

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

**Board of Education
of the
City of Bayonne School District**

Bayonne, New Jersey

For the Fiscal Year Ended June 30, 2012

CITY OF BAYONNE SCHOOL DISTRICT

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INTRODUCTORY SECTION



BAYONNE BOARD OF EDUCATION
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Letter of Transmittal

December 14, 2012

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

Dear Board Members:

The comprehensive annual financial report of the Bayonne School District for the fiscal year ended June 30, 2012, 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 School District. 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 and account groups 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 District's organizational chart of principal officials and consultants, independent auditors and advisors. We have included in the transmittal letter a financial ratio and statistical overview of the entity based on entity-wide financial reporting. The financial section includes under the new Governmental Accounting Standard Board Statement No. 34, the Report of Independent Auditors, the Management Discussion and Analysis, the basic financial statements, required supplementary information, and the combining and individual fund financial statements. 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 and Local Governments", and the State OMB Treasury Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1.) REPORTING ENTITY AND ITS SERVICES: Bayonne School District is a Type I District and an independent reporting entity within the criteria adopted by the GASB Statement No. 14. All funds and account groups of the District are included in this report. The Bayonne School District and all its schools constitute the District's reporting entity. The reporting entity is a component of the City of Bayonne.

The District provides a full range of educational services appropriate to grade levels Pre-K through twelve. These include regular, vocational programs as well as special education for handicapped youngsters. The District completed the 2011 - 2012 fiscal year with an average daily enrollment of 8,773 students which is 20 more than the previous year's enrollment.

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

Average Daily Enrollment		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-2012	8,773	0.23%
2010-2011	8,753	-3.76%
2009-2010	9,095	1.20%
2008-2009	8,987	0.02%
2007-2008	8,985	1.63%

2.) ECONOMIC CONDITION AND OUTLOOK: Student population continues to grow. Over ten years ago the District's pupil enrollment was under 7,700. 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 9,602 pupils, plus 28 out of district.

Class size average is a very respectable 24.

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 21st Century, this coming school year will see the following initiatives which are designed to make lasting improvements in our overall instructional program:

1. Continued oversight of the multi-year Understanding by Design project in which a rigorous and consistent curriculum is being developed to meet the new Core Content State Standards. This is a popular tool for educational planning focused on teaching and understanding. A coherent and cohesive continuum of instruction will be created and smoother transitions between all grade levels will be established.
2. Incorporate rigorous, relevant, and job embedded professional development to support the core curriculum and to share practices within and across schools.
3. Use of data in the decision making process to close the achievement gap in literacy and mathematics with the raised benchmarks of No Child Left Behind subgroups: students with disabilities, English Language Learners, 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. State and local assessments, student achievement gaps, dropout and attendance data are analyzed to improve student performance.
4. The District has adopted the Math in Focus series for Kindergarten through Grade 5 to correlate to the Common Core Standards. Specifically, the Math Common Core State Standards are intended to measure students' abilities to: (1) make sense of problems and persevere in solving them, (2) reason abstractly and quantitatively, (3) construct viable arguments and critique the reasoning of others, (4) model with mathematics, (5) use appropriate tools strategically. (6) attend to precision, (7) look for and make use of structure, and (8) look for and express regularity in repeated reasoning.
5. The district adopted the Holt McDougal Mathematics series for Grade 6, Grade 7 and Grade 8 to transition the students into the Common Core State Standards and prepare students for high school and college and career mathematics. The hallmark of Common Core State Standards for Mathematics is the specification of the content that all students must study in order to be college and career ready. The adoption of the Holt McDougal Series for grade 6,7, and 8 has a strategic, articulated sequence of topics to be developed in depth to allow true mastery.
6. The district initiative is to provide highly proficient grade 8 math students Algebra 1 during zero period at Bayonne High School. The grade 8 Algebra 1 classes are taught by certified High School Math teachers.
7. The district offers Credit Recovery Classes during the summer to provide at risk students additional instruction during the summer to recover credits. This initiative provides Bayonne High School students with additional support that extend beyond the regular school hours.

8. The district provided a Summer Math Boost Program for at risk incoming ninth graders taught by certified High School math teachers. This program provided additional math supports in the area of number sense that extends beyond the school year. The Summer Boost Program is in response to intervention practices. This is a proactive approach to prepare students for mathematical success in High School that will enable them for future college and career readiness.
9. Parents are engaged on a meaningful level by offering a variety of parent workshops at convenient times at all eleven elementary schools
10. To meet the standards of the Common Core Curriculum a new interactive science series has been purchased for Grades 1-6. In service training for staff implementation is scheduled for January, 2013.
11. In June of 2012, 40 iPads with keyboards were distributed to all district administrative staff. Airport Extreme Base stations were also installed in each administrative office to provide wireless Internet access points in each building. The district purchased licensing with Teachscape and the Danielson Group and began implementation of the NJDOE's mandated teacher evaluation reform program.
12. Special Services distributed 230 iPads to support learning for students with special needs in 4 elementary schools (Bailey, Vroom, Washington and Woodrow Wilson). Special Services also distributed twenty 13" 2011 Macbook Pro laptops for inclusion staff and special service staff district wide.
13. The ESL program funded the purchasing of 3 iPads for student instruction in Washington Community School, one iPad in Lincoln Community School and one iPad in Robinson School. In addition, 40 2012 Apple Macbook Pro 13" computers were purchased for Robinson School.
14. The district began a server migration project in November 2012 to migrate 11 elementary servers to a virtual server solution. This process required the change of our account structure for elementary faculty, students, and staff and is a necessary step in reducing hardware and maximizing network efficiency throughout the district.
15. To continue the district's plan to reduce hardware, decrease our carbon footprint and maximize efficiency, six managed print service stations were implemented to replace stand-alone printers in Washington Community School. The pilot has proven to be a success so we plan to install managed print service stations in 3 more elementary schools this year. The district also installed one Savin networked copier per main office as well as one Savin copier per CST office in each elementary school to increase efficiency.
16. During October 2012, the district transferred services from Smart Reporter to Macafee Web reporter. This product provides us with specific actionable data to help us monitor Internet use among staff and students and ensure that all network users are in compliance with board policy and regulations for Internet use.

17. During the Fall of 2012, the district systematically updated all high school PC computers to ensure that each had the latest virus protection software installed. The district also began to pilot iPrism a single-interface configuration to support Proxy traffic and web filtering to replace the district's current use of Smartfilter.
18. The district renewed licenses for Read 180 in Bayonne High School, Washington Community School and Midtown Community School. Read 180 is a web based reading intervention program and comprehensive curricula resource used by teachers to enhance instruction, assessment, and professional development and raise reading achievement for struggling readers in grades 4-12.
19. The district also renewed a license for Learn 360. Currently all staff and teachers have access to this interactive media service, that provides on demand streaming video, audio and support materials for K-12 education. Learn 360 supports web-based learning by providing an online collaborative environment where users can share information and ideas 24 hours a day, 7 days a week.
20. Finally, the district also renewed Go To Meeting licensing to assist in the delivery of professional development and staff based meetings. This service helps the district provide distance learning opportunities through a collaborative online meeting space beyond the traditional school day. It helps us reduce the use of district resources and enhance communication among staff.
21. Continued maintenance of the Collins Education Associates intensive writing initiative. 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.
22. Expansion of our Book Buddy literacy program in grades Kindergarten through 8 by purchasing chapter reading books with structured teachers' lesson plans to support literal and interpretive comprehension for our students. Integration of math and literacy is also an initiative.
23. Continued implementation of the state of the art Scott Foresman reading series for students in Kindergarten through Grade 6.
24. Continued implementation of the research-based Read 180 program for select Grade 9 ELA students. The goal of this program is to boost the literacy skills of students who have falled below State-mandated testing targets.
25. Piloting and evaluation of Common Core aligned materials for the K-12 ELA classrooms from publishers such as the American Reading Company, Pearson, Holt McDougal.

26. Continued implementation of the Teachers' Curriculum Institute, History Alive Program in Social Studies classes Grades 4-8 & 10-11.
27. Continued maintenance of the award-winning *We the People* Civic Education Program for Social Studies classes in Grade 10. This program, of which Bayonne is one of the few districts in the State which requires all students to participate, promote civic engagement, critical thinking and knowledge of US history and government. This program promotes the following skills: literacy, critical thinking and public speaking.
28. Continued implementation and refinement of the nationally recognized *National History Day* Program for Social Studies classes in Grades 7-8 & 11. This program, of which Bayonne is one of the few districts in the State which requires all students to participate, promotes the following skills: literacy, critical thinking and public speaking.
29. Special emphasis on the coordination of regular education and special education includes math and reading coaches working directly with the special education staff as a follow-up to in-service workshops.
30. Reading and math coaches will be provided through the grants.
31. Special Education inclusion is expanded district wide.
32. Ten 21st Century classrooms will be designed for one teacher in Social Studies, English and Math in Bayonne High School. The classrooms will be equipped with technology, computers, Smartboards, appropriate furniture, and integrated software.
33. For the first time since 1937, a new Science lab with technology components is in place at Bayonne High School along with the upgrade of several other labs to meet new Biology state requirements.
34. Benchmark testing will continue to assess student needs early in the school year. This information will enable staff to plan differentiated instruction strategies to meet the growth needs of all students and target the deficiencies of the at-risk students.

Along with the NJ ASK 3-8, our students in grades 3 and 7 are given the Test of Cognitive Skills. It is a highly regarded cognitive abilities test that reliably measures skills and abilities that are important for academic success. It features scores for three critical cognitive factors: verbal, nonverbal and memory.

In Grade 2, we administer the S-Test. It is aligned to the Common Core State Standards. It follows a rigorous process of assessment, development, field testing and post exam evaluation. By examining achievement data, our district focuses on research based strategies to improve students' academic achievement.

35. The Bayonne High School Drama Society Junior program was implemented in September 2012, in order to provide increased opportunities for students in grades two through eight to participate in extracurricular activities in the performing arts. As a supplement to the school day curriculum, the BHS Drama, Jr. program is in line with the New Jersey standards for music, theater and dance. BHS Drama, Jr. will produce one fully staged production each year in the Bayonne High School Alexander X. O'Connor Auditorium, and provide additional workshops and performance opportunities to elementary school students throughout the year. The first BHS Drama Jr. production will feature nearly seventy students.
36. Bayonne Public Schools Art Department values Visual Art as a vital part of our contemporary society. The exploration of media is supported while teaching traditional techniques and progressive creative thinking. With over 15 offerings including AP Studio Art class, the Art Department at Bayonne High School is the place to learn skills and express oneself!
37. The Bayonne Public Schools Music Department focuses on student achievement in music. Our goal is to help students understand music concepts and performance skills so they can succeed in their schools and throughout the state in activities such as all state ensembles and state music festivals. The department is also committed to giving college bound music students the skills they need to succeed post high school. This is accomplished by having high quality music ensembles, (both large and chamber groups) musicals, cabaret performances and an AP Music Theory Course. Finally, the music department serves the non-traditional music students as well, by giving them opportunities to be involved in courses such as music technology, beginning music theory, Piano Lab I, Piano Lab II, Choir I and Choir II, as well as numerous after school activities. This year BHS Music has added Guitar I, Guitar II, Percussion Ensemble, Indoor and Outdoor Drum line ensembles, Indoor Color Guard, and Electronic Music.
38. Dance has been recognized as one of the four fine arts. Dance education enables students to discover their own innate capacity for the communication of ideas, thoughts, and feelings through the medium of dance. Bayonne High School Fine and Performing Arts offers 3 Sections of Dance – Ballet I, Ballet II, Intro to Dance, and Musical Theater. In addition, the BHS Dance Company has 62 members and has formed Wednesday and Friday extracurricular Dance Companies.
39. The Fine and Performing Arts Academy at Bayonne High School was implemented in September 2009 for students with a passion for the arts and a strong inclination to pursue the arts as a possible career choice. The Fine and Performing Arts Academy is currently comprised of nearly 60 students in grades 9 through 12. Fine and Performing Arts Academy students follow personalized student learning plans and develop student portfolios throughout their high school careers, while completing state mandated graduation requirements as well as focusing on a specific arts major. Tracks include the visual arts, performing arts, media communication and creative writing. Admission is based on multiple criteria and limited to a select group. All district 8th grade students attend a presentation outlining the academy and application process.

40. The Danielson Model is being utilized to conduct the new mandated teacher evaluation process. Training has taken place for all administrators and teachers to assure effective implementation.
41. The completion of another life skills project called the Lincoln School Tagliareni Room, has been created for our special needs students to learn basic needs and be exposed to cooking, washing clothes and maintenance of kitchen area. In district, social and life skills are taught in Woodrow Wilson, Lincoln, Washington and Bayonne High Schools all with state of the arts kitchen sites.
42. The Breakfast in the Classrooms Program at Washington, Robinson, Lincoln and Vroom Schools has provided a nutritional start to the day for many eligible students receiving free and reduced benefits.
43. Grade Book, already implemented in all elementary schools, was implemented in Bayonne High School. Teachers will grade and complete lesson plans electronically. This will enable staff to have access and analyze assessment data efficiently and effectively.
44. There is continued revision of web-enabled curriculum aligned to the New Jersey Core Curriculum Content Standards and the Common Core State Standards.
45. The District developed a District Advisory Committee to encourage stakeholder engagement throughout the implementation of a new evaluation system for teachers and administrators.
46. The District provides job-embedded staff development through the use of academic support coaches, peer coaching, in-services workshops, and professional learning communities.
47. Communication channels were increased through the use of WIKI'S in all departments.
48. A Cadre of Lead Teachers was developed to turnkey for staff on staff in-service days as well as faculty and staff meetings.
49. The District increased the capacity of its general education program to assist students who exhibit learning and behavior problems prior to referral for Child Study Team evaluations by restructuring the I&RS Teams and providing interventions and strategies to promote student success.

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

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

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

5.) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimate of the City of Bayonne. In addition, the School District certifies on a monthly basis that major accounts/funds balances have not been over-expended and that sufficient funds are available to meet the District's financial obligations for the remainder of the fiscal year.

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-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2012.

6.) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the 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.) RELEVANT FINANCIAL POLICIES

The District's strives to maintain a general fund unassigned fund balance to be used for unanticipated emergencies. The fund balance is used to avoid cash flow interruptions, generate interest income, and reduce the need for short-term borrowing.

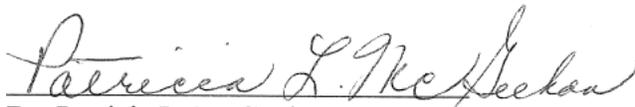
9.) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10.) OTHER INFORMATION:

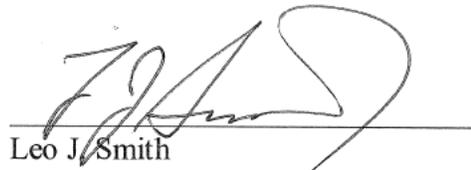
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of DONOHUE, GIRONDA & DORIA, *Certified Public Accountants* was selected by the Board to perform the audit. In addition to meeting the requirements 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 auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11.) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Bayonne School District 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. Also, acknowledge the school administrative team and central office administrators for practicing acting in a fiscally sound and conservative manner. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



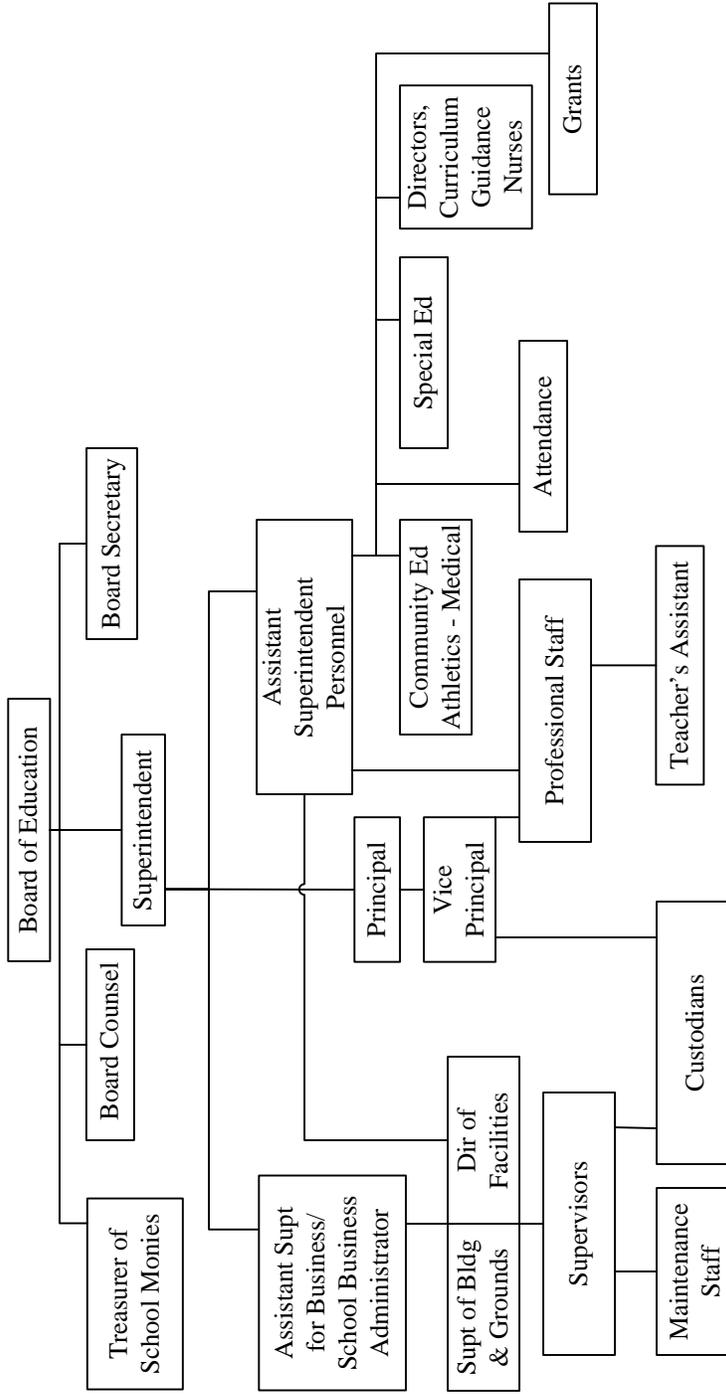
Dr. Patricia L. McGeehan
Superintendent



Leo J. Smith
School Business Administrator

CITY OF BAYONNE SCHOOL DISTRICT

ORGANIZATIONAL CHART



POLICY Administration 1110

Adopted: 28 July 1997

Revised: 26 November 2001

Revised: 30 October 2008

Revised: 25 July 2012

**CITY OF BAYONNE SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2012**

Members of the Board of Education

Term Expires

William Lawson, President	May 2013
Ava Mitchell, Vice President	May 2013
Agnes I. Rymer, Esq.	May 2013
Jose Casais	May 2014
Nina Dobkin (<i>resigned April 2012</i>)	May 2014
Abett Hernandez (<i>replaced above May 2012</i>)	May 2014
Vincent A. Virga	May 2014
Iris Delgado (<i>resigned April 2012</i>)	May 2012
Daniel Bonner (<i>replaced above May 2012</i>)	May 2015
Michael Masone, Esq.	May 2015
Patrick F. O'Donnell	May 2015

Other Officials

Patricia L. McGeehan, Ed.D., Superintendent of Schools
Ellen M. O'Connor, Ed.D., Assistant Superintendent of Schools (*retired July 2011*)
Robert C. Craig, Assistant Superintendent of Schools
Leo J. Smith, Jr., Assistant Superintendent for Business/School Business Administrator
Gary R. Maita, D.M.D., School Board Secretary
Janet Convery, Treasurer of School Monies

**CITY OF BAYONNE SCHOOL DISTRICT
Consultants, Independent Auditors and Advisors**

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Hasbrouck Heights, New Jersey

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Bayonne, New Jersey 07002

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Liberty Corner, New Jersey 07938

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Environmental Engineer/Consultants

Birdsall Services Group
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Eatontown, New Jersey 07724

T. Slack Environmental
180 Market Street
Kenilworth, New Jersey 07033

Remington Vernick & Arango Engineers, Inc.
79 Grove Street
Haddonfield, New Jersey 08033

Official Depositories

BCB Community Bank
591-595 Avenue C
Bayonne, New Jersey 07002

The Provident Bank
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FINANCIAL SECTION

DONOHUE, GIRONDA & DORIA

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INDEPENDENT AUDITOR'S 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 City of Bayonne School District (the "District"), in the County of Hudson, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District'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, and 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 and Regulatory Compliance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic 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 the 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 opinions.

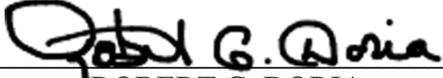
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows 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 December 14, 2012, on our consideration of the District'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 the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Budgetary Comparison Information on pages 16 through 26 and pages 71 through 88, are not a required part of the basic financial statements but are supplementary information required by 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 opinions on the financial statements that collectively comprise the District'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 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 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. The combining and individual fund financial statements, long-term debt schedules, and schedules of expenditures of federal awards and state financial assistance 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.


DONOHUE, GIRONDA & DORIA
Certified Public Accountants


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

Bayonne, New Jersey
December 14, 2012

REQUIRED SUPPLEMENTARY INFORMATION

PART I

**CITY OF BAYONNE SCHOOL DISTRICT
HUDSON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

The discussion and analysis of the City Bayonne School District's financial performance provides an overall review of the City Bayonne School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the City 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 City of Bayonne School District's financial performance.

Financial Highlights

Key financial highlights for fiscal years 2012 and 2011 are as follows, respectively:

- In total, net assets are \$90,328,906 and \$91,037,882. Net assets of governmental activities are \$88,895,452 and \$89,823,019. Net assets of the business-type activity, which represents food service, are \$1,433,454 and \$1,214,863. This reflects a change in net assets in the amount of (\$708,976) and (\$3,436,602).
- Governmental activities revenues accounted for \$130,899,171 and \$128,838,396 while the local tax contribution to General Revenues continues to remain stable at \$57,086,193, state and federal revenue has increased. Operating Grants and Contributions are \$69,840,019 and \$59,327,766 and Federal and State Aid not restricted are \$1,917,569 and \$8,437,989.
- The City of Bayonne School District continues to experience stability in student enrollment. Average Daily enrollment for the year ending June 30, 2012 and 2011 were 8,773 and 8,753, respectively, which reflects increases of 0.23% and 2.06% from the previous years, respectively. The City of Bayonne School District enrollment has increased by 511 in the last 10 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 City of 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 City of Bayonne School District, presenting both an aggregate view of the City of Bayonne School District's 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 City of Bayonne School District's most significant funds with all other non-major funds presented in total in a single column. For the City of Bayonne School District, the General Fund is the most significant fund.

**CITY OF BAYONNE SCHOOL DISTRICT
HUDSON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

Reporting the City of 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 City of Bayonne School District to provide programs and activities, the view of the City of Bayonne School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2012?" The statement of net assets and the statement of activities answer's 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 City of 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 City of Bayonne School District has improved or diminished for the City of 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 City of 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 City of Bayonne School District is divided into two distinct kinds of activities:

Governmental Activities - Most of the City of 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 services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the City of Bayonne School District's Most Significant Funds

Fund Financial Statements

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

**CITY OF BAYONNE SCHOOL DISTRICT
HUDSON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

Governmental Funds

Most of the City of 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 City of 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 and 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 City of Bayonne School District as a Whole

The perspective of the statement of net assets is of the City of Bayonne School District as a whole. Table 1 provides a summary of the City of Bayonne School District's net assets for the fiscal years 2012 and 2011, respectively.

Total assets equal \$105,670,568 and \$114,075,059. Total assets for Governmental Activities are \$104,487,414 and \$112,806,141. Total assets for Business Type Activities are \$1,183,154 and \$1,268,918. Total liabilities decreased mostly because of \$7,406,939 paid off in loans payable.

**CITY OF BAYONNE SCHOOL DISTRICT
HUDSON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

**Table 1
Net Assets**

	Governmental Activities		Business Type Activity		Total	
	2012	2011	2012	2011	2012	2011
Assets						
Current and Other Assets	\$ 25,062,969	\$ 28,906,890	\$ 653,723	\$ 832,510	\$ 25,716,692	\$ 29,739,400
Capital Assets, Net	79,424,445	83,899,251	529,431	436,408	79,953,876	84,335,659
Total Assets	<u>\$ 104,487,414</u>	<u>\$ 112,806,141</u>	<u>\$ 1,183,154</u>	<u>\$ 1,268,918</u>	<u>\$ 105,670,568</u>	<u>\$ 114,075,059</u>
Liabilities and Net Assets						
Liabilities:						
Current and Other						
Liabilities	\$ 13,476,782	\$ 20,628,304	\$ (250,300)	\$ 54,055	\$ 13,226,482	\$ 20,682,359
Long-Term Liabilities	2,115,180	2,354,818	-	-	2,115,180	2,354,818
Total Liabilities	<u>15,591,962</u>	<u>22,983,122</u>	<u>(250,300)</u>	<u>54,055</u>	<u>15,341,662</u>	<u>23,037,177</u>
Net Assets:						
Invested in Capital Assets						
Net of Related Debt	78,869,802	83,095,750	529,431	436,408	79,399,233	83,532,158
Restricted	7,945,377	9,646,210	-	-	7,945,377	9,646,210
Unrestricted	2,080,273	(2,918,941)	904,023	778,455	2,984,296	(2,140,486)
Total Net Assets	<u>88,895,452</u>	<u>89,823,019</u>	<u>1,433,454</u>	<u>1,214,863</u>	<u>90,328,906</u>	<u>91,037,882</u>
Total Liabilities and Net Assets	<u>\$ 104,487,414</u>	<u>\$ 112,806,141</u>	<u>\$ 1,183,154</u>	<u>\$ 1,268,918</u>	<u>\$ 105,670,568</u>	<u>\$ 114,075,059</u>

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

An additional portion of the District's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the District's ongoing obligations to students, employees, and creditors. The unrestricted net assets include the amount of long-term obligations that are not invested in capital assets, such as compensated absences.

At the end of the current fiscal year, the District is able to report a positive balance in total net assets. The same situation held true for the prior fiscal year.

**CITY OF BAYONNE SCHOOL DISTRICT
HUDSON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

Table 2 reflects the change in net assets for fiscal years 2012 and 2011, respectively.

	Table 2					
	Net Assets					
	Governmental Activities		Business Type Activity		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for Services	\$ 63,644	\$ 123,024	\$ 953,627	\$ 990,125	\$ 1,017,271	\$ 1,113,149
Operating Grants	69,840,019	59,327,766	2,675,390	2,337,451	72,515,409	61,665,217
Total Program Revenues	<u>69,903,663</u>	<u>59,450,790</u>	<u>3,629,017</u>	<u>3,327,576</u>	<u>73,532,680</u>	<u>62,778,366</u>
General Revenues:						
Property Taxes	57,086,193	57,086,193	-	-	57,086,193	57,086,193
Other Local Sources	117,813	-	-	-	117,813	-
Private Sources	85,171	45,564	-	-	85,171	45,564
Grants and Entitlements	1,917,569	8,437,989	-	-	1,917,569	8,437,989
Interest	29,726	31,769	-	-	29,726	31,769
Miscellaneous	1,759,036	3,786,091	-	-	1,759,036	3,786,091
Total General Revenues	<u>60,995,508</u>	<u>69,387,606</u>	<u>-</u>	<u>-</u>	<u>60,995,508</u>	<u>69,387,606</u>
Total Revenues	<u>130,899,171</u>	<u>128,838,396</u>	<u>3,629,017</u>	<u>3,327,576</u>	<u>134,528,188</u>	<u>132,165,972</u>
Function/Program						
Expenses:						
Instruction	78,678,736	77,404,985	-	-	78,678,736	77,404,985
Support Services:						
Pupils and Instructional Staff	19,124,160	19,682,500	-	-	19,124,160	19,682,500
General and Business						
Administrative Services	10,702,044	10,598,716	-	-	10,702,044	10,598,716
Plant Operations and Maintenance	13,495,867	13,821,246	-	-	13,495,867	13,821,246
Pupil Transportation	2,886,768	2,720,508	-	-	2,886,768	2,720,508
Special Schools	372,643	353,064	-	-	372,643	353,064
Charter Schools	123,894	160,327	-	-	123,894	160,327
Food Service	-	-	3,954,203	3,698,276	3,954,203	3,698,276
Total Expenses	<u>125,384,112</u>	<u>124,741,346</u>	<u>3,954,203</u>	<u>3,698,276</u>	<u>129,338,315</u>	<u>128,439,622</u>
Excess (Deficit) Before Special Items	5,515,059	4,097,050	(325,186)	(370,700)	5,189,873	3,726,350
Special Items	(5,898,849)	(7,162,952)	-	-	(5,898,849)	(7,162,952)
Transfers	(543,777)	(533,115)	543,777	533,115	-	-
(Decrease) Increase in Net Assets	(927,567)	(3,599,017)	218,591	162,415	(708,976)	(3,436,602)
Net Assets, July 1	<u>89,823,019</u>	<u>93,422,036</u>	<u>1,214,863</u>	<u>1,052,448</u>	<u>91,037,882</u>	<u>94,474,484</u>
Net Assets, June 30	<u>\$ 88,895,452</u>	<u>\$ 89,823,019</u>	<u>\$ 1,433,454</u>	<u>\$ 1,214,863</u>	<u>\$ 90,328,906</u>	<u>\$ 91,037,882</u>

The total changes in Net Assets for the fiscal years 2012 and 2011 for Governmental Activities are (\$927,567) and (\$3,599,017). The total changes in Net Assets for the Business-Type Activity are \$218,591 and \$162,415. The total changes in Net Assets are (\$708,976) and (\$3,436,602).

**CITY OF BAYONNE SCHOOL DISTRICT
HUDSON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

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 government 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

	<u>Total Cost of Services</u>		<u>Percent of Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Instruction	\$ 78,678,736	\$ 77,404,985	62.75%	62.05%
Support Services:				
Pupils and Instructional Staff	19,124,160	19,682,500	15.25%	15.78%
General and Business				
Administrative Services	10,702,044	10,598,716	8.54%	8.50%
Plant Operations and Maintenance	13,495,867	13,821,246	10.76%	11.08%
Pupil Transportation	2,886,768	2,720,508	2.30%	2.18%
Charter Schools	123,894	160,327	0.10%	0.13%
Total Expenses	<u>\$ 125,384,112</u>	<u>\$ 124,741,346</u>	<u>100.00%</u>	<u>100.00%</u>

The Governmental Activities in the above chart demonstrates that for fiscal years 2012 and 2011 \$125,384,112 and \$124,741,346 are allocated to School Based Budget \$78,678,736 and \$77,404,985 are identified as Instruction. Additionally, Pupil and Instructional Staff activities are \$19,124,160 and \$19,682,500. Combined resources from Instruction and Pupil and Instructional Staff totals \$97,802,896 and \$97,087,485.

Together the aforementioned categories account for 77.99% of the Governmental Activities.

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

To date the City of Bayonne Board of Education has not been adversely impacted by Charter Schools. Currently the contribution to Charter Schools by the Board for fiscal years 2012 and 2011 is \$123,894 and \$160,327. The Board sends a total of 14 students to five Charter Schools.

**CITY OF BAYONNE SCHOOL DISTRICT
HUDSON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Business-Type Activity

Table 3b.
Business Activity

	Total Cost of Services		Percent of Total	
	2012	2011	2012	2011
Revenue				
Charges for Services	\$ 953,627	\$ 990,125	22.85%	25.65%
Operating Grants	2,675,390	2,337,451	64.12%	60.54%
Total Revenue	3,629,017	3,327,576	86.97%	86.19%
Function/Program Expenses				
Food Service	3,954,203	3,698,276	100.00%	100.00%
Total Expense	3,954,203	3,698,276	100.00%	100.00%
Operating (Loss)	(325,186)	(370,700)		
Transfers	543,777	533,115	13.03%	13.81%
Increase in Net Assets	\$ 218,591	\$ 162,415		

The business-type activity of the City of Bayonne School District is the food service operation. This program had revenues for the fiscal years 2012 and 2011 of \$3,629,017 and \$3,327,576 and expenses of \$3,954,203 and \$3,698,276. For the fiscal years 2012 and 2011 operating (losses) of (\$325,186) and (\$370,700) were sustained prior to the Board transferring \$543,777 and \$533,115 into the food program. The Bayonne School District and the food service vendor are studying in ways to reduce operating losses.

The District suggests efforts that continue to increase sales and reduce costs. In light of the steady increase of student enrollment, an increase in sales may provide steady revenue growth necessary for a self sustaining food service operation. 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.

**CITY OF BAYONNE SCHOOL DISTRICT
HUDSON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

Sources of Revenue

The local tax revenue has been stable for several years. For all governmental activities state revenues support over 48.87% and federal revenues support over 6.02%. The community, as a whole, is 43.67% of the support and other revenue accounts for 1.43% of the total cost of programs for the City of Bayonne School District students.

Table 4
Sources of Revenue

Fiscal Year Ended June 30,	Local Tax Levy	Other Local Revenue	Operating Grants	Federal & State Aid Not Restricted	Total
2012	\$ 57,086,193	\$ 1,873,933	\$ 69,840,019	\$ 1,917,569	\$ 130,717,714
2011	57,086,193	3,817,860	59,327,766	8,437,989	128,669,808

The total revenue from all governmental sources for the fiscal years 2012 and 2011 are \$130,717,714 and \$128,669,808.

The City of Bayonne School District's Funds

The City of Bayonne School District's governmental funds are accounted for using standards established by the Governmental Accounting Standards Board Statement No. 34. Total governmental funds had revenues and other financing sources of \$130,899,171 and expenditures and other financing uses of \$125,384,112. The positive fund balance for the year reflects that the City of Bayonne School District was able to meet current costs.

General Fund Budgeting Highlights

The City of Bayonne School District's budget is prepared according to New Jersey law as it pertains to Abbott School Districts. During the 2011 - 2012 School Year all schools in the district operated within the boundaries of State guidelines.

The City of 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 year 2012, the City of Bayonne School District amended its General Fund budget as needed. The budgeting systems are designed to tightly control total site budgets, but provide flexibility for site management.

For the General Fund, final budgeted revenues, fund balance to be utilized and other financing sources in the amount of \$116,287,619 were \$1,141,007 higher than the original budgeted revenues, fund balance to be utilized and other financing sources. The difference is mainly due to \$1,141,007 in additional Equalization Aid that was not in the original budgeted revenues.

**CITY OF BAYONNE SCHOOL DISTRICT
HUDSON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
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General Fund revenues and other financing sources were less than expenditures and other financing uses. Funds from these sources add to excess surplus by approximately \$7,036,151. The City of Bayonne School District will allocate the excess surplus in the 2012-2013 District School Budget. At June 30, 2012 there was \$909,226 excess surplus designated for subsequent year's budget. The allocation and projection of surplus are in compliance with New Jersey Department of Education Budgetary Guidelines. The excess fund balance reflects a \$4,954,331 final state aid payment for June 30, 2012, however this amount is not reflected in the District Intergovernmental Receivable Account.

Capital Assets and Depreciation

Capital Assets

At the end of fiscal years 2012 and 2011, the City of Bayonne School District had \$79,424,445 and \$83,899,251 invested in capital assets (net of depreciation), for governmental activities. This amount represents a net decrease (including additions and disposals) of \$4,474,806 from 2012 to 2011 due to depreciation expense exceeding improvements and acquisitions during fiscal year 2012. More information on capital assets and depreciation is represented in Note 4 to the basic financial statements.

Table 5
Capital Assets and Depreciation

	Balance at June 30, 2011	Additions	Disposals	Balance at June 30, 2012
Governmental Activities:				
Non-Depreciable	\$ 1,520,207	\$ -	\$ -	\$ 1,520,207
Depreciable	174,846,439	599,491	-	175,445,930
Total at Historical Cost	176,366,646	599,491	-	176,966,137
Less Accumulated Depreciation	(92,467,395)	(5,074,297)	-	(97,541,692)
Capital Assets, Net	<u>\$ 83,899,251</u>	<u>\$ (4,474,806)</u>	<u>\$ -</u>	<u>\$ 79,424,445</u>
Business Type Activity:				
Depreciable	\$ 921,750	\$ 200,174	\$ -	\$ 1,121,924
Less Accumulated Depreciation	(485,342)	(107,151)	-	(592,493)
Capital Assets, Net	<u>\$ 436,408</u>	<u>\$ 93,023</u>	<u>\$ -</u>	<u>\$ 529,431</u>

**CITY OF BAYONNE SCHOOL DISTRICT
HUDSON COUNTY
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Depreciation expense was charged to Governmental Activities as follows:

Instruction	\$ 3,070,963
Support Services	<u>2,003,334</u>
Total Depreciation Expense	<u><u>\$ 5,074,297</u></u>

Debt

At June 30, 2012 and 2011, the City of Bayonne School District had \$3,075,530 and \$2,828,945 in long-term debt payable from governmental fund resources and no long-term debt payable from proprietary fund resources. More detailed information about long-term debt is represented in Note 5 to the basic financial statements.

The following is a summary of changes in long-term debt for the fiscal year ending June 30, 2012:

Table 6
Changes in Long-Term Debt

	<u>Balance</u> <u>June 30, 2011</u>	<u>Balance</u> <u>June 30, 2012</u>
Governmental Activities:		
Capital Lease Obligations	\$ 803,501	\$ 554,643
PERS Pension Contribution Deferral	488,732	467,461
Compensated Absences	<u>1,783,297</u>	<u>1,806,841</u>
	<u><u>\$ 3,075,530</u></u>	<u><u>\$ 2,828,945</u></u>

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 Business Office, through collaboration with district and building administrators, will be responsible for updating the internal controls to meet the demands of updated DOE regulations and the applicable OMB circulars. Currently underway is a concerted effort to develop plans for expending funds to the maximum benefit of the schools for the current and upcoming year.

Accountability and internal controls will continue to guide the operations of the district.

**CITY OF BAYONNE SCHOOL DISTRICT
HUDSON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

Contacting the City of 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 City of Bayonne School District's finances. Also, to reflect the City of Bayonne School District's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Leo Smith, School Business Administrator, Bayonne Board of Education, 29th Street and Avenue A, Bayonne, New Jersey 07002.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF BAYONNE SCHOOL DISTRICT
Statement of Net Assets
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-type Activity</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 4,644,933	\$ -	\$ 4,644,933
Receivables	14,278,378	128,081	14,406,459
Other receivable	923,426	-	923,426
Inventory	-	30,692	30,692
Due from fiduciary funds	-	494,950	494,950
Restricted cash and cash equivalents	5,216,232	-	5,216,232
Capital assets, net:			
Depreciable	77,904,238	529,431	78,433,669
Non-depreciable	1,520,207	-	1,520,207
Total Assets	<u>104,487,414</u>	<u>1,183,154</u>	<u>105,670,568</u>
LIABILITIES			
Payable to state government	69,634	-	69,634
Accounts payable	2,234,676	231,207	2,465,883
Interfund payable	481,507	(481,507)	-
Deferred revenue	250,782	-	250,782
Loan payable	9,726,418	-	9,726,418
Noncurrent liabilities:			
Due within one year	713,765	-	713,765
Due beyond one year	2,115,180	-	2,115,180
Total Liabilities	<u>15,591,962</u>	<u>(250,300)</u>	<u>15,341,662</u>
NET ASSETS			
Invested in capital assets, net of related debt	78,869,802	529,431	79,399,233
Restricted for:			
Other purposes	7,945,377	-	7,945,377
Unrestricted	2,080,273	904,023	2,984,296
Total Net Assets	<u>\$ 88,895,452</u>	<u>\$ 1,433,454</u>	<u>\$ 90,328,906</u>

The accompanying Notes to 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, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activity	Total
Governmental activities:							
Instruction:							
Regular	\$ 51,836,599	\$ 63,644	\$ 28,559,446	\$ -	\$ (23,213,509)	\$ -	\$ (23,213,509)
Special education	19,788,428	-	10,153,334	-	(9,635,094)	-	(9,635,094)
Other special instruction	4,363,299	-	2,231,904	-	(2,131,395)	-	(2,131,395)
Vocational	1,263,387	-	689,085	-	(574,302)	-	(574,302)
Other instruction	1,427,023	-	780,557	-	(646,466)	-	(646,466)
Support services:							
Tuition	2,968,094	-	2,018,471	-	(949,623)	-	(949,623)
Student & instruction related services	16,156,066	-	9,570,462	-	(6,585,604)	-	(6,585,604)
School administrative services	6,824,481	-	3,518,603	-	(3,305,878)	-	(3,305,878)
General and business administrative services	3,877,563	-	2,250,198	-	(1,627,365)	-	(1,627,365)
Plant operations and maintenance	13,495,867	-	8,086,078	-	(5,409,789)	-	(5,409,789)
Pupil transportation	2,886,768	-	1,689,173	-	(1,197,595)	-	(1,197,595)
Special schools:							
Current:							
Instruction	372,643	-	201,237	-	(171,406)	-	(171,406)
Charter schools	123,894	-	91,471	-	(32,423)	-	(32,423)
Total governmental activities	125,384,112	63,644	69,840,019	-	(55,480,449)	-	(55,480,449)
Business-type activity:							
Food service	3,954,203	953,627	2,675,390	-	-	(325,186)	(325,186)
Total business-type activities	3,954,203	953,627	2,675,390	-	-	(325,186)	(325,186)
Total primary government	\$ 129,338,315	\$ 1,017,271	\$ 72,515,409	\$ -	(55,480,449)	(325,186)	(55,805,635)
General revenues:							
Taxes:							
Property taxes, levied for general purpose, net					\$ 57,086,193	\$ -	\$ 57,086,193
Investment earnings					29,726	-	29,726
Miscellaneous income					1,759,036	-	1,759,036
Other local sources					117,813	-	117,813
Private sources					85,171	-	85,171
State aid not restricted					1,917,569	-	1,917,569
Special item - prior year accounts receivable cancelled					(5,367,018)	-	(5,367,018)
Special item - loan interest					(531,831)	-	(531,831)
Transfers					(543,777)	543,777	-
Total general revenues, special items and transfers					54,552,882	543,777	55,096,659
Change in Net Assets					(927,567)	218,591	(708,976)
Net Assets, July 1					89,823,019	1,214,863	91,037,882
Net Assets, June 30					\$ 88,895,452	\$ 1,433,454	\$ 90,328,906

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

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CITY OF BAYONNE SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and cash equivalents	\$ 4,644,933	\$ -	\$ -	\$ 4,644,933
Accounts receivable - (tuition)	98,426	-	-	98,426
Accounts receivable - (other)	450,000	375,000	-	825,000
Receivables from other governments	3,166,514	2,283,575	8,828,289	14,278,378
Interfund receivable	11,292,275	-	-	11,292,275
Restricted cash and cash equivalents	-	5,216,232	-	5,216,232
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 19,652,148</u>	<u>\$ 7,874,807</u>	<u>\$ 8,828,289</u>	<u>\$ 36,355,244</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Payable to state government	\$ -	\$ 69,634	\$ -	\$ 69,634
Accounts payable	2,234,676	-	-	2,234,676
Interfund payable	-	7,740,755	4,033,027	11,773,782
Deferred revenue	-	250,782	-	250,782
Loan payable	9,726,418	-	-	9,726,418
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>11,961,094</u>	<u>8,061,171</u>	<u>4,033,027</u>	<u>24,055,292</u>
Fund Balances:				
Restricted Fund Balance:				
Reserve for Excess surplus - designated for subsequent year	909,226	-	-	909,226
Reserve for Excess Surplus	7,036,151	-	-	7,036,151
Committed Fund Balance:				
Year-end Encumbrances	1,544,341	-	428,834	1,973,175
Assigned Fund Balance:				
Capital projects fund	-	-	4,366,428	4,366,428
Unassigned Fund Balance				
General fund	(1,798,664)	-	-	(1,798,664)
Special revenue fund	-	(186,364)	-	(186,364)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>7,691,054</u>	<u>(186,364)</u>	<u>4,795,262</u>	<u>12,299,952</u>
Total liabilities and fund balances	<u>\$ 19,652,148</u>	<u>\$ 7,874,807</u>	<u>\$ 8,828,289</u>	

Reconciliation of balance sheet to statement of net assets:

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 \$176,969,356, and the accumulated depreciation is \$97,541,853.	79,424,445
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(2,828,945)
Net assets of governmental activities	<u>\$ 88,895,452</u>

The accompanying Notes to 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, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Local tax levy	\$ 57,086,193	\$ -	\$ -	\$ 57,086,193
Tuition	63,644	-	-	63,644
Interest earned	29,726	-	-	29,726
Miscellaneous	1,759,036	-	-	1,759,036
State sources	60,980,982	2,903,689	-	63,884,671
Federal sources	2,104,351	5,768,566	-	7,872,917
Other local sources	-	117,813	-	117,813
Private sources	-	85,171	-	85,171
Total	<u>122,023,932</u>	<u>8,875,239</u>	<u>-</u>	<u>130,899,171</u>
EXPENDITURES				
Current:				
Regular instruction	31,321,047	6,100,151	-	37,421,198
Special education instruction	14,155,289	-	-	14,155,289
Other special instruction	3,114,783	-	-	3,114,783
Vocational education	959,707	-	-	959,707
Other instruction	1,089,439	-	-	1,089,439
Support services and undistributed costs:				
Tuition	2,815,865	-	-	2,815,865
Student & instruction related services	9,501,863	2,758,886	-	12,260,749
School administrative services	4,905,520	-	-	4,905,520
Other administrative services	3,134,556	-	-	3,134,556
Operation and maintenance of plant services	11,276,718	-	-	11,276,718
Student transportation	2,357,400	-	-	2,357,400
Employee benefits	26,797,951	-	-	26,797,951
Special schools:				
Current:				
Instruction	282,379	-	-	282,379
Charter school	123,894	-	-	123,894
Capital outlay	169,884	7,774	421,833	599,491
Total expenditures	<u>112,006,295</u>	<u>8,866,811</u>	<u>421,833</u>	<u>121,294,939</u>
Excess (Deficiency) of revenues over expenditures	<u>10,017,637</u>	<u>8,428</u>	<u>(421,833)</u>	<u>9,604,232</u>
OTHER FINANCING SOURCES (USES)				
Special item - prior year accounts receivable cancelled	-	-	(5,367,018)	(5,367,018)
Special item - loan interest	(531,831)	-	-	(531,831)
Capital lease (Non-budgeted)	139,048	-	-	139,048
Transfers	(5,882,468)	-	5,338,691	(543,777)
Total other financing sources (uses)	<u>(6,275,251)</u>	<u>-</u>	<u>(28,327)</u>	<u>(6,303,578)</u>
Net changes in fund balance	3,742,386	8,428	(450,160)	3,300,654
Fund balances, July 1	3,948,668	(194,792)	5,245,422	8,999,298
Fund balances, June 30	<u>\$ 7,691,054</u>	<u>\$ (186,364)</u>	<u>\$ 4,795,262</u>	<u>\$ 12,299,952</u>

The accompanying Notes to 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, 2012

Total net change in fund balances - governmental funds (from B-2)		\$ 3,300,654
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.</p>		
	Depreciation expense	\$ (5,074,297)
	Capital outlays	<u>599,491</u>
		(4,474,806)
<p>Repayment of PERS pension contribution deferral are expenditures in the governmental funds, but accrued interest on to the deferral increases the long-term liabilities and the repayment of the deferral reduces long-term term liabilities in statement of net assets and is not reported in the statement of activities</p>		
	Accrued interest on PERS deferral	(48,584)
	Repayment of PERS deferral	<u>69,855</u>
		21,271
<p>Repayment of capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is no reported in the statement of activities</p>		
	Issuance of capital leases	(139,048)
	Payment of capital leases	<u>387,906</u>
		248,858
<p>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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		<u>(23,544)</u>
Change in net assets of governmental activities		<u>\$ (927,567)</u>

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

PROPRIETARY FUND

CITY OF BAYONNE SCHOOL DISTRICT
Statement of Net Assets
Proprietary Fund
June 30, 2012

	<u>Business-type Activity - Enterprise Fund Food Service</u>
ASSETS	
Current assets:	
Accounts receivable	\$ 128,081
Inventory	30,692
Interfund receivable	976,457
Total current assets	<u>1,135,230</u>
Noncurrent assets:	
Furniture, machinery and equipment	1,121,924
Less: accumulated depreciation	<u>(592,493)</u>
Total noncurrent assets	<u>529,431</u>
 Total assets	 <u>\$ 1,664,661</u>
LIABILITIES	
Current liabilities:	
Accounts payable	<u>\$ 231,207</u>
Total liabilities	<u>231,207</u>
NET ASSETS	
Invested in capital assets	529,431
Unrestricted	<u>904,023</u>
Total net assets	<u><u>\$ 1,433,454</u></u>

The accompanying Notes to 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, 2012

	<u>Business-type Activity - Enterprise Fund Food Service</u>
OPERATING REVENUES	
Charges for services:	
Daily sales - non-reimbursable programs	\$ 936,356
Special functions	17,271
Total operating revenues	<u>953,627</u>
OPERATING EXPENSES	
Cost of sales	1,553,734
Salaries	1,535,715
Employee benefits	245,796
Supplies and materials	244,475
Management fees	137,362
Depreciation expense	107,151
Insurance - other	98,007
Miscellaneous	31,963
Total operating expenses	<u>3,954,203</u>
Operating (loss)	<u>(3,000,576)</u>
NONOPERATING REVENUES	
State sources:	
State school lunch program	48,523
Federal sources:	
School breakfast program	261,133
National school lunch program	2,090,286
Special milk program	4,044
Snack program	28,368
Summer food program	73,957
Food distribution program	169,079
Total nonoperating revenues	<u>2,675,390</u>
(Loss) before transfers	(325,186)
Transfers in - General fund	<u>543,777</u>
Change in net assets	218,591
Total net assets, July 1	1,214,863
Total net assets, June 30	<u><u>\$ 1,433,454</u></u>

The accompanying Notes to 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, 2012

	<u>Business-type Activity - Enterprise Fund Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 936,356
Other Receipts	17,271
Payments to employees	(1,535,715)
Payments for employee benefits	(245,796)
Payments to suppliers	(1,889,892)
Net cash (used for) operating activities	<u>(2,717,776)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State sources	49,470
Federal sources	2,631,811
Transfers in - General fund	236,669
Net cash provided by non-capital financing activities	<u>2,917,950</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital expenditures - payment for equipment	<u>(200,174)</u>
Net increase in cash and cash equivalents	-
Balance, July 1	<u>-</u>
Balance, June 30	<u>\$ -</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED FOR) OPERATING ACTIVITIES	
Operating (loss)	<u>\$ (3,000,576)</u>
Adjustment to reconcile operating (loss) to net cash (used for) operating activities:	
Depreciation	107,151
(Increase) in inventory	(1,503)
Increase in accounts payable	177,152
Total adjustments	<u>282,800</u>
Net cash (used for) operating activities	<u>\$ (2,717,776)</u>

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

FIDUCIARY FUNDS

CITY OF BAYONNE SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 254,791	\$ 1,086,119
Total assets	<u>\$ 254,791</u>	<u>\$ 1,086,119</u>
LIABILITIES		
Net Payroll	\$ -	\$ 121,050
Social Security and withholdings	-	45
New Jersey income tax	-	1,599
Pension	-	596,166
Due to student groups	-	367,259
Due to general fund	494,950	-
Total liabilities	<u>\$ 494,950</u>	<u>\$ 1,086,119</u>
NET (DEFICIT)		
Held in trust for unemployment claims and other purposes	<u>\$ (240,159)</u>	

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

CITY OF BAYONNE SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
for the Fiscal Year Ended June 30, 2012

**Unemployment
 Compensation
 Insurance
 Trust Fund**

ADDITIONS

Local sources:		
Contributions	\$ 186,984	
Interest on investment	174	
Total additions	<u>187,158</u>	

DEDUCTIONS

Unemployment claims		278,999
Total deductions		<u>278,999</u>

Change in net (deficit)		(91,841)
Net (deficit), July 1		(148,318)
Net (deficit), June 30		<u>\$ (240,159)</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the “Board”) of the City of Bayonne School District (the “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 District’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 financial statements). 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 BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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, 2012 of 9,078 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 - District-Wide Statements:

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

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 BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements – District-Wide Statements (Continued):

The district-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activity. 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 district-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 BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The following fund types are used by the Board:

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 noninstructional 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, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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.

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 Fund 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.

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 noncurrent, 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. Proprietary Fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

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

The estimated useful lives are as follows:

<u>Food Service Fund:</u>	
Machinery and Equipment	12 Years
Light Trucks and Vehicle	4 Years
Heavy Trucks and Vehicle	6 Years

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 Funds - 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 Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance trust fund.

Nonexpendable Trust Fund - A Nonexpendable 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 nonexpendable 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 or business-type activities categories. Nonmajor 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 District-wide statements.

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting and Measurement 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.

Measurement Focus

On the District-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.

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 noncurrent) 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 district-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.

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Basis of Accounting (Continued)

In the fund financial statements, governmental funds, expendable trust funds 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 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 and are approved by the board of school estimate. 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:23A-2.3, which on a cumulative basis exceed ten percent of the amount included in the original budget, require county superintendent approval.

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets/Budgetary Control (Continued):

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. During the fiscal year, the Board of Education increased general budgetary appropriations by \$2,967,351 offset by \$1,826,344 in Education Jobs Fund Program revenue and \$1,141,007 in additional Equalization Aid. The District did not transfer net of offsetting revenues more than 10% of the above appropriations.

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 underbudgeted 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 underbudgeted 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 no supplementary budgetary appropriations.

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 one or more June state aid payments 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 BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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.

	2011 - 2012
Total Revenues (Budgetary Basis)	\$ 8,583,883
Adjustments:	
Add: Prior Year Encumbrances	433,431
Less: Current Year Encumbrances	(150,503)
Adjust for State Aid Payment	
Recognize for GAAP Statements	
in the Current Year, Previously	
Recognized for Budgetary Purposes	194,792
Adjust for State Aid Payment	
Not Recognized for GAAP	
Purpose until the Subsequent Year	(186,364)
Total Revenues (GAAP Basis)	\$ 8,875,239
Total Expenditures (Budgetary Basis)	\$ 8,583,883
Adjustments:	
Add: Prior Year Encumbrances	433,431
Less: Current Year Encumbrances	(150,503)
Total Expenditures (GAAP Basis)	\$ 8,866,811

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 committed 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.

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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. Receivables and Payables:

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

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Receivables and Payables (Continued):

Tuition Receivable – For the year ending June 30, 2012, there was \$98,426 in tuition charges due to the Board of Education.

Tuition Payable - Tuition charges for the fiscal years 2011-2012 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined and certified by the State Department of Education.

I. 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. The District uses the purchase method for expensing inventory. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

J. 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.

K. 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 district-wide or fund financial statements. The District considers all property, plant and equipment with a cost over \$2,000 to be a capital asset.

District-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.

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets (Continued):

District-wide Statements (Continued)

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 District-wide statements.

L. Restricted Assets:

Restricted assets include cash and cash equivalents for grant expenditures and for capital projects.

M. 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 district-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.

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Deferred Revenue:

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

O. 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 district-wide or fund financial statements.

All long-term debt to be paid from governmental and business-type resources are reported as liabilities in the District-wide statement. The long-term debt consists primarily of accrued compensated absences, early retirement incentives, deferred pension contributions 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 district-wide statements.

P. Equity Classifications:

District-Wide Statements

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

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.

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.

Unrestricted net assets - All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Equity Classifications (Continued):

Fund Statements

Governmental fund equity is classified as fund balance. During the current year the District adopted GASB Statement No. 54, which redefined how fund balances of governmental funds are presented in the financial statements. Fund balance is further categorized as restricted, committed, assigned, or unassigned fund balance. Restrictions are created to satisfy legal covenants that require a portion of the fund balance to be segregated. Commitments are created to identify the portion of the fund balance that is appropriated for future expenditures. Proprietary fund equity is classified the same as in the district-wide statements.

Restricted - Reserved for Excess Surplus - Designated for Subsequent Year's Budget - This reserve was created to represent the June 30, 2011 audited excess surplus that will be appropriated in the 2012-2013 original budget certified for taxes.

Restricted - Reserved for Excess Surplus - This reserve was created to represent the June 30, 2012 audited excess surplus that is required to be appropriated in the 2013-2014 original budget certified for taxes.

Committed Year-End Encumbrances - This reserve was created to represent encumbrances outstanding at the end of the year based on purchase orders and contracts awarded for which the goods or services have not yet been received at June 30.

Assigned - This designation was created to designate a portion of the fund balance for a specific purpose, but does not meet the criteria to be classified as restricted or committed.

Unassigned – All other fund balance that did not meet the definition of restricted, committed, or assigned.

Restricted funds are used first as appropriate. Assigned funds are reduced to the extent that expenditure authority has been budgeted. Decreases in fund balance first reduce unassigned fund balance. In the event that unassigned fund balances becomes zero, then assigned and committed fund balances are used in that order.

Q. 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.

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Expenditures/Expenses:

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

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

Governmental Funds - By Character:	Current (further classified by function) Capital Outlay
Proprietary Fund - By Operating	Salaries and Benefits Payments to Suppliers
By Nonoperating	Non-Capital Financing Capital and Related Financing

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

S. Use of Estimates:

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. These estimates include assessing the collectability of accounts receivable, the use and recoverability of inventory, and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

T. Subsequent Events:

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2012 through December 14, 2012, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items, other than those already included in Note 12, contingent liabilities, have come to the attention of the District that would require disclosure.

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 2. CASH AND CASH EQUIVALENTS

It is the District's policy to only deposit and invest fund with financial institutions located in the State of New Jersey which are insured as 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's will not be able to recover deposits or may 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.

The District does not have a deposit policy for custodial credit risk. As of June 30, 2012, none of the District's bank balances totaling \$13,113,279 was exposed to custodial credit risk.

As of June 30, 2012, the District's deposits and investments are summarized as follows:

	Book Balance
Insured - FDIC	\$ 500,000
Insured - GUDPA	7,361,598
MBIA Class Fund	3,340,477
	\$ 11,202,075
Reconciliation to District-Wide Statement of Net Assets:	
Unrestricted Cash	\$ 4,644,933
Restricted Cash	5,216,232
Trust and Agency Fund Cash (Not Included in District-Wide Statement)	1,340,910
	\$ 11,202,075

As of June 30, 2012, the District's investments are recorded in the basic financial statements and have been recorded at the carrying amount. The difference between the carrying amount and market value is not material to the basic financial statements.

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3. DEPOSIT AND INVESTMENT RISK

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

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, 2012, the District had \$3,340,477 on deposit with the MBIA Class 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, 2012 the District’s deposits were not exposed to custodial credit risk or foreign currency 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 investments guaranteed by the U.S. government. The District is exempt from this requirement because all its investments at June 30, 2012 are invested in U.S. government securities.

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3. DEPOSIT AND INVESTMENT RISK (Continued)

Concentration of Credit Risk - The District places no formal limits on the amount they may invest in any one issue. At June 30, 2012 the District' did not have any investments which would expose it to credit rate risk.

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, 2012 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.

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4. CAPITAL ASSETS AND DEPRECIATION (Continued)

Capital asset activity for the year ended June 30, 2012, was as follows:

	Balance at July 1, 2011	Additions	Disposals	Balance at June 30, 2012
Governmental Activities:				
Non-Depreciable:				
Land	\$ 1,520,207	\$ -	\$ -	\$ 1,520,207
Depreciable:				
Buildings	83,239,013	-	-	83,239,013
Improvements	70,940,270	421,833	-	71,362,103
Machinery and Equipment	18,272,678	177,658	-	18,450,336
Vehicles	2,394,478	-	-	2,394,478
Total at Historical Cost	<u>174,846,439</u>	<u>599,491</u>	<u>-</u>	<u>175,445,930</u>
Less: Accumulated Depreciation:				
Buildings	(59,762,724)	(2,087,487)	-	(61,850,211)
Improvements	(16,338,786)	(2,376,629)	-	(18,715,415)
Machinery and Equipment	(14,410,207)	(567,246)	-	(14,977,453)
Vehicles	(1,955,678)	(42,935)	-	(1,998,613)
Total Accumulated Depreciation	<u>(92,467,395)</u>	<u>(5,074,297)</u>	<u>-</u>	<u>(97,541,692)</u>
Depreciable Capital Assets, Net	<u>82,379,044</u>	<u>(4,474,806)</u>	<u>-</u>	<u>77,904,238</u>
Governmental Activities - Capital Assets, Net	<u>\$ 83,899,251</u>	<u>\$ (4,474,806)</u>	<u>\$ -</u>	<u>\$ 79,424,445</u>
Business-type Activity:				
Depreciable				
Machinery and Equipment	\$ 821,469	\$ 200,174	\$ -	\$ 1,021,643
Vehicles	100,281	-	-	100,281
Total at Historical Cost	<u>921,750</u>	<u>200,174</u>	<u>-</u>	<u>1,121,924</u>
Less: Accumulated Depreciation:				
Machinery and Equipment	(466,851)	(107,151)	-	(574,002)
Vehicles	(18,491)	-	-	(18,491)
Total Accumulated Depreciation	<u>(485,342)</u>	<u>(107,151)</u>	<u>-</u>	<u>(592,493)</u>
Business-type Activity - Capital Assets, Net	<u>\$ 436,408</u>	<u>\$ 93,023</u>	<u>\$ -</u>	<u>\$ 529,431</u>

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4. CAPITAL ASSETS AND DEPRECIATION (Continued)

* Depreciation expense was charged to Governmental Activities as follows:

Instruction:	
Regular	\$ 2,025,658
Special Education	766,218
Other Special Education	168,467
Vocational Education	51,758
Other Instruction	58,862
Total Instruction	<u>3,070,963</u>
Support Services:	
Tuition	152,229
Student & Instruction Related Services	663,211
School Administrative Services	265,386
General & Business Administrative Services	169,482
Operation & Maintenance of Plant	610,438
Pupil Transportation	127,365
Special Schools	15,223
Total Support Services	<u>2,003,334</u>
Total Depreciation Expense	<u>\$ 5,074,297</u>

NOTE 5. LOAN PAYABLE

On November 30, 2010, The Board entered into a Line of Credit agreement for an amount up to \$15,000,000 at an interest rate of 4.75%. The Line of Credit was necessary for cash flow purposes. At June 30, 2012 there was a balance due on the line of credit of \$9,726,418

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 6. LONG-TERM DEBT

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

Governmental Activities

As of June 30, 2012, the governmental long-term debt of the District consisted of the following:

Accrued Compensation Absences:	
Current Portion	\$ 271,518
Noncurrent Portion	1,535,323
PERS Pension Contribution Deferral:	
Current Portion	21,271
Noncurrent Portion	446,190
Capital Lease Obligation:	
Current Portion	420,976
Noncurrent Portion	<u>133,667</u>
Total Governmental Activity Debt	<u>\$ 2,828,945</u>

Business-type Activity

As of June 30, 2012, 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, 2012:

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012	Amounts Due Within One Year	Long-Term Portion
Governmental Activities:						
Capital Lease Obligations	\$ 803,501	\$ 139,048	\$ (387,906)	\$ 554,643	\$ 420,976	\$ 133,667
PERS Pension Contribution Deferral	488,732	48,584	(69,855)	467,461	21,271	446,190
Compensated Absences	1,783,297	291,524	(267,980)	1,806,841	271,518	1,535,323
Total	<u>\$ 3,075,530</u>	<u>\$ 479,156</u>	<u>\$ (725,741)</u>	<u>\$ 2,828,945</u>	<u>\$ 713,765</u>	<u>\$ 2,115,180</u>

The general fund is used to liquidate long-term liabilities other than debt.

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 District 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 BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 6. LONG-TERM DEBT (Continued)

B. Bonds Authorized But Not Issued:

As of June 30, 2012, the District had no authorized, but not issued, bonds.

C. Capital Leases:

The District is currently leasing computers, a truck, a zamboni, and school buses for various schools.

The following schedule of the future minimum lease payments under the capital leases and the present value of the remaining net minimum lease payments as of June 30, 2012:

<u>Year Ending</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
June 30, 2013	\$ 423,981	\$ 56,984	\$ 480,965
June 30, 2014	69,072	33,241	102,313
June 30, 2015	37,197	-	37,197
Total Minimum Lease Payments	530,250	90,225	620,475
Less: Amount Representing Interest	62,960	2,872	65,832
Present Value of Net Minimum Lease Payments	<u>\$ 467,290</u>	<u>\$ 87,353</u>	<u>\$ 554,643</u>

NOTE 7. 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.

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 7. PENSION PLANS (Continued)

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 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 BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 7. PENSION PLANS (Continued)

E. Significant Legislation:

Chapter 78, P.L. 2011, effective June 28, 2011, made various changes to the manner in which the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS is increased from age 62 to 65 for Tier 5 members.
- Increases in active member contribution rates. TPAF and PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; For fiscal year 2012, the member contribution rates will increase in October 2011. The phase-in of the additional incremental member contribution rates for TPAF and PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 7. PENSION PLANS (Continued)

E. Significant Legislation (Continued):

P.L. 2010, c.1, effective May 21, 2010, changed the membership eligibility criteria for new members of TPAF and PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of TPAF and PERS to 1/60 from 1/55, and it provided that new members of TPAF and PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of TPAF and PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in Fiscal Year 2012.

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 5.5%, respectfully, of employees' annual compensation, as defined. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate will be increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year. For fiscal year 2012, the member contribution rate will increase in October 2011. The phase-in of the additional incremental member contribution rate will take place in July of each subsequent fiscal year.

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, noncontributory death benefits, and post-retirement medical premiums. Under current Statute, the District is a non-contributing employer of the TPAF

During the years ended June 30, 2012, 2011 and 2010 the District was required to contribute for PERS and the State of New Jersey was required to contribute for TPAF for normal pension contributions, non-contributory group life insurance (NCGI) and early retirement incentive (ERI) in the following amounts.

Three-Year Trend Information

Year Funding	Pension	PERS Contributed by the District		Deferral	TPAF Paid on behalf of the district	
		NCGI	ERI		Pension	NCGI
June 30, 2012	\$ 1,579,196	\$ 100,614	\$ -	\$ 69,855	\$ 1,783,162	\$ 191,358
June 30, 2011	1,504,622	114,275	-	-	-	189,528
June 30, 2010	1,099,625	152,493	167,980	-	-	200,616

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 7. PENSION PLANS (Continued)

F. Contribution Requirements (Continued):

Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$4,151,306 during the year ended June 30, 2012, 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 required supplementary information schedules as a revenue and expenditure in accordance with GASB 27.

Chapter 78, P.L. 2011, effective June 28, 2011, established new employee contribution requirements towards the cost of employer provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary. For those employed on or after June 28, 2011, the 4-year phase-in does not apply and contributions based on the full percentage rate of contribution are required.

Under Chapter 78, certain future retirees eligible for employer-paid health care coverage at retirement will also be required to pay a percentage of the cost of their medical coverage determined on the basis of their annual retirement benefit.

NOTE 8. POST-RETIREMENT BENEFITS

The District contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP.

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 8. POST-RETIREMENT BENEFITS (Continued)

P.L. 1987, c. 384 and P.L. 1990, c. 6 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. P.L. 2007, c.103 amended the law to eliminate funding of post-retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 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 pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State made post-retirement (PRM) contributions of \$935.5 million for the fiscal year 2011 and \$97.6 million for the fiscal year 2010.

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 \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2011.

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' postretirement benefits on behalf of the School District for the years ended June 30, 2012, 2011 and 2010 were \$3,969,300, \$4,025,575 and \$3,767,856, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

Funded Status and Funding Progress

As of June 30, 2011, the most recent actuarial valuation date, the State had an \$11.1 billion unfunded actuarial accrued liability for other postemployment benefits (OPEB) for local and \$30.9 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 8. POST-RETIREMENT BENEFITS (Continued)

Funded Status and Funding Progress (Continued)

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2011, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

The State Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/pdf/financial/gasb-43-july2011.pdf>

NOTE 9. COMPENSATED ABSENCES

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A Liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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 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 district-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.

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 9. COMPENSATED ABSENCES (Continued)

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

NOTE 10. ECONOMIC DEPENDENCY

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

NOTE 11. CONTINGENT LIABILITIES

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2012, significant amounts of grant expenditures have not been audited by the various grantor agencies but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the District's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District nor would they be material to the financial statements.

NOTE 12. 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. The District did not significantly reduce insurance coverage during fiscal year 2012. Insurance claims have not exceeded coverage in any of the past three fiscal years.

A. Property and Liability Insurance:

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

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 12. RISK MANAGEMENT (Continued)

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 the previous year:

<u>Year Ending</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Transferred/ Reimbursed</u>	<u>Interest Earned</u>	<u>Ending Balance</u>
June 30, 2012	\$ -	\$ 186,984	\$ 278,999	\$ 174	\$ (240,159)
June 30, 2011	-	271,433	348,828	-	(148,318)
June 30, 2010	-	207,428	460,448	-	(70,923)

C. Contingent Liabilities

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

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet of the governmental fund financial statement at June 30, 2012:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 11,292,275	\$ -
Special Revenue	-	7,740,755
Capital Projects	-	4,033,027
Enterprise	976,457	-
Fiduciary	-	494,950
Total	<u>\$ 12,268,732</u>	<u>\$ 12,268,732</u>

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES (Continued)

The above balances are the result of revenues earned in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in a cash overdraft position. The District expects to liquidate all interfund balances within one year.

The general fund transferred \$543,777 to the enterprise fund during the fiscal year ended June 30, 2012 to subsidize food service operations. The general fund also transferred \$5,338,691 to the capital projects fund during the fiscal year ended June 30, 2012 to fund capital project costs where funding by other governmental entities was cancelled.

NOTE 14. INVENTORY

Inventory in the Food Service Fund at June 30, 2012, consisted of the following:

Food and Supplies	\$ <u>30,692</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 nonoperating revenue in the financial statements.

NOTE 15. FUND BALANCE APPROPRIATED

Fund Statements:

General Fund - Of the \$7,691,054 General Fund fund balance at June 30, 2012, \$7,945,377 is restricted as reserved excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$909,226 of the total restricted excess surplus has been appropriated and included as anticipated revenue for the year ended June 30, 2013); \$1,544,341 is committed for year-end encumbrances; and a deficit of (\$1,798,664) is unassigned.

Special Revenue Fund – The (\$186,364) Special Revenue Fund deficit fund balance at June 30, 2012 is unassigned.

Capital Projects Fund – of the \$4,795,262 Capital Projects Fund fund balance at June 30, 2012, \$428,834 is committed for year-end encumbrances; and \$4,366,428 is assigned to the capital projects fund.

The total Governmental Funds fund balance is \$12,299,952

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 15. FUND BALANCE APPROPRIATED (Continued)

Government-wide Statements:

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Fund Balance/Net Assets	\$ 12,299,952	\$ 1,433,454	\$ 13,733,406
Add: Capital Assets, Net of Accumulated Depreciation	79,424,445	-	79,424,445
Less: Long-Term Liabilities	<u>(2,828,945)</u>	<u>-</u>	<u>(2,828,945)</u>
Total Net Assets	<u>\$ 88,895,452</u>	<u>\$ 1,433,454</u>	<u>\$ 90,328,906</u>

NOTE 16. DEFICIT FUND BALANCES

The District has a deficit fund balance of (\$186,364) in the Special Revenue Fund as of June 30, 2012 as reported in the fund statements (modified accrual basis). P.L. 2003, c. 97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last two state aid payments 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 General Fund deficit balance and the Special Revenue Fund deficit balance does not alone indicate that the district is facing financial difficulties.

Pursuant to P.L. 2003, c. 97 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's deficit in the GAAP funds statements of (\$1,985,028) is less than the last two state aid payments.

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 17. 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 Restricted Fund Balance – Reserved 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 for year ended June 30, 2012 is \$7,945,377.

NOTE 18. RECEIVABLES FROM OTHER GOVERNMENTS

Receivables from other governments as reported on the general fund balance sheet amounting to \$3,166,514 are comprised of \$1,847,915 from federal sources and \$1,318,599 from state sources.

Receivables from other governments as reported on the special revenue fund balance sheet amounting to \$2,283,575 are comprised of \$2,127,562 from federal sources and \$156,013 from state sources.

Receivables from other governments as reported on the capital projects fund balance sheet amounting to \$8,828,289 is from state sources.

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, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 57,086,193	\$ -	\$ 57,086,193	\$ 57,086,193	\$ -
Tuition	111,104	-	111,104	63,644	(47,460)
Interest earned	-	-	-	29,726	29,726
Miscellaneous	1,185,000	-	1,185,000	1,759,036	574,036
Total - local sources	<u>58,382,297</u>	<u>-</u>	<u>58,382,297</u>	<u>58,938,599</u>	<u>556,302</u>
Federal sources:					
Education jobs fund	-	1,826,344	1,826,344	1,826,344	-
Special Education Medicare Reimbursement Initiative	207,032	-	207,032	278,007	70,975
Total - federal sources	<u>207,032</u>	<u>1,826,344</u>	<u>2,033,376</u>	<u>2,104,351</u>	<u>70,975</u>
State sources:					
Equalization aid	43,836,499	1,141,007	44,977,506	44,977,506	-
Special education categorical aid	5,040,780	-	5,040,780	5,040,780	-
Extraordinary aid	-	-	-	1,109,349	1,109,349
On-Behalf TPAF contributions (non budgeted)					
Pension	-	-	-	1,783,162	1,783,162
Non-contributory group insurance premium	-	-	-	191,358	191,358
Post-retirement medical contributions	-	-	-	3,969,300	3,969,300
Reimbursed TPAF Social Security contributions (Non budgeted)	-	-	-	4,151,306	4,151,306
Total - state sources	<u>48,877,279</u>	<u>1,141,007</u>	<u>50,018,286</u>	<u>61,222,761</u>	<u>11,204,475</u>
Total revenues	<u>107,466,608</u>	<u>2,967,351</u>	<u>110,433,959</u>	<u>122,265,711</u>	<u>11,831,752</u>
EXPENDITURES -					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Preschool/kindergarten	3,562,429	-	3,562,429	3,562,429	-
Grades 1-5	8,148,120	-	8,148,120	7,979,431	168,689
Grades 6-8	6,685,041	-	6,685,041	6,529,386	155,655
Grades 9-12	11,927,319	-	11,927,319	11,601,749	325,570
Total regular programs - instruction	<u>30,322,909</u>	<u>-</u>	<u>30,322,909</u>	<u>29,672,995</u>	<u>649,914</u>
Regular programs - home instruction:					
Salaries of teachers	188,764	-	188,764	178,058	10,706
General supplies	1,500	-	1,500	1,500	-
Other objects	2,200	-	2,200	2,200	-
Total regular programs - home instruction	<u>192,464</u>	<u>-</u>	<u>192,464</u>	<u>181,758</u>	<u>10,706</u>
Regular programs - undistributed instruction:					
Other salaries for instruction	268,759	-	268,759	140,381	128,378
General supplies	855,553	(2,800)	852,753	791,138	61,615
Technology supplies	218,519	(942)	217,577	212,767	4,810
Textbooks	286,098	424,800	710,898	279,429	431,469
Other objects	47,270	-	47,270	42,579	4,691
Total regular programs - undistributed instruction	<u>1,676,199</u>	<u>421,058</u>	<u>2,097,257</u>	<u>1,466,294</u>	<u>630,963</u>
Total regular programs	<u>32,191,572</u>	<u>421,058</u>	<u>32,612,630</u>	<u>31,321,047</u>	<u>1,291,583</u>
Special education:					
Neurologically impaired:					
Salaries of teachers	4,310,724	-	4,310,724	4,294,342	16,382
Other salaries for instruction	1,093,397	-	1,093,397	1,093,397	-
General supplies	34,122	-	34,122	16,243	17,879
Technology supplies	5,709	-	5,709	5,709	-
Textbooks	46,360	-	46,360	26,316	20,044
Other objects	50,882	-	50,882	21,013	29,869
Total learning/language disabilities	<u>5,541,194</u>	<u>-</u>	<u>5,541,194</u>	<u>5,457,020</u>	<u>84,174</u>

CITY OF BAYONNE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
for the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Multiple disabilities:					
Salaries of teachers	\$ 716,263	\$ -	\$ 716,263	\$ 708,152	\$ 8,111
Other salaries for instruction	1,365,744	-	1,365,744	1,124,839	240,905
General supplies	1,188	-	1,188	1,112	76
Technology supplies	329	-	329	229	100
Textbooks	5,092	-	5,092	1,831	3,261
Other objects	23,205	-	23,205	15,151	8,054
Total multiple disabilities	<u>2,111,821</u>	<u>-</u>	<u>2,111,821</u>	<u>1,851,314</u>	<u>260,507</u>
Behavioral disabilities:					
Salaries of teachers	519,579	-	519,579	519,579	-
Other salaries for instruction	220,784	-	220,784	220,784	-
General supplies	9,586	-	9,586	2,841	6,745
Technology supplies	6,698	-	6,698	6,698	-
Textbooks	18,017	-	18,017	17,129	888
Other objects	2,953	-	2,953	-	2,953
Total behavioral disabilities	<u>777,617</u>	<u>-</u>	<u>777,617</u>	<u>767,031</u>	<u>10,586</u>
Resource room/resource center:					
Salaries of teachers	3,800,374	-	3,800,374	3,751,278	49,096
General supplies	7,271	-	7,271	6,705	566
Technology supplies	13,373	-	13,373	13,303	70
Textbooks	122,064	-	122,064	106,277	15,787
Other objects	32,873	-	32,873	31,909	964
Total resource room/resource center	<u>3,975,955</u>	<u>-</u>	<u>3,975,955</u>	<u>3,909,472</u>	<u>66,483</u>
Autism:					
Salaries of teachers	665,741	-	665,741	665,741	-
Other salaries for instruction	910,649	-	910,649	909,440	1,209
General supplies	5,399	-	5,399	4,563	836
Technology supplies	1,945	-	1,945	1,945	-
Other objects	8,654	-	8,654	8,425	229
Total autism	<u>1,592,388</u>	<u>-</u>	<u>1,592,388</u>	<u>1,590,114</u>	<u>2,274</u>
Speech/occupational therapy/physical therapy:					
Salaries of teachers	334,676	-	334,676	334,676	-
Other salaries for instruction	331,338	-	331,338	240,125	91,213
General supplies	5,591	-	5,591	5,237	354
Technology supplies	540	-	540	300	240
Other objects	6,594	-	6,594	-	6,594
Total speech/occupational therapy/physical therapy	<u>678,739</u>	<u>-</u>	<u>678,739</u>	<u>580,338</u>	<u>98,401</u>
Total special education - instruction	<u>14,677,714</u>	<u>-</u>	<u>14,677,714</u>	<u>14,155,289</u>	<u>522,425</u>
Basic skills/remedial:					
Salaries of teachers	2,087,155	-	2,087,155	1,782,143	305,012
Total basic skills/remedial	<u>2,087,155</u>	<u>-</u>	<u>2,087,155</u>	<u>1,782,143</u>	<u>305,012</u>
Bilingual education:					
Salaries of teachers	1,366,896	-	1,366,896	1,060,242	306,654
Other salaries for instruction	246,147	-	246,147	236,107	10,040
Textbooks	14,544	-	14,544	14,544	-
Other objects	21,747	-	21,747	21,747	-
Total bilingual education	<u>1,649,334</u>	<u>-</u>	<u>1,649,334</u>	<u>1,332,640</u>	<u>316,694</u>
Vocational programs-local-instruction:					
Salaries of teachers	966,016	-	966,016	719,994	246,022
General supplies	54,089	-	54,089	54,012	77
Technology supplies	28,975	-	28,975	28,927	48
Textbooks	31,501	(5,813)	25,688	16,743	8,945
Other objects	140,171	-	140,171	140,031	140
Total vocational programs-local-instruction	<u>1,220,752</u>	<u>(5,813)</u>	<u>1,214,939</u>	<u>959,707</u>	<u>255,232</u>

CITY OF BAYONNE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
for the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other instructional:					
School-sponsored cocurricular activities:					
Salaries	\$ 168,730	\$ -	\$ 168,730	\$ 168,730	\$ -
Other Objects	29,488	-	29,488	28,754	734
School-sponsored athletics:					
Salaries	618,224	(54,512)	563,712	563,712	-
Other purchase services	275,589	54,512	330,101	269,121	60,980
Community service programs:					
Salaries	59,122	-	59,122	59,122	-
Total other instructional	<u>1,151,153</u>	<u>-</u>	<u>1,151,153</u>	<u>1,089,439</u>	<u>61,714</u>
Total - instruction	<u>52,977,680</u>	<u>415,245</u>	<u>53,392,925</u>	<u>50,640,265</u>	<u>2,752,660</u>
Undistributed expenditures - instruction:					
Tuition to other LEA's within the state - special	462,627	(71,000)	391,627	364,995	26,632
Tuition to CSSD & regional day schools	294,588	-	294,588	268,292	26,296
Tuition to private schools for the handicapped-within state	1,429,956	281,949	1,711,905	1,597,423	114,482
Tuition - state facilities	153,711	-	153,711	101,655	52,056
Tuition - other	726,343	(210,949)	515,394	483,500	31,894
Total undistributed expenditures - instruction	<u>3,067,225</u>	<u>-</u>	<u>3,067,225</u>	<u>2,815,865</u>	<u>251,360</u>
Attendance and social work services:					
Salaries	540,334	-	540,334	500,738	39,596
Other purchased services (400-500 series)	2,091	-	2,091	1,862	229
Supplies and materials	1,703	-	1,703	628	1,075
Total attendance and social work services	<u>544,128</u>	<u>-</u>	<u>544,128</u>	<u>503,228</u>	<u>40,900</u>
Health services:					
Salaries	1,894,486	-	1,894,486	1,891,246	3,240
Purchased professional and technical services	95,326	(21,500)	73,826	69,242	4,584
Other purchased services (400-500 series)	24,653	-	24,653	22,970	1,683
Supplies and materials	17,851	-	17,851	17,851	-
Total health services	<u>2,032,316</u>	<u>(21,500)</u>	<u>2,010,816</u>	<u>2,001,309</u>	<u>9,507</u>
Other support services - students-related services:					
Salaries	1,025,330	-	1,025,330	982,345	42,985
Supplies and materials	15,781	-	15,781	12,161	3,620
Other objects	4,725	-	4,725	2,112	2,613
Total other support services - students-related services	<u>1,045,836</u>	<u>-</u>	<u>1,045,836</u>	<u>996,618</u>	<u>49,218</u>
Other support services - students-extra services :					
Salaries	543,777	-	543,777	-	543,777
Total other support services - students-extra services	<u>543,777</u>	<u>-</u>	<u>543,777</u>	<u>-</u>	<u>543,777</u>
Other support services - students-regular:					
Salaries of other professional staff	1,998,987	-	1,998,987	1,565,031	433,956
Salaries of secretarial and clerical assistants	297,668	-	297,668	171,703	125,965
Supplies and materials	97,323	-	97,323	92,525	4,798
Total other support services - students-regular	<u>2,393,978</u>	<u>-</u>	<u>2,393,978</u>	<u>1,829,259</u>	<u>564,719</u>
Other support services - students - special services:					
Salaries of other professional staff	1,540,754	-	1,540,754	1,184,008	356,746
Salaries of secretarial and clerical assistants	358,729	-	358,729	230,367	128,362
Purchased professional - educational services	618,291	239,009	857,300	839,250	18,050
Supplies and materials	35,436	(27,009)	8,427	8,152	275
Total other support services - students-special services	<u>2,553,210</u>	<u>212,000</u>	<u>2,765,210</u>	<u>2,261,777</u>	<u>503,433</u>
Improvement of instructional services:					
Salaries of supervisors of instructions	1,792,761	-	1,792,761	1,555,234	237,527
Salaries of secretarial and clerical assistants	212,445	-	212,445	107,305	105,140
Other objects	37,859	-	37,859	28,361	9,498
Total improvement of instructional services	<u>2,043,065</u>	<u>-</u>	<u>2,043,065</u>	<u>1,690,900</u>	<u>352,165</u>
Educational media services/school library:					
Salaries	129,395	-	129,395	103,457	25,938
Supplies and materials	56,287	-	56,287	50,980	5,307
Total educational media services/school library	<u>185,682</u>	<u>-</u>	<u>185,682</u>	<u>154,437</u>	<u>31,245</u>

CITY OF BAYONNE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
for the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Instruction staff training services:					
Other purchased professional services - educational	\$ 39,026	\$ -	\$ 39,026	\$ 36,590	\$ 2,436
Other purchased professional services - technical	10,735	-	10,735	8,148	2,587
Other purchased services (400-500 series)	23,931	-	23,931	19,597	4,334
Total instruction staff training services	<u>73,692</u>	<u>-</u>	<u>73,692</u>	<u>64,335</u>	<u>9,357</u>
Support services - general administration:					
Salaries	930,120	-	930,120	886,709	43,411
Legal services	153,397	-	153,397	147,500	5,897
Audit Fees	113,916	-	113,916	52,000	61,916
Other purchased professional services	89,532	-	89,532	53,341	36,191
Communications/telephone	347,696	3,000	350,696	346,844	3,852
Board of education other purchased services	24,602	-	24,602	24,583	19
Other purchased services (400-500 series)	321,788	-	321,788	227,925	93,863
Supplies and materials	163,168	25,000	188,168	181,507	6,661
Board of education in-house training supplies	38,964	-	38,964	38,964	-
Miscellaneous expenditures	66,590	(48,500)	18,090	17,712	378
Board of education membership dues and fees	53,838	-	53,838	53,838	-
Total support services - general administration	<u>2,303,611</u>	<u>(20,500)</u>	<u>2,283,111</u>	<u>2,030,923</u>	<u>252,188</u>
Support services - school administration:					
Salaries of principals/assistant principals	3,002,113	-	3,002,113	2,991,960	10,153
Salaries of secretarial and clerical assistants	1,723,256	-	1,723,256	1,723,256	-
Supplies and materials	204,222	-	204,222	190,304	13,918
Total support services - school administration	<u>4,929,591</u>	<u>-</u>	<u>4,929,591</u>	<u>4,905,520</u>	<u>24,071</u>
Central services:					
Salaries	822,509	(100,000)	722,509	716,306	6,203
Miscellaneous purchased services	62,620	-	62,620	62,620	-
Lease-back payments	260,000	-	260,000	6,485	253,515
Supplies and materials	31,620	100,000	131,620	74,331	57,289
Total central services:	<u>1,176,749</u>	<u>-</u>	<u>1,176,749</u>	<u>859,742</u>	<u>317,007</u>
Administrative Information Technology:					
Salaries	51,681	-	51,681	34,152	17,529
Purchased profession services	23,562	-	23,562	16,553	7,009
Purchased technical services	20,400	-	20,400	19,237	1,163
Other purchased services (400-500 series)	192,969	-	192,969	173,949	19,020
Total administrative information technology:	<u>288,612</u>	<u>-</u>	<u>288,612</u>	<u>243,891</u>	<u>44,721</u>
Required maintenance for school facilities:					
Salaries	4,420,096	(297,757)	4,122,339	4,118,789	3,550
General supplies	456,775	-	456,775	290,760	166,015
Total required maintenance for school facilities	<u>4,876,871</u>	<u>(297,757)</u>	<u>4,579,114</u>	<u>4,409,549</u>	<u>169,565</u>
Operation and maintenance of plant services:					
Salaries	2,132,236	(124,243)	2,007,993	1,573,124	434,869
Cleaning, repair and maintenance services	2,354,001	5,813	2,359,814	2,333,311	26,503
Insurance	315,622	-	315,622	315,622	-
General supplies	676,734	(2,058)	674,676	614,059	60,617
Energy	2,344,479	-	2,344,479	2,031,053	313,426
Total operation and maintenance of plant services	<u>7,823,072</u>	<u>(120,488)</u>	<u>7,702,584</u>	<u>6,867,169</u>	<u>835,415</u>
Student transportation services:					
Salaries for pupil transportation - (between home and school) - special	1,272,393	-	1,272,393	1,146,630	125,763
Cleaning, repair and maintenance services	70,879	-	70,879	58,272	12,607
Rental payments - school buses	7,038	-	7,038	-	7,038
Lease purchase payments - school buses	398,500	-	398,500	195,135	203,365
Contracted services - Contracted services - (Special education students) - vendors	1,150,619	(61,000)	1,089,619	774,405	315,214
Miscellaneous purchased services - transportation	153,510	11,000	164,510	158,061	6,449
General supplies	50,709	50,000	100,709	20,069	80,640
Miscellaneous purchased services	12,707	-	12,707	4,828	7,879
Total student transportation services	<u>3,116,355</u>	<u>-</u>	<u>3,116,355</u>	<u>2,357,400</u>	<u>758,955</u>

CITY OF BAYONNE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
for the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Employee benefits:					
Social Security contribution	\$ 1,717,808	\$ 130	\$ 1,717,938	\$ 1,313,846	\$ 404,092
Other retirement contributions	1,784,262	(130)	1,784,132	1,757,777	26,355
Workers' compensation	577,066	-	577,066	428,586	148,480
Health benefits	18,245,834	939,007	19,184,841	13,148,016	6,036,825
Tuition reimbursement	45,000	35,000	80,000	54,600	25,400
Other Employee Benefits	193,232	-	193,232	-	193,232
Total employee benefits	<u>22,563,202</u>	<u>974,007</u>	<u>23,537,209</u>	<u>16,702,825</u>	<u>6,834,384</u>
On-Behalf TPAF contributions (non budgeted)					
Pension	-	-	-	1,783,162	(1,783,162)
Non-contributory group insurance	-	-	-	191,358	(191,358)
Post-retirement medical contributions	-	-	-	3,969,300	(3,969,300)
Reimbursed TPAF Social Security contributions (non budgeted)	-	-	-	4,151,306	(4,151,306)
Total on-behalf contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,095,126</u>	<u>(10,095,126)</u>
Total undistributed expenditures	<u>61,560,972</u>	<u>725,762</u>	<u>62,286,734</u>	<u>60,789,873</u>	<u>1,496,861</u>
TOTAL EXPENDITURES - CURRENT EXPENSE	<u>114,538,652</u>	<u>1,141,007</u>	<u>115,679,659</u>	<u>111,430,138</u>	<u>4,249,521</u>
CAPITAL OUTLAY:					
Equipment:					
Preschool/kindergarten	13,125	-	13,125	6,628	6,497
Grades 1 - 5	10,755	-	10,755	10,755	-
Grades 6 - 8	8,125	-	8,125	8,125	-
Grades 9 - 12	10,625	-	10,625	5,221	5,404
Baise skills/remedial - instruction	15,200	-	15,200	-	15,200
Vocational - instruction	18,125	-	18,125	-	18,125
Undistributed expenditures:					
Instructional	24,464	-	24,464	107	24,357
Support services - students	20,125	-	20,125	-	20,125
Total equipment	<u>120,544</u>	<u>-</u>	<u>120,544</u>	<u>30,836</u>	<u>89,708</u>
Assets acquired under capital leases (non budgeted)	-	-	-	139,048	(139,048)
TOTAL CAPITAL OUTLAY	<u>120,544</u>	<u>-</u>	<u>120,544</u>	<u>169,884</u>	<u>(49,340)</u>
SPECIAL SCHOOLS:					
Adult education - local - instruction:					
Salaries of teachers	246,586	-	246,586	211,612	34,974
General supplies	16,007	-	16,007	10,511	5,496
Technology supplies	11,313	-	11,313	10,913	400
Textbooks	26,396	-	26,396	20,608	5,788
Other objects	62,220	-	62,220	28,735	33,485
Total adult education - local - instruction	<u>362,522</u>	<u>-</u>	<u>362,522</u>	<u>282,379</u>	<u>80,143</u>
TOTAL SPECIAL SCHOOLS	<u>362,522</u>	<u>-</u>	<u>362,522</u>	<u>282,379</u>	<u>80,143</u>
Charter schools	<u>124,894</u>	<u>-</u>	<u>124,894</u>	<u>123,894</u>	<u>1,000</u>
Total expenditures	<u>115,146,612</u>	<u>1,141,007</u>	<u>116,287,619</u>	<u>112,006,295</u>	<u>4,281,324</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,680,004)</u>	<u>1,826,344</u>	<u>(5,853,660)</u>	<u>10,259,416</u>	<u>16,113,076</u>
Other financing sources (uses)					
Special item - loan interest	-	-	-	(531,831)	(531,831)
Transfers	-	-	-	(5,882,468)	(5,882,468)
Capital Leases (non budgeted)	-	-	-	139,048	139,048
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,275,251)</u>	<u>(6,275,251)</u>

CITY OF BAYONNE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
for the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (7,680,004)	\$ 1,826,344	\$ (5,853,660)	\$ 3,984,165	\$ 9,837,825
Fund balances, July 1	<u>8,661,220</u>	<u>-</u>	<u>8,661,220</u>	<u>8,661,220</u>	<u>-</u>
Fund balances, June 30	<u>\$ 981,216</u>	<u>\$ 1,826,344</u>	<u>\$ 2,807,560</u>	<u>\$ 12,645,385</u>	<u>\$ 9,837,825</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Reserve for Excess surplus - designated for subsequent year				\$ 909,226	
Reserve for Excess Surplus				7,036,151	
Committed Fund Balance:					
Year-end Encumbrances				1,544,341	
Unassigned Fund Balance				<u>3,155,667</u>	
				12,645,385	
Reconciliation to Government Funds (GAAP)					
Last State Aid Payment not recognized on GAAP Basis				<u>(4,954,331)</u>	
Fund Balance per Government Funds (GAAP)				<u>\$ 7,691,054</u>	

CITY OF BAYONNE SCHOOL DISTRICT
Combining Budgetary Comparison Schedule
General Fund
for the Fiscal Year Ended June 30, 2012

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund	Education Jobs Fund	Total General Fund	Operating Fund	Education Jobs Fund	Total General Fund
	Fund 11-13	Fund 18	Fund	Fund 11-13	Fund 18	Fund
REVENUES						
Local sources:						
Local tax levy	\$ 57,086,193	\$ -	\$ 57,086,193	\$ -	\$ -	\$ -
Tuition	111,104	-	111,104	-	-	-
Interest earned	-	-	-	-	-	-
Miscellaneous	1,185,000	-	1,185,000	-	-	-
Total - local sources	58,382,297	-	58,382,297	-	-	-
Federal sources:						
Education jobs fund	-	-	-	-	1,826,344	1,826,344
Special Education Medicare Reimbursement Initiative	207,032	-	207,032	-	-	-
Total - federal sources	207,032	-	207,032	-	1,826,344	1,826,344
State sources:						
Equalization aid	43,836,499	-	43,836,499	1,141,007	-	1,141,007
Special education categorical aid	5,040,780	-	5,040,780	-	-	-
Extraordinary aid	-	-	-	-	-	-
On-Behalf TPAF contributions (non budgeted)						
Pension	-	-	-	-	-	-
Non-contributory group insurance premium	-	-	-	-	-	-
Post-retirement medical contributions	-	-	-	-	-	-
Reimbursed TPAF Social Security contributions (Non budgeted)	-	-	-	-	-	-
Total - state sources	48,877,279	-	48,877,279	1,141,007	-	1,141,007
Total revenues	107,466,608	-	107,466,608	1,141,007	1,826,344	2,967,351
EXPENDITURES -						
CURRENT EXPENSE						
Regular programs - instruction:						
Salaries of teachers:						
Preschool/kindergarten	3,562,429	-	3,562,429	(96,203)	96,203	-
Grades 1-5	8,148,120	-	8,148,120	(146,736)	146,736	-
Grades 6-8	6,685,041	-	6,685,041	(194,838)	194,838	-
Grades 9-12	11,927,319	-	11,927,319	(288,609)	288,609	-
Total regular programs - instruction	30,322,909	-	30,322,909	(726,386)	726,386	-
Regular programs - home instruction:						
Salaries of teachers	188,764	-	188,764	-	-	-
General supplies	1,500	-	1,500	-	-	-
Other objects	2,200	-	2,200	-	-	-
Total regular programs - home instruction	192,464	-	192,464	-	-	-
Regular programs - undistributed instruction:						
Other salaries for instruction	268,759	-	268,759	-	-	-
General supplies	855,553	-	855,553	(2,800)	-	(2,800)
Technology supplies	218,519	-	218,519	(942)	-	(942)
Textbooks	286,098	-	286,098	424,800	-	424,800
Other objects	47,270	-	47,270	-	-	-
Total regular programs - undistributed instruction	1,676,199	-	1,676,199	421,058	-	421,058
Total regular programs	32,191,572	-	32,191,572	(305,328)	726,386	421,058
Special education:						
Neurologically impaired:						
Salaries of teachers	4,310,724	-	4,310,724	(277,750)	277,750	-
Other salaries for instruction	1,093,397	-	1,093,397	-	-	-
General supplies	34,122	-	34,122	-	-	-
Technology supplies	5,709	-	5,709	-	-	-
Textbooks	46,360	-	46,360	-	-	-
Other objects	50,882	-	50,882	-	-	-
Total learning/language disabilities	5,541,194	-	5,541,194	(277,750)	277,750	-
Multiple disabilities:						
Salaries of teachers	716,263	-	716,263	-	-	-
Other salaries for instruction	1,365,744	-	1,365,744	-	-	-
General supplies	1,188	-	1,188	-	-	-
Technology supplies	329	-	329	-	-	-
Textbooks	5,092	-	5,092	-	-	-
Other objects	23,205	-	23,205	-	-	-
Total multiple disabilities	2,111,821	-	2,111,821	-	-	-

FINAL BUDGET			ACTUAL		
Operating Fund <u>Fund 11-13</u>	Education Jobs Fund <u>Fund 18</u>	Total General Fund	Operating Fund <u>Fund 11-13</u>	Education Jobs Fund <u>Fund 18</u>	Total General Fund
\$ 57,086,193	\$ -	\$ 57,086,193	\$ 57,086,193	\$ -	\$ 57,086,193
111,104	-	111,104	63,644	-	63,644
-	-	-	29,726	-	29,726
1,185,000	-	1,185,000	1,759,036	-	1,759,036
58,382,297	-	58,382,297	58,938,599	-	58,938,599
-	1,826,344	1,826,344	-	1,826,344	1,826,344
207,032	-	207,032	278,007	-	278,007
207,032	1,826,344	2,033,376	278,007	1,826,344	2,104,351
44,977,506	-	44,977,506	44,977,506	-	44,977,506
5,040,780	-	5,040,780	5,040,780	-	5,040,780
-	-	-	1,109,349	-	1,109,349
-	-	-	1,783,162	-	1,783,162
-	-	-	191,358	-	191,358
-	-	-	3,969,300	-	3,969,300
-	-	-	4,151,306	-	4,151,306
50,018,286	-	50,018,286	61,222,761	-	61,222,761
108,607,615	1,826,344	110,433,959	120,439,367	1,826,344	122,265,711
3,466,226	96,203	3,562,429	3,466,226	96,203	3,562,429
8,001,384	146,736	8,148,120	7,832,695	146,736	7,979,431
6,490,203	194,838	6,685,041	6,334,548	194,838	6,529,386
11,638,710	288,609	11,927,319	11,313,140	288,609	11,601,749
29,596,523	726,386	30,322,909	28,946,609	726,386	29,672,995
188,764	-	188,764	178,058	-	178,058
1,500	-	1,500	1,500	-	1,500
2,200	-	2,200	2,200	-	2,200
192,464	-	192,464	181,758	-	181,758
268,759	-	268,759	140,381	-	140,381
852,753	-	852,753	791,138	-	791,138
217,577	-	217,577	212,767	-	212,767
710,898	-	710,898	279,429	-	279,429
47,270	-	47,270	42,579	-	42,579
2,097,257	-	2,097,257	1,466,294	-	1,466,294
31,886,244	726,386	32,612,630	30,594,661	726,386	31,321,047
4,032,974	277,750	4,310,724	4,016,592	277,750	4,294,342
1,093,397	-	1,093,397	1,093,397	-	1,093,397
34,122	-	34,122	16,243	-	16,243
5,709	-	5,709	5,709	-	5,709
46,360	-	46,360	26,316	-	26,316
50,882	-	50,882	21,013	-	21,013
5,263,444	277,750	5,541,194	5,179,270	277,750	5,457,020
716,263	-	716,263	708,152	-	708,152
1,365,744	-	1,365,744	1,124,839	-	1,124,839
1,188	-	1,188	1,112	-	1,112
329	-	329	229	-	229
5,092	-	5,092	1,831	-	1,831
23,205	-	23,205	15,151	-	15,151
2,111,821	-	2,111,821	1,851,314	-	1,851,314

CITY OF BAYONNE SCHOOL DISTRICT
Combining Budgetary Comparison Schedule
General Fund
for the Fiscal Year Ended June 30, 2012

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund	Education Jobs Fund	Total General Fund	Operating Fund	Education Jobs Fund	Total General Fund
	Fund 11-13	Fund 18	Fund	Fund 11-13	Fund 18	Fund
Behavioral disabilities:						
Salaries of teachers	\$ 519,579	\$ -	\$ 519,579	\$ (192,406)	\$ 192,406	\$ -
Other salaries for instruction	220,784	-	220,784	-	-	-
General supplies	9,586	-	9,586	-	-	-
Technology supplies	6,698	-	6,698	-	-	-
Textbooks	18,017	-	18,017	-	-	-
Other objects	2,953	-	2,953	-	-	-
Total behavioral disabilities	<u>777,617</u>	<u>-</u>	<u>777,617</u>	<u>(192,406)</u>	<u>192,406</u>	<u>-</u>
Resource room/resource center:						
Salaries of teachers	3,800,374	-	3,800,374	-	-	-
General supplies	7,271	-	7,271	-	-	-
Technology supplies	13,373	-	13,373	-	-	-
Textbooks	122,064	-	122,064	-	-	-
Other objects	32,873	-	32,873	-	-	-
Total resource room/resource center	<u>3,975,955</u>	<u>-</u>	<u>3,975,955</u>	<u>-</u>	<u>-</u>	<u>-</u>
Autism:						
Salaries of teachers	665,741	-	665,741	(192,406)	192,406	-
Other salaries for instruction	910,649	-	910,649	-	-	-
General supplies	5,399	-	5,399	-	-	-
Technology supplies	1,945	-	1,945	-	-	-
Other objects	8,654	-	8,654	-	-	-
Total autism	<u>1,592,388</u>	<u>-</u>	<u>1,592,388</u>	<u>(192,406)</u>	<u>192,406</u>	<u>-</u>
Speech/occupational therapy/physical therapy						
Salaries of teachers	334,676	-	334,676	-	-	-
Other salaries for instruction	331,338	-	331,338	-	-	-
General supplies	5,591	-	5,591	-	-	-
Technology supplies	540	-	540	-	-	-
Other objects	6,594	-	6,594	-	-	-
Total speech/occupational therapy/physical therapy	<u>678,739</u>	<u>-</u>	<u>678,739</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total special education - instruction	<u>14,677,714</u>	<u>-</u>	<u>14,677,714</u>	<u>(662,562)</u>	<u>662,562</u>	<u>-</u>
Basic skills/remedial:						
Salaries of teachers	2,087,155	-	2,087,155	-	-	-
Total basic skills/remedial	<u>2,087,155</u>	<u>-</u>	<u>2,087,155</u>	<u>-</u>	<u>-</u>	<u>-</u>
Bilingual education:						
Salaries of teachers	1,366,896	-	1,366,896	-	-	-
Other salaries for instruction	246,147	-	246,147	-	-	-
Textbooks	14,544	-	14,544	-	-	-
Other objects	21,747	-	21,747	-	-	-
Total bilingual education	<u>1,649,334</u>	<u>-</u>	<u>1,649,334</u>	<u>-</u>	<u>-</u>	<u>-</u>
Vocational programs-local-instruction:						
Salaries of teachers	966,016	-	966,016	-	-	-
General supplies	54,089	-	54,089	-	-	-
Technology supplies	28,975	-	28,975	-	-	-
Textbooks	31,501	-	31,501	(5,813)	-	(5,813)
Other objects	140,171	-	140,171	-	-	-
Total vocational programs-local-instruction	<u>1,220,752</u>	<u>-</u>	<u>1,220,752</u>	<u>(5,813)</u>	<u>-</u>	<u>(5,813)</u>
Other instructional:						
School-sponsored cocurricular activities:						
Salaries	168,730	-	168,730	-	-	-
Other Objects	29,488	-	29,488	-	-	-
School-sponsored athletics:						
Salaries	618,224	-	618,224	(54,512)	-	(54,512)
Other purchase services	275,589	-	275,589	54,512	-	54,512
Community service programs:						
Salaries	59,122	-	59,122	-	-	-
Total other instructional	<u>1,151,153</u>	<u>-</u>	<u>1,151,153</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total - instruction	<u>52,977,680</u>	<u>-</u>	<u>52,977,680</u>	<u>(973,703)</u>	<u>1,388,948</u>	<u>415,245</u>
Undistributed expenditures - instruction:						
Tuition to other LEA's within the state - special	462,627	-	462,627	(71,000)	-	(71,000)
Tuition to CSSD & regional day schools	294,588	-	294,588	-	-	-
Tuition to private schools for the handicapped-within state	1,429,956	-	1,429,956	281,949	-	281,949
Tuition - state facilities	153,711	-	153,711	-	-	-
Tuition - other	726,343	-	726,343	(210,949)	-	(210,949)
Total undistributed expenditures - instruction	<u>3,067,225</u>	<u>-</u>	<u>3,067,225</u>	<u>-</u>	<u>-</u>	<u>-</u>

FINAL BUDGET			ACTUAL		
Operating Fund	Education Jobs Fund	Total General Fund	Operating Fund	Education Jobs Fund	Total General Fund
Fund 11-13	Fund 18	Fund	Fund 11-13	Fund 18	Fund
\$ 327,173	\$ 192,406	\$ 519,579	\$ 327,173	\$ 192,406	\$ 519,579
220,784	-	220,784	220,784	-	220,784
9,586	-	9,586	2,841	-	2,841
6,698	-	6,698	6,698	-	6,698
18,017	-	18,017	17,129	-	17,129
2,953	-	2,953	-	-	-
<u>585,211</u>	<u>192,406</u>	<u>777,617</u>	<u>574,625</u>	<u>192,406</u>	<u>767,031</u>
3,800,374	-	3,800,374	3,751,278	-	3,751,278
7,271	-	7,271	6,705	-	6,705
13,373	-	13,373	13,303	-	13,303
122,064	-	122,064	106,277	-	106,277
32,873	-	32,873	31,909	-	31,909
<u>3,975,955</u>	<u>-</u>	<u>3,975,955</u>	<u>3,909,472</u>	<u>-</u>	<u>3,909,472</u>
473,335	192,406	665,741	473,335	192,406	665,741
910,649	-	910,649	909,440	-	909,440
5,399	-	5,399	4,563	-	4,563
1,945	-	1,945	1,945	-	1,945
8,654	-	8,654	8,425	-	8,425
<u>1,399,982</u>	<u>192,406</u>	<u>1,592,388</u>	<u>1,397,708</u>	<u>192,406</u>	<u>1,590,114</u>
334,676	-	334,676	334,676	-	334,676
331,338	-	331,338	240,125	-	240,125
5,591	-	5,591	5,237	-	5,237
540	-	540	300	-	300
6,594	-	6,594	-	-	-
<u>678,739</u>	<u>-</u>	<u>678,739</u>	<u>580,338</u>	<u>-</u>	<u>580,338</u>
<u>14,015,152</u>	<u>662,562</u>	<u>14,677,714</u>	<u>13,492,727</u>	<u>662,562</u>	<u>14,155,289</u>
2,087,155	-	2,087,155	1,782,143	-	1,782,143
<u>2,087,155</u>	<u>-</u>	<u>2,087,155</u>	<u>1,782,143</u>	<u>-</u>	<u>1,782,143</u>
1,366,896	-	1,366,896	1,060,242	-	1,060,242
246,147	-	246,147	236,107	-	236,107
14,544	-	14,544	14,544	-	14,544
21,747	-	21,747	21,747	-	21,747
<u>1,649,334</u>	<u>-</u>	<u>1,649,334</u>	<u>1,332,640</u>	<u>-</u>	<u>1,332,640</u>
966,016	-	966,016	719,994	-	719,994
54,089	-	54,089	54,012	-	54,012
28,975	-	28,975	28,927	-	28,927
25,688	-	25,688	16,743	-	16,743
140,171	-	140,171	140,031	-	140,031
<u>1,214,939</u>	<u>-</u>	<u>1,214,939</u>	<u>959,707</u>	<u>-</u>	<u>959,707</u>
168,730	-	168,730	168,730	-	168,730
29,488	-	29,488	28,754	-	28,754
563,712	-	563,712	563,712	-	563,712
330,101	-	330,101	269,121	-	269,121
59,122	-	59,122	59,122	-	59,122
<u>1,151,153</u>	<u>-</u>	<u>1,151,153</u>	<u>1,089,439</u>	<u>-</u>	<u>1,089,439</u>
<u>52,003,977</u>	<u>1,388,948</u>	<u>53,392,925</u>	<u>49,251,317</u>	<u>1,388,948</u>	<u>50,640,265</u>
391,627	-	391,627	364,995	-	364,995
294,588	-	294,588	268,292	-	268,292
1,711,905	-	1,711,905	1,597,423	-	1,597,423
153,711	-	153,711	101,655	-	101,655
515,394	-	515,394	483,500	-	483,500
<u>3,067,225</u>	<u>-</u>	<u>3,067,225</u>	<u>2,815,865</u>	<u>-</u>	<u>2,815,865</u>

CITY OF BAYONNE SCHOOL DISTRICT
Combining Budgetary Comparison Schedule
General Fund
for the Fiscal Year Ended June 30, 2012

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund	Education Jobs Fund	Total General Fund	Operating Fund	Education Jobs Fund	Total General Fund
	Fund 11-13	Fund 18	Fund	Fund 11-13	Fund 18	Fund
Attendance and social work services:						
Salaries	\$ 540,334	\$ -	\$ 540,334	\$ -	\$ -	\$ -
Other purchased services (400-500 series)	2,091	-	2,091	-	-	-
Supplies and materials	1,703	-	1,703	-	-	-
Total attendance and social work services	<u>544,128</u>	<u>-</u>	<u>544,128</u>	<u>-</u>	<u>-</u>	<u>-</u>
Health services:						
Salaries	1,894,486	-	1,894,486	-	-	-
Purchased professional and technical services	95,326	-	95,326	(21,500)	-	(21,500)
Other purchased services (400-500 series)	24,653	-	24,653	-	-	-
Supplies and materials	17,851	-	17,851	-	-	-
Total health services	<u>2,032,316</u>	<u>-</u>	<u>2,032,316</u>	<u>(21,500)</u>	<u>-</u>	<u>(21,500)</u>
Other support services - students-related services:						
Salaries	1,025,330	-	1,025,330	-	-	-
Supplies and materials	15,781	-	15,781	-	-	-
Other objects	4,725	-	4,725	-	-	-
Total other support services - students-related services	<u>1,045,836</u>	<u>-</u>	<u>1,045,836</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other support services - students-extra services :						
Salaries	543,777	-	543,777	-	-	-
Total other support services - students-extra services	<u>543,777</u>	<u>-</u>	<u>543,777</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other support services - students-regular:						
Salaries of other professional staff	1,998,987	-	1,998,987	-	-	-
Salaries of secretarial and clerical assistants	297,668	-	297,668	-	-	-
Supplies and materials	97,323	-	97,323	-	-	-
Total other support services - students-regular	<u>2,393,978</u>	<u>-</u>	<u>2,393,978</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other support services - students - special services:						
Salaries of other professional staff	1,540,754	-	1,540,754	-	-	-
Salaries of secretarial and clerical assistants	358,729	-	358,729	-	-	-
Purchased professional - educational services	618,291	-	618,291	239,009	-	239,009
Supplies and materials	35,436	-	35,436	(27,009)	-	(27,009)
Total other support services - students-special services	<u>2,553,210</u>	<u>-</u>	<u>2,553,210</u>	<u>212,000</u>	<u>-</u>	<u>212,000</u>
Improvement of instructional services:						
Salaries of supervisors of instructions	1,792,761	-	1,792,761	-	-	-
Salaries of secretarial and clerical assistants	212,445	-	212,445	-	-	-
Other objects	37,859	-	37,859	-	-	-
Total improvement of instructional services	<u>2,043,065</u>	<u>-</u>	<u>2,043,065</u>	<u>-</u>	<u>-</u>	<u>-</u>
Educational media services/school library:						
Salaries	129,395	-	129,395	-	-	-
Supplies and materials	56,287	-	56,287	-	-	-
Total educational media services/school library	<u>185,682</u>	<u>-</u>	<u>185,682</u>	<u>-</u>	<u>-</u>	<u>-</u>
Instruction staff training services:						
Other purchased professional services - educational	39,026	-	39,026	-	-	-
Other purchased professional services - technical	10,735	-	10,735	-	-	-
Other purchased services (400-500 series)	23,931	-	23,931	-	-	-
Total instruction staff training services	<u>73,692</u>	<u>-</u>	<u>73,692</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support services - general administration:						
Salaries	930,120	-	930,120	-	-	-
Legal services	153,397	-	153,397	-	-	-
Audit Fees	113,916	-	113,916	-	-	-
Other purchased professional services	89,532	-	89,532	-	-	-
Communications/telephone	347,696	-	347,696	3,000	-	3,000
Board of education other purchased services	24,602	-	24,602	-	-	-
Other purchased services (400-500 series)	321,788	-	321,788	-	-	-
Supplies and materials	163,168	-	163,168	25,000	-	25,000
Board of education in-house training supplies	38,964	-	38,964	-	-	-
Miscellaneous expenditures	66,590	-	66,590	(48,500)	-	(48,500)
Board of education membership dues and fees	53,838	-	53,838	-	-	-
Total support services - general administration	<u>2,303,611</u>	<u>-</u>	<u>2,303,611</u>	<u>(20,500)</u>	<u>-</u>	<u>(20,500)</u>
Support services - school administration:						
Salaries of principals/assistant principals	3,002,113	-	3,002,113	-	-	-
Salaries of secretarial and clerical assistants	1,723,256	-	1,723,256	-	-	-
Supplies and materials	204,222	-	204,222	-	-	-
Total support services - school administration	<u>4,929,591</u>	<u>-</u>	<u>4,929,591</u>	<u>-</u>	<u>-</u>	<u>-</u>

FINAL BUDGET			ACTUAL		
Operating Fund	Education Jobs Fund	Total General Fund	Operating Fund	Education Jobs Fund	Total General Fund
Fund 11-13	Fund 18	Fund	Fund 11-13	Fund 18	Fund
\$ 540,334	\$ -	\$ 540,334	\$ 500,738	\$ -	\$ 500,738
2,091	-	2,091	1,862	-	1,862
1,703	-	1,703	628	-	628
<u>544,128</u>	<u>-</u>	<u>544,128</u>	<u>503,228</u>	<u>-</u>	<u>503,228</u>
1,894,486	-	1,894,486	1,891,246	-	1,891,246
73,826	-	73,826	69,242	-	69,242
24,653	-	24,653	22,970	-	22,970
17,851	-	17,851	17,851	-	17,851
<u>2,010,816</u>	<u>-</u>	<u>2,010,816</u>	<u>2,001,309</u>	<u>-</u>	<u>2,001,309</u>
1,025,330	-	1,025,330	982,345	-	982,345
15,781	-	15,781	12,161	-	12,161
4,725	-	4,725	2,112	-	2,112
<u>1,045,836</u>	<u>-</u>	<u>1,045,836</u>	<u>996,618</u>	<u>-</u>	<u>996,618</u>
543,777	-	543,777	-	-	-
<u>543,777</u>	<u>-</u>	<u>543,777</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,998,987	-	1,998,987	1,565,031	-	1,565,031
297,668	-	297,668	171,703	-	171,703
97,323	-	97,323	92,525	-	92,525
<u>2,393,978</u>	<u>-</u>	<u>2,393,978</u>	<u>1,829,259</u>	<u>-</u>	<u>1,829,259</u>
1,540,754	-	1,540,754	1,184,008	-	1,184,008
358,729	-	358,729	230,367	-	230,367
857,300	-	857,300	839,250	-	839,250
8,427	-	8,427	8,152	-	8,152
<u>2,765,210</u>	<u>-</u>	<u>2,765,210</u>	<u>2,261,777</u>	<u>-</u>	<u>2,261,777</u>
1,792,761	-	1,792,761	1,555,234	-	1,555,234
212,445	-	212,445	107,305	-	107,305
37,859	-	37,859	28,361	-	28,361
<u>2,043,065</u>	<u>-</u>	<u>2,043,065</u>	<u>1,690,900</u>	<u>-</u>	<u>1,690,900</u>
129,395	-	129,395	103,457	-	103,457
56,287	-	56,287	50,980	-	50,980
<u>185,682</u>	<u>-</u>	<u>185,682</u>	<u>154,437</u>	<u>-</u>	<u>154,437</u>
39,026	-	39,026	36,590	-	36,590
10,735	-	10,735	8,148	-	8,148
23,931	-	23,931	19,597	-	19,597
<u>73,692</u>	<u>-</u>	<u>73,692</u>	<u>64,335</u>	<u>-</u>	<u>64,335</u>
930,120	-	930,120	886,709	-	886,709
153,397	-	153,397	147,500	-	147,500
113,916	-	113,916	52,000	-	52,000
89,532	-	89,532	53,341	-	53,341
350,696	-	350,696	346,844	-	346,844
24,602	-	24,602	24,583	-	24,583
321,788	-	321,788	227,925	-	227,925
188,168	-	188,168	181,507	-	181,507
38,964	-	38,964	38,964	-	38,964
18,090	-	18,090	17,712	-	17,712
53,838	-	53,838	53,838	-	53,838
<u>2,283,111</u>	<u>-</u>	<u>2,283,111</u>	<u>2,030,923</u>	<u>-</u>	<u>2,030,923</u>
3,002,113	-	3,002,113	2,991,960	-	2,991,960
1,723,256	-	1,723,256	1,723,256	-	1,723,256
204,222	-	204,222	190,304	-	190,304
<u>4,929,591</u>	<u>-</u>	<u>4,929,591</u>	<u>4,905,520</u>	<u>-</u>	<u>4,905,520</u>

CITY OF BAYONNE SCHOOL DISTRICT
Combining Budgetary Comparison Schedule
General Fund
for the Fiscal Year Ended June 30, 2012

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund	Education Jobs Fund	Total General Fund	Operating Fund	Education Jobs Fund	Total General Fund
	Fund 11-13	Fund 18	Fund	Fund 11-13	Fund 18	Fund
Central services:						
Salaries	\$ 822,509	\$ -	\$ 822,509	\$ (100,000)	\$ -	\$ (100,000)
Miscellaneous purchased services	62,620	-	62,620	-	-	-
Lease-back payments	260,000	-	260,000	-	-	-
Supplies and materials	31,620	-	31,620	100,000	-	100,000
Total central services:	1,176,749	-	1,176,749	-	-	-
Administrative Information Technology:						
Salaries	51,681	-	51,681	-	-	-
Purchased profession services	23,562	-	23,562	-	-	-
Purchased technical services	20,400	-	20,400	-	-	-
Other purchased services (400-500 series)	192,969	-	192,969	-	-	-
Total administrative information technology:	288,612	-	288,612	-	-	-
Required maintenance for school facilities:						
Salaries	4,420,096	-	4,420,096	(297,757)	-	(297,757)
General supplies	456,775	-	456,775	-	-	-
Total required maintenance for school facilities	4,876,871	-	4,876,871	(297,757)	-	(297,757)
Operation and maintenance of plant services:						
Salaries	2,132,236	-	2,132,236	(124,243)	-	(124,243)
Cleaning, repair and maintenance services	2,354,001	-	2,354,001	5,813	-	5,813
Insurance	315,622	-	315,622	-	-	-
General supplies	676,734	-	676,734	(2,058)	-	(2,058)
Energy	2,344,479	-	2,344,479	-	-	-
Total operation and maintenance of plant services	7,823,072	-	7,823,072	(120,488)	-	(120,488)
Student transportation services:						
Salaries for pupil transportation - (between home and school) - special	1,272,393	-	1,272,393	-	-	-
Cleaning, repair and maintenance services	70,879	-	70,879	-	-	-
Rental payments - school buses	7,038	-	7,038	-	-	-
Lease purchase payments - school buses	398,500	-	398,500	-	-	-
Contracted services - Contracted services - (Special education students) - vendors	1,150,619	-	1,150,619	(61,000)	-	(61,000)
Miscellaneous purchased services - transportation	153,510	-	153,510	11,000	-	11,000
General supplies	50,709	-	50,709	50,000	-	50,000
Miscellaneous purchased services	12,707	-	12,707	-	-	-
Total student transportation services	3,116,355	-	3,116,355	-	-	-
Employee benefits:						
Social Security contribution	1,717,808	-	1,717,808	(238,769)	238,899	130
Other retirement contributions	1,784,262	-	1,784,262	(130)	-	(130)
Workers' compensation	577,066	-	577,066	-	-	-
Health benefits	18,245,834	-	18,245,834	740,510	198,497	939,007
Tuition reimbursement	45,000	-	45,000	35,000	-	35,000
Other Employee Benefits	193,232	-	193,232	-	-	-
Total employee benefits	22,563,202	-	22,563,202	536,611	437,396	974,007
On-Behalf TPAF contributions (non budgeted)						
Pension	-	-	-	-	-	-
Non-contributory group insurance	-	-	-	-	-	-
Post-retirement medical contributions	-	-	-	-	-	-
Reimbursed TPAF Social Security contributions (non budgeted)	-	-	-	-	-	-
Total on-behalf contributions	-	-	-	-	-	-
Total undistributed expenditures	61,560,972	-	61,560,972	288,366	437,396	725,762
TOTAL EXPENDITURES - CURRENT EXPENSE	114,538,652	-	114,538,652	(685,337)	1,826,344	1,141,007
CAPITAL OUTLAY:						
Equipment:						
Preschool/kindergarten	13,125	-	13,125	-	-	-
Grades 1 - 5	10,755	-	10,755	-	-	-
Grades 6 - 8	8,125	-	8,125	-	-	-
Grades 9 - 12	10,625	-	10,625	-	-	-
Basic skills/remedial - instruction	15,200	-	15,200	-	-	-
Vocational - instruction	18,125	-	18,125	-	-	-
Undistributed expenditures:						
Instructional	24,464	-	24,464	-	-	-
Support services - students	20,125	-	20,125	-	-	-
Total equipment	120,544	-	120,544	-	-	-

FINAL BUDGET			ACTUAL		
Operating Fund	Education Jobs Fund	Total General Fund	Operating Fund	Education Jobs Fund	Total General Fund
Fund 11-13	Fund 18	Fund	Fund 11-13	Fund 18	Fund
\$ 722,509	\$ -	\$ 722,509	\$ 716,306	\$ -	\$ 716,306
62,620	-	62,620	62,620	-	62,620
260,000	-	260,000	6,485	-	6,485
131,620	-	131,620	74,331	-	74,331
<u>1,176,749</u>	<u>-</u>	<u>1,176,749</u>	<u>859,742</u>	<u>-</u>	<u>859,742</u>
51,681	-	51,681	34,152	-	34,152
23,562	-	23,562	16,553	-	16,553
20,400	-	20,400	19,237	-	19,237
192,969	-	192,969	173,949	-	173,949
<u>288,612</u>	<u>-</u>	<u>288,612</u>	<u>243,891</u>	<u>-</u>	<u>243,891</u>
4,122,339	-	4,122,339	4,118,789	-	4,118,789
456,775	-	456,775	290,760	-	290,760
<u>4,579,114</u>	<u>-</u>	<u>4,579,114</u>	<u>4,409,549</u>	<u>-</u>	<u>4,409,549</u>
2,007,993	-	2,007,993	1,573,124	-	1,573,124
2,359,814	-	2,359,814	2,333,311	-	2,333,311
315,622	-	315,622	315,622	-	315,622
674,676	-	674,676	614,059	-	614,059
2,344,479	-	2,344,479	2,031,053	-	2,031,053
<u>7,702,584</u>	<u>-</u>	<u>7,702,584</u>	<u>6,867,169</u>	<u>-</u>	<u>6,867,169</u>
1,272,393	-	1,272,393	1,146,630	-	1,146,630
70,879	-	70,879	58,272	-	58,272
7,038	-	7,038	-	-	-
398,500	-	398,500	195,135	-	195,135
1,089,619	-	1,089,619	774,405	-	774,405
164,510	-	164,510	158,061	-	158,061
100,709	-	100,709	20,069	-	20,069
12,707	-	12,707	4,828	-	4,828
<u>3,116,355</u>	<u>-</u>	<u>3,116,355</u>	<u>2,357,400</u>	<u>-</u>	<u>2,357,400</u>
1,479,039	238,899	1,717,938	1,074,947	238,899	1,313,846
1,784,132	-	1,784,132	1,757,777	-	1,757,777
577,066	-	577,066	428,586	-	428,586
18,986,344	198,497	19,184,841	12,949,519	198,497	13,148,016
80,000	-	80,000	54,600	-	54,600
193,232	-	193,232	-	-	-
<u>23,099,813</u>	<u>437,396</u>	<u>23,537,209</u>	<u>16,265,429</u>	<u>437,396</u>	<u>16,702,825</u>
-	-	-	1,783,162	-	1,783,162
-	-	-	191,358	-	191,358
-	-	-	3,969,300	-	3,969,300
-	-	-	4,151,306	-	4,151,306
-	-	-	10,095,126	-	10,095,126
61,849,338	437,396	62,286,734	60,352,477	437,396	60,789,873
<u>113,853,315</u>	<u>1,826,344</u>	<u>115,679,659</u>	<u>109,603,794</u>	<u>1,826,344</u>	<u>111,430,138</u>
13,125	-	13,125	6,628	-	6,628
10,755	-	10,755	10,755	-	10,755
8,125	-	8,125	8,125	-	8,125
10,625	-	10,625	5,221	-	5,221
15,200	-	15,200	-	-	-
18,125	-	18,125	-	-	-
24,464	-	24,464	107	-	107
20,125	-	20,125	-	-	-
<u>120,544</u>	<u>-</u>	<u>120,544</u>	<u>30,836</u>	<u>-</u>	<u>30,836</u>

CITY OF BAYONNE SCHOOL DISTRICT
Combining Budgetary Comparison Schedule
General Fund
for the Fiscal Year Ended June 30, 2012

	ORIGINAL BUDGET			BUDGET TRANSFERS		
	Operating Fund	Education Jobs Fund	Total General Fund	Operating Fund	Education Jobs Fund	Total General Fund
	<u>Fund 11-13</u>	<u>Fund 18</u>	<u>Fund</u>	<u>Fund 11-13</u>	<u>Fund 18</u>	<u>Fund</u>
Assets acquired under capital leases (non budgeted)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CAPITAL OUTLAY	<u>120,544</u>	<u>-</u>	<u>120,544</u>	<u>-</u>	<u>-</u>	<u>-</u>
SPECIAL SCHOOLS:						
Adult education - local - instruction:						
Salaries of teachers	246,586	-	246,586	-	-	-
General supplies	16,007	-	16,007	-	-	-
Technology supplies	11,313	-	11,313	-	-	-
Textbooks	26,396	-	26,396	-	-	-
Other objects	62,220	-	62,220	-	-	-
Total adult education - local - instruction	<u>362,522</u>	<u>-</u>	<u>362,522</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SPECIAL SCHOOLS	<u>362,522</u>	<u>-</u>	<u>362,522</u>	<u>-</u>	<u>-</u>	<u>-</u>
Charter schools	124,894	-	124,894	-	-	-
Total expenditures	<u>115,146,612</u>	<u>-</u>	<u>115,146,612</u>	<u>(685,337)</u>	<u>1,826,344</u>	<u>1,141,007</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,680,004)</u>	<u>-</u>	<u>(7,680,004)</u>	<u>1,826,344</u>	<u>-</u>	<u>1,826,344</u>
Other financing sources (uses)						
Special Item - accounts receivable cancelled	-	-	-	-	-	-
Special item - loan interest	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Capital Leases (non budgeted)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(7,680,004)</u>	<u>-</u>	<u>(7,680,004)</u>	<u>1,826,344</u>	<u>-</u>	<u>1,826,344</u>
Fund balances, July 1	<u>8,661,220</u>	<u>-</u>	<u>8,661,220</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, June 30	<u>\$ 981,216</u>	<u>\$ -</u>	<u>\$ 981,216</u>	<u>\$ 1,826,344</u>	<u>\$ -</u>	<u>\$ 1,826,344</u>

FINAL BUDGET			ACTUAL		
Operating Fund <u>Fund 11-13</u>	Education Jobs Fund <u>Fund 18</u>	Total General Fund	Operating Fund <u>Fund 11-13</u>	Education Jobs Fund <u>Fund 18</u>	Total General Fund
\$ -	\$ -	\$ -	\$ 139,048	\$ -	\$ 139,048
120,544	-	120,544	169,884	-	169,884
246,586	-	246,586	211,612	-	211,612
16,007	-	16,007	10,511	-	10,511
11,313	-	11,313	10,913	-	10,913
26,396	-	26,396	20,608	-	20,608
62,220	-	62,220	28,735	-	28,735
362,522	-	362,522	282,379	-	282,379
362,522	-	362,522	282,379	-	282,379
124,894	-	124,894	123,894	-	123,894
114,461,275	1,826,344	116,287,619	110,179,951	1,826,344	112,006,295
(5,853,660)	-	(5,853,660)	10,259,416	-	10,259,416
-	-	-	-	-	-
-	-	-	(531,831)	-	(531,831)
-	-	-	(5,882,468)	-	(5,882,468)
-	-	-	139,048	-	139,048
-	-	-	(6,275,251)	-	(6,275,251)
(5,853,660)	-	(5,853,660)	3,984,165	-	3,984,165
8,661,220	-	8,661,220	8,661,220	-	8,661,220
\$ 2,807,560	\$ -	\$ 2,807,560	\$ 12,645,385	\$ -	\$ 12,645,385

CITY OF BAYONNE SCHOOL DISTRICT
Education Jobs Program Fund 18
Budgetary and Actual
for the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES				
Federal sources:				
Education jobs fund	\$ -	\$ 1,826,344	\$ 1,826,344	\$ 1,826,344
Total - federal sources	<u>-</u>	<u>1,826,344</u>	<u>1,826,344</u>	<u>1,826,344</u>
Total revenues	<u>-</u>	<u>1,826,344</u>	<u>1,826,344</u>	<u>1,826,344</u>
EXPENDITURES -				
CURRENT EXPENSE				
Regular programs - instruction:				
Salaries of teachers:				
Preschool/kindergarten	-	96,203	96,203	96,203
Grades 1-5	-	146,736	146,736	146,736
Grades 6-8	-	194,838	194,838	194,838
Grades 9-12	-	288,609	288,609	288,609
Total regular programs - instruction	<u>-</u>	<u>726,386</u>	<u>726,386</u>	<u>726,386</u>
Total regular programs	<u>-</u>	<u>726,386</u>	<u>726,386</u>	<u>726,386</u>
Special education:				
Neurologically impaired:				
Salaries of teachers	-	277,750	277,750	277,750
Total learning/language disabilities	<u>-</u>	<u>277,750</u>	<u>277,750</u>	<u>277,750</u>
Behavioral disabilities:				
Salaries of teachers	-	192,406	192,406	192,406
Total behavioral disabilities	<u>-</u>	<u>192,406</u>	<u>192,406</u>	<u>192,406</u>
Autism:				
Salaries of teachers	-	192,406	192,406	192,406
Total autism	<u>-</u>	<u>192,406</u>	<u>192,406</u>	<u>192,406</u>
Total special education - instruction	<u>-</u>	<u>662,562</u>	<u>662,562</u>	<u>662,562</u>
Total - instruction	<u>-</u>	<u>1,388,948</u>	<u>1,388,948</u>	<u>1,388,948</u>
Contracted services -				
Employee benefits:				
Social Security contribution	-	238,899	238,899	238,899
Health benefits	-	198,497	198,497	198,497
Total employee benefits	<u>-</u>	<u>437,396</u>	<u>437,396</u>	<u>437,396</u>
Total undistributed expenditures	<u>-</u>	<u>437,396</u>	<u>437,396</u>	<u>437,396</u>
TOTAL EXPENDITURES -				
CURRENT EXPENSE	<u>-</u>	<u>1,826,344</u>	<u>1,826,344</u>	<u>1,826,344</u>
Total expenditures	<u>-</u>	<u>1,826,344</u>	<u>1,826,344</u>	<u>1,826,344</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BAYONNE SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
for the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
REVENUES					
Federal sources	\$ 5,782,424	\$ 393,520	\$ 6,175,944	\$ 5,773,765	\$ 402,179
State sources	2,645,557	-	2,645,557	2,602,438	43,119
Other local sources	125,000	-	125,000	117,813	7,187
Private sources	175,571	75,028	250,599	89,867	160,732
Total revenues	<u>\$ 8,728,552</u>	<u>\$ 468,548</u>	<u>\$ 9,197,100</u>	<u>\$ 8,583,883</u>	<u>\$ 613,217</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	\$ 4,522,063	\$ 577,354	\$ 5,099,417	\$ 4,979,411	\$ 120,006
Other salaries for instruction	330,920	-	330,920	330,920	-
Purchased prof. & tech. services	195,994	9,712	205,706	191,968	13,738
Other purchased services (400-500 series)	62,735	-	62,735	52,620	10,115
General supplies	292,684	46,106	338,790	290,966	47,824
Textbooks	51,128	-	51,128	51,058	70
Other objects	190,232	81,488	271,720	109,371	162,349
Total instruction	<u>5,645,756</u>	<u>714,660</u>	<u>6,360,416</u>	<u>6,006,314</u>	<u>354,102</u>
Support services:					
Salaries	531,054	4,782	535,836	534,010	1,826
Salaries of supervisors of instruction	142,700	-	142,700	121,667	21,033
Salaries of Program Directors	6,000	-	6,000	4,875	1,125
Salaries of other professional staff	121,553	-	121,553	116,233	5,320
Salaries of secretarial & clerical staff	120,103	-	120,103	102,522	17,581
Personal services-employee benefits	1,035,878	220,636	1,256,514	1,174,659	81,855
Purchased professional - educational services	28,787	-	28,787	14,850	13,937
Other purchased professional services	5,000	-	5,000	5,000	-
Rentals	10,000	7,541	17,541	17,541	-
Contracted services transportation	7,360	-	7,360	7,360	-
Travel	2,168	1,832	4,000	3,715	285
Other purchased services (400-500 series)	540,330	(503,948)	36,382	36,382	-
Supplies and materials	523,147	(101,229)	421,918	312,883	109,035
Other expenses - instruction	-	115,544	115,544	108,586	6,958
Other objects	6,600	(270)	6,330	6,293	37
Total support services	<u>3,080,680</u>	<u>(255,112)</u>	<u>2,825,568</u>	<u>2,566,576</u>	<u>258,992</u>
Facilities acquisition and construction services:					
Instructional equipment	2,116	-	2,116	2,116	-
Noninstructional equipment	-	9,000	9,000	8,877	123
Total facilities acquisition and const. services	<u>2,116</u>	<u>9,000</u>	<u>11,116</u>	<u>10,993</u>	<u>123</u>
Total expenditures	<u>8,728,552</u>	<u>468,548</u>	<u>9,197,100</u>	<u>8,583,883</u>	<u>613,217</u>
Total Outflows	<u>8,728,552</u>	<u>468,548</u>	<u>9,197,100</u>	<u>8,583,883</u>	<u>613,217</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing (Uses)	-	-	-	-	-
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, 2012

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 122,265,711	[C-2] \$ 8,583,883
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	282,928
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	4,712,552	194,792
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.	(4,954,331)	(186,364)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 122,023,932	[B-2] \$ 8,875,239
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 112,006,295	[C-2] \$ 8,583,883
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.	-	282,928
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ 112,006,295	[B-2] \$ 8,866,811

OTHER SUPPLEMENTARY INFORMATION

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 Schedules of Program Revenues and Expenditures - Budgetary Basis
for the Fiscal Year Ended June 30, 2012

	Total Brought Forward (Ex. E-1a)	No Child Left Behind	
		Title I, Part A	Title I, Part A, Recovery
REVENUES			
Federal sources	\$ 2,722,880	\$ 2,387,265	\$ 464
State sources	2,602,438	-	-
Other local sources	117,813	-	-
Private sources	89,867	-	-
Total revenues	<u>5,532,998</u>	<u>2,387,265</u>	<u>464</u>
EXPENDITURES			
Instruction:			
Salaries of teachers	3,257,789	1,606,012	-
Other salaries for instruction	330,920	-	-
Purchased prof. & tech. services	100,846	-	-
Other purchased services (400-500 series)	47,604	-	-
General supplies	54,552	46,082	22
Textbooks	51,058	-	-
Other objects	102,912	-	-
Total instruction	<u>3,945,681</u>	<u>1,652,094</u>	<u>22</u>
Support services:			
Salaries	391,903	-	-
Salaries of supervisors of instruction	25,000	96,667	-
Salaries of Program Directors	4,875	-	-
Salaries of other professional staff	116,233	-	-
Salaries of secretarial & clerical staff	40,672	61,850	-
Personal services-employee benefits	671,039	454,492	-
Purchased professional - educational services	14,850	-	-
Other purchased professional services	-	5,000	-
Rentals	17,541	-	-
Contracted services transportation	7,360	-	-
Travel	-	444	-
Other purchased services (400-500 series)	-	8,132	315
Supplies and materials	284,788	-	127
Other expenses - instruction	-	108,586	-
Other objects	2,063	-	-
Total support services	<u>1,576,324</u>	<u>735,171</u>	<u>442</u>
Facilities acquisition and construction services:			
Instructional equipment	2,116	-	-
Noninstructional equipment	8,877	-	-
Total facilities acquisition and construction services	<u>10,993</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>5,532,998</u>	<u>2,387,265</u>	<u>464</u>
Other financing (uses)			
Total Outflows	<u>5,532,998</u>	<u>2,387,265</u>	<u>464</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures and Other Financing (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No Child Left Behind				
Title II, Part A	Title II, Part D	Title III, Immigrant	Title III	Totals 2012
\$ 389,841	\$ 10	\$ 178,960	\$ 94,345	\$ 5,773,765
-	-	-	-	2,602,438
-	-	-	-	117,813
-	-	-	-	89,867
<u>389,841</u>	<u>10</u>	<u>178,960</u>	<u>94,345</u>	<u>8,583,883</u>
66,530	-	46,600	2,480	4,979,411
-	-	-	-	330,920
90,008	10	-	1,104	191,968
2,016	-	-	3,000	52,620
54	-	114,606	75,650	290,966
-	-	-	-	51,058
6,459	-	-	-	109,371
<u>165,067</u>	<u>10</u>	<u>161,206</u>	<u>82,234</u>	<u>6,006,314</u>
117,754	-	16,753	7,600	534,010
-	-	-	-	121,667
-	-	-	-	4,875
-	-	-	-	116,233
-	-	-	-	102,522
48,357	-	-	771	1,174,659
-	-	-	-	14,850
-	-	-	-	5,000
-	-	-	-	17,541
-	-	-	-	7,360
3,271	-	-	-	3,715
25,935	-	-	2,000	36,382
25,957	-	1,001	1,010	312,883
-	-	-	-	108,586
3,500	-	-	730	6,293
<u>224,774</u>	<u>-</u>	<u>17,754</u>	<u>12,111</u>	<u>2,566,576</u>
-	-	-	-	2,116
-	-	-	-	8,877
-	-	-	-	10,993
<u>389,841</u>	<u>10</u>	<u>178,960</u>	<u>94,345</u>	<u>8,583,883</u>
<u>389,841</u>	<u>10</u>	<u>178,960</u>	<u>94,345</u>	<u>8,583,883</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BAYONNE SCHOOL DISTRICT
Special Revenue Fund
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
for the Fiscal Year Ended June 30, 2012

	Total Brought Forward (Ex. E-1b)	IDEA, Basic	IDEA, Preschool
REVENUES			
Federal sources	\$ -	\$ 2,636,699	\$ 59,831
State sources	2,498,346	-	-
Other local sources	117,813	-	-
Private sources	89,867	-	-
Total revenues	<u>2,706,026</u>	<u>2,636,699</u>	<u>59,831</u>
EXPENDITURES			
Instruction:			
Salaries of teachers	1,580,837	1,630,785	41,882
Other salaries for instruction	330,920	-	-
Purchased prof. & tech. services	73,033	27,813	-
Other purchased services (400-500 series)	44,604	3,000	-
General supplies	54,552	-	-
Textbooks	-	-	-
Other objects	91,367	1,502	-
Total instruction	<u>2,175,313</u>	<u>1,663,100</u>	<u>41,882</u>
Support services:			
Salaries	-	365,505	17,949
Salaries of supervisors of instruction	25,000	-	-
Salaries of Program Directors	200	-	-
Salaries of other professional staff	94,553	-	-
Salaries of secretarial & clerical staff	33,202	-	-
Personal services-employee benefits	340,485	327,121	-
Purchased professional - educational services	14,850	-	-
Other purchased professional services	-	-	-
Rentals	10,000	-	-
Contracted services transportation	7,360	-	-
Travel	-	-	-
Other purchased services (400-500 series)	-	-	-
Supplies and materials	3,000	269,980	-
Energy	-	-	-
Other objects	2,063	-	-
Total support services	<u>530,713</u>	<u>962,606</u>	<u>17,949</u>
Facilities acquisition and construction services:			
Instructional equipment	-	2,116	-
Noninstructional equipment	-	8,877	-
Total facilities acquisition and construction services	<u>-</u>	<u>10,993</u>	<u>-</u>
Total expenditures	<u>2,706,026</u>	<u>2,636,699</u>	<u>59,831</u>
Other financing (uses)			
Total Outflows	<u>2,706,026</u>	<u>2,636,699</u>	<u>59,831</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures and Other Financing (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>IDEA, Preschool, Recovery</u>	<u>FEMA, Disaster Relief</u>	<u>Nonpublic Textbook Aid</u>	<u>Nonpublic Handicapped Aid Examination and Classification</u>	<u>Total Carried Forward</u>
\$ 4,285	\$ 22,065	\$ -	\$ -	\$ 2,722,880
-	-	51,058	53,034	2,602,438
-	-	-	-	117,813
-	-	-	-	89,867
<u>4,285</u>	<u>22,065</u>	<u>51,058</u>	<u>53,034</u>	<u>5,532,998</u>
4,285	-	-	-	3,257,789
-	-	-	-	330,920
-	-	-	-	100,846
-	-	-	-	47,604
-	-	-	-	54,552
-	-	51,058	-	51,058
-	-	-	10,043	102,912
<u>4,285</u>	<u>-</u>	<u>51,058</u>	<u>10,043</u>	<u>3,945,681</u>
-	8,449	-	-	391,903
-	-	-	-	25,000
-	-	-	4,675	4,875
-	-	-	21,680	116,233
-	-	-	7,470	40,672
-	845	-	2,588	671,039
-	-	-	-	14,850
-	-	-	-	-
-	7,541	-	-	17,541
-	-	-	-	7,360
-	-	-	-	-
-	-	-	-	-
-	5,230	-	6,578	284,788
-	-	-	-	-
-	-	-	-	2,063
<u>-</u>	<u>22,065</u>	<u>-</u>	<u>42,991</u>	<u>1,576,324</u>
-	-	-	-	2,116
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,877</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,993</u>
<u>4,285</u>	<u>22,065</u>	<u>51,058</u>	<u>53,034</u>	<u>5,532,998</u>
<u>4,285</u>	<u>22,065</u>	<u>51,058</u>	<u>53,034</u>	<u>5,532,998</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BAYONNE SCHOOL DISTRICT
Special Revenue Fund
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
for the Fiscal Year Ended June 30, 2012

	Total Brought Forward (Ex. E-1c)	Nonpublic Handicapped Aid	
		Corrective Speech	Supplemental Instruction
REVENUES			
Federal sources	\$ -	\$ -	\$ -
State sources	321,805	1,077	44,604
Other local sources	117,813	-	-
Private sources	89,867	-	-
Total revenues	<u>529,485</u>	<u>1,077</u>	<u>44,604</u>
EXPENDITURES			
Instruction:			
Salaries of teachers	246,251	-	-
Other salaries for instruction	-	-	-
Purchased prof. & tech. services	-	-	-
Other purchased services (400-500 series)	-	-	44,604
General supplies	48,739	-	-
Textbooks	-	-	-
Other objects	91,367	-	-
Total instruction	<u>386,357</u>	<u>-</u>	<u>44,604</u>
Support services:			
Salaries	-	-	-
Salaries of supervisors of instruction	-	-	-
Salaries of Program Directors	-	200	-
Salaries of other professional staff	93,953	600	-
Salaries of secretarial & clerical staff	12,002	200	-
Personal services-employee benefits	-	77	-
Purchased professional - educational services	14,850	-	-
Other purchased professional services	-	-	-
Rentals	10,000	-	-
Contracted services transportation	7,360	-	-
Travel	-	-	-
Other purchased services (400-500 series)	-	-	-
Supplies and materials	3,000	-	-
Energy	-	-	-
Other objects	1,963	-	-
Total support services	<u>143,128</u>	<u>1,077</u>	<u>-</u>
Facilities acquisition and construction services:			
Instructional equipment	-	-	-
Noninstructional equipment	-	-	-
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>529,485</u>	<u>1,077</u>	<u>44,604</u>
Other financing (uses)			
Total Outflows	<u>529,485</u>	<u>1,077</u>	<u>44,604</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures and Other Financing (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Nonpublic Aux Services Aid Compensatory Education</u>	<u>Nonpublic Nursing Services</u>	<u>Preschool Education Aid</u>	<u>Total Carried Forward</u>
\$ -	\$ -	\$ -	\$ -
258,617	73,033	1,799,210	2,498,346
-	-	-	117,813
-	-	-	89,867
<u>258,617</u>	<u>73,033</u>	<u>1,799,210</u>	<u>2,706,026</u>
210,671	-	1,123,915	1,580,837
-	-	330,920	330,920
-	73,033	-	73,033
-	-	-	44,604
5,813	-	-	54,552
-	-	-	-
-	-	-	91,367
<u>216,484</u>	<u>73,033</u>	<u>1,454,835</u>	<u>2,175,313</u>
-	-	-	-
-	-	25,000	25,000
-	-	-	200
-	-	-	94,553
-	-	21,000	33,202
42,033	-	298,375	340,485
-	-	-	14,850
-	-	-	-
-	-	-	10,000
-	-	-	7,360
-	-	-	-
-	-	-	-
-	-	-	3,000
-	-	-	-
100	-	-	2,063
<u>42,133</u>	<u>-</u>	<u>344,375</u>	<u>530,713</u>
-	-	-	-
<u>258,617</u>	<u>73,033</u>	<u>1,799,210</u>	<u>2,706,026</u>
<u>258,617</u>	<u>73,033</u>	<u>1,799,210</u>	<u>2,706,026</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BAYONNE SCHOOL DISTRICT
Special Revenue Fund
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
for the Fiscal Year Ended June 30, 2012

	School Based Youth Services	Municipal Alliance	Bayonne Housing Authority, Drug Elimination Program
REVENUES			
Federal sources	\$ -	\$ -	\$ -
State sources	273,216	48,589	-
Other local sources	-	-	117,813
Private sources	-	-	-
Total revenues	<u>273,216</u>	<u>48,589</u>	<u>117,813</u>
EXPENDITURES			
Instruction:			
Salaries of teachers	246,251	-	-
Other salaries for instruction	-	-	-
Purchased prof. & tech. services	-	-	-
Other purchased services (400-500 series)	-	-	-
General supplies	-	33,739	15,000
Textbooks	-	-	-
Other objects	-	-	1,500
Total instruction	<u>246,251</u>	<u>33,739</u>	<u>16,500</u>
Support services:			
Salaries	-	-	-
Salaries of supervisors of instruction	-	-	-
Salaries of Program Directors	-	-	-
Salaries of other professional staff	-	-	93,953
Salaries of secretarial & clerical staff	12,002	-	-
Personal services-employee benefits	-	-	-
Purchased professional - educational services	-	14,850	-
Other purchased professional services	-	-	-
Rentals	10,000	-	-
Contracted services transportation	-	-	7,360
Travel	-	-	-
Other purchased services (400-500 series)	-	-	-
Supplies and materials	3,000	-	-
Energy	-	-	-
Other objects	1,963	-	-
Total support services	<u>26,965</u>	<u>14,850</u>	<u>101,313</u>
Facilities acquisition and construction services:			
Instructional equipment	-	-	-
Noninstructional equipment	-	-	-
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>273,216</u>	<u>48,589</u>	<u>117,813</u>
Other financing (uses)			
Total Outflows	<u>273,216</u>	<u>48,589</u>	<u>117,813</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures and Other Financing (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Exhibit E-1c

NJSBAIG, 2011 Safety Grant	Adopt-A-School Grant	Total Carried Forward
\$ -	\$ -	\$ -
-	-	321,805
-	-	117,813
21,455	68,412	89,867
<u>21,455</u>	<u>68,412</u>	<u>529,485</u>
-	-	246,251
-	-	-
-	-	-
-	-	48,739
-	-	-
21,455	68,412	91,367
<u>21,455</u>	<u>68,412</u>	<u>386,357</u>
-	-	-
-	-	-
-	-	93,953
-	-	12,002
-	-	-
-	-	14,850
-	-	-
-	-	10,000
-	-	7,360
-	-	-
-	-	-
-	-	3,000
-	-	-
-	-	1,963
<u>-</u>	<u>-</u>	<u>143,128</u>
-	-	-
-	-	-
-	-	-
21,455	68,412	529,485
<u>21,455</u>	<u>68,412</u>	<u>529,485</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BAYONNE SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - All Programs
Budgetary Basis
for the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	\$ 1,123,915	\$ -	\$ 1,123,915	\$ 1,123,915	\$ -
Other salaries for instruction	330,920	-	330,920	330,920	-
Total instruction	<u>1,454,835</u>	<u>-</u>	<u>1,454,835</u>	<u>1,454,835</u>	<u>-</u>
Support services:					
Salaries of supervisors of instruction	25,000	-	25,000	25,000	-
Salaries of secretarial & clerical staff	21,000	-	21,000	21,000	-
Personal services-employee benefits	<u>298,375</u>	<u>-</u>	<u>298,375</u>	<u>298,375</u>	<u>-</u>
Total support services	<u>344,375</u>	<u>-</u>	<u>344,375</u>	<u>344,375</u>	<u>-</u>
Total expenditures	<u>\$ 1,799,210</u>	<u>\$ -</u>	<u>\$ 1,799,210</u>	<u>\$ 1,799,210</u>	<u>\$ -</u>

CALCULATION OF BUDGET & CARRYOVER

Total revised 2011-12 Preschool Education Aid	\$ 1,863,635
Add: Actual Preschool Education Aid carryover June 30, 2011	-
Add: Budgeted transfer from General Fund 2011-12	-
Total Preschool Education Aid funds available for 2011-12 Budget	1,863,635
Less: 2011-12 budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>\$ (1,799,210)</u>
Available & unbudgeted funds as of June 30, 2012	64,425
Add: June 30, 2012 unexpended Preschool Education Aid	-
2011-12 actual carryover - Preschool Education Aid	<u>\$ 64,425</u>
Preschool Education Aid carryover Budgeted for Preschool Programs 2012-13	<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, 2012

Project Title/Issue	Revised Budgetary Appropriations	GAAP		Unexpended Balance June 30, 2012
		Expenditures to Date		
		Prior Years	Current Year	
Construction of New Elementary Building and Land Acquisition	\$ 22,988,641	\$ 22,988,641	\$ -	-
Improvements to Various School Facilities	2,989,611	2,989,611	-	-
Improvements to High School	2,475,402	2,475,402	-	-
Improvements to Bayonne High School	700,000	566,112	-	133,888
Improvements to Walter F. Robinson No. 3 ES	385,000	384,107	-	893
Improvements - Business Administrator	4,583,293	4,567,139	-	16,154
Improvements - Fees and Construction Admin	487,292	474,264	-	13,028
Purchase Property-Repair Dept Facility	1,899,852	1,899,653	-	199
Improvements to Lincoln No. 5 ES	179,832	179,832	-	-
Improvements - Business Administrator	1,640,000	897,427	421,833	320,740
Improvements to Walter F. Robinson No. 3 ES	1,080,750	545,504	-	535,246
Improvements to John M. Bailey No. 12 ES	597,000	338,788	-	258,212
Improvements to Henry Harris No. 1 ES	638,125	377,815	-	260,310
Improvements to Horace Mann No. 6 ES	811,250	456,012	-	355,238
Improvements to Lincoln No. 5 ES	831,250	480,093	-	351,157
Improvements to Mary J. Donohoe No. 4 ES	957,443	502,544	-	454,899
Improvements to Phillip G. Vroom No. 2 ES	687,600	482,339	-	205,261
Improvements to Washington No. 9 ES	1,493,500	806,464	-	687,036
Improvements to Woodrow Wilson No. 10 ES	1,258,250	821,062	-	437,188
Improvements to Bayonne High School	2,226,035	1,460,222	-	765,813
	<u>\$ 48,910,126</u>	<u>\$ 43,693,031</u>	<u>\$ 421,833</u>	<u>\$ 4,795,262</u>

Committed Fund Balance:

Year-end Encumbrances

Assigned Fund Balance:

Capital Projects Fund

\$ 428,834

4,366,428

\$ 4,795,262

* - Information not available

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, 2012

Revenues and Other Financing Sources

Special item - accounts receivable cancelled:

City of Bayonne	\$ (28,327)
Total revenues	<u>(28,327)</u>

Expenditures and Other Financing Uses

Construction services	421,833
Total expenditures	<u>421,833</u>

Excess of revenues over expenditures	(450,160)
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Fund balance, July 1	<u>5,245,422</u>
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Fund balance, June 30	<u>\$ 4,795,262</u>
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CITY OF BAYONNE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances, and Project Status - Budgetary Basis
Improvements to High School
for the Fiscal Year Ended June 30, 2012

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
City of Bayonne	\$ 22,990,000	\$ (1,359)	\$ 22,988,641	\$ 22,988,641
Total revenues	<u>22,990,000</u>	<u>(1,359)</u>	<u>22,988,641</u>	<u>22,988,641</u>
Expenditures and other financing uses				
Construction services	22,988,641	-	22,988,641	22,988,641
Total expenditures	<u>22,988,641</u>	<u>-</u>	<u>22,988,641</u>	<u>22,988,641</u>
Excess of revenues over expenditures	<u>\$ 1,359</u>	<u>\$ (1,359)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

Project number	089-33, 090-30
Grant date/letter of notification	*
Original authorized cost	\$22,990,000
Additional authorized cost	(\$1,359)
Revised authorized cost	\$22,988,641
Percentage increase over original authorized cost	0.00%
Percentage completion	100.00%
Original target completion date	*
Revised target completion date	*

* - Information not available

CITY OF BAYONNE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances, and Project Status - Budgetary Basis
Improvements to High School
for the Fiscal Year Ended June 30, 2012

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
City of Bayonne	\$ 2,997,000	\$ (7,389)	\$ 2,989,611	\$ 2,989,611
Total revenues	<u>2,997,000</u>	<u>(7,389)</u>	<u>2,989,611</u>	<u>2,989,611</u>
Expenditures and other financing uses				
Construction services	2,989,611	-	2,989,611	2,989,611
Total expenditures	<u>2,989,611</u>	<u>-</u>	<u>2,989,611</u>	<u>2,989,611</u>
Excess of revenues over expenditures	<u>\$ 7,389</u>	<u>\$ (7,389)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

Project number	093-34
Grant date/letter of notification	*
Original authorized cost	\$2,997,000
Additional authorized cost	(\$7,389)
Revised authorized cost	\$2,989,611
Percentage increase (decrease) over original authorized cost	-0.25%
Percentage completion	100.00%
Original target completion date	*
Revised target completion date	*

* - Information not available

CITY OF BAYONNE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances, and Project Status - Budgetary Basis
Improvements to High School
for the Fiscal Year Ended June 30, 2012

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
City of Bayonne	\$ 2,478,000	\$ (2,598)	\$ 2,475,402	\$ 2,475,402
Total revenues	<u>2,478,000</u>	<u>(2,598)</u>	<u>2,475,402</u>	<u>2,475,402</u>
Expenditures and other financing uses				
Construction services	2,475,402	-	2,475,402	2,475,402
Total expenditures	<u>2,475,402</u>	<u>-</u>	<u>2,475,402</u>	<u>2,475,402</u>
Excess of revenues over expenditures	<u>\$ 2,598</u>	<u>\$ (2,598)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

Project number	096-35
Grant date/letter of notification	*
Original authorized cost	\$2,478,000
Additional authorized cost	(\$2,598)
Revised authorized cost	\$2,475,402
Percentage increase (decrease) over original authorized cost	-0.10%
Percentage completion	100.00%
Original target completion date	*
Revised target completion date	*

* - Information not available

CITY OF BAYONNE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances, and Project Status - Budgetary Basis
Improvements to Bayonne High School
for the Fiscal Year Ended June 30, 2012

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
City of Bayonne	\$ 700,000	\$ -	\$ 700,000	\$ 700,000
Total revenues	<u>700,000</u>	<u>-</u>	<u>700,000</u>	<u>700,000</u>
Expenditures and other financing uses				
Construction services	566,112	-	566,112	700,000
Total expenditures	<u>566,112</u>	<u>-</u>	<u>566,112</u>	<u>700,000</u>
Excess of revenues over expenditures	<u>\$ 133,888</u>	<u>\$ -</u>	<u>\$ 133,888</u>	<u>\$ -</u>

Additional project information:

Project number	*
Grant date/letter of notification	*
Original authorized cost	\$700,000
Additional authorized cost	\$0
Revised authorized cost	\$700,000
Percentage increase (decrease) over original authorized cost	0.00%
Percentage completion	80.87%
Original target completion date	*
Revised target completion date	*

* - Information not available

CITY OF BAYONNE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances, and Project Status - Budgetary Basis
Improvements to Walter F. Robinson No. 3 ES
for the Fiscal Year Ended June 30, 2012

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
City of Bayonne	\$ 385,000	\$ -	\$ 385,000	\$ 385,000
Total revenues	<u>385,000</u>	<u>-</u>	<u>385,000</u>	<u>385,000</u>
Expenditures and other financing uses				
Construction services	384,107	-	384,107	385,000
Total expenditures	<u>384,107</u>	<u>-</u>	<u>384,107</u>	<u>385,000</u>
Excess of revenues over expenditures	<u>\$ 893</u>	<u>\$ -</u>	<u>\$ 893</u>	<u>\$ -</u>

Additional project information:

Project number	*
Grant date/letter of notification	*
Original authorized cost	\$385,000
Additional authorized cost	\$0
Revised authorized cost	\$385,000
Percentage increase (decrease) over	0.00%
Percentage completion	99.77%
Original target completion date	*
Revised target completion date	*

* - Information not available

CITY OF BAYONNE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances, and Project Status - Budgetary Basis
Improvements - Business Administrator
for the Fiscal Year Ended June 30, 2012

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
City of Bayonne	\$ 4,584,000	\$ (707)	\$ 4,583,293	\$ 4,583,293
Total revenues	<u>4,584,000</u>	<u>(707)</u>	<u>4,583,293</u>	<u>4,583,293</u>
Expenditures and other financing uses				
Construction services	4,567,139	-	4,567,139	4,583,293
Total expenditures	<u>4,567,139</u>	<u>-</u>	<u>4,567,139</u>	<u>4,583,293</u>
Excess of revenues over expenditures	<u>\$ 16,861</u>	<u>\$ (707)</u>	<u>\$ 16,154</u>	<u>\$ -</u>

Additional project information:

Project number	*
Grant date/letter of notification	*
Original authorized cost	\$4,584,000
Additional authorized cost	(\$707)
Revised authorized cost	\$4,583,293
Percentage increase (decrease) over original authorized cost	-0.02%
Percentage completion	99.65%
Original target completion date	*
Revised target completion date	*

* - Information not available

CITY OF BAYONNE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances, and Project Status - Budgetary Basis
Improvements - Fees and Construction Admin
for the Fiscal Year Ended June 30, 2012

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
City of Bayonne	\$ 500,000	\$ (12,708)	\$ 487,292	\$ 487,292
Total revenues	<u>500,000</u>	<u>(12,708)</u>	<u>487,292</u>	<u>487,292</u>
Expenditures and other financing uses				
Purchasing professional and technical services	474,264	-	474,264	487,292
Total expenditures	<u>474,264</u>	<u>-</u>	<u>474,264</u>	<u>487,292</u>
Excess of revenues over expenditures	<u>\$ 25,736</u>	<u>\$ (12,708)</u>	<u>\$ 13,028</u>	<u>\$ -</u>

Additional project information:

Project number	*
Grant date/letter of notification	*
Original authorized cost	\$500,000
Additional authorized cost	(\$12,708)
Revised authorized cost	\$487,292
Percentage increase (decrease) over	0.00%
Percentage completion	97.33%
Original target completion date	*
Revised target completion date	*

* - Information not available

CITY OF BAYONNE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances, and Project Status - Budgetary Basis
Purchase Property-Repair Dept Facility
for the Fiscal Year Ended June 30, 2012

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
City of Bayonne	\$ 1,900,000	\$ (148)	\$ 1,899,852	\$ 1,899,852
Total revenues	<u>1,900,000</u>	<u>(148)</u>	<u>1,899,852</u>	<u>1,899,852</u>
Expenditures and other financing uses				
Construction services	1,899,653	-	1,899,653	1,899,852
Total expenditures	<u>1,899,653</u>	<u>-</u>	<u>1,899,653</u>	<u>1,899,852</u>
Excess of revenues over expenditures	<u>\$ 347</u>	<u>\$ (148)</u>	<u>\$ 199</u>	<u>\$ -</u>

Additional project information:

Project number	*
Grant date/letter of notification	*
Original authorized cost	\$1,900,000
Additional authorized cost	(\$148)
Revised authorized cost	\$1,899,852
Percentage increase (decrease) over original authorized cost	-0.01%
Percentage completion	99.99%
Original target completion date	*
Revised target completion date	*

* - Information not available

CITY OF BAYONNE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances, and Project Status - Budgetary Basis
Improvements to Lincoln No. 5 ES
for the Fiscal Year Ended June 30, 2012

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
City of Bayonne	\$ 183,250	\$ (3,418)	\$ 179,832	\$ 179,832
Total revenues	<u>183,250</u>	<u>(3,418)</u>	<u>179,832</u>	<u>179,832</u>
Expenditures and other financing uses				
Construction services	179,832	-	179,832	179,832
Total expenditures	<u>179,832</u>	<u>-</u>	<u>179,832</u>	<u>179,832</u>
Excess of revenues over expenditures	<u>\$ 3,418</u>	<u>\$ (3,418)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

Project number	*
Grant date/letter of notification	*
Original authorized cost	\$183,250
Additional authorized cost	(\$3,418)
Revised authorized cost	\$179,832
Percentage increase (decrease) over original authorized cost	-2%
Percentage completion	100.00%
Original target completion date	*
Revised target completion date	*

* - Information not available

CITY OF BAYONNE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances, and Project Status - Budgetary Basis
Improvements - Business Administrator
for the Fiscal Year Ended June 30, 2012

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
City of Bayonne	\$ 1,640,000	\$ -	\$ 1,640,000	\$ 1,640,000
Total revenues	<u>1,640,000</u>	<u>-</u>	<u>1,640,000</u>	<u>1,640,000</u>
Expenditures and other financing uses				
Construction services	897,427	421,833	1,319,260	1,640,000
Total expenditures	<u>897,427</u>	<u>421,833</u>	<u>1,319,260</u>	<u>1,640,000</u>
Excess of revenues over expenditures	<u>\$ 742,573</u>	<u>\$ (421,833)</u>	<u>\$ 320,740</u>	<u>\$ -</u>

Additional project information:

Project number	*
Grant date/letter of notification	*
Original authorized cost	\$1,640,000
Additional authorized cost	\$0
Revised authorized cost	\$1,640,000
Percentage increase over original authorized cost	0.00%
Percentage completion	80.44%
Original target completion date	*
Revised target completion date	*

* - Information not available

CITY OF BAYONNE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances, and Project Status - Budgetary Basis
Improvements to Walter F. Robinson No. 3 ES
for the Fiscal Year Ended June 30, 2012

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA Grant	\$ 607,762	\$ -	\$ 607,762	\$ 607,762
City of Bayonne	472,988	-	472,988	472,988
Total revenues	<u>1,080,750</u>	<u>-</u>	<u>1,080,750</u>	<u>1,080,750</u>
Expenditures and other financing uses				
Construction services	545,504	-	545,504	1,080,750
Total expenditures	<u>545,504</u>	<u>-</u>	<u>545,504</u>	<u>1,080,750</u>
Excess of revenues over expenditures	<u>\$ 535,246</u>	<u>\$ -</u>	<u>\$ 535,246</u>	<u>\$ -</u>

Additional project information:

Project number	0220-130-09-0OAL
Grant date/letter of notification	*
Original authorized cost	\$1,080,750
Additional authorized cost	\$0
Revised authorized cost	\$1,080,750
Percentage increase (decrease) over original authorized cost	0.00%
Percentage completion	50.47%
Original target completion date	*
Revised target completion date	*

* - Information not available

CITY OF BAYONNE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances, and Project Status - Budgetary Basis
Improvements to John M. Bailey No. 12 ES
for the Fiscal Year Ended June 30, 2012

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA Grant	\$ 335,724	\$ -	\$ 335,724	\$ 335,724
City of Bayonne	261,276	-	261,276	261,276
Total revenues	<u>597,000</u>	<u>-</u>	<u>597,000</u>	<u>597,000</u>
Expenditures and other financing uses				
Construction services	338,788	-	338,788	597,000
Total expenditures	<u>338,788</u>	<u>-</u>	<u>338,788</u>	<u>597,000</u>
Excess of revenues over expenditures	<u>\$ 258,212</u>	<u>\$ -</u>	<u>\$ 258,212</u>	<u>\$ -</u>

Additional project information:

Project number	0220-040-09-1003-00AM
Grant date/letter of notification	*
Original authorized cost	\$597,000
Additional authorized cost	\$0
Revised authorized cost	\$597,000
Percentage increase (decrease) over original authorized cost	0.00%
Percentage completion	56.75%
Original target completion date	*
Revised target completion date	*

* - Information not available

CITY OF BAYONNE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances, and Project Status - Budgetary Basis
Improvements to Henry Harris No. 1 ES
for the Fiscal Year Ended June 30, 2012

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA Grant	\$ 358,851	\$ -	\$ 358,851	\$ 358,851
City of Bayonne	279,274	-	279,274	279,274
Total revenues	<u>638,125</u>	<u>-</u>	<u>638,125</u>	<u>638,125</u>
Expenditures and other financing uses				
Construction services	377,815	-	377,815	638,125
Total expenditures	<u>377,815</u>	<u>-</u>	<u>377,815</u>	<u>638,125</u>
Excess of revenues over expenditures	<u>\$ 260,310</u>	<u>\$ -</u>	<u>\$ 260,310</u>	<u>\$ -</u>

Additional project information:

Project number	0220-050-09-1004-00AN
Grant date/letter of notification	*
Original authorized cost	\$638,125
Additional authorized cost	\$0
Revised authorized cost	\$638,125
Percentage increase (decrease) over original authorized cost	0.00%
Percentage completion	59.21%
Original target completion date	*
Revised target completion date	*

* - Information not available

CITY OF BAYONNE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances, and Project Status - Budgetary Basis
Improvements to Horace Mann No. 6 ES
for the Fiscal Year Ended June 30, 2012

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA Grant	\$ 456,208	\$ -	\$ 456,208	\$ 456,208
City of Bayonne	355,042	-	355,042	355,042
Total revenues	<u>811,250</u>	<u>-</u>	<u>811,250</u>	<u>811,250</u>
Expenditures and other financing uses				
Construction services	456,012	-	456,012	811,250
Total expenditures	<u>456,012</u>	<u>-</u>	<u>456,012</u>	<u>811,250</u>
Excess of revenues over expenditures	<u>\$ 355,238</u>	<u>\$ -</u>	<u>\$ 355,238</u>	<u>\$ -</u>

Additional project information:

Project number	0220-060-09-1005-00AO
Grant date/letter of notification	*
Original authorized cost	\$811,250
Additional authorized cost	\$0
Revised authorized cost	\$811,250
Percentage increase (decrease) over original authorized cost	0.00%
Percentage completion	56.21%
Original target completion date	*
Revised target completion date	*

* - Information not available

CITY OF BAYONNE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances, and Project Status - Budgetary Basis
Improvements to Lincoln No. 5 ES
for the Fiscal Year Ended June 30, 2012

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA Grant	\$ 467,455	\$ -	\$ 467,455	\$ 467,455
City of Bayonne	363,795	-	363,795	363,795
Total revenues	<u>831,250</u>	<u>-</u>	<u>831,250</u>	<u>831,250</u>
Expenditures and other financing uses				
Construction services	480,093	-	480,093	831,250
Total expenditures	<u>480,093</u>	<u>-</u>	<u>480,093</u>	<u>831,250</u>
Excess of revenues over expenditures	<u>\$ 351,157</u>	<u>\$ -</u>	<u>\$ 351,157</u>	<u>\$ -</u>

Additional project information:

Project number	0220-070-09-0OAP
Grant date/letter of notification	*
Original authorized cost	\$831,250
Additional authorized cost	\$0
Revised authorized cost	\$831,250
Percentage increase (decrease) over original authorized cost	0.00%
Percentage completion	57.76%
Original target completion date	*
Revised target completion date	*

* - Information not available

CITY OF BAYONNE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances, and Project Status - Budgetary Basis
Improvements to Mary J. Donohoe No. 4 ES
for the Fiscal Year Ended June 30, 2012

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA Grant	\$ 538,420	\$ -	\$ 538,420	\$ 538,420
City of Bayonne	419,023	-	419,023	419,023
Total revenues	<u>957,443</u>	<u>-</u>	<u>957,443</u>	<u>957,443</u>
Expenditures and other financing uses				
Construction services	502,544	-	502,544	957,443
Total expenditures	<u>502,544</u>	<u>-</u>	<u>502,544</u>	<u>957,443</u>
Excess of revenues over expenditures	<u>\$ 454,899</u>	<u>\$ -</u>	<u>\$ 454,899</u>	<u>\$ -</u>

Additional project information:

Project number	0220-080-09-00AQ
Grant date/letter of notification	*
Original authorized cost	\$957,443
Additional authorized cost	\$0
Revised authorized cost	\$957,443
Percentage increase (decrease) over original authorized cost	0.00%
Percentage completion	52.49%
Original target completion date	*
Revised target completion date	*

* - Information not available

CITY OF BAYONNE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances, and Project Status - Budgetary Basis
Improvements to Phillip G. Vroom No. 2 ES
for the Fiscal Year Ended June 30, 2012

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA Grant	\$ 386,673	\$ -	\$ 386,673	\$ 386,673
City of Bayonne	300,927	-	300,927	300,927
Total revenues	<u>687,600</u>	<u>-</u>	<u>687,600</u>	<u>687,600</u>
Expenditures and other financing uses				
Construction services	482,339	-	482,339	687,600
Total expenditures	<u>482,339</u>	<u>-</u>	<u>482,339</u>	<u>687,600</u>
Excess of revenues over expenditures	<u>\$ 205,261</u>	<u>\$ -</u>	<u>\$ 205,261</u>	<u>\$ -</u>

Additional project information:

Project number	0220-090-09-0OAR
Grant date/letter of notification	*
Original authorized cost	\$687,600
Additional authorized cost	\$0
Revised authorized cost	\$687,600
Percentage increase (decrease) over original authorized cost	0.00%
Percentage completion	70.15%
Original target completion date	*
Revised target completion date	*

* - Information not available

CITY OF BAYONNE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances, and Project Status - Budgetary Basis
Improvements to Washington No. 9 ES
for the Fiscal Year Ended June 30, 2012

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA Grant	\$ 839,873	\$ -	\$ 839,873	\$ 839,873
City of Bayonne	653,627	-	653,627	653,627
Total revenues	<u>1,493,500</u>	<u>-</u>	<u>1,493,500</u>	<u>1,493,500</u>
Expenditures and other financing uses				
Construction services	806,464	-	806,464	1,493,500
Total expenditures	<u>806,464</u>	<u>-</u>	<u>806,464</u>	<u>1,493,500</u>
Excess of revenues over expenditures	<u>\$ 687,036</u>	<u>\$ -</u>	<u>\$ 687,036</u>	<u>\$ -</u>

Additional project information:

Project number	0220-020-09-0OAS
Grant date/letter of notification	*
Original authorized cost	\$1,493,500
Additional authorized cost	\$0
Revised authorized cost	\$1,493,500
Percentage increase (decrease) over original authorized cost	0.00%
Percentage completion	54.00%
Original target completion date	*
Revised target completion date	*

* - Information not available

CITY OF BAYONNE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances, and Project Status - Budgetary Basis
Improvements to Woodrow Wilson No. 10 ES
for the Fiscal Year Ended June 30, 2012

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA Grant	\$ 707,579	\$ -	\$ 707,579	\$ 707,579
City of Bayonne	550,671	-	550,671	550,671
Total revenues	<u>1,258,250</u>	<u>-</u>	<u>1,258,250</u>	<u>1,258,250</u>
Expenditures and other financing uses				
Construction services	821,062	-	821,062	1,258,250
Total expenditures	<u>821,062</u>	<u>-</u>	<u>821,062</u>	<u>1,258,250</u>
Excess of revenues over expenditures	<u>\$ 437,188</u>	<u>\$ -</u>	<u>\$ 437,188</u>	<u>\$ -</u>

Additional project information:

Project number	0220-130-09-0OAT
Grant date/letter of notification	*
Original authorized cost	\$1,258,250
Additional authorized cost	\$0
Revised authorized cost	\$1,258,250
Percentage increase (decrease) over original authorized cost	0.00%
Percentage completion	65.25%
Original target completion date	*
Revised target completion date	*

* - Information not available

CITY OF BAYONNE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances, and Project Status - Budgetary Basis
Improvements to Bayonne High School
for the Fiscal Year Ended June 30, 2012

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State sources - SDA Grant	\$ 1,251,815	\$ -	\$ 1,251,815	\$ 1,251,815
City of Bayonne	974,220	-	974,220	974,220
Total revenues	<u>2,226,035</u>	<u>-</u>	<u>2,226,035</u>	<u>2,226,035</u>
Expenditures and other financing uses				
Construction services	1,460,222	-	1,460,222	2,226,035
Total expenditures	<u>1,460,222</u>	<u>-</u>	<u>1,460,222</u>	<u>2,226,035</u>
Excess of revenues over expenditures	<u>\$ 765,813</u>	<u>\$ -</u>	<u>\$ 765,813</u>	<u>\$ -</u>

Additional project information:

Project number	0220-020-09-0OAK
Grant date/letter of notification	*
Original authorized cost	\$2,226,035
Additional authorized cost	\$0
Revised authorized cost	\$2,226,035
Percentage increase (decrease) over original authorized cost	0.00%
Percentage completion	65.60%
Original target completion date	*
Revised target completion date	*

* - Information not available

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, 2012

	<u>Food Service Fund</u>
ASSETS	
Current assets:	
Accounts receivable	\$ 128,081
Inventory	30,692
Interfund receivable	976,457
Total current assets	<u>1,135,230</u>
Noncurrent assets:	
Furniture, machinery and equipment	1,121,924
Less: accumulated depreciation	<u>(592,493)</u>
Total noncurrent assets	<u>529,431</u>
Total assets	<u>\$ 1,664,661</u>
LIABILITIES	
Current liabilities:	
Accounts payable	<u>\$ 231,207</u>
Total current liabilities	<u>231,207</u>
NET ASSETS:	
Invested in capital assets	529,431
Unrestricted	<u>904,023</u>
Total net assets	<u><u>\$ 1,433,454</u></u>

CITY OF BAYONNE SCHOOL DISTRICT
Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Assets
for the Fiscal Year Ended June 30, 2012

	<u>Food Service Fund</u>
OPERATING REVENUES	
Charges for services:	
Daily sales - non-reimbursable programs	\$ 936,356
Special functions	17,271
Total operating revenues	<u>953,627</u>
OPERATING EXPENSES	
Cost of sales	1,553,734
Salaries	1,535,715
Employee benefits	245,796
Supplies and materials	244,475
Management fees	137,362
Depreciation expense	107,151
Insurance - other	98,007
Miscellaneous	31,963
Total operating expenses	<u>3,954,203</u>
Operating (loss)	<u>(3,000,576)</u>
Nonoperating revenues:	
State sources:	
State school lunch program	48,523
Federal sources:	
School breakfast program	261,133
National school lunch program	2,090,286
Special milk program	4,044
Snack program	28,368
Summer food program	73,957
Food distribution program	169,079
Total nonoperating revenues	<u>2,675,390</u>
(Loss) before transfers	(325,186)
Transfers in - General fund	<u>543,777</u>
Change in net assets	218,591
Total net assets, July 1	1,214,863
Total net assets, June 30	<u>\$ 1,433,454</u>

CITY OF BAYONNE SCHOOL DISTRICT
Enterprise Fund
Statement of Cash Flows
for the Fiscal Year Ended June 30, 2012

	<u>Food Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 936,356
Other Receipts	17,271
Payments to employees	(1,535,715)
Payments for employee benefits	(245,796)
Payments to suppliers	(1,889,892)
Net cash (used for) operating activities	<u>(2,717,776)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State sources	49,470
Federal sources	2,631,811
Transfers in - General fund	236,669
Net cash provided by non-capital financing activities	<u>2,917,950</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital expenditures - payment for equipment	<u>(200,174)</u>
Net increase in cash and cash equivalents	-
Balance, July 1	<u>-</u>
Balance, June 30	<u>\$ -</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED FOR) OPERATING ACTIVITIES	
Operating (loss)	<u>\$ (3,000,576)</u>
Adjustment to reconcile operating (loss) to net cash (used for) operating activities:	
Depreciation	107,151
(Increase) in inventory	(1,503)
Increase in accounts payable	177,152
Total adjustments	<u>282,800</u>
Net cash (used for) operating activities	<u>\$ (2,717,776)</u>

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.

Unemployment Compensation

Insurance Trust Fund -

This is an expendable trust fund where both principal and interest may be spent for unemployment compensation claims.

Student Activity Fund -

This agency fund is used to account for assets being maintained by the District for a student type of organization.

Payroll Agency Fund -

This agency fund is used to account for the payroll transactions of the school district.

CITY OF BAYONNE SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2012

	<u>Agency</u>		<u>Expendable Trusts</u>	<u>Total</u>
	<u>Student Activity</u>	<u>Payroll</u>	<u>Unemployment Compensation Insurance</u>	
ASSETS				
Cash and cash equivalents	\$ 367,259	\$ 718,860	\$ 254,791	\$ 1,340,910
Total assets	<u>\$ 367,259</u>	<u>\$ 718,860</u>	<u>\$ 254,791</u>	<u>\$ 1,340,910</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Net Payoll	\$ -	\$ 121,050	\$ -	\$ 121,050
Social Security and withholdings	-	45	-	45
New Jersey income tax		1,599		1,599
Pension		596,166		596,166
Due to student groups	367,259	-	-	367,259
Due to general fund	-	-	494,950	494,950
Total liabilities	<u>367,259</u>	<u>718,860</u>	<u>494,950</u>	<u>1,581,069</u>
Net (deficit):				
Held in trust for unemployment claims and other purposes	-	-	(240,159)	(240,159)
Total net (deficit)	<u>-</u>	<u>-</u>	<u>(240,159)</u>	<u>(240,159)</u>
Total liabilities and net (deficit)	<u>\$ 367,259</u>	<u>\$ 718,860</u>	<u>\$ 254,791</u>	<u>\$ 1,340,910</u>

CITY OF BAYONNE SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
for the Fiscal Year Ended June 30, 2012

	<u>Unemployment Compensation Insurance Trust Fund</u>
ADDITIONS	
Local sources:	
Contributions	\$ 186,984
Interest on investment	174
Total additions	<u>187,158</u>
 DEDUCTIONS	
Unemployment claims	<u>278,999</u>
Total deductions	<u>278,999</u>
Changes in net (deficit)	(91,841)
Net (deficit), July 1	<u>(148,318)</u>
Net (deficit), June 30	<u><u>\$ (240,159)</u></u>

CITY OF BAYONNE SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
for the Fiscal Year Ended June 30, 2012

	<u>Balance, June 30, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2012</u>
ELEMENTARY SCHOOLS				
Henry E. Harris	\$ 5,811	\$ 18,244	\$ 13,793	\$ 10,262
Phillip G. Vroom	2,138	15,283	13,666	3,755
Walter F. Robinson	5,948	28,441	32,693	1,696
Mary J. Donohoe	4,019	15,744	18,448	1,315
Lincoln Community	17,469	23,790	22,713	18,546
Horace Mann	5,605	27,954	29,196	4,363
Midtown Community	404	64,646	60,645	4,405
Washington Community	6,618	32,486	34,414	4,690
Woodrow Wilson	5,905	15,182	15,182	5,905
John M. Bailey	4,243	28,400	25,470	7,173
Nicholas Oresko	9,660	65,979	70,167	5,472
Total elementary schools	<u>67,820</u>	<u>336,149</u>	<u>336,387</u>	<u>67,582</u>
SENIOR HIGH SCHOOL				
Bayonne High School	<u>320,613</u>	<u>672,373</u>	<u>693,309</u>	<u>299,677</u>
Total senior high school	<u>320,613</u>	<u>672,373</u>	<u>693,309</u>	<u>299,677</u>
Total all schools	<u>\$ 388,433</u>	<u>\$ 1,008,522</u>	<u>\$ 1,029,696</u>	<u>\$ 367,259</u>

CITY OF BAYONNE SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund Schedule of Receipts and Disbursements
for the Fiscal Year Ended June 30, 2012

	<u>Balance, June 30, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2012</u>
PAYROLL AGENCY FUND				
Net Payroll	\$ 74,157	\$ 41,630,261	\$ 41,583,368	\$ 121,050
Social Security and withholdings	45	20,791,684	20,791,684	45
New Jersey income tax	1,599	3,680,855	3,680,855	1,599
Pension	<u>596,166</u>	<u>7,506,116</u>	<u>7,506,116</u>	<u>596,166</u>
Total payroll agency fund	<u>\$ 671,967</u>	<u>\$ 73,608,916</u>	<u>\$ 73,562,023</u>	<u>\$ 718,860</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.

CITY OF BAYONNE SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Capital Leases
for the Fiscal Year Ended June 30, 2012

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance, June 30, 2011	Issued	Retired	Balance, June 30, 2012
			Principal	Interest					
Digital Copy Machine-9025B	10/08/08	3 years	21,989	2,165	6.200%	\$ 1,992	\$ -	\$ 1,992	\$ -
Digital Copy Machine-9033sp	10/26/08	3 years	8,084	835	6.500%	735	-	735	-
Computers Lab 223 & 224	07/01/08	5 years	338,202	275,193	23.80%	179,137	-	80,043	99,094
Apple Computers	09/01/08	5 years	780,309	258,339	14.61%	347,857	-	162,087	185,770
2 School Buses	02/01/10	4 years	210,700	17,238	4.000%	139,807	-	52,454	87,353
Ford Truck	02/01/10	3 years	42,000	2,710	4.000%	22,792	-	14,220	8,572
Zamboni	03/01/11	4 years	120,760	5,696	3.560%	111,181	-	39,178	72,003
Apple Computers	09/29/11	4 years	66,953	5,754	5.640%	-	66,954	18,177	48,777
Apple Computers	11/20/11	4 years	72,094	3,986	3.710%	-	72,094	19,020	53,074
						\$ 803,501	\$ 139,048	\$ 387,906	\$ 554,643

STATISTICAL SECTION
(Unaudited)

CITY OF BAYONNE SCHOOL DISTRICT
INTRODUCTION TO THE STATISTICAL SECTION
(UNAUDITED)

<u>CONTENTS:</u>	<u>Page</u>
<p>Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	129 - 135
<p>Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	136 - 139
<p>Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.</p>	140 - 143
<p>Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>	144 - 145
<p>Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.</p>	146 - 150

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

FINANCIAL TRENDS

CITY OF BAYONNE SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
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	\$ 83,686,193	\$ 85,810,086	\$ 83,095,750	\$ 78,869,802
Restricted	212,810	53,349,410	48,536,865	28,265,136	4,942,196	11,346	5,837,591	6,058,712	11,854,337	7,945,377
Unrestricted	(5,310,210)	(5,331,039)	(4,561,528)	(5,499,029)	(5,424,358)	(4,548,862)	(7,370,901)	1,553,239	(5,127,067)	2,080,273
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>	<u>\$ 82,152,883</u>	<u>\$ 93,422,037</u>	<u>\$ 89,823,020</u>	<u>\$ 88,895,452</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 47,000	\$ 68,582	\$ 245,367	\$ 275,674	\$ 290,516	\$ 317,928	\$ 411,072	\$ 524,169	\$ 778,455	\$ 529,431
Unrestricted	17,689	3,647	6,452	187,291	312,394	373,468	392,413	528,279	436,408	904,023
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>	<u>\$ 803,485</u>	<u>\$ 1,052,448</u>	<u>\$ 1,214,863</u>	<u>\$ 1,433,454</u>
Government-wide										
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	\$ 84,097,265	\$ 86,334,255	\$ 83,874,205	\$ 79,399,233
Restricted	212,810	53,349,410	48,536,865	28,265,136	4,942,196	11,346	5,837,591	6,058,712	11,854,337	7,945,377
Unrestricted	(5,292,521)	(5,327,392)	(4,555,076)	(5,311,738)	(5,111,964)	(4,175,394)	(6,978,488)	2,081,518	(4,690,659)	2,984,296
Total government-wide 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>	<u>\$ 82,956,368</u>	<u>\$ 94,474,485</u>	<u>\$ 91,037,883</u>	<u>\$ 90,328,906</u>

Source: District records

CITY OF BAYONNE SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ended June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EXPENSES										
Governmental activities										
Instruction										
Regular	\$ 38,416,598	\$ 38,230,810	\$ 43,800,706	\$ 49,673,719	\$ 49,922,600	\$ 51,132,486	\$ 56,859,607	\$ 55,320,543	\$ 50,380,194	\$ 51,836,599
Special education	12,129,625	12,149,386	13,558,049	15,851,192	14,736,752	17,564,026	19,032,283	15,458,460	16,901,786	19,788,428
Other special instruction	4,151,674	3,734,423	3,911,274	4,350,130	4,868,674	5,352,312	7,183,930	6,678,730	7,045,043	4,363,299
Vocational	1,049,477	1,072,041	1,312,017	1,399,299	1,605,352	1,503,584	1,657,258	1,649,304	1,661,090	1,263,387
Other instruction	1,162,706	1,359,095	1,290,082	1,569,987	1,767,955	1,521,434	1,986,848	1,444,535	1,416,872	1,427,023
Support Services:										
Tuition	2,109,065	1,777,502	1,910,571	1,995,138	2,050,050	2,084,950	2,193,912	1,099,436	2,697,354	2,968,094
Student & instruction related services	11,834,412	13,083,604	13,061,176	15,472,849	16,054,014	17,602,199	18,836,876	17,649,163	16,985,146	16,156,066
School administrative services	4,901,335	4,543,111	5,462,045	6,234,889	5,002,433	3,315,428	3,530,254	2,256,524	2,053,053	6,824,481
General and business administrative services	4,968,008	5,030,321	4,339,088	3,916,304	7,344,284	7,286,557	9,340,031	8,056,492	8,545,663	3,877,563
Plant operations and maintenance	9,501,053	9,513,007	9,889,352	11,350,342	12,673,508	13,444,132	14,366,854	13,817,706	13,821,246	13,495,867
Pupil transportation	2,321,373	2,337,960	2,535,824	2,759,587	3,113,602	3,108,833	3,467,030	2,967,784	2,720,508	2,886,768
Other support services	-	-	-	-	-	-	4,500	-	-	-
Special Schools										
Current:										
Instruction	453,854	470,773	504,457	541,312	545,510	615,844	639,479	313,797	353,064	372,643
Charter Schools	30,453	67,501	93,583	135,389	102,908	137,660	179,243	163,340	160,327	123,894
Total governmental activities expenses	93,029,633	93,569,534	101,668,224	115,250,137	119,787,642	124,884,271	139,063,279	126,875,814	124,741,346	125,384,112
Business-type activity:										
Food service	2,434,054	2,459,858	2,434,982	2,737,319	3,155,443	3,438,005	3,704,628	3,772,887	3,698,276	3,954,203
Total business-type activity expense	2,434,054	2,459,858	2,434,982	2,737,319	3,155,443	3,438,005	3,704,628	3,772,887	3,698,276	3,954,203
Total government-wide expenses	\$ 95,463,687	\$ 95,829,392	\$ 104,103,206	\$ 117,987,456	\$ 122,943,085	\$ 128,322,276	\$ 142,767,907	\$ 130,648,701	\$ 128,439,622	\$ 129,338,315
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 206,251	\$ 232,508	\$ 155,370	\$ 188,904	\$ 159,568	\$ 103,668	\$ 140,268	\$ 100,310	\$ 123,024	\$ 63,644
Operating grants and contributions	36,260,895	38,957,551	41,068,910	47,300,095	46,954,608	50,803,241	56,807,184	65,757,964	59,327,766	69,840,019
Total governmental activities program revenues	36,467,146	39,190,059	41,224,280	47,488,999	47,114,176	50,906,909	56,947,452	65,858,274	59,450,790	69,903,663
Business-type activity:										
Charges for services										
Food service	674,025	630,008	766,018	891,287	980,106	1,015,005	1,042,259	1,084,756	990,125	953,627
Operating grants and contributions	714,599	869,283	1,166,832	1,447,180	1,675,733	1,853,566	2,308,979	2,308,979	2,337,451	2,675,390
Total business type activities program revenues	1,388,624	1,499,291	1,932,850	2,338,467	2,655,839	2,868,571	3,098,320	3,393,735	3,327,576	3,629,017
Total government-wide program revenues	37,855,770	40,689,350	43,157,130	49,827,466	49,770,015	53,775,480	60,045,772	69,252,009	62,778,366	73,532,680
Net (Expense)/Revenue										
Governmental activities	\$ (56,562,487)	\$ (54,179,475)	\$ (60,443,944)	\$ (67,761,138)	\$ (72,673,466)	\$ (73,977,362)	\$ (82,115,827)	\$ (61,017,540)	\$ 65,290,556	\$ (55,480,449)
Business-type activity	(1,045,430)	(960,567)	(502,132)	(398,852)	(499,604)	(569,434)	(606,308)	(379,152)	(370,700)	(325,186)
Total government-wide net expense	\$ (57,607,917)	\$ (55,140,042)	\$ (60,946,076)	\$ (68,159,990)	\$ (73,173,070)	\$ (74,546,796)	\$ (82,722,135)	\$ (61,396,692)	\$ 64,919,856	\$ (55,805,635)

CITY OF BAYONNE SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ended June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets										
Governmental activities:										
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	\$ 57,086,193	\$ 57,086,193	\$ 57,086,193	\$ 57,086,193
State aid not restricted	4,676,526	5,194,013	5,914,325	7,213,734	10,781,672	11,534,511	8,317,098	14,626,014	8,483,553	1,917,569
Other local sources	-	-	-	-	-	-	-	-	-	117,813
private sources	6,751	2,086	12,329	108,673	61,436	71,786	87,609	49,377	31,769	85,171
Investment earnings	2,803,847	1,215,992	5,000,324	5,402,172	2,826,596	1,157,480	2,965,638	2,161,660	3,942,979	29,726
Miscellaneous income	6,136,912	55,309,330	15,317,018	524,723	4,725,483	2,443,612	18,477,160	(1,008,435)	(7,319,840)	1,759,036
Special items	(1,042,136)	(968,108)	(681,722)	(609,998)	(639,549)	(657,920)	(718,397)	(628,115)	(533,115)	(5,898,849)
Transfers	56,800,690	108,502,637	74,968,695	65,160,658	70,276,992	71,635,662	86,215,301	72,286,694	61,691,539	54,552,882
Total governmental activities	1,042,136	968,108	681,722	609,998	639,549	657,920	718,397	628,115	628,115	543,777
Business-type activity:	1,042,136	968,108	681,722	609,998	639,549	657,920	718,397	628,115	628,115	543,777
Transfers	57,842,826	109,470,745	75,650,417	65,770,656	70,916,541	72,293,582	86,933,698	72,914,809	62,319,654	55,096,659
Total business-type activity	58,884,962	110,438,853	76,332,139	66,380,654	71,556,090	72,951,502	87,652,095	73,542,924	62,947,769	55,640,436
Total government-wide	\$ 59,927,098	\$ 121,407,961	\$ 77,013,861	\$ 72,061,652	\$ 72,195,639	\$ 73,609,422	\$ 88,370,492	\$ 76,171,039	\$ 63,565,884	\$ 111,284,213
Change in Net Assets	\$ 238,203	\$ 54,323,162	\$ 14,524,751	\$ (2,600,480)	\$ (2,396,474)	\$ (2,341,700)	\$ 4,099,474	\$ 11,269,154	\$ 126,982,095	\$ (927,567)
Governmental activities	(3,294)	7,541	179,590	211,146	139,945	88,486	112,089	248,963	257,415	218,591
Business-type activity	234,909	53,782	14,345	(2,811,626)	(2,536,419)	(2,430,186)	3,987,385	(118,809)	127,224,680	(1,146,158)
Total government-wide	\$ 231,615	\$ 54,330,703	\$ 14,704,341	\$ (2,389,334)	\$ (2,256,529)	\$ (2,253,214)	\$ 4,211,563	\$ 11,518,117	\$ 127,239,510	\$ (708,976)

Source: District records

CITY OF BAYONNE SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Restricted	\$ 602,440	\$ 216,017	\$ 744,964	\$ 1,081,119	\$ 1,377,783	\$ 603,652	\$ 520,005	\$ 3,959,087	\$ 4,400,787	\$ 7,945,377
Committed	-	-	-	-	-	-	-	-	2,208,127	1,544,341
Unassigned	(927,227)	(1,093,982)	(443,361)	(1,462,169)	(1,667,922)	(1,847,816)	(3,280,712)	-	(2,660,246)	(1,798,664)
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>	<u>\$ (2,760,707)</u>	<u>\$ 3,959,087</u>	<u>\$ 3,948,668</u>	<u>\$ 7,691,054</u>
All Other Governmental Funds										
Restricted	\$ 212,810	\$ 53,349,410	N-1	\$ 28,265,136	\$ 4,942,196	\$ 11,346	\$ 5,837,591	\$ 6,058,712	\$ -	\$ -
Committed	-	-	-	-	-	-	-	-	279,403	428,854
Assigned:										
Capital projects fund	-	-	-	-	-	-	-	-	4,966,020	4,366,428
Unassigned:										
Special revenue fund	(346,071)	(328,658)	(328,658)	(328,658)	(328,658)	(328,658)	(186,233)	(194,792)	(194,792)	(186,364)
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>	<u>\$ 5,651,358</u>	<u>\$ 5,863,920</u>	<u>\$ 5,050,631</u>	<u>\$ 4,608,898</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: In 2011 the District implemented GASB Statement No. 54 which requires fund balance to be reported as restricted, committed, assigned, and unassigned.

**CITY OF BAYONNE SCHOOL DISTRICT
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)**

	Fiscal Year Ending June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
REVENUES										
Tax levy	\$ 44,218,790	\$ 47,749,324	\$ 49,406,421	\$ 52,521,354	\$ 52,521,354	\$ 57,086,193	\$ 57,086,193	\$ 57,086,193	\$ 57,086,193	\$ 57,086,193
Tuition charges	206,251	232,508	155,370	188,904	159,568	103,668	140,268	100,310	123,024	63,644
Interest earnings	6,751	2,086	12,329	108,673	61,436	71,786	87,609	49,377	31,769	29,726
Miscellaneous	2,803,847	1,215,992	5,000,324	5,402,172	2,826,596	1,157,480	2,965,637	2,161,660	3,942,979	1,759,036
Private sources	46,715	79,423	148,256	111,854	114,240	184,485	66,998	48,179	45,564	85,171
Other local sources	-	-	-	-	-	-	-	-	-	117,813
State sources	37,009,292	39,366,652	41,942,855	48,411,992	52,569,819	57,039,042	59,036,576	62,699,554	59,915,070	63,884,671
Federal sources	3,881,414	4,705,489	4,892,124	5,989,983	5,032,221	5,114,225	6,020,709	17,636,245	7,850,685	7,872,917
Total revenue	88,173,060	93,351,474	101,557,679	112,734,932	113,305,234	120,756,879	125,403,990	139,781,518	128,995,284	130,899,171
EXPENDITURES										
Instruction:										
Regular	30,533,781	31,072,898	34,475,221	37,388,339	36,527,376	38,635,849	39,945,823	43,170,345	36,956,782	37,421,198
Special education instruction	8,964,079	9,812,397	9,987,683	10,996,555	11,648,411	12,905,518	12,861,282	11,716,325	11,920,222	14,155,289
Other special instruction	3,101,466	2,855,359	2,874,881	3,006,328	3,313,278	3,817,134	4,804,893	4,975,313	4,949,435	3,114,783
Vocational education	803,984	835,693	1,018,278	1,029,563	1,237,066	1,141,148	1,194,030	1,306,625	1,243,747	959,707
Other instruction	717,567	807,882	809,839	863,112	967,754	857,277	1,462,435	1,134,827	1,051,753	1,089,439
Adult/continuing education	236,233	317,121	229,487	331,059	356,472	314,241	-	-	-	-
Support Services:										
Tuition	2,109,065	1,777,502	1,862,480	1,931,004	1,971,973	2,006,725	2,108,521	1,054,585	2,652,503	2,815,865
Student & instruction related services	9,511,469	10,693,751	10,686,790	12,209,507	12,543,046	14,094,666	14,084,220	14,233,420	13,423,840	12,260,749
General administration	2,237,361	2,254,201	2,795,151	2,627,847	2,933,699	2,818,968	3,875,208	3,440,357	3,377,303	3,134,556
School administration services	3,707,591	3,949,113	4,047,697	4,379,717	4,668,261	4,903,856	5,059,150	4,984,237	4,887,112	4,905,520
Plant operations and maintenance	7,971,844	8,083,451	8,093,291	8,861,008	9,906,902	10,961,250	11,171,451	11,471,100	11,017,813	11,276,718
Pupil transportation	1,935,722	1,982,655	2,062,697	2,178,914	2,464,366	2,536,828	2,759,569	2,491,190	2,243,914	2,357,400
Other support services	676,423	1,128,538	743,778	831,083	828,771	851,867	-	-	-	-
Employee benefits	15,479,668	16,401,951	18,838,707	25,226,972	25,343,160	26,913,700	33,165,070	24,895,399	26,568,842	26,797,951
Food service	-	-	-	-	-	-	4,500	-	-	-
Special schools	426,646	470,773	491,759	523,912	524,734	595,389	618,228	291,481	330,748	282,379
Charter schools	30,453	67,501	93,583	135,389	102,908	137,660	179,243	163,340	160,327	123,894
Capital Outlay	1,841,538	2,541,444	20,597,589	21,083,730	25,285,020	4,935,370	5,417,002	6,136,769	1,302,456	599,491
Total Expenditures	90,284,890	95,052,230	119,708,911	133,604,039	140,623,197	128,427,446	138,710,625	131,465,313	122,086,797	121,294,939
Excess (Deficiency) of revenues over (under) expenditures	(2,111,830)	(1,700,756)	(18,151,232)	(20,869,107)	(27,317,963)	(7,670,567)	(13,306,635)	8,316,205	6,908,487	9,604,232

**CITY OF BAYONNE SCHOOL DISTRICT
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)**

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
OTHER FINANCING SOURCES (USES)										
Capital leases (non-budgeted)	\$ -	\$ -	\$ -	\$ 549,325	\$ 1,795,882	-	\$ 1,148,584	\$ 252,700	\$ 120,760	\$ 139,048
Project authorizations	-	55,309,330 ^a	15,509,000	-	-	-	9,644,750	-	-	-
Non-board expenditures	(31,590)	(39,631)	(117,041)	(24,602)	(21,521)	-	-	(1,008,435)	(320,035)	(531,831)
Loan interest	-	-	(191,982)	-	-	-	-	-	-	-
Special items	-	-	-	-	-	-	-	-	-	-
Special items-Cancellation of Receivable	-	-	-	-	(77,640)	-	-	-	-	-
Special items-nutrition receivable cancelled	-	-	-	-	4,926,396	2,443,612	-	-	(6,999,805)	(5,367,018)
Special items-City of Bayonne Bonds	-	-	-	-	(1,897,634)	-	-	-	-	-
Special items-State of New Jersey ERI	-	-	-	-	-	-	-	-	-	-
SDA Grant Funds	-	-	-	-	-	-	7,683,826	-	-	-
Transfers out	(1,042,136)	(968,108)	(681,722)	(609,998)	(639,549)	(657,920)	(718,397)	(628,115)	(533,115)	(543,777)
Total other financing sources (uses)	<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>17,758,763</u>	<u>(1,383,850)</u>	<u>(7,732,195)</u>	<u>(6,303,578)</u>
Net change in fund balances	\$ (3,185,556)	\$ 52,600,835	\$ (3,632,977)	\$ (20,954,382) ^a	\$ (23,232,029)	\$ (5,884,875)	\$ 4,452,128	\$ 6,932,355	\$ (823,708)	\$ 3,300,654
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: District records (GAAP Basis)

Note: Noncapital expenditures are total expenditures less capital outlay.

^a Commencing with fiscal year ending June 30, 2005 Central Services and Administrative Information Technology account classifications were added. Prior to fiscal year ending June 30, 2005 Central Services and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

^a Increase in net change fund balance for fiscal year ending June 30, 2004 is due to a new capital project authorization adopted.

**CITY OF BAYONNE SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE (NJ)
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ending June 30,	Physical Education Center Fees	Insurance Refunds	Community Education Fees	Sale of Property	Clean Energy Fund	E-Rate	Energy Ratables	Health Coverage	Miscellaneous	Tuition	Interest	Annual Totals
2003	\$ 302,654	\$ 304,207	\$ 321,545	\$ 450,000	\$ -	\$ -	\$ -	\$ -	\$ 1,425,441	\$ 206,251	\$ 6,751	\$ 3,016,849
2004	192,116	275,328	376,521	-	-	-	-	-	372,027	232,508	2,086	1,450,586
2005	225,197	245,094	297,863	-	3,623,900	-	-	-	608,273	155,370	12,329	5,168,026
2006	104,393	278,333	329,124	-	1,854,300	188,849	-	-	2,647,173	188,904	108,673	5,699,749
2007	147,349	273,120	415,427	-	1,438,280	202,543	-	-	349,877	159,568	61,436	3,047,600
2008	178,846	314,224	365,416	-	-	201,648	-	-	97,344	103,668	71,786	1,332,932
2009	272,719	325,037	384,632	-	450,400	206,319	1,110,360	-	216,170	140,268	87,609	3,193,514
2010	285,251	384,298	423,099	-	-	218,198	570,060	-	280,754	100,310	49,377	2,311,347
2011	275,456	31,047	370,304	-	-	196,708	2,403,415	317,296	394,317	123,024	31,769	4,143,336
2012	229,608	36,784	361,308	-	19,945	178,879	154,940	-	777,572	63,644	29,726	1,852,406

Source: District records

REVENUE CAPACITY

**CITY OF BAYONNE SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
FOR THE LAST TEN YEARS
(UNAUDITED)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
District Property										
Vacant Land	\$ 89,203,300	\$ 93,670,800	\$ 89,125,800	\$ 81,751,900	\$ 83,967,600	\$ 90,117,400	\$ 90,886,200	\$ 97,098,600	\$ 93,035,900	\$ 90,028,800
Residential	1,424,458,800	1,432,892,800	1,458,974,800	1,485,824,800	1,498,716,400	1,506,170,900	1,502,822,970	1,498,604,900	1,489,152,874	1,473,131,349
Commercial	342,901,000	344,741,300	348,639,300	347,575,600	346,656,800	340,967,314	352,708,260	342,821,060	333,018,000	322,272,200
Industrial	364,449,600	370,586,600	364,120,400	355,237,200	340,326,900	334,446,600	322,712,000	333,375,800	301,330,700	302,193,500
Apartment	102,581,300	102,903,300	103,533,400	106,053,600	112,665,800	110,639,700	119,808,310	108,041,800	105,076,200	102,495,900
Total Assessed Value	2,323,594,000	2,344,794,800	2,364,393,700	2,376,443,100	2,382,333,500	2,382,341,914	2,388,937,740	2,379,942,160	2,321,613,674	2,290,121,749
Less: Tax Exempt Property	1,107,600	1,631,500	2,147,500	2,527,200	2,974,300	2,659,300	2,421,700	2,961,100	5,092,305	4,170,205
Public Utilities ^a	4,537,646	4,026,077	3,320,070	2,370,177	2,063,130	1,893,483	1,947,786	2,098,999	2,405,200	2,707,920
Net Valuation Taxable	2,327,024,046	2,347,189,377	2,365,566,270	2,376,286,077	2,381,422,330	2,381,576,097	2,388,463,826	2,379,080,059	2,318,926,569	2,288,659,464
Estimated Actual Value	3,217,772,144	3,639,184,476	4,310,387,640	4,970,952,171	5,747,770,003	6,439,544,725	6,694,809,463	6,406,764,904	**	**
Total Direct School Tax Rate ^b	2.049	2.136	2.268	2.832	2.514	2.729	2.786	2.551	2.828	3.015

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 rate are per \$100

** At the time of the CAFR completion, this data was not yet available.

**CITY OF BAYONNE SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAXES
PER \$100.00 OF ASSESSED VALUATION
FOR THE LAST TEN YEARS
(UNAUDITED)**

Assessment Year	Basic Rate ^a	General Obligation Debt Service ^b	(From J-5) Total Direct School Tax Rate	Municipality of Bayonne	Hudson County	Total Direct and Overlapping Tax Rate
2003	2.048	0.014	2.062	1.622	0.907	4.591
2004	2.036	0.013	2.049	1.866	0.937	4.852
2005	2.125	0.011	2.136	2.086	0.964	5.186
2006	2.240	0.028	2.268	2.023	0.960	5.251
2007	2.346	0.036	2.382	2.331	0.984	5.697
2008	2.465	0.049	2.514	2.519	1.019	6.052
2009	2.739	0.047	2.786	2.410	1.092	6.288
2010	2.504	0.047	2.551	2.637	1.100	6.288
2011	2.781	0.047	2.828	2.877	1.144	6.849
2012	2.968	0.047	3.015	2.852	1.247	7.114

Source: Tax Collector

Note: N.J.S.A. 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
FOR THE CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)**

Taxpayers	2012				2003			
	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	\$ 116,103,000	1	5.07%	\$ 99,874,600	1	4.29%		
Bayonne Auto Terminal Inc.	23,095,700	2	1.01%					
Gordon Terminals Serv Co of NJ, Inc.	15,027,100	3	0.66%	14,143,600	7	0.61%		
Exxon Corporation	15,001,500	4	0.66%	27,833,500	2	1.20%		
Texaco, Inc.	13,085,800	5	0.57%	13,085,800	9	0.56%		
Hess Corp	11,188,700	6	0.49%					
Morris Bayonne Assoc., LLC, et als	9,813,700	7	0.43%					
99 Hook Rd LLC	9,500,000	8	0.42%					
South Cove Development, LLC	8,519,700	9	0.37%					
MPT of Bayonne, LLC	8,000,000	10	0.35%					
Global Terminal and Container Services, Inc				20,000,000	3	0.86%		
Coastal Oil New York, Inc.				16,707,300	4	0.72%		
Asahi Glass Flouroploymers USA Inc				14,532,900	5	0.62%		
HB Bayonne Partnership				14,475,000	6	0.62%		
Amerada Hess Corp.				13,141,000	8	0.56%		
Cogen Tech				12,705,000	10	0.55%		
Total	\$ 229,335,200		10.03%	\$ 220,652,700		10.59%		

Source: Municipal Tax Assessor

**CITY OF BAYONNE SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
FOR THE LAST TEN YEARS
(UNAUDITED)**

Fiscal Year Ending June 30,	Total Tax Levy	Current Collections ^a	Percent of Tax Levy Collected
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%
2009	57,086,193	57,086,193	100.00%
2010	57,086,193	57,086,193	100.00%
2011	57,086,193	57,086,193	100.00%
2012	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.

DEBT CAPACITY

**CITY OF BAYONNE SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita Debt ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2003	\$ -	\$ -	\$ 1,221,918	\$ -	\$ -	\$ 1,221,918	0.06%	\$ 20
2004	-	-	191,982	-	-	191,982	0.01%	3
2005	-	-	549,325	-	-	549,325	0.03%	9
2006	-	-	-	-	-	-	0.00%	-
2007	-	-	1,795,882	-	-	1,795,882	0.13%	31
2008	-	-	-	-	-	-	0.00%	-
2009	-	-	1,148,584	-	-	1,148,584	0.07%	20
2010	-	-	252,700	-	-	252,700	0.01%	4
2011	-	-	803,501	-	-	803,501	0.04%	13
2012	-	-	554,643	-	-	554,643	*	*

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.

* 2012 personal income and district population not available to complete calculation

**CITY OF BAYONNE SCHOOL DISTRICT
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita Debt ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2003	\$ -	\$ -	\$ -	0.00%	\$ -
2004	-	-	-	0.00%	-
2005	-	-	-	0.00%	-
2006	-	-	-	0.00%	-
2007	-	-	-	0.00%	-
2008	-	-	-	0.00%	-
2009	-	-	-	0.00%	-
2010	-	-	-	0.00%	-
2011	-	-	-	0.00%	-
2012	-	-	-	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-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
for the Fiscal Year Ended June 30, 2012
(UNAUDITED)**

	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Gross Overlapping Debt			
City of Bayonne	\$224,160,540	100.00%	\$ 224,160,540
Hudson County General Obligation Debt	958,530,097	9.378%	89,890,952
Other Debt			
Bayonne Municipal Utilities Authority	91,995,974	100.00%	<u>91,995,974</u>
Subtotal, Overlapping and Other Debt			406,047,466
Gross Direct Debt of City of Bayonne School District			<u>-</u>
Total Direct and Overlapping Debt			<u><u>\$ 406,047,466</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 Municipal and County debt are as of December 31, 2011, 2012 was not available at time of audit. Date of Municipal Utility debt is as of March 31, 2011, 2012 was not available at time of audit.

DEMOGRAPHIC AND ECONOMIC INFORMATION

**CITY OF BAYONNE SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
(UNAUDITED)**

Year Ended December 31,	Population ^a	Personal Income ^b	Total Per Capita Income ^c	Unemployment Rate ^d
2003	60,472	\$ 1,928,875,384	\$ 31,897	5.40%
2004	60,129	2,003,738,796	33,324	3.90%
2005	59,306	2,105,540,918	35,503	5.30%
2006	58,000	2,225,866,000	38,377	5.50%
2007	57,094	1,419,813,592	24,868	5.30%
2008	57,201	1,554,036,768	27,168	7.20%
2009	58,359	1,660,430,268	28,452	11.3%
2010	63,024	1,852,779,552	29,398	11.5%
2011	63,120	1,857,495,360	29,428	11.1%
2012	*	*	*	12.7%

Sources: **a.** Population information provided by the NJ Dept of Labor and Workforce Development

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

c. Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis for the County of Hudson. Commencing in 2007 estimated by American Community Survey by the US Bureau of Economic Analysis for the City of Bayonne.

d. Unemployment data provided by the NJ Dept of Labor and Workforce Development

* Information not available

**CITY OF BAYONNE SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND SIX YEARS AGO
(UNAUDITED)**

Employer	2012			2006		
	Employees	Rank (Optional)	Percentage of Total Municipal Employment	Employees	Rank (Optional)	Percentage of Total Municipal Employment
Bayonne Medical Center	1,164	1	4.22%			
Jerthel Plastics Inc	500	2	1.81%			
Royal Wine Corporation	220	3	0.80%	350	2	1.21%
Inserra Inc	220	4	0.80%	275	3	0.95%
Haddad Aooarel Group Ltd.	200	5	0.73%			
GTK Duplication	200	6	0.73%			
Muralo Company	180	7	0.65%			
Bookazine Co Inc	180	8	0.65%			
Vertellus	135	9	0.49%			
Ideal Window Manufacturing	127	10	0.46%			
Bayonne Hospital				1,150	1	3.99%
Maidenform				250	4	0.87%
Harry J. Rashti Co., Inc.				220	5	0.76%
Muralo Company				200	6	0.69%
Ashai Glass Fluoropolymers				144	7	0.50%
Workbench				110	9	0.38%
Best Foods, div. of CPC International				139	8	0.48%
Pamrapo Savings Bank				100	10	0.35%
	<u>3,126</u>		<u>11.34%</u>	<u>2,699</u>		<u>9.35%</u>

Sources: Hudson County Economic Development Corporation.

* In years 2001-2005, the principal employer worksheet was not required. Data from 2006 was the earliest available during the time of audit.

OPERATING INFORMATION

**CITY OF BAYONNE SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY
FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Function/Program</u>	2003	2004	2005	2006	2007	2008	2009	2010	2011*	2012*
Instruction										
Regular	417	402	397	401	399	403	428	428	541	563
Special education	155	149	147	147	144	147	157	157	315	315
Other special education	232	229	207	208	207	208	217	217	43	23
Vocational	4	4	4	4	4	5	4	4	10	7
Other instruction	140	105	106	136	132	133	116	116	1	1
Support Services:										
Student & instruction related services	78	67	69	69	69	70	76	76	102	98
General administration	36	31	31	31	31	31	36	36	13	12
School administrative services	46	42	41	43	43	43	45	45	59	60
Central services	-	12	12	12	12	12	12	12	11	11
Administrative Information Technology	10	8	3	3	3	3	10	10	1	1
Plant operations and maintenance	112	115	121	121	120	122	111	111	121	124
Pupil transportation	21	43	46	46	46	45	21	21	29	34
Other support services	41	41	15	15	15	16	41	41	-	-
Total	1,292	1,248	1,199	1,236	1,225	1,238	1,274	1,274	1,246	1,249

Source: Human resources

* Commencing in 2011 the Budgeted Full-Time Equivalents from the Annual School Budget Statement Supporting Documentation was used to prepare this schedule.

**CITY OF BAYONNE SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio ^c			Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff ^b	Elementary	Senior High School				
2003	8,426	88,427,842	10,495	0.73%	948	12.8	11.9	8,383	7,882	1.46%	94.02%
2004	8,464	92,510,786	10,930	4.14%	889	12.4	11.3	8,502	8,006	1.42%	94.17%
2005	8,683	99,111,322	11,414	4.43%	861	11.5	12.4	8,587	8,059	1.00%	93.85%
2006	8,830	112,520,309	12,743	11.64%	896	12.7	14.2	8,712	8,176	1.46%	93.85%
2007	8,841	115,338,177	13,046	2.38%	886	12.8	14.1	8,826	8,248	1.31%	93.45%
2008	9,032	123,492,076	13,673	4.81%	896	13.3	15.2	8,985	8,592	1.80%	95.63%
2009	8,906	133,293,623	14,967	9.46%	922	11.96	11.2	8,987	8,684	0.02%	96.63%
2010	9,142	125,328,544	13,709	-8.41%	922	12.17	11.7	9,095	8,441	1.20%	92.81%
2011	8,954	124,858,905	13,944	1.71%	910	12.67	12	8,753	8,163	-3.76%	93.26%
2012	9,078	120,695,448	13,295	-4.65%	909	*	*	8,773	8,243	0.23%	93.96%

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 certified staff. Commencing in 2011 the Annual School Budget Statement Supporting Documentation was used to calculate teaching staff.
- c. Commencing in 2009 the School Report Cards student/faculty ratios were used to calculate the pupil/teacher ratio.
- d. Average daily enrollment and average daily attendance are obtained from the School Registry Summary (SRS).

* - Information not available at time of audit.

**CITY OF BAYONNE SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
District Building										
<u>Element</u>										
Henry E. Harris (1921)										
Square Feet	81,466	81,466	81,466	81,466	81,466	110,000	110,000	110,000	110,000	110,000
Capacity (students)	745	745	745	745	745	690	690	690	690	690
Enrollment	654	625	629	635	642	627	606	618	606	598
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	504	504	504	504
Enrollment	407	381	351	348	344	418	477	435	380	387
Walter F. Robinson (1903)										
Square Feet	83,000	83,000	83,000	83,000	83,000	128,000	128,000	128,000	128,000	128,000
Capacity (students)	552	552	552	552	552	960	960	960	960	960
Enrollment	514	537	527	528	672	696	699	732	796	755
Mary J. Donohue (1920)										
Square Feet	61,376	61,376	61,376	61,376	61,376	81,000	81,000	81,000	81,000	81,000
Capacity (students)	442	442	442	442	442	500	500	500	500	500
Enrollment	408	434	417	423	423	446	456	467	484	451
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	446	430	413	414	364	391	415	434	426	417
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	562	564	534	557	536	529	515	501	563	563
Washington School (1917)										
Square Feet	105,413	105,413	105,413	105,413	105,413	135,413	135,413	135,413	135,413	135,413
Capacity (students)	556	556	556	556	556	650	650	650	650	650
Enrollment	602	599	585	611	614	547	569	573	620	634
Nicolas Oresko School(2008)										
Square Feet	42,000	42,000	42,000	42,000	42,000	90,000	90,000	90,000	90,000	90,000
Capacity (students)	329	329	329	329	329	600	600	600	600	600
Enrollment	243	255	255	254	256	342	389	349	400	413
John M. Bailey (1909)										
Square Feet	73,500	73,500	73,500	73,500	73,500	123,500	123,500	123,500	123,500	123,500
Capacity (students)	680	680	680	680	680	750	750	750	750	750
Enrollment	721	695	661	671	621	666	651	661	634	598
Woodrow Wilson (1931)										
Square Feet	94,000	94,000	94,000	94,000	94,000	127,000	127,000	127,000	127,000	127,000
Capacity (students)	475	475	475	475	475	750	750	750	750	750
Enrollment	512	558	533	495	593	629	647	666	656	590
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	1,064	1,088	1,043	992	1,072	1,019	1,023	1,058	1,050	1,013
<u>High School</u>										
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	2,293	2,298	2,735	2,902	2,704	2,500	2,536	2,365	2,381	2,617

Number of Schools at June 30, 2012

Elementary = 11

Senior High School = 1

Source: District Facilities Office

Note: Year of original construction shown in parenthesis. 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 ALLOWABLE MAINTENANCE EXPENDITURES BY SCHOOL FACILITY (NJ)
FOR THE LAST TEN FISCAL YEARS
(UNAUDITED)**

**UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES**

* School Facilities	Project # (s)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Henry E. Harris	**	\$ 280,032	\$ 309,530	\$ 31,644	\$ 335,891	\$ 349,861	\$ 28,123	\$ 294,745	\$ 346,040	\$ 378,853	\$ 287,352
Philip Vroom	**	154,431	170,698	174,510	185,235	192,939	185,351	194,264	202,842	222,071	189,391
Walter F. Robinson	**	176,796	195,419	199,784	212,062	220,882	327,241	342,976	272,054	297,852	334,373
Mary J. Donohue	**	173,337	191,596	195,875	207,913	216,560	207,082	217,039	226,710	248,208	211,596
Lincoln School	**	216,390	239,184	244,526	259,554	270,349	131,888	138,230	268,474	293,932	134,763
Horace Mann	**	200,227	221,318	226,262	240,167	250,155	240,318	251,873	250,578	274,339	245,555
Washington School	**	362,113	400,256	409,197	434,344	452,409	434,617	455,515	447,464	489,895	353,738
Nicolas Oresko School	**	437,545	483,634	494,437	524,823	546,652	346,193	362,839	536,953	587,870	235,106
John M. Bailey	**	200,227	221,318	226,262	240,167	250,155	324,684	340,296	301,889	330,516	322,618
Woodrow Wilson	**	263,064	290,774	297,269	315,538	328,662	315,736	330,918	325,222	356,061	331,761
Midtown Community School	**	89,463	98,887	101,096	107,309	111,772	230,091	241,155	119,320	130,635	444,089
Bayonne High School	**	557,713	616,460	630,230	668,961	696,784	1,291,068	1,353,147	775,608	849,156	1,319,207
Total School Facilities		\$ 3,111,338	\$ 3,439,074	\$ 3,231,092	\$ 3,731,964	\$ 3,887,180	\$ 4,062,392	\$ 4,522,997	\$ 4,073,154	\$ 4,459,388	\$ 4,409,549

Source: District Records (GAAP Basis)

* School facilities as defined under EFCFA, (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

** Information not available

**CITY OF BAYONNE SCHOOL DISTRICT
INSURANCE SCHEDULE
June 30, 2012
(UNAUDITED)**

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
New Jersey School Boards Insurance Group:		
Property - Blanket Building & Contents	\$ 302,045,968	5,000
Environmental Package	1,000,000	10,000
Extra Expense	50,000,000	5,000
Valuable Papers	10,000,000	5,000
Loss of Rents	10,000	5,000
Electric Data Processing/ Public Entity Inland Marine Coverage	2,392,608	1,000
Equipment Breakdown	100,000,000	5,000
Public Employee Crime Coverage - Faithful Performance	100,000	1,000
Forgery and Altercation	100,000	1,000
Meony and Securities	10,000	500
Money Orders/Counterfeit	10,000	500
Computer Fraud	25,000	500
Comprehensive General Liability	31,000,000	N/A
Student Accident:		
Basic/Sports/Football K-12	5,000,000	N/A
Castastrophic Cash K-12	1,000,000	N/A
Comprehensive Automobile Liability	31,000,000	N/A
Workman's Compensation and Supplemental Indemnity Options		
Professional	77,632,163	N/A
Non Professional	6,619,185	N/A
School Leaders Error and Omissions:		
Coverage A	31,000,000	5,000
Coverage B	100,000	5,000
The Hartford Fire Insurance Company:		
Surety Bond Coverage		
Business Administrator	475,000	N/A
Treasurer	475,000	N/A
Board Secretary	475,000	N/A

Source: District Records

SINGLE AUDIT SECTION

DONOHUE, GIRONDA & DORIA

Certified Public Accountants

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Tammy L. Zucca, CPA
Mark W. Bednarz, CPA, RMA

EXHIBIT 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

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 City of Bayonne School District, in the County of Hudson, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated December 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the City of Bayonne School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Bayonne School District'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 City of Bayonne School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Bayonne School District's internal control over financial reporting.

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

EXHIBIT K-1

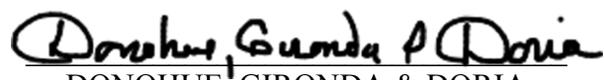
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. 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 City of Bayonne School District'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 under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

We noted certain matters that we reported to management of the City of Bayonne School District in a separate auditor's management report dated December 14, 2012 as required by the Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the audit committee, management, the 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
December 14, 2012

DONOHUE, GIRONDA & DORIA

Certified Public Accountants

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EXHIBIT K-2

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

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 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 could have a direct and material effect on each of the City of Bayonne School District's major federal and state programs for the fiscal year ended June 30, 2012. The City of Bayonne School District's major federal and state programs are identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs. 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 City of Bayonne School District's management. Our responsibility is to express an opinion on the City of Bayonne School District'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 and Regulatory Compliance, Department of Education, State of New Jersey; *OMB 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*. 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 City of Bayonne School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Bayonne School District's compliance with those requirements.

In our opinion, the City of Bayonne School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012.

Internal Control Over Compliance

The management of the City of Bayonne School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the City of Bayonne School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Bayonne School District's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

EXHIBIT K-2

This report is intended solely for the information and use of the audit committee, management, the 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
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Bayonne, New Jersey
December 14, 2012

CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the Fiscal Year Ended June 30, 2012

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD		BALANCE AT JUNE 30, 2011
				FROM	TO	
ENTERPRISE FUND						
U.S. DEPARTMENT OF AGRICULTURE						
PASSED-THROUGH STATE OF NEW JERSEY						
DEPARTMENT OF EDUCATION						
** School Breakfast Program	10.553	*	\$ 261,133	07/01/11	06/30/12	\$ -
** School Breakfast Program	10.553	*	222,083	07/01/10	06/30/11	(15,214)
** National School Lunch Program	10.555	*	2,090,286	07/01/11	06/30/12	-
** National School Lunch Program	10.555	*	1,871,776	07/01/10	06/30/11	(114,321)
** National School Lunch Program (Food Distribution)	10.555	*	169,079	07/01/11	06/30/12	-
** After School Snack	10.555	*	28,368	07/01/11	06/30/12	-
** After School Snack	10.555	*	23,462	07/01/10	06/30/11	(1,472)
** Special Milk Program	10.556	*	4,044	07/01/11	06/30/12	-
** Special Milk Program	10.556	*	3,763	07/01/10	06/30/11	(203)
** Summer Food Program	10.559	*	73,957	07/01/11	06/30/12	-
<i>Child Nutrition Cluster</i>						<u>(131,210)</u>
TOTAL ENTERPRISE FUND						<u>(131,210)</u>
SPECIAL REVENUE FUND						
U.S. DEPARTMENT OF EDUCATION						
PASSED-THROUGH STATE OF NEW JERSEY						
DEPARTMENT OF EDUCATION						
No Child Left Behind:						
** Title I, Part A Basic	84.010A	NCLB__12	2,565,685	09/01/11	08/31/12	(1,686,539)
** Title I, Part A Basic, Recovery Act	84.389A	ARRA__10	1,560,822	09/01/09	08/31/10	<u>(791,527)</u>
<i>Title I, Part A Cluster</i>						<u>(2,478,066)</u>
Title II, Part A Teacher & Principal Training	84.367A	NCLB__12	387,846	09/01/11	08/31/12	(542,252)
Title II, Part D Prevention & Intervention Programs	84.318X	NCLB__11	6,651	09/01/10	08/31/11	(16,630)
Title III, Immigrant	84.365A	NCLB__12	118,682	09/01/11	08/31/12	(1,220)
Title III, English Language Acquisition	84.365A	NCLB__12	60,596	09/01/11	08/31/12	<u>(50,480)</u>
<i>Title III Total</i>						<u>(51,700)</u>
** IDEA, Basic	84.027	FT__11	2,458,375	09/01/11	08/31/12	(2,324,927)
** IDEA, Basic, Recovery Act	84.391	ARRA__10	2,580,437	09/01/09	08/31/10	(106,416)
** IDEA, Preschool	84.173	FT__11	59,831	09/01/11	08/31/12	(59,227)
** IDEA, Preschool, Recovery Act	84.392A	ARRA__10	92,867	09/01/09	08/31/10	<u>(4,284)</u>
<i>IDEA Cluster</i>						<u>(2,494,854)</u>
21st Century CLC Program	84.287C	*	505,925	07/01/08	06/30/09	(10,977)
U.S. DEPARTMENT OF HOMELAND SECURITY						
FEDERAL EMERGENCY MANAGEMENT AGENCY						
PASSED-THROUGH STATE OF NEW JERSEY						
DEPARTMENT OF LAW AND PUBLIC SAFETY						
Disaster Relief	97.036	*	22,065			-
TOTAL SPECIAL REVENUE FUND						<u>(5,594,479)</u>
GENERAL FUND						
U.S. DEPARTMENT OF EDUCATION						
PASSED-THROUGH STATE OF NEW JERSEY						
DEPARTMENT OF EDUCATION						
** Education Jobs Fund	84.410A	*	1,826,344	09/01/11	08/31/12	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
PASSED-THROUGH STATE OF NEW JERSEY						
DEPARTMENT OF HUMAN SERVICES						
** Special Education Medicaid Initiative ("SEMI")	93.778	*	278,007	09/01/11	08/31/12	-
TOTAL GENERAL FUND						<u>-</u>
TOTAL FEDERAL AWARDS						<u>\$ (5,725,689)</u>

(A) - These amounts represent cancellations approved by grantor.

* - Not Available

** - Denotes Major Program

EXHIBIT K-3
SCHEDULE A

CASH RECEIVED	BUDGETARY EXPEND- ITURES	ADJUST- EMENTS	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2012		
				(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR
\$ 215,030	\$ (261,133)	\$ -	\$ -	\$ (46,103)	\$ -	\$ -
15,214	-	-	-	-	-	-
2,011,281	(2,090,286)	-	-	(79,005)	-	-
114,321	-	-	-	-	-	-
169,079	(169,079)	-	-	-	-	-
27,283	(28,368)	-	-	(1,085)	-	-
1,472	-	-	-	-	-	-
3,971	(4,044)	-	-	(73)	-	-
203	-	-	-	-	-	-
73,957	(73,957)	-	-	-	-	-
<u>2,631,811</u>	<u>(2,626,867)</u>	<u>-</u>	<u>-</u>	<u>(126,266)</u>	<u>-</u>	<u>-</u>
<u>2,631,811</u>	<u>(2,626,867)</u>	<u>-</u>	<u>-</u>	<u>(126,266)</u>	<u>-</u>	<u>-</u>
3,376,135	(2,387,265)	-	-	(697,669)	-	-
795,444	(464)	195 (A)	-	-	3,648	-
<u>4,171,579</u>	<u>(2,387,729)</u>	<u>195</u>	<u>-</u>	<u>(697,669)</u>	<u>3,648</u>	<u>-</u>
810,830	(389,841)	1 (A)	-	(121,262)	-	-
16,645	(10)	-	-	-	5	-
90,002	(178,960)	-	-	(90,178)	-	-
102,503	(94,345)	-	-	(42,322)	-	-
<u>192,505</u>	<u>(273,305)</u>	<u>-</u>	<u>-</u>	<u>(132,500)</u>	<u>-</u>	<u>-</u>
3,806,740	(2,636,699)	-	-	(1,154,886)	-	-
108,415	-	-	-	-	1,999	-
113,075	(59,831)	-	-	(5,983)	-	-
4,284	(4,285)	-	-	(4,285)	-	-
<u>4,032,514</u>	<u>(2,700,815)</u>	<u>-</u>	<u>-</u>	<u>(1,165,154)</u>	<u>1,999</u>	<u>-</u>
-	-	-	-	(10,977)	-	-
22,065	(22,065)	-	-	-	-	-
<u>9,246,138</u>	<u>(5,773,765)</u>	<u>196</u>	<u>-</u>	<u>(2,127,562)</u>	<u>5,652</u>	<u>-</u>
-	(1,826,344)	-	-	(1,826,344)	-	-
256,436	(278,007)	-	-	(21,571)	-	-
<u>256,436</u>	<u>(2,104,351)</u>	<u>-</u>	<u>-</u>	<u>(1,847,915)</u>	<u>-</u>	<u>-</u>
\$ 12,134,385	\$ (10,504,983)	\$ 196	\$ -	\$ (4,101,743)	\$ 5,652	\$ -

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

CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
for the Fiscal Year Ended June 30, 2012

STATE GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROGRAM NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD		BALANCE AT JUNE 30, 2011		
			FROM	TO	DEFERRED REVENUE/ (ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	CASH RECEIVED
GENERAL FUND							
STATE DEPARTMENT OF EDUCATION							
** Equalization Aid	12-495-034-5120-078	\$ 44,977,506	07/01/11	06/30/12	\$ -	\$ -	\$ 44,977,506
** Special Education Categorical Aid	12-495-034-5120-089	5,040,780	07/01/11	06/30/12	-	-	5,040,780
Extraordinary Aid	12-495-034-5120-044	1,109,349	07/01/11	06/30/12	-	-	-
Extraordinary Aid	11-495-034-5120-044	255,094	07/01/10	06/30/11	(255,094)	-	255,094
** Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	4,151,306	07/01/11	06/30/12	-	-	3,942,056
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	4,708,032	07/01/10	06/30/11	(219,791)	-	219,791
On-behalf TPAF Pension Contribution	12-495-034-5095-050	1,783,162	07/01/11	06/30/12	-	-	1,783,162
On-behalf TPAF Non-Contributory Group Insurance	12-495-034-5095-050	191,358	07/01/11	06/30/12	-	-	191,358
On-behalf TPAF Post Retirement Medical Contributions	12-495-034-5095-050	3,969,300	07/01/11	06/30/12	-	-	3,969,300
TOTAL GENERAL FUND					(474,885)	-	60,379,047
SPECIAL REVENUE FUND							
STATE DEPARTMENT OF EDUCATION							
N.J. Nonpublic Aid:							
Nonpublic Textbook Aid	12-100-034-5120-064	51,128	07/01/11	06/30/12	-	-	51,128
Nonpublic Textbook Aid	11-100-034-5120-064	63,206	07/01/10	06/30/11	-	712	-
Nonpublic Handicapped Aid:		-			-	-	-
Examination and Classification	12-100-034-5120-066	66,828	07/01/11	06/30/12	-	-	66,828
Examination and Classification	11-100-034-5120-066	74,626	07/01/10	06/30/11	-	389	-
Corrective Speech	12-100-034-5120-066	1,580	07/01/11	06/30/12	-	-	1,580
Corrective Speech	11-100-034-5120-066	9,388	07/01/10	06/30/11	-	1,005	-
Supplemental Instruction	12-100-034-5120-066	54,719	07/01/11	06/30/12	-	-	54,719
Nonpublic Auxiliary Services Aid:		-			-	-	-
Compensatory Education	12-100-034-5120-067	258,671	07/01/11	06/30/12	-	-	258,671
Nonpublic Nursing Services	12-100-034-5120-070	73,033	07/01/11	06/30/12	-	-	73,033
Preschool Education Aid	12-495-034-5120-086	1,863,635	07/01/11	06/30/12	-	-	1,863,635
STATE DEPARTMENT OF CHILDREN AND FAMILIES							
** School Based Youth Services	12AJP	273,216	07/01/11	06/30/12	-	-	273,216
** School Based Youth Services	11AJP	273,218	07/01/10	06/30/11	22,644	-	-
** School Based Youth Services	10AJP	273,216	07/01/09	06/30/10	817	-	-
STATE DEPARTMENT OF TREASURY							
PASSED-THROUGH COUNTY OF HUDSON							
PASSED-THROUGH CITY OF BAYONNE							
Municipal Alliance	100-082-C001-004	63,526	07/01/11	06/30/12	-	-	-
Municipal Alliance	100-082-C001-004	63,526	01/01/10	12/31/10	(62,326)	-	-
TOTAL SPECIAL REVENUE FUND					(38,865)	2,106	2,642,810
CAPITAL PROJECTS FUND							
STATE SCHOOL DEVELOPMENT AUTHORITY (SDA)							
SDA Grant Projects:							
Improvements to John M. Bailey ES, #12	0220-040-97-0328-00	630,565	1997	Completion	(635,031)	-	623,814
Improvements to Henry Harris No. 1 ES	0220-050-97-0375-00	712,080	1997	Completion	(708,520)	-	-
Improvements to Mary J. Donohoe No. 4 ES	0220-080-97-0327-00	831,053	1997	Completion	(836,767)	-	826,848
Improvements to Washington No. 9 ES	0220-120-97-0373-00	1,236,480	1997	Completion	(1,230,298)	-	1,212,744
Improvements to Mary J. Donohoe No. 4 ES	0220-080-04-0010-00	250,680	2004	Completion	(224,359)	-	-
Improvements to Midtown Community ES	0220-085-04-001P-00	882,042	2004	Completion	(877,632)	-	-
Improvements to Phillip G. Vroom No. 2 ES	0220-090-04-001Q-00	106,500	2004	Completion	(95,317)	-	-
Improvements to Washington No. 9 ES	0220-120-04-001R-00	926,794	2004	Completion	(829,481)	-	-
Improvements to Horace Mann No. 6 ES	0220-060-04-001M-00	212,742	2004	Completion	(190,404)	-	-
Improvements to Henry Harris No. 1 ES	0220-050-04-001L-00	710,281	2004	Completion	(635,701)	-	-
Improvements to John M. Bailey ES, #12	0220-040-04-001K-00	368,190	2004	Completion	(329,530)	-	-
Improvements to Lincoln No. 5 ES	0220-070-04-001N-00	274,687	2004	Completion	(245,845)	-	-
Improvements to Bayonne High School	0220-020-04-001J-00	436,298	2004	Completion	(850,781)	-	-
Improvements to Walter F. Robinson No. 3 ES	0220-030-04-0A1EY-00	3,514,098	2004	Completion	(685,249)	-	-
Improvements to Woodrow Wilson No. 10 ES	0220-130-04-0A1EZ-00	3,020,321	2004	Completion	(588,963)	-	-
New School No. 14	0220-x02-04-0A1FA-00	4,004,000	2004	Completion	(180,180)	-	-
Improvements to Walter F. Robinson No. 3 ES	0220-030-09-00AL-00	60,776	2009	Completion	(607,762)	-	-
Improvements to John M. Bailey ES, #12	0220-040-09-00AM-00	335,724	2009	Completion	(335,724)	-	-
Improvements to Henry Harris No. 1 ES	0220-050-09-00AN-00	358,851	2009	Completion	(358,851)	-	-
Improvements to Horace Mann No. 6 ES	0220-060-09-00AO-00	456,208	2009	Completion	(456,208)	-	-
Improvements to Lincoln No. 5 ES	0220-070-09-00AP-00	467,455	2009	Completion	(467,455)	-	-
Improvements to Mary J. Donohoe No. 4 ES	0220-080-09-00AQ-00	5,384	2009	Completion	(538,420)	-	-
Improvements to Phillip G. Vroom No. 2 ES	0220-090-09-00AR-00	386,673	2009	Completion	(386,673)	-	-
Improvements to Washington No. 9 ES	0220-120-09-00AS-00	839,873	2009	Completion	(839,873)	-	-
Improvements to Woodrow Wilson No. 10 ES	0220-130-09-00AT-00	707,579	2009	Completion	(707,579)	-	-
Improvements to Bayonne High School	0220-020-09-00AK-00	1,251,815	2009	Completion	(1,251,815)	-	-
TOTAL CAPITAL PROJECTS FUND					(15,094,418)	-	2,663,406
DEBT SERVICE FUND							
On-behalf Debt Service Aid - Type I	12-495-034-5120-017	494,896	07/01/11	06/30/12	-	-	494,896
TOTAL DEBT SERVICE FUND					-	-	494,896
ENTERPRISE FUND							
STATE DEPARTMENT OF AGRICULTURE							
State School Lunch Aid	12-100-010-3360-670	48,523	07/01/11	06/30/12	-	-	46,708
State School Lunch Aid	11-100-010-3360-670	42,091	07/01/10	06/30/11	(2,762)	-	2,762
TOTAL ENTERPRISE FUND					(2,762)	-	49,470
TOTAL STATE FINANCIAL ASSISTANCE					\$ (15,610,930)	\$ 2,106	\$ 66,229,629
LESS:							
On-behalf TPAF Pension Contribution							
On-behalf TPAF Non-Contributory Group Insurance							
On-behalf TPAF Post Retirement Medical Contributions							
On-behalf Debt Service Aid - Type I							
TOTAL STATE FINANCIAL ASSISTANCE SUBJECT TO SINGLE AUDIT							

* - Not Available
** - Denotes Major Program

(A) - These amounts represent cancellations approved by grantor.

EXHIBIT K-4
SCHEDULE B

BUDGETARY EXPEND- ITURES	ADJUST- MENTS/	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2012			MEMO	
			(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND- ITURES
\$ (44,977,506)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,450,253	\$ 44,977,506
(5,040,780)	-	-	-	-	-	504,078	5,040,780
(1,109,349)	-	-	(1,109,349)	-	-	-	1,109,349
-	-	-	-	-	-	-	255,094
(4,151,306)	-	-	(209,250)	-	-	-	4,151,306
-	-	-	-	-	-	-	4,708,032
(1,783,162)	-	-	-	-	-	-	1,783,162
(191,358)	-	-	-	-	-	-	191,358
(3,969,300)	-	-	-	-	-	-	3,969,300
<u>(61,222,761)</u>	<u>-</u>	<u>-</u>	<u>(1,318,599)</u>	<u>-</u>	<u>-</u>	<u>4,954,331</u>	
-	-	-	-	-	-	-	-
(51,058)	-	-	-	-	70	-	51,128
-	-	(712)	-	-	-	-	63,206
-	-	-	-	-	-	-	-
(53,034)	-	-	(2,588)	-	16,382	-	66,828
-	-	(389)	-	-	-	-	74,626
(1,077)	-	-	(477)	-	980	-	1,580
-	-	(1,005)	-	-	-	-	9,388
(44,604)	-	-	-	-	10,115	-	54,719
-	-	-	-	-	-	-	-
(258,617)	-	-	(42,033)	-	42,087	-	258,671
(73,033)	-	-	-	-	-	-	73,033
(1,799,210)	-	-	-	64,425	-	186,364	1,799,210
-	-	-	-	-	-	-	-
(273,216)	-	-	-	-	-	-	273,216
-	-	(22,644)	-	-	-	-	273,218
-	-	-	-	817	-	-	272,399
-	-	-	-	-	-	-	-
(48,589)	-	-	(48,589)	-	-	-	63,526
-	-	-	(62,326)	-	-	-	63,526
<u>(2,602,438)</u>	<u>-</u>	<u>(24,750)</u>	<u>(156,013)</u>	<u>65,242</u>	<u>69,634</u>	<u>186,364</u>	
-	11,217 (A)	-	-	-	-	-	630,565
-	708,520 (A)	-	-	-	-	-	712,080
-	9,919 (A)	-	-	-	-	-	831,053
-	17,554 (A)	-	-	-	-	-	1,236,480
-	26,631 (A)	-	(197,728)	-	-	-	250,680
-	65,889 (A)	-	(811,743)	-	-	-	882,042
-	50,626 (A)	-	(44,691)	-	-	-	106,500
-	193,873 (A)	-	(635,608)	-	-	-	926,794
-	133,153 (A)	-	(57,251)	-	-	-	212,742
-	5,747 (A)	-	(629,954)	-	-	-	710,281
-	83,990 (A)	-	(245,540)	-	-	-	368,190
-	181,262 (A)	-	(64,583)	-	-	-	274,687
-	255,234 (A)	-	(595,547)	-	-	-	436,298
-	74,000 (A)	-	(611,249)	-	-	-	3,514,098
-	-	-	(588,963)	-	-	-	3,020,321
-	-	-	(180,180)	-	-	-	4,004,000
-	182,329 (A)	-	(425,433)	-	-	-	60,776
-	100,717 (A)	-	(235,007)	-	-	-	335,724
-	107,655 (A)	-	(251,196)	-	-	-	358,851
-	136,862 (A)	-	(319,346)	-	-	-	456,208
-	140,237 (A)	-	(327,218)	-	-	-	467,455
-	161,526 (A)	-	(376,894)	-	-	-	5,384
-	116,002 (A)	-	(270,671)	-	-	-	386,673
-	251,962 (A)	-	(587,911)	-	-	-	839,873
-	212,274 (A)	-	(495,305)	-	-	-	707,579
-	375,544 (A)	-	(876,271)	-	-	-	1,251,815
-	<u>3,602,723</u>	<u>-</u>	<u>(8,828,289)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
(494,896)	-	-	-	-	-	-	494,896
<u>(494,896)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
(48,523)	-	-	(1,815)	-	-	-	48,523
-	-	-	-	-	-	-	42,091
<u>(48,523)</u>	<u>-</u>	<u>-</u>	<u>(1,815)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
(64,368,618)	<u>\$ 3,602,723</u>	<u>\$ (24,750)</u>	<u>\$ (10,304,716)</u>	<u>\$ 65,242</u>	<u>\$ 69,634</u>	<u>\$ 5,140,695</u>	
1,783,162							
191,358							
3,969,300							
494,896							
<u>\$ (57,929,902)</u>							

The accompanying Notes to 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
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 - GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state award activity of the Board of Education of the Town of West New York School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal awards 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 Schedule 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 (RSI) are presented for the General Fund and Special Revenue Fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is 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. The Special Revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*

**CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$241,779) for the General Fund and \$291,356 for the Special Revenue Fund. See *Note A* (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:

	Federal	State	Private	Other Local	Total
General Fund	\$ 2,104,351	\$ 60,980,982	\$ -	\$ -	\$ 63,085,333
Special Revenue Fund	5,768,566	2,903,689	85,171	117,813	8,875,239
Food Service Fund	2,626,867	48,523	-	-	2,675,390
Total Awards and Financial Assistance	<u>\$ 10,499,784</u>	<u>\$ 63,933,194</u>	<u>\$ 85,171</u>	<u>\$ 117,813</u>	<u>\$ 74,635,962</u>

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 under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported of \$1,783,162 reported as TPAF Pension Contributions, \$191,358 reported as TPAF Non-Contributory Group Insurance, and \$3,969,300 reported as TPAF Post-Retirement Medical Contributions represent the amount paid by the State on behalf of the district for the year ended June 30, 2012. TPAF Social Security Contributions in the amount of \$4,151,306 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, 2012. Type I debt service payments in the amount of \$494,896 represent amounts paid by the City of Bayonne on behalf of the District for the year ended June 30, 2012.

**CITY OF BAYONNE SCHOOL DISTRICT
 NOTES TO THE SCHEDULES OF AWARDS
 AND FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

On-behalf expenditures for the District by the State or City of Bayonne are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District’s basic financial statements and the amount subject to the State single audit and major program determination.

NOTE 7 - SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate Federal programs as defined in OMB Circular A-133; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the District:

<u>Program</u>	<u>Total</u>
Title I, Part A Basic	\$ 2,387,265
Title I, Part A Basic, Recovery Act	464
Title II, Part A Teacher & Principal Training	389,841
Title II, Part D Prevention & Intervention Programs	10
Title III, Immigrant	178,960
Title III, English Language Acquisition	94,345
	<u>\$ 3,050,885</u>

**CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section 1 - Summary of Auditors' Results

Financial Statement Section

A) Type of Auditors Report Issued: Unqualified

B) Internal Control over Financial Reporting:

 1) Material weakness(es) identified? Yes ✓ No

 2) Significant deficiency(ies) identified? Yes ✓ None reported

C) Noncompliance material to basic financial statements noted? Yes ✓ No

Federal Awards Section

D) Internal Control over major programs:

 1) Material weakness(es) identified? Yes ✓ No

 2) Significant deficiency(ies) identified? Yes ✓ None reported

E) Type of auditor's report on compliance for major program Unqualified

F) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 [section 510(e)]? Yes ✓ No

G) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.555</u>	<u>National School Lunch Program (Food Distribution)</u>
<u>10.555</u>	<u>After School Snack</u>
<u>10.556</u>	<u>Special Milk Program</u>
<u>10.559</u>	<u>Summer Food Program</u>
	<u>No Child Left Behind:</u>
<u>84.010A</u>	<u>Title I, Part A Basic</u>
<u>84.389A</u>	<u>Title I, Part A Basic, Recovery Act</u>
<u>84.027</u>	<u>IDEA, Basic</u>
<u>84.391</u>	<u>IDEA, Basic, Recovery Act</u>
<u>84.173</u>	<u>IDEA, Preschool</u>
<u>84.392A</u>	<u>IDEA, Preschool, Recovery Act</u>
<u>84.410A</u>	<u>Education Jobs Fund</u>
<u>93.778</u>	<u>Special Education Medicaid Initiative ("SEMI")</u>

H) Dollar threshold used to distinguish between Type A and Type B Programs. \$315,149

I) Auditee qualified as low-risk auditee? Yes ✓ No

**CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section 1 - Summary of Auditors' Results

State Awards Section

- J) Dollar threshold used to distinguish between Type A and Type B Programs. \$1,737,897
-
- K) Auditee qualified as low-risk auditee? _____ Yes No
- L) Internal Control over major programs:
- 1) Material weakness(es) identified? _____ Yes No
- 2) Significant deficiency(ies) identified? _____ Yes None reported
- M) Type of auditor's report on compliance for major programs: Unqualified
-
- N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular Letter 04-04? _____ Yes No
- O) Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
12-495-034-5120-078	Equalization Aid
12-495-034-5120-089	Special Education Categorical Aid
12-495-034-5095-002	Reimbursed TPAF Social Security Contributions
12AIJP	School Based Youth Services

**CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section II - Financial Statement Findings

(This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.)

NONE

**CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

(This section identifies audit findings required to be reported by Section .510(e) of Circular A-133 and New Jersey OMB Circular Letter 04-04.)

FEDERAL AWARDS

NONE

STATE FINANCIAL ASSISTANCE

NONE

**CITY OF BAYONNE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

(This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 [Section .315(a)(b)] and New Jersey OMB Circular 04-04.)

There were no prior year findings