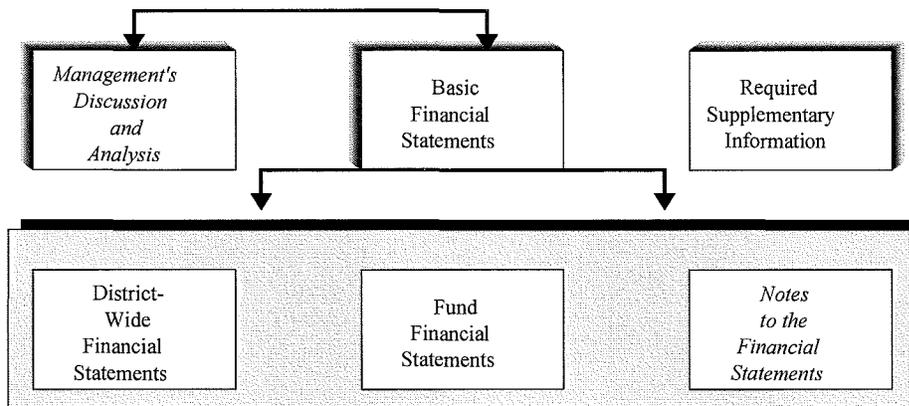
BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

- 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*.
 - *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others to whom the resources belong.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1



BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2020**

Figure A-2 summarizes 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. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund	Financial	Statements
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as instruction, building maintenance, transportation, and administration.	Activities the district operates similar to private businesses: Internal Service funds and Enterprise Funds	Instances in which the district administers resources on behalf of someone else, such as unemployment, student activities, and Payroll deduction.
Required financial Statements	Statements of net position Statement of activities	Balance Sheet Statement of Revenue, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenue, Expenses, and Changes in Fund Net Position, Statement of Cash Flows	Statements of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources Focus
Type of asset/liability information	All assets, deferred outflows and 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 and liabilities, deferred inflows, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long funds do not currently contain capital assets, although they can
Type of inflow/outflow Information	All revenues and expenses during the 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.	All additions and deductions during the year, regardless of when cash is received or paid.

District-wide 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/inflows of resources and liabilities. 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 they have changed. Net position – the difference between the District’s assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District’s financial health or *position*.

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

- 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 special education, transportation, administration, and community education. County taxes, tuition charged to other school districts and State and Federal aid finance most of these activities.
- *Business-type activities* – The District charges fees to help cover the costs of certain services it provides. The District's food service operations are 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.
- 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).

The District has three 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 uses *internal service funds* to report activities that provide supplies and services for the District's other programs and activities. The district currently has twelve internal service funds for the following:

- | | |
|--------------------------------|-------------------------|
| • Bleshman Regional Day School | • Home Hospital |
| • One to One Aides | • Education Enterprise |
| • Extended Year Program | • Management Agreement |
| • ETTC | • Compensated Absences |
| • Career Crossroads | • Interlocal Agreements |
| | • Project Search |

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

The District uses *enterprise funds* 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. The District currently has one enterprise fund for its food service (cafeteria) program.

- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

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 financial statements.

Other Information. In addition to the basic 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 and Special Revenue 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.

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

DISTRICT-WIDE FINANCIAL ANALYSIS

As noted earlier net position may serve over time as a useful indicator of a government's financial position. The District's *combined* net position were \$16,781,104 on June 30, 2020 compared to \$14,786,028 on June 30, 2019. See Table A-1

**Table A-1
Net Position
As of June 30, 2020 and 2019**

	Governmental Activities		Business- Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current Assets	\$ 25,474,193	\$ 20,548,137	\$ 84,303	\$ 151,126	\$ 25,558,496	\$ 20,699,263
Capital Assets	56,576,886	57,033,773	-	-	56,576,886	57,033,773
Total Assets	82,051,079	77,581,910	84,303	151,126	82,135,382	77,733,036
Deferred Outflows	12,118,578	17,854,683	-	-	12,118,578	17,854,683
Total Assets and Deferred Outflows	94,169,657	95,436,593	84,303	151,126	94,253,960	95,587,719
Liabilities						
Long-Term Liabilities	54,047,313	57,687,269	-	-	54,047,313	57,687,269
Other Liabilities	3,223,538	2,849,874	11,758	33,359	3,235,296	2,883,233
Total Liabilities	57,270,851	60,537,143	11,758	33,359	57,282,609	60,570,502
Deferred Inflows	20,185,835	20,230,426	4,412	763	20,190,247	20,231,189
Total Liabilities and Deferred Inflows	77,456,686	80,767,569	16,170	34,122	77,472,856	80,801,691
Net Position						
Net Investment in capital assets	56,576,886	57,033,773	-	-	56,576,886	57,033,773
Restricted	7,080,061	6,233,710	-	-	7,080,061	6,233,710
Unrestricted	(46,943,976)	(48,598,459)	68,133	117,004	(46,875,843)	(48,481,455)
Total Net Position	\$ 16,712,971	\$ 14,669,024	\$ 68,133	\$ 117,004	\$ 16,781,104	\$ 14,786,028

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020**

By far, the largest portion of the Bergen County Special Services net position reflects its investment in capital assets (i.e., machinery and equipment); less any reflected 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 use. Resources need to repay this debt (i.e., capital leases) must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the District was able to report a positive balance in the net position for the government as a whole.

**Table A-2
Change in Net Position
For the Fiscal Years Ended June 30, 2020 and 2019**

	Governmental Activities		Business- Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for Services	\$ 80,317,082	\$ 77,794,212	\$ 102,783	\$ 137,665	\$ 80,419,865	\$ 77,931,877
Operating Grants and Contributions	27,335,258	31,572,505	152,034	210,722	27,487,292	31,783,227
Capital Grants and Contributions	950,308	959,231			950,308	959,231
General Revenues						
County Property Taxes	10,518,107	10,261,598			10,518,107	10,261,598
State/Federal Aid	-	6,990			-	6,990
Investment Earnings	122,595	110,368			122,595	110,368
Miscellaneous	2,175,750	1,434,141	-	-	2,175,750	1,434,141
Total Revenues	121,419,100	122,139,045	254,817	348,387	121,673,917	122,487,432
Expenses						
Instruction						
Special Education	70,448,783	71,260,464			70,448,783	71,260,464
Support Services						
Student and Instruction Related Services	27,904,341	29,873,164			27,904,341	29,873,164
School Administration Services	5,161,235	5,036,095			5,161,235	5,036,095
General Administration	1,083,412	1,134,987			1,083,412	1,134,987
Plant Operations and Maintenance	9,786,159	9,377,404			9,786,159	9,377,404
Pupil Transportation	2,172,517	2,252,630			2,172,517	2,252,630
Business/Central Svcs/Admin. Info. Tech.	2,743,706	2,879,868			2,743,706	2,879,868
Food Services	-	-	378,688	476,061	378,688	476,061
Total Expenses	119,300,153	121,814,612	378,688	476,061	119,678,841	122,290,673
Increase (Decrease) in Net Position Before Transfers	2,118,947	324,433	(123,871)	(127,674)	1,995,076	196,759
Transfers	(75,000)	(150,000)	75,000	150,000	-	-
Change in Net Position	2,043,947	174,433	(48,871)	22,326	1,995,076	196,759
Beginning of Year, Net Position	14,669,024	14,494,591	117,004	94,678	14,786,028	14,589,269
End of Year, Net Position	\$ 16,712,971	\$ 14,669,024	\$ 68,133	\$ 117,004	\$ 16,781,104	\$ 14,786,028

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

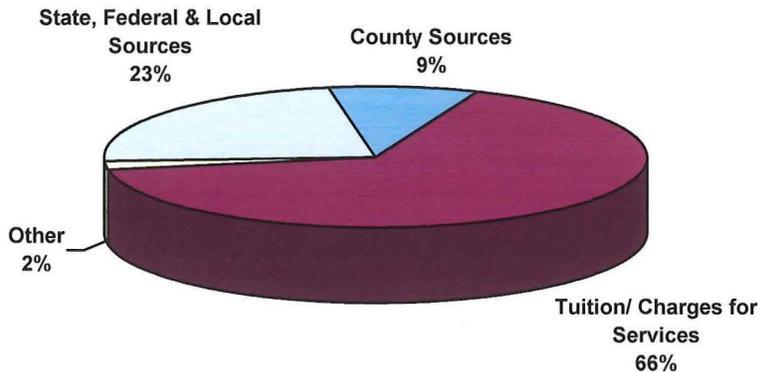
Governmental Activities. The District's total governmental activities revenues were \$121,419,100 for the fiscal year ended June 30, 2020, a decrease of \$719,945 (less than 1 percent) from the previous year. Tuition and charges for services accounted for 66 percent of total revenues. County property taxes and capital grants and contributions account for 9% percent of total revenue for the year. Another 23 percent came from state and federal grants, contributions and aid, the remaining balance of 2% came from investment earnings, and other miscellaneous revenues.

The total cost of all governmental activities programs and services was \$119,300,153, a decrease of \$2,514,459 (2 percent) from the previous year. The District's expenses are predominantly related to educating and caring for students with special needs.

Total governmental activities revenues were more than expenses and transfers, increasing net position by \$2,043,947 from the previous year.

- The cost of all governmental activities this year was \$119,300,153.
 - Some of the cost was paid by the users of the District's programs and tuition charges for a total of \$80,317,082, an increase of \$2,522,870 (3 percent).
 - The federal and state governments subsidized certain programs with grants, contributions and aid of \$27,335,258, a decrease of \$4,237,247 (13 percent). This decrease was primarily a result of a reduction in state on-behalf revenues and expenditures.
 - In addition, the District also received \$950,308 in capital contributions from the County to fund capital projects during the year, a decrease of \$8,923 from the prior year.
 - District's costs in the amount of \$10,518,107 were provided by County sources from property taxes, an increase of \$256,509 over the prior year.

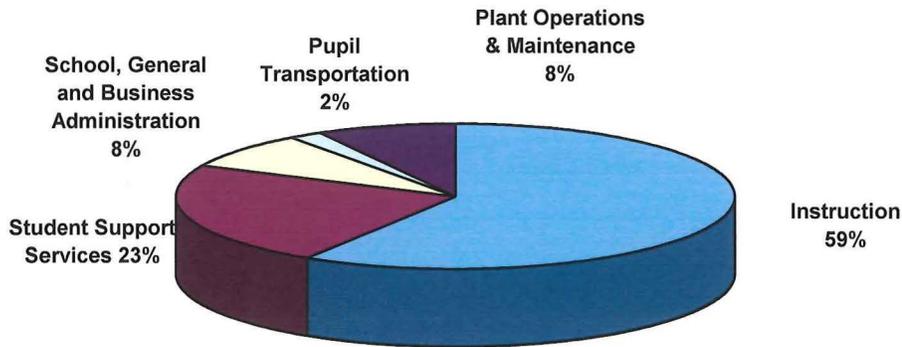
**Table A-3 Revenues by Source- Governmental Activities
For Fiscal Year 2020**



BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020**

**Table A-4 Expenditures by Type- Governmental Activities
For Fiscal Year 2020**



For the most part, increases in certain expenses closely paralleled inflation and the growth in the demand for services while others decreased.

The District's total cost of services was \$119,300,153. After applying program revenues derived from charges for services of \$80,317,082, operating grants and contributions of \$27,335,258 and capital grants and contributions of \$950,308, the net cost of services to the District was \$10,697,505. See Table A-5.

**Table A-5
Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2020 and 2019**

	Total Cost of Services		Net (Revenue) Cost of Services	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Instruction				
Special Education	\$ 70,448,783	\$ 71,260,464	\$ (14,873,788)	\$ (13,464,033)
Support Services				
Student and Instruction Related Services	27,904,341	29,873,164	10,853,062	11,051,753
School Administrative Services	5,161,235	5,036,095	3,110,101	2,819,714
General Administrative Services	1,083,412	1,134,987	952,896	1,040,748
Plant Operations and Maintenance	9,786,159	9,377,404	7,915,932	7,231,287
Pupil Transportation	2,172,517	2,252,630	2,032,109	2,055,118
Other Support Services-Business/Central Svc./Admin. Info. Tech.	2,743,706	2,879,868	707,193	754,077
Total	\$ 119,300,153	\$ 121,814,612	\$ 10,697,505	\$ 11,488,664

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

Business-Type Activities –The District's total business-type activities revenues were \$254,817 for the year ended June 30, 2020, a decrease of \$93,570 (27 percent) from the previous year. Charges for services accounted for 40% of total revenues. Operating grants and contributions accounted for 60% of total revenue for the year.

The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District.

Total business-type activities expenses were more than revenues and transfers, decreasing net position by \$48,871 from the last year.

The cost of all business-type activities this year was \$378,688.

- Some of the cost was paid by the users of the District's Food Service program for a total of \$102,783, a decrease of \$34,882 (25 percent).
- The Federal and State governments subsidized the Food Service program with grants and contributions of \$152,034, a decrease of \$58,688 (28 percent). This decrease is a result of a decrease in meals served to low income students during the year.
- The District transferred \$75,000 from its governmental activities to subsidize the Food Service program during the year.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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 \$17,084,118, an increase of \$4,174,735 from last year's fund balance of \$12,909,383. \$3,812,858 of fund balance at year-end is available as fund resources for future use. The remainder of fund balance is assigned or restricted to indicate that it is not available for new spending because it has been earmarked 1) to liquidate contracts and purchase orders of the prior period \$4,712,399; 2) restricted for capital purposes \$5,702,428; 3) restricted for maintenance \$991,313; or 4) designated for appropriation in the 2020/2021 budget \$1,479,300.

Revenues for the District's governmental funds were \$76,188,330, while total expenses and total other financing uses (net) were \$72,013,595.

General Fund

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

The following schedule presents a summary of General Fund Revenues.

	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019	Amount of Increase (Decrease)	Percent Increase (Decrease)
Local Sources				
County Property Taxes	\$ 10,518,107	\$ 10,261,598	\$ 256,509	2%
Tuition	45,273,830	43,394,851	1,878,979	4%
Investment Earnings	122,595	110,368	12,227	11%
Miscellaneous	2,192,109	2,661,966	(469,857)	-18%
State Sources	5,863,571	6,301,238	(437,667)	-7%
Federal Sources	<u>277,544</u>	<u>467,001</u>	<u>(189,457)</u>	-41%
 Total General Fund Revenue	 <u>\$ 64,247,756</u>	 <u>\$ 63,197,022</u>	 <u>\$ 1,050,734</u>	 1.7%

Total General Fund Revenues increased by \$1,050,734 or 1.7% from the previous year.

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

General Fund (Continued)

County Property Taxes increased 2% over the previous year. Tuition which represents 70% of total General Fund revenues for the year increased 4% from the previous year.

Revenue from federal sources decreased \$189,457 due to a decrease in revenues received for Medicaid reimbursement. Revenues from state sources decreased by \$437,667 largely due to a decrease in the on-behalf contributions.

The following schedule presents a summary of General Fund expenditures.

	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019	Amount of Increase (Decrease)	Percent Increase (Decrease)
Instruction	\$ 32,199,529	\$ 33,173,567	\$ (974,038)	-3%
Support Services	25,917,261	25,750,207	167,054	1%
Capital Outlay	<u>1,717,064</u>	<u>1,933,305</u>	<u>(216,241)</u>	-11%
Total General Fund Expenditures	<u>\$ 59,833,854</u>	<u>\$ 60,857,079</u>	<u>\$ (1,023,225)</u>	-1.7%

Total General Fund expenditures decreased \$1,023,225 or 1.7% from the previous year.

In Fiscal Year 2020 General Fund revenues were more than expenditures and other financing uses by \$4,379,438. The fund balance increased from \$12,318,860 at June 30, 2019 to \$16,698,298 at June 30, 2020.

Special Revenue Fund

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

Revenues of the Special Revenue Fund were \$10,990,266 for the year ended June 30, 2020. Local sources account for the majority of the Special Revenue Funds' revenues, which represented 72% of the total revenue for the year. The majority of the local sources comes from other LEAs that contract with Bergen County Special Services to provide services in conjunction with nonpublic allotments.

Total Special Revenue Fund revenues decreased \$226,716 or 2% from the previous year.

Expenditures of the Special Revenue Fund were \$10,990,266. Special Education instructional expenditures were \$4,909,360 or 45% of the total expended for the year ended June 30, 2020.

Total Special Revenue Fund expenditures decreased \$226,716 or 2% from the previous year. Instruction expenditures decreased \$13,840 or less than 1%. Support services expenditures decreased \$205,886 (3%) over the previous year. Capital outlay expenditures decreased \$6,990.

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

Capital Projects Fund

The capital projects revenues and other financing sources were less than expenditures by \$204,703 resulting in a fund balance of \$385,820 at June 30, 2020.

Proprietary Funds

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

- *Enterprise Fund* - The District uses an Enterprise Fund to report activities related to the District's Food services program. The 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.

- *Internal Service Fund* – The District uses internal service funds to report activities that provide services and supplies for the District's other programs and activities, as well as services provided on behalf of other districts. The internal service fund is also utilized to account for the District's liabilities relating to compensated absences.

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

The internal service fund revenues were more than expenditures by \$527,045 resulting in a fund balance of \$4,394,241 at June 30, 2020 up from \$3,867,196 at June 30, 2019.

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

CAPITAL ASSETS

By the end of June 30, 2020, the District had invested \$56,576,886 in a range of capital assets for its governmental and business-type activities. This includes leasehold improvements to buildings, computers, specialized machinery and various other types of equipment. The District is a county-wide school district and all properties but one were acquired and constructed by the County of Bergen. The District also operates certain state owned facilities. Title to all real property utilized by the District with the exception of the Montesano School remains with the County of Bergen or State of New Jersey. See Table A-6 for details. Depreciation charges for the fiscal year 2019-2020 amounted to \$3,157,111 for governmental activities and \$-0- for business-type activities.

**Table A-6
Capital Assets
As of June 30, 2020 and 2019**

	Governmental Activities		Business- Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Buildings	\$ 60,504,210	\$ 60,027,692			\$ 60,504,210	\$ 60,027,692
Improvements Other Than Buildings	1,522,707	1,236,434			1,522,707	1,236,434
Leasehold Improvements	7,400,204	7,400,204			7,400,204	7,400,204
Machinery and Equipment	18,314,336	16,380,993	\$ 69,406	\$ 69,406	18,383,742	16,450,399
Total Capital Assets	87,741,457	85,045,323	69,406	69,406	87,810,863	85,114,729
Less Accumulated Depreciation	31,164,571	28,011,550	69,406	69,406	31,233,977	28,080,956
Capital Assets, Net	\$ 56,576,886	\$ 57,033,773	\$ -	\$ -	\$ 56,576,886	\$ 57,033,773

Additional information on the District's capital assets is presented in the "Notes to the Financial Statements" of this report.

LONG TERM LIABILITIES

At year-end, the District's long-term liabilities for its governmental activities consisted of compensated absences payable of \$2,453,981 and net pension liability payable of \$51,593,332.

Additional information on the Districts long-term liabilities is presented in the "Notes to the Financial Statements" of this report.

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 2020-2021 budget. The primary factors were the District's projected student population, anticipated county, state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2020-2021. Budgeted expenditures in the General Fund increased by 2 percent from the 2019/2020 adopted budget to \$58,591,028 in fiscal year 2020-2021.

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (Continued)

Three goals served as the foundation for the development of the 2020/2021 budget. The goals balanced fiscal and program issues. The goals were: 1) maintain and improve program excellence; 2) maintain a balance between tuition charged and services provided; and 3) infuse technology into the instructional programs. The budget program priorities for 2020/2021 continue to include program site consolidation and expansion of the autistic programs for students, as well as program improvements to meet state and federal mandates covering instruction and services to physically, behaviorally and cognitively challenged students.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 13,554,316	\$ 55,543	\$ 13,609,859
Receivables, net	11,839,494	11,759	11,851,253
Security Deposit	44,100		44,100
Prepaid Expenses	36,283		36,283
Inventories		17,001	17,001
Capital Assets, net of accumulated depreciation	<u>56,576,886</u>	<u>-</u>	<u>56,576,886</u>
Total Assets	<u>82,051,079</u>	<u>84,303</u>	<u>82,135,382</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>12,118,578</u>	<u>-</u>	<u>12,118,578</u>
Total Assets and Deferred Outflow of Resources	<u>94,169,657</u>	<u>84,303</u>	<u>94,253,960</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,582,528	11,758	1,594,286
Intergovernmental Payable	90,984		90,984
Unearned Revenue	1,550,026		1,550,026
Noncurrent Liabilities			
Due within one year			-
Due beyond one year	<u>54,047,313</u>	<u>-</u>	<u>54,047,313</u>
Total Liabilities	<u>57,270,851</u>	<u>11,758</u>	<u>57,282,609</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Commodities Revenue		4,412	4,412
Deferred Amounts on Net Pension Liability	<u>20,185,835</u>	<u>-</u>	<u>20,185,835</u>
Total Deferred Inflows of Resources	<u>20,185,835</u>	<u>4,412</u>	<u>20,190,247</u>
Total Liabilities and Deferred Inflow of Resources	<u>77,456,686</u>	<u>16,170</u>	<u>77,472,856</u>
NET POSITION			
Investment in Capital Assets	56,576,886		56,576,886
Restricted			
Capital Projects	6,088,748		6,088,748
Plant Maintenance	991,313		991,313
Unrestricted	<u>(46,943,976)</u>	<u>68,133</u>	<u>(46,875,843)</u>
Total Net Position	<u>\$ 16,712,971</u>	<u>\$ 68,133</u>	<u>\$ 16,781,104</u>

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

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities							
Instruction:							
Special Education	\$ 70,448,783	\$ 69,592,919	\$ 15,729,652		\$ 14,873,788		\$ 14,873,788
Support Services:							
Student & Instruction Related Services	27,904,341	6,464,305	10,586,974		(10,853,062)		(10,853,062)
General Administration Services	1,083,412	122,176	8,340		(952,896)		(952,896)
School Administration Services	5,161,235	1,244,996	806,138		(3,110,101)		(3,110,101)
Plant Operations and Maintenance	9,786,159	790,744	129,175	\$ 950,308	(7,915,932)		(7,915,932)
Pupil Transportation	2,172,517	90,031	50,377		(2,032,109)		(2,032,109)
Support Services - Business/Central Svc/ Admin Info. Tech.	2,743,706	2,011,911	24,602		(707,193)		(707,193)
Total Governmental Activities	119,300,153	80,317,082	27,335,258	950,308	(10,697,505)	-	(10,697,505)
Business - Type Activities							
Food Service	378,688	102,783	152,034			\$ (123,871)	(123,871)
Total Business Type Activities	378,688	102,783	152,034			(123,871)	(123,871)
Total Primary Government	\$ 119,678,841	\$ 80,419,865	\$ 27,487,292	\$ 950,308	(10,697,505)	(123,871)	(10,821,376)
General Revenues:							
County Property Tax Levy					10,518,107		10,518,107
Investment Earnings					122,595		122,595
Miscellaneous					2,192,109		2,192,109
Loss on Sale of Assets					(16,359)		(16,359)
Transfers					(75,000)	75,000	-
Total General Revenues and Transfers					12,741,452	75,000	12,816,452
Change in Net Position					2,043,947	(48,871)	1,995,076
Net Position - Beginning of Year					14,669,024	117,004	14,786,028
Net Position - End of Year					\$ 16,712,971	\$ 68,133	\$ 16,781,104

FUND FINANCIAL STATEMENTS

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Assets				
Cash and Cash Equivalents	\$ 13,058,849	\$ 1,911	\$ 2,575	\$ 13,063,335
Intergovernmental Receivables	1,045,635	1,642,351	594,922	3,282,908
Due from Other Funds	5,701,500			5,701,500
Prepaid Expenses	36,283			36,283
Security Deposits	<u>44,100</u>	<u>-</u>	<u>-</u>	<u>44,100</u>
Total Assets	<u>\$ 19,886,367</u>	<u>\$ 1,644,262</u>	<u>\$ 597,497</u>	<u>\$ 22,128,126</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 684,505	\$ 352,589	\$ 81,677	\$ 1,118,771
Intergovernmental Payable	-	90,984		90,984
Other Payable	89,208	3,442		92,650
Due to Other Funds	1,716,577	345,000	130,000	2,191,577
Unearned Revenue	<u>697,779</u>	<u>852,247</u>	<u>-</u>	<u>1,550,026</u>
Total Liabilities	<u>3,188,069</u>	<u>1,644,262</u>	<u>211,677</u>	<u>5,044,008</u>
Fund Balances:				
Restricted				
Capital Reserve	5,702,428			5,702,428
Maintenance Reserve	891,313			891,313
Maintenance Reserve - Designated for Subsequent Year's Expenditures	100,000			100,000
Capital Projects			385,820	385,820
Assigned				
Year End Encumbrances	4,712,399			4,712,399
Designated for Subsequent Year's Expenditures	1,479,300			1,479,300
Unassigned	<u>3,812,858</u>	<u>-</u>	<u>-</u>	<u>3,812,858</u>
Total Fund Balances	<u>16,698,298</u>	<u>-</u>	<u>385,820</u>	<u>17,084,118</u>
Total Liabilities and Fund Balances	<u>\$ 19,886,367</u>	<u>\$ 1,644,262</u>	<u>\$ 597,497</u>	<u>\$ 22,128,126</u>

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2020**

Total Fund Balance - Governmental Funds (Exhibit B-1)	\$ 17,084,118
 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 \$86,149,946 and the accumulated depreciation is \$30,672,371.	55,477,575
 Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.	
Deferred Outflows of Resources	\$ 12,118,578
Deferred Inflows of Resources	<u>(20,185,835)</u>
	(8,067,257)
 Long term liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the fund	
Net Pension Liability	(51,593,332)
Compensated Absences	<u>(582,374)</u>
	(52,175,706)
 The assets and liabilities of the Internal Service funds are included with governmental activities	
	<u>4,394,241</u>
Net position of Governmental Activities (Exhibit A-1)	<u>\$ 16,712,971</u>

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources				
County Property Tax Levy	\$ 10,518,107			\$ 10,518,107
County Aid			\$ 950,308	950,308
Tuition - LEA's	45,273,830			45,273,830
Non-Resident Fees	1,216,669			1,216,669
Interest on Investments	122,595			122,595
Miscellaneous	<u>975,440</u>	<u>\$ 7,905,416</u>	<u>-</u>	<u>8,880,856</u>
	58,106,641	7,905,416	950,308	66,962,365
State Sources	5,863,571	1,608,673		7,472,244
Federal Sources	<u>277,544</u>	<u>1,476,177</u>	<u>-</u>	<u>1,753,721</u>
Total Revenues	<u>64,247,756</u>	<u>10,990,266</u>	<u>950,308</u>	<u>76,188,330</u>
EXPENDITURES				
Instruction				
Special Education Instruction	32,199,529	4,909,360		37,108,889
Support Services				
Student & Instruction Related Services	13,479,831	6,080,906		19,560,737
School Administration Services	3,280,884			3,280,884
Support Services General Administration	935,666			935,666
Plant Operations and Maintenance	6,048,776		288,633	6,337,409
Pupil Transportation	1,515,736			1,515,736
Other Support Services - Business (Central Services/Admin Info Tech)	656,368			656,368
Capital Outlay	<u>1,717,064</u>	<u>-</u>	<u>825,842</u>	<u>2,542,906</u>
Total Expenditures	<u>59,833,854</u>	<u>10,990,266</u>	<u>1,114,475</u>	<u>71,938,595</u>
Excess(Deficiency) of Revenues Over (Under) Expenditures	<u>4,413,902</u>	<u>-</u>	<u>(164,167)</u>	<u>4,249,735</u>
OTHER FINANCING SOURCES(USES)				
Transfers In	40,536	-		40,536
Transfers Out	<u>(75,000)</u>	<u>-</u>	<u>(40,536)</u>	<u>(115,536)</u>
Total Other Financing Sources and Uses	<u>(34,464)</u>	<u>-</u>	<u>(40,536)</u>	<u>(75,000)</u>
Net Change in Fund Balances	4,379,438	-	(204,703)	4,174,735
Fund Balance - Beginning of Year	<u>12,318,860</u>	<u>-</u>	<u>590,523</u>	<u>12,909,383</u>
Fund Balance - End of Year	<u>\$ 16,698,298</u>	<u>\$ -</u>	<u>\$ 385,820</u>	<u>\$ 17,084,118</u>

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Total Net Change in Fund Balances - Governmental Funds (B-2) **\$ 4,174,735**

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

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

Depreciation Expense	\$ (3,132,822)	
Capital Outlays	<u>2,542,906</u>	(589,916)

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals, donations) is to decrease net position. These transactions are not reported in the governmental fund financial statements.

Loss on Disposal of Capital Assets		(16,359)
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In the statement of activities, certain operating expenses - compensated absences and pension expense are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Increase in Pension Expenses	(1,644,076)	
Increase in Compensated Absences	<u>(407,482)</u>	(2,051,558)

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

Net Income Before Transfers	527,045	
Net Transfers from General Fund	<u>-</u>	527,045
Change in Net Position		<u>527,045</u>

Change in net position of governmental activities (Exhibit A-2) **\$ 2,043,947**

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2020**

	Business Type Activities Enterprise Fund Food Service	Governmental Activities Internal Service Funds
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 55,543	\$ 490,981
Intergovernmental Accounts Receivable	11,759	8,035,124
Due from Other Funds	-	1,716,577
Due from B.C.T.S	-	516,462
Inventories	17,001	-
Total Current Assets	84,303	10,759,144
Capital Assets		
Furniture, machinery & equipment	69,406	1,591,511
Less: Accumulated Depreciation	(69,406)	(492,200)
Total Capital Assets, Net	-	1,099,311
Total Assets	84,303	11,858,455
LIABILITIES		
Current Liabilities		
Accounts Payable	11,758	370,898
Other Payable	-	209
Due to Other Funds	-	5,221,500
Total Current Liabilities	11,758	5,592,607
Noncurrent Liabilities		
Compensated Absences	-	1,871,607
Total Noncurrent Liabilities	-	1,871,607
Total Liabilities	11,758	7,464,214
DEFERRED INFLOW OF RESOURCES		
Deferred Commodities Revenue	4,412	-
Total Liabilities and Deferred Inflow of Resources	16,170	7,464,214
NET POSITION		
Investment in Capital Assets	-	1,099,311
Unrestricted	68,133	3,294,930
Total Net Position	\$ 68,133	\$ 4,394,241

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Business- Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise</u>	<u>Internal</u>
	<u>Fund</u>	<u>Service Funds</u>
	<u>Food</u>	<u>Service Funds</u>
	<u>Service</u>	<u>Service Funds</u>
OPERATING REVENUES		
Charges for Services		
Daily sales - reimbursable programs		
Lunch Program	\$ 23,915	
Breakfast Program	8,090	
Daily sales - nonreimbursable programs	70,778	
Tuition from LEAS		\$ 6,926,741
Charges and Fees		27,991,511
Federal Aid		125,000
On-Behalf State Aid	-	5,119,885
	<u>102,783</u>	<u>40,163,137</u>
OPERATING EXPENSES		
Cost of Sales - reimbursable programs	90,371	
Cost of Sales - nonreimbursable programs	22,734	
Salaries	148,682	23,465,818
Employee Benefits	36,906	14,269,374
Purchased Services	31,891	1,690,245
Supplies and Materials	4,878	173,103
Management/Admin Fee	27,000	
Miscellaneous Expenses	16,226	13,263
Depreciation	-	24,289
	<u>378,688</u>	<u>39,636,092</u>
Operating Income (Loss)	<u>(275,905)</u>	<u>527,045</u>
Nonoperating Revenues		
State Sources		
State School Lunch Program	1,893	
Federal Sources		
National School Lunch Program	88,176	
National School Lunch Program-PB Lunch	2,476	
National School Breakfast Program	43,976	
USDA Commodity	15,513	-
	<u>152,034</u>	<u>-</u>
Total Non-Operating Revenues	<u>152,034</u>	<u>-</u>
Net Income (Loss) Before Operating Transfers	(123,871)	527,045
Other Financing Sources (Uses)		
Transfers In	75,000	-
Change in Net Position	(48,871)	527,045
Total Net Position - Beginning of Year	<u>117,004</u>	<u>3,867,196</u>
Total Net Position - Ending of Year	<u>\$ 68,133</u>	<u>\$ 4,394,241</u>

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Business-Type Activities Enterprise Fund	Governmental Activities
	Food Service	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 141,854	\$ 34,683,224
Payments to Employees	(185,588)	(23,466,651)
Payments to Suppliers	(200,154)	(10,745,308)
Net Cash Provided by(Used for) operating activities	(243,888)	471,265
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	2,261	
Federal Sources	159,909	
Operating Subsidies and transfers to/from other funds	75,000	(15,219)
Net cash provided by (used for) noncapital financing activities	237,170	(15,219)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Capital Assets	-	(173,677)
Net cash provided by (used for) for capital and related financing activities	-	(173,677)
Net decrease in cash and cash equivalents	(6,718)	282,369
Cash and Cash Equivalents - Beginning of Year	62,261	208,612
Cash and Cash Equivalents - End of Year	\$ 55,543	\$ 490,981
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income(Loss)	\$ (275,905)	\$ 527,045
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities		
Depreciation	-	24,289
Food Distribution(USDA Commodities)-National School Lunch Program	19,162	
Changes in Assets, Liabilities and deferred Inflows of Resources		
(Increase) Decrease in accounts receivable, net	39,071	(360,026)
Increase (Decrease) in other current liabilities		(2,546)
Increase(Decrease) in accounts payable	(21,601)	282,503
(Increase)Decrease in inventories	(4,615)	-
Total adjustments	32,017	(55,780)
Net cash provided by (used for) operating activities	\$ (243,888)	\$ 471,265
Non-Cash Financing Activities		
National School Lunch Program (Food Distribution)	\$ 22,811	

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2020**

	<u>Unemployment Compensation Trust</u>	<u>Speech Equipment Trust</u>	<u>Operating/ Development Trust</u>	<u>Private Purpose Scholarship</u>	<u>Agency Fund</u>
ASSETS					
Cash and Cash Equivalents	\$ 548,220	\$ 9,848	\$ 42,497	\$ 21,611	\$ 381,478
Due from Other Funds	<u>87,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>636,119</u>	<u>9,848</u>	<u>42,497</u>	<u>21,611</u>	<u>\$ 381,478</u>
LIABILITIES					
Payroll deductions and withholdings					\$ 275,298
Due to student groups					13,281
Due to Other Funds					92,899
Due to State of New Jersey	<u>58,211</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>58,211</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 381,478</u>
NET POSITION					
Held in trust for unemployment claims and other purposes	<u>\$ 577,908</u>	<u>\$ 9,848</u>	<u>\$ 42,497</u>		
Reserved for scholarships				<u>\$ 21,611</u>	

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Unemployment Compensation Trust</u>	<u>Speech Equipment Trust</u>	<u>Operating/ Development Trust</u>	<u>Private Purpose Scholarship</u>
ADDITIONS				
Contributions:				
Plan Member	\$ 104,784			
Private Donations	<u>-</u>	<u>-</u>	<u>\$ 1,987</u>	<u>\$ 2,700</u>
Total Contributions	<u>104,784</u>	<u>-</u>	<u>1,987</u>	<u>2,700</u>
Investment Earnings:				
Interest/Investment Earnings	<u>1,260</u>	<u>-</u>	<u>108</u>	<u>-</u>
Net investment earnings	<u>1,260</u>	<u>-</u>	<u>108</u>	<u>-</u>
Total Additions	<u>106,044</u>	<u>-</u>	<u>2,095</u>	<u>2,700</u>
DEDUCTIONS				
Unemployment Claims	87,306			
Investment Losses		\$ 2,559		
Scholarships Awarded	<u>-</u>	<u>-</u>	<u>4,788</u>	<u>1,700</u>
Total Deductions	<u>87,306</u>	<u>2,559</u>	<u>4,788</u>	<u>1,700</u>
Change in Net Position	18,738	(2,559)	(2,693)	1,000
Net Position, Beginning of Year	<u>559,170</u>	<u>12,407</u>	<u>45,190</u>	<u>20,611</u>
Net Position, End of the Year	<u>\$ 577,908</u>	<u>\$ 9,848</u>	<u>\$ 42,497</u>	<u>\$ 21,611</u>

NOTES TO THE FINANCIAL STATEMENTS

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Bergen County Special Services School District (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of seven officials appointed by the County of Bergen Board of Chosen Freeholders and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a special services school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

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

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

B. New Accounting Standards

For fiscal year 2020, there were no GASB statements required to be adopted and implemented by the District.

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

- GASB No. 84, *Fiduciary Activities*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

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. County 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 and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

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

The District reports the following major governmental funds:

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

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

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

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

Additionally, the government reports the following fund types:

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

The *fiduciary trust funds* are used to account for resources legally held in trust for state unemployment insurance claims and for private donations for scholarship awards. All resources of the funds, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) 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 and acquisitions under capital leases are reported as other financing sources.

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

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

4. Prepaid Items

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

5. Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. *Capital Assets (Continued)*

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

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

6. *Deferred Outflows/Inflows of Resources*

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. *Compensated Absences*

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

8. *Pensions*

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

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

9. *Long-Term Obligations*

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

10. *Net Position/Fund Balance*

District-Wide Statements

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Net Position/Fund Balance (Continued)

Governmental Fund Statements

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

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

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

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

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2020/2021 District budget certified for taxes

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

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2020/2021 District budget certified for taxes.

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

In the general operating fund and other governmental funds (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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government 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 government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues 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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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 2019/2020. Also, during 2019/2020 the Board increased the original budget by \$3,762,536. The increase was funded by the additional grant awards and the reappropriation of prior year general fund encumbrances.

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019		\$ 4,651,874
Increased:		
Interest	\$ 10,019	
Deposit per Board Resolution	<u>1,040,535</u>	
		<u>1,050,554</u>
Balance, June 30, 2020		<u><u>\$ 5,702,428</u></u>

C. Maintenance Reserve

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019	\$ <u>991,313</u>
Balance, June 30, 2020	<u><u>\$ 991,313</u></u>

The June 30, 2020 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,286,525. \$100,000 of the maintenance reserve balance at June 30, 2020 was designated and appropriated for use in the 2020/2021 original budget certified for taxes.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2020, the book value of the Board's deposits were \$14,613,513 and bank and brokerage firm balances of the Board's deposits amounted to \$16,644,524. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 16,644,524
	<u>\$ 16,644,524</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2020 none of the Board's bank balances were exposed to custodial credit risk.

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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

As of June 30, 2020, the Board had no outstanding investments.

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer.

B. Receivables

Receivables as of June 30, 2020 for the district’s individual major funds and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Internal Service Funds</u>	<u>Total</u>
Receivables:						
Intergovernmental						
State	\$ 104,879	\$ 13,095				\$ 117,974
Federal		195,355		\$ 11,647		207,002
Local	<u>940,756</u>	<u>1,433,901</u>	<u>\$ 594,922</u>	<u>112</u>	<u>\$ 8,551,586</u>	<u>11,521,277</u>
	1,045,635	1,642,351	594,922	11,759	8,551,586	11,846,253
Gross Receivables						
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Net Total Receivables	<u>\$ 1,045,635</u>	<u>\$ 1,642,351</u>	<u>\$ 594,922</u>	<u>\$ 11,759</u>	<u>\$ 8,551,586</u>	<u>\$ 11,846,253</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:

General Fund	
Tuition Charges - Prior Year Credits	\$ 697,779
Special Revenue Fund	
Unencumbered Grant Draw Downs	800,479
Grant Draw Downs Reserved for Encumbrances	<u>51,768</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 1,550,026</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	<u>Balance, July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2020</u>
Governmental activities:				
Capital assets, being depreciated:				
Buildings	\$ 60,027,692	\$ 476,518		\$ 60,504,210
Improvements other than buildings	1,236,434	286,273		1,522,707
Leasehold Improvements	7,400,204	-		7,400,204
Machinery and equipment	<u>16,380,993</u>	<u>1,953,792</u>	<u>\$ (20,449)</u>	<u>18,314,336</u>
Total capital assets being depreciated	<u>85,045,323</u>	<u>2,716,583</u>	<u>(20,449)</u>	<u>87,741,457</u>
Less accumulated depreciation for:				
Buildings	(10,369,060)	(1,754,284)		(12,123,344)
Improvements other than buildings	(480,432)	(59,664)		(540,096)
Leasehold Improvements	(4,674,600)	(361,010)	-	(5,035,610)
Machinery and equipment	<u>(12,487,458)</u>	<u>(982,153)</u>	<u>4,090</u>	<u>(13,465,521)</u>
Total accumulated depreciation	<u>(28,011,550)</u>	<u>(3,157,111)</u>	<u>4,090</u>	<u>(31,164,571)</u>
Total capital assets, being depreciated, net	<u>57,033,773</u>	<u>(440,528)</u>	<u>(16,359)</u>	<u>56,576,886</u>
Governmental activities capital assets, net	<u>\$ 57,033,773</u>	<u>\$ (440,528)</u>	<u>\$ (16,359)</u>	<u>\$ 56,576,886</u>
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 69,406	-	-	\$ 69,406
Total capital assets being depreciated	<u>69,406</u>	<u>-</u>	<u>-</u>	<u>69,406</u>
Less accumulated depreciation for:				
Machinery and equipment	<u>(69,406)</u>	<u>-</u>	<u>-</u>	<u>(69,406)</u>
Total accumulated depreciation	<u>(69,406)</u>	<u>-</u>	<u>-</u>	<u>(69,406)</u>
Total capital assets, being depreciated, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 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	
Special Education	\$ 291,620
Total Instruction	<u>291,620</u>
Support Services	
Student and Instruction Related Services	1,619
School administration services	165,311
Plant operations and maintenance	2,261,971
Pupil transportation	412,301
Total Support Services	<u>2,841,202</u>
Total Governmental Funds	<u>3,132,822</u>
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>24,289</u>
Total depreciation expense - governmental activities	<u>\$ 3,157,111</u>

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2020:

<u>Project</u>	<u>Remaining Commitment</u>
Construction of New Educational Facility	\$ 35,000
Parking and Sidewalk Improvements at Bleshman and Paramus Campuses	54,556
Roof Replacement at Wood-Ridge Campus	33,670
Roof Replacement at Union Street School	<u>72,025</u>
Total	<u>\$ 195,251</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2020, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 130,000
General Fund	Special Revenue Fund	345,000
General Fund	One to One Aides - Internal Service Fund	1,200,000
General Fund	Interlocal Agreement-Internal Service Fund	1,900,000
General Fund	Management Agreement- Internal Svc. Fund	480,000
General Fund	Career Crossroads - Internal Svc. Fund	66,500
General Fund	Education Enterprises - Internal Svc. Fund	1,575,000
General Fund	Agency Funds	5,000
Unemployment Trust Fund	Agency Funds	87,899
Compensated Absences - Internal Svc. Fund	General Fund	<u>1,716,577</u>
		<u>\$ 7,505,976</u>

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

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

Interfund Transfers

	<u>Transfer In:</u>		
	<u>Enterprise-Food Service</u>	<u>General Fund</u>	<u>Total</u>
Transfer Out:			
Capital Projects Fund		\$ 40,536	\$ 40,536
General Fund	\$ 75,000	-	<u>75,000</u>
 Total transfers out	<u>\$ 75,000</u>	<u>\$ 40,536</u>	<u>\$ 115,536</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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2020, was as follows:

	Balance, July 1, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, <u>2020</u>	Due Within <u>One Year</u>
Governmental activities:					
Compensated absences	\$ 2,046,299	\$ 407,682		\$ 2,453,981	-
Net Pension Liability	<u>55,640,770</u>	<u>-</u>	<u>\$ 4,047,438</u>	<u>51,593,332</u>	<u>-</u>
Governmental activity Long-term liabilities	<u>\$ 57,687,069</u>	<u>\$ 407,682</u>	<u>\$ 4,047,438</u>	<u>\$ 54,047,313</u>	<u>\$ -</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020		\$ 104,784	\$ 87,306	\$ 577,908
2019	-	118,445	68,309	559,170
2018	-	93,848	75,493	507,878

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 except for the following:

K.L. v. Bergen County Special Services (anticipated litigation)

K.L. is a student of the district. He has filed a Notice of Tort Claim alleging that former employee Ellen Terpening molested and sexually abused him for the period between September, 2016 and March, 2018. At the time, he was a minor attending the Brownstone School. The notice of tort claim seeks damages of ten million (\$10,000,000) dollars.

Ms. Terpening has been arrested and we understand that law enforcement authorities are currently investigating the matter. The district has minimal information on the matter in light of the ongoing law enforcement investigation. However, if the allegations are true, the Board anticipates material potential financial exposure.

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, 2020, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

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

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

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

The following represent the membership tiers for TPAF:

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS 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 and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2019 is \$18.1 billion and the plan fiduciary net position as a percentage of the total pension liability is 56.27%. The collective net pension liability of the State funded TPAF at June 30, 2019 is \$61.5 billion and the plan fiduciary net position as a percentage of total pension liability is 26.95%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 which were rolled forward to June 30, 2019.

Actuarial Methods and Assumptions

In the July 1, 2018 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 2020.

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, 2020 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was less than the actuarial determined amount. For 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 2020, 2019 and 2018 were equal to the required contributions.

During the fiscal years ended June 30, 2020, 2019 and 2018 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2020	\$ 2,785,215	\$ 6,164,504	\$ 31,398
2019	2,810,868	5,866,160	5,423
2018	2,686,986	4,613,342	15,054

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2020, 2019 and 2018 the District contributed \$12,977, \$13,169 and \$42,471, respectively for PERS and the State contributed \$3,549, \$3,729 and \$4,865, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,103,874 during the fiscal year ended June 30, 2020 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 a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2018 through June 30, 2019. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2019 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2019.

At June 30, 2020, the District reported in the statement of net position (accrual basis) a liability of \$51,593,332 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018. 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, 2019. At June 30, 2019, the District's proportionate share was 0.28633 percent, which was an increase of 0.00374 percent from its proportionate share measured as of June 30, 2018 of 0.28259 percent.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense \$4,429,291 for PERS. The pension contribution made by the District during the current 2019/2020 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, 2020 with a measurement date of the prior fiscal year end of June 30, 2019. 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, 2020 for contributions made subsequent to the measurement date. At June 30, 2020, 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	\$ 926,033	\$ 227,917
Changes of Assumptions	5,151,784	17,907,882
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		814,421
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>6,040,761</u>	<u>1,235,615</u>
Total	<u>\$ 12,118,578</u>	<u>\$ 20,185,835</u>

At June 30, 2020, 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:

<u>Year Ending December 31,</u>	<u>Total</u>
2021	\$ 244,338
2022	(2,620,952)
2023	(3,298,439)
2024	(2,199,704)
2025	(192,500)
Thereafter	<u>-</u>
	<u>\$ (8,067,257)</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2019) 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2019	6.28%
2019	June 30, 2018	5.66%

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2057
Municipal Bond Rate *	From July 1, 2057 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 6.28%, 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 (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

	1% Decrease <u>5.28%</u>	Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 65,170,762</u>	<u>\$ 51,593,332</u>	<u>\$ 40,152,424</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, 2019. A sensitivity analysis specific to the District's net pension liability at June 30, 2019 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.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2018 through June 30, 2019. 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, 2019, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$10,575,310 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, 2020 the State's proportionate share of the net pension liability attributable to the District is \$179,295,192. 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, 2019. At June 30, 2019, the State's share of the net pension liability attributable to the District was 0.29214 percent, which was a decrease of 0.01370 percent from its proportionate share measured as of June 30, 2018 of 0.30584 percent.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2019) 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

Fiscal Year	Measurement Date	Discount Rate
2020	June 30, 2019	5.60%
2019	June 30, 2018	4.86%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit

Payments for which the Following
Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2054

Municipal Bond Rate * From July 1, 2054
and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 5.60%, 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 (4.60 percent) or 1-percentage-point higher (6.60 percent) than the current rate:

	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 211,428,715</u>	<u>\$ 179,295,192</u>	<u>\$ 152,634,514</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2019. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2019 was not provided by the pension system.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

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.

D. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. Therefore, the plan has no assets accumulated in a 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 single 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.

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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, 2018:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
Total	<u>364,943</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 plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2019 is \$41.7 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2018 which were rolled forward to June 30, 2019.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2018 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 \$1.28 billion to the OPEB plan in fiscal year 2019.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan over a period not to exceed thirty years. 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, 2020, 2019 and 2018 were \$2,286,918, \$2,660,881 and \$2,979,659, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2018 through June 30, 2019. 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, 2020, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$4,531,873. 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, 2020 the State's proportionate share of the OPEB liability attributable to the District is \$139,201,575. 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, 2019 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2019. At June 30, 2019, the state's share of the OPEB liability attributable to the District was 0.33358 percent, which was an increase of 0.00825 percent from its proportionate share measured as of June 30, 2018 of 0.32533 percent.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

The OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 3.05%
Rate Thereafter	1.55% to 3.05%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2019.
Long-Term Rate of Return	2.00%

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

For the June 30, 2019 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions (Continued)

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

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

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 2.00% as of June 30, 2019.

Discount Rate

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2019	3.50%
2019	June 30, 2018	3.87%

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Changes in the Total OPEB Liability

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2018 Measurement Date	\$ 150,013,151
Changes Recognized for the Fiscal Year:	
Service Cost	6,321,260
Interest on the Total OPEB Liability	5,970,670
Differences Between Expected and Actual Experience	(21,032,606)
Changes of Assumptions	2,075,507
Gross Benefit Payments	126,666
Contributions from the Member	<u>(4,273,073)</u>
Net Changes	\$ (10,811,576)
Balance, June 30, 2019 Measurement Date	<u>\$ 139,201,575</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% percent in 2018 to 3.50% percent in 2019.

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, 2019.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.50%, 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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 164,452,069</u>	<u>\$ 139,201,575</u>	<u>\$ 119,143,967</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	<u>\$ 114,695,893</u>	<u>\$ 139,201,575</u>	<u>\$ 171,642,066</u>

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2019. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2019 were not provided by the pension system.

NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

New Jersey Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of all schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. The Board expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the School District. The declaration of a public health emergency remains in effect as of the date of audit. As part of a planned multi-stage approach to restart the State's economy, Governor Murphy has signed a series of Executive Orders permitting the resumption of certain activities.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the County. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	<u>Original</u>		<u>Final</u>		<u>Variance Final</u>
	<u>Budget</u>	<u>Adjustments</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget to Actual</u>
REVENUES					
Local Sources					
County Aid	\$ 10,518,107		\$ 10,518,107	\$ 10,518,107	
Tuition	42,254,740	\$ 2,700,000	44,954,740	45,273,830	\$ 319,090
Non Resident Fees	1,200,000		1,200,000	1,216,669	16,669
Interest on Investments	70,000	-	70,000	112,576	42,576
Interest on Capital Reserve	10,000	-	10,000	10,019	19
Miscellaneous	1,640,000	-	1,640,000	975,440	(664,560)
Total Local Sources	<u>55,692,847</u>	<u>2,700,000</u>	<u>58,392,847</u>	<u>58,106,641</u>	<u>(286,206)</u>
State Sources (*See Note)					
On-Behalf TPAF Pension System Contributions- Post Retirement Medical (Non-Budgeted)				1,269,979	1,269,979
On-Behalf TPAF Pension System Contributions- Normal Cost (Non-Budgeted)				3,363,014	3,363,014
On-Behalf TPAF Pension System Contributions- Non-Contributory Group Insurance (Non-Budgeted)				60,278	60,278
On-Behalf TPAF Pension System Contributions- Long Term Disability Insurance (Non-Budgeted)				1,971	1,971
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,168,329	1,168,329
Total State Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,863,571</u>	<u>5,863,571</u>
Federal Sources:					
Medicaid Reimbursement	300,000	-	300,000	277,544	(22,456)
ARRA/SEMI	-	-	-	-	-
Total Federal Sources	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>277,544</u>	<u>(22,456)</u>
Total Revenues	<u>55,992,847</u>	<u>2,700,000</u>	<u>58,692,847</u>	<u>64,247,756</u>	<u>5,554,909</u>
EXPENDITURES					
Current					
Special Education					
Auditory Impairments - Instruction					
Salaries of Teachers	1,793,370	119,127	1,912,497	1,912,497	-
Other Salaries for Instruction	1,425,233	6,843	1,432,076	1,432,075	1
Purchased Prof. - Educ. Services	1,085,000	(25,200)	1,059,800	1,018,525	41,275
Lease and Rentals	10,500	-	10,500	9,216	1,284
Other Purchased Services	36,500	(14,000)	22,500	11,922	10,578
Travel	7,400	(500)	6,900	1,375	5,525
General Supplies	68,150	329,471	397,621	259,133	138,488
Textbooks	1,500	2,500	4,000	1,257	2,743
Other Objects	10,350	-	10,350	7,349	3,001
Total Auditory Impairments - Instruction	<u>4,438,003</u>	<u>418,241</u>	<u>4,856,244</u>	<u>4,653,349</u>	<u>202,895</u>
Behavioral Disabilities - Instruction					
Salaries of Teachers	2,262,720	80,000	2,342,720	2,282,451	60,269
Other Salaries for Instruction	1,023,486	(6,000)	1,017,486	1,011,960	5,526
Purchased Prof. - Educ. Service	331,000	-	331,000	312,805	18,195
Leases and Rentals	16,500	608	17,108	16,524	584
Travel	14,550	-	14,550	7,136	7,414
General Supplies	78,850	440,166	519,016	214,813	304,203
Textbooks	9,000	(700)	8,300	2,488	5,812
Other Objects	6,000	1,700	7,700	4,693	3,007
Total Behavioral Disabilities - Instruction	<u>3,742,106</u>	<u>515,774</u>	<u>4,257,880</u>	<u>3,852,870</u>	<u>405,010</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	<u>Original</u> <u>Budget</u>	<u>Adjustments</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance Final</u> <u>Budget to Actual</u>
EXPENDITURES (Continued)					
Current (Continued)					
Psychiatric					
Salaries of Teachers	\$ 301,748	\$ 47,000	\$ 348,748	\$ 334,277	\$ 14,471
Other Salaries for Instruction	113,343	(27,000)	86,343	82,197	4,146
Purchased Prof. - Educ. Service	525,000	-	525,000	524,559	441
Travel	300	-	300	-	300
General Supplies	22,000	-	22,000	5,232	16,768
Textbooks	2,000	-	2,000	-	2,000
Other Objects	1,500	-	1,500	1,011	489
Total Psychiatric	965,891	20,000	985,891	947,276	38,615
Multiple Disabilities - Instruction					
Salaries of Teachers	1,487,180	16,000	1,503,180	1,393,781	109,399
Other Salaries for Instruction	1,000,552	-	1,000,552	951,176	49,376
Purchased Prof. - Educ. Service	310,000	-	310,000	296,870	13,130
Lease and Rentals	9,500	-	9,500	9,036	464
Travel	6,050	-	6,050	1,305	4,745
General Supplies	77,500	84,823	162,323	146,820	15,503
Textbooks	6,300	1,000	7,300	1,253	6,047
Other Objects	6,500	(405)	6,095	3,405	2,690
Total Multiple Disabilities	2,903,582	101,418	3,005,000	2,803,646	201,354
Autism - Instruction					
Salaries of Teachers	3,627,637	(20,970)	3,606,667	3,415,019	191,648
Other Salaries for Instruction	2,860,656	(37,650)	2,823,006	2,530,971	292,035
Purchased Prof. - Educ. Service	510,500	-	510,500	510,000	500
Lease and Rentals	18,350	1,365	19,715	19,715	-
Travel	5,350	-	5,350	1,535	3,815
General Supplies	200,000	162,099	362,099	287,894	74,205
Other Objects	8,500	(813)	7,687	3,840	3,847
Total Autistic	7,230,993	104,031	7,335,024	6,768,974	566,050
Preschool Disabilities - Full Time - Instruction					
Salaries of Teachers	568,967	55,000	623,967	614,976	8,991
Other Salaries for Instruction	216,369	(21,000)	195,369	185,121	10,248
Purchased Prof. - Educ. Service	16,500	4,950	21,450	21,450	-
Other Purchased Services	-	-	-	-	-
Travel	750	-	750	536	214
General Supplies	15,000	(35)	14,965	12,794	2,171
Textbooks	540	-	540	-	540
Other Objects	2,000	(254)	1,746	405	1,341
Total Preschool Disabilities - Full-Time	820,126	38,661	858,787	835,282	23,505
Total Special Education - Instruction	20,100,701	1,198,125	21,298,826	19,861,397	1,437,429
School Sponsored Co curricular Activities					
Travel	1,500	(500)	1,000	-	1,000
Other Objects	56,935	5,100	62,035	28,214	33,821
Total School Sponsored Co curricular Activities	58,435	4,600	63,035	28,214	34,821
Other Instructional Programs					
Salaries	85,923	1,215	87,138	87,138	-
Purchased Prof. - Educ. Service	5,000	(4,941)	59	-	59
Rentals	2,600	(20)	2,580	2,580	-
General Supplies	6,000	(2,202)	3,798	3,798	-
Other Objects	500	(438)	62	62	-
Total Other Instructional Programs	100,023	(6,386)	93,637	93,578	59
Community Services Programs/ Operations					
Salaries	141,265	4,266	145,531	145,531	-
Other Purchased Services	50,000	-	50,000	49,356	644
Travel	800	48	848	312	536
Supplies and Materials	6,000	395	6,395	4,637	1,758
Other Objects	1,000	-	1,000	963	37
Total Community Services Programs/ Operations	199,065	4,709	203,774	200,799	2,975
Total Instruction	20,458,224	1,201,048	21,659,272	20,183,988	1,475,284

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

EXPENDITURES (Continued)	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
Current (Continued)					
Health Services					
Salaries	\$ 679,664	-	\$ 679,664	\$ 615,136	\$ 64,528
Purchased Professional and Technical Services	75,000	-	75,000	43,253	31,747
Supplies and Materials	13,000	\$ 3,761	16,761	7,700	9,061
Other Objects	29,050	-	29,050	4,017	25,033
Total Health Services	796,714	3,761	800,475	670,106	130,369
Speech, OT,PT and Related Services					
Salaries	4,240,114	(5,077)	4,235,037	4,096,761	138,276
Purchased Professional-Educational Services	275,000	3,850	278,850	115,199	163,651
Supplies and Materials	-	-	-	-	-
Total Other Support Services-Students Related Serv.	4,515,114	(1,227)	4,513,887	4,211,960	301,927
Child Study Team					
Salaries of Other Professional Staff	1,844,100	40,077	1,884,177	1,884,177	-
Total Child Study Team	1,844,100	40,077	1,884,177	1,884,177	-
Improvement of Instruction Services					
Salaries	376,374	35,000	411,374	400,279	11,095
Other Purchased Services	47,000	-	47,000	47,000	-
Travel	3,000	577	3,577	513	3,064
Supplies and Materials	4,000	-	4,000	863	3,137
Other Objects	3,200	-	3,200	905	2,295
Total Improvement of Instruction Services	433,574	35,577	469,151	449,560	19,591
Educational Media Service/School Library					
Salaries	478,903	-	478,903	474,346	4,557
Purchased Professional-Educational Services	360,000	371,931	731,931	566,696	165,235
Travel	1,000	-	1,000	229	771
Supplies and Materials	150,000	85,077	235,077	136,445	98,632
Total Educational Media Services/School Library	989,903	457,008	1,446,911	1,177,716	269,195
Instructional Staff Training Services					
Travel	21,800	(1,068)	20,732	4,081	16,651
Other Objects	50,800	1,920	52,720	37,593	15,127
Total Instructional Staff Training Services	72,600	852	73,452	41,674	31,778
Support Services General Administration					
Salaries	149,872	(21,000)	128,872	105,639	23,233
Legal Services	225,000	(103,134)	121,866	93,330	28,536
Audit Fees	60,000	2,708	62,708	62,708	-
Expenditure and Internal Control	5,000	-	5,000	473	4,527
Architect/Engineering Fees	10,000	199,050	209,050	98,400	110,650
Other Purchased Professional Services	55,000	3,534	58,534	58,534	-
Leases and Rentals	5,000	-	5,000	4,975	25
Communications/Telephone	184,500	(2,708)	181,792	157,912	23,880
Other Purchased Services	326,500	(1,000)	325,500	254,365	71,135
Travel	3,000	-	3,000	1,334	1,666
BOE Other Purchase Services	4,000	-	4,000	1,213	2,787
Supplies and Materials	15,000	(1,000)	14,000	4,831	9,169
Judgements Against the District	-	-	-	-	-
Miscellaneous Expenditures	25,000	2,000	27,000	25,822	1,178
Total Support Services General Administration	1,067,872	78,450	1,146,322	869,536	276,786

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

EXPENDITURES (Continued)	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
Current (Continued)					
Support Services School Administration					
Salaries of Principals/ Assistant Principals	\$ 1,174,649	\$ 33,000	\$ 1,207,649	\$ 1,173,042	\$ 34,607
Salaries of Secretarial and Clerical Assistants	699,946	21,000	720,946	720,817	129
Travel	10,700	(1,624)	9,076	2,016	7,060
Supplies and Materials	4,550	-	4,550	427	4,123
Other Objects	9,400	4,116	13,516	10,781	2,735
Total Support Services School Administration	1,899,245	56,492	1,955,737	1,907,083	48,654
Central Services					
Salaries	336,938	-	336,938	311,617	25,321
Purchased Professional Services	34,700	-	34,700	34,501	199
Purchased Technical Services	72,600	15,660	88,260	79,165	9,095
Leases and Rentals	3,400	110	3,510	3,510	-
Travel	3,500	-	3,500	1,000	2,500
Other Purchased Services	3,000	-	3,000	-	3,000
Supplies and Materials	16,000	(923)	15,077	3,857	11,220
Miscellaneous Expenditures	6,500	958	7,458	7,458	-
Total Central Services	476,638	15,805	492,443	441,108	51,335
Required Maintenance for School Facilities					
Salaries	228,667	1,512	230,179	230,179	-
Cleaning, Repair and Maintenance Services	165,000	6,492	171,492	142,627	28,865
General Supplies	60,000	26,372	86,372	76,009	10,363
Total Required Maintenance for School Facilities	453,667	34,376	488,043	448,815	39,228
Custodial Services					
Salaries	1,372,747	35,000	1,407,747	1,405,995	1,752
Purchased Professional and Technical Services	150,000	-	150,000	150,000	-
Cleaning, Repair and Maintenance Services	250,000	132,399	382,399	252,973	129,426
Rental of Land and Bldgs. Other Than Lease Purch	1,396,264	217,500	1,613,764	1,606,688	7,076
Other Purchased Property Services	46,200	-	46,200	36,210	9,990
Insurance	100,000	-	100,000	100,000	-
Travel	1,500	-	1,500	-	1,500
General Supplies	230,000	637,217	867,217	334,579	532,638
Energy (Natural Gas)	150,000	(70,154)	79,846	75,310	4,536
Energy (Electricity)	413,000	29,937	442,937	442,936	1
Energy (Gasoline)	100,000	(50,000)	50,000	50,000	-
Other Objects	10,000	217	10,217	10,217	-
Total Custodial Services	4,219,711	932,116	5,151,827	4,464,908	686,919
Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	50,000	52,784	102,784	81,994	20,790
General Supplies	10,000	(10,000)	-	-	-
Total Upkeep of Grounds	60,000	42,784	102,784	81,994	20,790
Security					
Cleaning, Repair and Maintenance Services	-	31,490	31,490	28,444	3,046
Total Security	-	31,490	31,490	28,444	3,046
Student Transportation Services					
Salaries for Pupil Transp (Other than Bet. Home & School)	653,114	899	654,013	638,089	15,924
Cleaning, Repair and Maintenance Services	10,000	-	10,000	-	10,000
Contr Serv (Other Than Between Home & School) - Vendors	8,000	-	8,000	1,540	6,460
Miscellaneous Purchased Services-Transportation	50,000	-	50,000	50,000	-
Supplies and Materials	75,000	40,218	115,218	82,301	32,917
Miscellaneous Expenditures	25,000	9,000	34,000	10,565	23,435
Total Student Transportation Services	821,114	50,117	871,231	782,495	88,736

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
EXPENDITURES (Continued)					
Current (Continued)					
Unallocated Benefits					
Social Security Contributions	\$ 1,230,000	-	\$ 1,230,000	\$ 996,991	\$ 233,009
Other Retirement Contributions- Regular	2,100,000	\$ (215,194)	1,884,806	1,613,650	271,156
Unemployment Compensation	8,000	194	8,194	8,194	-
Workmen's Compensation	938,000	9,328	947,328	947,328	-
Health Benefits	12,065,873	(2,327,800)	9,738,073	8,650,707	1,087,366
Tuition Reimbursement	125,000	-	125,000	78,030	46,970
Other Employee Benefits	75,000	180,672	255,672	255,672	-
Total Unallocated Benefits	<u>16,541,873</u>	<u>(2,352,800)</u>	<u>14,189,073</u>	<u>12,550,572</u>	<u>1,638,501</u>
On-Behalf TPAF Pension System Contributions- Post Retirement Medical (Non-Budgeted)				1,269,979	(1,269,979)
On-Behalf TPAF Pension System Contributions- Normal Cost (Non-Budgeted)				3,363,014	(3,363,014)
On-Behalf TPAF Pension System Contributions- Non-Contributory Group Insurance (Non-Budgeted)				60,278	(60,278)
On-Behalf TPAF Pension System Contributions- LongTerm Disability Insurance (Non-Budgeted)				1,971	(1,971)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,168,329	(1,168,329)
Total TPAF Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,863,571</u>	<u>(5,863,571)</u>
Total Undistributed Expenditures	<u>34,192,125</u>	<u>(575,122)</u>	<u>33,617,003</u>	<u>35,873,719</u>	<u>(2,256,716)</u>
Total Expenditures - Current	<u>54,650,349</u>	<u>625,926</u>	<u>55,276,275</u>	<u>56,057,707</u>	<u>(781,432)</u>
CAPITAL OUTLAY					
Equipment					
Special Education - Instruction					
Auditory Impairments	-	26,908	26,908	22,599	4,309
Behavioral Disabilities	-	110,817	110,817	43,017	67,800
Multiple Disabilities	-	18,345	18,345	18,223	122
Autism	-	80,203	80,203	42,553	37,650
Educational Media and School Library	-	952,092	952,092	565,081	387,011
Custodial Services	-	115,288	115,288	115,262	26
Grounds	-	645,091	645,091	205,291	439,800
Transportation	-	222,173	222,173	43,976	178,197
School Buses	-	646,746	646,746	635,646	11,100
Other	-	2,120	2,120	2,117	3
Total Equipment	<u>-</u>	<u>2,819,783</u>	<u>2,819,783</u>	<u>1,693,765</u>	<u>1,126,018</u>
Facilities Acquisition and Construction Services					
Construction Services	10,000	2,288,128	2,298,128	23,299	2,274,829
Total Facilities Acquisition and Construction Services	<u>10,000</u>	<u>2,288,128</u>	<u>2,298,128</u>	<u>23,299</u>	<u>2,274,829</u>
Total Capital Outlay	<u>10,000</u>	<u>5,107,911</u>	<u>5,117,911</u>	<u>1,717,064</u>	<u>3,400,847</u>
SPECIAL SCHOOLS					
Other Special Schools - Instruction					
Salaries of Teachers	317,386	(34,082)	283,304	283,304	-
Other Salaries for Instruction	502,647	(10,662)	491,985	456,272	35,713
Other Purchased Services	300,000	15,980	315,980	315,980	-
Travel	800	-	800	-	800
General Supplies	20,000	(6,000)	14,000	7,226	6,774
Other Objects	8,000	5,021	13,021	5,360	7,661
Total Other Special Schools - Instruction	<u>1,148,833</u>	<u>(29,743)</u>	<u>1,119,090</u>	<u>1,068,142</u>	<u>50,948</u>
Other Special Schools - Support Services					
Salaries	419,365	28,705	448,070	392,642	55,428
Personal Services - Employee Benefits	686,000	-	686,000	559,706	126,294
Purchased Professional and Technical Services	22,000	-	22,000	19,286	2,714
Other Purchased Services	21,650	59	21,709	14,713	6,996
Supplies and Materials	9,500	1,096	10,596	4,509	6,087
Other Objects	150	-	150	85	65
Total Other Special Schools - Support Services	<u>1,158,665</u>	<u>29,860</u>	<u>1,188,525</u>	<u>990,941</u>	<u>197,584</u>
Total Other Special Schools	<u>2,307,498</u>	<u>117</u>	<u>2,307,615</u>	<u>2,059,083</u>	<u>248,532</u>
Total Expenditures	<u>56,967,847</u>	<u>5,733,954</u>	<u>62,701,801</u>	<u>59,833,854</u>	<u>2,867,947</u>
Excess(Deficiency) of Revenues Over(Under) Expenditures	<u>(975,000)</u>	<u>(3,033,954)</u>	<u>(4,008,954)</u>	<u>4,413,902</u>	<u>8,422,856</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
Other Financing Sources(Uses):					
Transfer to Food Service Fund - Board Contribution	\$ (125,000)	-	\$ (125,000)	\$ (75,000)	50,000
Operating Transfers - Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,536</u>	<u>40,536</u>
Total Other Financing Sources/(Uses)	<u>(125,000)</u>	<u>-</u>	<u>(125,000)</u>	<u>(34,464)</u>	<u>90,536</u>
Excess(Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(1,100,000)	(3,033,954)	(4,133,954)	4,379,438	\$ 8,513,392
Fund Balances, July 1	<u>12,318,860</u>	<u>-</u>	<u>12,318,860</u>	<u>12,318,860</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 11,218,860</u>	<u>\$ (3,033,954)</u>	<u>\$ 8,184,906</u>	<u>\$ 16,698,298</u>	<u>\$ 8,513,392</u>
Recapitulation:					
Restricted Fund Balance					
Capital Reserve				\$ 5,702,428	
Maintenance Reserve				891,313	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				100,000	
Assigned Fund Balance					
Year End Encumbrances				4,712,399	
Designated for Subsequent Year's Expenditures				1,479,300	
Unassigned Fund Balance					
Undesignated				<u>3,812,858</u>	
				<u>\$ 16,698,298</u>	

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-2

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
State Sources	\$ 560,000	\$ 513,239	\$ 1,073,239	\$ 1,608,673	\$ 535,434
Federal Sources	1,870,000	211,135	2,081,135	1,524,718	(556,417)
Other Sources	8,006,000	4,208	8,010,208	7,908,643	(101,565)
Total Revenues	10,436,000	728,582	11,164,582	11,042,034	(122,548)
EXPENDITURES					
Instruction					
Salaries of Teachers	10,430,000	(5,952,864)	4,477,136	3,865,624	611,512
Other Salaries for Instruction	-	885,072	885,072	723,260	161,812
Purchased Professional Services	-	12,924	12,924	12,924	-
Other Purchased Services	-	199,944	199,944	181,304	18,640
General Supplies	6,000	126,423	132,423	115,458	16,965
Other Objects	-	20,699	20,699	20,699	-
Total Instruction	10,436,000	(4,707,802)	5,728,198	4,919,269	808,929
Support Services					
Salaries	-	1,196,405	1,196,405	1,100,745	95,660
Personnel Services Employee Benefits	-	1,867,254	1,867,254	1,729,830	137,424
On-Behalf Benefits	-	-	-	1,147,158	(1,147,158)
Cleaning, Repair, and Maintenance Service	-	1,342	1,342	1,342	-
Purchased Professional Education Services	-	1,885,716	1,885,716	1,862,048	23,668
Communication and Telephone	-	12,567	12,567	12,567	-
Energy	-	1,215	1,215	1,215	-
Rental	-	7,368	7,368	7,368	-
Travel	-	11,590	11,590	5,902	5,688
Other Purchased Services	-	407,179	407,179	222,754	184,425
Supplies and Materials	-	13,620	13,620	11,348	2,272
Miscellaneous Expenditures	-	29,369	29,369	17,729	11,640
Total Support Services	-	5,433,625	5,433,625	6,120,006	(686,381)
Facilities Acquisition and Construction					
Instructional Equipment	-	2,759	2,759	2,759	-
Total Facilities Acquisition and Construction	-	2,759	2,759	2,759	-
Total Expenditures	10,436,000	728,582	11,164,582	11,042,034	122,548
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

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

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

Public Employees Retirement System

Last Seven Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.28633 %	0.28259 %	0.29004 %	0.23653 %	0.23923 %	0.23782 %	0.23468 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$51,593,332	\$55,640,770	\$67,518,565	\$70,053,677	\$53,702,644	\$44,515,531	\$ 44,853,790
District's Covered Payroll	\$20,562,178	\$19,815,633	\$19,833,888	\$18,564,076	\$16,100,179	\$16,501,385	\$ 16,005,606
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	250.91%	280.79%	340.42%	377.36%	333.55%	269.77%	280.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27 %	53.60 %	48.10 %	40.14 %	47.93 %	52.08 %	48.72 %

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

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

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

Public Employees Retirement System

Last Seven Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 2,785,215	\$ 2,810,868	\$ 2,686,986	\$ 2,101,307	\$ 2,056,748	\$ 1,960,564	\$ 1,870,873
Contributions in Relation to the Contractually Required Contribution	<u>2,785,215</u>	<u>2,810,868</u>	<u>2,686,986</u>	<u>2,101,307</u>	<u>2,056,748</u>	<u>1,960,564</u>	<u>1,870,873</u>
Contribution Deficiency (Excess)	<u>\$ -</u>						
District's Covered Payroll	\$22,421,850	\$ 20,562,178	\$19,815,633	\$19,833,888	\$18,564,076	\$16,100,179	\$16,501,385
Contributions as a Percentage of Covered Payroll	12.42%	13.67%	13.56%	10.59%	11.08%	12.18%	11.34%

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

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

Teachers Pension and Annuity Fund

Last Seven Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>179,295,192</u>	<u>194,573,003</u>	<u>184,883,757</u>	<u>229,394,946</u>	<u>186,708,043</u>	<u>160,785,515</u>	<u>159,708,437</u>
Total	<u>\$ 179,295,192</u>	<u>\$ 194,573,003</u>	<u>\$ 184,883,757</u>	<u>\$ 229,394,946</u>	<u>\$ 186,708,043</u>	<u>\$ 160,785,515</u>	<u>\$ 159,708,437</u>
District's Covered Payroll	\$ 29,726,170	\$ 29,502,394	\$ 31,206,801	\$ 30,067,644	\$ 27,950,082	\$ 29,483,746	\$ 29,177,685
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Change of Benefit Terms: None.

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

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

Postemployment Health Benefit Plan

Last Three Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 6,321,260	\$ 7,244,613	\$ 8,697,404
Interest on Total OPEB Liability	5,970,670	6,469,943	5,529,097
Differences Between Expected and Actual Experiences	(21,032,606)	(18,013,330)	
Changes of Assumptions	2,075,507	(17,214,760)	(22,162,909)
Contribution from the Member	(4,273,073)	(4,011,298)	(4,062,621)
Contribution from the Member	<u>126,666</u>	<u>138,637</u>	<u>149,596</u>
Net Change in Total OPEB Liability	(10,811,576)	(25,386,195)	(11,849,433)
Total OPEB Liability - Beginning	<u>150,013,151</u>	<u>175,399,346</u>	<u>187,248,779</u>
Total OPEB Liability - Ending	<u>\$ 139,201,575</u>	<u>\$ 150,013,151</u>	<u>\$ 175,399,346</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>139,201,575</u>	<u>150,013,151</u>	<u>175,399,346</u>
Total OPEB Liability - Ending	<u>\$ 139,201,575</u>	<u>\$ 150,013,151</u>	<u>\$ 175,399,346</u>
District's Covered Payroll	<u>\$ 50,288,348</u>	<u>\$ 49,318,027</u>	<u>\$ 51,040,689</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%

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

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

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL FUNDS

NOT APPLICABLE

SPECIAL REVENUE FUND

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

EXHIBIT E-1a

	Title I Part D	Work Ready, Work Now	Blesham Donations	Adult Training	Homeless Children	Leisure Bridges Medicaid	Getting Us There Medicaid	Adult Rehab Paramus Medicaid	Adult Rehab Wood-Ridge Medicaid	Total Exhibit E-1a
REVENUES										
Intergovernmental										
State		\$ 75,000		\$ 13,095						\$ 88,095
Federal	\$ 39,968				\$ 393,064	\$ 44,882	\$ 19,353	\$ 676,864	\$ 350,587	1,524,718
Other	-	-	\$ 1,790	-	-	-	-	-	-	1,790
Total Revenues	\$ 39,968	\$ 75,000	\$ 1,790	\$ 13,095	\$ 393,064	\$ 44,882	\$ 19,353	\$ 676,864	\$ 350,587	\$ 1,614,603
EXPENDITURES										
Instruction										
Salaries of Teachers	\$ 10,094					\$ 38,890	\$ 17,978	\$ 84,475	\$ 63,243	\$ 214,680
Other Salaries for Instruction		\$ 12,924						317,913	190,457	508,370
Purchased Professional Services					\$ 181,304					12,924
General Supplies	18,252		\$ 1,790					29,171	13,686	62,899
Other Objects	-	18,043	-	-	-	-	-	-	-	18,043
Total Instruction	28,346	30,967	1,790	-	181,304	38,890	17,978	431,559	267,386	998,220
Support Services										
Salaries	7,829	38,820								267,681
Personnel Services Employee Benefits	2,545	5,213				2,916	1,375			180,819
Cleaning, Repair, and Maintenance Services										
Purchased Professional Education Services				\$ 13,095						13,095
Purchased Professional Technical Services					2,050					2,050
Other Purchased Professional Services					840			56,200	62,670	119,710
Communication and Telephone										
Energy (Heat & Electricity)										
Purchased Property Services										
Rental										
Travel					1,957					1,957
Other Purchased Services										
Supplies and Materials	1248				6,759	3,076				11,083
Miscellaneous Expenditures	-	-	-	-	15,022	-	-	2,168	39	17,229
Total Support Services	11,622	44,033	-	13,095	209,001	5,992	1,375	245,305	83,201	613,624
Facilities Acquisition and Construction										
Rental of Buildings										
Instructional Equipment	-	-	-	-	2,759	-	-	-	-	2,759
Total Facilities Acquisition and Construction	-	-	-	-	2,759	-	-	-	-	2,759
Total Expenditures	39,968	75,000	1,790	13,095	393,064	44,882	19,353	676,864	350,587	1,614,603
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>DDD COVID-19 Funds</u>	<u>Nonpublic Flow-thru</u>	<u>Nonpublic Flow-thru Carryover</u>	<u>Total Exhibit E-1b</u>
REVENUES				
Intergovernmental				
State	\$ 373,420	\$ 97,859	\$ 196,483	\$ 667,762
Federal				
Other	-	1,203,227	704,055	1,907,282
Total Revenues	<u>\$ 373,420</u>	<u>\$ 1,301,086</u>	<u>\$ 900,538</u>	<u>\$ 2,575,044</u>
EXPENDITURES				
Instruction				
Salaries of Teachers	\$ 59,941	\$ 306,333	\$ 615,059	\$ 981,333
Other Salaries for Instruction	214,890			214,890
Purchased Professional Services				-
Other Purchased Services				-
General Supplies		17,558		17,558
Other Objects	-	-	-	-
Total Instruction	<u>274,831</u>	<u>323,891</u>	<u>615,059</u>	<u>1,213,781</u>
Support Services				
Salaries	38,056	116,731		154,787
Personnel Services Employee Benefits	60,533	91,417	88,996	240,946
On-Behalf Benefits		97,859	196,483	294,342
Cleaning, Repair, and Maintenance Services				-
Purchased Professional Education Services		611,188		611,188
Other Purchased Professional Services		60,000		60,000
Communication and Telephone				-
Energy (Heat & Electricity)				-
Purchased Property Services				-
Rental				-
Travel				-
Other Purchased Services				-
Supplies and Materials				-
Miscellaneous Expenditures	-	-	-	-
Total Support Services	<u>98,589</u>	<u>977,195</u>	<u>285,479</u>	<u>1,361,263</u>
Facilities Acquisition and Construction				
Buildings	-	-	-	-
Instructional Equipment	-	-	-	-
Total Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>373,420</u>	<u>1,301,086</u>	<u>900,538</u>	<u>2,575,044</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION PROGRAM AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Issue/Project Title</u>	<u>Adjusted Appropriation</u>	<u>Prior Years</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2020</u>
			<u>Current Year</u>	<u>Cancelled</u>	
Centralized Campus	\$ 8,530,731	\$ 8,472,549	\$ 17,646	\$ (40,536)	-
Facilities Bond #15	1,791,000	1,785,444			\$ 5,556
Facilities Bond #17	1,847,000	1,689,244	16,239		141,517
Facilities Bond #23 (2013)	48,427,028	48,364,032	61,996		1,000
Facilities Bond #25 (2014)	450,000	404,863	45,137		-
Facilities Bond #26 (2015)	522,000	502,028	13,295		6,677
Facilities Bond #27 (2016)	800,000	686,127	83,393		30,480
Facilities Bond #28 (2017)	850,000	588,835	74,144		187,021
Facilities Bond #29 (2018)	1,151,000	176,406	657,045		317,549
Facilities Bond #30 (2019)	<u>975,000</u>	<u>-</u>	<u>145,580</u>	<u>-</u>	<u>829,420</u>
	<u>\$ 65,343,759</u>	<u>\$ 62,669,528</u>	<u>\$ 1,114,475</u>	<u>\$ (40,536)</u>	<u>\$ 1,519,220</u>
					Project Balance, June 30, 2020 \$ 1,519,220
					Unrealized Revenue Bonds Authorized
					But Not Issued by the County <u>(1,133,400)</u>
					Fund Balance, June 30, 2020 <u>\$ 385,820</u>
					<u>Analysis</u>
					Available for Capital Projects \$ (26,886)
					Year End Encumbrances <u>412,706</u>
					<u>\$ 385,820</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Revenues and Other Financing Sources	
County Aid	\$ 950,308
Transfer - General Fund	<u>-</u>
Total Revenues and Other Financing Sources	<u>950,308</u>
Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	80,060
Facilities Acquisition and Construction Services	373,160
Equipment	372,622
Supplies and Materials	288,633
Transfer - General Fund	<u>40,536</u>
Total Expenditures and Other Financing Uses	<u>1,155,011</u>
Excess of Revenues Over Expenditures	(204,703)
Fund Balance - Beginning of Year	<u>590,523</u>
Fund Balance - End of Year	<u>\$ 385,820</u>

ENTERPRISE FUNDS

EXHIBIT G-1

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
ENTERPRISE FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

INTERNAL SERVICE FUNDS

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2020**

	Norman A. Bleshan Regional Day School	One to One Aides	Extended Year	Career Crossroads	Project Search	Home Hospital	Education Enterprises	Interlocal Agreements	ETTC	Management Agreement	Compensated Absences	Totals
ASSETS												
Current Assets												
Cash and Cash Equivalents	\$ 297,018	\$ 5,799	\$ 52,322	\$ 249	\$ 2,291	\$ 26,032	\$ 2,290	\$ 5,967	\$ 97,432	\$ 1,581		\$ 490,981
Accounts Receivable	1,517,550	2,383,154	29,150	76,542	40,602	3,250	1,935,779	2,049,097		516,462		8,035,124
Due From B.C.T.S.												516,462
Due from Other Funds	-	-	-	-	-	-	-	-	-	-	\$ 1,716,577	1,716,577
Total Current Assets	1,814,568	2,388,953	81,472	76,791	42,893	29,282	1,938,069	2,055,064	97,432	518,043	1,716,577	10,759,144
Capital Assets												
Furniture, machinery & equipment	1,312,339			3,334	-		78,082		132,821	64,935		1,591,511
Less: Accumulated Depreciation	(324,586)			(1,443)			(77,704)		(88,467)			(492,200)
Total Capital Assets, Net	987,753	-	-	1,891	-	-	378	-	44,354	64,935	-	1,099,311
Total Assets	2,802,321	2,388,953	81,472	78,682	42,893	29,282	1,938,447	2,055,064	141,786	582,978	1,716,577	11,858,455
LIABILITIES												
Current Liabilities												
Accounts Payable	317,630			249	58		30,334	17,230	397	5,000		370,898
Other							209					209
Due to Other Funds	-	1,200,000	-	66,500	-	-	1,575,000	1,900,000	-	480,000	-	5,221,500
Total Current Liabilities	317,630	1,200,000	-	66,749	58	-	1,605,543	1,917,230	397	485,000	-	5,592,607
Noncurrent Liabilities												
Compensated Absences	155,030										1,716,577	1,871,607
Total Noncurrent Liabilities	155,030	-	-	-	-	-	-	-	-	-	1,716,577	1,871,607
Total Liabilities	472,660	1,200,000	-	66,749	58	-	1,605,543	1,917,230	397	485,000	1,716,577	7,464,214
NET POSITION												
Net Investment in capital assets	987,753			1,891			378	-	44,354	64,935		1,099,311
Unrestricted	1,341,908	1,188,953	81,472	10,042	42,835	29,282	332,526	137,834	97,035	33,043		3,294,930
Total Net Position	\$ 2,329,661	\$ 1,188,953	\$ 81,472	\$ 11,933	\$ 42,835	\$ 29,282	\$ 332,904	\$ 137,834	\$ 141,389	\$ 97,978	\$ -	\$ 4,394,241

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Norman A. Bleshan Regional Day School	One to One Aides	Extended Year	Career Crossroads	Project Search	Home Hospital	Education Enterprises	Interlocal Agreements	ETTC	Management Agreement	Compensated Absences	Totals
REVENUES												
OPERATING REVENUES												
Tuition from LEAS	\$ 6,392,275			\$ 324,467	\$ 209,999							\$ 6,926,741
Charges and Fees	141,440	\$ 7,167,985	\$ 4,080,131			\$ 16,833	\$ 6,970,396	\$ 8,496,709	\$ 22,555	\$ 1,095,462		27,991,511
Federal Aid	125,000											125,000
On-Behalf (Non-Budgeted)												
TPAF Pension System												
Post Retirement Medical	318,219	16,805	95,056	19,876	11,921	1,571	246,042	395,732				1,105,222
Normal Cost	941,517	49,720	281,245	58,806	35,271	4,647	727,965	1,170,854				3,270,025
Non-Contributory Group Insurance	10,502	555	3,137	656	393	52	8,120	13,060				36,475
Non-Contributory Long Term Dis. Insurance	343	18	103	21	13	2	265	428				1,193
Reimbursed TPAF Social Security Contributions	203,554	10,749	60,804	12,714	7,625	1,005	157,384	253,135	-	-	-	706,970
Total Operating Revenues	8,132,850	7,245,832	4,520,476	416,540	265,222	24,110	8,110,172	10,329,918	22,555	1,095,462	-	40,163,137
OPERATING EXPENSES												
Instruction-Special Education	1,891,566	4,081,921	1,349,495	272,849	119,763	32,368	6,076,177	4,437,433	11,150		-	18,272,722
School Sponsored Cocurricular Activities	-											-
Health Services	213,057		70,690									283,747
Speech, OT,PT and Related Services	1,592,447	178,296	182,875					862,460				2,816,078
Child Study Team	161,292		99,897		27,640			566,218				855,047
Admin. Info. Technology	25,000											25,000
Instructional Staff Training Services								1,664				1,664
General Administration	86,892		25,311				1,308					113,511
School Administration	190,169		173,259		11,000		216,617	188,233				779,278
Operation and Maintenance of Plant	363,112		221,567	3,755		965	8,736	643		15,174		613,952
Student Transportation	-		57,494									57,494
Business/Central Services	55,237		322,403					299,845		807,508		1,484,993
Unallocated Benefits	1,532,965	2,669,775	1,556,018	35,347	55,937	11,284	883,030	2,132,353		272,780		9,149,489
On-behalf Benefits	1,474,135	77,847	440,345	92,073	55,223	7,277	1,139,776	1,833,209				5,119,885
Food Services	-		38,943									38,943
Depreciation	10,715	-	-	333	-	-	895	-	12,346	-	-	24,289
Total Operating Expenses	7,596,587	7,007,839	4,538,297	404,357	269,563	51,894	8,326,539	10,322,058	23,496	1,095,462	-	39,636,092
Operating Income (Loss)	536,263	237,993	(17,821)	12,183	(4,341)	(27,784)	(216,367)	7,860	(941)	-	-	527,045
Net Income (Loss) Before Operating Transfers	536,263	237,993	(17,821)	12,183	(4,341)	(27,784)	(216,367)	7,860	(941)	-	-	527,045
Other Financing Source(Use) Transfer In(out)	-	-	-	-	-	-	-	-	-	-	-	-
Change in Net Position	536,263	237,993	(17,821)	12,183	(4,341)	(27,784)	(216,367)	7,860	(941)	-	-	527,045
Total Net Position - Beginning of Year	1,793,398	950,960	99,293	\$ (250)	47,176	57,066	549,271	129,974	142,330	97,978	-	3,867,196
Total Net Position - Ending of Year	\$ 2,329,661	\$ 1,188,953	\$ 81,472	\$ 11,933	\$ 42,835	\$ 29,282	\$ 332,904	\$ 137,834	\$ 141,389	\$ 97,978	\$ -	\$ 4,394,241

BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINED STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

EXHIBIT G-6

	Norman A. Bleshuman Regional Day School	One to Aides	Extended Year	Career Crossroads	Project Search	Home Hospital	Education Enterprises	Interlocal Agreement	ETTC	Management Agreement	Compensated Absences	Totals
CASH FLOWS FROM OPERATING ACTIVITIES												
Receipts from Customers	\$ 6,772,240	\$ 6,753,735	\$ 4,080,282	\$ 330,013	\$ 270,859	\$ 25,998	\$ 6,855,685	\$ 8,499,693	\$ 22,555	\$ 1,072,164		\$ 34,683,224
Payments to Employees	(3,989,511)	(4,250,799)	(1,907,948)	(269,242)	(157,495)	(32,323)	(6,084,252)	(5,967,573)	(6,084,252)	(807,508)		(23,466,651)
Payments to Suppliers for Goods and Services	(1,865,663)	(2,688,287)	(2,193,449)	(42,546)	(56,846)	(12,294)	(1,073,828)	(2,515,479)	(13,962)	(282,954)	-	(10,745,308)
Net Cash Provided by(Used for) operating activities	917,066	(185,351)	(21,115)	18,225	56,518	(18,619)	(302,395)	16,641	8,593	(18,298)	-	471,265
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES												
Operating Subsidies and transfers from(to) other funds	(446,371)	191,150	-	(17,976)	(54,227)	-	303,000	(10,674)	-	19,879	-	(15,219)
Net cash provided by (used for) noncapital financing activities	(446,371)	191,150	-	(17,976)	(54,227)	-	303,000	(10,674)	-	19,879	-	(15,219)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES												
Purchases of capital assets	(173,677)	-	-	-	-	-	-	-	-	-	-	(173,677)
Net cash provided by(used) capital and related financing activities	(173,677)	-	-	-	-	-	-	-	-	-	-	(173,677)
Net increase (decrease) in cash and cash equivalents	297,018	5,799	(21,115)	249	-	(18,619)	605	5,967	8,593	1,581	-	282,369
Balances - Beginning of Year	-	-	73,437	\$ -	-	44,651	1,685	-	88,839	-	-	208,612
Balances - End of Year	\$ 297,018	\$ 5,799	\$ 52,322	\$ 249	\$ 2,291	\$ 26,032	\$ 2,290	\$ 5,967	\$ 97,432	\$ 1,581	\$ -	\$ 490,981
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES												
Operating Income(Loss)	\$ 536,263	\$ 237,993	(17,821)	\$ 12,183	\$ (4,341)	\$ (27,784)	\$ (216,367)	7,860	\$ (941)	-	-	\$ 527,045
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities												
Depreciation and net amortization	\$ 10,715			\$ 333			\$ 895		12,346			\$ 24,289
Changes in Assets and Liabilities												
(Increase) Decrease in accounts receivable, net	113,525	\$ (414,250)	\$ 151	5,546	\$ 60,860	\$ 9,165	(114,711)	\$ 2,986		\$ (23,298)		(360,026)
Increase(Decrease) in other current liabilities	-	-	-	-	-	-	(2,546)	-				(2,546)
Increase(Decrease) in accounts payable	256,563	(9,094)	(3,445)	163	(1)	-	30,334	5,795	(2,812)	5,000	-	282,503
Total Adjustments	380,803	(423,344)	(3,294)	6,042	60,859	9,165	(86,028)	8,781	9,534	(18,298)	-	(53,780)
Net Cash Provided (Used) by Operating Activities	\$ 917,066	\$ (185,351)	\$ (21,115)	\$ 18,225	\$ 56,518	\$ (18,619)	\$ (302,395)	\$ 16,641	\$ 8,593	\$ (18,298)	\$ -	\$ 471,265

FIDUCIARY FUNDS

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2020**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 13,281	\$ 368,197	\$ 381,478
Total Assets	<u>\$ 13,281</u>	<u>\$ 368,197</u>	<u>\$ 381,478</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 275,298	\$ 275,298
Due to Other Funds		92,899	92,899
Payable to Student Groups	<u>\$ 13,281</u>	<u>-</u>	<u>13,281</u>
Total Liabilities	<u>\$ 13,281</u>	<u>\$ 368,197</u>	<u>\$ 381,478</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-7

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 FIDUCIARY FUNDS
 STUDENT ACTIVITY AGENCY FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Balance July 1, <u>2019</u>	<u>Receipts</u>	Disburse- <u>ments</u>	Balance June 30, <u>2020</u>
SCHOOLS				
District Student Activity	\$ <u>6,585</u>	\$ <u>11,177</u>	\$ <u>4,481</u>	\$ <u>13,281</u>
	\$ <u>6,585</u>	\$ <u>11,177</u>	\$ <u>4,481</u>	\$ <u>13,281</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FIDUCIARY FUNDS
PAYROLL AGENCY FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Balance July 1, <u>2019</u>	<u>Receipts</u>	Disburse- <u>ments</u>	Balance June 30, <u>2020</u>
Payroll Deductions and Withholdings	\$ 342,134	\$ 30,591,820	\$ 30,658,656	\$ 275,298
Due to Other Funds	5,000	87,899	-	92,899
Accrued Salaries and Wages	<u>-</u>	<u>35,404,608</u>	<u>35,404,608</u>	<u>-</u>
	<u>\$ 347,134</u>	<u>\$ 66,084,327</u>	<u>\$ 66,063,264</u>	<u>\$ 368,197</u>

LONG-TERM DEBT

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOT APPLICABLE

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOT APPLICABLE

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOT APPLICABLE

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment In Capital Assets	\$ 14,077,590	\$ 16,655,729	\$ 18,592,221	\$ 28,029,852	\$ 55,642,957	\$ 58,293,757	\$ 56,894,523	\$ 57,165,713	\$ 57,033,773	\$ 56,576,886
Restricted	287,568	218,174	2,351,608	2,969,847	8,056,525	3,012,582	4,113,403	5,468,478	6,233,710	7,080,061
Unrestricted	7,865,632	8,018,160	7,439,085	(32,139,913)	(39,748,375)	(42,507,044)	(44,204,588)	(48,139,600)	(48,598,459)	(46,943,976)
Total Governmental Activities Net Position	<u>\$ 22,230,790</u>	<u>\$ 24,892,063</u>	<u>\$ 28,382,914</u>	<u>\$ (1,140,214)</u>	<u>\$ 23,951,107</u>	<u>\$ 18,799,295</u>	<u>\$ 16,803,338</u>	<u>\$ 14,494,591</u>	<u>\$ 14,669,024</u>	<u>\$ 16,712,971</u>
Business-Type Activities										
Net Investment In Capital Assets	\$ 16,695	\$ 15,151	\$ 10,301	\$ 5,451	\$ 601					
Unrestricted	36,541	14,692	(1,264)	723	296	\$ 11,496	\$ 70,389	\$ 94,678	\$ 117,004	\$ 68,133
Total Business-Type Activities Net Position	<u>\$ 53,236</u>	<u>\$ 29,843</u>	<u>\$ 9,037</u>	<u>\$ 6,174</u>	<u>\$ 897</u>	<u>\$ 11,496</u>	<u>\$ 70,389</u>	<u>\$ 94,678</u>	<u>\$ 117,004</u>	<u>\$ 68,133</u>
District-Wide										
Net Investment In Capital Assets	\$ 14,094,285	\$ 16,670,880	\$ 18,602,522	\$ 28,035,303	\$ 55,643,558	\$ 58,293,757	\$ 56,894,523	\$ 57,165,713	\$ 57,033,773	\$ 56,576,886
Restricted	287,568	218,174	2,351,608	2,969,847	8,056,525	3,012,582	4,113,403	5,468,478	6,233,710	7,080,061
Unrestricted	7,902,173	8,032,852	7,437,821	(32,139,190)	(39,748,079)	(42,495,548)	(44,134,199)	(48,044,922)	(48,481,455)	(46,875,843)
Total District Net Position	<u>\$ 22,284,026</u>	<u>\$ 24,921,906</u>	<u>\$ 28,391,951</u>	<u>\$ (1,134,040)</u>	<u>\$ 23,952,004</u>	<u>\$ 18,810,791</u>	<u>\$ 16,873,727</u>	<u>\$ 14,589,269</u>	<u>\$ 14,786,028</u>	<u>\$ 16,781,104</u>

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

Source: District financial statements

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities										
Instruction										
Special Education	\$ 54,062,659	\$ 53,836,446	\$ 57,197,958	\$ 57,622,070	\$ 63,251,697	\$ 67,247,123	\$ 68,922,293	\$ 75,172,372	\$ 71,260,464	\$ 70,448,783
Support Services:										
Student & Instruction Related Services	20,145,118	19,795,236	20,057,553	21,576,516	25,932,852	28,918,263	33,085,833	31,589,371	29,873,164	27,904,341
School Administration Services	4,246,311	4,415,135	4,079,030	4,060,903	4,522,433	5,079,817	5,708,571	5,480,247	5,036,095	5,161,235
General Administration	1,124,974	1,063,246	1,318,281	1,093,917	1,339,388	1,027,257	1,185,658	1,726,322	1,134,987	1,083,412
Plant Operations And Maintenance	7,243,623	7,208,351	7,409,191	7,281,327	7,726,049	8,570,967	8,418,619	9,476,019	9,377,404	9,786,159
Pupil Transportation	1,509,882	1,611,496	1,648,043	1,674,482	1,622,300	1,903,511	2,004,151	2,238,886	2,252,630	2,172,517
Support Svc- Central Svc/Admin Info Tech	2,660,556	2,429,925	2,372,887	2,435,174	2,235,759	2,272,376	2,383,844	2,836,193	2,879,868	2,743,706
Debt Service	-	-	-	-	-	-	-	-	-	-
Interest on Long Term Debt	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	90,993,123	90,359,835	94,082,943	95,744,389	106,630,478	115,019,314	121,708,969	128,519,410	121,814,612	119,300,153
Business-Type Activities:										
Food Service	534,750	450,627	452,794	419,436	404,752	489,687	490,413	477,876	476,061	378,688
Total Business-Type Activities Expense	534,750	450,627	452,794	419,436	404,752	489,687	490,413	477,876	476,061	378,688
Total District Expenses	\$ 91,527,873	\$ 90,810,462	\$ 94,535,737	\$ 96,163,825	\$ 107,035,230	\$ 115,509,001	\$ 122,199,382	\$ 128,997,286	\$ 122,290,673	\$ 119,678,841
Program Revenues										
Governmental Activities:										
Charges For Services:										
Operating Grants And Contributions	69,117,215	66,313,564	68,526,447	70,528,622	72,993,799	74,884,156	78,638,703	76,676,974	77,794,212	80,317,082
Capital Grants And Contributions	13,318,375	14,613,356	15,697,854	14,629,772	21,918,039	24,011,839	29,847,566	37,738,856	31,572,505	27,335,258
Operating Grants And Contributions	832,836	2,500,547	4,019,867	10,795,942	38,228,087	857,842	586,520	881,204	959,231	950,308
Total Governmental Activities Program Revenues	83,268,426	83,427,467	88,244,168	95,954,336	133,139,925	99,753,837	109,072,789	115,297,034	110,325,948	108,602,648
Business-Type Activities:										
Charges For Services:										
Food Service	133,673	115,288	97,634	120,189	94,363	126,777	147,180	147,380	137,665	102,783
Operating Grants And Contributions	244,752	231,946	209,354	216,384	208,112	201,509	202,126	204,785	210,722	152,034
Capital Grants And Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	378,425	347,234	306,988	336,573	302,475	328,286	349,306	352,165	348,387	254,817
Total District Program Revenues	\$ 83,646,851	\$ 83,774,701	\$ 88,551,156	\$ 96,290,909	\$ 133,442,400	\$ 100,082,123	\$ 109,422,095	\$ 115,649,199	\$ 110,674,335	\$ 108,857,465
Net (Expense)/Revenue										
Governmental Activities	\$ (7,724,697)	\$ (6,932,368)	\$ (5,838,775)	\$ 209,947	\$ 26,509,447	\$ (15,265,477)	\$ (12,636,180)	\$ (13,222,376)	\$ (11,488,664)	\$ (10,697,505)
Business-Type Activities	(156,325)	(103,393)	(145,806)	(82,863)	(102,277)	(161,401)	(141,107)	(125,711)	(127,674)	(123,871)
Total District-Wide Net Expense	\$ (7,881,022)	\$ (7,035,761)	\$ (5,984,581)	\$ 127,084	\$ 26,407,170	\$ (15,426,878)	\$ (12,777,287)	\$ (13,348,087)	\$ (11,616,338)	\$ (10,821,376)
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 8,824,185	\$ 8,324,185	\$ 8,324,185	\$ 8,490,668	\$ 8,867,475	\$ 8,867,475	\$ 9,577,003	\$ 9,864,312	\$ 10,261,598	\$ 10,518,107
Federal And State Aid Restricted	40,430	139,503	45,335	31,905	80,341	50,791	158,326	10,449	6,990	122,595
Investment Earnings	11,021	27,915	41,718	37,817	25,775	18,330	12,187	36,974	110,368	2,192,109
Miscellaneous Income	1,621,123	1,182,038	1,043,388	944,291	1,292,403	1,349,069	1,092,707	1,151,894	1,434,141	1,225,109
Disposal of Capital Assets, net	-	-	-	-	(5,648,897)	-	-	-	-	(16,359)
Transfers	(163,728)	(80,000)	(125,000)	(80,000)	(97,000)	(172,000)	(200,000)	(150,000)	(150,000)	(75,000)
Total Governmental Activities	10,333,031	9,593,641	9,329,626	9,424,681	4,520,097	10,113,665	10,640,223	10,913,629	11,663,097	12,741,452
Business-Type Activities:										
Investment Earnings										
Transfers	163,728	80,000	125,000	80,000	97,000	172,000	200,000	150,000	150,000	75,000
Total Business-Type Activities	163,728	80,000	125,000	80,000	97,000	172,000	200,000	150,000	150,000	75,000
Total District-Wide	\$ 10,496,759	\$ 9,673,641	\$ 9,454,626	\$ 9,504,681	\$ 4,617,097	\$ 10,285,665	\$ 10,840,223	\$ 11,063,629	\$ 11,813,097	\$ 12,816,452
Change In Net Position										
Governmental Activities	\$ 2,608,334	\$ 2,661,273	\$ 3,490,851	\$ 9,634,628	\$ 31,029,544	\$ (5,151,812)	\$ (1,995,957)	\$ (2,308,747)	\$ 174,433	\$ 2,043,947
Business-Type Activities	7,403	(23,393)	(20,806)	(2,863)	(5,277)	10,599	58,893	24,289	22,326	(48,871)
Total District	\$ 2,615,737	\$ 2,637,880	\$ 3,470,045	\$ 9,631,765	\$ 31,024,267	\$ (5,141,213)	\$ (1,937,064)	\$ (2,284,458)	\$ 196,759	\$ 1,995,076

Source: District financial statements

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ 500,001	\$ 1,500,068	\$ 2,355,589	\$ 2,273,828	\$ 2,903,507	\$ 2,256,492	\$ 3,939,961	\$ 4,907,092	\$ 5,643,187	\$ 6,693,741
Committed								1,125,621	-	
Assigned	2,383,369	2,703,630	2,001,801	1,997,861	1,841,124	1,302,525	3,041,642	1,636,488	4,033,954	6,191,699
Unassigned	<u>2,570,866</u>	<u>2,550,568</u>	<u>2,572,304</u>	<u>3,288,541</u>	<u>3,262,115</u>	<u>2,990,291</u>	<u>2,694,195</u>	<u>2,640,007</u>	<u>2,641,719</u>	<u>3,812,858</u>
Total General Fund	<u>\$ 5,454,236</u>	<u>\$ 6,754,266</u>	<u>\$ 6,929,694</u>	<u>\$ 7,560,230</u>	<u>\$ 8,006,746</u>	<u>\$ 6,549,308</u>	<u>\$ 9,675,798</u>	<u>\$ 10,309,208</u>	<u>\$ 12,318,860</u>	<u>\$ 16,698,298</u>
All Other Governmental Funds										
Restricted	\$ (212,433)	\$ (1,281,894)	\$ (3,981)	\$ 696,019	\$ 4,894,565	\$ 630,103	\$ 135,984	\$ 561,386	\$ 590,523	\$ 385,820
Total All Other Governmental Funds	<u>\$ (212,433)</u>	<u>\$ (1,281,894)</u>	<u>\$ (3,981)</u>	<u>\$ 696,019</u>	<u>\$ 4,894,565</u>	<u>\$ 630,103</u>	<u>\$ 135,984</u>	<u>\$ 561,386</u>	<u>\$ 590,523</u>	<u>\$ 385,820</u>

Source: District financial statements

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax Levy	\$ 8,824,185	\$ 8,324,185	\$ 8,324,185	\$ 8,490,668	\$ 8,867,475	\$ 8,867,475	\$ 9,577,003	\$ 9,864,312	\$ 10,261,598	\$ 10,518,107
County Aid	832,836	2,500,547	4,019,867	10,795,942	38,228,087	857,842	586,520	881,204	959,231	950,308
Tuition Charges	47,846,544	43,042,904	42,851,653	43,600,836	44,579,033	44,613,401	45,385,141	43,944,081	43,394,851	45,273,830
Non-Resident Fees	1,374,188	1,362,000	1,160,400	1,136,400	1,131,600	1,094,400	1,216,875	1,175,175	1,227,825	1,216,669
Interest Earnings	11,021	27,915	41,718	37,817	25,775	18,330	12,187	36,974	110,368	122,595
Miscellaneous	9,426,363	9,112,621	8,882,018	8,829,812	9,217,624	9,546,829	9,097,418	9,582,060	9,712,013	8,880,856
State Sources	5,189,624	6,112,602	7,431,345	4,569,180	5,837,277	6,225,441	6,901,917	7,794,656	7,711,831	7,472,244
Federal Sources	363,941	709,674	473,214	408,428	1,181,175	573,922	947,774	1,709,737	1,995,518	1,753,721
Total Revenue	73,868,702	71,192,448	73,184,400	77,869,083	109,068,046	71,797,640	73,724,835	74,988,199	75,373,235	76,188,330
Expenditures										
Instruction										
Special Education Instruction	39,693,240	38,283,775	39,725,825	36,960,825	38,383,229	40,375,830	38,636,682	38,079,430	38,096,767	37,108,889
Support Services:										
Student & Inst. Related Services	18,724,963	17,181,630	17,100,507	18,109,204	20,165,412	20,170,355	19,205,093	21,234,274	20,383,366	19,560,737
General Administration	1,016,662	957,783	1,090,815	999,609	1,025,687	952,238	1,086,849	1,332,370	1,014,696	935,666
School Administration Services	3,347,755	3,583,521	3,271,583	3,007,015	3,009,713	3,249,003	3,010,951	3,051,171	2,972,430	3,280,884
Plant Operations And Maintenance	5,661,278	5,598,997	5,701,618	5,151,593	5,107,126	5,529,177	4,890,153	5,450,506	5,690,062	6,337,409
Pupil Transportation	1,113,453	1,218,738	1,261,603	1,255,480	1,209,500	1,454,088	1,405,377	1,435,645	1,583,574	1,515,736
Other Support Services	732,714	794,370	704,132	576,707	621,947	786,212	736,493	755,584	693,787	656,368
Capital Outlay	656,841	3,763,065	3,249,976	11,148,114	35,553,370	5,330,637	1,420,866	2,440,407	2,749,764	2,542,906
Total Expenditures	70,946,906	71,381,879	72,106,059	77,208,547	105,075,984	77,847,540	70,392,464	73,779,387	73,184,446	71,938,595
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>2,921,796</u>	<u>(189,431)</u>	<u>1,078,341</u>	<u>660,536</u>	<u>3,992,062</u>	<u>(6,049,900)</u>	<u>3,332,371</u>	<u>1,208,812</u>	<u>2,188,789</u>	<u>4,249,735</u>
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)										
Transfers In	92,261	500,000	500,000	1,498,745	2,565,562	1,476,505	437,276	969,529	180,291	40,536
Transfers Out	(163,728)	(80,000)	(125,000)	(828,745)	(1,912,562)	(1,148,505)	(1,137,276)	(1,119,529)	(330,291)	(115,536)
Total Other Financing Sources (Uses)	(71,467)	420,000	375,000	670,000	653,000	328,000	(700,000)	(150,000)	(150,000)	(75,000)
Net Change In Fund Balances	\$ 2,850,329	\$ 230,569	\$ 1,453,341	\$ 1,330,536	\$ 4,645,062	\$ (5,721,900)	\$ 2,632,371	\$ 1,058,812	\$ 2,038,789	\$ 4,174,735
Debt Service As A Percentage Of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District financial statements

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

Fiscal Year Ended June 30,	Interest Earned	Services Provided Other LEAs	Refunds/ Reimbursements	Workshop Revenue	Miscellaneous	Total
2011	\$ 11,021	\$ 1,089,497	\$ 389,334	\$ 105,014	\$ 26,257	\$ 1,621,123
2012	27,915	146,332	371,875	1,130	662,701	1,209,953
2013	41,718	878,777	119,556	16,074	28,981	1,085,106
2014	67,065	638,722	58,055	9,235	209,031	982,108
2015	18,504	1,179,712	92,186	19,461	8,315	1,318,178
2016	18,330	1,119,853	108,856	6,013	114,347	1,367,399
2017	12,187	1,058,208	7,634	15,520	11,345	1,104,894
2018	36,974	1,120,456	3,416	2,300	25,722	1,188,868
2019	110,368	835,767	280,586	2,855	314,933	1,544,509
2020	122,595	628,088	18,947	250	328,155	1,098,035

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

Calendar Year	Land	Improvements	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value
2011	\$ 83,995,183,645	\$ 75,287,323,039	\$ 159,282,506,684	\$ 265,906,193	\$ 159,548,412,877	\$ 173,258,537,441
2012	81,103,273,440	75,153,761,789	156,257,035,229	230,570,599	156,487,605,828	168,748,014,772
2013	79,070,936,935	75,049,684,025	154,120,620,960	129,981,494	154,250,602,454	165,008,934,260
2014	78,408,456,350	75,186,325,534	153,594,781,884	97,873,857	153,692,655,721	162,301,130,131
2015	77,512,874,732	75,335,444,029	152,828,462,316	96,580,480	152,925,042,796	163,570,157,295
2016	77,002,654,839	77,328,202,717	154,291,592,456	90,073,801	154,381,666,257	167,963,794,248
2017	77,502,137,732	79,190,477,789	156,692,615,521	90,385,516	156,783,001,037	172,030,836,227
2018	78,049,679,382	80,870,511,380	158,920,190,762	84,076,455	159,004,267,217	176,365,111,170
2019	78,392,045,418	82,037,285,718	160,429,331,136	79,624,118	160,508,955,254	180,143,991,705
2020	79,352,157,168	85,848,771,564	165,200,928,732	80,978,865	165,281,907,597	183,990,874,355

Source: County Abstract of Ratables

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

Assessment			
Year	General	Open Space	Total County Tax Rate
2011	\$ 0.2032	\$ 0.0025	\$ 0.2057
2012	0.2178	0.0025	0.2203
2013	0.2248	0.0025	0.2273
2014	0.2312	0.0025	0.2337
2015	0.2377	0.0025	0.2402
2016	0.2434	0.0025	0.2459
2017	0.2417	0.0100	0.2517
2018	0.2351	0.0100	0.2451
2019	0.2338	0.0100	0.2438
2020	0.2384	0.0100	0.2484

Source: County Abstract of Ratables

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

Taxpayer	2019		2010	
	Assessed Valuation	% of County's Net Assessed Valuation	Assessed Valuation	% of County's Net Assessed Valuation

INFORMATION NOT AVAILABLE

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2011	\$ 8,824,185	\$ 8,824,185	100.00%
2012	8,324,185	8,324,185	100.00%
2013	8,324,185	8,324,185	100.00%
2014	8,490,668	8,490,668	100.00%
2015	8,867,475	8,867,475	100.00%
2016	8,867,475	8,867,475	100.00%
2017	9,577,003	9,577,003	100.00%
2018	9,864,312	9,864,312	100.00%
2019	10,261,598	10,261,598	100.00%
2020	10,518,107	10,518,107	100.00%

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			
	<u>Capital Leases</u>	<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
2011	-	-	911,994	\$0
2012	-	-	916,255	\$0
2013	-	-	919,951	\$0
2014	-	-	923,403	\$0
2015	-	-	926,391	\$0
2016	-	-	928,120	\$0
2017	-	-	932,420	\$0
2018	-	-	932,816	\$0
2019	-	-	932,202	\$0
2020	-	-	932,202 (1)	\$0

Source: District records

(1) Estimated

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

NOT APPLICABLE

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2019
(Unaudited)**

Net Direct Debt of School District
as of June 30, 2020

Net Overlapping Debt of School District
Bergen County:

County of Bergen \$ 855,398,427
Bergen County Utilities Authority - Water Pollution (100%) 132,517,773

\$ 987,916,200

Total Direct and Overlapping Debt

\$ 987,916,200

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Legal Debt Margin Calculation as of December 31, 2019 (County Debt)									
Average equalized valuation of taxable property (last three years)	\$ 181,109,724,691	\$ 175,561,330,658	\$ 165,344,818,875	\$ 163,332,190,759	\$ 163,894,415,971	\$ 166,824,155,204	\$ 171,055,311,950	\$ 175,460,099,760	\$ 179,773,454,707
Debt limit (2% of average equalization value)	3,622,194,494	3,511,226,613	3,306,896,378	3,266,643,815	3,277,888,319	3,336,483,104	3,421,106,239	3,509,201,995	3,595,469,094
Net Debt Issued Outstanding and Authorized	<u>730,825,489</u>	<u>698,412,830</u>	<u>849,429,739</u>	<u>933,422,641</u>	<u>1,089,653,537</u>	<u>1,205,030,344</u>	<u>876,045,885</u>	<u>875,747,791</u>	<u>855,398,427</u>
Remaining Borrowing Capacity	<u>\$ 2,891,369,005</u>	<u>\$ 2,812,813,783</u>	<u>\$ 2,457,466,639</u>	<u>\$ 2,333,221,174</u>	<u>\$ 2,188,234,782</u>	<u>\$ 2,131,452,760</u>	<u>\$ 2,545,060,354</u>	<u>\$ 2,633,454,204</u>	<u>\$ 2,740,070,667</u>

Source: Annual Debt Statements - County of Bergen

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

<u>Year</u>	<u>Population</u>	<u>County Per Capital Personal Income**</u>	<u>Unemployment Rate*</u>
2020	932,202 (1)	N/A	N/A
2019	932,202	N/A	2.9%
2018	932,816	\$ 85,951	3.4%
2017	932,420	81,483	3.9%
2016	928,120	79,145	4.2%
2015	926,391	77,666	4.6%
2014	923,403	74,452	5.4%
2013	919,951	71,679	7.1%
2012	916,255	72,152	8.1%
2011	911,994	69,053	7.9%

(1) Estimate

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

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

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

<u>Employer</u>	<u>2020</u>		<u>2011</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
	NOT AVAILABLE		NOT AVAILABLE	

Source: County of Bergen

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

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction										
Regular										
Special education	399.4	346.4	323.2	299.2	299.2	304.9	313.0	293.4	262.0	267.3
Other special education	1.0	2.5	2.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Community Services					1.0	1.0	1.0	1.0	1.0	1.0
Support Services:										
Student & instruction related services	87.2	88.2	73.3	74.5	74.5	72.7	69.6	71.4	68.4	67.3
Health Services	11.0	9.5	10.5	10.0	10.0	10.0	10.0	10.0	10.8	10.5
Educational Media Services		8.3	6.7	9.1	9.1	9.1	9.9	9.1	7.0	6.8
General administration	3.0	1.6	1.7	1.9	1.9	2.0	2.0	2.1	2.1	2.1
School administrative services	24.4	23.8	19.9	22.3	22.8	22.8	21.9	20.9	19.2	21.9
Central services	5.0	6.0	6.0	6.2	6.2	6.1	6.1	5.6	6.1	5.9
Plant operations and maintenance	24.6	26.1	22.6	18.8	18.8	20.5	24.0	23.4	24.4	26.4
Pupil transportation	15.7	15.3	14.3	15.6	15.6	12.4	11.9	10.4	11.5	11.5
Special Schools	29.8	28.9	26.8	27.4	27.4	31.4	32.4	32.2	27.7	21.6
Total	<u>601.1</u>	<u>556.6</u>	<u>507.5</u>	<u>486.5</u>	<u>488.0</u>	<u>494.4</u>	<u>503.3</u>	<u>480.8</u>	<u>441.6</u>	<u>443.8</u>

Source: District Personnel Records

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

<u>Fiscal Year</u>	<u>Enrollment^a</u>	<u>Operating Expenditures^b</u>	<u>Cost Per Pupil^c</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/ Teacher Ratio</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2011	771	\$ 70,290,065	\$ 91,167	9.13%	412	1.87	773	713	-3.80%	92.30%
2012	694	67,618,814	97,433	6.87%	386	1.80	695	643	-10.03%	92.52%
2013	651	68,856,083	105,770	8.56%	220	2.96	667	615	-4.10%	92.32%
2014	654	66,060,433	101,010	-4.50%	N/A	N/A	678	626	1.73%	92.33%
2015	653	69,522,614	106,466	5.40%	209	3.12	675	622	-0.44%	92.15%
2016	658	72,516,903	110,208	3.51%	129	5.10	655	602	-2.96%	91.91%
2017	663	68,971,598	104,030	-5.61%	127	5.22	642	590	-1.98%	91.90%
2018	614	71,338,980	116,187	0.12	119	5.16	612	563	-4.67%	91.99%
2019	595	70,434,682	118,378	1.89%	109	5.46	588	535	-3.92%	90.99%
2020	594	69,395,689	116,828	-1.31%	109	5.45	603	561	2.55%	93.03%

Sources: District records

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

N/A - Not Available

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

<u>District Building</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Union St. School- Hackensack										
Square Feet	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060	8,060
Capacity (students)										
Enrollment	41	57	61	63	61	54	52	41	23	25
Piermont Campus, Rockleigh										
Square Feet	121,162	121,162								
Capacity (students)										
Enrollment	105	96								
Woodridge Transition Center										
Square Feet	19,261	19,261	19,261	19,261	19,261	19,261	19,261	19,261	19,261	19,261
Capacity (students)										
Enrollment	68	71	58	58	52	44	43	44	37	36
Rocco Montesano, Paramus										
Square Feet	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Capacity (students)										
Enrollment	104	94	130	127	132	90	85	76	70	74
Brownstone, Saddle Brook										
Square Feet	20,106	20,106	20,106	20,106	20,106	20,096	20,096	20,096	20,096	20,096
Capacity (students)										
Enrollment	63	53	58	64	76	64	55	66	72	88
Gateway/Venture, Hackensack										
Square Feet	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Capacity (students)										
Enrollment	20	17	34	37	36	40	38	31	29	34
Godwin, Midland Park										
Square Feet	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Capacity (students)										
Enrollment	111	105	108	103	98	98	102	96	76	76
Hillcrest, Paramus										
Square Feet										
Capacity (students)										
Enrollment										
Washington, Ridgewood/New Bridges										
Square Feet	19,974	19,974	19,974	19,974						
Capacity (students)										
Enrollment	49	39	63	62						
Springboard										
Square Feet	4,300	4,300	4,300	4,300				4,300	4,300	4,300
Capacity (students)										
Enrollment	41	48	45	53				30	27	29
Washington New Bridges										
Square Feet						125,000	125,000	125,000	125,000	125,000
Capacity (students)										
Enrollment						122	132	123	130	130
Number of Schools at June 30, 2020										
Life Skills Continuum=										
Communication Skills Continuum=										
Behavioral Skills Continuum=										
Multiple Disabilities Continuum=										
Autism Continuum=										

Source: District Records

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

<u>School Facilities</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Union St. - Hrg. Imp., Hackensack	\$ 6,710	\$ 9,991	\$ 11,365	\$ 11,798	\$ 17,100	\$ 11,122	\$ 12,483	\$ 18,863	\$ 18,489	\$ 16,083
Piermont Campus, Rockleigh	100,870	150,201								
Woodridge Transition Center	15,967	23,877	27,160	28,196	40,868	43,849	29,830	45,076	44,182	38,435
Rocco Montesano, Paramus	33,281	49,587	56,402	58,630	84,871	55,214	61,949	93,609	91,755	79,819
Brownstone, Saddle Brook	16,730	24,913	28,336	29,419	42,640	27,738	31,123	47,029	46,098	40,101
Evergreen, Hackensack										
Gateway, Hackensack	8,272	12,397	14,100	14,639	21,218	13,801	15,487	23,402	22,939	19,955
Godwin, Midland Park	2,081	3,099	3,525	3,660	5,304	3,450	3,872	5,851	5,735	4,989
Hillcrest, Paramus										
Washington, New Bridges						169,095	193,592	292,529	286,735	249,433
Washington, Ridgewood	8,467	12,397	14,100	14,639	21,218	-	-	-	-	-
	<u>\$ 192,378</u>	<u>\$ 286,462</u>	<u>\$ 154,988</u>	<u>\$ 160,981</u>	<u>\$ 233,219</u>	<u>\$ 324,269</u>	<u>\$ 348,336</u>	<u>\$ 526,359</u>	<u>\$ 515,933</u>	<u>\$ 448,815</u>

Source: District records.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF INSURANCE
JUNE 30, 2020
(Unaudited)**

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

Source: School District's records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bergen County Special Services School District as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Bergen County Special Services School District's basic financial statements and have issued our report thereon dated January 29, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bergen County Special Services School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

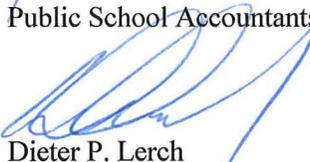
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Bergen County Special Services School District in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 29, 2021.

Purpose of this Report

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



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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 29, 2021



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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CHRISTOPHER M. VINCI, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Bergen County Special Services School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Bergen County Special Services School District's major federal and state programs for the fiscal year ended June 30, 2020. The Bergen County Special Services School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Bergen County Special Services School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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 as prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Bergen County Special Services School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Bergen County Special Services School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Bergen County Special Services School District complied, in all material respects, with the types of 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, 2020.

Report on Internal Control Over Compliance

Management of the Bergen County Special Services School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Bergen County Special Services School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Bergen County Special Services School District's internal control over compliance.

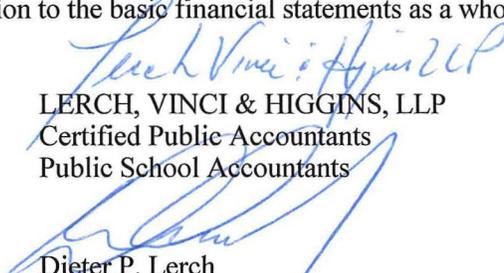
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bergen County Special Services School District, a component unit of the County of Bergen as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 29, 2021, 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 & HIGGINS, LLP
Certified Public Accountants
Public School Accountants

Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
January 29, 2021

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	FAIN Number	Grant Number	Grant Period	Award Amount	Balance July 1, 2019	Adjustment	Carryover Amount	Cash Received	Budgetary Expenditures	Refund Prior Year's Balances	Balance June 30, 2020			Memo GAAP Receivable	
												(Accounts Receivable)	Unearned Revenues	Due to Grantor		
U.S. Department of Agriculture Pass-through State Department of Agriculture																
<u>Enterprise Fund</u>																
School Breakfast Program	10.553	19161NJ304N1099	N/A	7/1/18-6/30/19	\$ 61,340	\$ (13,314)			\$ 13,314							
School Breakfast Program	10.553	20161NJ304N1099	N/A	7/1/19-6/30/20	43,976				39,469	\$ 43,976		\$ (4,507)				
National School Lunch Program	10.555															
Cash Assistance-PB Program		19161NJ304N1099		7/1/18-6/30/19	2,960	(535)			535			-				
Cash Assistance-PB Program		20161NJ304N1099		7/1/19-6/30/20	2,475				2,332	2,475		(143)				
Cash Assistance		19161NJ304N1099		7/1/18-6/30/19	120,677	(23,079)			23,079			-				
Cash Assistance		20161NJ304N1099		7/1/19-6/30/20	88,176				81,179	88,176		(6,997)				
Non-cash Assistance		20161NJ304N1099		7/1/19-6/30/20	19,162	763	-	-	22,811	19,162	-	-	\$ 4,412			
Total Enterprise Fund						(36,165)	-	-	182,719	153,789	-	(11,647)	4,412	-	-	-
U.S. Department of Education Pass-through State Department of Education																
<u>General Fund/Internal Service Fund</u>																
Medical Assistance Program	93.778	1705NJ5MAP		7/1/19-6/30/20	402,544	-	-	-	402,544	402,544	-	-	-	-	-	-
Total General Fund/Internal Service Fund						-	-	-	402,544	402,544	-	-	-	-	-	-
<u>Special Revenue Fund</u>																
Title I Part D	84.010A	S010A150030		7/1/19-6/30/20	39,968				18,130	39,968		(21,838)				\$ (21,838)
Title I Part D	84.010A	S010A150030		7/1/18-6/30/19	29,428	(5,645)			5,645							
Homeless Children	84.196A			7/1/19-6/30/20	393,064				219,547	393,064		(173,517)				(173,517)
Homeless Children	84.196A			7/1/18-6/30/19	254,731	(98,786)			98,786							
Medicaid Assistance Programs																
Stepping Stones	93.778	1905NJ5MAP		7/1/18-6/30/19	206,675	13,748	(13,748)									
Getting Us There (GUTS)	93.778	2005NJ5MAP		7/1/19-6/30/20	19,353				10,725	19,353			10,738			
Leisure Bridges	93.778	2005NJ5MAP		7/1/19-6/30/20	44,882				54,150	44,882			87,211			
Adult Training Special Needs	93.778	1905NJ5MAP		7/1/18-6/30/19	126,944		8,869									
Adult Rehab Woodridge	93.778	2005NJ5MAP		7/1/19-6/30/20	350,587		8,869		510,783	350,587			169,065			
Adult Rehab Paramus	93.778	2005NJ5MAP		7/1/19-6/30/20	676,864	104,098	13,748	-	1,045,369	676,864	-	-	486,351	-	-	-
Total Special Revenue Funds						119,593	-	-	1,963,135	1,524,718	-	(195,355)	753,365	-	(195,355)	-
Total Federal Financial Assistance						\$ 83,428	\$ -	\$ -	\$ 2,548,398	\$ 2,081,051	\$ -	\$ (207,002)	\$ 757,777	\$ -	\$ (195,355)	\$ -

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2019	Adjustment	Carryover Amount	Cash Received	Budgetary Expenditures	Refund Prior Year's Balance	Balance June 30, 2020			MEMO		
										(Accounts Receivable)	Unearned Revenues	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education															
<u>General/Special Revenue and Internal Service Funds</u>															
Reimbursed Social Security Contributions	19-495-034-5094-003	7/1/18-6/30/19	\$ 2,014,293	\$ (102,526)			\$ 102,526								
Reimbursed Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20	2,114,515				1,998,995	\$ 2,103,874		\$ (104,879)			\$ (104,879)	\$ 2,103,874	
On Behalf Pension System Contributions - Post Retirement Medical	20-495-034-5095-001	7/1/19-6/30/20	2,286,918				2,286,918	2,286,918						2,286,918	
On Behalf Pension System Contributions - Normal Costs	20-495-034-5095-007	7/1/19-6/30/20	6,055,958				6,055,958	6,055,958						6,055,958	
On Behalf Pension System Contributions - Non-Contributory Group Insurance	20-495-034-5095-006	7/1/19-6/30/20	108,546				108,546	108,546						108,546	
On Behalf Pension System Contributions - Long Term Disability Insurance	20-495-034-5095-006	7/1/19-6/30/20	3,549	-	-	-	3,549	3,549	-	-	-	-	-	3,549	
Total General/Special Revenue and Internal Service Funds				<u>(102,526)</u>	<u>-</u>	<u>-</u>	<u>10,556,492</u>	<u>10,558,845</u>	<u>-</u>	<u>(104,879)</u>	<u>-</u>	<u>-</u>	<u>(104,879)</u>	<u>10,558,845</u>	
<u>Special Revenue Fund</u>															
Other State Sources															
New Jersey Dept of Developmental Disabilities															
Adult Training	01BS9N	7/1/18-6/30/19	116,030	37,541								\$ 37,541			
Adult Training	01BS9N	7/1/17-6/30/18	454,494	5,727								5,727			
Adult Training	01BS9N	7/1/19-6/30/20	13,095					13,095		(13,095)			(13,095)	13,095	
Adult Autism	01BS9N	7/1/18-6/30/19	8,646	411								411			
After Hours	01BS9N	7/1/17-6/30/18	63,522	47,308								47,308			
COVID19	01BS9N	7/1/19-6/30/20	373,420				373,420	373,420						373,420	
Work Ready, Work Now	N/A	7/1/19-6/30/20	75,000				75,000	75,000						75,000	
Teacher Quality Enhancement		7/1/04-9/30/05	2,760	(3)	-	-	-	-	-	-	-	(3)	-	-	
Total State Department of Education-Special Revenue				<u>90,984</u>	<u>-</u>	<u>-</u>	<u>448,420</u>	<u>461,515</u>	<u>-</u>	<u>(13,095)</u>	<u>-</u>	<u>90,984</u>	<u>(13,095)</u>	<u>461,515</u>	
State Department of Agriculture															
<u>Enterprise Fund</u>															
National School Lunch Program State Share	19-100-010-3360-067	7/1/18-6/30/19	2,643	(480)			480							-	
National School Lunch Program State Share	20-100-010-3360-067	7/1/19-6/30/20	1,893	-	-	-	1,781	1,893	-	(112)	-	-	(112)	1,893	
Total Enterprise Fund				<u>(480)</u>	<u>-</u>	<u>-</u>	<u>2,261</u>	<u>1,893</u>	<u>-</u>	<u>(112)</u>	<u>-</u>	<u>-</u>	<u>(112)</u>	<u>1,893</u>	
Total State Financial Assistance Subject to Single Audit Determination				<u>(12,022)</u>	<u>-</u>	<u>-</u>	<u>11,007,173</u>	<u>11,022,253</u>	<u>-</u>	<u>(118,086)</u>	<u>-</u>	<u>90,984</u>	<u>(118,086)</u>	<u>11,022,253</u>	
State Financial Assistance Not Subject to Single Audit Determination															
<u>General Fund</u>															
On-Behalf TPAF Pension, OPEB & LTDI Contributions				-	-	-	(8,454,971)	(8,454,971)	-	-	-	-	-	(8,454,971)	
Total State Financial Assistance Subject to Major Program Determination				<u>\$ (12,022)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,552,202</u>	<u>\$ 2,567,282</u>	<u>\$ -</u>	<u>\$ (118,086)</u>	<u>\$ -</u>	<u>\$ 90,984</u>	<u>\$ (118,086)</u>	<u>\$ 2,567,282</u>	

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
 NOTES TO THE SCHEDULES OF EXPENDITURES OF
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$51,768 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	\$ 277,544	\$ 5,863,571	\$ 6,141,115
Special Revenue Fund	1,476,177	1,608,673	3,084,850
Internal Service Fund	125,000	5,119,885	5,244,885
Food Service Fund	<u>150,141</u>	<u>1,893</u>	<u>152,034</u>
Total Financial Assistance	<u>\$ 2,028,862</u>	<u>\$ 12,594,022</u>	<u>\$ 14,622,884</u>

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$2,103,874 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, 2020. The amount reported as TPAF Pension System Contributions in the amount of \$6,164,504, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,286,918 and TPAF Long-Term Disability Insurance in the amount of \$3,549 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2020.

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

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions 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 7 DE MINIMIS INDIRECT COST RATE

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

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08? _____ X no

Identification of major state programs:

<u>GMIS Number</u>	<u>Name of State Program or Cluster</u>
<u>20-495-034-5094-003</u>	<u>Reimbursed Social Security Contributions</u>
_____	_____
_____	_____
_____	_____

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

Auditee qualified as low-risk auditee? X yes _____ no

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Part 2 - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

THERE ARE NONE.

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

CURRENT YEAR STATE AWARDS

THERE ARE NONE

CURRENT YEAR FEDERAL AWARDS

THERE ARE NONE

**BERGEN COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

STATUS OF PRIOR YEAR FINDINGS

There were none.