

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**of the**

**City of Bayonne Board of Education**

**Bayonne, New Jersey**

**For the Fiscal Year Ended June 30, 2008**

**Prepared by**

**City of Bayonne Board of Education  
Office of the School Business Administrator/Board Secretary**

CITY OF BAYONNE SCHOOL DISTRICT

TABLE OF CONTENTS

JUNE 30, 2008

<b>Exhibit No.</b>		<b>Page</b>
<b>INTRODUCTORY SECTION</b>		
	Letter of Transmittal	1 - 5
	ASBO Certificate of Excellence	6
	Organizational Chart	7
	Roster of Officials	8
	Consultants and Advisors	9
<b>FINANCIAL SECTION</b>		
	Independent Auditors' Report	10-12
<b>REQUIRED SUPPLEMENTARY INFORMATION - PART I</b>		
	Management's Discussion and Analysis	13-23
<b>BASIC FINANCIAL STATEMENTS</b>		
<b>Government-Wide Financial Statements:</b>		
A-1	Statement of Net Assets	24
A-2	Statement of Activities	25-26
<b>Fund Financial Statements:</b>		
Governmental Funds:		
B-1	Balance Sheet	27
B-2	Statement of Revenues, Expenditures, and Changes in Fund Balance	28
B-3	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Proprietary Funds:		
B-4	Statement of Net Assets	30
B-5	Statement of Revenues, Expenses, and Changes in Fund Net Assets	31
B-6	Statement of Cash Flows	32
Fiduciary Funds:		
B-7	Statement of Fiduciary Net Assets	33
B-8	Statement of Changes in Fiduciary Net Assets	34

CITY OF BAYONNE SCHOOL DISTRICT

TABLE OF CONTENTS

JUNE 30, 2008

<b>Exhibit No.</b>		<b>Page</b>
	<b>NOTES TO THE BASIC FINANCIAL STATEMENTS</b>	<b>35-70</b>
	<b>REQUIRED SUPPLEMENTARY INFORMATION - PART II</b>	
	<b>Budgetary Comparison Schedules:</b>	
C-1	Budgetary Comparison Schedule - General Fund	71-76
C-1a	Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	n/a
C-2	Budgetary Comparison Schedule - Special Revenue Fund	77
	<b>Notes to Required Supplementary Information:</b>	
C-3	Budget to GAAP Reconciliation	78
	<b>OTHER SUPPLEMENTARY INFORMATION</b>	
	<b>School-Level Schedules:</b>	
D-1	Combining Balance Sheet	n/a
D-2	Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	n/a
D-3	Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	n/a
	<b>Special Revenue Fund:</b>	
E-1	Combining Schedules of Revenues and Expenditures Special Revenue Fund - Budgetary Basis	79-85
E-2	Demonstrably Effective Program Aid Schedule of Expenditures - Budgetary Basis	86-97
E-3	Early Childhood Program Aid Schedule of Expenditures - Budgetary Basis	98-100
E-4	Distance Learning Network Aid Schedule of Expenditures - Budgetary Basis	n/a
E-5	Instructional Supplement Aid Schedule of Expenditures - Budgetary Basis	n/a
E-6	Targeted At-Risk (TARA) Aid - Budgetary Basis	101
	<b>Capital Projects Fund:</b>	
F-1	Summary Schedule of Project Expenditures	102
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	103
F-2a-s	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis	104-122

**CITY OF BAYONNE SCHOOL DISTRICT**

**TABLE OF CONTENTS**

**JUNE 30, 2008**

<b>Exhibit No.</b>		<b>Page</b>
<b>Proprietary Funds:</b>		
<b>Enterprise Fund:</b>		
G-1	Statement of Net Assets	123
G-2	Statement of Revenues, Expenses, and Changes in Fund Net Assets	124
G-3	Statement of Cash Flows	125
<b>Internal Service Fund:</b>		
G-4	Combining Statement of Net Assets	n/a
G-5	Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	n/a
G-6	Combining Statement of Cash Flows	n/a
<b>Fiduciary Funds:</b>		
H-1	Combining Statement of Fiduciary Net Assets	126
H-2	Statement of Changes in Fiduciary Net Assets	127
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	128
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	129
<b>Long-Term Debt:</b>		
I-1	Schedule of Serial Bonds	n/a
I-2	Schedule of Obligations Under Capital Leases	130-131
I-3	Budgetary Comparison Schedule - Debt Service Fund	n/a
<b>STATISTICAL SECTION (Unaudited)</b>		
J-1	Net Assets by Component	132
J-2	Changes in Net Assets	133-134
J-3	Fund Balances - Governmental Funds	135
J-4	Changes in Fund Balances - Governmental Funds	136-137
J-5	General Fund Other Local Revenues by Source	138-139
J-6	Assessed Value and Estimated Actual Value of Taxable Property	140-141
J-7	Direct and Overlapping Property Tax Rates	142
J-8	Principal Property Taxpayers	143
J-9	Property Tax Levies and Collections	144

**CITY OF BAYONNE SCHOOL DISTRICT**

**TABLE OF CONTENTS**

**JUNE 30, 2008**

<b>Exhibit No.</b>		<b>Page</b>
<b>STATISTICAL SECTION (Unaudited) (Continued)</b>		
J-10	Ratios of Outstanding Debt by Type	145
J-11	Ratios of General Bonded Debt Outstanding	146
J-12	Direct and Overlapping Governmental Activities Debt	147
J-13	Legal Debt Margin Information	148-149
J-14	Demographic and Economic Statistics	150
J-15	Principal Employers	151
J-16	Full-time Equivalent District Employees by Function/Program	152-153
J-17	Operating Statistics	154-155
J-18	School Building Information	156
J-19	Schedule of Required Maintenance Expenditures by School Facility	157-158
J-20	Insurance Schedule	159
<b>SINGLE AUDIT SECTION</b>		
K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	160-161
K-2	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04	162-164
K-3	Schedule of Expenditures of Federal Awards, Schedule A	165-168
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	169-172
K-5	Notes to the Schedules of Awards and Financial Assistance	173-174
K-6	Schedule of Findings and Questioned Costs	175-178
K-7	Summary Schedule of Prior Audit Findings	179

# **INTRODUCTORY SECTION**



BAYONNE PUBLIC SCHOOLS  
Administration Building  
669 Avenue A  
BAYONNE, NEW JERSEY 07002

CLIFFORD G. DOLL  
SCHOOL BUSINESS ADMINISTRATOR

Letter of Transmittal

Tel: (201) 858-5560  
Fax: (201) 858-5599

October 10, 2008

Honorable President and  
Members of the Board of Education  
Bayonne School District  
County of Hudson, New Jersey

Dear Board Members and Constituents of Bayonne:

The comprehensive annual financial report of the Bayonne School District (the "District") for the fiscal year ended June 30, 2008, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Bayonne Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the Certificate of Excellence in Financial Reporting, the District's organizational chart, a list of principal officials and a list of consultants and advisors. The financial section includes the basic financial statements, Management's Discussion and Analysis (as presented on pages 13 through 22), required supplementary information and the combining fund financial statement and schedules, as well as the auditor's report therein. 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 Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations; and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid. 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.

**1- REPORTING ENTITY AND ITS SERVICES:** Bayonne School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board as established by Statement No. 14. All funds of the District are included in this report. The Bayonne Board of Education and all its schools constitute the District's reporting entity. The reporting entity is a component unit of the City of Bayonne.

The District provides a full range of educational services appropriate to grade levels Pre-K through twelve. These services include regular and vocational programs as well as special education for handicapped youngsters. The District completed the 2007/08 fiscal year with an enrollment of 9,032 students, which is 191 students more than the previous 2006/07 year's enrollment.

The following details the changes in the student average daily enrollment of the District over the last five years.

<b>Average Daily Enrollment</b>		
<b><u>Fiscal Year</u></b>	<b><u>Student Enrollment</u></b>	<b><u>Percent Change</u></b>
2007-08	9,032	2.16%
2006-07	8,841	0.12%
2005-06	8,830	1.69%
2004-05	8,683	2.59%
2003-04	8,464	0.45%

**2- ECONOMIC CONDITIONS AND OUTLOOK:** Student population continues to grow. Ten years ago the District's pupil enrollment was under 7,000. The Board of Education has maintained quality education programs during this expansion of student enrollment, with only a minor increase in tax. This was accomplished by joint effort between the Board of School Estimate and the Board of Education to develop sound fiscal policies.

Community revitalization efforts are ongoing. A new Light Rail system is in use. A Local Redevelopment Agency has been formed and is planning the reuse and development at the Peninsula at Bayonne Harbor (formerly the Military Ocean Terminal). An 18-hole golf course is now open on the east side of the City in an area previously used for trash dumping.

**3- MAJOR INITIATIVES:** The School District continues to provide a strong educational program for approximately 9,000 pupils.

Class size average is a very respectable 23.

All schools are now hooked up to the Internet. Also, every classroom in every school in the City has internet access and a computer.

As the Bayonne School District continues to chart a course towards excellence in education for the 21<sup>st</sup> Century, this coming school year will see several initiatives which are designed to make lasting improvements in our overall instructional program. Among these are:

- The third year of a three year intensive writing initiative with Collins Education Associates has been undertaken. The program identifies five types of writing assignments and the outcomes expected for each. The goal is to give teachers, schools and the district a unified program that can be used in all classrooms in all subject areas from grades Kindergarten through twelve. This is a challenging, demanding program for students because it is designed to help teachers in all content areas achieve their goals by requiring students to think on paper.
- To close the achievement gap in literacy and math with the raised benchmark of No Child Left Behind subgroups, special disabilities, Limited English Proficient, economically disadvantaged, Hispanic and African American, the entire district staff is committed to test data analysis followed by appropriate teaching strategies, and support materials to meet the needs of our students. Benchmark testing is being implemented in grades 5, 6, 8 and 10.
- Expansion of our Book Buddy literacy program in grades K through 8 by purchasing chapter reading books with structured teacher's lesson plans to support literal and interpretive comprehension for our students. Integration of math and literacy is also an initiative.
- The District has adopted a vocabulary series for grades 7, 8 and 9 to augment the Holt Literature Series and have students increase vocabulary skills for literacy to be better prepared for high stake testing.
- The third year of implementation of the state of the art Scott Foresman reading series for students in Kindergarten through grade 6 which is a priority for the 2007-2008 school year.
- Special emphasis on the coordination of regular education and special education includes Math Coaches working directly with the special education staff as a follow-up to inservice workshops.
- Reading coaches will be provided through the Ideal Grant.
- Special Education inclusion is expanded district wide.
- Three 21<sup>st</sup> Century classrooms will be designed for one teacher in Social Studies, English and Math in Bayonne High School.

**4- 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. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This 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 the federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2008.

**6- ACCOUNTING SYSTEM AND REPORT:** 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 and account groups. These funds and accounting groups are explained in "Notes to the Basic Financial Statements", Note 1.

**7- CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statement", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit 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.

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

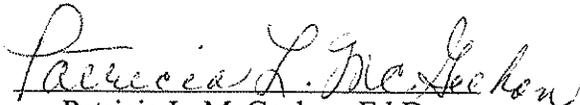
9- **OTHER INFORMATION:**

a) **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountant. The accounting firm of Donohue, Girona & Doria, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the *Single Audit Act Amendments of 1996* and the related *OMB Circular A-133* and *State Treasury Circular Letter 04-04 OMB*. The auditors' report on the basic financial statements and combining and individual fund financial statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

b) **Awards** - The District was awarded a Certificate of Excellence in Financial Reporting by School Districts for its comprehensive annual financial report for the fiscal year ended June 30, 2007. This award certifies that the annual financial report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The District will apply again for fiscal year ended June 30, 2008.

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

Respectfully submitted,

  
Patricia L. McGeehan, Ed.D.  
Superintendent

  
Clifford G. Doll  
School Business Administrator

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**BAYONNE BOARD OF EDUCATION**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2007

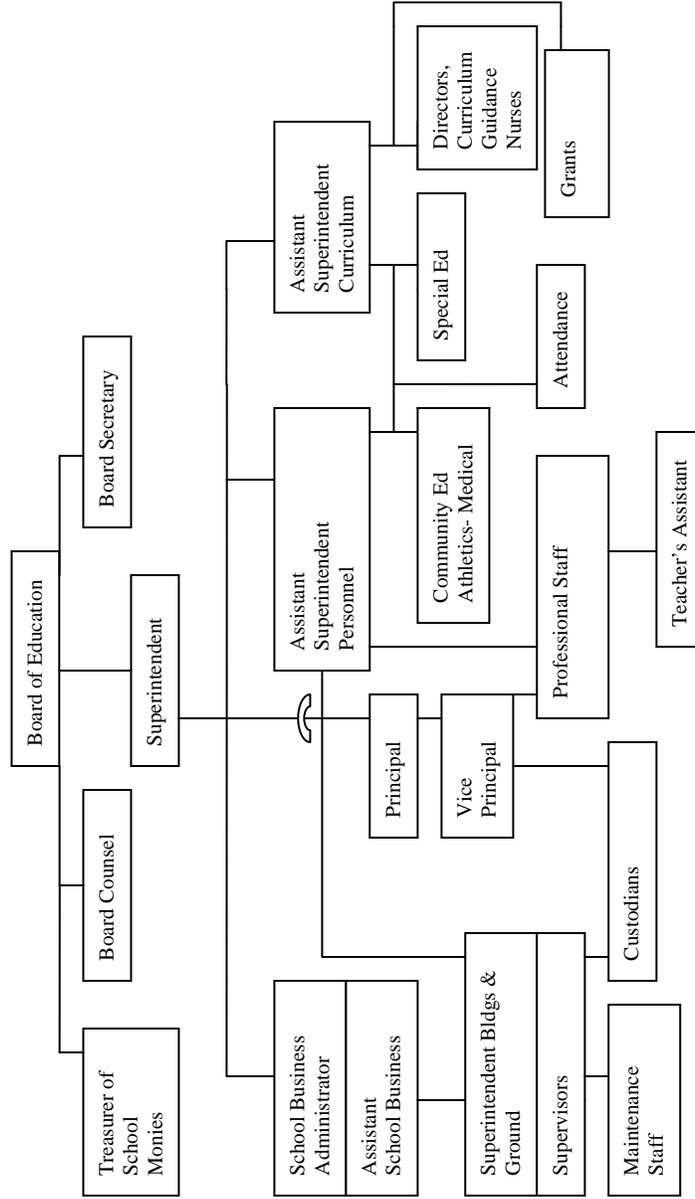
Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

**BAYONNE BOARD OF EDUCATION  
BAYONNE, NEW JERSEY**

**ORGANIZATIONAL CHART  
JUNE 30, 2008**



**BAYONNE BOARD OF EDUCATION  
BAYONNE, NEW JERSEY**

**ROSTER OF OFFICIALS  
AS OF JUNE 30, 2008**

**Members of the Board of Education**

**Expires**

William Lawson, President	May, 2010
Ava Mitchell, Vice President	May, 2010
Brian O'Connor	May, 2009
James P. Flynn, Esq.	May, 2009
Debra Czerwienski	May, 2009
Louis P. Healey, CPA	May, 2010
Jose Casais	May, 2011
Nina Dobkin	May, 2011
Christopher M. Grella	May, 2011

**Other Officials**

Dr. Patricia L. McGeehan, Superintendent  
Dr. Ellen O'Connor, Assistant Superintendent  
Robert C. Craig, Assistant Superintendent  
Clifford G. Doll, School Business Administrator  
Michael B. Pierson, Assistant School Business Administrator  
Dr. Gary R. Maita, D.M.D., Board Secretary  
Kenneth R. Hampton, Board Counsel  
Janet Convery, Treasurer of School Monies

**Bayonne Board of Education  
Consultants and Advisors**

**Architects**

Michael Zemsky, AIA  
Architects and Planners  
115 New Street  
Westfield, New Jersey 07090

DAL Design Group  
11 West 8<sup>th</sup> Street  
Bayonne, New Jersey 07002

**Audit Firm**

Donohue, Gironda & Doria  
Certified Public Accountants  
310 Broadway  
Bayonne, New Jersey 07002

**Attorneys**

Apruzzesse, McDermott, Mastro & Murphy  
Somerset Hills Corporate Center  
25 Independence Boulevard  
P.O. Box 112  
Liberty Corner, New Jersey 07938

**Environmental Engineer/Consultants**

PMK Group  
493 Lehigh Avenue  
Union, New Jersey 07083

**Official Depositories**

Garden State Bank  
New York Community Bank  
First Savings Bank of New Jersey, SLA  
568 Broadway  
Bayonne, New Jersey 07002

Bayonne Community Bank  
860 Broadway  
Bayonne, New Jersey 07002

The Provident Bank  
464 Avenue C  
Bayonne, New Jersey 07002

## **FINANCIAL SECTION**

# DONOHUE, GIRONDA & DORIA

Certified Public Accountants

---

Matthew A. Donohue, CPA  
Robert A. Gironda, CPA  
Robert G. Doria, CPA (N.J. & N.Y.)  
Frederick J. Tomkins, CPA, RMA  
Linda P. Kish, CPA, RMA  
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## INDEPENDENT AUDITORS' REPORT

The Honorable President and  
Members of the Board of Education  
City of Bayonne School District  
County of Hudson  
Bayonne, New Jersey

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 Board of Education of the City of Bayonne School District, in the County of Hudson, State of New Jersey, as of and for the fiscal year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Bayonne Board of Education's management. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Bayonne Board of Education, in the County of Hudson, State of New Jersey as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

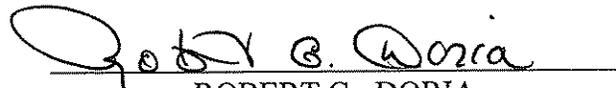
In accordance with *Government Auditing Standards*, we have also issued our report dated, October 10, 2008, on our consideration of the Bayonne Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant 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* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 13 through 23 and 71 through 77 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Bayonne Board of Education's basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
DONOHUE, GIRONDA & DORIA  
Certified Public Accountants

  
ROBERT G. DORIA  
Certified Public Accountant  
Public School Accountant  
License No. CS 00778

Bayonne, New Jersey  
October 10, 2008

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART I**

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Hudson County**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2008**

The discussion and analysis of the Bayonne School District's financial performance provide an overall review of the Bayonne School District's financial activities for the fiscal year ended June 30, 2008 and 2007. The intent of this discussion and analysis is to look at the Bayonne School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Bayonne School District's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for fiscal years 2008 and 2007 are as follows:

- In total, net assets for fiscal years 2008 and 2007 are \$78,744,805 and \$80,998,019, respectively. Net assets of governmental activities are \$78,053,409 for fiscal year 2008 and \$80,395,109 for fiscal year 2007. Net assets of the business-type activity, which represents food services, are \$691,396 for fiscal year 2008 and \$602,910 for fiscal year 2007. This reflects a decrease in net assets in the amount of \$2,253,214 for 2008 and a decrease of \$2,256,259 for 2007.
- General revenues accounted for \$120,756,879 in 2008 and \$113,305,234 in 2007, while the local tax contribution to General Revenue amounted to \$57,086,193 for 2008 and \$52,521,354 in 2007. State revenue and federal revenue have increased. State revenue is \$57,039,042 for 2008 and \$52,569,819 for 2007 and federal revenue is \$5,114,225 for 2008 and \$5,052,221 for 2007.
- The Bayonne School District continues to experience growth in student enrollment. Actual enrollment for the years ending June 30, 2008 and 2007 were 9,032 and 8,841, respectively, which reflects a 2.16% increase from the previous year for 2008 and a .12% increase from the previous year for 2007. Bayonne School District enrollment has increased by 568 in the last five years.

**USING THE BASIC FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements and notes to those statements. This report is organized to show the reader the Bayonne School District as a financial whole, or as an entire operating entity.

The statement of net assets and statement of activities provide information about the activities of the whole Bayonne School District, presenting both an aggregate view of the Bayonne School District's

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Hudson County**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2008**

**USING THE BASIC FINANCIAL STATEMENTS (Continued)**

finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Bayonne School District's most significant funds. For the Bayonne School District, the General Fund is the most significant fund.

**REPORTING THE BAYONNE SCHOOL DISTRICT AS A WHOLE**

**Statement of Net Assets and Statement of Activities**

While this report contains the large number of funds used by the Bayonne School District to provide programs and activities, the view of the Bayonne School District as a whole looks at all financial transactions and asks the question, "how did we do financially during fiscal year 2008?" The statement of net assets and the statement of activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the Bayonne School District's net assets and changes in those assets. This change in net assets is important because it identifies whether the financial position of the Bayonne School District has improved or diminished for the Bayonne School District as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the Bayonne School District's property tax base, current property tax laws in New Jersey, facility conditions, required educational programs, and other factors.

In the Statement of Net Assets and the Statement of Activities, the Bayonne School District is divided into two distinct kinds of activities:

**Governmental Activities** - Most of the Bayonne School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

**Business-Type Activity** - This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or service provided. The Food Service Enterprise Fund is reported as a business activity.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Hudson County**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2008**

**REPORTING THE BAYONNE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS**

**Fund Financial Statements**

Fund financial reports provide detailed information about the Bayonne School District's major funds. The Bayonne School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Bayonne School District's most significant funds. The Bayonne School District's major governmental funds are the General Fund and Special Revenue Fund.

**Governmental Funds**

Most of the Bayonne School District's activities are reported in Governmental Funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund statements provide a detailed short-term view of the Bayonne School District's general government operations and the basic services it provides. Governmental Fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the Statement of Net Assets, the Statement of Activities, and the Governmental Funds is reconciled in the financial statements.

**Enterprise Fund**

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, their statements are essentially the same.

**THE BAYONNE SCHOOL DISTRICT AS A WHOLE**

The perspective of the Statement of Net Assets is of the Bayonne School District as a whole. Table 1 provides a summary of the Bayonne School District's net assets for 2008 and 2007.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Hudson County**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2008**

**THE BAYONNE SCHOOL DISTRICT AS A WHOLE (Continued)**

Total assets as of June 30, 2008 and 2007 equal \$112,272,706 and \$117,281,389, respectively. Total assets for governmental activities are \$111,395,333 at June 30, 2008 and \$116,678,479 at June 30, 2007. Total assets for business-type activities are \$877,373 at June 30, 2008 and \$602,910 at June 30, 2007. Total assets decreased from fiscal year 2007 to 2008 due to a decrease in receivables. Total liabilities decreased due mainly to a decrease in amounts payable to local governments. Total net assets decreased due to a combination of these activities.

**TABLE 1**  
**NET ASSETS**

	<u>Governmental Activities 2008</u>	<u>Governmental Activities 2007</u>	<u>Business-Type Activities 2008</u>	<u>Business-Type Activities 2007</u>	<u>Total 2008</u>	<u>Total 2007</u>
<u>Assets</u>						
Current and Other Assets	\$ 27,728,464	\$ 34,190,330	\$ 559,445	\$ 312,394	\$ 28,287,909	\$ 34,502,724
Capital Assets, Net	83,666,869	82,488,149	317,928	290,516	83,984,797	82,778,665
Total Assets	<u>\$111,395,333</u>	<u>\$ 116,678,479</u>	<u>\$ 877,373</u>	<u>\$ 602,910</u>	<u>\$112,272,706</u>	<u>\$117,281,389</u>
<u>Liabilities</u>						
Current and Other Liabilities	\$ 30,911,277	\$ 33,730,339	\$ 185,977	\$ -	\$ 31,097,254	\$ 33,730,339
Long-Term Liabilities	2,430,647	2,553,031			2,430,647	2,553,031
Total Liabilities	<u>\$ 33,341,924</u>	<u>\$ 36,283,370</u>	<u>\$ 185,977</u>	<u>\$ -</u>	<u>\$ 33,527,901</u>	<u>\$ 36,283,370</u>
<u>Net Assets</u>						
Invested in Capital Assets-Net of Related Debt	\$ 82,590,925	\$ 80,877,271	\$ 317,928	\$ 290,516	\$ 82,908,853	\$ 81,167,787
Restricted	11,346	4,942,196			11,346	4,942,196
Unrestricted	<u>(4,548,862)</u>	<u>(5,424,358)</u>	<u>373,468</u>	<u>312,394</u>	<u>(4,175,394)</u>	<u>(5,111,964)</u>
Total Net Assets	<u>\$ 78,053,409</u>	<u>\$ 80,395,109</u>	<u>\$ 691,396</u>	<u>\$ 602,910</u>	<u>\$ 78,744,805</u>	<u>\$ 80,998,019</u>

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Hudson County**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2008**

**THE BAYONNE SCHOOL DISTRICT AS A WHOLE (Continued)**

Table 2 reflects the change in net assets for fiscal years 2008 and 2007.

**TABLE 2**  
**CHANGES IN NET ASSETS**

	<b>Governmental Activities 2008</b>	<b>Governmental Activities 2007</b>	<b>Business-Type Activities 2008</b>	<b>Business-Type Activities 2007</b>	<b>Total 2008</b>	<b>Total 2007</b>
<u>Revenues</u>						
Program Revenues:						
Charges for Services	\$ 103,668	\$ 159,568	\$ 1,015,005	\$ 980,106	\$ 1,118,673	\$ 1,139,674
Operating Grants	50,803,241	46,954,608	1,853,566	1,675,733	52,656,807	48,630,341
<b>Total Program Revenues</b>	<b>50,906,909</b>	<b>47,114,176</b>	<b>2,868,571</b>	<b>2,655,839</b>	<b>53,775,480</b>	<b>49,770,015</b>
General Revenues:						
Property Taxes	57,086,193	52,521,354			57,086,193	52,521,354
Grant and Entitlements	11,534,511	10,781,672			11,534,511	10,781,672
Interest	71,786	61,436			71,786	61,436
Miscellaneous	1,157,480	2,826,596			1,157,480	2,826,596
<b>Total General Revenues</b>	<b>69,849,970</b>	<b>66,191,058</b>	<b>-</b>	<b>-</b>	<b>69,849,970</b>	<b>66,191,058</b>
<b>Total Revenues</b>	<b>120,756,879</b>	<b>113,305,234</b>	<b>2,868,571</b>	<b>2,655,839</b>	<b>123,625,450</b>	<b>115,961,073</b>
<u>Expenses</u>						
Instruction	77,073,842	72,901,333			77,073,842	72,901,333
Support Services:						
Pupils and Instructional						
Staff	19,687,149	18,104,064			19,687,149	18,104,064
Administration and Fiscal	10,816,811	12,346,717			10,816,811	12,346,717
Operation and Maintenance						
of Plant	13,444,132	12,673,508			13,444,132	12,673,508
Pupil Transportation	3,108,833	3,113,602			3,108,833	3,113,602
Special Schools	615,844	545,510			615,844	545,510
Charter Schools	137,660	102,908			137,660	102,908
Food Service			3,438,005	3,155,443	3,438,005	3,155,443
<b>Total Expenses</b>	<b>124,884,271</b>	<b>119,787,642</b>	<b>3,438,005</b>	<b>3,155,443</b>	<b>128,322,276</b>	<b>122,943,085</b>
Excess (Deficiency) Before						
Special Items and Transfers	(4,127,392)	(6,482,408)	(569,434)	(499,604)	(4,696,826)	(6,982,012)
Special Items	2,443,612	4,725,483			2,443,612	4,725,483
Transfers	(657,920)	(639,549)	657,920	639,549	-	-
Increase (Decrease) in						
Net Assets	(2,341,700)	(2,396,474)	88,486	139,945	(2,253,214)	(2,256,529)
Net Assets - July 1	80,395,109	82,791,583	602,910	462,965	80,998,019	83,254,548
Net Assets - June 30	<u>\$ 78,053,409</u>	<u>\$ 80,395,109</u>	<u>\$ 691,396</u>	<u>\$ 602,910</u>	<u>\$ 78,744,805</u>	<u>\$ 80,998,019</u>

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Hudson County**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2008**

**THE BAYONNE SCHOOL DISTRICT AS A WHOLE (Continued)**

The total decrease in net assets for governmental activities for the year ended June 30, 2008 is \$2,341,700 and the total decrease for 2007 was \$2,396,474. The total increase in net assets for business-type activities for 2008 and 2007 is \$88,486 and \$139,945, respectively. The total decrease in net assets as of June 30, 2008 is \$2,253,214 and the total decrease for 2007 was \$2,256,529. The amount recorded as "Special Items" in Table 2 represents a receivable due from the City of Bayonne for payments made by the Bayonne School District for early retirement incentives.

**Governmental Activities**

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. Table 3a, for Governmental Activities, indicates the total cost of services and the percentage cost of services. It identifies the cost of these services supported by tax revenues and unrestricted state entitlements.

**TABLE 3A**  
**GOVERNMENTAL ACTIVITIES**

	<b>Total Cost of Services <u>2007-2008</u></b>	<b>Total Cost of Services <u>2006-2007</u></b>	<b>Percent of Total <u>2008</u></b>	<b>Percent of Total <u>2007</u></b>
Instruction	\$ 77,073,842	\$ 72,901,333	61.72%	60.86%
Support Services:				
Pupils and Instructional Staff	19,687,149	18,104,064	15.76%	15.11%
Administration and Fiscal Operation and Maintenance of Plant	10,816,811	12,346,717	8.66%	10.31%
Pupil Transportation	13,444,132	12,673,508	10.77%	10.58%
Special Schools	3,108,833	3,113,602	2.49%	2.60%
Charter Schools	615,844	545,510	0.49%	0.46%
	<u>137,660</u>	<u>102,908</u>	<u>0.11%</u>	<u>0.08%</u>
Total Expenses	<u>\$124,884,271</u>	<u>\$ 119,787,642</u>	<u>100.00%</u>	<u>100.00%</u>

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Hudson County**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2008**

**THE BAYONNE SCHOOL DISTRICT AS A WHOLE (Continued)**

**Governmental Activities (Continued)**

The Governmental Activities in the above charts demonstrate that \$77,073,842 for fiscal year 2008 and \$72,901,333 for fiscal year 2007 are allocated to school-based budgets and are identified as Instruction. Additionally, Pupil and Instructional Staff Activities are \$19,687,149 for fiscal year 2008 and \$18,104,064 for fiscal year 2007. As of June 30, 2008 and 2007, combined resources from Instruction and Pupil and Instructional Staff Activities are \$96,760,991 and \$91,005,397, respectively.

Together the aforementioned categories account for 77.48% of the Governmental Activities for fiscal year 2008 and 75.97% for fiscal year 2007.

Pupil transportation costs reflect the cost for salaries, overtime, maintenance of fleet and contracted transportation services.

To date, the Bayonne Board of Education has not been adversely impacted by Charter Schools. As of June 30, 2008 and 2007, the contribution to Charter Schools by Bayonne is \$137,660 and \$102,908, respectively. Bayonne sends a total of sixteen students to four Charter Schools.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Hudson County**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2008**

**THE BAYONNE SCHOOL DISTRICT AS A WHOLE (Continued)**

**Business-Type Activity**

**TABLE 3b**  
**BUSINESS ACTIVITIES**

	<b>Total Cost of Services 2007-2008</b>	<b>Total Cost of Services 2006-2007</b>	<b>Percent of Total 2008</b>	<b>Percent of Total 2007</b>
<b>Revenue:</b>				
Charges for Services	\$ 1,015,005	\$ 980,106	28.78%	29.74%
Operation Grants	<u>1,853,566</u>	<u>1,675,733</u>	52.56%	50.85%
Total Revenue	2,868,571	2,655,839		
Transfers	<u>657,920</u>	<u>639,549</u>	18.66%	19.41%
Total Revenue and Transfers	<u>3,526,491</u>	<u>3,295,388</u>	100.00%	100.00%
<b>Expenses:</b>				
Food Services	<u>3,438,005</u>	<u>3,155,443</u>	100.00%	100.00%
Total Expenses	<u>3,438,005</u>	<u>3,155,443</u>	100.00%	100.00%
Increase in Net Assets	<u>\$ 88,486</u>	<u>\$ 139,945</u>		
Food Service Shortfall Prior to Transfer	<u>\$ (569,434)</u>	<u>\$ (499,604)</u>		

The business-type activity of the Bayonne School District is the food service operation. This program had revenues and transfers of \$3,526,491 and expenses of \$3,438,005 for fiscal year 2008 and revenues and transfers of \$3,295,388 and expenses of \$3,155,443 for fiscal year 2007. Total revenues were increased by \$657,920 for fiscal year 2008 and \$639,549 for fiscal year 2007 due to a transfer of funds from the General Fund. For fiscal years 2008 and 2007, there was an increase in operating expenses that could not be sustained by program revenue. The Bayonne School District and the food service vendor must study ways to reduce the amount of general funds that need to be transferred.

**CITY OF BAYONNE SCHOOL DISTRICT  
Hudson County  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008**

**THE BAYONNE SCHOOL DISTRICT AS A WHOLE (Continued)**

**Business-Type Activity (Continued)**

The Board of Education suggests that efforts continue to increase sales and reducing costs. In light of the steady increase of student enrollment, an increase in sales may provide the steady revenue necessary to operate food service. The Bayonne Board of Education and school administrators are committed and have concentrated efforts to ensure that all students who are eligible for Free/Reduced lunch submit the proper forms for eligibility in a timely manner.

The Board of Education continues to examine the food service operation in an effort to be self-operating without assistance from the General Fund. The business activity receives limited support from tax revenues.

**Source of Revenue**

The local tax revenue has been stable for several years. For all governmental activities, state revenue support is 47% for 2008 and 45% for 2007. For fiscal years 2008 and 2007, the community, as a whole, is 49% and 50%, respectively of the support and federal revenue accounts for 4.2% and 4.3%, respectively, of the total cost of programs for Bayonne School District students.

**TABLE 4  
SOURCE OF REVENUE**

<u>Fiscal Year Ended June 30</u>	<u>Local Levy</u>	<u>Other Local Revenue</u>	<u>State Revenue</u>	<u>Federal Revenue</u>	<u>Total</u>
2008	\$57,086,193	\$1,517,419	\$57,039,042	\$5,114,225	\$120,756,879
2007	52,521,354	3,161,840	52,569,819	5,052,221	113,305,234

As of June 30, 2008 and 2007, the total revenue from all sources is \$120,756,879 and \$113,305,234, respectively.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Hudson County**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2008**

**THE BAYONNE SCHOOL DISTRICT AS A WHOLE (Continued)**

**The Bayonne School District's Funds**

The Bayonne School District's Governmental Funds are accounted for using standards established by the Governmental Accounting Standards Board Statement No. 34. As of June 30, 2008 and 2007, total Governmental Funds had revenues and other financing sources of \$123,200,491 and \$120,027,512 and expenditures and other financing uses of \$129,085,366 and \$141,361,907, respectively. The negative fund balance for the year is due to the deferral of the last state aid payment.

**General Fund Budgeting Highlights**

The Bayonne School District's budget is prepared according to New Jersey law as it pertains to Bayonne School Districts. During the 2007-2008 and 2006-2007 school years all schools in the District operated within the boundaries of state budget guidelines.

The Bayonne School District's budget is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal 2008 and 2007, the Bayonne School District amended its General Fund budget as needed. The budgeting systems are designed to tightly control total budgets, but provide flexibility by management.

For the General Fund as of June 30, 2008 and 2007, actual revenues and other financing sources in the amount of \$110,050,271 and \$106,898,751, respectively, were above original budgeted revenues and other financing sources. This was due to conservative state grants and local tax levy revenues.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2008 and 2007, the Bayonne School District had \$83,666,869 and \$82,488,149, respectively, invested in capital assets, for governmental activities. This amount represents a net increase (including additions and deductions) of \$1,178,720 from 2007 to 2008 due to new building improvements during fiscal year 2008. The District reclassified capital assets due to the opening of a new school, School #14, in October of 2007. More detailed information about the

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Hudson County**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2008**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets (Continued)**

Board's capital assets and depreciation is presented in Note 4 to the financial statements.

**Debt**

At June 30, 2008 and 2007, the Bayonne School District had no long-term debt payable from Proprietary Fund resources. Long-term liabilities as of June 30, 2008 and 2007 included compensated absences payable, accrued insurance liabilities, and capital lease obligations. More detailed information about the Board's long-term liabilities is presented in Note 5 to the financial statements.

**CURRENT ISSUES**

The Bayonne School District has been and continues to utilize sound accounting practices in the state of a declining economy and uncertainty in state funding. The Bayonne School District has been faced with an increasing pupil enrollment for several years.

**CONTACTING THE BAYONNE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

The Management Discussion and Analysis of this financial report is designed to provide citizens, taxpayers and investors with a snapshot of the Bayonne School District's finances. Also, to reflect the Bayonne School District's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Clifford G. Doll, School Business Administrator, Bayonne Board of Education, 29<sup>th</sup> Street and Avenue A, Bayonne, NJ 07002.

# **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Statement of Net Assets**  
**June 30, 2008**

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash	\$ 722,064	\$ -	\$ 722,064
Receivables, net	26,908,400	118,236	27,026,636
Due from fiduciary funds	98,000		98,000
Due from governmental funds		375,893	375,893
Inventory		65,316	65,316
Capital assets:			
Depreciable	82,146,662	317,928	82,464,590
Non-depreciable	1,520,207		1,520,207
	111,395,333	877,373	112,272,706
<b>LIABILITIES</b>			
Accounts payable	1,026,105	185,977	1,212,082
Note Payable	8,024,745		8,024,745
Payable to state government	10,795		10,795
Payable to federal government	350		350
Payable to local government	18,894,315		18,894,315
Due to business-type activities	375,893		375,893
Deferred revenue	957,737		957,737
Noncurrent liabilities:			
Due within one year	1,621,337		1,621,337
Due beyond one year	2,430,647		2,430,647
Total Liabilities	33,341,924	185,977	33,527,901
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	82,590,925	317,928	82,908,853
Restricted for:			
Capital projects	11,346		11,346
Unrestricted	(4,548,862)	373,468	(4,175,394)
Total Net Assets	\$ 78,053,409	\$ 691,396	\$ 78,744,805

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

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Statement of Activities**  
**for the fiscal year ended June 30, 2008**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction:				
Regular	\$ 51,132,486	\$ 103,668	\$ 23,159,507	\$ -
Special education	17,564,026		5,189,073	
Other special instruction	5,352,312		1,534,800	
Vocational	1,503,584			
Other instruction	1,521,434		471,046	
Support services:				
Tuition	2,084,950		806,867	
Student & instruction related services	17,602,199		11,188,170	
School administrative services	3,530,254		1,287,465	
General and business administrative services	6,799,444		1,971,751	
Central services	320,902		124,188	
Administrative information technology	166,211		64,323	
Plant operations and maintenance	13,444,132		4,407,319	
Pupil transportation	3,108,833		303,986	
Special schools				
Current:				
Instruction	615,844		239,395	
Charter schools	137,660		55,351	
Total governmental activities	<u>124,884,271</u>	<u>103,668</u>	<u>50,803,241</u>	<u>-</u>
Business-type activities:				
Food service	<u>3,438,005</u>	<u>1,015,005</u>	<u>1,853,566</u>	<u>-</u>
Total business-type activities	<u>3,438,005</u>	<u>1,015,005</u>	<u>1,853,566</u>	<u>-</u>
Total primary government	<u>\$ 128,322,276</u>	<u>\$ 1,118,673</u>	<u>\$ 52,656,807</u>	<u>\$ -</u>

General revenues:

Taxes:

Property taxes, levied for general purposes, net  
Federal and State aid not restricted

Investment earnings

Miscellaneous income

Special item - Due from City of Bayonne ERIP

Transfers

Total general revenues, special items and transfers

Change in Net Assets

Net Assets - July 1

Net Assets - June 30

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

**Net (Expense) Revenue and  
Changes in Net Assets**

Governmental Activities	Business-type Activities	Total
\$ (27,869,311)		\$ (27,869,311)
(12,374,953)		(12,374,953)
(3,817,512)		(3,817,512)
(1,503,584)		(1,503,584)
(1,050,388)		(1,050,388)
(1,278,083)		(1,278,083)
(6,414,029)		(6,414,029)
(2,242,789)		(2,242,789)
(4,827,693)		(4,827,693)
(196,714)		(196,714)
(101,888)		(101,888)
(9,036,813)		(9,036,813)
(2,804,847)		(2,804,847)
(376,449)		(376,449)
(82,309)		(82,309)
(73,977,362)	-	(73,977,362)
	(569,434)	(569,434)
-	(569,434)	(569,434)
\$ (73,977,362)	\$ (569,434)	\$ (74,546,796)
\$ 57,086,193		\$ 57,086,193
11,534,511		11,534,511
71,786		71,786
1,157,480		1,157,480
2,443,612		2,443,612
(657,920)	657,920	-
71,635,662	657,920	72,293,582
(2,341,700)	88,486	(2,253,214)
80,395,109	602,910	80,998,019
\$ 78,053,409	\$ 691,396	\$ 78,744,805

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

**FUND FINANCIAL STATEMENTS**

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2008**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash	\$ 722,064	\$ -	\$ -	\$ 722,064
Accounts receivable - (tuition)	51,280			51,280
Accounts receivable - (other)	456,000			456,000
Due from other funds	1,880,024	800,000		2,680,024
Receivables from other governments	4,855,223	877,587	20,668,310	26,401,120
Total assets	<u>\$ 7,964,591</u>	<u>\$ 1,677,587</u>	<u>\$ 20,668,310</u>	<u>\$ 30,310,488</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 808,117	\$ 217,988	\$ -	1,026,105
Payable to state government		10,795		10,795
Payable to federal government		350		350
Payable to local government			18,894,315	18,894,315
Note payable	8,024,745			8,024,745
Interfund payable	375,893	819,375	1,762,649	2,957,917
Deferred revenue		957,737		957,737
Total liabilities	<u>9,208,755</u>	<u>2,006,245</u>	<u>20,656,964</u>	<u>31,871,964</u>
Fund Balances:				
Reserved for:				
Encumbrances	356,033			356,033
Legally restricted-- designated for subsequent year's expenditures	247,619		11,346	258,965
Unreserved, reported in:				
General fund	(1,847,816)			(1,847,816)
Special revenue fund		(328,658)		(328,658)
Total fund balances	<u>(1,244,164)</u>	<u>(328,658)</u>	<u>11,346</u>	<u>(1,561,476)</u>
Total liabilities and fund balances	<u>\$ 7,964,591</u>	<u>\$ 1,677,587</u>	<u>\$ 20,668,310</u>	

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$163,510,419, and the accumulated depreciation is \$79,843,550 (See Note 4)	83,666,869
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 5)	<u>(4,051,984)</u>
Net assets of governmental activities	<u>\$ 78,053,409</u>

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

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**for the Fiscal Year ended June 30, 2008**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
Local tax levy	\$ 57,086,193	\$ -	\$ -	\$ 57,086,193
Tuition	103,668			103,668
Interest earned	71,786			71,786
Miscellaneous	1,157,480			1,157,480
Local sources		184,485		184,485
Total local sources	58,419,127	184,485	-	58,603,612
State sources	49,085,111	7,953,931		57,039,042
Federal sources	102,421	5,011,804		5,114,225
Total revenues	107,606,659	13,150,220	-	120,756,879
<b>EXPENDITURES</b>				
Current:				
Regular instruction	31,011,111	7,624,738		38,635,849
Special education instruction	12,905,518			12,905,518
Other special instruction	3,817,134			3,817,134
Vocational education	1,141,148			1,141,148
Other instruction	1,171,518			1,171,518
Support services and undistributed costs:				
Tuition	2,006,725			2,006,725
Student & instruction related services	8,573,704	5,520,962		14,094,666
Other administrative services	3,201,998			3,201,998
School administrative services	4,903,856			4,903,856
Central services	308,862			308,862
Administrative information technology	159,975			159,975
Plant operations and maintenance	10,961,250			10,961,250
Pupil transportation	2,536,828			2,536,828
Employee benefits	26,913,700			26,913,700
Special schools				
Current:				
Instruction	595,389			595,389
Charter schools	137,660			137,660
Capital outlay		4,520	4,930,850	4,935,370
Total expenditures	110,346,376	13,150,220	4,930,850	128,427,446
Excess (Deficiency) of revenues over expenditures	(2,739,717)	-	(4,930,850)	(7,670,567)
<b>OTHER FINANCING SOURCES (USES)</b>				
City of Bayonne Bond	2,443,612			2,443,612
Transfer out - food service fund	(657,920)			(657,920)
Total other financing sources and uses	1,785,692	-	-	1,785,692
Net changes in fund balance	(954,025)	-	(4,930,850)	(5,884,875)
Fund balance - July 1	(290,139)	(328,658)	4,942,196	4,323,399
Fund balance - June 30	\$ (1,244,164)	\$ (328,658)	\$ 11,346	\$ (1,561,476)

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

**CITY OF BAYONNE 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, 2008**

Total net change in fund balances - governmental funds (from B-2) \$ (5,884,875)

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

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

	Depreciation expense	\$ (3,756,650)	
	Capital outlays	4,935,370	1,178,720

Repayment of bond principal and capital leases are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities

	Payment of capital leases		534,934
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In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

			1,829,521
Change in net assets of governmental activities		\$ (2,341,700)	

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Statement of Net Assets**  
**Proprietary Fund**  
**June 30, 2008**

	Business-type Activities- Enterprise Fund <u>Food Service</u>
<b>ASSETS</b>	
Current assets:	
Accounts receivable:	
State	\$ 5,237
Federal	112,999
Due from General Fund	375,893
Inventory	<u>65,316</u>
Total current assets	<u>559,445</u>
Noncurrent assets:	
Equipment	549,357
Less accumulated depreciation	<u>231,429</u>
Total noncurrent assets	<u>317,928</u>
Total assets	<u>877,373</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	<u>185,977</u>
Total liabilities	<u>185,977</u>
<b>NET ASSETS</b>	
Invested in capital assets net of related debt	317,928
Unrestricted	<u>373,468</u>
Total net assets	<u>\$ 691,396</u>

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

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Fund**  
**for the Fiscal Year ended June 30, 2008**

	Business-type Activities- Enterprise Fund <u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for services:	
Daily sales - non-reimbursable programs	\$ 958,192
Special functions	56,813
Total operating revenue	<u>1,015,005</u>
<b>OPERATING EXPENSES:</b>	
Salaries	1,476,981
Employee benefits	198,938
Supplies and materials	207,486
Cost of sales	1,263,959
Insurance	80,590
Management fee	114,357
Miscellaneous	39,369
Depreciation	56,325
Total operating expenses	<u>3,438,005</u>
Operating (loss)	<u>(2,423,000)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
State sources:	
State school lunch program	65,206
School breakfast program	10,246
Federal sources:	
School breakfast program	152,727
National school lunch program	1,454,754
Special milk program	3,009
Snack program	22,898
Food distribution program	144,726
Total nonoperating revenues	<u>1,853,566</u>
(Loss) before transfers	(569,434)
Transfers in - General fund	<u>657,920</u>
Change in net assets	88,486
Total net assets - July 1	602,910
Total net assets - June 30	<u>\$ 691,396</u>

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

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**for the Fiscal Year ended June 30, 2008**

	Business-type Activities- Enterprise Fund	Food Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	\$ 1,027,415	
Payments to employees	(1,476,981)	
Payments for employee benefits	(198,938)	
Payments to suppliers	(1,729,963)	
Net cash (used for) operating activities	(2,378,467)	
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
State sources	74,812	
Federal sources	1,760,969	
Operating subsidies and transfers to other funds	626,423	
Net cash provided by non-capital financing activities	2,462,204	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchase of capital assets	(83,737)	
Net cash (used for) non-capital financing activities	(83,737)	
Net increase in cash and cash equivalents	-	
Balance - July 1	-	
Balance - June 30	\$ -	
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED FOR) OPERATING ACTIVITIES:</b>		
Operating (loss)	\$ (2,423,000)	
Adjustment to reconcile operating (loss) to net cash (used for) operating activities:		
Depreciation	56,325	
(Increase) in inventories	(24,202)	
Decrease in accounts receivable - other	12,410	
Total adjustments	44,533	
Net cash (used for) operating activities	\$ (2,378,467)	

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

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2008**

	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 34,581	\$ 942,494
Accounts receivable - other	545,111	
Total assets	<u>\$ 579,692</u>	<u>\$ 942,494</u>
 <b>LIABILITIES</b>		
Payroll deductions and withholdings		\$ 563,226
Due to student groups		379,268
Interfund to General	\$ 98,000	
Total liabilities	<u>\$ 98,000</u>	<u>\$ 942,494</u>
 <b>NET ASSETS</b>		
Held in trust for unemployment claims and other purposes	<u>\$ 481,692</u>	

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

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Fund**  
**for the Fiscal Year ended June 30, 2008**

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS</b>	
Contributions:	
Plan member	\$ 154,679
Total contributions	<u>154,679</u>
Investment earnings:	
Interest	753
Total additions	<u>155,432</u>
<b>DEDUCTIONS</b>	
Unemployment claims	283,654
Total deductions	<u>283,654</u>
Change in net assets	(128,222)
Net assets - July 1	<u>609,914</u>
Net assets - June 30	<u><u>\$ 481,692</u></u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education (Board) of the City of Bayonne School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's Proprietary Funds have elected not to apply the standards issued by FASB after November 30, 1989.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Board's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Board's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including Notes to the Financial Statements). The Board has elected to implement the general provisions of the Statement in the current year. Internal activity is eliminated in the statement of activities.

The more significant of the District's accounting policies are described below:

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

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

**A. Reporting Entity:**

The City of Bayonne School District is a Type I district located in the County of Hudson, State of New Jersey. As a Type I district, the School District functions independently through a Board of Education. The Board is comprised of nine members appointed to three-year terms. The purpose of the District is to educate students in grades K-12. The City of Bayonne School District had an approximate enrollment at June 30, 2008, of 9,032 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- The primary government is financially accountable for the organization.
- The organization is legally separate (can sue or be sued in their own name).
- The District holds the corporate powers of the organization.
- The District appoints a voting majority of the organization's Board.
- The District is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit/burden on the District.
- There is a fiscal dependency by the organization on the District.

Based on the aforementioned criteria, the District is a component unit of the City of Bayonne.

**B. Basic Financial Statements - Government-Wide Statements:**

The District's basic financial statements include both government-wide (reporting the Board as a whole) and fund financial statements (reporting the Board's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general operating services, special revenue and capital projects funds are classified as governmental activities. The District's food service operations are classified as business-type activities.

The Statement of Net Assets and Statement of Activities display information about the reporting district as a whole. They include all funds of the reporting entity except for fiduciary funds and component units that are fiduciary in nature.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

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

**B. Basic Financial Statements - Government-Wide Statements: (Continued)**

In the Government-Wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as, long-term debt and obligations. The Board's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District first utilizes restricted resources to finance qualifying activities.

The Government-Wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities. The functions are also supported by general government revenues (property and certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.)

The District does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

**C. Basic Financial Statements - Fund Financial Statements:**

The financial transactions of the Board are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

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

**C. Basic Financial Statements - Fund Financial Statements: (Continued)**

The following fund types are used by the District:

**1. Governmental Funds**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance Capital Outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted Capital Outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government (other than major capital projects or the Enterprise Fund) and local appropriations that are legally restricted to expenditures for specified purposes.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

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

**C. Basic Financial Statements - Fund Financial Statements: (Continued)**

**1. Governmental Funds (Continued)**

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**2. Proprietary Fund**

The focus of Proprietary Fund measurement is upon determination of operating income, changes in net assets, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise Fund - The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

Internal Service Funds - Internal service funds are used to account for the financing of goods or services provided by an activity to other departments or funds on a cost-reimbursement basis. The District does not have internal service funds.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

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

**C. Basic Financial Statements - Fund Financial Statements: (Continued)**

**2. Proprietary Fund (Continued)**

The Proprietary Fund is accounted for on a cost of services or “economic resource” measurement focus. This means that all assets and all liabilities, whether current or non-current, associated with their activity are included on their balance sheets. Their reported net assets (net total assets) is segregated into invested in capital assets, net of related debt, restricted for capital projects or unrestricted, if applicable. The Proprietary Fund type operating statement presents increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive capital assets used by the Proprietary Fund is charged as an expense against their operations. Accumulated depreciation is reported on the Proprietary Fund balance sheet. Depreciation has been provided over the estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

Food Service Fund:	
Equipment	12 Years
Light Trucks and Vehicle	4 Years
Heavy Trucks and Vehicle	6 Years

**3. Fiduciary Funds**

Fiduciary Funds are used to report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds and therefore are not available to support district programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the Governmental Fund types, using the same measurement focus and basis of accounting. Expendable Trust Fund accounts for assets where both the principal and interest may be spent. The Expendable Trust Fund is the Unemployment Compensation Insurance trust fund.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

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

**C. Basic Financial Statements - Fund Financial Statements: (Continued)**

**3. Fiduciary Funds (Continued)**

Non-expendable Trust Funds - A Non-expendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not have non-expendable trust funds.

Agency Funds - Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include payroll and student activities funds.

The emphasis in fund financial statements is on the major funds in either the governmental business-type activities categories. Non-major funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The District considers all governmental and business-type activities to be major.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (agency and expendable trust). Since by definition these assets are being held for the benefit of a third party (other local governments, students, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

On the Government-Wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b below.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

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

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

**Measurement Focus**

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds and expendable trust funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net assets.
- c. Agency funds are not involved in the measurement of results of operation; therefore, measurement focus is not applicable to them.

**Basis of Accounting**

In the Government-Wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds, the expendable trust fund and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

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

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

**Basis of Accounting (Continued)**

or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are reported when due.

Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable."

All proprietary funds and non-expendable trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

**E. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item units 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. Line-item transfers from an advertised appropriation account as defined under N.J.A.C. 6A:23 A-2.3, which on a cumulative basis exceed ten percent of the amount included in the original budget, require county superintendent approval. Effective December 2004, line-item transfers to an advertised appropriation account identified as either general administration, school administration, central services and administrative information technology or other support services that, on a cumulative basis, exceed 10% of the amount included in the original budget require county superintendent approval. The District did not transfer more than 10% of the above appropriations.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

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

**E. Budgets/Budgetary Control: (Continued)**

Pursuant to N.J.S.A. 18A:22-8 and N.J.A.C. 6A:23A-2.3 appropriation of surplus or other unbudgeted or under budgeted revenue is allowed only between April 1 and June 30 and requires Regional Assistant Commissioner Approval. Six revenue categories identified under N.J.A.C. 6A:23A-2.3(c) are excluded from this requirement.

Prior to April 1, a school board may petition the Commissioner for appropriation of surplus or other unbudgeted or under budgeted revenue (Except for those exempted under N.J.A.C. 6A:23A-2.3(c) an "emergent circumstance"). Such petition must be submitted by a two-thirds affirmative vote of the authorized membership of the Board and include the items listed and demonstrate the need pursuant to N.J.A.C. 6A:23A-2.3(b). During the fiscal year, the District made supplemental budgetary appropriations to cover retroactive salaries.

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 generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund types. Unencumbered appropriations lapse at fiscal year end.

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

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

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

**E. Budgets/Budgetary Control: (Continued)**

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

	2007-2008
Total Revenues (Budgetary Basis)	\$12,882,796
Adjustments:	
Add: Prior Year Encumbrances	797,742
Less: Current Year Encumbrances	(530,318)
Adjust for State Aid Payment Recognized for GAAP Purposes in the Current Year, Previously Recognized for Budgetary Purposes	328,658
Adjust for State Aid Payment Not Recognized for GAAP Purposes Until the Subsequent Year	(328,658)
Total Revenues (GAAP Basis)	\$13,150,220

	2007-2008
Total Expenditures (Budgetary Basis)	\$12,882,796
Adjustments:	
Add: Prior Year Encumbrances	797,742
Less: Current Year Encumbrances	(530,318)
Total Expenditures (GAAP Basis)	\$13,150,220

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

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

**F. Encumbrances:**

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 reservations of 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. Open encumbrances in the Special Revenue Fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**G. Cash, Cash Equivalents and Investments:**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at amortized cost. All other investments are stated at fair value.

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School Districts.

Additionally, 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.

N.J.S.A. 17:9-41 et.seq. establishes the requirements for the security of deposits of governmental units. The Statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

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

**G. Cash, Cash Equivalents and Investments: (Continued)**

of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

**H. Tuition Receivable:**

For the year ending June 30, 2008, there were \$51,280 in tuition charges due to the Board of Education.

**I. Tuition Payable:**

Tuition charges for the fiscal years 2007-2008 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**J. Inventories and Prepaid Expenses:**

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as an expenditure during the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. There were no prepaid expenses in the Proprietary Funds at June 30, 2008.

**K. Short-Term Interfund Receivables/Payables:**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

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

**L. Capital Assets:**

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. The District considers any property, plant or equipment costing \$2,000 or more to be a capital asset.

**Government-Wide Statements**

All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2001.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	30-50 years
Improvements	20-30 years
Machinery and Equipment	10 years
School Buses	20 years

**Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

**M. Restricted Assets:**

The District had \$11,346 in capital projects fund balance which represents balances of capital projects to be expended in future years.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

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

**N. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, sabbatical leave and salary related payments. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

**O. Deferred Revenue:**

Deferred revenue in the Special Revenue Fund represents cash that has been received but not yet earned.

**P. Long-Term Debt:**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be paid from governmental and business-type resources are reported as liabilities in the government-wide statement. The long-term debt consists primarily of accrued compensated absences, early retirement incentives and obligations under capital leases.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

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

**Q. Equity Classifications:**

**Government-Wide Statements**

Equity is classified as net assets and displayed in three components:

- a) Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**Fund Statements**

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

**R. Operating and Nonoperating Revenue:**

Operating revenues for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue not related to capital and related financing, noncapital financing, or investing activities. Nonoperating revenues include reimbursements by the State for school breakfast, lunch and food distribution programs.

**S. Expenditures/Expenses:**

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

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

**S. Expenditures/Expenses: (Continued)**

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:	Current (further classified by function) Debt Service - N/A Capital Outlay
Proprietary Fund - By Operating and Nonoperating	

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

**NOTE 2. CASH AND CASH EQUIVALENTS**

It is the District's policy to only deposit and invest funds with financial institutions located in the State of New Jersey which are insured as a part of the Governmental Unit Deposit Protection Act (GUDPA).

Custodial credit risk is the risk that, in the event of a bank failure, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are:

- a. Uncollateralized
- b. Collateralized with securities held by the pledging financial institution
- c. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name

Foreign currency risk is the risk that changes in exchange rates will adversely affect deposits. The District does not invest in foreign currency.

**CITY OF BAYONNE SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 2. CASH AND CASH EQUIVALENTS (Continued)**

As of June 30, 2008, none of the District's bank balances of \$4,028,408 were exposed to custodial credit risk or foreign currency risk.

The District's deposits are summarized as follows:

	<u>Book Balance</u>
Insured – FDIC	\$ 251,703
Insured – GUDPA	1,273,615
MBIA Class Account	<u>173,821</u>
	<u>\$ 1,699,139</u>
Reconciliation to Government-Wide Statement of Net Assets:	
Unrestricted Cash	\$ 722,064
Trust and Agency Fund Cash (not included in Government-Wide Statement)	<u>977,075</u>
	<u>\$1,699,139</u>

**NOTE 3. DEPOSIT AND INVESTMENT RISK**

New Jersey statutes permit the District to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has fixed rate of interest not dependent on any index or external factors.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Management Program.
- New Jersey Cash Management Fund.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 3. DEPOSIT AND INVESTMENT RISK (Continued)**

- Repurchase agreements of fully collateralized securities, subject to the following conditions: 1) the underlying securities are permitted investments, 2) the custody of the collateral is transferred to a third party, 3) the maturity of the agreement is not more than 30 days, 4) the underlying securities are purchased through GUDPA approved bank or through a securities broker-dealer which is registered with the New Jersey Bureau of Securities.
- Obligations issued by the state and its agencies.

MBIA Municipal Investors Service Corporation (“MBIA”) is a government investment pool. The State of New Jersey provides oversight for the pool and all securities purchased by MBIA are in compliance with New Jersey State Statutes and are held in a third party custody account. MBIA uses the amortized cost method of reporting investments. The District does not own specific, identifiable securities, but instead has a net realizable interest in the joint value of the pool.

As of June 30, 2008, the District had \$173,821 on deposit with the MBIA Fund.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the District’s name, and are held by either:

- a. The counterparty or
- b. The counterparty’s trust department or agent but not in the District’s name

Foreign currency risk is the risk that changes in exchange rates will adversely affect investments. The District does not have investments denominated in foreign currency.

At June 30, 2008 the District’s investments were not exposed to custodial credit risk or foreign currency risk.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2008 the District’s investments, other than deposits insured by FDIC and GUDPA, were limited to the MBIA Class Fund. The District does not have an investment policy regarding the management of credit risk. GASB Statement No. 40 requires that the District disclose the credit rating of all debt security investments except for obligations of the U.S. government or

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 3. DEPOSIT AND INVESTMENT RISK (Continued)**

investments guaranteed by the U.S. government. The District is exempt from this requirement because all of its investments at June 30, 2008 are invested in a local government investment pool.

Concentration of Credit Risk - The District places no formal limits on the amount they may invest in any one issue. At June 30, 2008, all of the District's investments were in the MBIA Class Fund.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. At June 30, 2008 the District did not have any investments which would expose it to interest rate risk.

**NOTE 4. CAPITAL ASSETS AND DEPRECIATION**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation bases for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets.

Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 30-50 years; improvements, 20-30 years; equipment 10 years; and school buses, 20 years. Land and construction in progress (when applicable) are not depreciated.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 4. CAPITAL ASSETS AND DEPRECIATION (Continued)**

Capital asset activity for the year ended June 30, 2008, was as follows:

	Balance at July 1, 2007	Additions	Reclass/ Disposals	Balance at June 30, 2008
Government Activities:				
Capital assets that are not being depreciated:				
Land	\$1,520,207	\$	\$	\$1,520,207
Total capital assets that are not being depreciated	1,520,207			1,520,207
Total capital assets that re being depreciated:				
Buildings	62,390,586		20,848,427	82,239,013
Improvements	77,604,466	4,930,850	(22,112,968)	60,422,348
Machinery and Equipment	15,055,321	4,520	1,127,232	16,187,073
Vehicles	2,004,469		137,309	2,141,778
Trials at Historical Cost	157,054,842	4,935,370	-0-	161,990,212
Less Accumulated Depreciation:				
Buildings	(54,590,586)	(1,196,969)	(384,262)	(56,171,817)
Improvements	(7,976,955)	(1,987,488)	384,262	(9,580,181)
Machinery and Equipment	(11,726,567)	(530,045)		(12,256,612)
Vehicles	(1,792,792)	(42,148)		(1,834,940)
Total Accumulated Depreciation	(76,086,900)	(3,756,650)	-0-	(79,843,550)
Total capital assets being depreciated, Net of accumulated depreciation	80,967,942	1,178,720		82,146,662
Government Activities Capital Assets Net	\$82,488,149	\$1,178,720	\$ -0-	\$83,666,869
Business-type Activities:				
Machinery and Equipment	\$465,620	\$83,737	\$ -0-	\$549,357
Totals at Historical Cost	465,620	83,737		\$549,357
Less Accumulated Depreciation:				
Machinery and Equipment	(175,104)	(56,325)		(231,429)
Total Accumulated Depreciation	(175,104)	(56,325)		(231,429)
Business-type Activities Capital Assets, Net	\$290,516	\$27,412	\$ -0-	\$317,928

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 4. CAPITAL ASSETS AND DEPRECIATION (Continued)**

\* Depreciation expense was charged to Governmental Activities as follows:

Instruction:	
Regular	\$1,506,082
Special Education	503,077
Other Special Education	148,798
Vocational	44,484
Other Instruction	<u>45,668</u>
Total Instruction	<u>2,248,109</u>
Support Services:	
Tuition	78,225
Student and Instruction Related Services	549,431
General and Business Administrative Services	124,819
School Administrative Services	191,160
Central Services	12,040
Administrative Information Technology	6,236
Operation and Maintenance of Plant	427,286
Pupil Transportation	98,889
Special School	<u>20,455</u>
Total Support Services	<u>1,508,541</u>
Total Depreciation Expense	<u><u>\$3,756,650</u></u>

**NOTE 5. LONG-TERM DEBT**

The District's long-term debt is summarized as follows:

**Governmental Activities**

As of June 30, 2008 the governmental long-term debt of the District consisted of the following:

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 5. LONG-TERM DEBT (Continued)**

**Governmental Activities (Continued)**

Accrued Compensated Absences:	
Current Portion	\$ 253,266
Noncurrent Portion	1,808,983
Accrued Insurance Liability:	
Current Portion:	913,791
Noncurrent Portion	-0-
Capital Lease Obligation:	
Current Portion	454,280
Noncurrent Portion	621,664
Total Governmental Activity Debt	\$4,051,984

**Business-type Activities**

As of June 30, 2008 there was no long-term debt payable from proprietary fund resources.

The following is a summary of changes in long-term debt for the year ended June 30, 2008:

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008	Amounts Due Within One Year	Long- Term Portion
Governmental Activities:						
Capital Lease Obligations	\$1,610,878	\$ -0-	\$(534,934)	\$1,075,944	\$454,280	\$621,664
Accrued Insurance Liability	2,682,920	913,791	(2,682,920)	913,791	913,791	
Compensated Absences	2,122,641	425,408	(485,800)	2,062,249	253,266	1,808,983
	\$6,416,439	\$1,339,199	\$(3,703,654)	\$4,051,984	\$1,621,337	\$2,430,647

**A. Bonds Payable:**

Bonds are authorized in accordance with State law by the Board of Commissioners after approval has been given by the Board of School Estimate (Type I School District). All Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the City on behalf of the Board are General Obligation Bonds. Retirement of Type I Bonds and interest payments are made in the operating budget of the City.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 5. LONG-TERM DEBT (Continued)**

**B. Bonds Authorized But Not Issued:**

As of June 30, 2008, the District had no authorized, but not issued, Bonds.

**C. Capital Leases:**

The District is currently leasing school buses, a ford truck, various computer and network equipment and an HVAC system. The Board also entered into a sale/leaseback transaction for textbooks.

The following are schedules of the future minimum lease payments under capital leases and the present value of the remaining net minimum lease payments as of June 30, 2008:

Five Year Ford Truck Capital Lease:

	<u>Year</u>	<u>Amount</u>
	2009	\$7,836
	2010	5,224
		13,060
Total Minimum Lease Payments		13,060
Less: Amount Representing Interest		682
Present Value of Net Minimum Lease Payments		\$12,378

Four Year Computer Capital Lease:

	<u>Year</u>	<u>Amount</u>
	2009	\$148,839
	2010	148,839
	2011	148,839
		446,517
Total Minimum Lease Payments		446,517
Less: Amount Representing Interest		181,331
Present Value of Net Minimum Lease Payments		\$265,186

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 5. LONG-TERM DEBT (Continued)**

**C. Capital Leases: (Continued)**

Five Year Network Upgrade Capital Lease:

	<u>Year</u>	<u>Amount</u>
	2009	\$119,507
Total Minimum Lease Payments		119,507
Less: Amount Representing Interest		<u>15,017</u>
Present Value of Net Minimum Lease Payments		<u>\$104,490</u>

Five Year Computer Capital Lease - Lab 241:

	<u>Year</u>	<u>Amount</u>
	2009	\$10,681
	2010	10,681
Total Minimum Lease Payments		21,362
Less: Amount Representing Interest		<u>8,090</u>
Present Value of Net Minimum Lease Payments		<u>\$ 13,272</u>

Five Year Computer Capital Lease - Special Ed:

	<u>Year</u>	<u>Amount</u>
	2009	\$7,617
	2010	7,617
	2011	7,617
Total Minimum Lease Payments		22,851
Less: Amount Representing Interest		<u>10,381</u>
Present Value of Net Minimum Lease Payments		<u>\$12,470</u>

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 5. LONG-TERM DEBT (Continued)**

**C. Capital Leases: (Continued)**

Five Year Computer Capital Lease - Lab 222:

	<u>Year</u>	<u>Amount</u>
	2009	\$17,750
	2010	17,750
	2011	<u>17,750</u>
Total Minimum Lease Payments		53,250
Less: Amount Representing Interest		<u>24,704</u>
Present Value of Net Minimum Lease Payments		<u><u>\$28,546</u></u>

Four Year School Buses Capital Lease (2 New Buses):

	<u>Year</u>	<u>Amount</u>
	2009	\$51,794
	2010	51,794
	2011	<u>43,161</u>
Total Minimum Lease Payments		146,749
Less: Amount Representing Interest		<u>12,129</u>
Present Value of Net Minimum Lease Payments		<u><u>\$134,620</u></u>

Three Year HVAC Capital Lease:

	<u>Year</u>	<u>Amount</u>
	2009	\$238,922
	2010	238,922
	2011	<u>59,730</u>
Total Minimum Lease Payments		537,574
Less: Amount Representing Interest		<u>32,592</u>
Present Value of Net Minimum Lease Payments		<u><u>\$504,982</u></u>

**CITY OF BAYONNE SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 5. LONG-TERM DEBT (Continued)**

**C. Capital Leases: (Continued)**

The total present value of the remaining net minimum lease payments for all capital leases at June 30, 2008, is as follows:

Five Year Ford Truck Lease	\$12,378
Four Year Computer Lease	265,186
Five Year Network Upgrade Lease	104,490
Five Year Computer Lease – Lab 241	13,272
Five Year Computer Lease – Special Ed	12,470
Five Year Computer Lease – Lab 222	28,546
Four Year School Buses Lease	134,620
Three Year HVAC Lease	504,982
	<u>\$1,075,944</u>

**NOTE 6. PENSION PLANS**

**A. Description of Plans:**

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

**B. Teachers' Pension and Annuity Fund (TPAF):**

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation. As under current statute, all employer contributions

**CITY OF BAYONNE SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 6. PENSION PLANS (Continued)**

**B. Teachers' Pension and Annuity Fund (TPAF): (Continued)**

are made by the State of New Jersey on behalf of the District and the System's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**C. Public Employees' Retirement System (PERS):**

The Public Employees' Retirement System was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**D. Vesting and Benefit Provisions:**

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55th of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

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.

**CITY OF BAYONNE SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 6. PENSION PLANS (Continued)**

**E. Significant Legislation:**

Two pieces of legislation passed during fiscal year 2003 having a significant impact on the benefit provisions under the PERS and TPAF. Chapter 133, P.L. 2001, increases retirement benefits for service, deferred and early retirement by changing the formula from 1/60 to 1/55 of final compensation for each year of service. This legislation also increases the retirement benefit for veteran members with 35 or more years of service and reduces the age qualification from 60 to 55. The legislation further provides that existing retirees and beneficiaries would also receive a comparable percentage increase in their retirement allowance. The benefit enhancements are effective with the November 1, 2001 benefit checks. Chapter 120, P.L. 2001, establishes an additional retirement option for plan members. Under the new option, a retiree's actuarially reduced allowance (to provide a benefit to the retiree's beneficiary upon the death of the retiree) would "pop up" to the maximum retirement allowance if the beneficiary predeceases the retiree.

Chapter 4, P.L. 2001 provides increased benefits to certain members of the PERS who retired prior to December 29, 1989 with at least 25 years of creditable service. The maximum amount of increase is 5 percent of the retiree's final compensation. For those with 30 or more years of service, the total pension would increase from 65 percent to 70 percent of final compensation.

Due to the enactment of 1997 legislation, chapter 114, P.L. 1997 and Chapter 115, P.L. 1997, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated. In addition, excess valuation assets were available to fund, in full or in part, the State of New Jersey's normal contribution from 1997 to 2001, excluding the contribution for post-retirement medical benefits in the PERS and TPAF.

**F. Contribution Requirements:**

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62 P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.0%, respectively, of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits, and post-retirement medical premiums. Under current Statute, the District is a non-contributing employer of the TPAF.

**CITY OF BAYONNE SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 6. PENSION PLANS (Continued)**

**F. Contribution Requirements: (Cont.)**

<b><u>Three-Year Trend Information for PERS</u></b>			
<b><u>Year Funding</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
6/30/08	\$964,508	100%	\$ -
6/30/07	603,410	100%	-
6/30/06	366,797	100%	-

<b><u>Three-Year Trend Information for TPAF (Paid of behalf of the District)</u></b>			
<b><u>Year Funding</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
6/30/08	\$7,107,387	100%	\$ -
6/30/07	6,884,136	100%	-
6/30/06	3,309,765	100%	-

During the fiscal year ended June 30, 2008 the State of New Jersey contributed \$7,107,387 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$4,422,604 during the year ended June 30, 2008, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**CITY OF BAYONNE SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 7. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2007 there were 75,860 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve of one half of 1% of the active State payroll.

The State made post-retirement (PRM) contributions of \$592.7 million for TPAF and \$224.3 million for PERS in fiscal year 2007.

The State is also responsible for the cost attributable to P.L. 1992, c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$110.3 million toward Chapter 126 benefits for 11,747 eligible retired members in fiscal year 2007.

The District participates in the New Jersey State Health Benefits Program (SHBP) which is a traditional health insurance plan. The SHBP, which was originally established in 1961, provides medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursements to retirees and their covered dependents.

In accordance with Government Accounting Standards Board Statements Numbers 43 and 45, an actuarially determined liability should be calculated for other post retirement benefits (OPEB). The OPEB liability for the District has not been determined as of the audit date, however, an actuarial evaluation for the SHBP is available for viewing over the internet at: [www.state.nj.us/treasury/pensions/shbp.htm](http://www.state.nj.us/treasury/pensions/shbp.htm).

**NOTE 8. COMPENSATED ABSENCES**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Government Accounting Standards Board Statement No.16 (GASB16), "Accounting for Compensated Absences".

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full

**CITY OF BAYONNE SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 8. COMPENSATED ABSENCES (Continued)**

amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

In the Government-Wide Statement of Net Assets, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the governmental fund types is recorded as current and long-term liabilities.

**NOTE 9. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. Insurance claims have not exceeded coverage in any of the past three fiscal years. There have been no significant changes or reductions in insurance coverage from the prior year.

**A. Property and Liability Insurance:**

The District maintains commercial insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**B. New Jersey Unemployment Compensation Insurance:**

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 Expendable Trust Fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2007-2008	\$ -	\$155,432	\$283,654	\$481,692
2006-2007	\$ -	216,567	251,049	609,914
2005-2006	\$ -	188,132	194,020	644,396

**CITY OF BAYONNE SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 10. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet of the governmental fund financial statement at June 30, 2008:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$1,880,024	\$375,893
Special Revenue	800,000	819,375
Capital Projects		1,762,649
Food Service	375,893	
Trust and Agency		98,000
Total	<u>\$3,055,917</u>	<u>\$3,055,917</u>

The general fund interfund receivable resulted from general fund expenditures made on behalf of special revenue, capital projects and unemployment trust funds. The general fund interfund payable is money that is due to the food service fund for bills to be paid.

The special revenue fund interfund receivable resulted from money that is due from the State of New Jersey for Early Childhood projects.

**NOTE 11. INVENTORY**

Inventory in the Food Service Fund at June 30, 2008 consisted of the following:

Food and Supplies	<u>\$ 65,316</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 12. FUND BALANCE APPROPRIATED**

**Fund Statements:**

General Fund - Of the \$(1,244,164) General Fund, fund balance at June 30, 2008, \$356,033 is reserved for encumbrances, \$247,619 is legally restricted - designated for subsequent year's expenditures and \$(1,847,816) is unreserved. During the fiscal year, no authorized and approved appropriations of surplus were made.

Special Revenue Fund - The \$(328,658) Special Revenue Fund, fund balance is unreserved and designated.

Capital Projects Fund - Of the \$11,346 Capital Projects Fund, fund balance at June 30, 2008, \$-0- is reserved for encumbrances and \$11,346 is designated for subsequent year's expenditures.

The total Government Funds, fund balance is \$(1,561,476).

**Government-Wide Statements:**

The following is a summary of adjustments made to the fund statements to arrive at the total net assets per the Government-Wide Statement of Net Assets:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Fund Balance/Net Assets	\$(1,561,476)	\$691,396	\$ (870,080)
Add: Capital Assets, Net of A/D	83,666,869		83,666,869
Less: Long-Term Liabilities	<u>(4,051,984)</u>		<u>(4,051,984)</u>
Total Net Assets	<u>\$78,053,409</u>	<u>\$691,396</u>	<u>\$78,744,805</u>

**NOTE 13. DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$(1,244,164) in the General Fund and \$(328,658) in the Special Revenue Fund as of June 30, 2008 as reported in the fund statements (modified accrual

## CITY OF BAYONNE SCHOOL DISTRICT

### NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2008

#### **NOTE 13. DEFICIT FUND BALANCES (Continued)**

basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The Bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No.33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund, fund balance deficit does not alone indicate that the District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2, any negative unreserved, undesignated fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey Statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$(1,244,164) for the General Fund and \$328,658 for the Special Revenue Fund is less than/equal to the last state aid payment.

#### **NOTE 14. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey School Districts are required to reserve General Fund, fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2008, is \$ -0-.

#### **NOTE 15. CONTINGENT LIABILITIES**

The Board attorney's letter advises that there is pending or threatened litigation which involve the Board of Education. The Board intends to defend each of the matters vigorously. However, the outcomes of these litigations will not materially affect the Board's financial position.

#### **NOTE 16. EDUCATION FACILITIES CONSTRUCTION AND FINANCING ACT**

The Board authorized the execution of an agreement with the New Jersey Schools Construction Corporation, (the "Corporation"), to obtain funds as part of the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (N.J.S.A. 18A:7G-1), (the "Act").

**CITY OF BAYONNE SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 16. EDUCATION FACILITIES CONSTRUCTION AND FINANCING ACT  
(Continued)**

The State Department of Education, (the "Department"), has completed their review of the District's Long Range Facilities Plan (the "LRFP") and has made a final determination of the LRFP and has estimated costs of eligible projects to be used solely by the Department for state capital planning purposes. Determination of the preliminary and final eligible costs shall be made at the time of approval of a particular school facilities project.

During fiscal year 2004, the Board obtained approval from the Department for various school facilities projects consisting of improvements to various elementary schools and the high school as well as the demolition and reconstruction of an existing elementary school located in the City of Bayonne, New Jersey. The Department gave final approval for the project and determined final eligible costs, state share and local share and issued the final project report. The total project cost is \$21,037,773 and the state share is \$8,415,110. The Authority executed the grant agreements June 24, 2004.

During fiscal year 2005, the Board obtained approval from the Department for three more school facilities projects. The final eligible costs are \$26,346,048 and the state share is \$10,538,419.

**NOTE 17. TRANSFERS TO CAPITAL OUTLAY**

During the year ending June 30, 2008, the District did not make any transfers into the capital outlay accounts.

**NOTE 18. NOTE PAYABLE**

On June 18, 2008, the Board signed a promissory note in the amount of \$8,024,745 at an interest rate of 4.5% with a due date of August 18, 2008. This note was necessary for cash flow purposes due to the delay of the last state aid payment and receivables due from other governments at June 30, 2008. The principal and interest on the note was paid in full by August 14, 2008.

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART II**

**BUDGETARY COMPARISON SCHEDULES**

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**for the Fiscal Year ended June 30, 2008**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 57,086,193	\$ -	\$ 57,086,193	\$ 57,086,193	\$ -
Tuition	222,855	-	222,855	103,668	(119,187)
Interest earned	-	-	-	71,786	71,786
Miscellaneous	1,500,000	-	1,500,000	1,157,480	(342,520)
Total - local sources	<u>58,809,048</u>	<u>-</u>	<u>58,809,048</u>	<u>58,419,127</u>	<u>(389,921)</u>
State sources:					
Core curriculum standards aid	16,791,432	-	16,791,432	16,791,432	-
Supplemental core standards aid	2,371,878	-	2,371,878	2,371,878	-
Transportation aid	303,986	-	303,986	303,986	-
Special education aid	5,595,255	-	5,595,255	5,595,255	-
Bilingual education aid	468,724	-	468,724	468,724	-
Stabilization aid	124,058	-	124,058	124,058	-
Adult and postgraduate aid	234,519	-	234,519	386,589	152,070
Consolidated aid	669,135	-	669,135	669,135	-
Additional formula aid	2,017,747	-	2,017,747	2,017,747	-
Extraordinary aid	-	-	-	104,887	104,887
Abbott Bordered District Aid	6,135,873	-	6,135,873	6,135,873	-
Full Day Kindergarten Supplemental Aid	650,125	-	650,125	650,125	-
Targeted At-Risk Aid	2,087,000	-	2,087,000	2,087,000	-
Teacher quality mentoring program	-	-	-	14,017	14,017
Home instruction	-	-	-	14,308	14,308
On-Behalf TPAF pension contributions (Non budgeted)	-	-	-	7,107,387	7,107,387
Reimbursed TPAF Social Security contributions (Non budgeted)	-	-	-	4,422,604	4,422,604
Total - state sources	<u>37,449,732</u>	<u>-</u>	<u>37,449,732</u>	<u>49,265,005</u>	<u>11,815,273</u>
Federal sources					
	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>102,421</u>	<u>2,421</u>
Total revenues	<u>\$ 96,358,780</u>	<u>\$ -</u>	<u>\$ 96,358,780</u>	<u>\$ 107,786,553</u>	<u>\$ 11,427,773</u>
<b>EXPENDITURES:</b>					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Preschool/kindergarten	\$ 1,853,492	\$ 70,000	\$ 1,923,492	\$ 1,881,097	\$ 42,395
Grades 1-5	9,560,945	(40,000)	9,520,945	9,510,228	10,717
Grades 6-8	6,692,084	466,000	7,158,084	7,157,752	332
Grades 9-12	11,274,965	(148,700)	11,126,265	11,101,373	24,892
Total regular programs - instruction	<u>29,381,486</u>	<u>347,300</u>	<u>29,728,786</u>	<u>29,650,450</u>	<u>78,336</u>
Regular programs - home instruction:					
Salaries of Teachers	188,744	7,700	196,444	196,444	-
General Supplies	1,500	-	1,500	1,222	278
Textbooks	1,100	-	1,100	941	159
Other Objects	1,100	-	1,100	198	902
Total regular programs - home instruction	<u>192,444</u>	<u>7,700</u>	<u>200,144</u>	<u>198,805</u>	<u>1,339</u>
Regular programs - undistributed instruction:					
General Supplies	951,803	(66,000)	885,803	822,289	63,514
Technical Supplies	196,379	(1,079)	195,300	178,716	16,584
Textbooks	163,613	(8,176)	155,437	141,606	13,831
Other Objects	17,583	-	17,583	13,384	4,199
Contracted Services	5,861	-	5,861	5,861	-
Total regular programs - undistributed instruction	<u>1,335,239</u>	<u>(75,255)</u>	<u>1,259,984</u>	<u>1,161,856</u>	<u>98,128</u>
Total regular programs	<u>30,909,169</u>	<u>279,745</u>	<u>31,188,914</u>	<u>31,011,111</u>	<u>177,803</u>
Special education:					
Neurologically Impaired					
Salaries of Teachers	4,570,823	(230,000)	4,340,823	4,329,512	11,311
Other Salaries for Instruction	1,353,056	(61,000)	1,292,056	1,282,381	9,675
General Supplies	35,607	(25,524)	10,083	10,039	44
Technical Supplies	9,205	-	9,205	8,934	271
Textbooks	21,733	25,524	47,257	42,245	5,012
Other Objects	43,885	-	43,885	43,699	186
Total Neurologically Impaired	<u>6,034,309</u>	<u>(291,000)</u>	<u>5,743,309</u>	<u>5,716,810</u>	<u>26,499</u>

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**for the Fiscal Year ended June 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
(Continued from prior page)					
Multiply Handicapped					
Salaries of Teachers	646,861	50,000	696,861	692,697	4,164
Other Salaries for Instruction	1,410,151		1,410,151	1,339,764	70,387
General Supplies	11,617		11,617	11,424	193
Technical Supplies	1,901		1,901	1,901	-
Textbooks	4,155		4,155	2,617	1,538
Other Objects	13,725		13,725	11,853	1,872
Total Multiply Handicapped	<u>2,088,410</u>	<u>50,000</u>	<u>2,138,410</u>	<u>2,060,256</u>	<u>78,154</u>
Emotionally Disturbed					
Salaries of Teachers	463,280	50,000	513,280	507,556	5,724
Other Salaries for Instruction	239,940		239,940	213,317	26,623
Other Purchased Services	228,057	(98,000)	130,057	60,445	69,612
General Supplies	10,611		10,611	10,443	168
Technical Supplies	6,345		6,345	6,345	-
Textbooks	4,029		4,029	2,214	1,815
Other Objects	2,896		2,896	2,851	45
Total Emotionally Disturbed	<u>955,158</u>	<u>(48,000)</u>	<u>907,158</u>	<u>803,171</u>	<u>103,987</u>
Resource Room/Resource Center					
Salaries of Teachers	2,442,297	198,000	2,640,297	2,639,440	857
General Supplies	37,079	(25,304)	11,775	11,283	492
Technical Supplies	14,911		14,911	14,910	1
Textbooks	20,123	25,104	45,227	38,741	6,486
Other Objects	31,110		31,110	31,078	32
Total Resource Room/Resource Center	<u>2,545,520</u>	<u>197,800</u>	<u>2,743,320</u>	<u>2,735,452</u>	<u>7,868</u>
Autistic					
Salaries of Teachers	455,060		455,060	443,683	11,377
Other Salaries for Instruction	669,584		669,584	630,432	39,152
General Supplies	8,733		8,733	8,281	452
Technical Supplies	2,034		2,034	1,965	69
Other Objects	6,052		6,052	5,939	113
Total Autistic	<u>1,141,463</u>	<u>-</u>	<u>1,141,463</u>	<u>1,090,300</u>	<u>51,163</u>
Preschool Handicapped-full time					
Salaries of Teachers	237,124		237,124	230,426	6,698
Other Salaries for Instruction	292,202		292,202	258,019	34,183
General Supplies	5,742		5,742	5,374	368
Technical Supplies	1,769		1,769	1,018	751
Other Objects	6,465		6,465	4,692	1,773
Total Preschool Handicapped-full time	<u>543,302</u>	<u>-</u>	<u>543,302</u>	<u>499,529</u>	<u>43,773</u>
Total Special Education	<u>13,308,162</u>	<u>(91,200)</u>	<u>13,216,962</u>	<u>12,905,518</u>	<u>311,444</u>
Basic Skills/Remedial					
Salaries of Teachers	2,461,366		2,461,366	2,428,677	32,689
General Supplies	20,213	(5,000)	15,213	13,807	1,406
Technical Supplies	1,377		1,377	1,377	-
Textbooks	11,900	(5,000)	6,900	6,900	-
Total Basic Skills/Remedial	<u>2,494,856</u>	<u>(10,000)</u>	<u>2,484,856</u>	<u>2,450,761</u>	<u>34,095</u>
Bilingual Education					
Salaries of Teachers	1,133,195	66,814	1,200,009	1,195,833	4,176
Other Salaries for Instruction	164,620	(24,000)	140,620	140,462	158
General Supplies	8,333		8,333	7,907	426
Technical Supplies	8,669	1,000	9,669	6,063	3,606
Textbooks	10,000	(1,000)	9,000	7,311	1,689
Other Objects	12,869		12,869	8,797	4,072
Total Bilingual Education	<u>1,337,686</u>	<u>42,814</u>	<u>1,380,500</u>	<u>1,366,373</u>	<u>14,127</u>

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**for the Fiscal Year ended June 30, 2008**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
(Continued from prior page)					
Vocational Programs-Local-Instruction					
Salaries of Teachers	927,304		927,304	863,457	63,847
Other Purchased Services	179,150	24,000	203,150	176,817	26,333
General Supplies	47,360		47,360	45,017	2,343
Technical Supplies	26,171		26,171	23,075	3,096
Textbooks	22,016		22,016	19,270	2,746
Other Objects	124,326	(110,814)	13,512	13,512	-
Total Vocational Programs-Local-Instruction	<u>1,326,327</u>	<u>(86,814)</u>	<u>1,239,513</u>	<u>1,141,148</u>	<u>98,365</u>
Other Instructional					
School Sponsored Co curricular Activities					
Salaries	90,000	9,000	99,000	98,962	38
Other Objects	10,000	-	10,000	-	10,000
Total School Sponsored Co curricular Activities	<u>100,000</u>	<u>9,000</u>	<u>109,000</u>	<u>98,962</u>	<u>10,038</u>
School Sponsored Athletics - Instruction					
Salaries	465,175	42,000	507,175	466,550	40,625
Purchased Services	347,860	(12,600)	335,260	291,765	43,495
Total School Sponsored Athletics - Instruction	<u>813,035</u>	<u>29,400</u>	<u>842,435</u>	<u>758,315</u>	<u>84,120</u>
Community Services Operations					
Salaries	268,425		268,425	260,731	7,694
Supplies and Materials	47,979	9,000	56,979	9,037	47,942
Technical Supplies	9,405		9,405	4,887	4,518
Other Objects	53,372		53,372	39,586	13,786
Total Community Services Operations	<u>379,181</u>	<u>9,000</u>	<u>388,181</u>	<u>314,241</u>	<u>73,940</u>
Total Other Instructional Programs	<u>1,292,216</u>	<u>47,400</u>	<u>1,339,616</u>	<u>1,171,518</u>	<u>168,098</u>
Total - instruction	<u>50,668,416</u>	<u>181,945</u>	<u>50,850,361</u>	<u>50,046,429</u>	<u>803,932</u>
Undistributed expenditures - instruction:					
Tuition to other LEA's within State	404,500	(225,067)	179,433	163,700	15,733
Tuition CSSD and regional day school	196,620		196,620	196,325	295
Tuition to private schools for the handicapped - within state	1,449,139	12,402	1,461,541	1,434,465	27,076
Tuition - state facilities	212,235		212,235	212,235	-
Total undistributed expenditures - instruction	<u>2,262,494</u>	<u>(212,665)</u>	<u>2,049,829</u>	<u>2,006,725</u>	<u>43,104</u>
Attendance and social work services:					
Salaries	547,260	(6,000)	541,260	534,930	6,330
Purchase Services (400-500 Series)	2,050		2,050	92	1,958
Supplies and materials	1,670		1,670	364	1,306
Total attendance and social work services	<u>550,980</u>	<u>(6,000)</u>	<u>544,980</u>	<u>535,386</u>	<u>9,594</u>
Health services:					
Salaries	1,579,135		1,579,135	1,569,256	9,879
Purchased professional and technical services	125,696		125,696	124,516	1,180
Purchase Services (400-500 Series)	23,501	7,100	30,601	29,397	1,204
Supplies and materials	17,501		17,501	17,005	496
Total health services	<u>1,745,833</u>	<u>7,100</u>	<u>1,752,933</u>	<u>1,740,174</u>	<u>12,759</u>
Special Education - Speech					
Salaries	982,716	(10,000)	972,716	968,927	3,789
Supplies and Materials	8,678		8,678	8,483	195
Other Objects	1,793		1,793	1,554	239
Total Special Education - Speech	<u>993,187</u>	<u>(10,000)</u>	<u>983,187</u>	<u>978,964</u>	<u>4,223</u>

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**for the Fiscal Year ended June 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
(Continued from prior page)					
Other support services - students - regular:					
Salaries of other professional staff	754,486	(36,975)	717,511	713,732	3,779
Salaries of secretarial and clerical assistants	289,818	(16,000)	273,818	271,617	2,201
Supplies and materials	50,225	(18,000)	32,225	1,859	30,366
Total other support services - students- regular	<u>1,094,529</u>	<u>(70,975)</u>	<u>1,023,554</u>	<u>987,208</u>	<u>36,346</u>
Other support services - students - special services:					
Salaries of other professional staff	1,486,246	(37,000)	1,449,246	1,447,186	2,060
Salaries of secretarial and clerical	297,240	(17,000)	280,240	279,401	839
Other purchased services	131,735	84,000	215,735	215,689	46
Supplies and materials	43,427		43,427	39,698	3,729
Total other support services - students - special services	<u>1,958,648</u>	<u>30,000</u>	<u>1,988,648</u>	<u>1,981,974</u>	<u>6,674</u>
Improvement of instructional services:					
Salaries of other professional staff	1,881,512		1,881,512	1,878,045	3,467
Salaries of secretarial and clerical	188,446	17,000	205,446	167,617	37,829
Other objects	29,500		29,500	29,500	-
Total improvement of instructional services	<u>2,099,458</u>	<u>17,000</u>	<u>2,116,458</u>	<u>2,075,162</u>	<u>41,296</u>
Educational media services/school library:					
Salaries	111,750	20,000	131,750	118,975	12,775
Supplies and Materials	83,452		83,452	82,960	492
Total educational media services/school library	<u>195,202</u>	<u>20,000</u>	<u>215,202</u>	<u>201,935</u>	<u>13,267</u>
Instruction staff training:					
Other purchased professional services - technical	33,640		33,640	30,737	2,903
Other purchased professional services - educational	19,050		19,050	18,523	527
Other purchased services (400 - 500 Series)	29,120		29,120	23,641	5,479
Total instruction staff training	<u>81,810</u>	<u>-</u>	<u>81,810</u>	<u>72,901</u>	<u>8,909</u>
Support services - general administration:					
Salaries	1,184,500	16,000	1,200,500	1,200,216	284
Legal service	231,390	4,000	235,390	234,001	1,389
Audit fees	101,450		101,450	49,850	51,600
Other Purchased Professional Services	60,212	(23,442)	36,770	36,763	7
Communications/telephone	408,598		408,598	387,063	21,535
Other purchased services	24,121	(10,000)	14,121	13,232	889
Miscellaneous other purchased services	280,875		280,875	202,593	78,282
Supplies and materials	167,725		167,725	155,471	12,254
In-house training supplies	41,900	(10,000)	31,900	6,727	25,173
Miscellaneous expenditures	51,275	6,000	57,275	53,641	3,634
Member dues and fees	36,200	(24,889)	11,311	10,574	737
Total support services - general administration	<u>2,588,246</u>	<u>(42,331)</u>	<u>2,545,915</u>	<u>2,350,131</u>	<u>195,784</u>
Support services - school administration:					
Salaries of Principals/Assistant Principals	2,620,682	135,000	2,755,682	2,743,808	11,874
Salaries of Secretarial and Clerical	1,972,093	27,000	1,999,093	1,884,884	114,209
Supplies and Materials	351,750	(21,645)	330,105	275,164	54,941
Total support services - school administration	<u>4,944,525</u>	<u>140,355</u>	<u>5,084,880</u>	<u>4,903,856</u>	<u>181,024</u>
Support services - central services					
Sale/Lease-back payments	360,000	-	360,000	308,862	51,138
Total support services - central services	<u>360,000</u>	<u>-</u>	<u>360,000</u>	<u>308,862</u>	<u>51,138</u>

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**for the Fiscal Year ended June 30, 2008**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
(Continued from prior page)					
Administrative information technology:					
Purchase other professional services	23,100		23,100	22,248	852
Purchase technical services	16,000		16,000	14,400	1,600
Other purchased services	198,950	(28,025)	170,925	123,327	47,598
Total administrative information technology:	<u>238,050</u>	<u>(28,025)</u>	<u>210,025</u>	<u>159,975</u>	<u>50,050</u>
Allowed Maintenance for School Facilities					
Salaries	3,787,715		3,787,715	3,753,988	33,727
General Supplies	452,000	110,000	562,000	561,504	496
Total Allowed Maintenance for School Facilities	<u>4,239,715</u>	<u>110,000</u>	<u>4,349,715</u>	<u>4,315,492</u>	<u>34,223</u>
Operation and maintenance of plant services:					
Salaries	1,912,172	(42,000)	1,870,172	1,828,366	41,806
Cleaning, Repair, and Maintenance Services	738,824	70,000	808,824	795,188	13,636
Insurance	266,296	60,000	326,296	326,296	-
General Supplies	786,774	109,700	896,474	880,649	15,825
Energy	2,807,862	8,000	2,815,862	2,815,259	603
Total operation and maintenance of plant services	<u>6,511,928</u>	<u>205,700</u>	<u>6,717,628</u>	<u>6,645,758</u>	<u>71,870</u>
Student transportation services:					
Salaries Pupil Transportation (Between Home & School)	1,299,645	(14,000)	1,285,645	1,284,834	811
Cleaning, Repair, and Maintenance Services	63,760		63,760	63,760	-
Rental Payments - School Buses	7,183		7,183	647	6,536
Lease Purchase Payments - School Bus	150,410		150,410	116,237	34,173
Contract Services (Special Ed. Students)-Vendors	938,597	(105,300)	833,297	825,179	8,118
Miscellaneous Purchased Services - Transportation	150,500	24,000	174,500	174,231	269
Supplies and Materials	46,567	15,000	61,567	60,926	641
Contracted Services	12,248		12,248	11,014	1,234
Total student transportation services	<u>2,668,910</u>	<u>(80,300)</u>	<u>2,588,610</u>	<u>2,536,828</u>	<u>51,782</u>
Business and other support services:					
Salaries	799,075	6,000	805,075	804,967	108
Other purchased services	27,900		27,900	27,900	-
Supplies and materials	26,000	(7,000)	19,000	19,000	-
Total business and other support services	<u>852,975</u>	<u>(1,000)</u>	<u>851,975</u>	<u>851,867</u>	<u>108</u>
Employee benefits:					
Social security - other	1,450,160	163,000	1,613,160	1,613,112	48
Other retirement contribution - reg.	89,500	(60,700)	28,800	28,800	-
Workers' compensation	464,040		464,040	464,040	-
Health benefits	13,191,760	(36,558)	13,155,202	13,155,202	-
Tuition reimbursement	36,000		36,000	26,570	9,430
Other employee benefits	486,667	(390,111)	96,556	95,985	571
Total employee benefits	<u>15,718,127</u>	<u>(324,369)</u>	<u>15,393,758</u>	<u>15,383,709</u>	<u>10,049</u>
Food service	<u>100,000</u>	<u>(50,000)</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
On-Behalf TPAF pension contributions (non budgeted)	-	-	-	7,107,387	(7,107,387)
Reimbursed TPAF Social Security contributions (non budgeted)	-	-	-	4,422,604	(4,422,604)
Total on-behalf contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,529,991</u>	<u>(11,529,991)</u>
Total undistributed expenditures	<u>49,204,617</u>	<u>(295,510)</u>	<u>48,909,107</u>	<u>59,566,898</u>	<u>(10,657,791)</u>
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	<u>99,873,033</u>	<u>(113,565)</u>	<u>99,759,468</u>	<u>109,613,327</u>	<u>(9,853,859)</u>

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**for the Fiscal Year ended June 30, 2008**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>SPECIAL SCHOOLS:</b>					
Accredited evening/adult high school - instruction:					
Salaries of Teachers	212,675	21,000	233,675	233,597	78
General Supplies	3,093		3,093	2,570	523
Technical Supplies	2,138		2,138	2,138	-
Textbooks	8,440		8,440	500	7,940
Other Objects	6,098		6,098	4,435	1,663
Total accredited evening/adult high school - instruction	<u>232,444</u>	<u>21,000</u>	<u>253,444</u>	<u>243,240</u>	<u>10,204</u>
Adult education - local - instruction:					
Salaries of Teachers	241,751	24,000	265,751	265,678	73
General Supplies	12,285	5,000	17,285	12,986	4,299
Technical Supplies	11,566		11,566	9,842	1,724
Textbooks	10,931	5,000	15,931	13,089	2,842
Other Objects	61,000		61,000	50,554	10,446
Total adult education - local - instruction	<u>337,533</u>	<u>34,000</u>	<u>371,533</u>	<u>352,149</u>	<u>19,384</u>
Total special schools	<u>569,977</u>	<u>55,000</u>	<u>624,977</u>	<u>595,389</u>	<u>29,588</u>
Charter schools	<u>112,095</u>	<u>25,565</u>	<u>137,660</u>	<u>137,660</u>	<u>-</u>
Total expenditures	<u>\$ 100,555,105</u>	<u>\$ (33,000)</u>	<u>\$ 100,522,105</u>	<u>\$ 110,346,376</u>	<u>\$ (9,824,271)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (4,196,325)</u>	<u>\$ 33,000</u>	<u>\$ (4,163,325)</u>	<u>\$ (2,559,823)</u>	<u>\$ 1,603,502</u>
Other financing sources (uses):					
Adjustment for prior year budgeted fund balance	500,000		500,000		(500,000)
Additional appropriation - retro salaries	500,000		500,000	-	(500,000)
Transfer in - City of Bayonne Bond	2,443,612		2,443,612	2,443,612	-
Transfer out - to food service fund	(625,070)	(33,000)	(658,070)	(657,920)	150
Total other financing sources (uses)	<u>2,818,542</u>	<u>(33,000)</u>	<u>2,785,542</u>	<u>1,785,692</u>	<u>(999,850)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,377,783)	-	(1,377,783)	(774,131)	603,652
Fund balance, July 1	<u>1,377,783</u>	<u>-</u>	<u>1,377,783</u>	<u>1,377,783</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 603,652</u>	<u>\$ 603,652</u>
Recapitulation:					
Reserved:					
For encumbrances				\$ 356,033	
Legally restricted - designated for subsequent years' expenditures				<u>247,619</u>	
				603,652	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				<u>(1,847,816)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ (1,244,164)</u>	

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**CITY OF BAYONNE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**for the Fiscal Year ended June 30, 2008**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State sources	\$ 7,935,539	\$ -	\$ 7,935,539	\$ 7,916,793	\$ 18,746
Federal sources	5,113,495		5,113,495	4,758,370	355,125
Local sources	294,700		294,700	207,633	87,067
Total revenues	<u>13,343,734</u>	<u>-</u>	<u>13,343,734</u>	<u>12,882,796</u>	<u>460,938</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	6,148,951		6,148,951	6,148,951	-
Salaries of other professional staff	4,500		4,500		4,500
Other salaries for instruction	572,920		572,920	572,920	-
Purchased professional & technical services	134,539		134,539	97,608	36,931
Other purchased services	211,020		211,020	53,098	157,922
General supplies	269,770		269,770	258,804	10,966
Supplies and materials	64,986		64,986	64,986	-
Textbooks	94,452		94,452	94,053	399
Technology supplies	67,600		67,600	58,201	9,399
Other objects	336,239		336,239	247,677	88,562
Total instruction	<u>7,904,977</u>	<u>-</u>	<u>7,904,977</u>	<u>7,596,298</u>	<u>308,679</u>
Support services:					
Salaries of teachers	3,053	2,194	5,247	5,247	-
Salaries of supervisors of instruction	187,754		187,754	170,806	16,948
Salaries of Principals/Assistant Principals	5,900		5,900	5,900	-
Salaries of other professional staff	1,683,133	1,160	1,684,293	1,684,293	-
Salaries of secretarial & clerk assistants	89,057		89,057	89,057	-
Salaries of other personnel	110,450		110,450	110,450	-
Personal services-employee benefits	2,420,434		2,420,434	2,420,014	420
Purchased professional & technical services	396,107	(2,500)	393,607	381,072	12,535
Purchased professional educational services	102,171		102,171	94,655	7,516
Other purchased professional services	123,518		123,518	81,514	42,004
Contracted services - transportation	12,797		12,797	12,797	-
Rental payments	10,000		10,000	10,000	-
Travel	20,804	2,500	23,304	18,870	4,434
Miscellaneous purchase services	125,947		125,947	95,426	30,521
Supplies and materials	28,468		28,468	26,827	1,641
Other expenses - instruction	103,054		103,054	67,811	35,243
Other objects	8,236		8,236	7,239	997
Total support services	<u>5,430,883</u>	<u>3,354</u>	<u>5,434,237</u>	<u>5,281,978</u>	<u>152,259</u>
Facilities acquisition and construction services:					
Non-instructional equipment					-
Instructional equipment	7,874	(3,354)	4,520	4,520	-
Total facilities acquisition and construction services	<u>7,874</u>	<u>(3,354)</u>	<u>4,520</u>	<u>4,520</u>	<u>-</u>
Total expenditures	<u>13,343,734</u>	<u>-</u>	<u>13,343,734</u>	<u>12,882,796</u>	<u>460,938</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-				
Fund balance, July 1					
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budget to GAAP Reconciliation**  
**Note to RSI**  
**for the Fiscal Year ended June 30, 2008**

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

		<u>General Fund</u>		<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 107,786,553	[C-2]	\$ 12,882,796
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				267,424
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		1,667,922		328,658
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		<u>(1,847,816)</u>		<u>(328,658)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	<u>\$ 107,606,659</u>	[B-2]	<u>\$ 13,150,220</u>
<b>Uses/Outflows of Resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 110,346,376	[C-2]	\$ 12,882,796
Difference - budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.				267,424
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	<u>\$ 110,346,376</u>	[B-2]	<u>\$ 13,150,220</u>

**OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES**

**NOT APPLICABLE**

## **SPECIAL REVENUE FUND**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Total Brought Forward (Ex. E-1a)	No Child Left Behind			Title V 2007-08
		Title I Basic	Title I - SIA	Title III	
		2007-08	2007-08	2007-08	
<b>REVENUES:</b>					
State sources	\$ 7,916,793	\$ -	\$ -	\$ -	\$ -
Federal sources	2,476,141	1,038,642	57,211	55,361	21,735
Local sources	207,632				
Total revenues	<u>\$ 10,600,566</u>	<u>\$ 1,038,642</u>	<u>\$ 57,211</u>	<u>\$55,361</u>	<u>\$ 21,735</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	\$ 5,367,258	\$ 410,055	\$ 10,000	\$11,236	\$ 15,925
Other salaries for instruction	572,920				
Purchased professional & technical services	71,219			3,000	696
Other purchased services	-			1,000	
General supplies	130,417	17,070	46,446	35,576	1,407
Supplies and materials	52,405				
Textbooks	94,053				
Technology supplies	58,201				
Other objects	207,632				392
Total instruction	<u>6,554,105</u>	<u>427,125</u>	<u>56,446</u>	<u>50,812</u>	<u>18,420</u>
Support Services:					
Salaries of teachers	-	2,600			1,039
Salaries of supervisors of instruction	70,000	100,806			
Salaries of Principals/Assistant Principals	5,900				
Salaries of other professional staff	1,609,602				
Salaries of secretarial & clerk assistants	44,002	45,054			
Salaries of other personnel	-				
Personnel services-employee benefits	2,101,939	274,909	765	860	1,797
Purchased professional & technical services	132,668				
Purchased professional educational services	1,783	92,872			
Other purchased professional services	408	1,872			
Contracted services - transportation	3,000	1,000		1,130	
Rental Payments	10,000				
Travel	1,123	2,996			
Miscellaneous purchased services	49,101	21,613		1,213	
Supplies and materials	9,696			1,329	479
Other expenses - instruction	-	67,795		17	
Other objects	7,239				
Total support services	<u>4,046,461</u>	<u>611,517</u>	<u>765</u>	<u>4,549</u>	<u>3,315</u>
Facilities acquisition and const. serv.:					
Instructional equipment	-				
Total facilities acq. and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 10,600,566</u>	<u>\$ 1,038,642</u>	<u>\$ 57,211</u>	<u>\$55,361</u>	<u>\$ 21,735</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Exhibit E-1

No Child Left Behind		Title IV - Safe and Drug Free Schools	HUD Drug Elimination	21st Century CLC Program	Secure Our Schools	2008
Title II - Part A 2007-08	Title II - Part D 2007-08	2007-08				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,916,793
412,969	8,847	54,267	99,127	524,291	9,780	4,758,371
						207,632
<u>\$ 412,969</u>	<u>\$ 8,847</u>	<u>\$ 54,267</u>	<u>\$ 99,127</u>	<u>\$ 524,291</u>	<u>\$ 9,780</u>	<u>\$ 12,882,796</u>
\$ 113,540	\$ 6,950	\$ -	\$ -	\$ 214,396	\$ -	\$ 6,149,360
765		21,928				572,920
1,000				51,098		97,608
5,733	20	10,189	10,762			53,098
	853			12,503		257,620
						65,761
						94,053
						58,201
245		15,252	1,460	22,695		247,676
<u>121,283</u>	<u>7,823</u>	<u>47,369</u>	<u>12,222</u>	<u>300,692</u>	<u>-</u>	<u>7,596,297</u>
		1,608				5,247
						170,806
			74,691			5,900
				110,450		1,684,293
8,692	532	123	5,714	24,683		89,056
248,087	317					110,450
				69,455	9,780	2,420,014
		167	6,500			381,072
1,000						94,655
		5,000		5,333		81,515
4,418	175					12,797
23,324				9,158		10,000
6,165						18,870
						95,426
						26,827
						67,812
						7,239
<u>291,686</u>	<u>1,024</u>	<u>6,898</u>	<u>86,905</u>	<u>219,079</u>	<u>9,780</u>	<u>5,281,979</u>
				4,520		4,520
				<u>4,520</u>		<u>4,520</u>
<u>\$ 412,969</u>	<u>\$ 8,847</u>	<u>\$ 54,267</u>	<u>\$ 99,127</u>	<u>\$ 524,291</u>	<u>\$ 9,780</u>	<u>\$ 12,882,796</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Total Brought Forward (Ex. E-1b)	I.D.E.A. Basic Regular 2007-08	I.D.E.A. Basic Regular 2006-07	I.D.E.A. Preschool 2007-08	I.D.E.A. Preschool 2006-07	Total Carried Forward
<b>REVENUES:</b>						
State sources	\$ 7,916,793	\$ -	\$ -	\$ -	\$ -	\$ 7,916,793
Federal sources	85,963	2,325,664	3,109	60,937	468	2,476,141
Local sources	207,632					207,632
Total revenues	<u>\$ 8,210,388</u>	<u>\$ 2,325,664</u>	<u>\$ 3,109</u>	<u>\$ 60,937</u>	<u>\$ 468</u>	<u>\$ 10,600,566</u>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers	\$ 4,234,502	\$ 1,086,288	\$ -	\$ 46,000	\$ 468	\$ 5,367,258
Other salaries for instruction	572,920					572,920
Purchased professional & technical services	70,913		306			71,219
Other purchased services	-					-
General supplies	130,417					130,417
Supplies and materials	3,450	48,343	612			52,405
Textbooks	94,053					94,053
Technology supplies	58,201					58,201
Other objects	207,632					207,632
Total instruction	<u>5,372,088</u>	<u>1,134,631</u>	<u>918</u>	<u>46,000</u>	<u>468</u>	<u>6,554,105</u>
Support Services:						
Salaries of teachers	-					-
Salaries of supervisors of instruction	70,000					70,000
Salaries of Principals/Assistant Principals	5,900					5,900
Salaries of other professional staff	1,237,075	372,527				1,609,602
Salaries of secretarial & clerk assistants	44,002					44,002
Salaries of other personnel	-					-
Personnel services-employee benefits	1,276,332	810,670		14,937		2,101,939
Purchased professional & technical services	130,468	2,200				132,668
Purchased professional educational services	-		1,783			1,783
Other purchased professional services	-		408			408
Contracted services - transportation	3,000					3,000
Rental Payments	10,000					10,000
Travel	1,123					1,123
Miscellaneous purchased services	43,465	5,636				49,101
Supplies and materials	9,696					9,696
Other expenses - instruction	-					-
Other objects	7,239					7,239
Total support services	<u>2,838,300</u>	<u>1,191,033</u>	<u>2,191</u>	<u>14,937</u>	<u>-</u>	<u>4,046,461</u>
Facilities acquisition and const. serv.:						
Instructional equipment	-					-
Total facilities acq. and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 8,210,388</u>	<u>\$ 2,325,664</u>	<u>\$ 3,109</u>	<u>\$ 60,937</u>	<u>\$ 468</u>	<u>\$ 10,600,566</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Total Brought Forward (Ex. E-1c)	Demonstrably Effective Program Aid	Early Childhood Program Aid	Best Practice Governors Award 2006	Governor's Initiative	Total Carried Forward
<b>REVENUES:</b>						
State sources	\$ 1,118,296	\$ 2,573,282	\$ 3,999,872	\$ 343	\$ 225,000	\$ 7,916,793
Federal sources	85,963					85,963
Local sources	207,632					207,632
<b>Total revenues</b>	<b>\$ 1,411,891</b>	<b>\$ 2,573,282</b>	<b>\$ 3,999,872</b>	<b>\$ 343</b>	<b>\$ 225,000</b>	<b>\$ 8,210,388</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of teachers	\$ 515,919	\$ 1,039,800	\$ 2,514,752	\$ -	\$ 164,031	\$ 4,234,502
Other salaries for instruction	-		572,920			572,920
Purchased professional & technical services	70,913					70,913
Other purchased services	-					-
General supplies	120,074	10,000		343		130,417
Supplies and materials	-				3,450	3,450
Textbooks	94,053					94,053
Technology supplies	58,201					58,201
Other objects	207,632					207,632
<b>Total instruction</b>	<b>1,066,792</b>	<b>1,049,800</b>	<b>3,087,672</b>	<b>343</b>	<b>167,481</b>	<b>5,372,088</b>
<b>Support Services:</b>						
Salaries of teachers	-					-
Salaries of supervisors of instruction	-		70,000			70,000
Salaries of Principals/Assistant Principals	5,900					5,900
Salaries of other professional staff	41,075	1,175,000	21,000			1,237,075
Salaries of secretarial & clerk assistants	23,002		21,000			44,002
Salaries of other personnel	-					-
Personnel services-employee benefits	70,617	348,482	800,200		57,033	1,276,332
Purchased professional & technical services	130,468					130,468
Purchased professional educational services	-					-
Other purchased professional services	-					-
Contracted services - transportation	3,000					3,000
Rental Payments	10,000					10,000
Travel	1,123					1,123
Miscellaneous purchase services	43,465					43,465
Supplies and materials	9,210				486	9,696
Other expenses - instruction	-					-
Other objects	7,239					7,239
<b>Total support services</b>	<b>345,099</b>	<b>1,523,482</b>	<b>912,200</b>	<b>-</b>	<b>57,519</b>	<b>2,838,300</b>
<b>Facilities acquisition and const. serv.:</b>						
Instructional equipment	-					-
Total facilities acq. and const. serv.	-					-
<b>Total expenditures</b>	<b>\$ 1,411,891</b>	<b>\$ 2,573,282</b>	<b>\$ 3,999,872</b>	<b>\$ 343</b>	<b>\$ 225,000</b>	<b>\$ 8,210,388</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Total Brought Forward (Ex. E-1d)	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Services	N.J. Nonpublic School Technology Initiative Aid	Auxiliary Services Ch. 192, English as a Second Language
<b>REVENUES:</b>					
State sources	\$ 22,112	\$ 94,053	\$ 130,468	\$ 58,201	\$ 348,366
Federal sources	85,963				
Local sources	207,632				
Total revenues	<u>\$ 315,707</u>	<u>\$ 94,053</u>	<u>\$ 130,468</u>	<u>\$ 58,201</u>	<u>\$ 348,366</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	\$ 64,409	\$ -	\$ -	\$ -	\$ 209,775
Other salaries for instruction	-				
Purchased professional & technical services	-				
Other purchased services	-				
General supplies	25,362				87,255
Supplies and materials	-				
Textbooks	-	94,053			
Technology Supplies	-			58,201	
Other objects	207,632				
Total instruction	<u>297,403</u>	<u>94,053</u>	<u>-</u>	<u>58,201</u>	<u>297,030</u>
Support Services:					
Salaries of teachers	-				
Salaries of supervisors of instruction	-				
Salaries of Principals/Assistant Principals	-				
Salaries of other professional staff	-				
Salaries of secretarial & clerk assistants	-				
Salaries of other personnel	-				
Personnel services-employee benefits	18,181				47,336
Purchased professional & technical services	-		130,468		
Purchased professional educational services	-				
Other purchased professional services	-				
Contracted services - transportation	-				1,000
Rental Payments	-				
Travel	123				1,000
Miscellaneous purchase services	-				2,000
Supplies and materials	-				
Other expenses - instruction	-				
Other objects	-				
Total support services	<u>18,304</u>	<u>-</u>	<u>130,468</u>	<u>-</u>	<u>51,336</u>
Facilities acquisition and const. serv.:					
Instructional equipment	-				
Total facilities acq. and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 315,707</u>	<u>\$ 94,053</u>	<u>\$ 130,468</u>	<u>\$ 58,201</u>	<u>\$ 348,366</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

N.J. Nonpublic Handicapped Services Ch.193			Municipal Alliance 2008	Municipal Alliance 2007	School Based Youth Services 2007-08	Total Carried Forward
Child Study Team	Supplemental Instruction	Corrective Speech				
\$ 69,514	\$ 41,465	\$ 6,510	\$ 65,304	\$ 13,066	\$ 269,237	\$ 1,118,296
						85,963
						207,632
<u>\$ 69,514</u>	<u>\$ 41,465</u>	<u>\$ 6,510</u>	<u>\$ 65,304</u>	<u>\$ 13,066</u>	<u>\$ 269,237</u>	<u>\$ 1,411,891</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 241,735	\$ 515,919
			59,249	11,664		-
			6,055	1,402		70,913
						-
						120,074
						-
						94,053
						58,201
						207,632
<u>-</u>	<u>-</u>	<u>-</u>	<u>65,304</u>	<u>13,066</u>	<u>241,735</u>	<u>1,066,792</u>
						-
						-
4,900		1,000				5,900
38,075		3,000				41,075
9,200		1,800			12,002	23,002
						-
4,600		500				70,617
						130,468
						-
						-
					2,000	3,000
					10,000	10,000
						1,123
	41,465					43,465
5,500		210			3,500	9,210
						-
7,239						7,239
<u>69,514</u>	<u>41,465</u>	<u>6,510</u>	<u>-</u>	<u>-</u>	<u>27,502</u>	<u>345,099</u>
						-
						-
<u>\$ 69,514</u>	<u>\$ 41,465</u>	<u>\$ 6,510</u>	<u>\$ 65,304</u>	<u>\$ 13,066</u>	<u>\$ 269,237</u>	<u>\$ 1,411,891</u>
						-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Character Education 2005-2006	Bayonne Youth Farmstand 2008	Bayonne Youth Farmstand 2007	IDEAL Literacy Grant	Adopt A School	Total Carried Forward
<b>REVENUES:</b>						
State sources	\$ 15	\$ 21,750	\$ 347	\$ -	\$ -	\$ 22,112
Federal sources				85,963		85,963
Local sources					207,632	207,632
Total revenues	<u>\$ 15</u>	<u>\$ 21,750</u>	<u>\$ 347</u>	<u>\$ 85,963</u>	<u>\$ 207,632</u>	<u>\$ 315,707</u>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of teachers	\$ -	\$ 20,204	\$ -	\$ 44,205	\$ -	\$ 64,409
Other salaries for instruction						-
Purchased professional & technical services						-
Other purchased services						-
General supplies	15		347	25,000		25,362
Supplies and materials						-
Textbooks						-
Technology Supplies						-
Other objects					207,632	207,632
Total instruction	<u>15</u>	<u>20,204</u>	<u>347</u>	<u>69,205</u>	<u>207,632</u>	<u>297,403</u>
Support Services:						
Salaries of teachers						-
Salaries of supervisors of instruction						-
Salaries of Principals/Assistant Principals						-
Salaries of other professional staff						-
Salaries of secretarial & clerk assistants						-
Salaries of other personnel						-
Personnel services-employee benefits		1,546		16,635		18,181
Purchased professional & technical services						-
Purchased professional educational services						-
Other purchased professional services						-
Contracted services - transportation						-
Rental Payments						-
Travel				123		123
Miscellaneous purchased services						-
Supplies and materials						-
Other expenses - instruction						-
Other objects						-
Total support services	<u>-</u>	<u>1,546</u>	<u>-</u>	<u>16,758</u>	<u>-</u>	<u>18,304</u>
Facilities acquisition and construction services:						
Non-Instructional equipment						-
Instructional equipment						-
Total facilities acq. and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 15</u>	<u>\$ 21,750</u>	<u>\$ 347</u>	<u>\$ 85,963</u>	<u>\$ 207,632</u>	<u>\$ 315,707</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
DEMONSTRABLY EFFECTIVE PROGRAM AID SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**DISTRICT-WIDE TOTAL**

	<b>BUDGETED</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 1,036,749	\$ 1,036,749	\$ -
General supplies	10,000	10,000	-
Total Instruction	1,046,749	1,046,749	-
Support Services:			
Salaries of other professional staff	1,175,000	1,175,000	-
Personnel services-employee benefits	347,282	347,282	-
Total Support Services	1,522,282	1,522,282	-
Contribution to Charter Schools	4,251	4,251	-
Total Expenditures	\$ 2,573,282	\$ 2,573,282	\$ -

**SUMMARY OF LOCATION TOTALS**

Total 2007-08 DEPA Allocation	\$ 2,573,282
Actual DEPA Carryover (June 30, 2007)	-
Total DEPA Funds Available for 2007-08 Budget	2,573,282
Less: 2007-08 Budgeted DEPA (Including Prior year budget carryover)	(2,573,282)
Available & Unbudgeted DEPA funds as of June 30, 2008	-
Add : 2007-08 Unexpended DEPA	-
2007-08 Actual Carryover - DEPA	\$ -
2007-08 DEPA Carryover Budgeted in 2008-09	\$ -

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
DEMONSTRABLY EFFECTIVE PROGRAM AID SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**SCHOOL: BAYONNE HIGH SCHOOL**

	<b>BUDGETED</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 289,000	\$ 289,000	\$ -
General supplies	10,000	10,000	-
Total Instruction	299,000	299,000	-
Support Services:			
Salaries of other professional staff	350,000	350,000	-
Personnel services-employee benefits	68,272	68,272	-
Total Support Services	418,272	418,272	-
Total Expenditures	\$ 717,272	\$ 717,272	\$ -

**CALCULATION OF BUDGET AND CARRYOVER**

Total 2007-08 DEPA Allocation	\$ 717,272
Actual DEPA Carryover (June 30, 2007)	
Total DEPA Funds Available for 2007-08 Budget	717,272
Less: 2007-08 Budgeted DEPA (Including Prior year budget carryover)	(717,272)
Available & Unbudgeted DEPA funds as of June 30, 2008	-
Add : 2007-08 Unexpended DEPA	
2007-08 Actual Carryover - DEPA	\$ -
2007-08 DEPA Carryover Budgeted in 2008-09	\$ -

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
DEMONSTRABLY EFFECTIVE PROGRAM AID SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**SCHOOL: LINCOLN**

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 30,000	\$ 30,000	\$ -
Total Instruction	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Support Services:			
Salaries of other professional staff	75,000	75,000	-
Personnel services-employee benefits	23,200	23,200	-
Total Support Services	<u>98,200</u>	<u>98,200</u>	<u>-</u>
Total Expenditures	<u>\$ 128,200</u>	<u>\$ 128,200</u>	<u>\$ -</u>

**CALCULATION OF BUDGET AND CARRYOVER**

Total 2007-08 DEPA Allocation	\$ 128,200
Actual DEPA Carryover (June 30, 2007)	
Total DEPA Funds Available for 2007-08 Budget	<u>128,200</u>
Less: 2007-08 Budgeted DEPA (Including Prior year budget carryover)	<u>(128,200)</u>
Available & Unbudgeted DEPA funds as of June 30, 2008	
Add : 2007-08 Unexpended DEPA	
2007-08 Actual Carryover - DEPA	<u>\$ -</u>
2007-08 DEPA Carryover Budgeted in 2008-09	<u>\$ -</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
DEMONSTRABLY EFFECTIVE PROGRAM AID SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**SCHOOL: ROBINSON**

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 45,000	\$ 45,000	\$ -
Total Instruction	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Support Services:			
Salaries of other professional staff	75,000	75,000	-
Personnel services-employee benefits	<u>18,261</u>	<u>18,261</u>	<u>-</u>
Total Support Services	<u>93,261</u>	<u>93,261</u>	<u>-</u>
Total Expenditures	<u>\$ 138,261</u>	<u>\$ 138,261</u>	<u>\$ -</u>

**CALCULATION OF BUDGET AND CARRYOVER**

Total 2007-08 DEPA Allocation	\$ 138,261
Actual DEPA Carryover (June 30, 2007)	
Total DEPA Funds Available for 2007-08 Budget	<u>138,261</u>
Less: 2007-08 Budgeted DEPA (Including Prior year budget carryover)	<u>(138,261)</u>
Available & Unbudgeted DEPA funds as of June 30, 2008	-
Add : 2007-08 Unexpended DEPA	-
2007-08 Actual Carryover - DEPA	<u>\$ -</u>
2007-08 DEPA Carryover Budgeted in 2008-09	<u>\$ -</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
DEMONSTRABLY EFFECTIVE PROGRAM AID SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**SCHOOL: MARY J. DONOHOE**

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 58,000	\$ 58,000	\$ -
Total Instruction	<u>58,000</u>	<u>58,000</u>	<u>-</u>
Support Services:			
Salaries of other professional staff	75,000	75,000	-
Personnel services-employee benefits	25,441	25,441	-
Total Support Services	<u>100,441</u>	<u>100,441</u>	<u>-</u>
Total Expenditures	<u>\$ 158,441</u>	<u>\$ 158,441</u>	<u>\$ -</u>

**CALCULATION OF BUDGET AND CARRYOVER**

Total 2007-08 DEPA Allocation	\$	158,441
Actual DEPA Carryover (June 30, 2007)		<u>          </u>
Total DEPA Funds Available for 2007-08 Budget		158,441
Less: 2007-08 Budgeted DEPA (Including Prior year budget carryover)		<u>(158,441)</u>
Available & Unbudgeted DEPA funds as of June 30, 2008		-
Add : 2007-08 Unexpended DEPA		<u>          </u>
2007-08 Actual Carryover - DEPA	\$	<u>          </u>
2007-08 DEPA Carryover Budgeted in 2008-09	\$	<u>          </u>

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
DEMONSTRABLY EFFECTIVE PROGRAM AID SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**SCHOOL: HORACE MANN**

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 70,000	\$ 70,000	\$ -
Total Instruction	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Support Services:			
Salaries of other professional staff	75,000	75,000	-
Personnel services-employee benefits	<u>28,314</u>	<u>28,314</u>	<u>-</u>
Total Support Services	<u>103,314</u>	<u>103,314</u>	<u>-</u>
Total Expenditures	<u>\$ 173,314</u>	<u>\$ 173,314</u>	<u>\$ -</u>

**CALCULATION OF BUDGET AND CARRYOVER**

Total 2007-08 DEPA Allocation	\$ 173,314
Actual DEPA Carryover (June 30, 2007)	
Total DEPA Funds Available for 2007-08 Budget	<u>173,314</u>
Less: 2007-08 Budgeted DEPA (Including Prior year budget carryover)	<u>(173,314)</u>
Available & Unbudgeted DEPA funds as of June 30, 2008	-
Add : 2007-08 Unexpended DEPA	-
2007-08 Actual Carryover - DEPA	<u>\$ -</u>
2007-08 DEPA Carryover Budgeted in 2008-09	<u>\$ -</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
DEMONSTRABLY EFFECTIVE PROGRAM AID SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**SCHOOL: WASHINGTON**

	<b>BUDGETED</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 70,000	\$ 70,000	\$ -
Total Instruction	70,000	70,000	-
Support Services:			
Salaries of other professional staff	75,000	75,000	-
Personnel services-employee benefits	26,366	26,366	-
Total Support Services	101,366	101,366	-
Total Expenditures	\$ 171,366	\$ 171,366	\$ -

**CALCULATION OF BUDGET AND CARRYOVER**

Total 2007-08 DEPA Allocation	\$ 171,366
Actual DEPA Carryover (June 30, 2007)	
Total DEPA Funds Available for 2007-08 Budget	171,366
Less: 2007-08 Budgeted DEPA (Including Prior year budget carryover)	(171,366)
Available & Unbudgeted DEPA funds as of June 30, 2008	-
Add : 2007-08 Unexpended DEPA	-
2007-08 Actual Carryover - DEPA	\$ -
2007-08 DEPA Carryover Budgeted in 2008-09	\$ -

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
DEMONSTRABLY EFFECTIVE PROGRAM AID SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**SCHOOL: WOODROW WILSON**

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 54,000	\$ 54,000	\$ -
Total Instruction	<u>54,000</u>	<u>54,000</u>	<u>-</u>
Support Services:			
Salaries of other professional staff	75,000	75,000	-
Personnel services-employee benefits	<u>23,866</u>	<u>23,866</u>	<u>-</u>
Total Support Services	<u>98,866</u>	<u>98,866</u>	<u>-</u>
Total Expenditures	<u>\$ 152,866</u>	<u>\$ 152,866</u>	<u>\$ -</u>

**CALCULATION OF BUDGET AND CARRYOVER**

Total 2007-08 DEPA Allocation	\$ 152,866
Actual DEPA Carryover (June 30, 2007)	
Total DEPA Funds Available for 2007-08 Budget	<u>152,866</u>
Less: 2007-08 Budgeted DEPA (Including Prior year budget carryover)	<u>(152,866)</u>
Available & Unbudgeted DEPA funds as of June 30, 2008	-
Add : 2007-08 Unexpended DEPA	-
2007-08 Actual Carryover - DEPA	<u>\$ -</u>
2007-08 DEPA Carryover Budgeted in 2008-09	<u>\$ -</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
DEMONSTRABLY EFFECTIVE PROGRAM AID SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**SCHOOL: MIDTOWN COMMUNITY**

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 147,800	\$ 147,800	\$ -
Total Instruction	<u>147,800</u>	<u>147,800</u>	<u>-</u>
Support Services:			
Salaries of other professional staff	150,000	150,000	-
Personnel services-employee benefits	<u>30,426</u>	<u>30,426</u>	<u>-</u>
Total Support Services	<u>180,426</u>	<u>180,426</u>	<u>-</u>
Contribution to Charter Schools	<u>1,200</u>	<u>1,200</u>	<u>-</u>
Total Expenditures	<u>\$ 329,426</u>	<u>\$ 329,426</u>	<u>\$ -</u>

**CALCULATION OF BUDGET AND CARRYOVER**

Total 2007-08 DEPA Allocation	\$ 329,426
Actual DEPA Carryover (June 30, 2007)	<u>329,426</u>
Total DEPA Funds Available for 2007-08 Budget	329,426
Less: 2007-08 Budgeted DEPA (Including Prior year budget carryover)	<u>(329,426)</u>
Available & Unbudgeted DEPA funds as of June 30, 2008	-
Add : 2007-08 Unexpended DEPA	-
2007-08 Actual Carryover - DEPA	<u>\$ -</u>
2007-08 DEPA Carryover Budgeted in 2008-09	<u>\$ -</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
DEMONSTRABLY EFFECTIVE PROGRAM AID SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**SCHOOL: BAILEY**

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 100,000	\$ 100,000	\$ -
Total Instruction	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Support Services:			
Salaries of other professional staff	75,000	75,000	-
Personnel services-employee benefits	31,094	31,094	-
Total Support Services	<u>106,094</u>	<u>106,094</u>	<u>-</u>
Total Expenditures	<u>\$ 206,094</u>	<u>\$ 206,094</u>	<u>\$ -</u>

**CALCULATION OF BUDGET AND CARRYOVER**

Total 2007-08 DEPA Allocation	\$	206,094
Actual DEPA Carryover (June 30, 2007)		
Total DEPA Funds Available for 2007-08 Budget		<u>206,094</u>
Less: 2007-08 Budgeted DEPA (Including Prior year budget carryover)		<u>(206,094)</u>
Available & Unbudgeted DEPA funds as of June 30, 2008		-
Add : 2007-08 Unexpended DEPA		-
2007-08 Actual Carryover - DEPA	\$	<u>-</u>
2007-08 DEPA Carryover Budgeted in 2008-09	\$	<u>-</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
DEMONSTRABLY EFFECTIVE PROGRAM AID SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**SCHOOL: HENRY HARRIS**

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 87,000	\$ 87,000	\$ -
Total Instruction	<u>87,000</u>	<u>87,000</u>	<u>-</u>
Support Services:			
Salaries of other professional staff	75,000	75,000	-
Personnel services-employee benefits	33,384	33,384	-
Total Support Services	<u>108,384</u>	<u>108,384</u>	<u>-</u>
Total Expenditures	<u>\$ 195,384</u>	<u>\$ 195,384</u>	<u>\$ -</u>

**CALCULATION OF BUDGET AND CARRYOVER**

Total 2007-08 DEPA Allocation	\$ 195,384
Actual DEPA Carryover (June 30, 2007)	
Total DEPA Funds Available for 2007-08 Budget	<u>195,384</u>
Less: 2007-08 Budgeted DEPA (Including Prior year budget carryover)	<u>(195,384)</u>
Available & Unbudgeted DEPA funds as of June 30, 2008	-
Add : 2007-08 Unexpended DEPA	-
2007-08 Actual Carryover - DEPA	<u>\$ -</u>
2007-08 DEPA Carryover Budgeted in 2008-09	<u>\$ -</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
DEMONSTRABLY EFFECTIVE PROGRAM AID SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**SCHOOL: PHILIP G. VROOM**

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 89,000	\$ 89,000	\$ -
Total Instruction	<u>89,000</u>	<u>89,000</u>	<u>-</u>
Support Services:			
Salaries of other professional staff	75,000	75,000	-
Personnel services-employee benefits	<u>38,658</u>	<u>38,658</u>	<u>-</u>
Total Support Services	<u>113,658</u>	<u>113,658</u>	<u>-</u>
Total Expenditures	<u>\$ 202,658</u>	<u>\$ 202,658</u>	<u>\$ -</u>

**CALCULATION OF BUDGET AND CARRYOVER**

Total 2007-08 DEPA Allocation	\$ 202,658
Actual DEPA Carryover (June 30, 2007)	
Total DEPA Funds Available for 2007-08 Budget	<u>202,658</u>
Less: 2007-08 Budgeted DEPA (Including Prior year budget carryover)	<u>(202,658)</u>
Available & Unbudgeted DEPA funds as of June 30, 2008	-
Add : 2007-08 Unexpended DEPA	-
2007-08 Actual Carryover - DEPA	<u>\$ -</u>
2007-08 DEPA Carryover Budgeted in 2008-09	<u>\$ -</u>



**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
EARLY CHILDHOOD PROGRAM AID SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Program: Preschool**

	<u>TOTAL</u>		
	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 1,041,417	\$ 1,041,417	\$ -
Other salaries for instruction	330,920	330,920	-
Total instruction	<u>1,372,337</u>	<u>1,372,337</u>	<u>-</u>
Support Services:			
Salaries of supervisors of instruction	25,000	25,000	-
Salaries of other professional staff	21,000	21,000	-
Personal services - employee benefits	362,800	362,800	-
Total support services	<u>408,800</u>	<u>408,800</u>	<u>-</u>
Contribution to charter schools	<u>                    </u>	<u>                    </u>	<u>-</u>
Total expenditures	<u>\$ 1,781,137</u>	<u>\$ 1,781,137</u>	<u>\$ -</u>

CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
EARLY CHILDHOOD PROGRAM AID SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Program: Kindergarten

	<u>TOTAL</u>		
	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of teachers	\$ 1,473,335	\$ 1,473,335	\$ -
Other salaries for instruction	242,000	242,000	-
Total instruction	<u>1,715,335</u>	<u>1,715,335</u>	<u>-</u>
Support Services:			
Salaries of supervisors of instruction	45,000	45,000	-
Salaries secretarial & clerical	21,000	21,000	-
Personal services - employee benefits	437,400	437,400	-
Total support services	<u>503,400</u>	<u>503,400</u>	<u>-</u>
Total expenditures	<u>\$ 2,218,735</u>	<u>\$ 2,218,735</u>	<u>\$ -</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
TARGETED AT-RISK (TARA) AID  
BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2008**

	<u>TOTAL</u>		
	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>Expenditures</b>	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2007-08 TARA Allocation	\$ 2,087,000
Less: TARA Transferred to General Fund-Tax Relief	<u>(2,087,000)</u>
TARA Available for 2007-08 Program Budget	-
2007-08 TARA Expended/Obligated	-
2007-08 Actual carryover - TARA	<u>\$ -</u>
2007-08 TARA Carryover Budgeted as Unrestricted General Fund Revenue for 2008-09	<u>\$ -</u>

## **CAPITAL PROJECTS FUND**

The capital projects fund is used to account for the acquisition and construction of major facilities and equipment purchases other than those financed by proprietary funds.

**CITY OF BAYONNE SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Construction of New Elementary Building and Land Acquisition	\$ 22,990,000	\$ 22,988,641	\$ -	\$ 1,359
Improvements to Various School Facilities	2,997,000	2,989,611	-	7,389
Improvements to Various School Buildings	8,511,000	8,511,000	-	-
Improvements to High School	2,478,000	2,421,007	54,395	2,598
Improvements to Various School Buildings	5,263,000	5,263,000	-	-
Improvements to Various School Buildings	4,078,747	4,078,747	-	-
Improvements to John M. Bailey ES, #12	946,582	899,017	47,565	-
Improvements to Henry Harris No. 1 ES	2,372,086	2,349,700	22,386	-
Improvements to Horace Mann No. 6 ES	316,663	273,409	43,254	-
Improvements to Washington No. 9 ES	2,820,230	2,135,185	685,045	-
Improvements to Phillip G. Vroom No. 2 ES	254,621	248,165	6,456	-
Improvements to Midtown Community ES	2,355,235	2,333,779	21,456	-
Improvements to Mary J. Donohoe No. 4 ES	615,823	610,597	5,226	-
Improvements to Lincoln No. 5 ES	667,022	609,283	57,739	-
Improvements to Bayonne High School	12,222,368	12,175,486	46,882	-
Improvements to Walter F. Robinson No. 8 ES	12,574,849	12,552,601	22,248	-
Construction of School #14	21,522,569	18,028,087	3,494,482	-
Improvements to Woodrow Wilson No. 10 ES	12,834,269	12,427,458	406,811	-
Communications system and furniture - district wide	1,316,013	1,299,108	16,905	-
Totals	<u>\$ 117,136,077</u>	<u>\$112,193,881</u>	<u>\$ 4,930,850</u>	<u>\$ 11,346</u>
Reserve for Encumbrances				\$ -
Designated for Subsequent Year's Expenditures				11,346
				<u>\$ 11,346</u>

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis**  
**for the Fiscal Year ended June 30, 2008**

**REVENUES AND OTHER FINANCING SOURCES:**

City of Bayonne	\$ -
Total Revenues and Other Financing Sources	-

**EXPENDITURES AND OTHER FINANCING USES:**

Construction Services	664,816
Total Expenditures and Other Financing Uses	664,816

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(664,816)
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Fund Balance - July 1	676,162
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Fund Balance - June 30	\$ 11,346
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**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Construction of New Elementary Building and Land Acquisition**  
**From Inception and for the Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
City of Bayonne	\$ 22,990,000	\$ -	\$22,990,000	\$22,990,000
Total Revenues and Other Financing Sources	<u>22,990,000</u>	<u>-</u>	<u>22,990,000</u>	<u>22,990,000</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Construction Services	22,988,641	-	22,988,641	22,990,000
Total Expenditures and Other Financing Uses	<u>22,988,641</u>	<u>-</u>	<u>22,988,641</u>	<u>22,990,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 1,359</u>	<u>\$ -</u>	<u>\$ 1,359</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	089-33, 090-30			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 22,990,000			
Additional Authorized Cost/Transfers	-			
Revised Authorized Cost	\$ 22,990,000			
Percentage Increase over Original				
Authorized Cost	00.00%			
Percentage of Completion	99.99%			
Original Target Completion Date	*			
Revised Target Completion Date	*			

\* - dates not available

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Improvements to Various School Facilities**  
**From Inception and for the Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
City of Bayonne	\$ 2,997,000	\$ -	\$ 2,997,000	\$ 2,997,000
Total Revenues and Other Financing Sources	<u>2,997,000</u>	<u>-</u>	<u>2,997,000</u>	<u>2,997,000</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Construction Services	2,989,611	-	2,989,611	2,997,000
Total Expenditures and Other Financing Uses	<u>2,989,611</u>	<u>-</u>	<u>2,989,611</u>	<u>2,997,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 7,389</u>	<u>\$ -</u>	<u>\$ 7,389</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	093-34			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 2,997,000			
Additional Authorized Cost/Transfers	\$ -			
Revised Authorized Cost	\$ 2,997,000			
Percentage Increase over Original				
Authorized Cost	00.00%			
Percentage of Completion	99.75%			
Original Target Completion Date	*			
Revised Target Completion Date	*			

\* - dates not available

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Improvements to Various School Buildings**  
**From Inception and for the Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
City of Bayonne	\$ 8,511,000	\$ -	\$ 8,511,000	\$ 8,511,000
Total Revenues and Other Financing Sources	<u>8,511,000</u>	<u>-</u>	<u>8,511,000</u>	<u>8,511,000</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Construction Services	8,511,000		8,511,000	8,511,000
Total Expenditures and Other Financing Uses	<u>8,511,000</u>	<u>-</u>	<u>8,511,000</u>	<u>8,511,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	097-44			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 8,511,000			
Additional Authorized Cost/Transfers	\$ -			
Revised Authorized Cost	\$ 8,511,000			
Percentage Increase over Original Authorized Cost	00.00%			
Percentage of Completion	100.00%			
Original Target Completion Date	*			
Revised Target Completion Date	*			

\* - dates not available

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Improvements to Bayonne High School**  
**From Inception and for the Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
City of Bayonne	\$ 2,478,000	\$ -	\$ 2,478,000	\$ 2,478,000
Total Revenues and Other Financing Sources	<u>2,478,000</u>	<u>-</u>	<u>2,478,000</u>	<u>2,478,000</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Construction Services	2,421,007	54,395	2,475,402	2,478,000
Total Expenditures and Other Financing Uses	<u>2,421,007</u>	<u>54,395</u>	<u>2,475,402</u>	<u>2,478,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 56,993</u>	<u>\$ (54,395)</u>	<u>\$ 2,598</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	096-35			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 2,478,000			
Additional Authorized Cost/Transfers	\$ -			
Revised Authorized Cost	\$ 2,478,000			
Percentage Increase over Original Authorized Cost	00.00%			
Percentage of Completion	99.90%			
Original Target Completion Date	*			
Revised Target Completion Date	*			

\* - dates not available

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Improvements to Various School Buildings**  
**From Inception and for the Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
City of Bayonne	\$ 5,263,000	\$ -	\$ 5,263,000	\$ 5,263,000
Total Revenues and Other Financing Sources	<u>5,263,000</u>	<u>-</u>	<u>5,263,000</u>	<u>5,263,000</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Construction Services	5,263,000		5,263,000	5,263,000
Total Expenditures and Other Financing Uses	<u>5,263,000</u>	<u>-</u>	<u>5,263,000</u>	<u>5,263,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	000-26			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 5,263,000			
Additional Authorized Cost/Transfers	\$ -			
Revised Authorized Cost	\$ 5,263,000			
Percentage Increase over Original Authorized Cost	00.00%			
Percentage of Completion	100.00%			
Original Target Completion Date	*			
Revised Target Completion Date	*			

\* - dates not available

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Improvements to Various School Buildings**  
**From Inception and for the Fiscal Year Ended June 30, 2008**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
City of Bayonne	\$ 4,078,747	\$ -	\$ 4,078,747	\$ 4,078,747
Total Revenues and Other Financing Sources	4,078,747	-	4,078,747	4,078,747
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Construction Services	4,078,747		4,078,747	4,078,747
Total Expenditures and Other Financing Uses	4,078,747	-	4,078,747	4,078,747
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -
Additional Project Information:				
Project Number	001-55			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 4,078,747			
Additional Authorized Cost/Transfers	\$ -			
Revised Authorized Cost	\$ 4,078,747			
Percentage Increase over Original Authorized Cost	00.00%			
Percentage of Completion	100.00%			
Original Target Completion Date	*			
Revised Target Completion Date	*			

\* - dates not available

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Improvements to John M. Bailey ES, #12**  
**From Inception and for the Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
City of Bayonne	\$ 924,175	\$ 22,407	\$ 946,582	\$ 946,582
Total Revenues and Other Financing Sources	<u>924,175</u>	<u>22,407</u>	<u>946,582</u>	<u>946,582</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Construction Services	902,614	43,968	946,582	946,582
Total Expenditures and Other Financing Uses	<u>902,614</u>	<u>43,968</u>	<u>946,582</u>	<u>946,582</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 21,561</u>	<u>\$ (21,561)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	0220-040-04-1000			
Grant Date	06/24/04			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 924,175			
Additional Authorized Cost/Transfers	\$ 22,407			
Revised Authorized Cost	\$ 946,582			
Percentage Increase over Original				
Authorized Cost	2.42%			
Percentage of Completion				
Original Target Completion Date	9/1/08			
Revised Target Completion Date	9/1/08			

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Improvements to Henry Harris No. 1 ES**  
**From Inception and for the Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
City of Bayonne	\$ 2,387,089	\$ (15,003)	\$ 2,372,086	\$ 2,372,086
Total Revenues and Other Financing Sources	<u>2,387,089</u>	<u>(15,003)</u>	<u>2,372,086</u>	<u>2,372,086</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Construction Services	2,364,570	7,516	2,372,086	2,372,086
Total Expenditures and Other Financing Uses	<u>2,364,570</u>	<u>7,516</u>	<u>2,372,086</u>	<u>2,372,086</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 22,519</u>	<u>\$ (22,519)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	0220-050-04-1000			
Grant Date	06/24/04			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 2,387,089			
Additional Authorized Cost/Transfers	\$ (15,003)			
Revised Authorized Cost	\$ 2,372,086			
Percentage Increase over Original				
Authorized Cost	-0.63%			
Percentage of Completion				
Original Target Completion Date	9/1/08			
Revised Target Completion Date	9/1/08			

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Improvements to Horace Mann No. 6 ES**  
**From Inception and for the Fiscal Year Ended June 30, 2008**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
City of Bayonne	\$ 317,076	\$ (414)	\$ 316,662	\$ 316,662
Total Revenues and Other Financing Sources	317,076	(414)	316,662	316,662
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Construction Services	273,409	43,253	316,662	316,662
Total Expenditures and Other Financing Uses	273,409	43,253	316,662	316,662
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 43,667	\$ (43,667)	\$ -	\$ -
Additional Project Information:				
Project Number	0220-060-04-1000			
Grant Date	06/24/04			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 317,076			
Additional Authorized Cost/Transfers	\$ (414)			
Revised Authorized Cost	\$ 316,662			
Percentage Increase over Original				
Authorized Cost	-0.13%			
Percentage of Completion	100.00%			
Original Target Completion Date	9/1/08			
Revised Target Completion Date	9/1/08			

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Improvements to Washington No. 9 ES**  
**From Inception and for the Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
City of Bayonne	\$ 2,829,543	\$ (9,313)	\$ 2,820,230	\$ 2,820,230
Total Revenues and Other Financing Sources	<u>2,829,543</u>	<u>(9,313)</u>	<u>2,820,230</u>	<u>2,820,230</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Construction Services	2,769,864	50,366	2,820,230	2,820,230
Total Expenditures and Other Financing Uses	<u>2,769,864</u>	<u>50,366</u>	<u>2,820,230</u>	<u>2,820,230</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 59,679</u>	<u>\$ (59,679)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	0220-120-04-1000			
Grant Date	06/24/2004			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 2,829,543			
Additional Authorized Cost/Transfers	\$ (9,313)			
Revised Authorized Cost	\$ 2,820,230			
Percentage Increase over Original				
Authorized Cost	-0.33%			
Percentage of Completion				
Original Target Completion Date	100.00%			
Revised Target Completion Date	09/01/2008			
	09/01/2008			

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Improvements to Philip G. Vroom No. 2 ES**  
**From Inception and for the Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
City of Bayonne	\$ 258,234	\$ (3,613)	\$ 254,621	\$ 254,621
Total Revenues and Other Financing Sources	<u>258,234</u>	<u>(3,613)</u>	<u>254,621</u>	<u>254,621</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Construction Services	251,693	2,928	254,621	254,621
Total Expenditures and Other Financing Uses	<u>251,693</u>	<u>2,928</u>	<u>254,621</u>	<u>254,621</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 6,541</u>	<u>\$ (6,541)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	0220-090-04-1000			
Grant Date	06/24/2004			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 258,234			
Additional Authorized Cost/Transfers	\$ (3,613)			
Revised Authorized Cost	\$ 254,621			
Percentage Increase over Original				
Authorized Cost	-1.40%			
Percentage of Completion				
Original Target Completion Date	100.00%			
Original Target Completion Date	09/01/2008			
Revised Target Completion Date	09/01/2008			

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Improvements to Midtown Community ES**  
**From Inception and for the Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
City of Bayonne	\$ 2,356,919	\$ (1,684)	\$ 2,355,235	\$ 2,355,235
Total Revenues and Other Financing Sources	<u>2,356,919</u>	<u>(1,684)</u>	<u>2,355,235</u>	<u>2,355,235</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Construction Services	<u>2,335,579</u>	<u>19,656</u>	<u>2,355,235</u>	<u>2,355,235</u>
Total Expenditures and Other Financing Uses	<u>2,335,579</u>	<u>19,656</u>	<u>2,355,235</u>	<u>2,355,235</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 21,340</u>	<u>\$ (21,340)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	0220-085-04-1000			
Grant Date	06/24/2004			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 2,356,919			
Additional Authorized Cost/Transfers	\$ (1,684)			
Revised Authorized Cost	\$ 2,355,235			
Percentage Increase over Original				
Authorized Cost	-0.07%			
Percentage of Completion	100.00%			
Original Target Completion Date	09/01/2008			
Revised Target Completion Date	09/01/2008			

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Improvements to Mary J. Donohoe No. 4 ES**  
**From Inception and for the Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
City of Bayonne	\$ 630,092	\$ (14,269)	\$ 615,823	\$ 615,823
Total Revenues and Other Financing Sources	<u>630,092</u>	<u>(14,269)</u>	<u>615,823</u>	<u>615,823</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Construction Services	624,866	(9,043)	615,823	615,823
Total Expenditures and Other Financing Uses	<u>624,866</u>	<u>(9,043)</u>	<u>615,823</u>	<u>615,823</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 5,226</u>	<u>\$ (5,226)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	0220-080-04-1000			
Grant Date	06/24/2004			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 630,092			
Additional Authorized Cost/Transfers	\$ (14,269)			
Revised Authorized Cost	\$ 615,823			
Percentage Increase over Original				
Authorized Cost	-2.26%			
Percentage of Completion				
Original Target Completion Date	100.00%			
Revised Target Completion Date	09/01/2008			
	09/01/2008			

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Improvements to Lincoln No. 5 ES**  
**From Inception and for the Fiscal Year Ended June 30, 2008**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
City of Bayonne	\$ 682,650	\$ (15,627)	\$ 667,023	\$ 667,023
Total Revenues and Other Financing Sources	682,650	(15,627)	667,023	667,023
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Construction Services	647,717	19,306	667,023	667,023
Total Expenditures and Other Financing Uses	647,717	19,306	667,023	667,023
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 34,933	\$ (34,933)	\$ -	\$ -
Additional Project Information:				
Project Number	0220-070-04-1000			
Grant Date	06/24/2004			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 682,650			
Additional Authorized Cost/Transfers	\$ (15,627)			
Revised Authorized Cost	\$ 667,023			
Percentage Increase over Original				
Authorized Cost	-2.29%			
Percentage of Completion				
Original Target Completion Date	100.00%			
Revised Target Completion Date	09/01/2008			
Revised Target Completion Date	09/01/2008			

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Improvements to Bayonne High School**  
**From Inception and for the Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
City of Bayonne	\$ 12,181,545	\$ 40,823	\$ 12,222,368	\$ 12,222,368
Total Revenues and Other Financing Sources	<u>12,181,545</u>	<u>40,823</u>	<u>12,222,368</u>	<u>12,222,368</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Construction Services	12,176,209	46,159	12,222,368	12,222,368
Total Expenditures and Other Financing Uses	<u>12,176,209</u>	<u>46,159</u>	<u>12,222,368</u>	<u>12,222,368</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 5,336</u>	<u>\$ (5,336)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	0220-020-04-1000			
Grant Date	06/24/2004			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 12,181,545			
Additional Authorized Cost/Transfers	\$ 40,823			
Revised Authorized Cost	\$ 12,222,368			
Percentage Increase over Original				
Authorized Cost	0.34%			
Percentage of Completion	100.00%			
Original Target Completion Date	09/01/2008			
Revised Target Completion Date	09/01/2008			

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Improvements to Walter F. Robinson No. 3 ES**  
**From Inception and for the Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
City of Bayonne	\$ 12,611,519	\$ (36,670)	\$ 12,574,849	\$ 12,574,849
Total Revenues and Other Financing Sources	<u>12,611,519</u>	<u>(36,670)</u>	<u>12,574,849</u>	<u>12,574,849</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Construction Services	12,611,467	(36,618)	12,574,849	12,574,849
Total Expenditures and Other Financing Uses	<u>12,611,467</u>	<u>(36,618)</u>	<u>12,574,849</u>	<u>12,574,849</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 52</u>	<u>\$ (52)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	0220-030-04-1000			
Grant Date	06/24/2004			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 12,611,519			
Additional Authorized Cost/Transfers	\$ (36,670)			
Revised Authorized Cost	\$ 12,574,849			
Percentage Increase over Original Authorized Cost	-0.29%			
Percentage of Completion	100.00%			
Original Target Completion Date	09/01/2007			
Revised Target Completion Date	09/01/2007			

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Construction of School #14**  
**From Inception and for the Fiscal Year Ended June 30, 2008**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
City of Bayonne	\$ 20,848,427	\$ 674,142	\$ 21,522,569	\$ 21,522,569
Total Revenues and Other Financing Sources	20,848,427	674,142	21,522,569	21,522,569
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Construction Services	20,692,478	830,091	21,522,569	21,522,569
Total Expenditures and Other Financing Uses	20,692,478	830,091	21,522,569	21,522,569
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 155,949	\$ (155,949)	\$ -	\$ -
Additional Project Information:				
Project Number	0220-X02-04-1000			
Grant Date	06/24/2004			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 20,848,427			
Additional Authorized Cost/Transfers	\$ 674,142			
Revised Authorized Cost	\$ 21,522,569			
Percentage Increase over Original				
Authorized Cost	3.23%			
Percentage of Completion				
Original Target Completion Date	12/31/2006			
Revised Target Completion Date	12/31/2006			

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Improvements to Woodrow Wilson No. 10 ES**  
**From Inception and for the Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
City of Bayonne	\$ 12,795,561	\$ 38,708	\$ 12,834,269	\$ 12,834,269
Total Revenues and Other Financing Sources	<u>12,795,561</u>	<u>38,708</u>	<u>12,834,269</u>	<u>12,834,269</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Construction Services	12,740,636	93,633	12,834,269	12,834,269
Total Expenditures and Other Financing Uses	<u>12,740,636</u>	<u>93,633</u>	<u>12,834,269</u>	<u>12,834,269</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 54,925</u>	<u>\$ (54,925)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	0220-130-04-1000			
Grant Date	06/24/2004			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 12,795,561			
Additional Authorized Cost/Transfers	\$ 38,708			
Revised Authorized Cost	\$ 12,834,269			
Percentage Increase over Original				
Authorized Cost	0.30%			
Percentage of Completion				
	100.00%			
Original Target Completion Date				
	09/01/2008			
Revised Target Completion Date				
	09/01/2008			

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Communications System and Furniture - District Wide**  
**From Inception and for the Fiscal Year Ended June 30, 2008**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
City of Bayonne	\$ 1,995,500	\$ (679,487)	\$ 1,316,013	\$ 1,316,013
Total Revenues and Other Financing Sources	<u>1,995,500</u>	<u>(679,487)</u>	<u>1,316,013</u>	<u>1,316,013</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Construction Services	1,816,807	(500,794)	1,316,013	1,316,013
Total Expenditures and Other Financing Uses	<u>1,816,807</u>	<u>(500,794)</u>	<u>1,316,013</u>	<u>1,316,013</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 178,693</u>	<u>\$ (178,693)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	003-32			
Grant Date	06/24/2004			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,995,500			
Additional Authorized Cost/Transfers	\$ (679,487)			
Revised Authorized Cost	\$ 1,316,013			
Percentage Increase over Original Authorized Cost	-34.05%			
Percentage of Completion	100.00%			
Original Target Completion Date	09/01/2008			
Revised Target Completion Date	09/01/2008			

## **PROPRIETARY FUNDS**

Proprietary funds are used to account for district activities that are similar to business operations in the private sector. There are two categories of proprietary funds – enterprise and internal service funds.

Enterprise funds are used to account for the operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district’s board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund -** This fund provides for the operation of food services in all schools within the school district.

Internal service funds are used to account for the financing of goods or services provided by one department or office to other departments or offices of the district board of education, or to other district boards of education and governmental units, on a cost-reimbursement basis.

**Internal Service Fund -** Not applicable.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Enterprise Fund**  
**Statement of Net Assets**  
**June 30, 2008**

	Food Service Fund
<b>ASSETS</b>	
Current assets:	
Accounts receivable:	
State	\$ 5,237
Federal	112,999
Due from General Fund	375,893
Inventory	65,316
Total current assets	559,445
Noncurrent assets:	
Equipment	549,357
Less accumulated depreciation	231,429
Total noncurrent assets	317,928
Total assets	\$ 877,373
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	\$ 185,977
Total current liabilities	185,977
<b>NET ASSETS</b>	
Invested in capital assets net of related debt	317,928
Unrestricted	373,468
Total net assets	691,396
Total liabilities and net assets	\$ 877,373

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Enterprise Fund**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**for the Fiscal Year ended June 30, 2008**

	Food Service Fund
<b>OPERATING REVENUES:</b>	
Charges for services:	
Daily sales - non-reimbursable programs	\$ 958,192
Special functions	56,813
Total operating revenue	1,015,005
<b>OPERATING EXPENSES:</b>	
Salaries	1,476,981
Employee benefits	198,938
Supplies and materials	207,486
Cost of sales	1,263,959
Insurance	80,590
Management fee	114,357
Miscellaneous	39,369
Depreciation	56,325
Total operating expenses	3,438,005
Operating (loss)	(2,423,000)
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	65,206
School breakfast program	10,246
Federal sources:	
School breakfast program	152,727
National school lunch program	1,454,754
Special milk program	3,009
Snack program	22,898
Food distribution program	144,726
Total nonoperating revenues (expenses)	1,853,566
(Loss) before transfers	(569,434)
Transfers in - General fund	657,920
Change in net assets	88,486
Total net assets - July 1	602,910
Total net assets - June 30	\$ 691,396

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Enterprise Fund**  
**Statement of Cash Flows**  
**for the Fiscal Year ended June 30, 2008**

	Food Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from customers	\$ 1,027,415
Payments to employees	(1,476,981)
Payments for employee benefits	(198,938)
Payments to suppliers	(1,729,963)
Net cash (used for) operating activities	(2,378,467)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
State sources	74,812
Federal sources	1,760,969
Operating subsidies and transfers to other funds	626,423
Net cash provided by non-capital financing activities	2,462,204
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchase of capital assets	(83,737)
Net cash (used for) capital and related financing activities	(83,737)
Net increase in cash and cash equivalents	-
Balance - July 1	-
Balance - June 30	\$ -
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED FOR) OPERATING ACTIVITIES:</b>	
Operating (loss)	\$ (2,423,000)
Adjustment to reconcile operating (loss) to net cash (used for) operating activities:	
Depreciation	56,325
(Increase) in inventories	(24,202)
Decrease in accounts receivable - other	12,410
Total adjustments	44,533
Net cash (used for) operating activities	\$ (2,378,467)

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## **FIDUCIARY FUNDS**

Fiduciary funds report assets that are held in a trustee or agency capacity for external parties and that cannot be used to support the government's own programs.

Trust and agency funds are used to account for resources held and administered by a school district when it acts in a fiduciary capacity. Trust funds are used to account for assets held by the district in a trustee capacity. Agency funds are utilized to account for assets held by the district as an agent for individuals or other funds.

**Scholarship Trust Fund -** This is an expendable trust fund where both the principal and interest earned may be spent for scholarships to students.

**Unemployment Compensation Insurance Trust Fund -** This is an expendable trust fund where both principal and interest may be spent for unemployment compensation claims.

**Payroll Agency Fund -** This agency fund is used to account for the payroll transactions of the school district.

**Board Activity Agency Fund -** Is used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Fiduciary Net Assets**  
**June 30, 2008**

	<u>Agency</u>		<u>Expendable Trust</u>	<u>Total</u>
	<u>Student Activity</u>	<u>Payroll</u>	<u>Unemployment Compensation Insurance</u>	
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 379,268	\$ 563,226	\$ 34,581	\$ 977,075
Accounts receivable - other			545,111	545,111
Total assets	<u>\$ 379,268</u>	<u>\$ 563,226</u>	<u>\$ 579,692</u>	<u>\$ 1,522,186</u>
<b>LIABILITIES AND NET ASSETS:</b>				
Liabilities:				
Payroll deductions & withholdings	\$ -	\$ 563,226	\$ -	\$ 563,226
Due to student groups	379,268			379,268
Due to General			98,000	98,000
Total liabilities	<u>379,268</u>	<u>563,226</u>	<u>98,000</u>	<u>1,040,494</u>
Net Assets:				
Held in trust for unemployment claims and other purposes			481,692	481,692
Total net assets	<u>-</u>	<u>-</u>	<u>481,692</u>	<u>481,692</u>
Total liabilities and net assets	<u>\$ 379,268</u>	<u>\$ 563,226</u>	<u>\$ 579,692</u>	<u>\$ 1,522,186</u>

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Assets**  
**for the Fiscal Year ended June 30, 2008**

	Unemployment Compensation Insurance Trust Fund
<b>ADDITIONS:</b>	
Local sources:	
Contributions	\$ 154,679
Interest on investment	753
Total additions	155,432
 <b>DEDUCTIONS:</b>	
Unemployment claims	283,654
Total deductions	283,654
Changes in net assets	(128,222)
Net assets - July 1	609,914
Net assets - June 30	\$ 481,692

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Student Activity Agency Fund Schedule of Receipts and Disbursements**  
**for the Fiscal Year ended June 30, 2008**

	<u>Balance,</u> <u>June 30, 2007</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance,</u> <u>June 30, 2008</u>
<b>ELEMENTARY SCHOOLS:</b>				
School #14	\$ 7,000	\$ 45,090	\$ 44,960	\$ 7,130
Robinson	7,074	25,034	24,981	7,127
Donohue	1,358	13,580	13,479	1,459
Midtown	2,768	59,529	60,709	1,588
Lincoln	6,299	20,386	19,170	7,515
Bailey	2,077	13,514	12,787	2,804
Harris	1,623	9,944	10,493	1,074
Washington	2,025	30,863	28,505	4,383
Wilson	6,798	31,425	26,601	11,622
Vroom	1,771	8,511	6,395	3,887
Horace Mann	3,626	24,788	25,576	2,838
Total elementary schools	<u>42,419</u>	<u>282,664</u>	<u>273,656</u>	<u>51,427</u>
<b>SENIOR HIGH SCHOOLS:</b>				
Bayonne High School	250,160	891,297	813,616	327,841
Total senior high schools	<u>250,160</u>	<u>891,297</u>	<u>813,616</u>	<u>327,841</u>
Total all schools	<u>\$ 292,579</u>	<u>\$ 1,173,961</u>	<u>\$ 1,087,272</u>	<u>\$ 379,268</u>

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Payroll Agency Fund Schedule of Receipts and Disbursements**  
**for the Fiscal Year ended June 30, 2008**

	<u>Balance,</u> <u>June 30, 2007</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance,</u> <u>June 30, 2008</u>
<b>PAYROLL AGENCY FUND:</b>				
Net payroll	\$ (6,972)	\$ 46,812,253	\$ 46,753,511	\$ 51,770
Social security and withholding	97,482	26,997,123	27,094,512	93
NJ income tax	240	3,096,505	3,096,505	240
Pension	<u>2,327,437</u>	<u>5,279,784</u>	<u>7,096,098</u>	<u>511,123</u>
Total payroll agency fund	<u>\$ 2,418,187</u>	<u>\$ 82,185,665</u>	<u>\$ 84,040,626</u>	<u>\$ 563,226</u>

## **LONG-TERM DEBT**

Long-term debt is used to record the outstanding principal balances of the general long-term liabilities of the school district. This included serial bonds outstanding, the outstanding principal balance of capital leases and activity for debt service of the school district.

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**CITY OF BAYONNE SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Obligations Under Capital Leases**  
**for the Fiscal Year ended June 30, 2008**

<u>Purpose</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Lease</u>	
			<u>Principal</u>	<u>Interest</u>
School Bus and Jeep Wrangler	06/15/2003	5 years	\$ 121,918	\$ 10,745
Textbook Sale/Leaseback	06/25/2003	5 years	1,100,000	178,895
Computers/Network Upgrade	09/01/2004	5 years	465,080	132,455
Ford Truck	03/05/2005	5 years	33,788	5,391
Computers Lab 241	08/01/2005	5 years	30,866	22,539
Apple Computers	07/01/2006	4 years	394,043	201,314
Computers Lab 222	07/01/2006	5 years	51,044	37,706
Computers 12 PCs	09/15/2006	5 years	22,208	15,878
2 School Buses	05/08/2007	4 years	183,991	23,184
HVAC	05/08/2007	3 years	648,650	67,047

**Exhibit I-2**

<u>Interest Rate</u>	<u>Balance, June 30, 2007</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2008</u>
3.370%	\$ 26,053	\$ -	\$ 26,053	\$ -
6.000%	247,530		247,530	-
14.372%	195,850		91,360	104,490
6.200%	19,214		6,836	12,378
38.559%	17,287		4,015	13,272
31.371%	265,186			265,186
39.053%	33,294		4,748	28,546
37.674%	14,591		2,121	12,470
6.000%	176,929		42,309	134,620
6.500%	614,944		109,962	504,982
	<u>\$ 1,610,878</u>	<u>\$ -</u>	<u>\$ 534,934</u>	<u>\$ 1,075,944</u>

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**STATISTICAL SECTION**  
**(Unaudited)**

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Net Assets by Component**  
**Last Six Fiscal Years**  
**(Unaudited)**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
<b>Governmental activities</b>						
Invested in capital assets, net of related debt	\$ 21,641,550	\$ 22,848,941	\$ 41,416,726	\$ 60,025,476	\$ 80,877,271	\$ 82,590,925
Restricted	212,810	53,349,410	48,536,865	28,265,136	4,942,196	11,346
Unrestricted	(5,310,210)	(5,331,039)	(4,561,528)	(5,499,029)	(5,424,358)	(4,548,862)
Total governmental activities net assets	<u>\$ 16,544,150</u>	<u>\$ 70,867,312</u>	<u>\$ 85,392,063</u>	<u>\$ 82,791,583</u>	<u>\$ 80,395,109</u>	<u>\$ 78,053,409</u>
<b>Business-type activities</b>						
Invested in capital assets, net of related debt	\$ 47,000	\$ 68,582	\$ 245,367	\$ 275,674	\$ 290,516	\$ 317,928
Restricted	-	-	-	-	-	-
Unrestricted	17,689	3,647	6,452	187,291	312,394	373,468
Total business-type activities net assets	<u>\$ 64,689</u>	<u>\$ 72,229</u>	<u>\$ 251,819</u>	<u>\$ 462,965</u>	<u>\$ 602,910</u>	<u>\$ 691,396</u>
<b>District-wide</b>						
Invested in capital assets, net of related debt	\$ 21,688,550	\$ 22,917,523	\$ 41,662,093	\$ 60,301,150	\$ 81,167,787	\$ 82,908,853
Restricted	212,810	53,349,410	48,536,865	28,265,136	4,942,196	11,346
Unrestricted	(5,292,521)	(5,327,392)	(4,555,076)	(5,311,738)	(5,111,964)	(4,175,394)
Total district net assets	<u>\$ 16,608,839</u>	<u>\$ 70,939,541</u>	<u>\$ 85,643,882</u>	<u>\$ 83,254,548</u>	<u>\$ 80,998,019</u>	<u>\$ 78,744,805</u>

**Source: District Records**

Note: This is a ten year schedule. However, Districts are not required by GASB to report years prior to the implementation of Statement 44. The District implemented Statement 44 during fiscal year 2003.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Changes in Net Assets**  
**Last Six Fiscal Years**  
**(Unaudited)**  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,					
	2003	2004	2005	2006	2007	2008
<b>Expenses</b>						
<b>Governmental activities</b>						
Instruction						
Regular	\$ 38,416,598	\$ 38,230,810	\$ 43,800,706	\$ 49,673,719	\$ 49,922,600	\$ 51,132,486
Special education	12,129,625	12,149,386	13,558,049	15,851,192	14,736,752	17,564,026
Other special instruction	4,151,674	3,734,423	3,911,274	4,350,130	4,868,674	5,352,312
Vocational	1,049,477	1,072,041	1,312,017	1,399,299	1,605,352	1,503,584
Other instruction	1,162,706	1,359,095	1,290,082	1,569,987	1,767,955	1,521,434
Support Services:						
Tuition	2,109,065	1,777,502	1,910,571	1,995,138	2,050,050	2,084,950
Student & instruction related services	11,834,412	13,083,604	13,061,176	15,472,849	16,054,014	17,602,199
School administrative services	4,901,335	4,543,111	5,462,045	6,234,889	5,002,433	3,530,254
General and business administrative services	4,968,008	5,030,321	3,825,947	3,367,886	6,796,705	6,799,444
Central Services			283,489	309,943	309,182	320,902
Administrative information technology			229,652	238,475	238,397	166,211
Plant operations and maintenance	9,501,053	9,513,007	9,889,352	11,350,342	12,673,508	13,444,132
Pupil transportation	2,321,373	2,337,960	2,535,824	2,759,587	3,113,602	3,108,833
Special Schools						
Current:						
Instruction	453,854	470,773	504,457	541,312	545,510	615,844
Charter Schools	30,453	67,501	93,583	135,389	102,908	137,660
Total governmental activities expenses	<u>93,029,633</u>	<u>93,369,534</u>	<u>101,668,224</u>	<u>115,250,137</u>	<u>119,787,642</u>	<u>124,884,271</u>
<b>Business-type activities:</b>						
Food service	2,434,054	2,459,858	2,434,982	2,737,319	3,155,443	3,438,005
Total business-type activities expense	<u>2,434,054</u>	<u>2,459,858</u>	<u>2,434,982</u>	<u>2,737,319</u>	<u>3,155,443</u>	<u>3,438,005</u>
Total district expenses	<u>\$ 95,463,687</u>	<u>\$ 95,829,392</u>	<u>\$ 104,103,206</u>	<u>\$ 117,987,456</u>	<u>\$ 122,943,085</u>	<u>\$ 128,322,276</u>
<b>Program Revenues</b>						
<b>Governmental activities:</b>						
Charges for services:						
Instruction (tuition)	\$ 206,251	\$ 232,508	\$ 155,370	\$ 188,904	\$ 159,568	\$ 103,668
Operating grants and contributions	36,260,895	38,957,551	41,068,910	47,300,095	46,954,608	50,803,241
Total governmental activities program revenues	<u>36,467,146</u>	<u>39,190,059</u>	<u>41,224,280</u>	<u>47,488,999</u>	<u>47,114,176</u>	<u>50,906,909</u>
<b>Business-type activities:</b>						
Charges for services:						
Food service	674,025	630,008	766,018	891,287	980,106	1,015,005
Operating grants and contributions	714,599	869,283	1,166,832	1,447,180	1,675,733	1,853,566
Total business type activities program revenues	<u>1,388,624</u>	<u>1,499,291</u>	<u>1,932,850</u>	<u>2,338,467</u>	<u>2,655,839</u>	<u>2,868,571</u>
Total district program revenues	<u>\$ 37,855,770</u>	<u>\$ 40,689,350</u>	<u>\$ 43,157,130</u>	<u>\$ 49,827,466</u>	<u>\$ 49,770,015</u>	<u>\$ 53,775,480</u>
<b>Net (Expense)/Revenue</b>						
Governmental activities	\$ (56,562,487)	\$ (54,179,475)	\$ (60,443,944)	\$ (67,761,138)	\$ (72,673,466)	\$ (73,977,362)
Business-type activities	(1,045,430)	(960,567)	(502,132)	(398,852)	(499,604)	(569,434)
Total district-wide net expense	<u>\$ (57,607,917)</u>	<u>\$ (55,140,042)</u>	<u>\$ (60,946,076)</u>	<u>\$ (68,159,990)</u>	<u>\$ (73,173,070)</u>	<u>\$ (74,546,796)</u>
<b>General Revenues and Other Changes in Net Assets</b>						
<b>Governmental activities:</b>						
Property taxes levied for general purposes, net	\$ 44,218,790	\$ 47,749,324	\$ 49,406,421	\$ 52,521,354	\$ 52,521,354	\$ 57,086,193
Unrestricted grants and contributions	4,676,526	5,194,013	5,914,325	7,213,734	10,781,672	11,534,511
Investment earnings	6,751	2,086	12,329	108,673	61,436	71,786
Miscellaneous income	2,803,847	1,215,992	5,000,324	5,402,172	2,826,596	1,157,480
Special items	6,136,912	N-1 55,309,330	N-2 15,317,018	N-3 524,723	4,725,483	N-4 2,443,612
Transfers	(1,042,136)	(968,108)	(681,722)	(609,998)	(639,549)	(657,920)
Total governmental activities	<u>56,800,690</u>	<u>108,502,637</u>	<u>74,968,695</u>	<u>65,160,658</u>	<u>70,276,992</u>	<u>71,635,662</u>

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Changes in Net Assets**  
**Last Six Fiscal Years**  
**(Unaudited)**  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,					
	2003	2004	2005	2006	2007	2008
Business-type activities:						
Transfers	1,042,136	968,108	681,722	609,998	639,549	657,920
Total business-type activities	<u>1,042,136</u>	<u>968,108</u>	<u>681,722</u>	<u>609,998</u>	<u>639,549</u>	<u>657,920</u>
Total district-wide	<u>\$ 57,842,826</u>	<u>\$ 109,470,745</u>	<u>\$ 75,650,417</u>	<u>\$ 65,770,656</u>	<u>\$ 70,916,541</u>	<u>\$ 72,293,582</u>
<b>Change in Net Assets</b>						
Governmental activities	\$ 238,203	\$ 54,323,162	\$ 14,524,751	\$ (2,600,480)	\$ (2,396,474)	\$ (2,341,700)
Business-type activities	(3,294)	7,541	179,590	211,146	139,945	88,486
Total district	<u>\$ 234,909</u>	<u>\$ 54,330,703</u>	<u>\$ 14,704,341</u>	<u>\$ (2,389,334)</u>	<u>\$ (2,256,529)</u>	<u>\$ (2,253,214)</u>

**Source: District Records**

- N-1** In Fiscal Year 2003, the district refinanced its early retirement incentive payable and reported a gain on the refinancing.  
**N-2** In Fiscal Year 2004, the district adopted a new capital project ordinance for new school construction projects.  
**N-3** In Fiscal Year 2005, the district adopted a new capital project ordinance for new school construction projects and also cancelled old accounts receivable deemed uncollectible.  
**N-4** In Fiscal Year 2007, the district received funds from the City to fund its early retirement incentive due to the State of New Jersey and had new capital lease proceeds.

Note: This is a ten year schedule. However, Districts are not required by GASB to report years prior to the implementation of Statement 44. The District implemented Statement 44 during fiscal year 2003.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Fund Balances - Governmental Funds**  
**Last Six Fiscal Years**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
<b>General Fund</b>						
Reserved	\$ 602,440	\$ 216,017	\$ 744,964	\$ 1,081,119	\$ 1,377,783	\$ 603,652
Unreserved	(927,227)	(1,093,982)	(443,361)	(1,462,169)	(1,667,922)	(1,847,816)
Total general fund	<u>\$ (324,787)</u>	<u>\$ (877,965)</u>	<u>\$ 301,603</u>	<u>\$ (381,050)</u>	<u>\$ (290,139)</u>	<u>\$ (1,244,164)</u>
<b>All Other Governmental Funds</b>						
Reserved	\$ 212,810	\$ 53,349,410	N-1 \$ 48,536,865	\$ 28,265,136	\$ 4,942,196	\$ 11,346
Unreserved, reported in:						
Special revenue fund	(346,071)	(328,658)	(328,658)	(328,658)	(328,658)	(328,658)
Capital projects fund	-	-	-	-	-	-
Total all other governmental funds	<u>\$ (133,261)</u>	<u>\$ 53,020,752</u>	<u>\$ 48,208,207</u>	<u>\$ 27,936,478</u>	<u>\$ 4,613,538</u>	<u>\$ (317,312)</u>

**Source: District Records**

N-1 The substantial increase in reserved fund balance in fiscal year 2004 is due to the new capital projects authorized for new school construction.

Note: This is a ten year schedule. However, Districts are not required by GASB to report years prior to the implementation of Statement 44. The District implemented Statement 44 during fiscal year 2003.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	<b>Fiscal Year Ending June 30,</b>			
	1999	2000	2001	2002
<b>Revenues</b>				
Tax levy	\$ 44,869,934	\$ 41,198,130	\$ 41,198,129	\$ 44,218,790
Tuition charges	96,822	87,039	157,997	164,540
Interest earnings		46,235	110,166	19,312
Miscellaneous	980,148	1,200,949	1,759,250	933,819
Local sources	2,257,591	63,755	42,957	80,347
State sources	29,866,347	36,035,858	37,966,721	37,578,904
Federal sources	2,469,795	2,751,117	2,863,935	3,840,646
<b>Total revenue</b>	<b>80,540,637</b>	<b>81,383,083</b>	<b>84,099,155</b>	<b>86,836,358</b>
<b>Expenditures</b>				
<b>Instruction</b>				
Regular Instruction	25,504,035	25,254,785	28,350,500	29,879,369
Special education instruction	6,451,435	7,554,997	8,248,210	8,497,078
Other special instruction	3,675,874	3,676,827	3,937,270	4,193,387
Vocational education	613,118	732,854	731,001	729,024
Other instruction	591,588	623,603	617,641	693,681
Nonpublic school programs				
Adult/continuing education	113,315	129,919	135,963	161,935
<b>Support Services:</b>				
Tuition	1,679,129	1,836,569	2,101,755	2,023,663
Student & inst. related services	8,485,054	10,267,722	9,620,938	10,510,934
General administration	2,421,637	2,122,410	2,345,104	2,312,397
School administrative services	2,840,253	3,510,169	3,413,380	3,586,593
Central services				
Admin. information technology				
Plant operations and maintenance	6,226,621	7,088,163	8,058,307	7,504,002
Pupil transportation	1,499,076	1,972,199	2,097,973	1,950,538
Other support services	744,681	667,749	623,971	646,384
Employee benefits	13,701,622	12,638,428	12,884,433	12,802,170
Special Schools	337,164	381,147	379,523	409,477
Charter Schools			47,302	34,009
Capital outlay	8,186,044	11,417,528	4,183,975	7,311,330
<b>Debt service:</b>				
Principal	52,575	-	-	-
Interest and other charges	-	-	-	-
<b>Total expenditures</b>	<b>83,123,221</b>	<b>89,875,069</b>	<b>87,777,246</b>	<b>93,245,971</b>
Excess (Deficiency) of revenues over (under) expenditures	(2,582,584)	(8,491,986)	(3,678,091)	(6,409,613)
<b>Other Financing sources (uses)</b>				
Proceeds from lease purchase	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-
Project authorizations	-	5,263,000	4,078,747	-
Non-board expenditures	(169,712)	(6,062)	(21,217)	(16,394)
Special items	-	-	-	53,576
Special items-Bailey School	-	847,986	(842,989)	(4,997)
Special items-accrued liability for insurance claims	(486,671)	(1,159,868)	-	-
Special items-lease authorization canceled	-	-	(384,231)	-
Special items-tuition receivable cancelled	-	-	-	-
Special items-City of Bayonne Bonds	-	-	-	-
Special items-State of New Jersey ERI	-	-	-	-
Transfers in	-	430,094	-	-
Transfers out	(298,330)	(384,167)	(424,540)	(795,041)
<b>Total other financing sources (uses)</b>	<b>(954,713)</b>	<b>4,990,983</b>	<b>2,405,770</b>	<b>(762,856)</b>
<b>Net change in fund balances</b>	<b>\$ (3,537,297)</b>	<b>\$ (3,501,003)</b>	<b>\$ (1,272,321)</b>	<b>\$ (7,172,469)</b>
Debt service as a percentage of noncapital expenditures	0.07%	0.00%	0.00%	0.00%

**Source: District records**

Note: Noncapital expenditures are total expenditures less capital outlay.  
Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.  
Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.  
a - increase in net change in fund balance during 2004 is due to a new capital project authorization adopted.

Exhibit J-4

Fiscal Year Ending June 30,						
	2003	2004	2005	2006	2007	2008
\$	44,218,790	\$ 47,749,324	\$ 49,406,421	\$ 52,521,354	\$ 52,521,354	\$ 57,086,193
	206,251	232,508	155,370	188,904	159,568	103,668
	6,751	2,086	12,329	108,673	61,436	71,786
	2,803,847	1,215,992	5,000,324	5,402,172	2,826,596	1,157,480
	46,715	79,423	148,256	111,854	114,240	184,485
	37,009,292	39,366,652	41,942,855	48,411,992	52,569,819	57,039,042
	3,881,414	4,705,489	4,892,124	5,989,983	5,052,221	5,114,225
	<u>88,173,060</u>	<u>93,351,474</u>	<u>101,557,679</u>	<u>112,734,932</u>	<u>113,305,234</u>	<u>120,756,879</u>
	30,533,781	31,072,898	34,475,221	37,388,339	36,527,376	38,635,849
	8,964,079	9,812,397	9,987,683	10,996,555	11,648,411	12,905,518
	3,101,466	2,855,359	2,874,881	3,006,328	3,313,278	3,817,134
	803,984	835,693	1,018,278	1,029,563	1,237,066	1,141,148
	717,567	807,882	809,839	863,112	967,754	857,277
	236,233	317,121	229,487	331,059	356,472	314,241
	2,109,065	1,777,502	1,862,480	1,931,004	1,971,973	2,006,725
	9,511,469	10,693,751	10,686,790	12,209,507	12,543,046	14,094,666
	2,237,361	2,254,201	2,282,010	2,097,059	2,406,974	2,350,131
	3,707,591	3,949,113	4,047,697	4,379,717	4,668,261	4,903,856
			283,489	299,980	297,407	308,862
			229,652	230,808	229,318	159,975
	7,971,844	8,083,451	8,093,291	8,861,008	9,906,902	10,961,250
	1,935,722	1,982,655	2,062,697	2,178,914	2,464,366	2,536,828
	676,423	1,128,538	743,778	831,083	828,771	851,867
	15,479,668	16,401,951	18,838,707	25,226,972	25,343,160	26,913,700
	426,646	470,773	491,759	523,912	524,734	595,389
	30,453	67,501	93,583	135,389	102,908	137,660
	1,841,538	2,541,444	20,597,589	21,083,730	25,285,020	4,935,370
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>90,284,890</u>	<u>95,052,230</u>	<u>119,708,911</u>	<u>133,604,039</u>	<u>140,623,197</u>	<u>128,427,446</u>
	(2,111,830)	(1,700,756)	(18,151,232)	(20,869,107)	(27,317,963)	(7,670,567)
	-	-	-	-	-	-
	-	-	-	549,325	1,795,882	-
	-	55,309,330	15,509,000	-	-	-
	(31,590)	(39,631)	(117,041)	(24,602)	(21,521)	-
	-	-	(191,982)	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	(77,640)	-
	-	-	-	-	4,926,396	2,443,612
	-	-	-	-	(1,897,634)	-
	-	-	-	-	-	-
	(1,042,136)	(968,108)	(681,722)	(609,998)	(639,549)	(657,920)
	<u>(1,073,726)</u>	<u>54,301,591</u>	<u>14,518,255</u>	<u>(85,275)</u>	<u>4,085,934</u>	<u>1,785,692</u>
\$	<u>(3,185,556)</u>	<u>\$ 52,600,835</u>	<u>a \$ (3,632,977)</u>	<u>a \$ (20,954,382)</u>	<u>\$ (23,232,029)</u>	<u>\$ (5,884,875)</u>
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**CITY OF BAYONNE SCHOOL DISTRICT**  
**General Fund - Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	<u>Physical Education Center Fees</u>	<u>Rentals</u>	<u>Insurance Refunds</u>	<u>Community Education Fees</u>	<u>Sale of Property</u>
1999	\$ 259,320	\$ 10,100	\$ 157,885	\$ 144,464	\$ -
2000	259,065	6,000	171,508	144,680	
2001	325,566	6,000	216,667	165,685	
2002	294,373	5,400	260,767	203,058	
2003	302,654	5,400	304,207	321,545	450,000
2004	192,116	5,400	275,328	376,521	
2005	225,197	6,300	245,094	297,863	
2006	104,393	3,500	278,333	329,124	
2007	147,349	3,500	273,120	415,427	
2008	178,846	4,200	314,224	365,416	

**Source: District records**

**Exhibit J-5**

<u>Clean Energy Fund</u>	<u>E-Rate</u>	<u>Miscellaneous</u>	<u>Tuition</u>	<u>Interest</u>	<u>Annual Totals</u>
\$ -	\$ -	\$ 163,708	\$ 96,822	\$ -	\$ 832,299
		452,736	87,039	46,235	1,167,263
		1,045,332	157,997	110,166	2,027,413
		170,221	164,540	19,312	1,117,671
		1,420,041	206,251	6,751	3,016,849
		366,627	232,508	2,086	1,450,586
3,623,900		601,973	155,370	12,329	5,168,026
1,854,300	188,849	2,643,673	188,904	108,673	5,699,749
1,438,280	202,543	346,377	159,568	61,436	3,047,600
	201,648	93,144	103,668	71,786	1,332,932

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial
1999	\$ 115,928,600	\$ 1,407,464,500	E \$ -	\$ -	\$ 339,237,800	\$ 374,782,700
2000	89,504,500	1,412,093,200	-	-	335,331,500	367,679,900
2001	93,331,900	1,414,395,900	-	-	329,397,000	368,574,200
2002	88,012,100	1,419,656,100	-	-	339,524,300	366,204,800
2003	89,203,300	1,424,458,800	-	-	342,901,000	364,449,600
2004	93,670,800	1,432,892,800	-	-	344,741,300	370,586,600
2005	89,125,800	1,458,974,800	-	-	348,639,300	364,120,400
2006	81,751,900	1,485,824,800	-	-	347,575,600	355,237,200
2007	83,967,600	1,498,716,400	-	-	346,656,800	340,326,900
2008	90,117,400	1,506,170,900	-	-	340,967,314	334,446,600

**Source: Municipal Tax Assessor**

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

**a** Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**b** Tax rates are per \$100

**E** Value estimated as details not available.

Exhibit J-6

Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
\$ 100,083,300	\$ 2,337,496,900	\$ -	\$ 10,278,622	\$ 2,347,775,522	\$ 2,501,171,519	1.787
99,131,600	2,303,740,700	18,000	4,995,372	2,308,718,072	2,509,025,755	1.966
101,044,600	2,306,743,600	137,400	4,924,300	2,311,530,500	2,710,158,338	1.993
101,444,100	2,314,841,400	397,700	4,897,118	2,319,340,818	2,901,402,020	2.062
102,581,300	2,323,594,000	1,107,600	4,537,646	2,327,024,046	3,217,772,144	2.049
102,903,300	2,344,794,800	1,631,500	4,026,077	2,347,189,377	3,639,184,476	2.136
103,533,400	2,364,393,700	2,147,500	3,320,070	2,365,566,270	4,310,387,640	2.268
106,053,600	2,376,443,100	2,527,200	2,370,177	2,376,286,077	4,970,952,171	2.382
112,665,800	2,382,333,500	2,974,300	2,063,130	2,381,422,330	5,747,770,003	2.514
110,639,700	2,382,341,914	2,659,300	1,893,483	2,381,576,097	6,439,544,725	2.729

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*  
**(Unaudited)**

Fiscal Year Ended June 30,	Bayonne School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	(From J-6) Total Direct School Tax Rate	Municipality of Bayonne	Hudson County	
1999	1.763	0.024	1.787	1.405	0.894	4.086
2000	1.943	0.023	1.966	1.298	0.895	4.159
2001	1.975	0.018	1.993	1.338	0.916	4.247
2002	2.043	0.019	2.062	1.327	0.867	4.256
2003	2.035	0.014	2.049	1.635	0.907	4.591
2004	2.123	0.013	2.136	1.779	0.937	4.852
2005	2.257	0.011	2.268	1.954	0.964	5.186
2006	2.354	0.028	2.382	1.909	0.960	5.251
2007	2.478	0.036	2.514	2.199	0.984	5.697
2008	2.680	0.049	2.729	2.304	1.019	6.052

**Source: Municipal Tax Collector**

**Note:**

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

**a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable

**b** Rates for debt service are based on each year's requirements.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**(Unaudited)**

	2008			1999		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Bayonne Industries, Inc./IMTT	\$ 116,349,400	1	49.04%	\$ 101,306,600	1	4.30%
Global Terminal and Container Services, Inc.	20,000,000	2	8.43%	23,364,300	4	0.99%
Exxon Corporation	17,023,500	3	7.18%	26,310,000	3	1.12%
Gordon Terminals Serv Co of NJ, Inc.	15,027,100	4	6.33%	14,143,600	8	0.60%
ACG Chemicals Americas, Inc.	14,532,900	5	6.13%			
Texaco, Inc.	13,085,800	6	5.52%	13,085,800	9	0.56%
Amerada Hess Corp.	12,579,000	7	5.30%	14,416,500	7	0.61%
Morris Bayonne Assoc., LLC, et als	9,813,700	8	4.14%			
99 Hook Road, LLC	9,500,000	9	4.00%			
Harrison Industrial Park, Ltd.	9,319,000	10	3.93%			
HB Bayonne Partnership				31,262,200	2	1.33%
C.P.C. International				13,000,000	10	0.55%
Coastal Oil New York, Inc.				16,110,000	5	0.68%
ICI America, Inc.				14,532,900	6	0.62%
Total	<u>\$ 237,230,400</u>		<u>100.00%</u>	<u>\$ 267,531,900</u>		<u>11.37%</u>

Source: Municipal Tax Assessor

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy<sup>a</sup></u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
1999	\$ 44,869,934	\$ 44,869,934	100.00%	\$ -
2000	41,198,130	41,198,130	100.00%	-
2001	41,198,129	41,198,129	100.00%	-
2002	44,218,790	44,218,790	100.00%	-
2003	44,218,790	44,218,790	100.00%	-
2004	47,749,324	47,749,324	100.00%	-
2005	49,406,421	49,406,421	100.00%	-
2006	52,521,354	52,521,354	100.00%	-
2007	52,521,354	52,521,354	100.00%	-
2008	57,086,193	57,086,193	100.00%	-

**Source:** District records including the Certificate and Report of School Taxes (A4F form)

**a** School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Ratios of Outstanding Debt Type**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
1999	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000	0.00%	\$ 1	
2000	-	-	-	-	-	-	0.00%	-	
2001	-	-	-	-	-	-	0.00%	-	
2002	-	-	-	-	-	-	0.00%	-	
2003	-	-	1,221,918	-	-	1,221,918	0.06%	19	
2004	-	-	191,982	-	-	191,982	0.01%	3	
2005	-	-	549,325	-	-	549,325	0.03%	8	
2006	-	-	-	-	-	-	0.00%	-	
2007	-	-	1,795,882	-	-	1,795,882	0.10%	28	
2008	-	-	-	-	-	-	0.00%	-	

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita Income <sup>b</sup>
	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>		
1999	\$ 50,000	\$ -	\$ 50,000	0.00%	\$ 1
2000	-	-	-	0.00%	-
2001	-	-	-	0.00%	-
2002	-	-	-	0.00%	-
2003	-	-	-	0.00%	-
2004	-	-	-	0.00%	-
2005	-	-	-	0.00%	-
2006	-	-	-	0.00%	-
2007	-	-	-	0.00%	-
2008	-	-	-	0.00%	-

**Notes:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-14.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt**  
**as of June 30, 2008**  
**(Unaudited)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Bayonne Municipality	\$ 270,708,370	10.904%	\$ 29,518,041
Hudson County General Obligation Debt*	335,369,860	10.904%	36,568,730
Other debt			
Municipal Utilities Authority - Bayonne District's share	94,851,735	10.904%	<u>10,342,633</u>
Subtotal, overlapping debt			76,429,403
<b>Bayonne District Direct Debt</b>			<u>-</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 76,429,403</u></u>

**Sources:** Assessed value data used to estimate applicable percentages provided by the Hudson County Board of Taxation.  
Debt outstanding data provided by each governmental unit.

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Bayonne. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

**a** For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

\* Date of County debt is as of December 31, 2007 - 2008 debt not available.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Legal Debt Margin Information**  
**as of June 30, 2008**  
**(Unaudited)**

	Fiscal Year			
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Debt limit	\$ 98,611,584	\$ 97,727,713	\$ 100,483,973	\$ 105,466,165
Total net debt applicable to limit	50,000	-	-	-
Legal debt margin	\$ 98,561,584	\$ 97,727,713	\$ 100,483,973	\$ 105,466,165
Total net debt applicable to the limit as a percentage of debt limit	0.05%	0.00%	0.00%	0.00%

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

**a** Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

**Legal Debt Margin Calculation for Fiscal Year 2008**

	Equalized valuation basis	
	2007	\$ 6,319,679,150
	2006	5,622,728,328
	2005	4,847,621,999
	[A]	<u>\$ 16,790,029,477</u>
Average equalized valuation of taxable property	[A/3]	\$ 5,596,676,492
Debt limit (4 % of average equalization value)	[B]	223,867,060 a
Total Net Debt Applicable to Limit	[C]	-
Legal debt margin	[B-C]	<u>\$ 223,867,060</u>

Fiscal Year					
<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 114,178,204	\$ 126,053,249	\$ 144,369,879	\$ 167,381,897	\$ 195,404,238	\$ 223,867,060
-	-	-	-	-	-
<u>\$ 114,178,204</u>	<u>\$ 126,053,249</u>	<u>\$ 144,369,879</u>	<u>\$ 167,381,897</u>	<u>\$ 195,404,238</u>	<u>\$ 223,867,060</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
1999	61,842	\$ 1,652,480,082	\$ 26,721	4.80%
2000	61,848	1,788,829,704	28,923	3.80%
2001	62,013	1,852,452,336	29,872	4.20%
2002	61,479	1,871,666,676	30,444	5.50%
2003	60,836	1,886,706,868	31,013	5.40%
2004	60,612	1,959,404,124	32,327	3.90%
2005	59,881	2,051,762,584	34,264	5.30%
2006	58,706	2,156,799,734	36,739	5.50%
2007	57,886	- e	- e	5.30%
2008	- e	- e	- e	- e

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

<sup>e</sup> Information not available

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Principal Employers**  
**Current Year and Nine Years Ago**  
**(Unaudited)**

<u>Employer</u>	<u>2008</u>			<u>1999</u>		
	<u>Employees</u>	<u>Rank</u> <u>[Optional]</u>	<u>Percentage of</u> <u>Total</u> <u>Municipal</u> <u>Employment</u>	<u>Employees</u>	<u>Rank</u> <u>[Optional]</u>	<u>Percentage of</u> <u>Total</u> <u>Municipal</u> <u>Employment</u>
Bayonne Medical Center	930	1	3.37%			
Haddad Organization, LTD	443	2	1.61%			
Ideal Aluminum Products	344	3	1.25%	350	2	1.23%
IMTT Bayonne	293	4	1.06%	215	5	0.75%
Royal Kedem Wine	200	5	0.73%			
Bookazine	190	6	0.69%			
Shop Rite	184	7	0.67%			
Stop & Shop	156	8	0.57%			
A & P	140	9	0.51%			
Imperial Bag	138	10	0.50%			
Bayonne Hospital	-		-	1,150	1	4.04%
Maidenform	-		-	250	3	0.88%
Harry J. Rashti Co., Inc.	-		-	220	4	0.77%
Muralo Company	-		-	150	6	0.53%
Ashai Glass Fluoropolymers	-		-	138	7	0.48%
Workbench	-		-	110	8	0.39%
Best Foods, div. of CPC International	-		-	101	9	0.35%
Pamrapo Savings Bank	-		-	100	10	0.35%
	<u>3,018</u>		<u>10.96%</u>	<u>2,784</u>		<u>9.76%</u>

Source: Bayonne Chamber of Commerce  
New Jersey Department of Labor

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Full-Time Equivalent District Employees by Function/Program**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<b><u>Function/Program</u></b>	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>
Instruction				
Regular	397	383	392	403
Special education	145	155	154	157
Other special education	163	170	175	215
Vocational	4	4	4	4
Other instruction	110	105	115	115
Support Services:				
Student & instruction related services	68	71	76	75
General administration	33	34	36	36
School administrative services	38	45	45	45
Central services	13	13	12	12
Administrative Information Technology	-	-	8	10
Plant operations and maintenance	110	109	111	112
Pupil transportation	18	18	21	20
Other support services	48	45	41	41
Total	<u>1,147</u>	<u>1,152</u>	<u>1,190</u>	<u>1,245</u>

**Source: District Personnel Records**

Exhibit J-16

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
417	402	397	401	399	403
155	149	147	147	144	147
232	229	207	208	207	208
4	4	4	4	4	5
140	105	106	136	132	133
78	67	69	69	69	70
36	31	31	31	31	31
46	42	41	43	43	43
-	12	12	12	12	12
10	8	3	3	3	3
112	115	121	121	120	122
21	43	46	46	46	45
41	41	15	15	15	16
<u>1,292</u>	<u>1,248</u>	<u>1,199</u>	<u>1,236</u>	<u>1,225</u>	<u>1,238</u>

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Operating Statistics**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures<sup>a</sup></b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff<sup>b</sup></b>
1999	7,589	\$ 75,332,582	\$ 9,927	9.97%	819
2000	7,563	78,560,706	10,387	4.63%	817
2001	7,616	83,906,674	11,017	6.07%	840
2002	8,262	86,078,422	10,419	-5.43%	894
2003	8,426	88,427,842	10,495	0.73%	948
2004	8,464	92,510,786	10,930	4.14%	889
2005	8,683	99,111,322	11,414	4.43%	861
2006	8,830	112,520,309	12,061	5.67%	896
2007	8,841	115,338,177	11,927	-1.11%	886
2008	9,032	123,492,076	12,026	0.83%	896

**Sources:** District records

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS)

<u>Pupil/Teacher Ratio</u>		<u>Average Daily Enrollment (ADE) <sup>c</sup></u>	<u>Average Daily Attendance (ADA) <sup>c</sup></u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
<u>Elementary</u>	<u>Senior High School</u>				
14.9	12.8	7,532	7,034	0.17%	93.39%
13.2	11.1	7,563	7,131	0.41%	94.29%
13.1	11.0	8,076	7,664	6.78%	94.90%
13.3	11.3	8,262	7,815	2.30%	94.59%
12.8	11.9	8,383	7,882	1.46%	94.02%
12.4	11.3	8,502	8,006	1.42%	94.17%
11.5	12.4	8,587	8,059	1.00%	93.85%
12.7	14.2	8,712	8,176	1.46%	93.85%
12.8	14.1	8,826	8,248	1.31%	93.45%
13.3	15.2	8,985	8,592	1.80%	95.63%

**CITY OF BAYONNE SCHOOL DISTRICT**  
**School Building Information**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Henry E. Harris (1921)										
Square Feet	81,466	81,466	81,466	81,466	81,466	81,466	81,466	81,466	81,466	110,000
Capacity (students)	525	745	745	745	745	745	745	745	745	690
Enrollment	529	596	529	662	654	625	629	635	642	627
Philip Vroom (1914)										
Square Feet	72,500	72,500	72,500	72,500	72,500	72,500	72,500	72,500	72,500	72,500
Capacity (students)	470	470	470	470	470	470	470	470	470	470
Enrollment	486	503	484	438	407	381	351	348	344	418
Walter F. Robinson (1903)										
Square Feet	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	128,000
Capacity (students)	552	552	552	552	552	552	552	552	552	960
Enrollment	426	435	498	475	514	537	527	528	672	696
Mary J. Donohue (1920)										
Square Feet	61,376	61,376	61,376	61,376	61,376	61,376	61,376	61,376	61,376	81,000
Capacity (students)	325	442	442	442	442	442	442	442	442	500
Enrollment	432	358	360	410	408	434	417	423	423	446
Lincoln School (1919)										
Square Feet	51,588	51,588	51,588	51,588	51,588	51,588	51,588	51,588	51,588	51,588
Capacity (students)	426	426	426	426	426	426	426	426	426	426
Enrollment	439	388	377	445	446	430	413	414	364	391
Horace Mann (1914)										
Square Feet	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000
Capacity (students)	636	636	636	636	636	636	636	636	636	636
Enrollment	500	542	565	586	562	564	534	557	536	529
Washington School (1917)										
Square Feet	105,413	105,413	105,413	105,413	105,413	105,413	105,413	105,413	105,413	135,413
Capacity (students)	556	556	556	556	556	556	556	556	556	650
Enrollment	580	505	496	628	602	599	585	611	614	547
P.S. #14 (1935)										
Square Feet	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	90,000
Capacity (students)	329	329	329	329	329	329	329	329	329	600
Enrollment	240	236	229	236	243	255	255	254	256	342
John M. Bailey (1909)										
Square Feet	73,500	73,500	73,500	73,500	73,500	73,500	73,500	73,500	73,500	123,500
Capacity (students)	520	680	680	680	680	680	680	680	680	750
Enrollment	579	647	688	715	721	695	661	671	621	666
Woodrow Wilson (1931)										
Square Feet	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	127,000
Capacity (students)	475	475	475	475	475	475	475	475	475	750
Enrollment	483	493	487	484	512	558	533	495	593	629
Midtown Community School (1992)										
Square Feet	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Capacity (students)	1,252	1,252	1,252	1,252	1,252	1,252	1,252	1,252	1,252	1,252
Enrollment	1,047	997	979	1,024	1,064	1,088	1,043	992	1,072	1,019
<b><u>High School</u></b>										
Bayonne High School (1935)										
Square Feet	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000
Capacity (students)	3,895	3,895	3,895	3,895	3,895	3,895	3,895	3,895	3,895	3,895
Enrollment	1,848	1,863	1,924	2,159	2,293	2,298	2,735	2,902	2,704	2,500

Number of Schools at June 30, 2008

    Elementary = 11

    Senior High School = 1

**Source: District Facilities Office**

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Schedule of Required Maintenance Expenditures by School Facility**  
**Last Eight Fiscal Years**  
**(Unaudited)**

**UNDISTRIBUTED EXPENDITURES - REQUIRED**  
**MAINTENANCE FOR SCHOOL FACILITIES**  
**11-000-261-xxx**

* School Facilities Project # (s)	Harris **	Vroom **	Robinson **	Donohue **	Lincoln **	Mann **
2001	\$ 275,000	\$ 151,657	\$ 173,621	\$ 170,224	\$ 212,504	\$ 196,631
2002	282,687	155,895	178,472	174,980	218,441	202,125
2003	280,032	154,431	176,796	173,337	216,390	200,227
2004	309,530	170,698	195,419	191,596	239,184	221,318
2005	31,644	174,510	199,784	195,875	244,526	226,262
2006	335,891	185,235	212,062	207,913	259,554	240,167
2007	349,861	192,939	220,882	216,560	270,349	250,155
2008	388,411	214,198	245,220	240,422	300,138	277,719
<b>Total School Facilities</b>	<b><u><u>\$ 2,253,056</u></u></b>	<b><u><u>\$ 1,399,563</u></u></b>	<b><u><u>\$ 1,602,256</u></u></b>	<b><u><u>\$ 1,570,907</u></u></b>	<b><u><u>\$ 1,961,086</u></u></b>	<b><u><u>\$ 1,814,604</u></u></b>

\* School facilities as defined under EFCFA.  
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

\*\* Information not available

**Source: District records**

**Exhibit J-19**

Midtown **	Washington **	Wilson **	Bailey **	# 14 **	Bayonne H.S. **	Total
\$ 355,610	\$ 429,688	\$ 196,631	\$ 258,340	\$ 87,857	\$ 547,698	\$ 3,055,461
365,546	441,693	202,125	265,558	90,311	563,000	3,140,833
362,113	437,545	200,227	263,064	89,463	557,713	3,111,338
400,256	483,634	221,318	290,774	98,887	616,460	3,439,074
409,197	494,437	226,262	297,269	101,096	630,230	3,231,092
434,344	524,823	240,167	315,538	107,309	668,961	3,731,964
452,409	546,652	250,155	328,662	111,772	696,784	3,887,180
502,258	606,884	277,719	364,876	124,087	773,560	4,315,492
<u>\$ 3,281,733</u>	<u>\$ 3,965,356</u>	<u>\$ 1,814,604</u>	<u>\$ 2,384,081</u>	<u>\$ 810,782</u>	<u>\$ 5,054,406</u>	<u>\$ 27,912,434</u>

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2008**  
**(Unaudited)**

	<b>COVERAGE</b>	<b>DEDUCTIBLE</b>
New Jersey School Boards Insurance Group:		
Property - Blanket Building & Contents	\$ 10,490,606,031	\$ 5,000
Comprehensive General Liability	16,000,000	1,000
Comprehensive Automobile Liability	16,000,000	1,000
Electric Data Processing/ Public Entity Inland Marine Coverage	1,835,000	1,000
Boiler Insurance Policy/Equipment Breakdown	100,000,000	5,000
Public Employee Crime Coverage -		
Treasurer	380,000	1,000
Board Secretary	380,000	1,000
Business Administrator	380,000	1,000
Blanket Bond	245,000	500
Workman's Compensation	2,000,000	-
Excess Policy	5,000,000	-
Employee Benefits Liability	1,000,000	1,000
Error and Omissions:		
Coverage A	16,000,000	5,000
Coverage B	100,000	5,000
Greenwich Insurance Company:		
Pollution and Remediation Liability		
Each Loss	1,000,000	-
Total Loss	10,000,000	-
Bollinger, Inc.:		
Student Insurance		
All Students	1,000,000	-
Volunteers	25,000	-
Athletic Students	5,000,000	-
Athletic Disability	1,000,000	-
Junior HS Sports and Football	5,000,000	-
Lexington Insurance Company:		
Terrorism Property	100,000,000	-

Source: District Records

**SINGLE AUDIT SECTION**

# DONOHUE, GIRONDA & DORIA

Certified Public Accountants

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## **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 (K-1)***

The Honorable President and  
Members of the Board of Education  
City of Bayonne School District  
County of Hudson  
Bayonne, New Jersey

We have audited the financial statements of the Board of Education of the City of Bayonne School District, in the County of Hudson, State of New Jersey, as of and for the fiscal year ended June 30, 2008, and have issued our report thereon dated October 10, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bayonne Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bayonne Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bayonne Board of Education's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

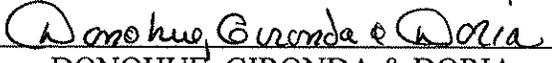
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bayonne Board of Education's financial statements are free of 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 herein under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. However, we noted certain immaterial instances of noncompliance that we have reported to the Board of Education of the City of Bayonne School District in a separate *Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance* dated October 10, 2008.

This report is intended solely for the information and use of the management of the Bayonne Board of Education, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
DONOHUE, GIRONDA & DORIA  
Certified Public Accountants

  
ROBERT G. DORIA  
Certified Public Accountant  
Public School Accountant  
License No. CS 00778

Bayonne, New Jersey  
October 10, 2008

# DONOHUE, GIRONDA & DORIA

*Certified Public Accountants*

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## **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04 (K-2)**

The Honorable President and  
Members of the Board of Education  
City of Bayonne School District  
County of Hudson  
Bayonne, New Jersey

### **Compliance**

We have audited the compliance of the Board of Education of the City of Bayonne School District, in the County of Hudson, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2008. The Bayonne Board of Education's major federal and state programs are identified in the *Summary of Auditors' Results Section* of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Bayonne Board of Education's management. Our responsibility is to express an opinion on the Bayonne Board of Education's compliance based on our audit.

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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB's *Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of*

*Federal Grants, State Grants and State Aid.* Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, 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 Bayonne Board of Education'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. Our audit does not provide a legal determination of the Bayonne Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the City of Bayonne School District, in the County of Hudson, State of New Jersey, complied, in all material respects with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2008.

### **Internal Control Over Compliance**

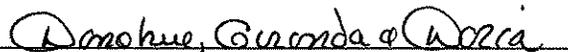
The management of the Board of Education of the City of Bayonne School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Bayonne Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 Bayonne Board of Education's internal control over compliance.

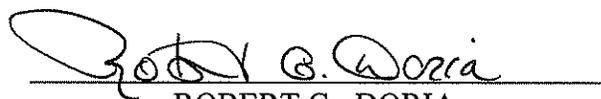
A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management of the Bayonne Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
DONOHUE, GIRONDA & DORIA  
Certified Public Accountants

  
ROBERT G. DORIA  
Certified Public Accountant  
Public School Accountant  
License No. CS 00778

Bayonne, New Jersey  
October 10, 2008

CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD FROM-TO	BALANCE AT JUNE 30, 2007	CARRYOVER/ (WALKOVER) AMOUNT
<b>General Funds</b>						
U.S. Department of Education						
Special Education Medicaid Initiative	93.778	N/A	\$ 102,422	7/1/07-6/30/08	\$ -	\$ -
<b>Total General Funds</b>						
<b>Enterprise Funds</b>						
U.S. Department of Agriculture						
Passed-through State Department of Education:						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	10.555	N/A	144,726	7/1/07-6/30/08		
Cash Assistance:						
School Breakfast Program	10.553	N/A	152,727	7/1/07-6/30/08		
School Breakfast Program	10.553	N/A	117,065	7/1/06-6/30/07	(10,212)	
National School Lunch Program	10.555	N/A	1,454,754	7/1/07-6/30/08		
National School Lunch Program	10.555	N/A	1,291,340	7/1/06-6/30/07	(84,474)	
After School Snack Program	10.555	N/A	22,898	7/1/07-6/30/08		
After School Snack Program	10.555	N/A	13,530	7/1/06-6/30/07	(1,037)	
Special Milk Program	10.556	N/A	3,009	7/1/07-6/30/08		
Special Milk Program	10.556	N/A	2,165	7/1/06-6/30/07	(131)	
<b>Total Enterprise Funds</b>					(95,854)	-
<b>Special Revenue Funds</b>						
U.S. Department of Education						
Passed-through State Department of Education:						
No Child Left Behind:						
Title I - Basic	84.010A	NCLB_08	1,355,877	9/1/07-8/31/08		9,071
Title I - Basic	84.010A	NCLB_07	1,531,621	9/1/06-8/31/07	9,071	(9,071)
Title I - School Improvements	84.216A	NCLB_08	57,211	9/1/07-8/31/08		
Title II - Part A Teacher and Principal Training	84.367A	NCLB_08	411,995	9/1/07-8/31/08		4,340
Title II - Part A Teacher and Principal Training	84.367A	NCLB_07	413,652	9/1/06-8/31/07	4,303	(4,303)
Title II - Part A Teacher and Principal Training	84.367A	NCLB_06	434,813	9/1/05-8/31/06	37	(37)
Title II - Part D Enhancing Education Through Technology	84.318X	NCLB_08	9,187	9/1/07-8/31/08		641
Title II - Part D Enhancing Education Through Technology	84.318X	NCLB_07	6,902	9/1/06-8/31/07	466	(466)
Title II - Part D Enhancing Education Through Technology	84.318X	NCLB_06	30,368	9/1/05-8/31/06	175	(175)
Title II - Part D Enhancing Education Through Technology	84.318X	NCLB_05	40,493	9/1/04-8/31/05	46	
Title III - English Language Acquisition	84.365A	NCLB_08	54,077	9/1/07-8/31/08		1,284
Title III - English Language Acquisition	84.365A	NCLB_07	54,346	9/1/06-8/31/07	1,284	(1,284)
Title V - Innovative Program	84.298A	NCLB_08	21,735	9/1/07-8/31/08		366
Title V - Innovative Program	84.298A	NCLB_07	24,217	9/1/06-8/31/07	366	(366)
Title IV - Safe and Drug Free Schools	84.186A	NCLB_08	42,672	9/1/07-8/31/08		11,899
Title IV - Safe and Drug Free Schools	84.186A	NCLB_07	42,807	9/1/06-8/31/07	11,595	(11,595)
Title IV - Safe and Drug Free Schools	84.186A	NCLB_05	50,549	9/1/04-8/31/05	304	(304)
I.D.E.A.L. Literacy	N/A	06-MU13-H03	85,963	7/1/07-6/30/08		
I.D.E.A.L. Literacy	N/A	06-MU13-H03	85,963	7/1/06-6/30/07	(11,103)	
I.D.E.A. Part B Basic Regular	84.027	FT__08	2,325,664	9/1/07-8/31/08		
I.D.E.A. Part B Basic Regular	84.027	FT__07	2,205,372	9/1/06-8/31/07	3,109	
I.D.E.A. Part B Preschool	84.173	FT__08	60,937	9/1/07-8/31/08		
I.D.E.A. Part B Preschool	84.173	FT__07	59,921	9/1/06-8/31/07	468	

<u>CASH RECEIVED</u>	<u>BUDGETARY EXPENDITURES</u>	<u>ADJUSTMENT</u>	<u>REPAYMENT OF PRIOR YEARS' BALANCES</u>	<u>BALANCE AT JUNE 30, 2008</u>		
				<u>(ACCOUNTS RECEIVABLE)</u>	<u>DEFERRED REVENUE</u>	<u>DUE TO GRANTOR</u>
\$ 102,422	\$ (102,422)	\$ -	\$ -	\$ -	\$ -	\$ -
102,422	(102,422)					
144,726	(144,726)			-		
140,250	(152,727)			(12,477)		
10,212				-		
1,356,417	(1,454,754)			(98,337)		
84,474				-		
20,924	(22,898)			(1,974)		
1,037				-		
2,798	(3,009)			(211)		
131				-		
1,760,969	(1,778,114)	-	-	(112,999)		
1,355,877	(1,038,642)				326,306	
57,211	(57,211)				-	
411,995	(412,969)				3,366	
					-	
9,187	(8,847)				981	
					-	
					-	46
54,077	(55,361)				-	
21,369	(21,735)				-	
					-	
42,672	(54,267)				-	304
					-	
78,089	(85,963)			(7,874)		
11,103					-	
2,093,098	(2,325,664)			(232,566)		
	(3,109)				-	
60,937	(60,937)				-	
	(468)				-	
					-	

CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD FROM-TO	BALANCE AT JUNE 30, 2007	CARRYOVER/ (WALKOVER) AMOUNT
<b>Special Revenue Funds (Continued)</b>						
U.S. Department of Education						
Elementary and Secondary School Counseling Demonstration Program	84.215	N/A	344,050	5/1/04-4/30/05	(9,674)	
Local Capacity Building & Improvements	84.027A	04000037	250,000	7/1/04-9/30/05	25,639	
Local Capacity Building & Improvements	84.027A	03000037	394,000	7/1/03-9/30/04	(84,988)	
21st Century CLC Program	84.287C	N/A	535,000	7/1/07-6/30/08		
21st Century CLC Program	84.287C	N/A	535,000	2/1/06-6/30/07	(39,032)	
21st Century CLC Program	84.287C	N/A	708,291	2/1/05-6/30/06	20,892	
Passed-through Bayonne Housing Authority:						
H.U.D. - Drug Elimination	NJ-39-DEP-012-03	N/A	99,127	10/1/07-9/30/08		
H.U.D. - Drug Elimination	NJ-39-DEP-012-03	N/A	102,068	10/1/06-9/30/07	(21,621)	
H.U.D. - Drug Elimination	NJ-39-DEP-012-03	N/A	190,842	10/1/05-9/30/06	(190,842)	
US Department of Justice						
Secure Our Schools	N/A	N/A	114,376	9/01/06-8/31/08	(104,596)	
<b>Total Special Revenue Funds</b>					(384,101)	-
<b>Total Federal Financial Assistance</b>					<u>\$ (479,955)</u>	<u>\$ -</u>

(a) - this amount represents cancellation of grant.

(b) - this amount represents a transfer of grant funds and a cancellation of accounts receivable.

<u>CASH RECEIVED</u>	<u>BUDGETARY EXPENDITURES</u>	<u>ADJUSTMENT</u>	<u>REPAYMENT OF PRIOR YEARS' BALANCES</u>	<u>BALANCE AT JUNE 30, 2008</u>		
				<u>(ACCOUNTS RECEIVABLE)</u>	<u>DEFERRED REVENUE</u>	<u>DUE TO GRANTOR</u>
					-	
					-	
					-	
				(9,674)		
		(54,026) (b)		(28,387)		
		54,803 (b)		(30,185)		
469,691	(524,291)			(54,600)		
39,898		22,469 (a)	(23,335)		-	
		(20,892) (c)			-	
					-	
43,838	(99,127)			(55,289)		
21,621					-	
190,842					-	
					-	
	(9,780)			(114,376)		
<u>4,961,505</u>	<u>(4,758,371)</u>	<u>2,354</u>	<u>(23,335)</u>	<u>(532,951)</u>	<u>330,653</u>	<u>350</u>
<u>\$ 6,824,896</u>	<u>\$ (6,638,907)</u>	<u>\$ 2,354</u>	<u>\$ (23,335)</u>	<u>\$ (645,950)</u>	<u>\$ 330,653</u>	<u>\$ 350</u>

CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD FROM-TO	BALANCE AT JUNE 30, 2007		
				DEFERRED REVENUE/ (ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	CARRYOVER/ (WALKOVER) AMOUNT
<b>General Funds</b>						
State Department of Education						
Core Curriculum Standards Aid	08-495-034-5120-022	\$ 16,791,432	7/1/07-6/30/08	\$ -	\$ -	\$ -
Supplemental Core Curriculum Standards Aid	08-495-034-5120-023	2,371,878	7/1/07-6/30/08			
Transportation Aid	08-495-034-5120-014	303,986	7/1/07-6/30/08			
Consolidated Aid	08-495-034-5120-057	669,135	7/1/07-6/30/08			
Special Education Aid	08-495-034-5120-011	5,595,255	7/1/07-6/30/08			
Bilingual Aid	08-495-034-5120-008	468,724	7/1/07-6/30/08			
Stabilization Aid	08-495-034-5120-030	124,058	7/1/07-6/30/08			
Adult and Postsecondary Education Grants	08-495-034-5120-039	386,589	7/1/07-6/30/08			
Additional Formula Aid	08-495-034-5120-058	2,017,747	7/1/07-6/30/08			
Abbott-Bordered District Aid	08-495-034-5120-067	6,135,873	7/1/07-6/30/08			
Full Day Kindergarten Supplemental Aid	08-495-034-5120-074	650,125	7/1/07-6/30/08			
Targeted At-Risk Aid	08-495-034-5120-005	2,087,000	7/1/07-6/30/08			
Extraordinary Aid	08-495-034-5120-044	104,887	7/1/07-6/30/08			
Extraordinary Aid	07-495-034-5120-044	62,941	7/1/06-6/30/07	(62,941)		
Teacher Quality Mentoring	08-495-034-5120-052	14,017	7/1/07-6/30/08			
Home Instruction	08-100-034-5120-067	14,308	7/1/07-6/30/08			
T.P.A.F. Social Security	08-100-034-5095-002	4,422,604	7/1/07-6/30/08			
T.P.A.F. Social Security	07-495-034-5095-002	3,895,836	7/1/06-6/30/07	(199,959)		
On Behalf T.P.A.F. Pension Contributions	08-100-034-5095-116	7,107,387	7/1/07-6/30/08			
<b>Total General Funds</b>				<b>(262,900)</b>		
NJ Nonpublic Aid:						
Textbook Aid	08-100-034-5120-064	94,452	7/1/07-6/30/08			
Textbook Aid	07-100-034-5120-064	95,771	7/1/06-6/30/07		166	
Chapter 192 Auxiliary Services:						
Compensatory Education	08-100-034-5120-067	348,366	7/1/07-6/30/08			
Chapter 193 Handicapped Services:						
Examination and Classification	08-100-034-5120-066	70,511	7/1/07-6/30/08			
Examination and Classification	07-100-034-5120-066	62,765	7/1/06-6/30/07		203	
Corrective Speech	08-100-034-5120-066	6,510	7/1/07-6/30/08			
Supplemental Instruction	08-100-034-5120-066	41,465	7/1/07-6/30/08			
Nursing Services	08-100-034-5120-070	130,468	7/1/07-6/30/08			
Technology Initiative Aid		67,600	7/1/07-6/30/08			
Technology Initiative Aid		68,640	7/1/06-6/30/07		4,894	
School Based Youth Services	SB07016	269,237	7/1/07-6/30/08			
Early Childhood Program	08-495-034-5120-025	3,999,872	7/1/07-6/30/08			
Demonstrably Effective Program	08-495-034-5064-002	2,573,282	7/1/07-6/30/08			
Targeted-At-Risk-Aid	08-495-034-5120-005	2,087,000	7/1/07-6/30/08			
Governor's Initiative: Enhancing and Expanding						
In-District Options for Students with Disabilities	07-100-034-5065-091-H070	225,000	7/1/07-6/30/08			
Acess - Collaboration - Equity Plus	4000269	100,000	8/1/04-7/31/05	343		
Best Practice - Governor's Award	N/A	25,000	7/1/05-6/30/06	15		
Hurricane Education Recovery Act	N/A	8,574	10/1/05-6/30/05	(2,735)		
Pass Through City of Bayonne:						
Community Partnership Program	DE-16-3-97	93,779	5/05/01-5/4/02	(93,779)		
Municipal Alliance	2000-475-995120-60	68,555	1/1/08-12/31/08			
Municipal Alliance	2000-475-995120-60	59,555	1/1/07-12/31/07	(46,489)		
Municipal Alliance	2000-475-995120-60	59,555	1/1/05-12/31/05	(59,555)		
Municipal Alliance	2000-475-995120-60	50,500	1/1/03-12/31/03	4,999		
Pass Through Hudson County School of Technology:						
Bayonne Youth Farmstand	N/A	26,450	7/1/07-6/30/08			
Bayonne Youth Farmstand	N/A	36,950	7/1/06-8/31/07	347		
Bayonne Youth Farmstand	N/A	25,500	7/1/06-8/31/06	(11,500)		
Bayonne Youth Farmstand	N/A	25,000	7/6/02-8/14/03	(25,000)		

EXHIBIT K-4

SCHEDULE B

CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2008			MEMO	
			(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
\$ 16,791,432	\$ (16,791,432)	\$ -	\$ -	\$ -	\$ -	\$ 823,039	\$ 16,791,432
2,371,878	(2,371,878)					116,558	2,371,878
303,986	(303,986)					14,938	303,986
669,135	(669,135)					32,882	669,135
5,595,255	(5,595,255)					274,960	5,595,255
468,724	(468,724)					23,034	468,724
124,058	(124,058)					6,096	124,058
386,589	(386,589)					19,329	386,589
2,017,747	(2,017,747)					99,155	2,017,747
6,135,873	(6,135,873)					301,527	6,135,873
650,125	(650,125)					31,948	650,125
	(2,087,000)	2,087,000 (b)				104,350	2,087,000
	(104,887)		(104,887)			104,887	104,887
62,941							62,941
14,017	(14,017)						14,017
14,308	(14,308)						14,308
4,013,514	(4,422,604)		(409,090)			409,090	4,422,604
199,959							3,895,836
7,107,387	(7,107,387)						7,107,387
46,926,928	(49,265,005)	2,087,000	(513,977)			2,361,793	53,223,782
94,452	(94,053)	(166)			399		94,053
							95,605
348,366	(348,366)						348,366
70,511	(69,514)	(203)			997		69,514
6,510	(6,510)						62,562
41,465	(41,465)						6,510
130,468	(130,468)						41,465
67,600	(58,201)	(4,894)			9,399		130,468
							58,201
269,237	(269,237)						63,746
3,999,872	(3,999,872)					199,994	269,237
2,573,282	(2,573,282)					128,664	3,999,872
2,087,000		(2,087,000) (b)					2,573,282
197,792	(225,000)		(27,208)				225,000
	(343)						100,000
	(15)						25,000
			(2,735)				8,574
			(93,779)				93,779
	(65,304)		(65,304)				65,304
	(13,066)		(59,555)				59,555
			(59,555)				59,555
				4,999			45,501
26,450	(21,750)			4,700			21,750
	(347)						36,950
			(11,500)				25,500
			(25,000)				25,000

CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD FROM-TO	BALANCE AT JUNE 30, 2007		CARRYOVER/ (WALKOVER) AMOUNT
				DEFERRED REVENUE/ (ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	
<b>Special Revenue Fund (Continued):</b>						
Pass Through Board of Directors:						
Adopt-A-School Grant	N/A	177,849	7/1/07-6/30/08			110,881
Adopt-A-School Grant	N/A	110,881	7/1/06-6/30/07	110,881		(110,881)
<b>Total Special Revenue Fund</b>				<u>(122,473)</u>	<u>5,263</u>	
<b>Capital Projects Fund:</b>						
Pass Through New Jersey SCC:						
Improvements to John M. Bailey No. 12 ES	0220-040-04-00IK	368,190	6/24/04 - Completion			
Improvements to John M. Bailey No. 12 ES	0220-040-97-0328	638,222	7/21/01 - Completion			
Improvements to Henry Harris No. 1 ES	0220-050-04-00IL	710,281	6/24/04 - Completion			
Improvements to Henry Harris No. 1 ES	0220-050-97-0375	712,080	7/21/01 - Completion			
Improvements to Horace Mann No. 6 ES	0220-060-04-00IM	212,742	6/24/04 - Completion			
Improvements to Washington No. 9 ES	0220-120-04-00IR	926,794	6/24/04 - Completion			
Improvements to Washington No. 9 ES	0220-120-97-0373	1,236,480	7/21/01 - Completion			
Rehab of Existing Facility - Wilson No. 10 ES	0220-130-04-0AEZ	3,020,321	6/24/04 - Completion			
Improvements to Phillip G. Vroom No. 2 ES	0220-090-04-00IQ	106,500	6/24/04 - Completion			
Improvements to Midtown Community ES	0220-085-04-00IP	882,042	6/24/04 - Completion			
Improvements to Mary J. Donohue No. 4 ES	0220-080-04-00IO	250,680	6/24/04 - Completion			
Improvements to Mary J. Donohue No. 4 ES	0220-080-97-0327	840,972	7/21/01 - Completion			
Improvements to Lincoln No. 5 ES	0220-070-04-00IN	274,687	6/24/04 - Completion			
Improvements to Bayonne High School	0220-020-04-00IJ	4,683,194	6/24/04 - Completion			
New School #14	0220-X02-04-0AFA	4,004,000	6/24/04 - Completion			
Rehab of Existing Facility - Robinson No. 3 ES	0220-030-04-0AEY	3,514,098	6/24/04 - Completion			
<b>Total Capital Projects Fund</b>						
<b>Debt Service Fund:</b>						
Debt Service Aid - Type I	08-495-034-5120-125	864,484	7/1/07-6/30/08			
<b>Enterprise Fund:</b>						
National School Lunch Program (State Share)	07-100-010-3360-067	65,206	7/1/07-6/30/08			
National School Lunch Program (State Share)	06-100-010-3360-067	63,919	7/1/06-6/30/07	(3,892)		
State School Breakfast Program	07-100-010-3360-096	10,246	7/1/07-6/30/08			
State School Breakfast Program	06-100-010-3360-096	9,454	7/1/06-6/30/07	(705)		
<b>Total Enterprise Fund</b>				<u>(4,597)</u>		
<b>Total State Financial Assistance</b>				<u>\$ (389,970)</u>	<u>\$ 5,263</u>	<u>\$ -</u>

\* - Information not available.

(a) - this amount represents a prior year encumbrance cancelled and prior year cash receipt not posted.

(b) - this amount represents TARA Aid transferred to General Fund

EXHIBIT K-4

SCHEDULE B

CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2008			MEMO	
			(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
						*	
						*	
177,849	(207,632)	5,969 (a)		87,067		*	207,632
						*	
<u>10,090,854</u>	<u>(8,124,425)</u>	<u>(2,086,294)</u>	<u>(344,636)</u>	<u>96,766</u>	<u>10,795</u>	<u>328,658</u>	<u>8,811,981</u>
						*	
						*	
36,819	(36,819)					*	39,616
						*	9,082
						*	
21,274	(21,274)					*	21,583
						*	15,722
						*	
10,650	(10,650)					*	10,926
						*	5,408
25,068	(25,068)					*	27,207
						*	
27,469	(27,469)					*	65
						*	23,416
						*	
						*	
<u>121,280</u>	<u>(121,280)</u>						<u>153,025</u>
						*	
						*	
864,484	(864,484)					*	864,484
						*	
60,794	(65,206)		(4,412)			*	(3,892)
3,892						*	63,919
9,421	(10,246)		(825)			*	(706)
705						*	9,454
<u>74,812</u>	<u>(75,452)</u>		<u>(5,237)</u>			<u>(4,598)</u>	<u>142,148</u>
						*	
<u>\$ 58,078,358</u>	<u>\$ (58,450,646)</u>	<u>\$ 706</u>	<u>\$ (863,850)</u>	<u>\$ 96,766</u>	<u>\$ 10,795</u>	<u>\$ 2,685,853</u>	<u>\$ 63,195,420</u>

The accompanying Notes to the Schedules of Awards and Financial Assistance are an integral part of this schedule.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE (K-5)**  
**YEAR ENDED JUNE 30, 2008**

**NOTE 1 - GENERAL**

The accompanying schedules of expenditures of awards present the activity of all federal awards and state financial assistance including federal and state award activity of the Board of Education of the City of Bayonne School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as, federal awards and state financial assistance passed through other government agencies are included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

**NOTE 2 - BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Awards and Financial Assistance are presented on 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 bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (Required Supplementary Information) 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.

A general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which mandated pursuant to P.L. 2003, c.97.(A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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, whereas the GAAP basis does not.

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE (K-5)  
YEAR ENDED JUNE 30, 2008**

**NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(179,894) for the general fund and \$267,424 for the special revenue fund. See Note 1 (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 basic financial statements on a GAAP basis as follows:

	<b>Federal</b>	<b>State/Local</b>	<b>Total</b>
General Fund	\$102,421	\$49,085,111	\$49,187,532
Special Revenue Fund	5,011,804	8,138,416	13,150,220
Food Service Fund	1,778,114	75,452	1,853,566
 Total Awards and Financial Assistance	 \$6,892,339	 \$57,298,979	 \$64,191,318

**NOTE 4 - RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5 - OTHER**

Revenues and expenditures reported on the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2008. TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of Social Security Contributions for TPAF members for the year ended June 30, 2008.

**CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (K-6)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Section I - Summary of Auditors' Results**

**Financial Statement Section**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- 1) Material weakness(es) identified?      yes   X   no
- 2) Significant deficiencies identified that are not considered to be material weaknesses?      yes   X   none

Noncompliance material to basic financial statements noted?      yes   X   no

**Federal Awards Section**

Internal control over major programs:

- 1) Material weakness(es) identified?      yes   X   no
- 2) Significant deficiencies identified that are not considered to be material weaknesses?      yes   X   none

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?      yes   X   no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.555	National School Lunch Program
93.778	Medicaid Assistance Program
84.281	No Child Left Behind - Title II-Part A

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?   X   yes      no

**CITY OF BAYONNE SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (K-6 Continued)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Section I - Summary of Auditors' Results (Continued)**

**State Awards Section**

Dollar threshold used to distinguish between  
 type A and type B programs:

\$1,540,298

Auditee qualified as low-risk auditee?

yes       no

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

Unqualified

Internal control over major programs:

1) Material weakness(es) identified?

yes       no

2) Significant deficiencies identified that are  
 not considered to be material weaknesses?

yes       none reported

Any audit findings disclosed that are required  
 to be reported in accordance with NJOMB  
 Circular 04-04?

yes       no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>08-495-034-5120-058</u>	<u>Additional Formula Aid</u>
<u>08-495-034-5120-005</u>	<u>Targeted At-Risk Aid</u>
<u>08-495-034-5120-008</u>	<u>Bilingual Aid</u>
<u>08-495-034-5120-074</u>	<u>Full Day Kindergarten Supplemental Aid</u>
<u>08-495-034-5120-067</u>	<u>Abbott Bordered District Aid</u>
<u>07-100-034-5065-091-H070</u>	<u>Governor's Initiative Grant</u>
<u>08-495-034-5120-025</u>	<u>Early Childhood Program</u>
<u>08-495-034-5064-002</u>	<u>Demonstrably Effective Program</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (K-6 Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

*Section II - Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the general-purpose financial statements that are required to be reported in accordance with Chapter 5.18 through 5.20 of Government Auditing Standards.

**NONE**

**CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (K-6 Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

*Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs*

This section identifies audit findings required to be reported by Section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04.

**NONE**

**CITY OF BAYONNE SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (K-7)  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

This section identifies the status of prior-year audit 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. OMB Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 04-04.

**STATUS OF PRIOR YEAR FINDINGS**

There were no audit findings for the fiscal year ended June 30, 2007 that we are required to report on.