

Annual
Financial Report

of the

New Jersey School Boards Association

for the

Years Ended

June 30, 2022 and 2021

Prepared by

New Jersey School Boards Association

Finance Department

NEW JERSEY SCHOOL BOARDS ASSOCIATION

I N D E X

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FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

New Jersey School Boards Association
413 West State Street
Trenton, New Jersey 08618

Report on the Financial Statements

We have audited the accompanying financial statements of the the New Jersey School Boards Association, which comprises the statements of net position as of June 30, 2022 and 2021 and the related statements of revenue, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the New Jersey School Boards Association, for the years ended June 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the New Jersey School Boards Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* and the schedules related to accounting and reporting for pensions in Schedules R-1 through R-3 and the schedules related to accounting and reporting for OPEB in Schedules S-1 through S-3 identified in the table of contents 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2023 on our consideration of the New Jersey School Boards Association'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 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 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 New Jersey School Boards Association's internal control over financial reporting and compliance.



January 20, 2023



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

New Jersey School Boards Association
413 West State Street
Trenton, New Jersey 08618

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of New Jersey School Boards Association as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise New Jersey School Boards Association's financial statements, and have issued our report thereon dated January 20, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered New Jersey School Boards Association's 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 New Jersey School Boards Association's internal control. Accordingly, we do not express an opinion on the effectiveness of New Jersey School Boards Association'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 Association'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.

SUPLEE, CLOONEY & COMPANY

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 New Jersey School Boards Association'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*.

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 Association'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 Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Suplee, Clooney & Company". The signature is written in a cursive, flowing style.

January 20, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

In this section of the annual report, management of the New Jersey School Boards Association (the "Association") presents a narrative discussion and analysis of the Association's financial activities for the years ended June 30, 2022, and June 30, 2021. This section of the report should be read in conjunction with the Association's audited financial statements and supplementary information for the years ended June 30, 2022 and 2021. The Association's audited financial statements are presented in conformity with U.S. generally accepted accounting principles.

Audit Assurance

The unmodified opinion of our independent auditors, Suplee Clooney & Company, is included in this report.

Financial Highlights

Total assets and deferred outflow of resources as of June 30, 2022 were \$27.2 million, an increase of \$11.5 million from the prior year's total assets of \$15.8 million. The change was comprised of an increase in cash of \$617 thousand, an increase in net accounts receivable of \$351 thousand, and a reduction in property, plant, and equipment and other assets of \$347 thousand, due to depreciation and amortization of these assets of \$449 thousand, offset by property additions of \$102 thousand and an increase in prepaid expenses of \$83 thousand. Additionally, there was an increase in deferred outflow of resources of \$10.8 million due to changes in the net pension and other post-employment benefit (OPEB) obligations. These transactions are explained in footnotes 1, 6, 8 and 9 and later in this discussion. Current liabilities were \$2.3 million in 2022 and \$1.4 million in 2021, where the Association realized an increase in restricted ACES funds as well as a large increase in Workshop deposits due to the return to an in-person format for Workshop 2022. Net pension liabilities decreased \$3.5 million and net OPEB liabilities increased \$9.7 million, and deferred inflow of resources increased by \$2.2 million due to unfavorable market investment assumptions.

Membership dues and programs increased from 2022 as a result of higher memberships for charter schools, while net membership expenditures increased by \$144 thousand due to the resumption of travel resulting from the easing of COVID-19 restrictions and increased use of consultants due to staff vacancies.

Overhead expenditures increased \$1,799 thousand in 2021-2022 due to the lack of pension and post-employment benefits adjustments. The State of New Jersey, Division of Pension and Benefits provides these amounts to us, and they are not yet available for 2021 – 2022. This increase was offset by a decrease in salaries expense resulting from several extended staff vacancies.

The October 2021 net Workshop accounts resulted in an overall decrease of 23.8% compared to the October 2021 Workshop. This decrease is a result of the challenges the Association faced in resigning sponsors to a second year of hosting a virtual event.

Net Fee-Based Services accounted for \$138 thousand, or 31.6%, more than the previous year of \$434 thousand. Superintendent Searches and Strategic Plans accounted for the majority of this increase.

Net conference receipts and expenditures decreased slightly by \$3K from the previous year, as restrictions on in-person events continued for most of the 2021 – 2022 fiscal year .

The ACES – Plus solar program resumed in 2021 – 2022 and accounted for a \$63K increase in net revenues.

Investment income remained flat from 2020 – 2021 to 2021 – 2022 since the interest rates during both years were adversely impacted by COVID-19.

Unrestricted cash and Investments of \$6.1 million was \$617 thousand higher in 2022 than in 2021 primarily due to the cash profit that the Association generated in 2021 – 2022 and the higher level of deposits collected for Workshop 2022 sponsorships. Cash provided by/(used in) used in operating activities was \$712 thousand in 2022 and \$28 thousand in 2021. Cash flows used in investing activities were \$(94) thousand in 2022 versus \$(85) thousand in 2021. The majority of these investing activities related to upgrades of our Information Technology systems.

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic audited financial statements and supplementary information. The MD&A represents management's examination and analysis of the Association's financial condition and performance. Summary financial statement data, and key financial and operational indicators used in the Association's budget, were used for this analysis.

The financial statements report information about the Association using full accrual accounting methods as utilized by similar business activities in the private sector. The financial statements include Statements of Net Position; Statements of Revenues, Expenses and Changes in Net Position; Statements of Cash Flows; and notes to the financial statements.

The Statements of Net Position present the financial position of the Association on a full accrual, historical cost basis. These statements present information on all of the Association's assets and liabilities, with the differences reported as net position. Over time, increases and decreases in net position are indicators of whether the financial position of the Association is improving or deteriorating.

While the Statements of Net Position provide information about the nature and amount of resources and obligations at year-end, the Statements of Revenues, Expenses and Changes to Net Position present the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The Statements of Cash Flows present changes in cash and cash equivalents, resulting from operational, financing, and investing activities. These statements present cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets occurs.

The Government Accounting Standards Board (GASB) Statement 68 requires state and local governmental entities to disclose their unfunded pension liabilities. The Association participates in the pension plan sponsored by the State of New Jersey, which has a much-publicized, large unfunded liability. Although the Association is not responsible for making pension payments to employees when they retire, GASB 68 dictates that the pro-rata share represented by Association employees participating in PERS (Public Employee Retirement System) be reported in the audited financial statements to promote better financial clarity. Understandably, the net pension liability of \$8.3 million and \$11.8 million – shown within long-term liabilities – is a significant amount at June 30, 2022 and 2021, respectively. Footnotes 1 and 6 explain the pension plan accounting in detail.

GASB has also issued Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” which is effective for fiscal years beginning after June 15, 2017. This plan is a cost sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding solution. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Association adopted a resolution to provide post-retirement health benefits to employees who retire with 25 years or more of service within the system by December 1, 2001. Eleven retirees meet this requirement and are receiving benefits. The net OPEB liability was \$11.6 million and \$1.9 million – shown within long-term liabilities at June 30, 2022 and 2021, respectively. Footnotes 1, 8 and 9 explain the OPEB plan accounting in detail based on 11 plan members.

The Notes to the Financial Statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Association’s accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

Summary of Organization and Business

The New Jersey School Boards Association was created by the State of New Jersey N.J.S.A. 18A:6-45 in 1914. The Association is a federation of all of the state’s boards of education. Each district is required to pay dues annually to the Association. The mission of the Association is to provide training, advocacy and support to advance public education and promote the achievement of all students through effective governance.

The Association’s Associate Membership Program for Charter Schools is designed to help charter school trustees and lead persons successfully carry out their responsibilities in policy, governance, finance and negotiations.

Use of Surplus

The balance of the Future Ready Technology Replacement Fund as of June 30, 2021 was \$47 thousand. During the 2021 - 2022 year, these funds were used for enhancements to our Association Management System (Cobalt) and our financial system (GP365), as well as computer upgrades and replacements for our staff. Additionally, at its May 2022 meeting the board approved a \$350 thousand transfer from the operating fund surplus to this fund to provide for further information technology enhancements, including a contract management system and improvements to our online training platform. None of this transfer was spent by year end, leaving a balance in the Future Ready Technology Replacement Fund of \$350 thousand as of June 30, 2022.

The board also approved a \$100 thousand transfer from the operating fund surplus to the Building Needs Allocation Fund for planned repairs to the HVAC system and replacement of the exhaust piping for the boiler. During 2021-2022 this fund invested in the development of an online course, which resulted in a fund balance of \$195 thousand as of June 30, 2022.

Contacting the Association's Management

If there are any questions concerning the Association's report or if additional information is needed, please contact Dr. Timothy Purnell, Executive Director; New Jersey School Boards Association, 413 West State Street, Trenton, New Jersey 08618.

Financial Analysis

The following comparative, condensed financial statements and other selected information serve as key financial data and indicators for management, monitoring and planning.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

CONDENSED FINANCIAL STATEMENTS

CONDENSED STATEMENTS OF NET POSITION

	June 30		Variance		
	<u>2022</u>	<u>2021</u>	<u>Dollars</u>	<u>%</u>	<u>2020</u>
Assets and Deferred Outflow of Resources					
Cash and Cash Equivalents	\$ 6,113,027	\$ 5,495,909	\$ 617,118	11.2%	\$ 5,553,064
Accounts Receivable - Net	538,820	187,319	351,501	187.6%	143,830
Property, Plant and Equipment - Net	7,021,269	7,368,727	(347,458)	-4.7%	7,782,468
Other Assets	349,065	266,444	82,621	31.0%	211,664
Deferred Outflow of Resources	13,212,222	2,440,055	10,772,167	441.5%	2,495,755
Total Assets and Deferred Outflow of Resources	<u>\$ 27,234,403</u>	<u>\$ 15,758,454</u>	<u>\$ 11,475,949</u>	<u>72.8%</u>	<u>\$ 16,186,781</u>
Liabilities and Deferred Inflow of Resources					
Current Liabilities	\$ 2,328,101	\$ 1,395,795	\$ 932,306	66.8%	\$ 1,722,332
Long-Term Liabilities	19,884,059	13,680,145	6,203,914	45.3%	13,729,917
Total Liabilities	<u>22,212,160</u>	<u>15,075,940</u>	<u>7,136,220</u>	<u>47.3%</u>	<u>15,452,249</u>
Deferred Inflow of Resources	19,721,519	17,511,108	2,210,411	12.6%	19,334,665
Net Position					
Board Designated	545,128	196,900	348,228	176.9%	124,492
Unrestricted - Undesignated	4,127,683	4,356,977	(229,294)	-5.3%	4,396,366
Unrestricted - Net Pension Liability	(13,608,900)	(15,512,537)	1,903,637	-12.3%	(15,774,738)
Unrestricted - OPEB Liability	(12,784,456)	(13,238,661)	454,205	-3.4%	(15,128,721)
Net Investment in Facilities	7,021,269	7,368,727	(347,458)	-4.7%	7,782,468
Total Net Position	<u>(14,699,276)</u>	<u>(16,828,594)</u>	<u>2,129,318</u>	<u>-12.7%</u>	<u>(18,600,133)</u>
Total Liabilities, Deferred Inflow of Resources and Net Position	<u>\$ 27,234,403</u>	<u>\$ 15,758,454</u>	<u>\$ 11,475,949</u>	<u>72.8%</u>	<u>\$ 16,186,781</u>

NEW JERSEY SCHOOL BOARDS ASSOCIATION

CONDENSED FINANCIAL STATEMENTS

CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	June 30		Variance		2020
	2022	2021	Dollars	%	
Membership Dues	\$ 7,112,092	\$ 7,112,092	\$ -	0.0%	\$ 7,112,091
Membership Programs	315,411	291,087	24,324	8.4%	304,220
Total Memberships	<u>7,427,503</u>	<u>7,403,179</u>	<u>24,324</u>	<u>0.3%</u>	<u>7,416,311</u>
Membership Expenditures:					
Committees	19,964	9,645	10,319	107.0%	59,008
Conferences	1,298	10,318	(9,020)	-87.4%	22,755
Membership Services & Programs	266,034	152,514	113,520	74.4%	171,518
Publications included with Memberships, Net	38,277	34,808	3,469	10.0%	15,336
Travel & Liaison	45,800	19,952	25,848	129.6%	80,742
Total Memberships Expenditures	<u>371,373</u>	<u>227,237</u>	<u>144,136</u>	<u>63.4%</u>	<u>349,359</u>
Overhead:					
Salaries	5,514,956	5,796,368	(281,412)	-4.9%	5,911,984
Personnel Administration & Training	2,212,340	2,127,535	84,805	4.0%	2,107,174
Headquarters Housing	351,142	379,668	(28,526)	-7.5%	391,362
Amortization & Depreciation Expense	449,229	506,334	(57,105)	-11.3%	534,982
Insurance	100,348	95,541	4,807	5.0%	89,113
Office Expense	283,605	358,909	(75,304)	-21.0%	438,667
Total Overhead Expenditures	<u>8,911,620</u>	<u>9,264,355</u>	<u>(352,735)</u>	<u>-3.8%</u>	<u>9,462,721</u>
Net Memberships	(1,855,490)	(2,088,413)	232,923	-11.2%	(2,395,769)
Workshop Receipts	757,789	977,560	(219,771)	-22.5%	2,388,469
Workshop Expenditures	138,215	164,564	(26,349)	-16.0%	949,049
Net Workshop	<u>619,574</u>	<u>812,996</u>	<u>(193,422)</u>	<u>-23.8%</u>	<u>1,439,420</u>
Fee Based Service Receipts	665,754	932,274	(266,520)	-28.6%	766,047
Fee Based Service Expenditures	93,992	498,376	(404,384)	-81.1%	377,347
Net Fee Based Services	<u>571,762</u>	<u>433,898</u>	<u>137,864</u>	<u>31.8%</u>	<u>388,700</u>
Conference Receipts	150,738	152,156	(1,418)	-0.9%	86,741
Conference Expenditures	1,860	0	1,860	0.0%	10,007
Net Conferences	<u>148,878</u>	<u>152,156</u>	<u>(3,278)</u>	<u>-2.2%</u>	<u>76,734</u>
Net Publications	21,059	26,473	(5,414)	-20.5%	34,238
Net iSTEAM, Sustainability and Other	100,167	15,249	84,918	556.9%	10,460
Net Miscellaneous Receipts	158,185	259,106	(100,921)	-38.9%	205,852
Net OPEB Adjustment	2,357,842	2,152,261	205,581	9.6%	1,941,718
Investment Income	7,341	7,813	(472)	-6.0%	89,334
Net Income (Loss)	2,129,318	1,771,539	357,779	20.2%	1,790,687
Net Position, Beginning of Year	<u>(16,828,594)</u>	<u>(18,600,133)</u>	<u>1,771,539</u>	<u>-9.5%</u>	<u>(20,390,820)</u>
Net Position, End of Year	<u>\$ (14,699,276)</u>	<u>\$ (16,828,594)</u>	<u>\$ 2,129,318</u>	<u>12.7%</u>	<u>\$ (18,600,133)</u>

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BASIC FINANCIAL STATEMENTS

NEW JERSEY SCHOOL BOARDS ASSOCIATION

STATEMENTS OF NET POSITION

JUNE 30, 2022 AND 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	<u>2022</u>	<u>2021</u>
Current Assets:		
Cash and Cash Equivalents	\$ 5,991,667	\$ 5,429,687
Cash - Restricted	121,360	66,222
Accounts Receivable	538,820	187,319
Prepaid Expenses	349,065	266,444
<u>Total Current Assets</u>	<u>7,000,912</u>	<u>5,949,672</u>
Fixed Assets:		
Land for HQ	1,686,534	1,686,534
Land	139,040	139,040
Building and Building Improvements	10,636,633	10,636,633
Furniture and Fixtures	1,004,074	1,004,074
Computer Hardware and Software	1,102,862	1,001,090
Telephone System	47,026	47,026
Automobiles	50,764	50,764
	<u>14,666,933</u>	<u>14,565,161</u>
Less: Accumulated Depreciation and Amortization	<u>(7,645,664)</u>	<u>(7,196,434)</u>
<u>Net Fixed Assets</u>	<u>7,021,269</u>	<u>7,368,727</u>
<u>Total Assets</u>	<u>14,022,181</u>	<u>13,318,399</u>
<u>Deferred Outflow of Resources</u>		
Pension Related	770,608	1,965,242
OPEB Related	12,441,614	474,813
	<u>13,212,222</u>	<u>2,440,055</u>
<u>TOTAL ASSETS AND</u> <u>DEFERRED OUTFLOW OF RESOURCES</u>	<u>\$ 27,234,403</u>	<u>\$ 15,758,454</u>

The accompanying Notes are an integral part of these financial statements.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

STATEMENTS OF NET POSITION

JUNE 30, 2022 AND 2021

LIABILITIES, DEFERRED INFLOWS
OF RESOURCES AND NET POSITION

	<u>2022</u>	<u>2021</u>
Current Liabilities:		
Accounts Payable & Accrued Expenses	\$ 392,644	\$ 365,710
Unearned Revenue	1,306,942	374,533
Accrued Vacation Payable	628,515	655,552
<u>Total Current Liabilities</u>	<u>2,328,101</u>	<u>1,395,795</u>
Long-term Liabilities:		
Net Pension Liability	8,287,700	11,785,521
Net OPEB Liability	11,596,359	1,894,624
<u>Total Long-term Liabilities</u>	<u>19,884,059</u>	<u>13,680,145</u>
<u>Total Liabilities</u>	<u>22,212,160</u>	<u>15,075,940</u>
<u>Deferred Inflow of Resources</u>		
Pension Related	6,091,808	5,692,258
OPEB Related	13,629,711	11,818,850
	<u>19,721,519</u>	<u>17,511,108</u>
<u>Net Position</u>		
Unrestricted - Board Designated:		
Building Needs Allocation	195,128	149,902
Future Ready Technology Replacement	350,000	46,998
Total Unrestricted - Board Designated	<u>545,128</u>	<u>196,900</u>
Unrestricted - Undesignated	4,127,683	4,356,977
Unrestricted - Net Pension Liability	(13,608,900)	(15,512,537)
Unrestricted - OPEB Liability	(12,784,456)	(13,238,661)
Net Investment in Capital Assets	<u>7,021,269</u>	<u>7,368,727</u>
<u>Total Net Position</u>	<u>(14,699,276)</u>	<u>(16,828,594)</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</u>	<u>\$ 27,234,403</u>	<u>\$ 15,758,454</u>

The accompanying Notes are an integral part of these financial statements.

EXHIBIT BNEW JERSEY SCHOOL BOARDS ASSOCIATIONSTATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITIONFOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Membership Dues	\$ 7,112,092	\$ 7,112,092
Membership Programs	<u>315,411</u>	<u>291,087</u>
Total Memberships	<u>7,427,503</u>	<u>7,403,179</u>
Membership Expenditures:		
Committees	19,964	9,645
Conferences	1,298	10,318
Membership Services & Programs	266,034	152,514
Publications included with Memberships, Net	38,277	34,808
Travel & Liaison	<u>45,800</u>	<u>19,952</u>
Total Memberships Expenditures	<u>371,373</u>	<u>227,237</u>
Overhead:		
Salaries	5,514,956	5,796,368
Personnel Administration & Training	2,212,340	2,127,535
Headquarters Housing	351,142	379,668
Amortization & Depreciation Expense	449,229	506,334
Insurance	100,348	95,541
Office Expense	<u>283,605</u>	<u>358,909</u>
Total Overhead Expenditures	<u>8,911,620</u>	<u>9,264,355</u>
Net Memberships	<u>(1,855,490)</u>	<u>(2,088,413)</u>
Workshop Receipts	757,789	977,560
Workshop Expenditures	<u>138,215</u>	<u>164,564</u>
Net Workshop	<u>619,574</u>	<u>812,996</u>
Fee Based Service Receipts	665,754	932,274
Fee based Service Expenditures	<u>93,992</u>	<u>498,376</u>
Net Fee Based Services	<u>571,762</u>	<u>433,898</u>
Conference Receipts	150,738	152,156
Conference Expenditures	<u>1,860</u>	<u>-</u>
Net Conferences	<u>148,878</u>	<u>152,156</u>
Net Publications	21,059	26,473
Net iSTEAM & Sustainability	100,167	15,249
Net Miscellaneous Receipts	158,185	259,106

EXHIBIT B

NEW JERSEY SCHOOL BOARDS ASSOCIATION

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Net PERS and OPEB Adjustment	<u>2,357,842</u>	<u>2,152,261</u>
Net Operating Income (Loss)	<u>2,121,977</u>	<u>1,763,726</u>
Investment Income	<u>7,341</u>	<u>7,813</u>
Net Income (Loss)	<u>2,129,318</u>	<u>1,771,539</u>
Net Position, Beginning of Year	<u>(16,828,594)</u>	<u>(18,600,133)</u>
Net Position, End of Year	\$ <u>(14,699,276)</u>	\$ <u>(16,828,594)</u>

The accompanying Notes are an integral part of these financial statements.

EXHIBIT C

NEW JERSEY SCHOOL BOARDS ASSOCIATION

STATEMENTS OF CASH FLOW

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Collections from Customers	\$ 10,704,777	\$ 9,782,918
Payments to Vendors and Employees	<u>(9,993,229)</u>	<u>(9,755,294)</u>
Net Cash Provided by Operating Activities	<u>711,548</u>	<u>27,624</u>
Cash Flows from Investing Activities:		
Purchases of Equipment	(101,771)	(92,592)
Investment Income	<u>7,341</u>	<u>7,813</u>
Net Cash Used in Investing Activities	<u>(94,430)</u>	<u>(84,779)</u>
Net Change in Cash and Cash Equivalents	617,118	(57,155)
Cash and Cash Equivalents, Beginning of Year	<u>5,495,909</u>	<u>5,553,064</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,113,027</u>	<u>\$ 5,495,909</u>
Reconciliation of Operating Income to:		
Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ 2,121,977	\$ 1,763,726
Depreciation	336,873	375,498
Amortization	112,356	130,836
Pension (Income) Expense		
OPEB Adjustment		(2,152,261)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(351,501)	(43,489)
Prepaid Expenses	(82,621)	(54,779)
Accounts Payable and Accrued Expenses	26,934	(35,394)
Other Liabilities	<u>(1,452,470)</u>	<u>43,487</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 711,548</u>	<u>\$ 27,624</u>

The accompanying Notes are an integral part of these financial statements.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The New Jersey School Boards Association (the "Association") was created by the State of New Jersey N.J.S.A. 18A:6-45 in 1914. The Association is a state federation of all district boards of education. Each district is required to annually pay dues to the Association. The mission of the Association is to provide training, advocacy and support to advance public education and promote the achievement of all students through effective governance.

Reporting Entity

The Association's financial statements include all operations and management of the organization. The Board of Directors consists of the officers of the Association and 26 members as follows:

- a. One from each county of the State, who shall be elected by the district boards of education acting through the school boards association of each county;
- b. Three members elected by the members of the Urban Boards Committee, provided that no member elected pursuant to this subsection be a member of a local board on which another member of the Board of Directors already serves;
- c. One member who shall be appointed by the president with the advice and consent of the Board of Directors, and who shall be a member of a county vocational board of education, provided that no member appointed pursuant to this subsection may be a member of a local board on which another member of the Board of Directors already serves;
- d. One member elected by the members of the County Association Leadership, provided that no member elected pursuant to this subsection may be a member of a local board on which another member of the Board of Directors already serves; and
- e. Any board of education member who is elected as an officer or board of directors member of the National School Boards Association, and whose district board of education is in good standing with the Association, shall serve as a non-voting member of the Board of Directors for the duration of his or her NSBA term of office.

Regular members of the Board of Directors other than officers shall be elected or appointed for a term of three years. There is one alternate for each director, selected in the same manner as the director by the same authority, for a three-year term. The officers are elected for a two-year term. Among other duties and authority, the Board of Directors implements the purposes of the Association and exercises general supervision over its affairs, between meetings of the delegates; they adopt the annual budget and approve the annual audit of the Association; and are authorized to transact the business of the Association and enter into contracts on behalf of the Association. There are no additional entities required to be included in the reporting entity, and the Association is not included in any other reporting entity.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate the unfunded net pension liability of Public Employees Retirement System (PERS) of the participating employers as of June 30, 2021. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events.

Under GAAP, the Association is required to recognize the pension liability in the Statement of Net Position and the Statement of Revenues, Expenses, Changes in Net Position and the Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item on the Statement of Net Position.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement no. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

Under GAAP, the Association is required to recognize the OPEB liability in the Statement of Net Position and the Statement of Revenues, Expenses, Changes in Net Position and the Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 is displayed as a separate line item on the Statement of Net Position.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position includes 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) until then. The Association has only two items that qualify for reporting in this category, deferred amounts related to pensions and OPEB.

In addition to liabilities, the statement of net position will sometimes report a separate section or 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 Association has two items that qualify in this category, deferred amounts related to pensions and OPEB.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for proprietary funds as prescribed by the GASB. Proprietary fund revenues and expenses are recognized on the accrual basis. Accordingly, revenues are recognized in the accounting period in which they are earned and become measurable. Membership dues collected in the current fiscal year, which are due in the next fiscal year, are recorded as unearned revenue. Expenses are recognized in the period incurred if measurable. Under GASB Statement No. 34, for financial reporting purposes, the Association is considered a special-purpose government entity engaged only in business-type activities.

Concentration of Credit Risk

The Association maintains its cash balances in financial institutions, which are insured by the Federal Deposit Insurance Corporation up to \$250,000 each and the remaining bank balance is covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA). Our bank, Investors Bank, is certified by the Department of Banking and Insurance for participation in the GUDPA system.

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash within 3 months of purchase. Balances may exceed FDIC limits. The Association believes it is not exposed to any significant credit risks.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable consists of various amounts receivable from member boards of education and corporate partners for conferences, fee-based services, advertising, and other member program services.

Investments

Investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The Association classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost.

Authorized investments include the following:

- a. Certificates of Deposit or other interest-bearing deposits of New Jersey financial institutions, which are certified as Public Depositories for accepting public funds by the State Commissioner of Banking, according to the provisions of the GUDPA. There is no dollar limitation on funds placed in GUDPA depositories.
- b. Money market funds of authorized financial institutions (GUDPA depositories).
- c. The State of New Jersey Cash Management Fund.
- d. Obligations of the U.S. Government or obligations guaranteed by the U.S. Government.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method based on the estimated useful lives of the related assets. Asset lives used in the calculation of depreciation are as follows:

Buildings and Improvements	33 ½ years
Office Equipment	5 years
Furniture and Fixtures	10 years
Telephone System	10 years
Computer Hardware and Software	3 years
Vehicles	3 years

Estimates and Uncertainties

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Association is a governmental unit as described in Section 170(c) (1) of the Internal Revenue Code and in accordance with Section 115 of the Code, is not subject to income taxes.

(2) CASH – RESTRICTED

The Association's cash restricted accounts consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Trust - ACES	<u>\$121,360</u>	<u>\$66,222</u>

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(3) INVESTMENTS

At June 30, 2022 and 2021, the Association's cash was invested in a money market and an interest-bearing account.

(4) DESIGNATED NET POSITION

The Association has designated certain funds as restricted by the Board of Directors. At the November 2020 and May 2021 Board of Directors meetings, the board approved transfers from the operating fund totaling \$165,000 for future facility needs. During 2020-2021 a total of \$47,247 was spent on new office furniture and equipment and a new Association vehicle, leaving a balance of \$149,902 as of June 30, 2021. During 2021-2022 the board approved an additional \$100,000 for planned repairs to the HVAC system and replacement of the exhaust piping for the boiler, and the Association invested in the development of an online training course. This left a balance of \$195,128 in the Building Needs Allocation Fund as of June 30, 2022.

The Association spent \$45,345 in 2020-2021 for enhancements to the Association's Management System (Cobalt), a new phone system and a new video security system, resulting in a balance of \$46,998 in the Future Ready Technology Fund as of June 30, 2021. At the May 2022 Board of Directors meeting, the board approved a \$350,000 transfer from the operating fund to this fund to provide for further information technology enhancements, including a contract management system and improvements to our online training platform. None of this transfer was spent by year end, leaving a balance of \$350,000 as of June 30, 2022.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(5) PROPERTY AND EQUIPMENT - GROSS

Property and equipment are summarized as follows for June 30:

	<u>2022</u>	<u>2021</u>
Property and Equipment:		
Land in Hamilton, NJ	\$ 1,686,534	\$ 1,686,534
Land in Trenton, NJ	139,040	139,040
Building and Improvements	10,636,633	10,636,634
Furniture and Fixtures	767,352	767,351
Computer Hardware and Software	1,102,862	1,001,090
Office Equipment	236,722	236,721
Telephone System	47,026	47,026
Vehicles	50,764	50,764
Total Property and Equipment	\$ <u>14,666,933</u>	\$ <u>14,565,161</u>
	<u>2022</u>	<u>2021</u>
Accumulated Depreciation and Amortization		
Building and Improvements	\$ 5,720,496	\$ 5,448,114
Furniture and Fixtures	683,571	669,937
Computer Hardware and Software	967,667	839,156
Office Equipment	196,296	171,513
Telephone System	40,531	39,719
Vehicles	37,102	27,994
Total Accumulated Depreciation and Amortization	<u>7,645,664</u>	<u>7,196,434</u>
Property and Equipment, Net	\$ <u>7,021,269</u>	\$ <u>7,368,727</u>

(6) PENSION AND OTHER DEFERRED COMPENSATION PLANS

Deferred Compensation Plan

The Association's deferred compensation program is offered to all Association employees. The program was created in accordance with Sections 403(b) and 457 of the Internal Revenue Code. The program is offered by the Association through two program administrators, The Variable Annuity Life Insurance Company ("VALIC") and The Metropolitan Life Insurance Company ("Metlife"). Amounts deferred under this plan are to be held for the exclusive benefit of participating employees and are not accessible by the Association or its creditors.

The Association has a Deferred Compensation Plan pursuant to Section 403(b) of the Internal Revenue Code. The Association does not contribute to the Plan. All amounts deferred under the 403(b) plan are the property of the employees.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(6) PENSION AND OTHER DEFERRED COMPENSATION PLANS

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was 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 board or public agency provided the employee is not a member of another state-administered retirement system.

Subsequent legislation has changed the enrollment and retirement criteria for PERS members enrolled as of certain dates and defined them as tiers in the following manner:

Tier 1 – Members who were enrolled prior to July 1, 2007

Tier 2 – Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008

Tier 3 – Members who were eligible to enroll on or after November 2, 2008 and on or before May 21, 2010

Tier 4 – Members who were eligible to enroll after May 21, 2010 and before June 28, 2011

Tier 5 – Members who were eligible to enroll on or after June 28, 2011

The minimum retirement age requirement for PERS members is age 60 for Tier 1 and Tier 2 members, age 62 for Tier 3 and Tier 4 members, and age 65 for Tier 5 members. The formula to calculate the maximum annual pension for Tier 1, Tier 2, and Tier 3 is:

$$\frac{\text{Years of Service}}{55} \times \text{Final Annual Average Salary} = \text{Retirement Allowance}$$

The formula to calculate the maximum annual pension for Tier 4 and Tier 5 is:

$$\frac{\text{Years of Service}}{60} \times \text{Final Annual Average Salary} = \text{Retirement Allowance}$$

Final Average Salary for Tier 1, Tier 2, and Tier 3 members means the average salary for the 36 months immediately preceding retirement. For Tier 4 and Tier 5 members the Final Average Salary is the average of their salary for the last 60 months immediately preceding retirement.

The Association made contributions of \$819,302 and \$790,610 to PERS for the fiscal years ended June 30, 2022 and 2021, respectively.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(6) PENSION AND OTHER DEFERRED COMPENSATION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB #68

Public Employees Retirement System (PERS)

At June 30, 2021, the State reported a net pension liability of \$8,287,700 for the Local Unit's proportionate share of the total net pension liability. The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The Local Unit's proportion of the net pension liability was based on a projection of the Local Unit's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Local Unit's proportion was 0.0699590683 percent, which was a decrease of 0.0023119967 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the State recognized an actuarially determined pension expense/(benefit) of \$(1,084,335) for the Local Unit's proportionate share of the total pension expense. The pension expense recognized in the Local Unit's financial statements based on the April 1, 2021 billing was \$790,609.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(6) PENSION AND OTHER DEFERRED COMPENSATION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB #68

Funding Policy for PERS (Continued)

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 130,708	\$ 59,330
Change of assumptions	43,162	2,950,475
Net difference between projected and actual earnings on pension plan investments		2,183,198
Changes in proportion and differences between Association contributions and proportionate share contributions	<u>596,738</u>	<u>898,805</u>
	<u>\$770,608</u>	<u>\$6,091,808</u>

Other local amounts reported by the State as the Association's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

Year Ended	
<u>June 30</u>	<u>Amount</u>
2022	\$ (2,015,949)
2023	(1,456,662)
2024	(1,012,416)
2025	(776,038)
2026	<u>(60,135)</u>
	<u>(\$5,321,200)</u>

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(6) PENSION AND OTHER DEFERRED COMPENSATION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB #68

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. These actuarial valuations used the following assumptions:

	<u>June 30, 2021</u>
Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	2.00-6.00%
Thereafter	3.00-7.00%
	Based on
	Years of Service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(6) PENSION AND OTHER DEFERRED COMPENSATION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB #68

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) 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 the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 (expected returns, net of pension plan 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 weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasury's	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(6) PENSION AND OTHER DEFERRED COMPENSATION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB #68

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Association's share of net pension liability to changes in the discount rate

The following presents the Local Unit's proportionate share of the net pension liability of the participating employers as of June 30, 2021 respectively, calculated using the discount rate as disclosed above as well as what the Local Unit's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2021		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Association's proportionate share of the pension liability	\$11,406,478	\$8,287,700	\$5,804,297

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(7) EMPLOYEE HEALTH INSURANCE

Contributions by Employees

Participating Association staff members contribute from 10 percent to 35 percent of the total premium cost. In the same law (Chapter 78, P.L. 2011) referred to above in the Funding Policy for PERS section, health care contributions are incrementally changing over time, effective June 28, 2011. This change is determined by type of coverage: single, family, member/spouse/partner/child coverage, and by salary.

In 2022 and 2021, the Association paid \$938,250 and \$918,661 for staff health care premiums. This was offset by contributions of \$234,520 and \$222,256, or 25.0 percent and 24.1 percent, respectively.

(8) POST RETIREMENT HEALTH INSURANCE

The Association provides post-retirement health benefits to employees who retired with 25 years or more of service within the system by December 1, 2001. Employees with ten (10) or more years of service may also qualify for benefits under the Disability Retirement Provisions of the Plan. Currently eleven retirees meet this requirement and are receiving benefits.

Plan Description

The Association contributes to the State Health Benefits Program (SHBP), a cost sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions>.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(8) POST RETIREMENT HEALTH INSURANCE (CONTINUED)

Funding Policy

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Association on a monthly basis. Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. In accordance with Chapter 62, P.L. 1994, post-retirement medical benefits have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The Association's contributions to the SHBP for the years ended June 30, 2022 and 2021 were \$68,827 and \$63,669, respectively, which equaled the required contributions for each year. Additionally, the Association reimbursed eleven retirees for Part B Federal Medicare premiums, for a cost of \$27,702 and \$29,580 for the years ended June 30, 2022 and 2021, respectively.

(9) ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS
OTHER THAN PENSIONS – GASB 75

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the Association is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions; therefore, assets are accumulated to pay associated benefits.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(9) ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS
OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations' agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52: 14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330.

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(9) ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS
OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Contributions

The Association's contributions to SHBP for the years ended June 30, 2022, 2021 and 2020 were \$68,827, \$63,669, and \$60,905, respectively, which equaled the required contributions for each year.

Total Net OPEB Liability

At June 30, 2021, the Plan reported a Liability of \$11,596,359.00 for the Association's proportionate share of the collective Net OPEB liability. The total Net OPEB Liability measured as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

The Association's proportion of the Net OPEB Liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2020 through June 30, 2021.

At June 30, 2021, the Association's proportion was 0.064425 percent, which was an increase of 0.053868 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the State reported OPEB benefit of \$220,423.00. This OPEB benefit was based on the OPEB plans June 30, 2021 measurement date.

At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$260,208	\$2,426,130
Changes of assumptions	1,668,171	2,049,793
Net difference between projected and actual earnings on OPEB plan investments	5,545	
Changes in proportion	<u>10,507,690</u>	<u>9,153,788</u>
	<u>\$12,441,614</u>	<u>\$13,629,711</u>

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(9) ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS
OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Other local amounts reported by the State as the Association's proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the State's actuarially calculated pension (benefit)/expense as follows:

Year Ended	
<u>June 30</u>	<u>Amount</u>
2022	\$(421,630)
2023	(422,541)
2024	(423,373)
2025	(224,917)
2026	187,450
Thereafter	<u>116,912</u>
	<u>\$(1,188,097)</u>

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50 Percent
Salary Increases:	
Public Employees Retirement System (PERS):	
Initial fiscal Year Applied	
Rate through 2026	2.00-6.00 Percent
Rate thereafter	3.00-7.00 Percent
Police and Firemen's Retirement System (PFRS):	
Rate for all future years	3.25-15.25 Percent

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(9) ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS
OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Mortality:	
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021

* Salary increases are based on years of service within the respective plan.

Actuarial assumptions used in the July 1, 2020 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 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.

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the State. 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.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(9) ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS
OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Sensitivity of the Association's Proportionate Share of the net OPEB Liability to Changes
in the Discount Rate

The following presents the Net OPEB Liability associated with the Association's as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2021		
	1% Decrease <u>1.16%</u>	At Current Discount Rate <u>2.16%</u>	1% Increase <u>3.16%</u>
Association's proportionate share of the Net OPEB liability	\$13,646,690	\$11,596,359	\$9,971,427

Sensitivity of the Association's Proportionate Share of the net OPEB Liability to Changes
in Healthcare Trends

The following presents the total Net OPEB Liability associated with the Association's as of June 30, 2021, calculated using the healthcare trend rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2021		
	1% <u>Decrease</u>	Healthcare Cost Trend Rate	1% <u>Increase</u>
Association's proportionate share of the Net OPEB liability	\$9,675,269	\$11,596,359	\$14,103,144

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(10) RELATED ORGANIZATION

The Electric Discount and Energy Competition Act of 1999 designated the New Jersey School Boards Association ("NJSBA") as a "governmental aggregator" for school district purchasing of deregulated electricity and gas. The New Jersey School Boards Association, the New Jersey Association of School Business Officials ("NJASBO"), and the New Jersey Association of School Administrators ("NJASA") signed a formal agreement to co-sponsor the Alliance for Competitive Energy Services, ("ACES") for local school district joint purchasing of electricity and other energy services on the open market. Because of the legal designation of "governmental aggregator", NJSBA is prohibited from realizing excess revenues in its role as a sponsor of ACES. The financial records of ACES are maintained on a calendar-year basis and are subject to independent audit.

Gable Associates of Highland Park, New Jersey, an energy environmental and public utility consulting firm, is under contract to perform the administrative functions of ACES. All fees due to Gable Associates are contingent upon the successful performance of the Alliance in securing and delivering discounted energy.

The NJSBA, NJASBO, and NJASA formed a Trust that agreed to share equally the direct administrative costs and expenses that were incurred by ACES during the startup process.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(11) USE OF SURPLUS

The balance of the Future Ready Technology Replacement Fund as of June 30, 2021 was \$46,998. During the current year, these funds were used for enhancements to our Association Management System (Cobalt) and our financial system (GP365) as well as computer upgrade and replacements for our staff. Additionally, at its May 2022 meeting the board approved a \$350,000 transfer from the operating fund surplus to this fund to provide for further information technology enhancements, including a contract management system and improvements to our online training platform. None of this transfer was spent by year end, leaving a balance in the Future Ready Technology Replacement Fund of \$350,000 as of June 30, 2022.

The board also approved a \$100,000 transfer from the operating fund surplus to the Building Needs Allocation Fund for planned repairs to the HVAC system and replacement of the exhaust piping for the boiler. During 2021-2022 this fund invested in the development of an online course, which resulted in a fund balance of \$195,128 as of June 30, 2022.

(12) COMMITMENTS AND CONTINGENCIES

In the opinion of management, claims or lawsuits incidental to the business of the Association have been adequately provided for in the financial statements.

(13) FUTURE COMMITMENTS

The Association has entered into contracts with vendors and facilities extending into the future. The values of these contracts at June 30, 2022 are \$790,933.

NEW JERSEY SCHOOL BOARDS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

(14) SUBSEQUENT EVENTS

The Association has evaluated subsequent events occurring after the financial statement date through January 20, 2023, which is the date the financial statements were available to be issued. Based on this evaluation, the Association has determined that no subsequent events have occurred which require disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

NEW JERSEY SCHOOL BOARDS ASSOCIATION
SCHEDULE OF THE ASSOCIATION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

Fiscal Year Ending June 30,	Association's Proportionate Share of the Net Pension Liability (Asset)	Association's Proportionate Share of the Net Pension Liability (Asset)	Association's Covered-Employee Payroll	Association's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered- Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2014	0.0627282930%	\$ 11,744,452	\$ 4,519,279	259.87%	40.71%
2015	0.0675394347%	\$ 15,161,250	\$ 4,614,496	328.56%	42.74%
2016	0.0694470870%	\$ 20,568,235	\$ 5,032,005	408.75%	40.14%
2017	0.0732177222%	\$ 17,043,915	\$ 5,088,478	334.95%	36.78%
2018	0.0739339600%	\$ 14,557,228	\$ 4,980,783	292.27%	40.45%
2019	0.0688044885%	\$ 12,397,525	\$ 5,023,158	246.81%	56.27%
2020	0.0722710650%	\$ 11,785,521	\$ 5,123,621	230.02%	58.32%
2021	0.0699590683%	\$ 8,287,700	\$ 5,514,956	150.28%	42.18%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

NEW JERSEY SCHOOL BOARDS ASSOCIATION
SCHEDULE OF THE ASSOCIATION'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>Contractually</u> <u>Required</u> <u>Contribution</u>	<u>Contributions in</u> <u>Relation to the</u> <u>Contractually</u> <u>Required</u> <u>Contributions</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Association's</u> <u>Covered-</u> <u>Employee</u> <u>Payroll</u>	<u>Contributions as</u> <u>a Percentage of</u> <u>Covered-</u> <u>Employee</u> <u>Payroll</u>
2014	\$ 517,123	\$ 517,123	\$ -0-	\$ 4,519,279	11.44%
2015	\$ 580,658	\$ 580,658	\$ -0-	\$ 4,614,496	12.58%
2016	\$ 616,958	\$ 616,958	\$ -0-	\$ 5,032,005	12.26%
2017	\$ 678,284	\$ 678,284	\$ -0-	\$ 5,088,478	13.33%
2018	\$ 735,404	\$ 735,404	\$ -0-	\$ 4,980,783	14.76%
2019	\$ 669,265	\$ 669,265	\$ -0-	\$ 5,023,158	13.32%
2020	\$ 790,609	\$ 790,609	\$ -0-	\$ 5,123,621	15.43%
2021	\$ 790,609	\$ 790,609	\$ -0-	\$ 5,514,956	14.34%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

NEW JERSEY SCHOOL BOARDS ASSOCIATION
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)
NOTE TO RSI III
FOR THE YEAR ENDED JUNE 30, 2022

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers.

NEW JERSEY SCHOOL BOARDS ASSOCIATION
SCHEDULE OF THE ASSOCIATION'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN
LAST TEN YEARS

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>Authority's</u> <u>Proportion Share</u> <u>of the Net OPEB</u> <u>Liability</u>	<u>Authority's</u> <u>Proportionate</u> <u>Share of</u> <u>the Net OPEB</u> <u>Liability (Asset)</u>	<u>Authority's</u> <u>Covered-Employee</u> <u>Payroll</u>	<u>Authority's</u> <u>Proportion Share</u> <u>of the Net OPEB</u> <u>Liability (Asset)</u> <u>as a percentage</u> <u>of it's Covered-</u> <u>Employee Payroll</u>	<u>Plan Fiduciary</u> <u>Net Position</u> <u>as a percentage</u> <u>of the total</u> <u>OPEB Liability</u>
2017	0.0070532%	\$ 14,399,664	\$ 5,088,478	282.99%	1.03%
2018	0.0685570%	\$ 10,740,563	\$ 4,980,783	215.64%	1.97%
2019	0.0098360%	\$ 1,332,392	\$ 5,023,158	26.52%	1.98%
2020	0.0105570%	\$ 1,894,624	\$ 5,123,621	36.98%	0.91%
2021	0.0644250%	\$ 11,596,359	\$ 5,514,956	210.27%	0.28%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

NEW JERSEY SCHOOL BOARDS ASSOCIATION
SCHEDULE OF THE ASSOCIATION'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>Contractually</u> <u>Required</u> <u>Contribution</u>	<u>Contributions in</u> <u>Relation to the</u> <u>Contractually</u> <u>Required</u> <u>Contributions</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Authority's</u> <u>Covered-</u> <u>Employee</u> <u>Payroll</u>	<u>Contributions as</u> <u>a Percentage of</u> <u>Covered-</u> <u>Employee</u> <u>Payroll</u>
2017	\$ 306,728	\$ 306,728	\$ -0-	5,088,478	6.03%
2018	\$ 325,470	\$ 325,470	\$ -0-	4,980,783	6.53%
2019	\$ 38,387	\$ 38,387	\$ -0-	5,023,158	0.76%
2020	\$ 34,565	\$ 34,565	\$ -0-	5,123,621	0.67%
2021	\$ 233,782	\$ 233,782	\$ -0-	5,514,956	4.24%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

NEW JERSEY SCHOOL BOARDS ASSOCIATION
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OPEB (GASB 75)
NOTE TO RSI III
FOR THE YEAR ENDED JUNE 30, 2022

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The discount rate changed from 2.21% to 2.16% as of
June 30, 2021.