

# **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, 2015**

CITY OF BAYONNE SCHOOL DISTRICT

TABLE OF CONTENTS

| <u>Exhibit<br/>No.</u>                             |  | <u>Page</u> |
|--|--|-------------|
| <b>INTRODUCTORY SECTION</b>                        |  |             |
|  | Letter of Transmittal  | 1 - 19      |
|  | ASBO Certificate of Excellence   | 20          |
|  | Organizational Chart   | 21          |
|  | Roster of Officials  | 22          |
|  | Consultants, Independent Auditors and Advisors   | 23          |
| <b>FINANCIAL SECTION</b>                           |  |             |
|  | Independent Auditor's Report   | 24 - 27     |
| <b>Required Supplementary Information - Part I</b> |  |             |
|  | Management's Discussion and Analysis   | 28 - 38     |
| <b>Basic Financial Statements</b>                  |  |             |
| A  | <b>Government-Wide Financial Statements:</b>   |             |
| A-1  | Statement of Net Position  | 39          |
| A-2  | Statement of Activities  | 40          |
| B  | <b>Fund Financial Statements:</b>  |             |
|  | Governmental Funds:  |             |
| B-1  | Balance Sheet/Reconciliation of the Balance Sheet to<br>Statement of Net Position  | 41          |
| B-2  | Statement of Revenues, Expenditures, and Changes<br>in Fund Balance  | 42          |
| B-3  | Reconciliation of the Statement of Revenues,<br>Expenditures, and Changes in Fund Balances of<br>Governmental Funds to the Statement of Activities | 43          |
|  | Proprietary Fund:  |             |
| B-4  | Statement of Net Position  | 44          |
| B-5  | Statement of Revenues, Expenses, and Changes in<br>Fund Net Position   | 45          |
| B-6  | Statement of Cash Flows  | 46          |
|  | Fiduciary Funds:   |             |
| B-7  | Statement of Fiduciary Net Position  | 47          |
| B-8  | Statement of Changes in Fiduciary Net Position   | 48          |

**CITY OF BAYONNE SCHOOL DISTRICT**

**TABLE OF CONTENTS**

| <b>Exhibit<br/>No.</b> |  | <b>Page</b> |
|------------------------|--|-------------|
|                        | <b>Notes to the Basic Financial Statements</b>   | 49 - 96     |
|                        | <b>Required Supplementary Information - Part II</b>  |             |
| C                      | <b>Budgetary Comparison Schedules:</b>   |             |
| C-1                    | Budgetary Comparison Schedule - General Fund   | 97 - 102    |
| C-2                    | Budgetary Comparison Schedule - Special Revenue Fund   | 103         |
|                        | <b>Notes to Required Supplementary Information - Part II</b>   |             |
| C-3                    | Budget to GAAP Reconciliation  | 104         |
|                        | <b>Required Supplementary Information - Part III</b>   |             |
| L                      | <b>Schedules Related to Accounting and Reporting for Pensions (GASB 68)</b>                          |             |
| L-1                    | Schedule of the District's Proportionate Share of the Net Position<br>Liability - PERS               | 105         |
| L-2                    | Schedule of District Contributions - PERS  | 106         |
| L-3                    | Schedule of the District's Proportionate Share of the Net Position<br>Liability - TPAF               | 107         |
|                        | <b>Notes to Required Supplementary Information - Part III</b>  | 108         |
|                        | <b>Other Supplementary Information</b>   |             |
| D                      | <b>School Based Budget Schedules</b>   |             |
| D-1                    | Combining Balance Sheet  | N/A         |
| D-2                    | Blended Resource Fund - Schedule of Expenditures<br>Allocated by Resource Type - Actual              | N/A         |
| D-3                    | Blended Resource Fund - Schedule of Blended Expenditures -<br>Budget and Actual                      | N/A         |
| E                      | <b>Special Revenue Fund</b>  |             |
| E-1                    | Combining Schedules of Program Revenues and Expenditures -<br>Budgetary Basis                        | 109 - 114   |
| E-2                    | Schedule of Preschool Education Aid Expenditures -<br>Preschool - All Programs - Budgetary Basis     | 115         |
| F                      | <b>Capital Projects Fund</b>   |             |
| F-1                    | Summary Schedule of Project Expenditures   | 116         |
| F-2                    | Summary Schedule of Revenues, Expenditures and Changes in<br>Fund Balance - Budgetary Basis          | 117         |
| F-2a -z                | Schedules of Project Revenues, Expenditures, Project Balance<br>and Project Status - Budgetary Basis | 118 - 143   |

**CITY OF BAYONNE SCHOOL DISTRICT**

**TABLE OF CONTENTS**

| <b>Exhibit<br/>No.</b> |  | <b>Page</b> |
|------------------------|--|-------------|
|                        | <b>Other Supplementary Information (Continued)</b>                             |             |
| <b>G</b>               | <b>Proprietary Funds</b>   |             |
|                        | Enterprise Fund:   |             |
| G-1                    | Statement of Net Position  | 144         |
| G-2                    | Statement of Revenues, Expenses, and<br>Changes in Net Position                | 145         |
| G-3                    | Statement of Cash Flows  | 146         |
|                        | Internal Service Fund:   |             |
| G-4                    | Combining Statement of Net Position  | N/A         |
| G-5                    | Combining Statement of Revenues, Expenses, and<br>Changes in Fund Net Position | N/A         |
| G-6                    | Combining Statement of Cash Flows  | N/A         |
| <b>H</b>               | <b>Fiduciary Funds</b>   |             |
| H-1                    | Combining Statement of Fiduciary Net Position                                  | 147         |
| H-2                    | Agency Fund Schedule of Receipts and Disbursements                             | 148         |
| <b>I</b>               | <b>Long-Term Debt</b>  |             |
| I-1                    | Schedule of Serial Bonds   | N/A         |
| I-2                    | Schedule of Obligations Under Capital Leases                                   | 149         |
| I-3                    | Budgetary Comparison Schedule - Debt Service Fund                              | N/A         |
|                        | <b>STATISTICAL SECTION (Unaudited)</b>   |             |
|                        | <b>Introduction to the Statistical Section (Unaudited)</b>                     |             |
|                        | <b>Financial Trends:</b>   |             |
| J-1                    | Net Position by Component  | 150         |
| J-2                    | Changes in Net Position  | 151 - 152   |
| J-3                    | Fund Balances, Governmental Funds  | 153         |
| J-4                    | Changes in Fund Balance, Governmental Funds                                    | 154 - 155   |
| J-5                    | General Fund Other Local Revenue by Source                                     | 156         |
|                        | <b>Revenue Capacity:</b>   |             |
| J-6                    | Assessed Value and Estimated Actual Value of Taxable Property                  | 157         |
| J-7                    | Direct and Overlapping Property Tax Rates                                      | 158         |
| J-8                    | Principal Property Taxpayers   | 159         |
| J-9                    | Property Tax Levies and Collections  | 160         |
|                        | <b>Debt Capacity:</b>  |             |
| J-10                   | Ratios of Outstanding Debt by Type   | 161         |
| J-11                   | Ratio of General Bonded Debt Outstanding                                       | 162         |
| J-12                   | Direct and Overlapping Governmental Activities Debt                            | 163         |
| J-13                   | Legal Debt Margin Information  | 164         |

CITY OF BAYONNE SCHOOL DISTRICT

TABLE OF CONTENTS

| <u>Exhibit<br/>No.</u>                             |  | <u>Page</u> |
|--|--|-------------|
| <b>STATISTICAL SECTION (Unaudited) (Continued)</b> |  |             |
| <b>Demographic and Economic Information:</b>       |  |             |
| J-14   | Demographic and Economic Statistics  | 165         |
| J-15   | Principal Employers  | 166         |
| <b>Operating Information:</b>                      |  |             |
| J-16   | Full-Time Equivalent District Employees by Function/Program  | 167         |
| J-17   | Operating Statistics   | 168         |
| J-18   | School Building Information  | 169         |
| J-19   | Schedule of Required Maintenance Expenditures by School Facility   | 170         |
| J-20   | Insurance Schedule   | 171         |
| <b>SINGLE AUDIT SECTION</b>                        |  |             |
| K-1  | Report on Internal Control Over Financial Reporting<br>and on Compliance and Other Matters Based on an<br>Audit of Financial Statements Performed in<br>Accordance with <i>Government Auditing Standards</i> | 172 - 174   |
| K-2  | Report on Compliance for Each Major Federal and State<br>Program and on Internal Control Over Compliance<br>Required by OMB Circular A-133 and New Jersey OMB Circular 04-04                                 | 175 - 178   |
| K-3  | Schedule of Expenditures of Federal Awards, Schedule A   | 179 - 180   |
| K-4  | Schedule of Expenditures of State Financial Assistance,<br>Schedule B  | 181 - 182   |
| K-5  | Notes to the Schedules of Awards and Financial Assistance  | 183 - 185   |
| K-6  | Schedule of Findings and Questioned Costs  | 186 - 192   |
| K-7  | Summary Schedule of Prior Audit Findings   | 193         |

# **INTRODUCTORY SECTION**



**BAYONNE BOARD OF EDUCATION**  
**Administration Building**  
**669 Avenue A**  
**Bayonne, New Jersey 07002**

**Leo J. Smith, Jr.**  
**Assistant Superintendent for Business**  
**School Business Administrator**

**Tel: (201) 858-5560**  
**Fax: (201) 858-5599**  
**E-mail: [lsmith@bboe.org](mailto:lsmith@bboe.org)**

**Letter of Transmittal**

December 14, 2015

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, 2015, 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, ASBO Certificate of Excellence, 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 Governmental Accounting Standard Board Statement No. 34, the Report of Independent Auditors, the Management Discussion and Analysis as presented on pages 28 through 38, 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 and/or 15-08, "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 2014 - 2015 fiscal year with an average daily enrollment of 9,341, (not including 435 preschool students), which is 374 more than the previous year’s enrollment. The District sent 11 students to charter schools, the same as previous year.

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> |
| 2014-2015                | 9,341                     | 4.17%                 |
| 2013-2014                | 8,967                     | 1.66%                 |
| 2012-2013                | 8,821                     | 0.55%                 |
| 2011-2012                | 8,773                     | 0.23%                 |
| 2010-2011                | 8,753                     | -3.76%                |

**2.) ECONOMIC CONDITION AND OUTLOOK:** Student population continues to grow. 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 Light Rail system is in use. An 18-hole golf course is now open on the east side of the City in an area previously used for trash dumping. New housing in the form of multi-unit dwellings is nearing completion.

The District is dependent upon state aid and providing 52% of general fund revenues and 50% of government-wide revenues during 2015. The District’s tax revenue has been steady over the last five years.

The District’s school buildings have been open as early as 1903 and as recent as 2008. Many of these schools have undergone new construction utilizing New Jersey School Development Authority grant funds.

In 2015, there were 9,341 students in Bayonne’s public education system, an increase of 374 students or 4.17% over 2014. These students are becoming increasingly diverse and score respectively with their state peers.

**3.) MAJOR INITIATIVES:** The School District continues to provide a strong educational program for approximately 9,341 pupils, plus 47 out of District.

Class size average is a very respectable 18.36.

1. All schools are now connected to the Internet via Cisco Access Points in classrooms and hallways throughout all buildings. Every classroom in every school in the City has WIFI internet access and a computer. Macbooks were purchased for all staff members. Over 8,000 Chromebooks were purchased for students in designated classrooms grades 3-8 and Language Arts Literacy, Math and Science at the High School level. In addition, to the Chromebook rollout, the school district continues to use Google Apps for Education for all staff and students. For the 2014-2015 school year, the district will pilot Grade 8 students with a 1:1 take home initiative for the Chromebooks. If successful, the district will move to make all chromebooks 1:1 for take home for all students 3-8. The Bayonne School District Strategic Plan provides optimum learning opportunities for all students in a safe, secure, inclusive learning environment that fosters personal and interpersonal growth, lifelong learning and a strong sense of community. This can be accomplished when administrators, teachers, parents and the community collaborate as a team to accomplish its objectives. The plan addresses four priority areas: Priority Area 1: Student Achievement, Priority Area 2: Staff Development, Priority Area 3: Technology, Priority Area 4: Operations.
2. Continued oversight of the multi-year Understanding by Design project in which a rigorous and consistent curriculum is being enhanced to meet the new Common Core State Standards; as well as, the NJ Core Curriculum Content Standards and Next Generation Science 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.
3. The district continues to incorporate rigorous, relevant, and job embedded professional development to support the Common Core State Standards and the New Jersey Core Curriculum Content Standards to share practices within and across schools. The District provides job-embedded staff development through the use of off campus workshops, in-services workshops, and professional learning communities (PLCs).
4. Use of data in the decision making process to close the achievement gap in English Language Arts and mathematics with the raised benchmarks of No Child Left Behind Progress Targets subgroups: school wide, white, 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.

5. Diagnostic 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.
6. Along with the PARCC 3-11, 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.
7. Additionally, training is conducted to support staff members with the creation of SGOs. Student Growth Objectives (SGOs) are academic goals for groups of students that are aligned to state standards and can be tracked using objective measures. As part of the student achievement component of evaluation under Achieve NJ, each teacher sets SGOs with input and approval from his or her principal at the start of the year. Specifically, teachers and principals are expected to collaborate around the instructional content that will be covered and the skills and knowledge that will be measured. Principals are held accountable in their own evaluations for how well they help teachers with this process and for the degree to which SGOs are met by the teachers in their school.
8. Teachers worked collaboratively in content areas to create diagnostic assessments, review student baseline data, and set attainment scores. Conversations continue regarding SGOs as there are built in check points and teachers will continue to monitor progress on our abbreviated professional days.
9. PSAT. Over 1,200 sophomores and juniors participated in the PSAT. The NJ Performance reports focus on PSAT participation versus performance because in many school the participation is low. Participation in PSAT is a powerful tool and perhaps first signal to school counselors and educators that a student is actively thinking of being college bound. By administering this assessment, students in Bayonne high school will have the opportunity to apply for rigorous coursework.
10. The District Advisory Committee (D.E.A.C.) continues to encourage stakeholder engagement throughout the implementation of the ACHIEVE NJ evaluation system for teachers and administrators.
11. Communication channels were increased through the use of WIKI'S, gmail, google drive and google docs in all departments.
12. DATA Analysis Teams were developed to turnkey for staff on staff in-service days as well as faculty and staff meetings.
13. The District continues to assist students who exhibit learning and behavior problems prior to referral for Child Study Team evaluations by a restructured I&RS Team process/ procedures that provide interventions and strategies to promote student success.

14. 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.
15. The Marshall Model is being utilized to conduct the new mandate principal / assistant principal evaluation process. Training has taken place for all administrators to assure effective implementation.
16. Forty pads with keyboards were distributed to all district administrative staff. The iPads connect to the WIFI access points throughout the District. The district purchased licensing with Realtime and continues NJDOE's mandated teacher evaluation reform program.

### **Math**

17. The District has adopted and fully implemented 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.
18. The district adopted and fully implemented 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 grades 6, 7, and 8 has a strategic, articulated sequence of topics to be developed in depth to allow true mastery.
19. The district continues to provide highly proficient grade 8 math students Honors Algebra 1 during zero period at Bayonne High School. The grade 8 Honors Algebra 1 class is taught by a certified High School Math teacher in the STEM wing at Bayonne High School.
20. The Bayonne Board of Education provides Algebra 1 at each district elementary schools for select grade 8 students. Certified k-12 math teachers instruct the Algebra I course. Successful completion of Algebra I is an early predictor that a student is capable of rigorous coursework and is on track to graduate from high school and attend post-secondary education.

- 21.** 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. The Credit Recovery program is targeted for grade nine students who had one or more failures for the 2014-2015 school year. By succeeding in this program, we hope to get students back on track to graduate from high school in four years. Classes offered are English 9, Algebra 1, Geometry, World History, and Biology. The students receive one and a half hours of direct instruction from the certified teacher followed by web based learning strategies in the computer lab.
- 22.** The Math Boost Program includes grades 5 and 6 students in the district. Parents were invited to an informational meeting in May to explain the objectives of the program. All students registered in advanced. Certified math teachers taught the math classes under the supervision of the Director of Mathematics (Dawn Aiello) at Midtown Community School. This summer program proves to be a success every year.
- 23.** The Bayonne Board of Education created a ‘Gateways to STEM’; a new program; for current grade 7 and 8 students interested in attending Saturday classes. The classes are taught by certified math and science teachers under the supervision of the Director of Mathematics (Dawn Aiello) and the Director of Science (Tara Degnan). The new ‘Gateways to STEM’ program will enhance our middle school science and math program and give students an extra opportunity to acquire the skills needed to be college and career ready in STEM related fields. This program offers grade 7 math enhancement classes, grade 8 computer science classes and grade 8 life science classes. The ‘Gateways to STEM’ program will operate on select Saturday mornings from 8:15 – 9:30 and then from 9:45 – 11:00 in the Bayonne High School STEM wing. There was a parent informational meeting in October. All district students who successfully applied to the ‘Gateways to STEM’ program were accepted. This program is offered at no cost to the student.
- 24.** The Bayonne Board of Education adopted IXL (web based math program) for grade 3-8 students in 11 elementary schools and Bayonne High School. IXL is a web based math support for students that can be accessed during the school day and beyond. IXL provides students Common Core State Standards supports. Additionally, IXL provides teachers with data to ensure students are meeting grade level standards. If students need remediation or advancement; the IXL program allows for accommodations based on individual student needs.
- 25.** The creation of a 21 century computer lab that will support a ‘Gateway to STEM’ grade 8 Computer Science program, a High School Foundations to Computer Science course, and an Advance Placement Computer Science Course. The Computer Science lab is equipped with computers that have both the speed and capacity to support computer coding.

## **English Language Arts**

- 26.** The college reading 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.
- 27.** Increased emphasis continues to be placed on College and Career Readiness Skills. One of the key challenges students face is the ability to understand and learn from complex text, the reading program Journeys for students in grades K-4 addresses this by focusing on repeated reading of complex material and fostering academic vocabulary. The program provides scaffolding and differentiation in each lesson to support emergent, reluctant or struggling readers to ensure that the needs of every child are met.
- 28.** The comprehension and vocabulary needs of the students in grades 5 and 6 continues to be met using Reading Street.
- 29.** Pearson's Words Their Way program. In response to the demands of the Common Core and the needs of our student population, the district adopted Words Their Way. WTW is a phonics, word study and vocabulary program designed to provide students with a differentiated word study program. This program will give our students the extra supports they need to become better readers.
- 30.** Literacy Boost – 100 Book Challenge/Academic Support is an independent reading program designed to maximize the effectiveness of a school's reading curriculum. Its goal is to develop avid, lifelong readers, students whose proficiency in and love of reading enable them to flourish throughout this lives-in the classroom, on standardized tests, at the college of their choice, and in a life-enriching career-allowing all aspects of their experience to be enhanced by the information and perspectives gained from reading.
- 31.** 100 Book Challenge does this by dramatically increasing the amount of reading a student is expected to do. The program's high standards require a minimum of 30 minutes of independent reading a day in school and an additional 30 minutes of reading at home. It provides each student with a selection of hundreds of books matched to their reading level (each reading level is designated by a different color) and allows students to choose the books they want to read. Students track the amount of reading they complete on log sheets that are signed by parents and are reviewed daily by their teacher. Teachers regularly hold individual conferences with students to be sure they are engaged with their books, to assess the students' understanding of the material they've read, and to set goals for future reading.

- 32.** The 100 Book Challenge continues to be implemented in place as a Coordinated Early Intervening Service in the Bayonne School District last year in nine schools; Henry E. Harris, Philip G. Vroom, Walter F. Robinson, Midtown Community School, Mary J. Donohue, John M. Bailey, Washington Community School, Woodrow Wilson, and Lincoln Community School. The program will take place after school, two days a week for two hours a session conducted by certified staff members. Professional development for all involved is provided by the American Reading Company. Kick-off for the program took place on November 16<sup>th</sup>. The cost for this entire program is funded with IDEA grant funds.
- 33.** The Book Buddy literacy program in Grades Kindergarten through 3 encourages students and parents in the lower grades to share and read as many books as possible at home. In addition students in grades 4-8 are encouraged to read as many books as possible. One of our goals in the district is to foster a love of reading in each child.
- 34.** Academic Boost Programs: to better support struggling learners in English/Language Arts teachers at Bayonne High School provide after-school assistance. Students who participated were recommended by their academic teachers.
- 35.** There is an increased demand for teachers to teach comprehension and vocabulary skills using novels. The existing lists for grades 5-12 will continue to be updated. We need to increase the exposure of non-fiction text to the students in our district. Teachers need to stay abreast of the latest Best Practices and strategies that have proved successful in students learning in the classroom. Books have been purchased for grades 7-12 to be used as a resource in the planning, preparation and delivery of instruction.
- 36.** Teachers in the AP Program attended a three day summer institute to enhance their knowledge to be implemented in the classrooms to increase the number of students passing the AP exam.
- 37.** To help educators better teach the works of Shakespeare, and increase students understanding of this content a teacher attended a week long workshop at the Folger Shakespeare Library in Washington, D.C.
- 38.** Teachers in Grades K-12 were encouraged to attend professional development workshops outside of the district. In turn, these teachers presented the material to groups of teachers.
- 39.** The English/Language Arts Literacy curriculum in grades K-12 started to be revised. This update and revision is necessary to reflect the Common Core State Standards in conjunction with College and Career Readiness.

## **Social Studies**

- 40.** Continued implementation of the Teachers' Curriculum Institute, History Alive Program in Social Studies classes Grades 4-8 & 10-11.
- 41.** 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.
- 42.** 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.
- 43.** Advanced Placement: continued support for the AP programs: teacher training, updated curricular materials
- 44.** Continued maintenance of the Document Based Questions Project to promote the use of primary source documents and writing in the social studies.
- 45.** Adoption of the American Reading Company's Research Lab in Grade 7 Social Studies classes.
- 46.** Review and piloting of new social studies materials with an eye towards adoption for the 2015-2016 school year.
- 47.** To continue to develop teacher knowledge of content and pedagogy, the district contracted with the Gilder Lehrman Institute to provide professional development on United States History for teachers in Grades 5-6.
- 48.** The district helped to provide a summer academic enrichment programs for students entering Grades 8 and 11. This program provided an opportunity for interested students to begin their research for the National History Day program.
- 49.** The district supported teacher professional development through the PLC Project. The PLC Project conducted a variety of workshops for teachers on topics such as DBQs and reading in the content-area.
- 50.** The Academic Boost Program continues to provide supports for students in all Social Studies classes at Bayonne High School. This program takes place before and/or after school and provides both struggling students and high-achievers with assistance in reaching their academic goals

## **Science**

- 51.** The Bayonne School District has adopted and implemented Science Fusion in Grades 1 - 6. This seven year adoption (Fusion Series) is a state of the art program designed for building inquiry, STEM skills, and critical thinking in the Elementary Grades. It includes virtual labs, hands on activities, and a write-in textbook that prepares students for college and career.
- 52.** The Bayonne School District continues to participate in the Hudson County Science Fair (Barnabas Health-STEM Showcase) Grades 5 - 12 students conduct a research project from September - December. School winners represent the Bayonne School District at the County Fair.
- 53.** The Bayonne School District adopted an elementary Lego Program. LEGO - Little Engineers Gain Opportunities is an after school program in conjunction with Community Education targeting Grade 5 and 6 students. This program introduces students to STEM principles using LEGO robotics as a platform.
- 54.** The Bayonne School District implemented a summer program for students that were interested in working with the organisms in the Biological Discovery and Exploration Center. Passport to Biology was a week long summer camp open to Grade 9 students. Students were introduced to the concepts highlighted in the Next Generation Science Standards such as Matter, Energy, and Organization, Reproduction and Heredity, and Ecology/Evolution.
- 55.** The Science Department extended the school year for students enrolled in the Biology 9 Honors Program. Grade 10 students participated in a two week summer enrichment program that explores Life Science beyond Next Generation Science Standards. The course included activities in Plant Biology, Anatomy and Physiology, and Cellular Biology with an emphasis on Scientific Research in the Young Biologists Program.
- 56.** Major Science Department Curricular initiatives in the area of Engineering and Scientific Research include three levels of Engineering Classes, two First Tech Challenge Robotics Teams, and entrance into Junior Science and Humanities Symposium, Young Science Achievers, and Project SEED. Additionally, Bayonne High School implemented its first Pre-Engineering Cohort. This select group of students will take Physics (Grade 9) in conjunction with Algebra 1 and Engineering Technology, Chemistry (Grade 10), and Biology (Grade 11).
- 57.** The STEM Program in the Academy for Fine Arts and Academics continues to provide secondary education students a quality program in the areas of Science, Technology, Engineering, and Mathematics. The STEM Academy includes two upgraded Biology Labs with the Biological Discovery and Exploration Center, two upgraded Chemistry Labs, an upgraded Physics Lab, and an upgraded Engineering Classroom. The new laboratories are equipped with interactive technology, new casework/furniture, microscopes, glassware, and scientific instrumentation.

58. The Science Department implemented five new courses in the STEM Academy. Courses include: Life Science Seminar, Engineering Technology Seminar, Conceptual Physics, and Advanced Placement Physics 1 and 2. Textbooks, workbooks, lab manuals, and lab equipment were purchased.
59. A Gateways To STEM Program, Math and Science Initiative was introduced to Grade 7 and 8 students. "Introduction to the Life Sciences" enrichment program offers Grade 8 students the opportunity to advance their study in the Biological Sciences. Additionally, Grade 7 students have the opportunity to participate in math courses and Grade 8 students have the opportunity to register for Computer Science. All courses are taught by certified math and science teachers. All students that applied to the program were accepted.
60. The Biology Boost Program continues to identify and help students that need extra support in the area of Biological science in Bayonne High School. Biology Boost offers classes two days per week after school.
61. Advanced Placement Boost continues to offer students tutorial periods to assist with Advanced Placement Content. Advanced Placement Boost is offered to students currently registered for Advanced Placement Biology, Advanced Placement Chemistry, and Advanced Placement Physics 1 and 2.
62. Three Science Laboratories were upgraded in Bayonne High School. The new lab rooms are fully equipped with new furniture, casework, microscopes, glassware, scientific instrumentation, and interactive technology.
63. To prepare for implementation of the Next Generation Science Standards in Grades 6 - 12 for the 2016-2017 School Year the Science Department has participated in numerous professional development opportunities.

### **Health and Physical Education**

64. The district has fully implemented Janet's Law by providing ongoing certification courses in AED / CPR as well as purchasing mobile units for the Athletic Teams and Wall Models for the Non Public Schools.

### **Career and Technical Education**

65. The "Bee Hive" store located at Bayonne High School. The Bee Hive will add real-life, hands-on scenarios to a curriculum that already aims to educate high school students with special needs about such financial basics as creating a household budget and balancing a checkbook; how credit cards and bank accounts work; and how to avoid identity theft. By expanding the Bee Hive, we can provide more students with the opportunity to succeed in life.

66. College and Career Readiness Initiative: *Naviance* is a secure, web-based, post-secondary planning tool used by students, families, teachers, and licensed school counselors in middle and high school. While the vast majority of students today aspire to go on to college, few know what it takes to optimize their potential and reach their goals. The Naviance College and Career Readiness Curriculum is a blended learning solution for students in grades 6-12 that helps them develop critical non-cognitive skills and college knowledge, and instills confidence so that they'll persevere to reach their long-term college and career goals.
67. The guidance curriculum is being revised to be aligned with the Standard 9: 21st Century Life and Career Standards of the New Jersey Core Curriculum Content Standards. The Naviance Curriculum is an integral part of the curriculum redesign.
68. To prepare for the implementation of the Naviance program, counselors have taken part in a variety of professional development including webinars and trainings.

### **Visual and Performing Arts**

69. 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 two fully staged productions 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. This season BHS Drama Junior will produce, *The Wizard of OZ*, in the winter and yet to be announced summer offering.
70. 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!
71. 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 1, 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, Guitar Ensemble

Percussion Ensemble, Indoor and Outdoor Drum line ensembles, and Indoor Color Guard.

- 72.** 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 4 Sections of Dance – Ballet I, Ballet II, Intro to Dance, Musical Theater, and World Dance. In addition, the BHS Dance Company has 70 members and has formed Wednesday and Friday extracurricular Dance Companies. This year BHS Dance has formed a junior program recruiting students from the 6, 7 and 8<sup>th</sup> grades. In addition BHS Dance offers dance classes for students on Saturday mornings.

### **Academy Initiative**

- 73.** 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. Students now apply to the Arts Track of the Academy for Fine Arts and Academics. The Arts Track is currently comprised of 158 students in grades 9 through 12. Arts Track 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. Majors within the Arts Track include instrumental music, vocal music, drama, musical theater, dance, creative writing and fine art. Admission is based on multiple criteria, including a live audition or portfolio review, and limited to a select group. All district 8<sup>th</sup> grade students attend a presentation outlining the academy and application process.
- 74.** The development of the Academy for Fine Arts and Academics (AfA2) was a district initiative. A committee of teachers and administrators worked over an extended period of time to develop a plan for a program that would: provide greater opportunity for small learning communities and student/teacher collaboration within the honors and arts programs, fit within the overall structure of the Bayonne High School campus, meet the needs of students, teachers and administrators, and allow for a reasonable amount of flexibility in scheduling options. Further highlight the successes and the competitive nature of the BHS honors program.
- 75.** The Academy for Fine Arts and Academics is comprised of four career based Tracks – Scholars, Humanities, STEM and Arts. Admission is based upon multiple criteria, and determined by an admissions committee of curriculum directors and educators.
- 76.** The STEM Initiative is an expansion to the Academy for Fine Arts and Academic program, developed over an extended period of time by a committee of teachers and administrators. The STEM Track of AfA<sup>2</sup> provides students with the opportunity to experience inquiry-based, hands-on learning in the areas of Science, Technology, Engineering and Mathematics. Students explore careers and prepare for careers in the 21<sup>st</sup> Century global economy by following a rigorous curriculum in math and science,

with specialized areas of focus in life science, engineering and robotics, and computer science. The STEM Initiative for the Academy for Fine Arts and Academics was met with enthusiastic support from local businesses of the Bayonne community. Three corporate sponsors became patrons of our STEM programming through generous donations towards one of our STEM labs. CarePoint Health and the CarePoint Health Foundation sponsored the Biological Discovery Center, or “BioDome” through a donation of \$50,000. IMTT-Bayonne continued its support of our engineering and robotics programs through a gift of \$50,000 towards new equipment for the engineering and robotics lab. Bayonne Community Bank sponsored the Computer Science lab and equipment with a gift of \$50,000.

77. A keystone of the STEM initiative, the Academy for Fine Arts and Academics introduced the Biological Discovery Center, or “BioDome”, in the fall of 2014. This living laboratory is home to more than 200 different animals and organism, representing over 50 different species. Students across the district will have the opportunity to experience hands-on learning in animal safety, genetics, cell biology, evolution, ecology and more.
78. The Academy for Professional Studies opened in the fall of 2014 to provide 21st century career based programs in business education, finance, and business technology to Bayonne High School Students. The Academy for Professional Studies shares a unique partnership with New Jersey City University to provide dual-admit courses to BHS students in business, finance, and mathematics. Students are able to receive college credit from NJCU at a 75% reduced rate of tuition while completing the course at Bayonne High School. Additionally, students have the opportunity to participate in an on-site admissions process for the NJCU School of Business and Business and Finance Honors Programs. NJCU Honors programs offer students full year scholarship, study abroad opportunity, and a pathway towards an MBA.
79. The Bayonne Career Academy opened in the fall of 2014 to provide authentic, real-world training and career preparation for students in the vocational trades. A cohort of 13 seniors participate in a four period block of study in carpentry, plumbing, welding, and construction trades. Students participate in trips to local union organizations, trade schools, and job sites. Faculty mentors help students plan for life after high school - including guidance towards trade school and job opportunities post graduation.
80. The Bayonne Board of Education is currently in the planning stages for a new Academy for Medical Sciences, designed to provide pathways to college and careers for students interested in nursing, emergency medical services, medical technology and assistance, therapy and other related allied health fields.

### **Technology**

81. To continue the district’s plan to reduce hardware, decrease our carbon footprint and maximize efficiency, managed print service stations were implemented to replace stand-alone printers in all the elementary schools. Multiple copiers were purchased for

each elementary school for teacher and staff use. For the 2014-2015, the District will also purchase Cloud Based Printing so the Chromebooks may also print using the PaperCut application.

- 82.** The district systematically updates all high school PC computers to ensure that each had the latest virus protection software installed. The district also transferred to Barracuda content filtering, a single-interface configuration to support Proxy traffic and web filtering to replace the district's current use of iPrism.
- 83.** The district renewed licenses for Read 180 in Washington Community School, Bayonne High 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.
- 84.** 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.
- 85.** 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.
- 86.** The completion of another life skills project called the Bayonne High School Culinary 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.
- 87.** The Breakfast in the Classrooms (B.I.C.) Program at all schools has provided a nutritional start to the day for many eligible students receiving free and reduced benefits. B.I.C. is implemented and working successfully at all elementary schools.
- 88.** 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.
- 89.** The district removed the iPrism and upgraded to a 1G Barracuda appliance for a single-interface configuration to support a content filter for web traffic and web filtering.

90. The District purchased GoGuardian, an online tool that provides Chromebook monitoring, filtering, and anti-theft solution for tracking. Chromebooks are monitored for inappropriate conduct by students and staff at school and at home.

### **World Languages**

91. Arabic & Latino Family Projects - designed to establish family reading routines for Arabic- and English-speaking parents and their children. The program involves family reading, vocabulary development, and English-language development for both Spanish & Arabic parents and their children. Child care and refreshments are provided.
92. ESL students in the high school participate in a after school tutorial program to help prepare for state mandated tests. Also our ESL/Bilingual elementary students are provided an After School Tutorial/Homework Helper.
93. ESL/ Bilingual students use Brain Pop and Rosetta Stone. IPAD's & Mac Book carts are utilized in the elementary ESL/Bilingual Program.
94. World Language Department has a partnership with Seton Hall University, through the Project Acceleration Program, to provide high school students college credit courses in Spanish and Italian.
95. The National Italian, Latin and Spanish exams are administered at the high school.
96. BHS Latin students participate in the annual convention for the N.J. Classical League. Events at the convention consists of academic, art & athletic events.
97. BHS Juniors and Seniors are recognized for their academic accomplishments in World Languages and are inducted into their respective honor societies.
98. BHS students participate in the William Paterson University World Language Poetry Recitation Contest.

### **Special Services**

99. The department has contracted with KDH Enterprises to provide weekly, ongoing consultation for the Autistic program at Woodrow Wilson School to improve and enhance the existing program.
100. Special Education inclusion has been expanded and increased district wide to ensure that every classified student is educated in the Least Restrictive Environment.
101. A Board Certified Behavior Analyst will intervene by providing strategies to special education teachers in classrooms where students are exhibiting behavioral issues as well as in the Autistic program.

- 102.** The district provided professional development to district co-teaching teams from grades Pre K through 12 in an effort to expand and improve the in class resource program.
- 103.** The district will provide professional development to all pre-k through grade 3 teachers on Dyslexia.
- 104.** The district continues to expand the Structured Learning Experience for BHS Special Education students who work in the community in a supervised setting during the school day to include a total of ten work sites. In addition several high school students receive Community Based Instruction by visiting sites weekly within the community in accordance with the goals and objectives of the Life Centered Education curriculum.
- 105.** The department contracted with Children's' Specialized Hospital for an "In House" physiatry clinic where physically disabled students are seen by the CSH doctor 4 times yearly at Lincoln Community School.

### **Title I**

- 106.** Parents are engaged on a meaningful level by offering a variety of parent workshops at convenient times at all eleven elementary schools
- 107.** There is continued revision of web-enabled curriculum aligned to the New Jersey Core Curriculum Content Standards and the Common Core State Standards.
- 108.** Ipads and Ipad carts have been purchased for small group instruction in English Language Arts and Mathematics in Grades K - 4. Apps for instruction in the Common Core are constantly reviewed and uploaded for student use.
- 109.** The Title 1 Department continues to provide resources for the parent information center located at each school.
- 110.** ARMS classes are provided for identified students who are borderline at risk on standardized testing. ARMS classes take place after school for students in Grades 3 - 8.

**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, 2015.

#### **6.) 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.

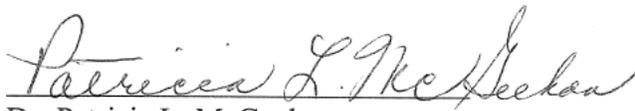
#### **7.) OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of DONOHUE, GIRONDA DORIA & TOMKINS, LLC 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 and/or 15-08. 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.

**Awards** – The District was awarded the Certificate of Excellence in Financial Reporting by School Districts for its comprehensive annual financial report for the fiscal years ended June 30, 2014. This award certifies that the annual financial report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The District will apply again for fiscal year ended June 30, 2015.

**8.) 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

# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

## City of Bayonne Board of Education

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2014*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

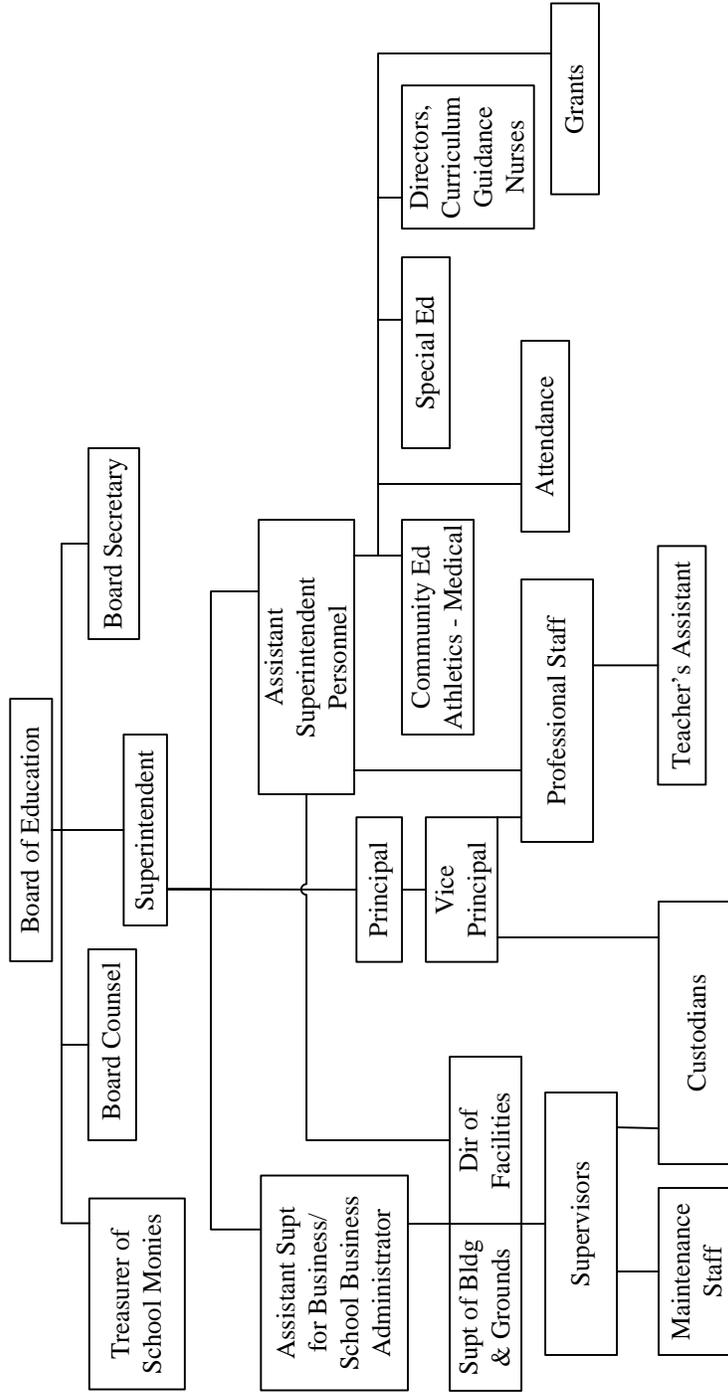
Mark C. Pepera, MBA, RSBO, SFO  
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA  
Executive Director

**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, 2015**

**Members of the Board of Education**

**Term Expires**

|                              |               |
|------------------------------|---------------|
| William Lawson, President    | May 2016      |
| Ava Mitchell, Vice President | May 2016      |
| Mary Jane Desmond            | December 2015 |
| Theodore Garelick            | May 2017      |
| Raymond Greaves              | December 2015 |
| Mikel Lawandy                | May 2017      |
| Christopher Piechocki        | December 2015 |
| Michael Masone, Esq.         | December 2015 |
| Patrick F. O'Donnell         | December 2015 |

**Other Officials**

Patricia L. McGeehan, Ed.D., Superintendent of Schools  
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**

**Architects**

DMR Architects  
777 Terrace Avenue  
Hasbrouck Heights, New Jersey

USA Architects, Planners & Interior Design  
20 North Doughty Avenue  
Somerville, New Jersey 08876

**Audit Firm**

DONOHUE, GIRONDA , DORIA & TOMKINS, LLC  
*Certified Public Accountants*  
310 Broadway  
Bayonne, New Jersey 07002

**Attorneys**

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

Chasan, Leyner & Lamparello, P.C.  
300 Harmon Meadow Boulevard  
Secaucus, New Jersey 07094-3621

**Environmental Engineer/Consultants**

T & M Associates  
11 Tindall Road  
Middletown, New Jersey 07748

Neglia Engineering Associates  
34 Park Avenue - P.O. Box 426  
Lyndhurst, New Jersey 07071

**Official Depositories**

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

The Provident Bank  
464-472 Avenue C  
Bayonne, New Jersey 07002

## **FINANCIAL SECTION**

# DONOHUE, GIRONDA, DORIA & TOMKINS LLC

*Certified Public Accountants*

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Matthew A. Donohue, CPA  
Robert A. Gironda, CPA  
Robert G. Doria, CPA (N.J. & N.Y.)  
Frederick J. Tomkins, CPA, RMA

310 Broadway  
Bayonne, NJ 07002  
(201) 437-9000  
Fax: (201) 437-1432  
E-Mail: [dgd@dgdcpas.com](mailto:dgd@dgdcpas.com)

Linda P. Kish, CPA, RMA  
Tammy L. Zucca, CPA, RMA  
Mark W. Bednarz, CPA, RMA  
Jason R. Gironda, CPA

## **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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and pension information on pages 28 through 38, pages 97 through 104, and pages 105 through 108 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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, (and/or 15-08), *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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the combining and individual fund financial statements, long-term debt schedules, and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

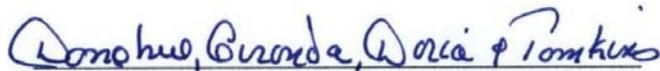
### ***Emphasis of Matter***

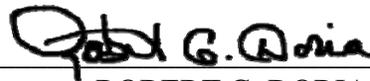
#### *Adoption of New Accounting Pronouncements*

As discussed in Note 1 to the financial statements, in 2015 the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The adoption resulted in a prior year adjustment of net position. Our opinion is not modified with respect to this matter.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2015, 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 an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

  
Donohue, Gironde, Doria & Tomkins, LLC



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

Bayonne, New Jersey  
December 14, 2015

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART I**

**CITY OF BAYONNE SCHOOL DISTRICT  
HUDSON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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, 2015. 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 2015 and 2014 are as follows, respectively:

- In total, net position is \$50,810,233 and \$105,373,591. Net position of governmental activities is \$47,861,365 and \$103,114,252. Net position of the business-type activity, which represents food service, is \$2,948,868 and \$2,259,339. This reflects a change in net position in the amount of (\$54,563,358) and \$2,878,652 with adjustments to recognize prior year pension liability of (\$38,110,310) and \$0.
- Total general revenues accounted for \$61,253,290 and \$61,286,553 while the local tax contribution to General Revenues are \$59,392,474 and \$59,392,474, state and federal revenue has increased. Operating Grants and Contributions are \$90,415,285 and \$73,026,691 and Federal and State Aid not restricted are \$162,262 and \$35,943.
- The City of Bayonne School District continues to experience stability in student enrollment. Average Daily Enrollment for the year ending June 30, 2015 and 2014 were 9,341 and 8,967, respectively, which reflects increases of 4.17% and 0.55% 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 position 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, 2015**

**Reporting the City of Bayonne School District as a Whole**

**Statement of Net Position 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 2015?" The statement of net position and the statement of activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the City of Bayonne School District's net position and changes in those net positions. This change in net position 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 position 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.

**CITY OF BAYONNE SCHOOL DISTRICT  
HUDSON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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 general fund financial statements. Cash and cash equivalents and receivables are considered significant balances for the Special Revenue Fund.

**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 position 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 position 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 position for the fiscal years 2015 and 2014, respectively.

**CITY OF BAYONNE SCHOOL DISTRICT  
HUDSON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**The City of Bayonne School District as a Whole (Continued)**

**Table 1  
Net Position**

|  | <b>Governmental Activities</b> |                | <b>Business Type Activity</b> |              | <b>Total</b>  |                |
|--|--------------------------------|----------------|-------------------------------|--------------|---------------|----------------|
|  | <b>2015</b>                    | <b>2014</b>    | <b>2015</b>                   | <b>2014</b>  | <b>2015</b>   | <b>2014</b>    |
| <b>ASSETS</b>                            |                                |                |                               |              |               |                |
| Current and Other Assets                 | \$ 31,417,820                  | \$ 40,004,422  | \$ 2,159,494                  | \$ 1,829,269 | \$ 33,577,314 | \$ 41,833,691  |
| Capital Assets, Net                      | 75,422,111                     | 77,932,726     | 789,374                       | 430,070      | 76,211,485    | 78,362,796     |
| Total Assets                             | 106,839,931                    | 117,937,148    | 2,948,868                     | 2,259,339    | 109,788,799   | 120,196,487    |
| <b>DEFERRED OUTLOWS<br/>OF RESOURCES</b> |                                |                |                               |              |               |                |
|  | 3,099,192                      | -              | -                             | -            | 3,099,192     | -              |
| <b>LIABILITIES</b>                       |                                |                |                               |              |               |                |
| Current and Other                        |                                |                |                               |              |               |                |
| Liabilities                              | \$ 19,533,186                  | \$ 9,826,668   | \$ -                          | \$ -         | \$ 19,533,186 | \$ 9,826,668   |
| Long-Term Liabilities                    | 2,856,345                      | 4,996,228      | -                             | -            | 2,856,345     | 4,996,228      |
| Net Pension Liability                    | 37,456,050                     | -              | -                             | -            | 37,456,050    | -              |
| Total Liabilities                        | 59,845,581                     | 14,822,896     | -                             | -            | 59,845,581    | 14,822,896     |
| <b>DEFERRED INFLOWS<br/>OF RESOURCES</b> |                                |                |                               |              |               |                |
|  | 2,232,177                      | -              | -                             | -            | 2,232,177     | -              |
| <b>NET POSITION</b>                      |                                |                |                               |              |               |                |
| Net Investment in                        |                                |                |                               |              |               |                |
| Capital Assets                           | 71,534,738                     | 71,751,033     | 789,374                       | 430,070      | 72,324,112    | 72,181,103     |
| Restricted                               | 13,611,071                     | 22,813,455     | -                             | -            | 13,611,071    | 22,813,455     |
| Unrestricted                             | (37,284,444)                   | 8,549,764      | 2,159,494                     | 1,829,269    | (35,124,950)  | 10,379,033     |
| Total Net Position                       | \$ 47,861,365                  | \$ 103,114,252 | \$ 2,948,868                  | \$ 2,259,339 | \$ 50,810,233 | \$ 105,373,591 |

Total assets as of June 30, 2015 and June 30, 2014 equal \$109,788,799 and \$120,196,487, respectively. Total assets for Governmental Activities are \$106,839,931 and \$117,937,148. Total assets for Business Type Activities are \$2,948,868 and \$2,259,339.

The largest portion of the District's net position 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 position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligations to students, employees, and creditors. The unrestricted net position includes 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 position. 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, 2015**

**The City of Bayonne School District as a Whole (Continued)**

Table 2 reflects the change in net position for fiscal years 2015 and 2014, respectively.

|   | <b>Governmental Activities</b> |                       | <b>Business Type Activity</b> |                     | <b>Total</b>         |                       |
|---|--------------------------------|-----------------------|-------------------------------|---------------------|----------------------|-----------------------|
|   | <b>2015</b>                    | <b>2014</b>           | <b>2015</b>                   | <b>2014</b>         | <b>2015</b>          | <b>2014</b>           |
| <b>REVENUES</b>                                     |                                |                       |                               |                     |                      |                       |
| Program Revenues:                                   |                                |                       |                               |                     |                      |                       |
| Charges for Services                                | \$ 87,707                      | \$ 189,949            | \$ 1,013,658                  | \$ 1,356,699        | \$ 1,101,365         | \$ 1,546,648          |
| Operating Grants                                    | 90,415,285                     | 73,026,691            | 3,672,574                     | 3,709,742           | 94,087,859           | 76,736,433            |
| Capital Grants                                      | (1,732,099)                    | 8,264,617             | -                             | -                   | (1,732,099)          | 8,264,617             |
| Total Program Revenues                              | <u>88,770,893</u>              | <u>81,481,257</u>     | <u>4,686,232</u>              | <u>5,066,441</u>    | <u>93,457,125</u>    | <u>86,547,698</u>     |
| General Revenues:                                   |                                |                       |                               |                     |                      |                       |
| Property Taxes                                      | 59,392,474                     | 59,392,474            | -                             | -                   | 59,392,474           | 59,392,474            |
| Grants and Entitlements                             | 162,262                        | 35,943                | -                             | -                   | 162,262              | 35,943                |
| Interest  | 21,621                         | 25,340                | -                             | -                   | 21,621               | 25,340                |
| Miscellaneous                                       | 1,676,933                      | 1,832,796             | -                             | -                   | 1,676,933            | 1,832,796             |
| Total General Revenues                              | <u>61,253,290</u>              | <u>61,286,553</u>     | <u>-</u>                      | <u>-</u>            | <u>61,253,290</u>    | <u>61,286,553</u>     |
| Total Revenues                                      | <u>150,024,183</u>             | <u>142,767,810</u>    | <u>4,686,232</u>              | <u>5,066,441</u>    | <u>154,710,415</u>   | <u>147,834,251</u>    |
| <b>EXPENSES</b>                                     |                                |                       |                               |                     |                      |                       |
| <b>Function/Program</b>                             |                                |                       |                               |                     |                      |                       |
| Instruction   | 110,634,687                    | 83,949,800            | -                             | -                   | 110,634,687          | 83,949,800            |
| Support Services:                                   |                                |                       |                               |                     |                      |                       |
| Pupils and Instructional Staff                      | 23,678,125                     | 17,338,440            | -                             | -                   | 23,678,125           | 17,338,440            |
| General and Business                                |                                |                       |                               |                     |                      |                       |
| Administrative Services                             | 14,420,861                     | 11,651,494            | -                             | -                   | 14,420,861           | 11,651,494            |
| Plant Operations and Maintenance                    | 13,897,008                     | 13,512,958            | -                             | -                   | 13,897,008           | 13,512,958            |
| Pupil Transportation                                | 3,199,941                      | 3,430,453             | -                             | -                   | 3,199,941            | 3,430,453             |
| Special Schools                                     | 504,322                        | 485,483               | -                             | -                   | 504,322              | 485,483               |
| Charter Schools                                     | 203,546                        | 140,251               | -                             | -                   | 203,546              | 140,251               |
| Food Service  | -                              | -                     | 4,557,667                     | 5,142,617           | 4,557,667            | 5,142,617             |
| Total Expenses                                      | <u>166,538,490</u>             | <u>130,508,879</u>    | <u>4,557,667</u>              | <u>5,142,617</u>    | <u>171,096,157</u>   | <u>135,651,496</u>    |
| Excess (Deficit) Before Special Items and Transfers | (16,514,307)                   | 12,258,931            | 128,565                       | (76,176)            | (16,385,742)         | 12,182,755            |
| Special Items                                       | (67,306)                       | (16,722)              | -                             | -                   | (67,306)             | (16,722)              |
| Transfers   | (560,964)                      | (572,450)             | 560,964                       | 572,450             | -                    | -                     |
| Change in Net Position                              | (17,142,577)                   | 11,669,759            | 689,529                       | 496,274             | (16,453,048)         | 12,166,033            |
| Net Position, July 1                                | 103,114,252                    | 91,444,493            | 2,259,339                     | 1,763,065           | 105,373,591          | 93,207,558            |
| Prior Year Adjustment                               | (38,110,310)                   | -                     | -                             | -                   | (38,110,310)         | -                     |
| Net Position, June 30                               | <u>\$ 47,861,365</u>           | <u>\$ 103,114,252</u> | <u>\$ 2,948,868</u>           | <u>\$ 2,259,339</u> | <u>\$ 50,810,233</u> | <u>\$ 105,373,591</u> |

The total changes in net position for the fiscal years 2015 and 2014 for Governmental Activities are (\$17,142,577) and \$11,669,759. The net position at July 1, 2014 was adjusted to recognize the prior year net pension liability of (\$38,110,310). The total changes in net position for the Business-Type Activity are \$689,529 and \$496,274. The total changes in net position are (\$16,453,048) and \$12,166,033.

**CITY OF BAYONNE SCHOOL DISTRICT  
HUDSON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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>2015</u>                   | <u>2014</u>           | <u>2015</u>             | <u>2014</u>    |
| Instruction                      | \$ 110,634,687                | \$ 83,949,800         | 66.44%                  | 64.32%         |
| Support Services:                |                               |                       |                         |                |
| Pupils and Instructional Staff   | 23,678,125                    | 17,338,440            | 14.22%                  | 13.29%         |
| General and Business             |                               |                       |                         |                |
| Administrative Services          | 14,420,861                    | 11,651,494            | 8.66%                   | 8.93%          |
| Plant Operations and Maintenance | 13,897,008                    | 13,512,958            | 8.34%                   | 10.35%         |
| Pupil Transportation             | 3,199,941                     | 3,430,453             | 1.92%                   | 2.63%          |
| Charter Schools                  | 203,546                       | 140,251               | 0.12%                   | 0.11%          |
| Total Expenses                   | <u>\$ 166,538,490</u>         | <u>\$ 130,508,879</u> | <u>100.00%</u>          | <u>100.00%</u> |

Total Expenses for governmental activities for fiscal years 2015 and 2014 were \$166,538,490 and \$130,508,879.

The Governmental Activities in the above chart demonstrates that for fiscal years 2015 and 2014 \$166,538,490 and \$130,508,879 are allocated to School Based Budget \$110,634,687 and \$83,949,800 are identified as Instruction. Additionally, Pupil and Instructional Staff activities are \$23,678,125 and \$17,338,440. Combined resources from Instruction and Pupil and Instructional Staff totals \$134,312,812 and \$101,288,240.

Together the aforementioned categories account for 80.66% 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 2015 and 2014 is \$203,546 and \$140,251. The Board sends a total of 11 students to five Charter Schools.

**CITY OF BAYONNE SCHOOL DISTRICT  
HUDSON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Business-Type Activity**

**Table 3b.**  
**Business Activity**

|                                  | <b>Total Cost of Services</b> |              | <b>Percent of Total</b> |             |
|----------------------------------|-------------------------------|--------------|-------------------------|-------------|
|                                  | <b>2015</b>                   | <b>2014</b>  | <b>2015</b>             | <b>2014</b> |
| <b>Revenue</b>                   |                               |              |                         |             |
| Charges for Services             | \$ 1,013,658                  | \$ 1,356,699 | 19.32%                  | 24.06%      |
| Operating Grants                 | 3,672,574                     | 3,709,742    | 69.99%                  | 65.79%      |
| Total Revenue                    | 4,686,232                     | 5,066,441    | 89.31%                  | 89.85%      |
| <b>Function/Program Expenses</b> |                               |              |                         |             |
| Food Service                     | 4,557,667                     | 5,142,617    | 100.00%                 | 100.00%     |
| Total Expense                    | 4,557,667                     | 5,142,617    | 100.00%                 | 100.00%     |
| Operating Gain/(Loss)            | 128,565                       | (76,176)     |                         |             |
| Transfers                        | 560,964                       | 572,450      | 10.69%                  | 10.15%      |
| Increase in Net Position         | \$ 689,529                    | \$ 496,274   |                         |             |

The business-type activity of the City of Bayonne School District is the food service operation. This program had revenues for the fiscal years 2015 and 2014 of \$4,686,232 and \$5,066,441 and expenses of \$4,557,667 and \$5,142,617. For the fiscal years 2015 and 2014 operating gains/(losses) of \$128,565 and (\$76,176) were sustained prior to the Board transferring \$560,964 and \$572,450 into the food program. The City of Bayonne School District is studying 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, 2015**

**Sources of Revenue**

The local tax revenue has been stable for the last two years. For all governmental activities state revenues support over State and federal revenues support over Federal. The community, as a whole, is 39.59% of the support and other revenue accounts for 1.19% of the total cost of programs for the City of Bayonne School District students.

**Table 4**  
**Sources of Revenue**

| <b>Fiscal Year<br/>Ended<br/>June 30,</b> | <b>Local Tax<br/>Levy</b> | <b>Other Local<br/>Revenue</b> | <b>Operating<br/>Grants</b> | <b>Capital<br/>Grants and<br/>Contributions</b> | <b>State Aid<br/>Not Restricted</b> | <b>Total</b>   |
|---|---------------------------|--------------------------------|-----------------------------|---|-------------------------------------|----------------|
| 2015                                      | \$ 59,392,474             | \$ 1,786,261                   | \$ 90,415,285               | \$ (1,732,099)                                  | \$ 162,262                          | \$ 150,024,183 |
| 2014                                      | 59,392,474                | 2,048,085                      | 73,026,691                  | 8,264,617                                       | 35,943                              | 142,767,810    |

The total revenue from all governmental sources for the fiscal years 2015 and 2014 are \$150,024,183 and \$142,767,810, respectively. Revenue from general fund sources for the fiscal years 2015 and 2014 are \$128,311,692 and \$126,153,231 composed mainly from the local tax levy of \$59,392,474 and \$58,227,916 and state grants of \$66,977,550 and \$66,284,994. Revenue from special revenue fund sources for fiscal years 2015 and 2014 are \$8,952,410 and \$7,440,856 composed mainly from state grants of \$3,005,409 and \$2,476,088 and federal grants of \$5,690,232 and \$4,749,545, respectively. Revenues from capital fund sources for fiscal year 2015 are (\$1,735,263) composed mainly from state grants of (\$1,735,263) and local financing sources of (\$1,350,292), while there were no revenues for fiscal year 2014.

**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 \$136,933,928 and expenditures and other financing uses of \$152,554,782. The positive fund balance for the year reflects that the City of Bayonne School District was able to meet current costs. The District has significant balances in interfunds receivable and receivables due from other governments which may affect availability of resources for future use. Interfunds due from other funds total \$9,191,855 and receivables due from other governments are \$15,800,429 as of June 30, 2015.

**CITY OF BAYONNE SCHOOL DISTRICT  
HUDSON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**General Fund Budgeting Highlights**

The City of Bayonne School District's budget is prepared according to New Jersey law as it pertains to School Districts. During the 2014 - 2015 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 2015, 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. There were no significant variations between the final budget and actual revenues or expenditures other than the on-behalf TPAF pension contributions and the TPAF social security contributions which are not budgeted but recognized as revenue and expenditures on the budgetary comparison schedule. Health benefits was the only budgeted line item that had a large variance because the District over projected the annual increase in health benefits costs.

For the General Fund, final budgeted revenues, fund balance to be utilized and other financing sources in the amount of \$127,099,448 was equal to the original budgeted revenues, fund balance to be utilized and other financing sources.

General Fund revenues and other financing sources were more than expenditures and other financing uses. However, funds from these sources did not add to excess surplus. The City of Bayonne School District has \$1,523,324 in excess surplus to allocate in the 2016-2017 District School Budget. At June 30, 2015 there was no 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 \$5,300,560 final state aid payment for June 30, 2015, however this amount is not reflected in the District Intergovernmental Receivable Account.

**Capital Assets and Depreciation**

**Capital Assets**

At the end of fiscal years 2015 and 2014, the City of Bayonne School District had \$75,422,111 and \$77,932,726 invested in capital assets (net of depreciation), for governmental activities. This amount represents a net decrease (including additions) of \$2,510,615 from 2015 to 2014 due to depreciation expense exceeding improvements and acquisitions during fiscal year 2015. More information on capital assets and depreciation is represented in Note 4 to the basic financial statements.

**CITY OF BAYONNE SCHOOL DISTRICT  
HUDSON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Debt**

At June 30, 2015 and 2014, the City of Bayonne School District had \$5,112,109 and \$7,746,254 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 6 to the basic financial statements.

**Net Pension Liability**

The District has changed its accounting policy to adopt GASB Statement No. 68, *Accounting and Financial Reporting for Pension*. GASB No. 68 requires participating employers in pension plans to recognize their proportionate share of their collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions.

As a result, adjustments have been made on the district-wide statement of activities to recognize prior year net pension liability of \$38,110,310.

At June 30, 2015, the net pension liabilities for PERS and TPAF were as follows:

| <u>Year Ending</u> | <u>PERS Proportionate Share</u> |                            | <u>TPAF Proportionate Share</u> |                            |
|--------------------|---------------------------------|----------------------------|---------------------------------|----------------------------|
|                    | <u>Employer</u>                 | <u>Nonemployer</u>         | <u>Employer</u>                 | <u>Nonemployer</u>         |
|                    | <u>School District</u>          | <u>State of New Jersey</u> | <u>School District</u>          | <u>State of New Jersey</u> |
| June 30, 2015      | \$ 37,456,050                   | \$ -                       | \$ -                            | \$ 311,485,455             |

More detailed information about net pension liability is represented in Note 7 to the basic financial statements.

For the year ended June 30, 2015, the District recognized on-behalf TPAF pension expense of \$16,760,842 off set by an on-behalf TPAF pension contribution for the same amount.

**CITY OF BAYONNE SCHOOL DISTRICT  
HUDSON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Current Issues**

The City of 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.

**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, 29<sup>th</sup> Street and Avenue A, Bayonne, New Jersey 07002.

# **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2015**

|   | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activity</u> | <u>Totals</u>         |
|---|------------------------------------|-----------------------------------|-----------------------|
| <b>ASSETS</b>                             |                                    |                                   |                       |
| Cash and cash equivalents                 | \$ 7,326,013                       | \$ 464,881                        | \$ 7,790,894          |
| Receivables, net                          | 15,800,429                         | 274,533                           | 16,074,962            |
| Other receivable                          | 978,571                            | -                                 | 978,571               |
| Inventory                                 | -                                  | 71,436                            | 71,436                |
| Due from fiduciary funds                  | 166,260                            | -                                 | 166,260               |
| Internal balance                          | -                                  | 1,348,644                         | 1,348,644             |
| Restricted cash and cash equivalents      | 7,146,547                          | -                                 | 7,146,547             |
| Capital assets, net:                      |                                    |                                   |                       |
| Depreciable                               | 73,901,904                         | 789,374                           | 74,691,278            |
| Non-depreciable                           | 1,520,207                          | -                                 | 1,520,207             |
| Total assets                              | <u>\$ 106,839,931</u>              | <u>\$ 2,948,868</u>               | <u>\$ 109,788,799</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>     |                                    |                                   |                       |
| Deferred amounts of net pension liability | <u>\$ 3,099,192</u>                | <u>\$ -</u>                       | <u>\$ 3,099,192</u>   |
| <b>LIABILITIES</b>                        |                                    |                                   |                       |
| Payable to state government               | 72,061                             | -                                 | 72,061                |
| Accounts payable                          | 9,299,843                          | -                                 | 9,299,843             |
| Internal balances                         | 1,348,644                          | -                                 | 1,348,644             |
| Unearned revenue                          | 1,556,874                          | -                                 | 1,556,874             |
| Loan payable                              | 5,000,000                          | -                                 | 5,000,000             |
| Noncurrent liabilities:                   |                                    |                                   |                       |
| Due within one year                       | 2,255,764                          | -                                 | 2,255,764             |
| Due beyond one year                       | 2,856,345                          | -                                 | 2,856,345             |
| Net pension liability                     | 37,456,050                         | -                                 | 37,456,050            |
| Total liabilities                         | <u>59,845,581</u>                  | <u>-</u>                          | <u>59,845,581</u>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>      |                                    |                                   |                       |
| Deferred amounts of net pension liability | <u>2,232,177</u>                   | <u>-</u>                          | <u>2,232,177</u>      |
| <b>NET POSITION</b>                       |                                    |                                   |                       |
| Net investment in capital assets          | 71,534,738                         | 789,374                           | 72,324,112            |
| Restricted for:                           |                                    |                                   |                       |
| Capital projects                          | 12,087,747                         | -                                 | 12,087,747            |
| Other purposes                            | 1,523,324                          | -                                 | 1,523,324             |
| Unrestricted                              | (37,284,444)                       | 2,159,494                         | (35,124,950)          |
| Total net position                        | <u>\$ 47,861,365</u>               | <u>\$ 2,948,868</u>               | <u>\$ 50,810,233</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, 2015

| Functions/Programs  | Program Revenues |                      |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                        |                 |
|---|------------------|----------------------|------------------------------------|----------------------------------|---|------------------------|-----------------|
|   | Expenses         | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                           | Business-type Activity | Total           |
| Governmental activities:  |                  |                      |                                    |                                  |   |                        |                 |
| Instruction:  |                  |                      |                                    |                                  |   |                        |                 |
| Regular   | \$ 79,378,908    | \$ 87,707            | \$ 41,155,974                      | \$ -                             | \$ (38,135,227)                                   | \$ -                   | \$ (38,135,227) |
| Special education   | 23,848,242       | -                    | 11,789,129                         | -                                | (12,059,113)                                      | -                      | (12,059,113)    |
| Other special instruction   | 3,165,132        | -                    | 1,694,636                          | -                                | (1,470,496)                                       | -                      | (1,470,496)     |
| Vocational  | 2,507,755        | -                    | 1,466,512                          | -                                | (1,041,243)                                       | -                      | (1,041,243)     |
| Other instruction   | 1,734,650        | -                    | 904,349                            | -                                | (830,301)   | -                      | (830,301)       |
| Support services:   |                  |                      |                                    |                                  |   |                        |                 |
| Tuition   | 3,154,142        | -                    | 2,264,946                          | -                                | (889,196)   | -                      | (889,196)       |
| Student & instruction related services                              | 20,523,983       | -                    | 11,961,021                         | -                                | (8,562,962)                                       | -                      | (8,562,962)     |
| School administrative services                                      | 8,001,097        | -                    | 3,837,373                          | -                                | (4,163,724)                                       | -                      | (4,163,724)     |
| General and business administrative services                        | 6,419,764        | -                    | 3,821,079                          | -                                | (2,598,685)                                       | -                      | (2,598,685)     |
| Plant operations and maintenance                                    | 13,897,008       | -                    | 9,214,584                          | (1,732,099)                      | (6,414,523)                                       | -                      | (6,414,523)     |
| Pupil transportation  | 3,199,941        | -                    | 1,890,171                          | -                                | (1,309,770)                                       | -                      | (1,309,770)     |
| Special schools:  |                  |                      |                                    |                                  |   |                        |                 |
| Current:  |                  |                      |                                    |                                  |   |                        |                 |
| Instruction   | 504,322          | -                    | 260,713                            | -                                | (243,609)   | -                      | (243,609)       |
| Charter schools   | 203,546          | -                    | 154,798                            | -                                | (48,748)  | -                      | (48,748)        |
| Total governmental activities                                       | 166,538,490      | 87,707               | 90,415,285                         | (1,732,099)                      | (77,767,597)                                      | -                      | (77,767,597)    |
| Business-type activity:   |                  |                      |                                    |                                  |   |                        |                 |
| Food service  | 4,557,667        | 1,013,658            | 3,672,574                          | -                                | -   | 128,565                | 128,565         |
| Total business-type activities                                      | 4,557,667        | 1,013,658            | 3,672,574                          | -                                | -   | 128,565                | 128,565         |
| Total primary government  | \$ 171,096,157   | \$ 1,101,365         | \$ 94,087,859                      | \$ (1,732,099)                   | (77,767,597)                                      | 128,565                | (77,639,032)    |
| General revenues:   |                  |                      |                                    |                                  |   |                        |                 |
| Taxes:  |                  |                      |                                    |                                  |   |                        |                 |
| Property taxes, levied for general purpose, net                     |                  |                      |                                    |                                  | 59,392,474  | -                      | 59,392,474      |
| Investment earnings   |                  |                      |                                    |                                  | 21,621  | -                      | 21,621          |
| Miscellaneous income  |                  |                      |                                    |                                  | 1,676,933   | -                      | 1,676,933       |
| State aid not restricted  |                  |                      |                                    |                                  | 162,262   | -                      | 162,262         |
| Special item - prior year accounts receivable reinstated            |                  |                      |                                    |                                  | 1,282,986   | -                      | 1,282,986       |
| Special item - local share of capital project authorizations        |                  |                      |                                    |                                  | (1,350,292)                                       | -                      | (1,350,292)     |
| Transfers   |                  |                      |                                    |                                  | (560,964)   | 560,964                | -               |
| Total general revenues, special items and transfers                 |                  |                      |                                    |                                  | 60,625,020  | 560,964                | 61,185,984      |
| Change in net position  |                  |                      |                                    |                                  | (17,142,577)                                      | 689,529                | (16,453,048)    |
| Net position, July 1  |                  |                      |                                    |                                  | 103,114,252                                       | 2,259,339              | 105,373,591     |
| Prior year adjustment to recognize prior year net pension liability |                  |                      |                                    |                                  | (38,110,310)                                      | -                      | (38,110,310)    |
| Net position, June 30   |                  |                      |                                    |                                  | \$ 47,861,365                                     | \$ 2,948,868           | \$ 50,810,233   |

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, 2015**

|   | General<br>Fund | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund | Total<br>Governmental<br>Funds |
|---|-----------------|----------------------------|-----------------------------|--------------------------------|
| <b>ASSETS</b>                                 |                 |                            |                             |                                |
| Cash and cash equivalents                     | \$ 7,326,013    | \$ -                       | \$ -                        | \$ 7,326,013                   |
| Accounts receivable - (tuition)               | 73,582          | -                          | -                           | 73,582                         |
| Accounts receivable - (other)                 | 450,000         | 454,989                    | -                           | 904,989                        |
| Receivables from other governments            | 916,010         | 4,403,498                  | 10,480,921                  | 15,800,429                     |
| Interfund receivable                          | 4,724,899       | -                          | 4,466,956                   | 9,191,855                      |
| Restricted cash and cash equivalents          | -               | 6,929,241                  | 217,306                     | 7,146,547                      |
|   |                 |                            |                             |                                |
| Total assets                                  | \$ 13,490,504   | \$ 11,787,728              | \$ 15,165,183               | \$ 40,443,415                  |
| <b>LIABILITIES AND FUND BALANCES</b>          |                 |                            |                             |                                |
| <b>Liabilities:</b>                           |                 |                            |                             |                                |
| Payable to state government                   | \$ -            | \$ 72,061                  | \$ -                        | \$ 72,061                      |
| Accounts payable                              | 4,406,171       | -                          | 3,077,436                   | 7,483,607                      |
| Interfund payable                             | -               | 10,374,239                 | -                           | 10,374,239                     |
| Deferred revenue                              | -               | 1,556,874                  | -                           | 1,556,874                      |
| Loan payable                                  | 5,000,000       | -                          | -                           | 5,000,000                      |
|   |                 |                            |                             |                                |
| Total liabilities                             | 9,406,171       | 12,003,174                 | 3,077,436                   | 24,486,781                     |
| <b>Fund Balances:</b>                         |                 |                            |                             |                                |
| <b>Restricted for:</b>                        |                 |                            |                             |                                |
| Reserve for Excess Surplus                    | 1,523,324       | -                          | -                           | 1,523,324                      |
| <b>Committed to:</b>                          |                 |                            |                             |                                |
| Year-end encumbrances                         | 4,040,304       | -                          | 1,557,834                   | 5,598,138                      |
| <b>Assigned to:</b>                           |                 |                            |                             |                                |
| Designated for subsequent year's expenditures | 651,077         | -                          | -                           | 651,077                        |
| Capital projects fund                         | -               | -                          | 10,529,913                  | 10,529,913                     |
| <b>Unassigned</b>                             |                 |                            |                             |                                |
| General fund                                  | (2,130,372)     | -                          | -                           | (2,130,372)                    |
| Special revenue fund                          | -               | (215,446)                  | -                           | (215,446)                      |
|   |                 |                            |                             |                                |
| Total fund balances                           | 4,084,333       | (215,446)                  | 12,087,747                  | 15,956,634                     |
| Total liabilities and fund balances           | \$ 13,490,504   | \$ 11,787,728              | \$ 15,165,183               |                                |

**Reconciliation of balance sheet to statement of net position:**

Amounts reported for governmental activities in the statement of net position (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 \$190,231,138, and the accumulated depreciation is \$114,809,027.

75,422,111

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of resources  
Deferred inflows of resources

3,099,192  
(2,232,177)

Accounts Payable for Pension

(1,816,236)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Compensated absences liability  
Net pension liability

(5,112,109)  
(37,456,050)

Net position of governmental activities

\$ 47,861,365

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, 2015**

|  | General<br>Fund | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund | Total<br>Governmental<br>Funds |
|--|-----------------|----------------------------|-----------------------------|--------------------------------|
| <b>REVENUES</b>  |                 |                            |                             |                                |
| Local sources:   |                 |                            |                             |                                |
| Local tax levy   | \$ 59,392,474   | \$ -                       | \$ -                        | \$ 59,392,474                  |
| Tuition  | 87,707          | -                          | -                           | 87,707                         |
| Interest earned  | 21,621          | -                          | -                           | 21,621                         |
| Miscellaneous  | 1,420,164       | 256,769                    | -                           | 1,676,933                      |
| Total local sources  | 60,921,966      | 256,769                    | -                           | 61,178,735                     |
| State sources  | 66,977,550      | 3,005,409                  | (1,735,263)                 | 68,247,696                     |
| Federal sources  | 412,176         | 5,690,232                  | -                           | 6,102,408                      |
| Total revenues   | 128,311,692     | 8,952,410                  | (1,735,263)                 | 135,528,839                    |
| <b>EXPENDITURES</b>  |                 |                            |                             |                                |
| Current:   |                 |                            |                             |                                |
| Instructional:   |                 |                            |                             |                                |
| Regular instruction  | 47,275,883      | 5,519,729                  | -                           | 52,795,612                     |
| Special education instruction  | 15,644,626      | -                          | -                           | 15,644,626                     |
| Other special instruction  | 2,246,247       | -                          | -                           | 2,246,247                      |
| Vocational education   | 1,944,537       | -                          | -                           | 1,944,537                      |
| Other instruction  | 1,199,784       | -                          | -                           | 1,199,784                      |
| Support services and undistributed costs:  |                 |                            |                             |                                |
| Tuition  | 3,000,977       | -                          | -                           | 3,000,977                      |
| Student & instruction related services   | 11,328,792      | 3,422,662                  | -                           | 14,751,454                     |
| School administrative services   | 5,088,842       | -                          | -                           | 5,088,842                      |
| Other administrative services  | 5,067,051       | -                          | -                           | 5,067,051                      |
| Operation and maintenance of plant services  | 12,223,980      | -                          | -                           | 12,223,980                     |
| Student transportation   | 2,510,985       | -                          | -                           | 2,510,985                      |
| Employee benefits  | 31,518,548      | -                          | -                           | 31,518,548                     |
| Special schools:   |                 |                            |                             |                                |
| Current:   |                 |                            |                             |                                |
| Instruction  | 348,535         | -                          | -                           | 348,535                        |
| Charter schools  | 203,546         | -                          | -                           | 203,546                        |
| Capital outlay   | 550,275         | 3,164                      | 2,895,655                   | 3,449,094                      |
| Total expenditures   | 140,152,608     | 8,945,555                  | 2,895,655                   | 151,993,818                    |
| Excess (deficiency) of revenues over expenditures  | (11,840,916)    | 6,855                      | (4,630,918)                 | (16,464,979)                   |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                 |                            |                             |                                |
| Capital lease (Non budgeted)   | 122,103         | -                          | -                           | 122,103                        |
| Special item - prior year accounts payable reinstated  | 1,282,986       | -                          | -                           | 1,282,986                      |
| Transfers out - contribution to capital projects fund  | (217)           | -                          | 217                         | -                              |
| Special item - local share of capital project authorizations   | -               | -                          | (1,350,292)                 | (1,350,292)                    |
| Operating transfer out - contribution to food service fund   | (560,964)       | -                          | -                           | (560,964)                      |
| Total other financing sources (uses)   | 843,908         | -                          | (1,350,075)                 | (506,167)                      |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (10,997,008)    | 6,855                      | (5,980,993)                 | (16,971,146)                   |
| Fund balances, July 1  | 15,081,341      | (222,301)                  | 18,068,740                  | 32,927,780                     |
| Fund balances, June 30   | \$ 4,084,333    | \$ (215,446)               | \$ 12,087,747               | \$ 15,956,634                  |

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, 2015**

**Total net change in fund balances - governmental funds (from B-2)** \$ (16,971,146)

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

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

|  |                      |                  |             |
|--|----------------------|------------------|-------------|
|  | Depreciation expense | \$ (5,959,709)   |             |
|  | Capital outlays      | <u>3,449,094</u> | (2,510,615) |

Repayment of capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities

|  |                            |                  |           |
|--|----------------------------|------------------|-----------|
|  | Issuance of capital leases | (122,103)        |           |
|  | Payment of capital leases  | <u>2,416,423</u> | 2,294,320 |

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 (+).

|  |  |                     |               |
|--|--|---------------------|---------------|
|  | Change in compensated absences                 | 339,825             |               |
|  | Additional PERS pension expense recognized     | (294,961)           |               |
|  | Additional on-behalf TPAF pension expense      | 14,495,344          |               |
|  | Additional on-behalf TPAF pension contribution | <u>(14,495,344)</u> |               |
|  |  |                     | <u>44,864</u> |

**Change in net position of governmental activities** \$ (17,142,577)

**PROPRIETARY FUND**

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Fund**  
**June 30, 2015**

|                                    | <u><b>Business-type<br/>Activity -<br/>Enterprise Fund<br/>Food Service</b></u> |
|------------------------------------|---|
| <b>ASSETS</b>                      |   |
| Current assets:                    |   |
| Cash and cash equivalents          | \$ 464,881  |
| Accounts receivable                | 274,533   |
| Inventory                          | 71,436  |
| Interfund receivable               | 1,348,644   |
| Total current assets               | <u>2,159,494</u>  |
| Noncurrent assets:                 |   |
| Furniture, machinery and equipment | 1,652,300   |
| Less: accumulated depreciation     | <u>(862,926)</u>  |
| Total noncurrent assets            | <u>789,374</u>  |
| Total assets                       | <u><u>\$ 2,948,868</u></u>  |
| <b>NET POSITION</b>                |   |
| Net investment in capital assets   | \$ 789,374  |
| Unrestricted                       | <u>2,159,494</u>  |
| Total net position                 | <u><u>\$ 2,948,868</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 Position**  
**Proprietary Fund**  
**for the Fiscal Year Ended June 30, 2015**

|   | <u><b>Business-type<br/>Activity -<br/>Enterprise Fund<br/>Food Service</b></u> |
|---|---|
| <b>OPERATING REVENUES</b>               |   |
| Charges for services:                   |   |
| Daily sales - non-reimbursable programs | \$ 964,236  |
| Special functions                       | 46,508  |
| Miscellaneous income                    | 2,914   |
| Total operating revenues                | <u>1,013,658</u>  |
| <b>OPERATING EXPENSES</b>               |   |
| Cost of sales                           | 2,191,988   |
| Salaries                                | 1,841,356   |
| Employee benefits                       | 100,346   |
| Supplies and materials                  | 298,146   |
| Depreciation expense                    | 83,549  |
| Insurance - other                       | 42,282  |
| Total operating expenses                | <u>4,557,667</u>  |
| Operating (loss)                        | <u>(3,544,009)</u>  |
| <b>NONOPERATING REVENUES</b>            |   |
| State sources:                          |   |
| State school lunch program              | 46,746  |
| Federal sources:                        |   |
| School breakfast program                | 989,502   |
| National school lunch program           | 2,313,431   |
| Special milk program                    | 3,714   |
| Snack program                           | 31,012  |
| Summer food program                     | 62,488  |
| Food distribution program               | 225,681   |
| Total nonoperating revenues             | <u>3,672,574</u>  |
| Net income before transfer              | 128,565   |
| Operating transfer in - general fund    | <u>560,964</u>  |
| Change in net position                  | 689,529   |
| Total net position, July 1              | <u>2,259,339</u>  |
| Total net position, June 30             | <u><u>\$ 2,948,868</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, 2015**

|   | <u><b>Business-type<br/>Activity -<br/>Enterprise Fund<br/>Food Service</b></u> |
|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |   |
| Receipts from customers   | \$ 964,236  |
| Other Receipts  | 46,508  |
| Guaranteed revenue contribution receipt   | 2,914   |
| Payments to employees   | (1,841,356)   |
| Payments for employee benefits  | (100,346)   |
| Payments to suppliers   | (2,319,556)   |
| Net cash (used for) operating activities  | <u>(3,247,600)</u>  |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>                                   |   |
| State sources   | 46,903  |
| Federal sources   | 3,406,759   |
| Transfers in - General fund   | 701,672   |
| Net cash provided by non-capital financing activities                                     | <u>4,155,334</u>  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                           |   |
| Capital expenditures - payment for equipment  | <u>(442,853)</u>  |
| Net increase in cash and cash equivalents   | 464,881   |
| Balance, July 1   | -   |
| Balance, June 30  | <u>\$ 464,881</u>   |
| <b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED FOR)<br/>OPERATING ACTIVITIES</b> |   |
| Operating (loss)  | <u>\$ (3,544,009)</u>   |
| Adjustment to reconcile operating (loss) to net cash (used for)<br>operating activities:  |   |
| Depreciation  | 83,549  |
| Food distribution program   | 225,681   |
| (Increase) in inventory   | (12,821)  |
| Total adjustments   | <u>296,409</u>  |
| Net cash (used for) operating activities  | <u>\$ (3,247,600)</u>   |
| <b>NON-CASH ACTIVITY FROM NON-CAPITAL FINANCING ACTIVITIES</b>                            |   |
| Food commodities from the U.S. Department of Agriculture                                  | <u>\$ 225,681</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 Position**  
**Fiduciary Funds**  
**June 30, 2015**

|                                  | <u>Unemployment<br/>Compensation<br/>Insurance<br/>Trust Fund</u> | <u>Agency<br/>Funds</u> |
|----------------------------------|---|-------------------------|
| <b>ASSETS</b>                    |   |                         |
| Cash and cash equivalents        | \$ 166,259  | \$ 1,112,845            |
| Total assets                     | <u>\$ 166,259</u>   | <u>\$ 1,112,845</u>     |
| <b>LIABILITIES</b>               |   |                         |
| Net Payroll                      | \$ -  | \$ 11,927               |
| Social Security and withholdings | -   | 5,315                   |
| New Jersey income tax            | -   | 1,769                   |
| Exchange checking                | -   | 3,252                   |
| Trust and Agency                 | -   | 9,431                   |
| Flex spending                    | -   | 18,989                  |
| Pension                          | -   | 749,447                 |
| Due to student groups            | -   | 312,715                 |
| Due to general fund              | 166,259   | -                       |
| Total liabilities                | <u>\$ 166,259</u>   | <u>\$ 1,112,845</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 Position**  
**Fiduciary Funds**  
**for the Fiscal Year Ended June 30, 2015**

|                        | <u><b>Unemployment<br/>Compensation<br/>Insurance<br/>Trust Fund</b></u> |
|------------------------|--|
| <b>ADDITIONS</b>       |  |
| Local sources:         |  |
| Contributions          | \$ 241,402   |
| Interest on investment | 156  |
| Total additions        | <u>241,558</u>   |
| <b>DEDUCTIONS</b>      |  |
| Unemployment claims    | 190,457  |
| Due to General Fund    | 51,101   |
| Total deductions       | <u>241,558</u>   |
| Change in net position | -  |
| Net position, July 1   | -  |
| Net position, June 30  | <u><u>\$ -</u></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, 2015**

**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).

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, 2015**

**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. Commencing in fiscal year 2016 members of the Board will be elected to three-year terms as terms expire. 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, 2015 of 9,341 students.

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

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

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

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

The District's basic financial statements include both 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 non expendable trust funds are classified as governmental activities. The District's food service operation is classified as business-type activity.

The Statement of Net Position 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, 2015**

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

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

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

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 position 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, 2015**

**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 subfund.

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.

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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 position, 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.

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 position (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 position.

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, 2015**

**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 position and changes in net position 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.

**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 Government-wide statements.

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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 Position 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 position (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 position.
- 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 Position 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, 2015**

**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.

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 and special revenue 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.

Effective December 2004, line-item transfers to an advertised appropriation account identified as either general administration, school administration, central services and administrative information technology or other support services that, on a cumulative basis, exceed 10% of the amount included in the original budget require county superintendent approval. The District did not transfer net of offsetting revenues more than 10% of the above appropriations.

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

Pursuant to N.J.S.A. 18A:22-8 and N.J.A.C. 6A:23A-2.3 appropriation of surplus or other unbudgeted or 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, 2015**

**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.

|   | 2014 - 2015  |
|---|--------------|
| Total Revenues (Budgetary Basis)  | \$ 8,911,513 |
| Adjustments:  |              |
| Add: Prior Year Encumbrances  | 917,632      |
| Less: Current Year Encumbrances   | (883,590)    |
| Adjust for State Aid Payment<br>Recognize for GAAP Statements<br>in the Current Year, Previously<br>Recognized for Budgetary Purposes | 222,301      |
| Adjust for State Aid Payment<br>Not Recognized for GAAP<br>Purpose until the Subsequent Year  | (215,446)    |
| Total Revenues (GAAP Basis)   | \$ 8,952,410 |
| Total Expenditures (Budgetary Basis)  | \$ 8,911,513 |
| Adjustments:  |              |
| Add: Prior Year Encumbrances  | 917,632      |
| Less: Current Year Encumbrances   | (883,590)    |
| Total Expenditures (GAAP Basis)   | \$ 8,945,555 |

**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, 2015**

**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, 2015**

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

**H. Receivables and Payables (Continued):**

*Tuition Receivable* – For the year ending June 30, 2015, there was \$73,582 in tuition charges due to the Board of Education.

*Tuition Payable* - Tuition charges for the fiscal years 2014-2015 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, 2015.

**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, 2015**

**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 Position. 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, 2015**

**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 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. Pensions**

For Purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense of the Public Employees Retirement System (PERS) have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

**Q. Deferred Outflows of Resources**

Decreases in net position that relate to future periods are reported as deferred outflows of resources in a separate section of the statement of net position. The only deferred outflow of resources reported is for pension resources.

**R. Deferred Inflows of Resources**

Increases in net position that relate to future periods are reported as deferred inflows of resources in a separate section of the statement of net position. Related revenues are not recognized until a future event occurs. The only deferred inflow of resources reported is for pension resources.

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**S. Equity Classifications:**

Government-wide Statements

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* became effective for financial statements for periods beginning after December 15, 2011 and established standards for reporting deferred outflows of resources, deferred inflows of resources and net position. The adoption of this statement resulted in a change in the presentation of the statement of net assets to what is now referred to as the statement of net position and the term "net assets" is changed to "net position" throughout the financial statements.

Net position represents the difference between assets, deferred inflows, deferred outflows and liabilities in the Government-wide and proprietary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net positions are reported as restricted in the Government-wide and fund financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

Net investment in capital assets - 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 position - Consists of net position 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 position - All other net position 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, 2015**

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

**S. Equity Classifications (Continued)**

Fund Statements

Governmental fund equity is classified as fund balance. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (“GASB 54”) established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balance is further categorized as restricted, committed, assigned, or unassigned fund balance. Restrictions include amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

*Restricted - For Excess Surplus – Prior Year - Designated for Subsequent Year's Budget* - This reserve was created to represent the June 30, 2014 audited excess surplus that will be appropriated in the 2015-2016 original budget certified for taxes.

*Restricted - For Excess Surplus* - This reserve was created to represent the June 30, 2015 audited excess surplus that is required to be appropriated in the 2016-2017 original budget certified for taxes.

*Committed* – This commitment includes amounts that can be used only for the specific purposes imposed by a formal action of the government’s highest level of decision making authority. The District’s highest level of decision-making authority is the State Executive Superintendent and formal action is taken by resolution at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the State Executive Superintendent revised or changes the specified use by taking the same action (resolution) taken to originally commit these funds. Commitments were created to represent capital reserves committed by the District to fund future capital expenditures. Commitments were also 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 is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by either the State Executive Superintendent or Business Administrator, to whom the State Executive Superintendent has delegated the authority to assign amounts to be used for specific purposes.

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

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**S. Equity Classifications (Continued)**

Fund Statements (Continued)

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.

**T. 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.

**U. 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)<br>Capital Outlay |
|------------------------------------|--|

Proprietary Fund - By Operating and Nonoperating

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

**V. 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.

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**W. Change in Accounting Policy**

During fiscal year 2015, the District adopted the following GASB Statements:

- GASB 68, *Accounting and financial Reporting for Pensions*. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This statement replaces the requirements of statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administrated as trusts or equivalent arrangements that meet certain criteria.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

GASB No. 68 requires participating employers in pension plans to recognize their proportionate share of their collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. As a result, adjustments have been made on the district-wide statement of activities to recognize prior year net pension liability of \$38,110,310.

**X. Subsequent Events:**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2015 through December 14, 2015, the date that the financial statements were issued for possible disclosure and recognition in the financial statements. On November 3, 2015 Bayonne held its first school board election in over thirty-five years. The District has opted to hold Board elections with November general elections. No other items, other than those already included in Note 11, 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, 2015**

**NOTE 2. CASH AND CASH EQUIVALENTS**

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

Custodial credit risk is the risk that in the event of a bank failure, the District will not be able to recover deposits or 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, 2015, none of the District’s bank balances totaling \$17,934,035 was exposed to custodial credit risk.

As of June 30, 2015, the District’s deposits and investments are summarized as follows:

|   | Book<br>Balance |
|---|-----------------|
| Insured - FDIC  | \$ 500,000      |
| Insured - GUDPA   | 7,343,360       |
| NJ Cash Management  | 8,373,185       |
|   | \$ 16,216,545   |
| Reconciliation to Government-Wide Statement of<br>Net Position:         |                 |
| Unrestricted Cash   | \$ 7,790,894    |
| Restricted Cash   | 7,146,547       |
| Trust and Agency Fund Cash (Not Included<br>in District-Wide Statement) | 1,279,104       |
|   | \$ 16,216,545   |

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

As of June 30, 2015, 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.

**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.

All deposits in the New Jersey Cash Management Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the Other-than-State participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2015, the District had \$8,373,185 on deposit with NJ Cash Management 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, 2015 the District's deposits were not exposed to custodial credit risk or foreign currency risk.

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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, 2015 are invested in U.S. government securities.

Concentration of Credit Risk - The District places no formal limits on the amount they may invest in any one issue. At June 30, 2015 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, 2015 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, 2015**

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

Capital assets for governmental activities for the year ended June 30, 2015, were as follows:

|  | <u>Balance at<br/>June 30, 2014</u> | <u>Additions</u>      | <u>Balance at<br/>June 30, 2015</u> |
|--|-------------------------------------|-----------------------|-------------------------------------|
| Governmental Activities:                         |                                     |                       |                                     |
| Non-Depreciable:                                 |                                     |                       |                                     |
| Land   | \$ 1,520,207                        | \$ -                  | \$ 1,520,207                        |
| Depreciable:                                     |                                     |                       |                                     |
| Buildings  | 83,239,013                          | -                     | 83,239,013                          |
| Improvements                                     | 71,898,227                          | 2,895,655             | 74,793,882                          |
| Machinery and Equipment                          | 27,452,138                          | 213,571               | 27,665,709                          |
| Vehicles   | 2,672,459                           | 339,868               | 3,012,327                           |
| Total at Historical Cost                         | <u>185,261,837</u>                  | <u>3,449,094</u>      | <u>188,710,931</u>                  |
| Less: Accumulated Depreciation:                  |                                     |                       |                                     |
| Buildings  | (66,025,184)                        | (1,923,970)           | (67,949,154)                        |
| Improvements                                     | (23,497,323)                        | (2,449,791)           | (25,947,114)                        |
| Machinery and Equipment                          | (17,267,158)                        | (1,514,409)           | (18,781,567)                        |
| Vehicles   | (2,059,653)                         | (71,539)              | (2,131,192)                         |
| Total Accumulated Depreciation                   | <u>(108,849,318)</u>                | <u>(5,959,709) *</u>  | <u>(114,809,027)</u>                |
| Depreciable Capital Assets, Net                  | <u>76,412,519</u>                   | <u>(2,510,615)</u>    | <u>73,901,904</u>                   |
| Governmental Activities - Capital<br>Assets, Net | <u>\$ 77,932,726</u>                | <u>\$ (2,510,615)</u> | <u>\$ 75,422,111</u>                |

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

|  |  |                     |
|--|--|---------------------|
| Instruction:                               |  |                     |
| Regular                                    |  | \$ 2,693,193        |
| Special Education                          |  | 798,005             |
| Other Special Education                    |  | 114,426             |
| Vocational Education                       |  | 98,931              |
| Other Instruction                          |  | 61,385              |
| Total Instruction                          |  | <u>3,765,940</u>    |
| Support Services:                          |  |                     |
| Tuition                                    |  | 153,165             |
| Student & Instruction Related Services     |  | 752,711             |
| School Administrative Services             |  | 259,843             |
| General & Business Administrative Services |  | 258,651             |
| Operation & Maintenance of Plant           |  | 623,386             |
| Pupil Transportation                       |  | 128,134             |
| Special Schools                            |  | 17,879              |
| Total Support Services                     |  | <u>2,193,769</u>    |
|  |  | <u>\$ 5,959,709</u> |

Capital asset for business-type activity for the year ended June 30, 2015, was as follows:

|   | <u>Balance at<br/>June 30, 2014</u> | <u>Additions</u>  | <u>Balance at<br/>June 30, 2015</u> |
|---|-------------------------------------|-------------------|-------------------------------------|
| Business-type Activity:                         |                                     |                   |                                     |
| Depreciable                                     |                                     |                   |                                     |
| Machinery and Equipment                         | \$ 1,109,166                        | \$ 391,163        | \$ 1,500,329                        |
| Vehicles  | <u>100,281</u>                      | <u>51,690</u>     | <u>151,971</u>                      |
| Total at Historical Cost                        | <u>1,209,447</u>                    | <u>442,853</u>    | <u>1,652,300</u>                    |
| Less: Accumulated Depreciation:                 |                                     |                   |                                     |
| Machinery and Equipment                         | (728,071)                           | (50,734)          | (778,805)                           |
| Vehicles  | <u>(51,306)</u>                     | <u>(32,815)</u>   | <u>(84,121)</u>                     |
| Total Accumulated Depreciation                  | <u>(779,377)</u>                    | <u>(83,549)</u>   | <u>(862,926)</u>                    |
| Business-type Activity - Capital<br>Assets, Net | <u>\$ 430,070</u>                   | <u>\$ 359,304</u> | <u>\$ 789,374</u>                   |

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 5. LOAN PAYABLE**

The District obtained a short term loan of \$5,000,000 in June 2015 to prevent a projected cash shortage due to the State temporarily withholding the last two state aid payments until the following budget year. The loan balance was paid in July 2015 when the last two state aid payments were released by the State.

**NOTE 6. LONG-TERM DEBT**

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

Governmental Activities

As of June 30, 2015, the governmental long-term debt of the District consisted of the following:

|                                  |                            |
|----------------------------------|----------------------------|
| Accrued Compensation Absences:   |                            |
| Current Portion                  | \$ 51,140                  |
| Noncurrent Portion               | 1,173,596                  |
| Capital Lease Obligation:        |                            |
| Current Portion                  | 2,204,624                  |
| Noncurrent Portion               | <u>1,682,749</u>           |
| Total Governmental Activity Debt | <u><u>\$ 5,112,109</u></u> |

The following is a summary of changes in long-term debt for the year ended June 30, 2015:

|                           | Balance<br>June 30, 2014 | Additions         | Deductions            | Balance<br>June 30, 2015 | Amounts<br>Due Within<br>One Year | Long-Term<br>Portion |
|---------------------------|--------------------------|-------------------|-----------------------|--------------------------|-----------------------------------|----------------------|
| Governmental Activities:  |                          |                   |                       |                          |                                   |                      |
| Capital Lease Obligations | \$ 6,181,693             | \$ 122,103        | \$ (2,416,423)        | \$ 3,887,373             | \$ 2,204,624                      | \$ 1,682,749         |
| Compensated Absences      | <u>1,564,561</u>         | <u>125,104</u>    | <u>(464,929)</u>      | <u>1,224,736</u>         | <u>51,140</u>                     | <u>1,173,596</u>     |
| Total                     | <u>\$ 7,746,254</u>      | <u>\$ 247,207</u> | <u>\$ (2,881,352)</u> | <u>\$ 5,112,109</u>      | <u>\$ 2,255,764</u>               | <u>\$ 2,856,345</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, 2015**

**NOTE 6. LONG-TERM DEBT (Continued)**

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

As of June 30, 2015, the District had no authorized, but not issued, bonds.

**C. Capital Leases:**

The District is currently leasing computers, copiers, network upgrades, a truck, and a vehicle 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, 2015:

| <u>Year Ending</u>                             | <u>Machinery<br/>and Equipment</u> | <u>Vehicles</u>  | <u>Total</u>        |
|--|------------------------------------|------------------|---------------------|
| June 30, 2016                                  | \$ 2,249,819                       | \$ 18,938        | \$ 2,268,757        |
| June 30, 2017                                  | 1,067,463                          | 7,265            | 1,074,728           |
| June 30, 2018                                  | 610,105                            | 7,265            | 617,370             |
| June 30, 2019                                  | 36,912                             | -                | 36,912              |
| June 30, 2020                                  | 9,223                              | -                | 9,223               |
| Total Minimum Lease Payments                   | 3,973,522                          | 33,468           | 4,006,990           |
| Less: Amount Representing Interest             | 118,290                            | 1,327            | 119,617             |
| Present Value of Net Minimum<br>Lease Payments | <u>\$ 3,855,232</u>                | <u>\$ 32,141</u> | <u>\$ 3,887,373</u> |

Five Year Digital Copy Machine Capital Lease:

| <u>Year Ending</u>                             | <u>Machinery<br/>and Equipment</u> |
|--|------------------------------------|
| June 30, 2016                                  | \$ 35,172                          |
| June 30, 2017                                  | 35,171                             |
| June 30, 2018                                  | 23,448                             |
| Total Minimum Lease Payments                   | 93,791                             |
| Less: Amount Representing Interest             | 5,113                              |
| Present Value of Net Minimum<br>Lease Payments | <u>\$ 88,678</u>                   |

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 6. LONG-TERM DEBT (Continued)**

**C. Capital Leases (Continued)**

Five Year Digital Copy Machine Capital Lease:

| <u>Year Ending</u>                             | <u>Machinery<br/>and Equipment</u> |
|--|------------------------------------|
| June 30, 2016                                  | \$ 73,977                          |
| June 30, 2017                                  | 73,977                             |
| June 30, 2018                                  | <u>55,482</u>                      |
| Total Minimum Lease Payments                   | 203,436                            |
| Less: Amount Representing Interest             | <u>13,662</u>                      |
| Present Value of Net Minimum<br>Lease Payments | <u><u>\$ 189,774</u></u>           |

Four Year Apple Computer Capital Lease:

| <u>Year Ending</u>                             | <u>Machinery<br/>and Equipment</u> |
|--|------------------------------------|
| June 30, 2016                                  | \$ 417,800                         |
| June 30, 2017                                  | <u>417,799</u>                     |
| Total Minimum Lease Payments                   | 835,599                            |
| Less: Amount Representing Interest             | <u>-</u>                           |
| Present Value of Net Minimum<br>Lease Payments | <u><u>\$ 835,599</u></u>           |

Five Year Digital Copy Machine Capital Lease:

| <u>Year Ending</u>                             | <u>Machinery<br/>and Equipment</u> |
|--|------------------------------------|
| June 30, 2016                                  | \$ 1,467                           |
| June 30, 2017                                  | 1,466                              |
| June 30, 2018                                  | <u>1,345</u>                       |
| Total Minimum Lease Payments                   | 4,278                              |
| Less: Amount Representing Interest             | <u>406</u>                         |
| Present Value of Net Minimum<br>Lease Payments | <u><u>\$ 3,872</u></u>             |

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 6. LONG-TERM DEBT (Continued)**

**C. Capital Leases (Continued)**

Five Year Network Upgrades Capital Lease:

| <u>Year Ending</u>                             | <u>Machinery<br/>and Equipment</u> |
|--|------------------------------------|
| June 30, 2016                                  | \$ 491,960                         |
| June 30, 2017                                  | 491,960                            |
| June 30, 2018                                  | <u>491,960</u>                     |
| Total Minimum Lease Payments                   | 1,475,880                          |
| Less: Amount Representing Interest             | <u>73,456</u>                      |
| Present Value of Net Minimum<br>Lease Payments | <u><u>\$ 1,402,424</u></u>         |

Five Year Digital Copy Machine Capital Lease:

| <u>Year Ending</u>                             | <u>Machinery<br/>and Equipment</u> |
|--|------------------------------------|
| June 30, 2016                                  | \$ 3,361                           |
| June 30, 2017                                  | 3,361                              |
| June 30, 2018                                  | 3,362                              |
| June 30, 2019                                  | <u>2,521</u>                       |
| Total Minimum Lease Payments                   | 12,605                             |
| Less: Amount Representing Interest             | <u>1,408</u>                       |
| Present Value of Net Minimum<br>Lease Payments | <u><u>\$ 11,197</u></u>            |

Five Year Digital Copy Machine Capital Lease:

| <u>Year Ending</u>                             | <u>Machinery<br/>and Equipment</u> |
|--|------------------------------------|
| June 30, 2016                                  | \$ 1,418                           |
| June 30, 2017                                  | 1,419                              |
| June 30, 2018                                  | 1,418                              |
| June 30, 2019                                  | <u>1,301</u>                       |
| Total Minimum Lease Payments                   | 5,556                              |
| Less: Amount Representing Interest             | <u>673</u>                         |
| Present Value of Net Minimum<br>Lease Payments | <u><u>\$ 4,883</u></u>             |

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 6. LONG-TERM DEBT (Continued)**

**C. Capital Leases (Continued)**

Five Year Digital Copy Machine Capital Lease:

|  | <u>Year Ending</u> | <u>Machinery<br/>and Equipment</u> |
|--|--------------------|------------------------------------|
|  | June 30, 2016      | \$ 9,219                           |
|  | June 30, 2017      | 9,219                              |
|  |                    | 18,438                             |
| Total Minimum Lease Payments                   |                    | 18,438                             |
| Less: Amount Representing Interest             |                    | 1,091                              |
| Present Value of Net Minimum<br>Lease Payments |                    | \$ 17,347                          |

Five Year Digital Copy Machine Capital Lease:

|  | <u>Year Ending</u> | <u>Machinery<br/>and Equipment</u> |
|--|--------------------|------------------------------------|
|  | June 30, 2016      | \$ 6,683                           |
| Total Minimum Lease Payments                   |                    | 6,683                              |
| Less: Amount Representing Interest             |                    | 74                                 |
| Present Value of Net Minimum<br>Lease Payments |                    | \$ 6,609                           |

Three Year Chromebooks Capital Lease:

|  | <u>Year Ending</u> | <u>Machinery<br/>and Equipment</u> |
|--|--------------------|------------------------------------|
|  | June 30, 2016      | \$ 1,183,231                       |
| Total Minimum Lease Payments                   |                    | 1,183,231                          |
| Less: Amount Representing Interest             |                    | 9,624                              |
| Present Value of Net Minimum<br>Lease Payments |                    | \$ 1,173,607                       |

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 6. LONG-TERM DEBT (Continued)**

**C. Capital Leases (Continued)**

Four Year Dump Truck with Snow Plow Capital Lease:

| <u>Year Ending</u>                          | <u>Vehicles</u>  |
|---|------------------|
| June 30, 2016                               | \$ 11,673        |
| Total Minimum Lease Payments                | 11,673           |
| Less: Amount Representing Interest          | <u>146</u>       |
| Present Value of Net Minimum Lease Payments | <u>\$ 11,527</u> |

Four Year Jeep Vehicle Capital Lease

| <u>Year Ending</u>                          | <u>Vehicles</u>  |
|---|------------------|
| June 30, 2016                               | \$ 7,265         |
| June 30, 2017                               | 7,265            |
| June 30, 2018                               | <u>7,265</u>     |
| Total Minimum Lease Payments                | 21,795           |
| Less: Amount Representing Interest          | <u>1,181</u>     |
| Present Value of Net Minimum Lease Payments | <u>\$ 20,614</u> |

Five Year Digital Copy Machine Capital Lease:

| <u>Year Ending</u>                          | <u>Machinery and Equipment</u> |
|---|--------------------------------|
| June 30, 2016                               | \$ 1,419                       |
| June 30, 2017                               | 1,419                          |
| June 30, 2018                               | 1,418                          |
| June 30, 2019                               | 1,418                          |
| June 30, 2020                               | <u>828</u>                     |
| Total Minimum Lease Payments                | 6,502                          |
| Less: Amount Representing Interest          | <u>907</u>                     |
| Present Value of Net Minimum Lease Payments | <u>\$ 5,595</u>                |

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 6. LONG-TERM DEBT (Continued)**

**C. Capital Leases (Continued)**

Five Year Digital Copy Machine Capital Lease:

| <u>Year Ending</u>                             | <u>Machinery<br/>and Equipment</u> |
|--|------------------------------------|
| June 30, 2016                                  | \$ 1,432                           |
| June 30, 2017                                  | 1,432                              |
| June 30, 2018                                  | 1,432                              |
| June 30, 2019                                  | 1,432                              |
| June 30, 2020                                  | <u>835</u>                         |
| Total Minimum Lease Payments                   | 6,563                              |
| Less: Amount Representing Interest             | <u>916</u>                         |
| Present Value of Net Minimum<br>Lease Payments | <u><u>\$ 5,647</u></u>             |

Five Year Badging Station Capital Lease:

| <u>Year Ending</u>                             | <u>Machinery<br/>and Equipment</u> |
|--|------------------------------------|
| June 30, 2016                                  | \$ 22,680                          |
| June 30, 2017                                  | 30,240                             |
| June 30, 2018                                  | 30,240                             |
| June 30, 2019                                  | 30,240                             |
| June 30, 2020                                  | <u>7,560</u>                       |
| Total Minimum Lease Payments                   | 120,960                            |
| Less: Amount Representing Interest             | <u>10,960</u>                      |
| Present Value of Net Minimum<br>Lease Payments | <u><u>\$ 110,000</u></u>           |

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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 accessed via the New Jersey Division of Pension and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**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, by which the State of New Jersey is responsible to fund 100% of the employer contributions, excluding and local employer retirement incentive (ERI) contributions. 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.

**CITY OF BAYONNE SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 7. PENSION PLANS (Continued)**

**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. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for PERS and TPAF:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each service credit available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for their respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increase were suspended for all current and future retirees of all retirement systems.

**E. Contribution Requirements:**

The contribution policy is set by N.J.S.A. 43:15A for PERS and N.J.S.A. 18:66 for TPAF, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.92% in fiscal year 2015. The phase-in of the additional incremental member contribution rate will take place in July of each subsequent fiscal year.

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 7. PENSION PLANS (Continued)**

**E. Contribution Requirements (Continued)**

Employers' contribution amounts for PERS are based on an actuarially determined rate. The annual employer contributions for PERS include funding for basic retirement allowances, cost-of-living adjustments, and noncontributory death benefits. Under current Statute, the District is a non-contributing employer of the TPAF.

Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions for the pension plans on a phased-in basis over a seven-year period beginning in fiscal year 2012. For fiscal year 2013, the State's minimum required contribution was 2/7<sup>th</sup> of the full recommended amounts determined on the basis of the July 1, 2011 actuarial valuation.

During the years ended June 30, 2015, 2014 and 2013 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<br>Funding | PERS Contributed by the District |            |          | TPAF Paid on behalf of the district |            |
|-----------------|----------------------------------|------------|----------|-------------------------------------|------------|
|                 | Pension                          | NCGI       | Deferral | Pension                             | NCGI       |
| June 30, 2015   | \$ 1,545,446                     | \$ 103,791 | \$ -     | \$ 2,837,425                        | \$ 204,140 |
| June 30, 2014   | 1,477,353                        | 25,125     | -        | 2,265,498                           | 199,968    |
| June 30, 2013   | 1,465,387                        | 87,215     | -        | 3,626,738                           | 190,816    |

**F. PERS Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:**

At June 30, 2015 the Districts net pension liability for PERS was \$37,456,050.

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2014, Districts PERS proportion was 0.2001%, which was an increase of 0.0007% from its proportion measured as of June 30, 2013.

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 7. PENSION PLANS (Continued)**

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

For the year ended June 30, 2015, the District recognized PERS pension expense of \$1,944,198. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <b><u>Deferred<br/>Outflows of<br/>Resources</u></b> | <b><u>Deferred<br/>Inflows of<br/>Resources</u></b> |
|--|--|---|
| Differences between expected and accrual experience  | \$ -   | \$ -  |
| Changes in assumptions   | 1,177,819  | -   |
| Net differences between projected and actual investment earnings on pension plan investments | -  | 2,232,177   |
| Changes in proportion  | 105,137  | -   |
| District contributions subsequent to measurement date  | <u>1,816,236</u>                                     | <u>-</u>  |
| Total  | <u>\$ 3,099,192</u>                                  | <u>\$ 2,232,177</u>                                 |

\$1,816,236 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <b><u>Year<br/>Ending</u></b> |                     |
|-------------------------------|---------------------|
| June 30, 2015                 | \$ (322,207)        |
| June 30, 2016                 | (322,207)           |
| June 30, 2017                 | (322,207)           |
| June 30, 2018                 | (322,207)           |
| June 30, 2019                 | (322,207)           |
| Thereafter                    | <u>661,813</u>      |
|                               | <u>\$ (949,221)</u> |

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 7. PENSION PLANS (Continued)**

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

*Actuarial Assumptions*

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

|                                |                            |
|--------------------------------|----------------------------|
| Inflation rate                 | 3.01%                      |
| Salary increases:<br>2012-2021 | 2.15 – 4.40%               |
| Thereafter                     | 3.15 5.40%<br>Based on age |
| Investment rate of return      | 7.90%                      |

Mortality rates were based on the RP-2000 Combined Health Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projections Scale AA. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 7. PENSION PLANS (Continued)**

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

*Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PER's target asset allocation as of June 30, 2014 are summarized in the following table:

| Asset Class                   | Target Allocation | Long-Term Expected Real Rate of Return |
|-------------------------------|-------------------|--|
| Cash                          | 6.00%             | 0.80%                                  |
| Core Bonds                    | 1.00%             | 2.49%                                  |
| Intermediate-Term Bonds       | 11.20%            | 2.26%                                  |
| Mortgages                     | 2.50%             | 2.17%                                  |
| High Yield Bonds              | 5.50%             | 4.82%                                  |
| Inflation-Indexed Bonds       | 2.5%              | 3.51%                                  |
| Broad US Equities             | 25.90%            | 8.22%                                  |
| Developed Foreign Equities    | 12.70%            | 8.12%                                  |
| Emerging Market Equities      | 6.50%             | 9.91%                                  |
| Private Equity                | 8.25%             | 13.02%                                 |
| Hedge Funds / Absolute Return | 12.25%            | 4.92%                                  |
| Real Estate (Property)        | 3.20%             | 5.80%                                  |
| Commodities                   | 2.50%             | 5.35%                                  |

*Discount Rate*

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blend discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made based on the average of the last five years of condition made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 7. PENSION PLANS (Continued)**

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

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the District's proportionate share of the net pension liability as of June 30, 2014, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

|   | <b>1%<br/>Decrease<br/>(4.39%)</b> | <b>Current<br/>Discount Rate<br/>(5.39%)</b> | <b>1%<br/>Increase<br/>(6.39%)</b> |
|---|------------------------------------|--|------------------------------------|
| District's proportionate share of<br>PERS net pension liability | \$ 47,120,984                      | \$ 37,456,050                                | \$ 29,339,962                      |

*Pension Plan fiduciary net position*

Detailed information about the pension plans' fiduciary net position are available in the separately issued financial reports. These reports may be accessed via the New Jersey Division of Pension and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

*Payable to the pension plan*

At June 30, 2015 the District reported accounts payable to the PERS of \$1,816,236 for the required actuarially determined contribution to PERS for the year ended June 30, 2015.

**D. TPAF Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:**

At June 30, 2015 the State's net pension liability for TPAF associated with the District was \$311,485,455. For the year ended June 30, 2015, the District recognized an on-behalf TPAF pension expense of \$16,760,842 offset by an on-behalf TPAF pension contribution for the same amount.

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 7. PENSION PLANS (Continued)**

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

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2014, Districts TPAF proportion was 0.5828%, which was a decrease of 0.0080% from its proportion measured as of June 30, 2013.

*Actuarial Assumptions*

The total TPAF pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total TPAF pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

|                                |                               |
|--------------------------------|-------------------------------|
| Inflation rate                 | 2.50%                         |
| Salary increases:<br>2012-2021 | Varies based<br>on experience |
| Thereafter                     | Varies based<br>on experience |
| Investment rate of return      | 7.90%                         |

Mortality rates were based on the RP-2000 Combined Health Male and Female Mortality Tables, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from base year of 2000 until valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 7. PENSION PLANS (Continued)**

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

*Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

| Asset Class                   | Target Allocation | Long-Term Expected Real Rate of Return |
|-------------------------------|-------------------|--|
| Cash                          | 6.00%             | 0.50%                                  |
| Core Fixed Income             | 0.00%             | 2.19%                                  |
| Core Bonds                    | 1.00%             | 1.38%                                  |
| Short-Term Bonds              | 0.00%             | 1.00%                                  |
| Intermediate-Term Bonds       | 11.20%            | 2.60%                                  |
| Long-Term Bonds               | 0.00%             | 3.23%                                  |
| Mortgages                     | 2.50%             | 2.84%                                  |
| High Yield Bonds              | 5.50%             | 4.15%                                  |
| Non-US Fixed Income           | 0.00%             | 1.41%                                  |
| Inflation-Indexed Bonds       | 2.50%             | 1.30%                                  |
| Broad US Equities             | 25.90%            | 5.88%                                  |
| Large Cap US Equities         | 0.00%             | 5.62%                                  |
| Mid Cap US Equities           | 0.00%             | 6.39%                                  |
| Small Cap US Equities         | 0.00%             | 7.39%                                  |
| Developed Foreign Equities    | 12.70%            | 6.05%                                  |
| Emerging Market Equities      | 6.50%             | 8.90%                                  |
| Private Equity                | 8.25%             | 9.15%                                  |
| Hedge Funds / Absolute Return | 12.25%            | 3.85%                                  |
| Real Estate (Property)        | 3.20%             | 4.43%                                  |
| Real Estate (REITS)           | 0.00%             | 5.58%                                  |
| Commodities                   | 2.50%             | 3.60%                                  |
| Long Credit Bonds             | 0.00%             | 3.74%                                  |

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 7. PENSION PLANS (Continued)**

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

*Discount Rate*

The discount rate used to measure the total pension liability for TPAF was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blend discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Pension Plan fiduciary net position*

Detailed information about the pension plans' fiduciary net position are available in the separately issued financial reports. These reports may be accessed via the New Jersey Division of Pension and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**H. Reimbursed TPAF Social Security Contributions**

Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$4,991,091 during the year ended June 30, 2015, 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.

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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.

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, 2014, there were 103,432 retirees eligible for post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. 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 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in fiscal year 2014.

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, 2015, 2014 and 2013 were \$4,828,487, \$4,042,438 and \$4,316,690, 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.

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 8. POST-RETIREMENT BENEFITS (Continued)**

Chapter 78, P.L. 2011, effective October 2011, established new employee contribution requirements towards the cost of employee 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.

**Funded Status and Funding Progress**

As of June 30, 2014, the most recent actuarial valuation date, the State had an \$16.4 billion unfunded actuarial accrued liability for other postemployment benefits (OPEB) for local and \$40.6 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

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, 2014, 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.

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 8. POST-RETIREMENT BENEFITS (Continued)**

**Actuarial Methods and Assumptions (Continued)**

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits, issues a publicly available financial report that include the financial statements and required supplementary information for the SHBP. The financial report may be accessed via the New Jersey Division of Pension and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**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 Position, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year.

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

**NOTE 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.

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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, 2015, 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 2015. 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, 2015**

**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<br/>Contributions</u> | <u>Employee<br/>Contributions</u> | <u>Transferred/<br/>Reimbursed</u> | <u>Interest<br/>Earned</u> | <u>Ending<br/>Balance</u> |
|--------------------|-----------------------------------|-----------------------------------|------------------------------------|----------------------------|---------------------------|
| June 30, 2015      | \$ -                              | \$ 241,402                        | \$ 241,558                         | \$ 156                     | \$ -                      |
| June 30, 2014      | 363,071                           | 200,990                           | 324,103                            | 201                        | -                         |
| June 30, 2013      | -                                 | 186,984                           | 278,999                            | 174                        | (240,159)                 |

**NOTE 13. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet of the governmental fund financial statement at June 30, 2015:

| <u>Fund</u>      | <u>Interfund<br/>Receivable</u> | <u>Interfund<br/>Payable</u> |
|------------------|---------------------------------|------------------------------|
| General          | \$ 4,724,899                    | \$ -                         |
| Special Revenue  | -                               | 10,374,239                   |
| Capital Projects | 4,466,956                       | -                            |
| Enterprise       | 1,348,644                       | -                            |
| Fiduciary        | -                               | 166,260                      |
| Total            | <u>\$ 10,540,499</u>            | <u>\$ 10,540,499</u>         |

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 special revenue fund interfund payable is due to grant provisions whereas significant funding is only received in the form of reimbursements for allowable expenditures, whereby the special revenue fund has borrowed funds from other funds to temporarily fund such expenditures. The District expects to liquidate all interfund balances within one year.

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 13. INTERFUND RECEIVABLES AND PAYABLES (Continued)**

During the fiscal year ended June 30, 2015 the general fund transferred \$217 in capital reserve withdrawals to the capital projects fund to fund the District's local share of SDA grant projects and \$560,964 to the enterprise fund to subsidize food service operations.

**NOTE 14. INVENTORY**

Inventory in the Food Service Fund at June 30, 2015, consisted of the following:

|                   |           |
|-------------------|-----------|
| Food and Supplies | \$ 71,436 |
|-------------------|-----------|

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 \$4,084,333 General Fund fund balance at June 30, 2015, \$1,523,324 is restricted as reserved excess surplus in accordance with N.J.S.A. 18A:7F-7; \$4,040,304 is committed for other purposes; \$651,077 is assigned fund balance appropriated and included as anticipated revenue for the year ended June 30, 2016; and a deficit of (\$2,130,372) is unassigned.

Special Revenue Fund – The (\$215,446) Special Revenue Fund deficit fund balance at June 30, 2015 is unassigned.

Capital Projects Fund – of the \$12,087,747 Capital Projects Fund fund balance at June 30, 2015, \$1,557,834 is committed for other purposes; and \$10,529,913 is assigned to the capital projects fund.

The total Governmental Funds fund balance is \$15,956,634.

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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 position per the District-wide Statement of Net Position:

|   | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activity</u> | <u>Total</u>         |
|---|------------------------------------|-----------------------------------|----------------------|
| Fund Balance/Net Position                               | \$ 15,956,634                      | \$ 2,948,868                      | \$ 18,905,502        |
| Add: Capital Assets, Net of<br>Accumulated Depreciation | 75,422,111                         | -                                 | 75,422,111           |
| Deferred Outflows of Resources                          | 3,099,192                          | -                                 | 3,099,192            |
| Less: Accounts Payable for Pension                      | (1,816,236)                        | -                                 | (1,816,236)          |
| Long-Term Liabilities                                   | (5,112,109)                        | -                                 | (5,112,109)          |
| Net Pension Liability                                   | (37,456,050)                       | -                                 | (37,456,050)         |
| Deferred Inflows of Resources                           | <u>(2,232,177)</u>                 | <u>-</u>                          | <u>(2,232,177)</u>   |
| Total Net Position                                      | <u>\$ 47,861,365</u>               | <u>\$ 2,948,868</u>               | <u>\$ 50,810,233</u> |

**NOTE 16. DEFICIT FUND BALANCES**

The District has a deficit fund balance of (\$215,446) in the Special Revenue Fund as of June 30, 2015 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.

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 16. DEFICIT FUND BALANCES (Continued)**

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 (\$2,345,818) is less than the last two state aid payments.

**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, 2015 is \$1,523,324.

**NOTE 18. RECEIVABLES FROM OTHER GOVERNMENTS**

Receivables from other governments as reported on the general fund balance sheet amounting to \$916,010 are from state sources.

Receivables from other governments as reported on the special revenue fund balance sheet amounting to \$4,403,498 are comprised of \$4,102,510 from federal sources and \$300,988 from state sources.

Receivables from other governments as reported on the capital projects fund balance sheet amounting to \$10,480,921 are from state sources.

**NOTE 19. RESTATEMENT**

On July 1, 2014, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The District has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the district's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$38,110,310. The result of this restatement is to reduce total net position of governmental activities.

**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, 2015**

|   | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>      | <u>Variance</u>    |
|---|----------------------------|-----------------------------|-------------------------|--------------------|--------------------|
| <b>REVENUES</b>   |                            |                             |                         |                    |                    |
| Local sources:  |                            |                             |                         |                    |                    |
| Local tax levy  | \$ 59,392,474              | \$ -                        | \$ 59,392,474           | \$ 59,392,474      | \$ -               |
| Tuition   | 75,000                     | -                           | 75,000                  | 87,707             | 12,707             |
| Interest earned   | -                          | -                           | -                       | 21,621             | 21,621             |
| Miscellaneous   | 1,225,000                  | -                           | 1,225,000               | 1,420,164          | 195,164            |
| Total - local sources   | <u>60,692,474</u>          | <u>-</u>                    | <u>60,692,474</u>       | <u>60,921,966</u>  | <u>229,492</u>     |
| Federal sources:  |                            |                             |                         |                    |                    |
| Special Education Medicare Reimbursement Initiative             | 221,650                    | -                           | 221,650                 | 412,176            | 190,526            |
| Total - federal sources   | <u>221,650</u>             | <u>-</u>                    | <u>221,650</u>          | <u>412,176</u>     | <u>190,526</u>     |
| State sources:  |                            |                             |                         |                    |                    |
| Equalization aid  | 46,701,236                 | -                           | 46,701,236              | 46,701,236         | -                  |
| Transportation aid  | 64,658                     | -                           | 64,658                  | 64,658             | -                  |
| Special education categorical aid                               | 5,433,590                  | -                           | 5,433,590               | 5,433,590          | -                  |
| Security aid  | 639,416                    | -                           | 639,416                 | 639,416            | -                  |
| Adjustment aid  | 500,000                    | -                           | 500,000                 | 500,000            | -                  |
| Extraordinary aid   | -                          | -                           | -                       | 615,577            | 615,577            |
| PARCC readiness aid   | 92,880                     | -                           | 92,880                  | 92,880             | -                  |
| Per pupil growth aid  | 92,880                     | -                           | 92,880                  | 92,880             | -                  |
| On-Behalf TPAF contributions (non budgeted)                     |                            |                             |                         |                    |                    |
| Pension   | -                          | -                           | -                       | 2,837,425          | 2,837,425          |
| Non-contributory group insurance premium                        | -                          | -                           | -                       | 204,140            | 204,140            |
| Post-retirement medical contributions                           | -                          | -                           | -                       | 4,828,487          | 4,828,487          |
| Reimbursed TPAF Social Security contributions<br>(Non budgeted) | -                          | -                           | -                       | 4,991,091          | 4,991,091          |
| Total - state sources   | <u>53,524,660</u>          | <u>-</u>                    | <u>53,524,660</u>       | <u>67,001,380</u>  | <u>13,476,720</u>  |
| Total revenues  | <u>114,438,784</u>         | <u>-</u>                    | <u>114,438,784</u>      | <u>128,335,522</u> | <u>13,896,738</u>  |
| <b>EXPENDITURES -</b>   |                            |                             |                         |                    |                    |
| <b>CURRENT EXPENSE</b>  |                            |                             |                         |                    |                    |
| Regular programs - instruction:                                 |                            |                             |                         |                    |                    |
| Salaries of teachers:   |                            |                             |                         |                    |                    |
| Preschool/kindergarten  | 3,101,925                  | -                           | 3,101,925               | 3,101,925          | -                  |
| Grades 1-5  | 14,130,704                 | (588,817)                   | 13,541,887              | 13,541,887         | -                  |
| Grades 6-8  | 12,085,539                 | (588,816)                   | 11,496,723              | 11,496,723         | -                  |
| Grades 9-12   | 11,884,819                 | (88,816)                    | 11,796,003              | 15,953,812         | (4,157,809)        |
| Total regular programs - instruction                            | <u>41,202,987</u>          | <u>(1,266,449)</u>          | <u>39,936,538</u>       | <u>44,094,347</u>  | <u>(4,157,809)</u> |
| Regular programs - home instruction:                            |                            |                             |                         |                    |                    |
| Salaries of teachers  | 199,600                    | -                           | 199,600                 | 199,600            | -                  |
| General supplies  | 1,500                      | -                           | 1,500                   | 1,323              | 177                |
| Other objects   | 2,200                      | -                           | 2,200                   | 2,200              | -                  |
| Total regular programs - home instruction                       | <u>203,300</u>             | <u>-</u>                    | <u>203,300</u>          | <u>203,123</u>     | <u>177</u>         |
| Regular programs - undistributed instruction:                   |                            |                             |                         |                    |                    |
| Other salaries for instruction                                  | 417,486                    | -                           | 417,486                 | 417,486            | -                  |
| General supplies  | 3,155,615                  | 192,836                     | 3,348,451               | 1,888,768          | 1,459,683          |
| Technology supplies   | 221,943                    | 80,000                      | 301,943                 | 299,427            | 2,516              |
| Textbooks   | 969,521                    | (229,111)                   | 740,410                 | 362,753            | 377,657            |
| Other objects   | 20,784                     | (3,500)                     | 17,284                  | 9,979              | 7,305              |
| Total regular programs - undistributed instruction              | <u>4,785,349</u>           | <u>40,225</u>               | <u>4,825,574</u>        | <u>2,978,413</u>   | <u>1,847,161</u>   |
| Total regular programs  | <u>46,191,636</u>          | <u>(1,226,224)</u>          | <u>44,965,412</u>       | <u>47,275,883</u>  | <u>(2,310,471)</u> |
| Special education:  |                            |                             |                         |                    |                    |
| Cognitive - moderate:   |                            |                             |                         |                    |                    |
| Salaries of teachers  | 1,168,900                  | -                           | 1,168,900               | 1,168,900          | -                  |
| Other salaries for instruction                                  | 392,000                    | -                           | 392,000                 | 392,000            | -                  |
| Total cognitive - moderate                                      | <u>1,560,900</u>           | <u>-</u>                    | <u>1,560,900</u>        | <u>1,560,900</u>   | <u>-</u>           |
| Neurologically impaired:  |                            |                             |                         |                    |                    |
| Salaries of teachers  | 2,571,210                  | -                           | 2,571,210               | 2,571,210          | -                  |
| Other salaries for instruction                                  | 1,119,493                  | -                           | 1,119,493               | 1,119,493          | -                  |
| General supplies  | 42,864                     | -                           | 42,864                  | 8,263              | 34,601             |
| Technology supplies   | 7,136                      | (2,600)                     | 4,536                   | 3,865              | 671                |
| Textbooks   | 50,000                     | (34,123)                    | 15,877                  | 10,687             | 5,190              |
| Other objects   | 90,000                     | 1,000                       | 91,000                  | 88,964             | 2,036              |
| Total learning/language disabilities                            | <u>3,880,703</u>           | <u>(35,723)</u>             | <u>3,844,980</u>        | <u>3,802,482</u>   | <u>42,498</u>      |

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**for the Fiscal Year Ended June 30, 2015**

|   | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance</u> |
|---|----------------------------|-----------------------------|-------------------------|-------------------|-----------------|
| <b>Behavioral disabilities:</b>                           |                            |                             |                         |                   |                 |
| Salaries of teachers                                      | \$ 4,379,130               | \$ -                        | \$ 4,379,130            | \$ 4,379,130      | \$ -            |
| Other salaries for instruction                            | 310,597                    | -                           | 310,597                 | 310,597           | -               |
| General supplies  | 13,420                     | -                           | 13,420                  | 5,282             | 8,138           |
| Technology supplies                                       | 12,736                     | -                           | 12,736                  | 1,659             | 11,077          |
| Textbooks   | 10,000                     | -                           | 10,000                  | -                 | 10,000          |
| Other objects   | 6,000                      | -                           | 6,000                   | 2,184             | 3,816           |
| <b>Total behavioral disabilities</b>                      | <u>4,731,883</u>           | <u>-</u>                    | <u>4,731,883</u>        | <u>4,698,852</u>  | <u>33,031</u>   |
| <b>Multiple disabilities:</b>                             |                            |                             |                         |                   |                 |
| Salaries of teachers                                      | 1,255,169                  | -                           | 1,255,169               | 1,255,169         | -               |
| Other salaries for instruction                            | 495,038                    | -                           | 495,038                 | 495,038           | -               |
| General supplies  | 1,859                      | -                           | 1,859                   | 1,718             | 141             |
| Textbooks   | 19,000                     | -                           | 19,000                  | 6,329             | 12,671          |
| Other objects   | 15,535                     | -                           | 15,535                  | 12,121            | 3,414           |
| <b>Total multiple disabilities</b>                        | <u>1,786,601</u>           | <u>-</u>                    | <u>1,786,601</u>        | <u>1,770,375</u>  | <u>16,226</u>   |
| <b>Resource room/resource center:</b>                     |                            |                             |                         |                   |                 |
| Salaries of teachers                                      | 1,378,115                  | -                           | 1,378,115               | 1,378,115         | -               |
| General supplies  | 7,271                      | 9,100                       | 16,371                  | 10,775            | 5,596           |
| Technology supplies                                       | 12,839                     | 25,675                      | 38,514                  | 2,586             | 35,928          |
| Textbooks   | 60,000                     | (25,675)                    | 34,325                  | 6,413             | 27,912          |
| Other objects   | 34,590                     | (6,500)                     | 28,090                  | 28,052            | 38              |
| <b>Total resource room/resource center</b>                | <u>1,492,815</u>           | <u>2,600</u>                | <u>1,495,415</u>        | <u>1,425,941</u>  | <u>69,474</u>   |
| <b>Autism:</b>  |                            |                             |                         |                   |                 |
| Salaries of teachers                                      | 596,252                    | -                           | 596,252                 | 596,252           | -               |
| Other salaries for instruction                            | 890,974                    | -                           | 890,974                 | 890,974           | -               |
| General supplies  | 9,082                      | -                           | 9,082                   | 8,085             | 997             |
| Technology supplies                                       | 2,755                      | -                           | 2,755                   | 2,747             | 8               |
| Other objects   | 7,306                      | -                           | 7,306                   | 5,089             | 2,217           |
| <b>Total autism</b>                                       | <u>1,506,369</u>           | <u>-</u>                    | <u>1,506,369</u>        | <u>1,503,147</u>  | <u>3,222</u>    |
| <b>Speech/occupational therapy/physical therapy:</b>      |                            |                             |                         |                   |                 |
| Salaries of teachers                                      | 682,855                    | -                           | 682,855                 | 682,855           | -               |
| Other salaries for instruction                            | 187,408                    | -                           | 187,408                 | 187,408           | -               |
| General supplies  | 7,135                      | -                           | 7,135                   | 5,354             | 1,781           |
| Technology supplies                                       | 718                        | -                           | 718                     | 718               | -               |
| Other objects   | 15,594                     | -                           | 15,594                  | 6,594             | 9,000           |
| <b>Total speech/occupational therapy/physical therapy</b> | <u>893,710</u>             | <u>-</u>                    | <u>893,710</u>          | <u>882,929</u>    | <u>10,781</u>   |
| <b>Total special education - instruction</b>              | <u>15,852,981</u>          | <u>(33,123)</u>             | <u>15,819,858</u>       | <u>15,644,626</u> | <u>175,232</u>  |
| <b>Basic skills/remedial:</b>                             |                            |                             |                         |                   |                 |
| Salaries of teachers                                      | 722,846                    | -                           | 722,846                 | 722,846           | -               |
| <b>Total basic skills/remedial</b>                        | <u>722,846</u>             | <u>-</u>                    | <u>722,846</u>          | <u>722,846</u>    | <u>-</u>        |
| <b>Bilingual education:</b>                               |                            |                             |                         |                   |                 |
| Salaries of teachers                                      | 1,263,009                  | -                           | 1,263,009               | 1,263,009         | -               |
| Other salaries for instruction                            | 240,214                    | -                           | 240,214                 | 240,214           | -               |
| Textbooks   | 5,859                      | -                           | 5,859                   | 3,469             | 2,390           |
| Other objects   | 16,709                     | -                           | 16,709                  | 16,709            | -               |
| <b>Total bilingual education</b>                          | <u>1,525,791</u>           | <u>-</u>                    | <u>1,525,791</u>        | <u>1,523,401</u>  | <u>2,390</u>    |
| <b>Vocational programs-local-instruction:</b>             |                            |                             |                         |                   |                 |
| Salaries of teachers                                      | 866,173                    | -                           | 866,173                 | 866,173           | -               |
| General supplies  | 56,878                     | -                           | 56,878                  | 26,180            | 30,698          |
| Technology supplies                                       | 28,975                     | -                           | 28,975                  | 28,913            | 62              |
| Textbooks   | 148,392                    | (7,582)                     | 140,810                 | 140,802           | 8               |
| Other objects   | 892,670                    | -                           | 892,670                 | 882,469           | 10,201          |
| <b>Total vocational programs-local-instruction</b>        | <u>1,993,088</u>           | <u>(7,582)</u>              | <u>1,985,506</u>        | <u>1,944,537</u>  | <u>40,969</u>   |

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**for the Fiscal Year Ended June 30, 2015**

|   | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance</u>    |
|---|----------------------------|-----------------------------|-------------------------|-------------------|--------------------|
| Other instructional:  |                            |                             |                         |                   |                    |
| School-sponsored cocurricular activities:                   |                            |                             |                         |                   |                    |
| Salaries  | \$ 174,063                 | \$ -                        | \$ 174,063              | \$ 174,063        | \$ -               |
| Other Objects   | 1,000                      | -                           | 1,000                   | 1,000             | -                  |
| School-sponsored athletics:                                 |                            |                             |                         |                   |                    |
| Salaries  | 649,328                    | -                           | 649,328                 | 649,328           | -                  |
| Other purchase services                                     | 338,461                    | 400                         | 338,861                 | 314,401           | 24,460             |
| Community service programs:                                 |                            |                             |                         |                   |                    |
| Salaries  | 60,992                     | -                           | 60,992                  | 60,992            | -                  |
| Total other instructional                                   | <u>1,223,844</u>           | <u>400</u>                  | <u>1,224,244</u>        | <u>1,199,784</u>  | <u>24,460</u>      |
| Total - instruction   | <u>67,510,186</u>          | <u>(1,266,529)</u>          | <u>66,243,657</u>       | <u>68,311,077</u> | <u>(2,067,420)</u> |
| Undistributed expenditures - instruction:                   |                            |                             |                         |                   |                    |
| Tuition to other LEA's within the state - special           | 444,010                    | (292,082)                   | 151,928                 | 109,815           | 42,113             |
| Tuition to CSSD & regional day schools                      | 328,139                    | (300,000)                   | 28,139                  | 5,815             | 22,324             |
| Tuition to private schools for the handicapped-within state | 1,304,412                  | 1,765,808                   | 3,070,220               | 2,885,347         | 184,873            |
| Tuition - state facilities                                  | 173,254                    | (113,094)                   | 60,160                  | -                 | 60,160             |
| Tuition - other   | 96,268                     | (6,405)                     | 89,863                  | -                 | 89,863             |
| Total undistributed expenditures - instruction              | <u>2,346,083</u>           | <u>1,054,227</u>            | <u>3,400,310</u>        | <u>3,000,977</u>  | <u>399,333</u>     |
| Attendance and social work services:                        |                            |                             |                         |                   |                    |
| Salaries  | 404,410                    | -                           | 404,410                 | 404,410           | -                  |
| Other purchased services (400-500 series)                   | 2,100                      | -                           | 2,100                   | 2,100             | -                  |
| Supplies and materials                                      | 1,700                      | 1,700                       | 3,400                   | 3,354             | 46                 |
| Total attendance and social work services                   | <u>408,210</u>             | <u>1,700</u>                | <u>409,910</u>          | <u>409,864</u>    | <u>46</u>          |
| Health services:  |                            |                             |                         |                   |                    |
| Salaries  | 1,895,873                  | -                           | 1,895,873               | 1,895,873         | -                  |
| Purchased professional and technical services               | 97,937                     | -                           | 97,937                  | 88,313            | 9,624              |
| Other purchased services (400-500 series)                   | 25,682                     | -                           | 25,682                  | 22,913            | 2,769              |
| Supplies and materials                                      | 23,786                     | (1,700)                     | 22,086                  | 17,917            | 4,169              |
| Total health services                                       | <u>2,043,278</u>           | <u>(1,700)</u>              | <u>2,041,578</u>        | <u>2,025,016</u>  | <u>16,562</u>      |
| Other support services - students-related services:         |                            |                             |                         |                   |                    |
| Salaries  | 839,868                    | -                           | 839,868                 | 839,868           | -                  |
| Supplies and materials                                      | 47,715                     | -                           | 47,715                  | 12,794            | 34,921             |
| Other objects   | 12,228                     | -                           | 12,228                  | 8,451             | 3,777              |
| Total other support services - students-related services    | <u>899,811</u>             | <u>-</u>                    | <u>899,811</u>          | <u>861,113</u>    | <u>38,698</u>      |
| Other support services - students-regular:                  |                            |                             |                         |                   |                    |
| Salaries of other professional staff                        | 2,228,366                  | (108,000)                   | 2,120,366               | 2,120,366         | -                  |
| Salaries of secretarial and clerical assistants             | 339,854                    | -                           | 339,854                 | 339,854           | -                  |
| Supplies and materials                                      | 54,585                     | 108,000                     | 162,585                 | 77,635            | 84,950             |
| Total other support services - students-regular             | <u>2,622,805</u>           | <u>-</u>                    | <u>2,622,805</u>        | <u>2,537,855</u>  | <u>84,950</u>      |
| Other support services - students - special services:       |                            |                             |                         |                   |                    |
| Salaries of other professional staff                        | 2,009,633                  | (697,994)                   | 1,311,639               | 1,311,639         | -                  |
| Salaries of secretarial and clerical assistants             | 497,047                    | -                           | 497,047                 | 497,047           | -                  |
| Purchased professional - educational services               | 1,146,605                  | 683,994                     | 1,830,599               | 1,575,194         | 255,405            |
| Supplies and materials                                      | 38,231                     | (6,000)                     | 32,231                  | 26,165            | 6,066              |
| Total other support services - students-special services    | <u>3,691,516</u>           | <u>(20,000)</u>             | <u>3,671,516</u>        | <u>3,410,045</u>  | <u>261,471</u>     |
| Improvement of instructional services:                      |                            |                             |                         |                   |                    |
| Salaries of supervisors of instructions                     | 1,548,819                  | -                           | 1,548,819               | 1,548,819         | -                  |
| Salaries of secretarial and clerical assistants             | 302,058                    | -                           | 302,058                 | 302,058           | -                  |
| Other objects   | 10,000                     | -                           | 10,000                  | 1,875             | 8,125              |
| Total improvement of instructional services                 | <u>1,860,877</u>           | <u>-</u>                    | <u>1,860,877</u>        | <u>1,852,752</u>  | <u>8,125</u>       |
| Educational media services/school library:                  |                            |                             |                         |                   |                    |
| Salaries  | 136,391                    | -                           | 136,391                 | 136,391           | -                  |
| Supplies and materials                                      | 55,848                     | -                           | 55,848                  | 46,497            | 9,351              |
| Total educational media services/school library             | <u>192,239</u>             | <u>-</u>                    | <u>192,239</u>          | <u>182,888</u>    | <u>9,351</u>       |

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**for the Fiscal Year Ended June 30, 2015**

|  | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance</u> |
|--|----------------------------|-----------------------------|-------------------------|------------------|-----------------|
| Instruction staff training services:   |                            |                             |                         |                  |                 |
| Other purchased professional services - educational                                      | \$ 23,000                  | \$ (4,000)                  | \$ 19,000               | \$ 18,764        | \$ 236          |
| Other purchased professional services - technical  | 14,450                     | (5,500)                     | 8,950                   | 7,236            | 1,714           |
| Other purchased services (400-500 series)  | 20,000                     | (8,800)                     | 11,200                  | 10,772           | 428             |
| Travel   | -                          | 14,300                      | 14,300                  | 12,487           | 1,813           |
| Total instruction staff training services  | <u>57,450</u>              | <u>(4,000)</u>              | <u>53,450</u>           | <u>49,259</u>    | <u>4,191</u>    |
| Support services - general administration:   |                            |                             |                         |                  |                 |
| Salaries   | 995,252                    | -                           | 995,252                 | 995,252          | -               |
| Legal services   | 220,052                    | 133,999                     | 354,051                 | 309,112          | 44,939          |
| Audit Fees   | 120,200                    | 19,800                      | 140,000                 | 64,700           | 75,300          |
| Other purchased professional services  | 100,000                    | (11,785)                    | 88,215                  | 70,896           | 17,319          |
| Communications/telephone   | 450,000                    | (117,591)                   | 332,409                 | 326,986          | 5,423           |
| Board of education other purchased services  | 25,000                     | (10,429)                    | 14,571                  | 14,571           | -               |
| Other purchased services (400-500 series)  | 359,075                    | (62,766)                    | 296,309                 | 241,962          | 54,347          |
| Supplies and materials   | 207,363                    | (521)                       | 206,842                 | 184,453          | 22,389          |
| Board of education in-house training supplies  | 32,000                     | (22,999)                    | 9,001                   | 9,001            | -               |
| Miscellaneous expenditures   | 45,453                     | 15,733                      | 61,186                  | 22,465           | 38,721          |
| Board of education membership dues and fees  | 35,000                     | (8,015)                     | 26,985                  | 26,985           | -               |
| Total support services - general administration  | <u>2,589,395</u>           | <u>(64,574)</u>             | <u>2,524,821</u>        | <u>2,266,383</u> | <u>258,438</u>  |
| Support services - school administration:  |                            |                             |                         |                  |                 |
| Salaries of principals/assistant principals  | 3,041,743                  | (300,000)                   | 2,741,743               | 2,741,743        | -               |
| Salaries of secretarial and clerical assistants  | 2,224,853                  | -                           | 2,224,853               | 2,224,853        | -               |
| Supplies and materials   | 151,420                    | (1,292)                     | 150,128                 | 122,246          | 27,882          |
| Total support services - school administration   | <u>5,418,016</u>           | <u>(301,292)</u>            | <u>5,116,724</u>        | <u>5,088,842</u> | <u>27,882</u>   |
| Central services:  |                            |                             |                         |                  |                 |
| Salaries   | 991,896                    | -                           | 991,896                 | 991,896          | -               |
| Miscellaneous purchased services   | 30,000                     | -                           | 30,000                  | 30,000           | -               |
| Lease-back payments  | 629,288                    | 1,118,874                   | 1,748,162               | 1,568,332        | 179,830         |
| Supplies and materials   | 32,000                     | (31,639)                    | 361                     | -                | 361             |
| Total central services:  | <u>1,683,184</u>           | <u>1,087,235</u>            | <u>2,770,419</u>        | <u>2,590,228</u> | <u>180,191</u>  |
| Administrative Information Technology:   |                            |                             |                         |                  |                 |
| Salaries   | 64,431                     | -                           | 64,431                  | 64,431           | -               |
| Purchased profession services  | 27,005                     | -                           | 27,005                  | 25,009           | 1,996           |
| Purchased technical services   | 21,000                     | -                           | 21,000                  | 21,000           | -               |
| Other purchased services (400-500 series)  | 100,000                    | -                           | 100,000                 | 100,000          | -               |
| Total administrative information technology:   | <u>212,436</u>             | <u>-</u>                    | <u>212,436</u>          | <u>210,440</u>   | <u>1,996</u>    |
| Required maintenance for school facilities:  |                            |                             |                         |                  |                 |
| Salaries   | 4,442,565                  | -                           | 4,442,565               | 4,442,565        | -               |
| General supplies   | 520,615                    | -                           | 520,615                 | 510,337          | 10,278          |
| Total required maintenance for school facilities   | <u>4,963,180</u>           | <u>-</u>                    | <u>4,963,180</u>        | <u>4,952,902</u> | <u>10,278</u>   |
| Operation and maintenance of plant services:   |                            |                             |                         |                  |                 |
| Salaries   | 2,044,182                  | -                           | 2,044,182               | 2,044,182        | -               |
| Cleaning, repair and maintenance services  | 2,435,124                  | 76,485                      | 2,511,609               | 2,056,042        | 455,567         |
| Insurance  | 345,000                    | (58,243)                    | 286,757                 | 286,757          | -               |
| General supplies   | 923,974                    | 647                         | 924,621                 | 923,177          | 1,444           |
| Electricity  | 2,328,179                  | (75,950)                    | 2,252,229               | 1,960,920        | 291,309         |
| Total operation and maintenance of plant services  | <u>8,076,459</u>           | <u>(57,061)</u>             | <u>8,019,398</u>        | <u>7,271,078</u> | <u>748,320</u>  |
| Student transportation services:   |                            |                             |                         |                  |                 |
| Salaries for pupil transportation -<br>(between home and school) - special               | 1,247,696                  | (200,000)                   | 1,047,696               | 1,047,696        | -               |
| Cleaning, repair and maintenance services  | 72,000                     | 70,000                      | 142,000                 | 62,480           | 79,520          |
| Rental payments - school buses   | 1,500                      | -                           | 1,500                   | -                | 1,500           |
| Lease purchase payments - school buses   | 37,000                     | -                           | 37,000                  | 6,670            | 30,330          |
| Contracted services -<br>Contracted services -<br>(Special education students) - vendors | 1,206,303                  | 190,000                     | 1,396,303               | 1,158,327        | 237,976         |
| Miscellaneous purchased services - transportation  | 162,000                    | 25,000                      | 187,000                 | 116,668          | 70,332          |
| General supplies   | 240,000                    | (85,000)                    | 155,000                 | 113,516          | 41,484          |
| Miscellaneous purchased services   | 10,000                     | -                           | 10,000                  | 5,628            | 4,372           |
| Total student transportation services  | <u>2,976,499</u>           | <u>-</u>                    | <u>2,976,499</u>        | <u>2,510,985</u> | <u>465,514</u>  |

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**for the Fiscal Year Ended June 30, 2015**

|   | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>       | <u>Variance</u>     |
|---|----------------------------|-----------------------------|-------------------------|---------------------|---------------------|
| Employee benefits:  |                            |                             |                         |                     |                     |
| Social Security contribution                                    | \$ 1,668,322               | \$ 315,176                  | \$ 1,983,498            | \$ 1,983,498        | \$ -                |
| Other retirement contributions                                  | 2,000,000                  | (350,763)                   | 1,649,237               | 1,649,237           | -                   |
| Workers' compensation   | 40,000                     | 65,509                      | 105,509                 | 105,509             | -                   |
| Unemployment compensation                                       | 365,000                    | (365,000)                   | -                       | -                   | -                   |
| Health benefits   | 13,883,980                 | (225,450)                   | 13,658,530              | 14,858,012          | (1,199,482)         |
| Tuition reimbursement   | 45,000                     | 51,000                      | 96,000                  | 61,149              | 34,851              |
| Total employee benefits   | <u>18,006,302</u>          | <u>(513,528)</u>            | <u>17,492,774</u>       | <u>18,657,405</u>   | <u>(1,164,631)</u>  |
| On-Behalf TPAF contributions (non budgeted)                     |                            |                             |                         |                     |                     |
| Pension   | -                          | -                           | -                       | 2,837,425           | (2,837,425)         |
| Non-contributory group insurance                                | -                          | -                           | -                       | 204,140             | (204,140)           |
| Post-retirement medical contributions                           | -                          | -                           | -                       | 4,828,487           | (4,828,487)         |
| Reimbursed TPAF Social Security contributions<br>(non budgeted) | <u>-</u>                   | <u>-</u>                    | <u>-</u>                | <u>4,991,091</u>    | <u>(4,991,091)</u>  |
| Total on-behalf contributions                                   | <u>-</u>                   | <u>-</u>                    | <u>-</u>                | <u>12,861,143</u>   | <u>(12,861,143)</u> |
| Total undistributed expenditures                                | <u>58,047,740</u>          | <u>1,181,007</u>            | <u>59,228,747</u>       | <u>70,739,175</u>   | <u>(11,510,428)</u> |
| Total current expense   | <u>125,557,926</u>         | <u>(85,522)</u>             | <u>125,472,404</u>      | <u>139,050,252</u>  | <u>(13,577,848)</u> |
| <b>CAPITAL OUTLAY</b>   |                            |                             |                         |                     |                     |
| Equipment:  |                            |                             |                         |                     |                     |
| Preschool/kindergarten  | 13,955                     | -                           | 13,955                  | 7,409               | 6,546               |
| Grades 1 - 5  | 15,628                     | -                           | 15,628                  | 15,628              | -                   |
| Grades 6 - 8  | 8,125                      | -                           | 8,125                   | 8,125               | -                   |
| Grades 9 - 12   | 10,625                     | -                           | 10,625                  | 10,625              | -                   |
| Basic skills/remedial - instruction                             | 15,000                     | -                           | 15,000                  | -                   | 15,000              |
| Vocational - instruction  | 18,125                     | -                           | 18,125                  | 10,801              | 7,324               |
| Undistributed expenditures:                                     |                            |                             |                         |                     |                     |
| Instructional   | 27,143                     | -                           | 27,143                  | 1,143               | 26,000              |
| Support services - students                                     | 34,573                     | -                           | 34,573                  | 34,573              | -                   |
| School Buses - Special  | 339,868                    | -                           | 339,868                 | 339,868             | -                   |
| Total equipment   | <u>483,042</u>             | <u>-</u>                    | <u>483,042</u>          | <u>428,172</u>      | <u>54,870</u>       |
| Assets acquired under capital leases (non budgeted)             | <u>-</u>                   | <u>-</u>                    | <u>-</u>                | <u>122,103</u>      | <u>(122,103)</u>    |
| Total capital outlay  | <u>483,042</u>             | <u>-</u>                    | <u>483,042</u>          | <u>550,275</u>      | <u>(67,233)</u>     |
| <b>SPECIAL SCHOOLS</b>  |                            |                             |                         |                     |                     |
| Adult education - local - instruction:                          |                            |                             |                         |                     |                     |
| Salaries of teachers  | 254,380                    | -                           | 254,380                 | 254,380             | -                   |
| General supplies  | 12,730                     | -                           | 12,730                  | 6,214               | 6,516               |
| Technology supplies   | 7,795                      | -                           | 7,795                   | 7,355               | 440                 |
| Textbooks   | 10,133                     | (4,788)                     | 5,345                   | 5,345               | -                   |
| Other objects   | 99,242                     | -                           | 99,242                  | 75,241              | 24,001              |
| Total adult education - local - instruction                     | <u>384,280</u>             | <u>(4,788)</u>              | <u>379,492</u>          | <u>348,535</u>      | <u>30,957</u>       |
| Total special schools   | <u>384,280</u>             | <u>(4,788)</u>              | <u>379,492</u>          | <u>348,535</u>      | <u>30,957</u>       |
| Charter Schools   | <u>118,736</u>             | <u>84,810</u>               | <u>203,546</u>          | <u>203,546</u>      | <u>-</u>            |
| Total expenditures  | <u>126,543,984</u>         | <u>(5,500)</u>              | <u>126,538,484</u>      | <u>140,152,608</u>  | <u>(13,614,124)</u> |
| Excess (deficiency) of revenues<br>over (under) expenditures    | <u>(12,105,200)</u>        | <u>5,500</u>                | <u>(12,099,700)</u>     | <u>(11,817,086)</u> | <u>282,614</u>      |
| <b>OTHER FINANCING SOURCES (USES)</b>                           |                            |                             |                         |                     |                     |
| Capital Leases (non budgeted)                                   | -                          | -                           | -                       | 122,103             | 122,103             |
| Special Item - prior year accounts receivable reinstated        | -                          | -                           | -                       | 1,282,986           | 1,282,986           |
| Special item - contribution to unemployment                     | -                          | -                           | -                       | -                   | -                   |
| Operating transfer out - contribution to food service fund      | (560,964)                  | -                           | (560,964)               | (560,964)           | -                   |
| Transfers out - contribution to capital projects fund           | -                          | -                           | -                       | (217)               | (217)               |
| Total other financing sources (uses)                            | <u>(560,964)</u>           | <u>-</u>                    | <u>(560,964)</u>        | <u>843,908</u>      | <u>1,404,872</u>    |

**CITY OF BAYONNE SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 for the Fiscal Year Ended June 30, 2015**

|   | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>       | <u>Variance</u>     |
|---|----------------------------|-----------------------------|-------------------------|---------------------|---------------------|
| Excess (deficiency) of revenues and other financing sources<br>over (under) expenditures and other financing uses | \$ (12,666,164)            | \$ 5,500                    | \$ (12,660,664)         | \$ (10,973,178)     | \$ 1,687,486        |
| Fund balances, July 1   | 12,666,164                 | (5,500)                     | 12,660,664              | 20,358,071          | 7,697,407           |
| Fund balances, June 30  | <u>\$ -</u>                | <u>\$ -</u>                 | <u>\$ -</u>             | <u>\$ 9,384,893</u> | <u>\$ 9,384,893</u> |
| <b><u>Recapitulation:</u></b>   |                            |                             |                         |                     |                     |
| Restricted for:   |                            |                             |                         |                     |                     |
| Reserve for Excess Surplus  |                            |                             |                         | \$ 1,523,324        |                     |
| Committed to:   |                            |                             |                         |                     |                     |
| Year-end Encumbrances   |                            |                             |                         | 4,040,304           |                     |
| Assigned to:  |                            |                             |                         |                     |                     |
| Designated for subsequent<br>year's expenditures  |                            |                             |                         | 651,077             |                     |
| Unassigned  |                            |                             |                         | <u>3,170,188</u>    |                     |
|   |                            |                             |                         | 9,384,893           |                     |
| Reconciliation to Government Funds (GAAP)   |                            |                             |                         |                     |                     |
| Last State Aid Payment not recognized on GAAP Basis   |                            |                             |                         | <u>(5,300,560)</u>  |                     |
| Fund Balance per Government Funds (GAAP)  |                            |                             |                         | <u>\$ 4,084,333</u> |                     |

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**for the Fiscal Year Ended June 30, 2015**

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget  | Actual           | Variance       |
|---|--------------------|---------------------|------------------|------------------|----------------|
| <b>REVENUES</b>                                     |                    |                     |                  |                  |                |
| Federal sources                                     | \$ 4,330,109       | \$ 1,736,465        | \$ 6,066,574     | \$ 5,632,267     | \$ 434,307     |
| State sources                                       | 2,783,473          | 513,994             | 3,297,467        | 3,014,996        | 282,471        |
| Miscellaneous                                       | 188,720            | 181,034             | 369,754          | 264,250          | 105,504        |
| Total revenues                                      | <u>7,302,302</u>   | <u>2,431,493</u>    | <u>9,733,795</u> | <u>8,911,513</u> | <u>822,282</u> |
| <b>EXPENDITURES</b>                                 |                    |                     |                  |                  |                |
| Instruction:  |                    |                     |                  |                  |                |
| Salaries of teachers                                | 5,816,260          | (1,170,701)         | 4,645,559        | 4,505,433        | 140,126        |
| Other salaries for instruction                      | 251,771            | 47,722              | 299,493          | 299,493          | -              |
| Purchased prof. & tech. services                    | -                  | 203,194             | 203,194          | 190,247          | 12,947         |
| Other purchased services (400-500 series)           | 81,580             | (8,329)             | 73,251           | 73,251           | -              |
| General supplies                                    | 30,656             | 527,812             | 558,468          | 262,822          | 295,646        |
| Textbooks   | 42,613             | 14,465              | 57,078           | 55,178           | 1,900          |
| Other objects                                       | 3,586              | 6,706               | 10,292           | 9,722            | 570            |
| Total instruction                                   | <u>6,226,466</u>   | <u>(379,131)</u>    | <u>5,847,335</u> | <u>5,396,146</u> | <u>451,189</u> |
| Support services:                                   |                    |                     |                  |                  |                |
| Salaries  | -                  | 446,478             | 446,478          | 446,478          | -              |
| Salaries of supervisors of instruction              | -                  | 216,666             | 216,666          | 216,666          | -              |
| Salaries of Program Directors                       | 207,202            | 26,178              | 233,380          | 233,380          | -              |
| Salaries of other professional staff                | -                  | 134,358             | 134,358          | 134,358          | -              |
| Salaries of secretarial & clerical staff            | 38,455             | 149,252             | 187,707          | 187,707          | -              |
| Salaries of facilitators, math and literacy coaches | 10,120             | 56,425              | 66,545           | 66,545           | -              |
| Personal services-employee benefits                 | 249,285            | 1,399,216           | 1,648,501        | 1,574,464        | 74,037         |
| Purchased professional - educational services       | -                  | 35,045              | 35,045           | 34,045           | 1,000          |
| Other purchased professional services               | 97,857             | (47,857)            | 50,000           | -                | 50,000         |
| Purchased technical services                        | 62,996             | 31,286              | 94,282           | 94,282           | -              |
| Rentals   | -                  | 10,000              | 10,000           | 10,000           | -              |
| Contracted services transportation                  | -                  | 4,568               | 4,568            | -                | 4,568          |
| Travel  | -                  | 1,524               | 1,524            | 1,524            | -              |
| Other purchased services (400-500 series)           | 188,720            | 84,032              | 272,752          | 171,828          | 100,924        |
| Supplies and materials                              | 221,201            | 254,589             | 475,790          | 337,226          | 138,564        |
| Other objects                                       | -                  | 5,700               | 5,700            | 3,700            | 2,000          |
| Total support services                              | <u>1,075,836</u>   | <u>2,807,460</u>    | <u>3,883,296</u> | <u>3,512,203</u> | <u>371,093</u> |
| Facilities acquisition and construction services:   |                    |                     |                  |                  |                |
| Instructional equipment                             | -                  | 3,164               | 3,164            | 3,164            | -              |
| Total facilities acquisition and const. services    | <u>-</u>           | <u>3,164</u>        | <u>3,164</u>     | <u>3,164</u>     | <u>-</u>       |
| Total expenditures                                  | <u>7,302,302</u>   | <u>2,431,493</u>    | <u>9,733,795</u> | <u>8,911,513</u> | <u>822,282</u> |
| Total Outflows                                      | <u>7,302,302</u>   | <u>2,431,493</u>    | <u>9,733,795</u> | <u>8,911,513</u> | <u>822,282</u> |
| Excess of revenues over expenditures                | -                  | -                   | -                | -                | -              |
| Fund balance, July 1                                | -                  | -                   | -                | -                | -              |
| Fund balance, June 30                               | <u>\$ -</u>        | <u>\$ -</u>         | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>    |

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budget to GAAP Reconciliation**  
**Note to RSI**  
**for the Fiscal Year Ended June 30, 2015**

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

|   | General<br>Fund      | Special<br>Revenue<br>Fund |
|---|----------------------|----------------------------|
| <b>Sources/inflows of resources</b>   |                      |                            |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule   | [C-1] \$ 128,335,522 | [C-2] \$ 8,911,513         |
| Difference - budget to GAAP:  |                      |                            |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.  | -                    | 34,042                     |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.   | 5,276,730            | 222,301                    |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements.  | (5,300,560)          | (215,446)                  |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.  | [B-2] \$ 128,311,692 | [B-2] \$ 8,952,410         |
| <b>Uses/outflows of resources</b>   |                      |                            |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule  | [C-1] \$ 140,152,608 | [C-2] \$ 8,911,513         |
| 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. | -                    | 34,042                     |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds  | [B-2] \$ 140,152,608 | [B-2] \$ 8,945,555         |

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART III**

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING  
FOR PENSIONS (GASB 68)**

**CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)  
LAST TWO FISCAL YEARS**

|  | <u>June 30, 2015</u> | <u>June 30, 2014</u> |
|--|----------------------|----------------------|
| District's proportion of the net pension liability   | 0.2000565083%        | 0.1994052725%        |
| District's proportionate share of the net pension liability  | \$ 37,456,050        | \$ 38,110,310        |
| District's covered-employee payroll  | \$ 15,122,699        | \$ 14,557,819        |
| District's proportionate share of the net pension liability<br>as a percentage of its covered-employee payroll | 248%                 | 262%                 |
| Plan fiduciary net position as a percentage of the<br>total pension liability                                  | 52.08%               | 48.72%               |

**CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)  
LAST TWO FISCAL YEARS**

|   | <u>June 30, 2015</u> | <u>June 30, 2014</u> |
|---|----------------------|----------------------|
| Contractually required contribution                                     | \$ 1,649,237         | \$ 1,502,478         |
| Contributions in relation to the<br>contractually required contribution | <u>1,649,237</u>     | <u>1,502,478</u>     |
| Contribution deficiency (excess)  | <u>\$ -</u>          | <u>\$ -</u>          |
| District's covered-employee payroll                                     | \$ 15,122,699        | \$ 14,557,819        |
| Contributions as a percentage of<br>covered-employee payroll            | 10.91%               | 10.32%               |

**CITY OF BAYONNE SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TEACHERS PENSION ANNUITY FUND (TPAF)  
 LAST TWO FISCAL YEARS**

|  | <b>June 30, 2015</b> | <b>June 30, 2014</b> |
|--|----------------------|----------------------|
| District's proportion of the net pension liability   | 0.00%                | 0.00%                |
| District's proportionate share of the net pension liability  | \$ -                 | \$ -                 |
| District's covered-employee payroll  | \$ 59,838,204        | \$ 54,455,845        |
| District's proportionate share of the net pension liability<br>as a percentage of its covered-employee payroll | 0.00%                | 0.00%                |
| Plan fiduciary net position as a percentage of the<br>total pension liability                                  | 33.64%               | 33.76%               |

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
LAST TWO FISCAL YEARS**

*Changes in benefit terms:* None

*Changes in assumptions:* The discount rate changed from the rate as of June 30, 2013 to the rate as of June 30, 2014, in accordance with GASB Statement No. 67.

*Method and assumptions used in calculations of employer's actuarially determined contributions* The actuarially determined contributions are calculated as of July 1 preceding the fiscal year in which the contributions are reported. Unless otherwise noted above, the following actuarial methods and assumptions were used to determine rates in the schedule of employer contributions.

**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, 2015**

|   | Total<br>Brought<br>Forward<br>(Ex. E-1a) | No Child Left Behind     |  |
|---|---|--------------------------|--|
|   |   | Title I, Part A<br>Basic | Title II, Part A<br>Teacher &<br>Principal<br>Training |
| <b>REVENUES</b>   |   |                          |  |
| Federal sources   | \$ -                                      | \$ 2,390,260             | \$ 367,921   |
| State sources   | 3,014,996                                 | -                        | -  |
| Miscellaneous   | 264,250                                   | -                        | -  |
| <b>Total revenues</b>   | <b>3,279,246</b>                          | <b>2,390,260</b>         | <b>367,921</b>   |
| <b>EXPENDITURES</b>   |   |                          |  |
| Instruction:  |   |                          |  |
| Salaries of teachers  | 1,484,288                                 | 1,412,430                | 142,276  |
| Other salaries for instruction                                | 299,493                                   | -                        | -  |
| Purchased prof. & tech. services                              | -   | -                        | 99,523   |
| Other purchased services (400-500 series)                     | 50,221                                    | 10,000                   | 1,000  |
| General supplies  | 67,300                                    | 133,782                  | -  |
| Textbooks   | 55,178                                    | -                        | -  |
| Other objects   | 5,500                                     | 1,000                    | 2,000  |
| <b>Total instruction</b>                                      | <b>1,961,980</b>                          | <b>1,557,212</b>         | <b>244,799</b>   |
| Support services:   |   |                          |  |
| Salaries  | -   | -                        | 59,538   |
| Salaries of supervisors of instruction                        | 72,472                                    | 144,194                  | -  |
| Salaries of Program Directors                                 | 233,380                                   | -                        | -  |
| Salaries of other professional staff                          | 134,358                                   | -                        | -  |
| Salaries of secretarial & clerical staff                      | 90,234                                    | 97,473                   | -  |
| Salaries of facilitators, math and literacy coaches           | 66,545                                    | -                        | -  |
| Personal services-employee benefits                           | 413,300                                   | 586,381                  | 24,973   |
| Purchased professional - educational services                 | 34,045                                    | -                        | -  |
| Purchased technical services                                  | 94,282                                    | -                        | -  |
| Rentals   | 10,000                                    | -                        | -  |
| Travel  | -   | -                        | 1,524  |
| Other purchased services (400-500 series)                     | 140,966                                   | 5,000                    | 23,862   |
| Supplies and materials  | 27,484                                    | -                        | 9,725  |
| Other objects   | 200                                       | -                        | 3,500  |
| <b>Total support services</b>                                 | <b>1,317,266</b>                          | <b>833,048</b>           | <b>123,122</b>   |
| Facilities acquisition and construction services:             |   |                          |  |
| Instructional equipment                                       | -   | -                        | -  |
| <b>Total facilities acquisition and construction services</b> | <b>-</b>                                  | <b>-</b>                 | <b>-</b>   |
| <b>Total expenditures</b>                                     | <b>3,279,246</b>                          | <b>2,390,260</b>         | <b>367,921</b>   |
| <b>Total Outflows</b>   | <b>3,279,246</b>                          | <b>2,390,260</b>         | <b>367,921</b>   |
| <b>Excess of revenues over expenditures</b>                   | <b>\$ -</b>                               | <b>\$ -</b>              | <b>\$ -</b>  |

| No Child<br>Left Behind<br>Title III,<br>English<br>Language<br>Acquisition | IDEA, Basic      | IDEA, Preschool | Race to the Top<br>Phase 3 | Totals<br>2015   |
|---|------------------|-----------------|----------------------------|------------------|
| \$ 85,191   | \$ 2,722,944     | \$ 53,921       | \$ 12,030                  | \$ 5,632,267     |
| -   | -                | -               | -                          | 3,014,996        |
| -   | -                | -               | -                          | 264,250          |
| <u>85,191</u>   | <u>2,722,944</u> | <u>53,921</u>   | <u>12,030</u>              | <u>8,911,513</u> |
| 11,031  | 1,415,844        | 39,564          | -                          | 4,505,433        |
| -   | -                | -               | -                          | 299,493          |
| 1,001   | 89,723           | -               | -                          | 190,247          |
| -   | -                | -               | 12,030                     | 73,251           |
| 61,740  | -                | -               | -                          | 262,822          |
| -   | -                | -               | -                          | 55,178           |
| -   | 1,222            | -               | -                          | 9,722            |
| <u>73,772</u>   | <u>1,506,789</u> | <u>39,564</u>   | <u>12,030</u>              | <u>5,396,146</u> |
| 1,000   | 385,940          | -               | -                          | 446,478          |
| -   | -                | -               | -                          | 216,666          |
| -   | -                | -               | -                          | 233,380          |
| -   | -                | -               | -                          | 134,358          |
| -   | -                | -               | -                          | 187,707          |
| -   | -                | -               | -                          | 66,545           |
| 920   | 534,533          | 14,357          | -                          | 1,574,464        |
| -   | -                | -               | -                          | 34,045           |
| -   | -                | -               | -                          | 94,282           |
| -   | -                | -               | -                          | 10,000           |
| -   | -                | -               | -                          | 1,524            |
| 2,000   | -                | -               | -                          | 171,828          |
| 7,499   | 292,518          | -               | -                          | 337,226          |
| -   | -                | -               | -                          | 3,700            |
| <u>11,419</u>   | <u>1,212,991</u> | <u>14,357</u>   | <u>-</u>                   | <u>3,512,203</u> |
| -   | 3,164            | -               | -                          | 3,164            |
| -   | 3,164            | -               | -                          | 3,164            |
| <u>85,191</u>   | <u>2,722,944</u> | <u>53,921</u>   | <u>12,030</u>              | <u>8,911,513</u> |
| <u>85,191</u>   | <u>2,722,944</u> | <u>53,921</u>   | <u>12,030</u>              | <u>8,911,513</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, 2015**

|   | Total<br>Brought<br>Forward<br>(Ex. E-1b) | Nonpublic<br>Textbook<br>Aid | Nonpublic<br>Handicapped Aid<br>Examination and<br>Classification |
|---|---|------------------------------|---|
| <b>REVENUES</b>   |   |                              |   |
| Federal sources   | \$ -                                      | \$ -                         | \$ -  |
| State sources   | 2,527,694                                 | 55,178                       | 44,656  |
| Miscellaneous   | 264,250                                   | -                            | -   |
| <b>Total revenues</b>   | <u>2,791,944</u>                          | <u>55,178</u>                | <u>44,656</u>   |
| <b>EXPENDITURES</b>   |   |                              |   |
| <b>Instruction:</b>   |   |                              |   |
| Salaries of teachers  | 1,359,589                                 | -                            | -   |
| Other salaries for instruction                                | 299,493                                   | -                            | -   |
| Purchased prof. & tech. services                              | -   | -                            | -   |
| Other purchased services (400-500 series)                     | -   | -                            | -   |
| General supplies  | 45,741                                    | -                            | -   |
| Textbooks   | -   | 55,178                       | -   |
| Other objects   | 5,070                                     | -                            | 430   |
| <b>Total instruction</b>                                      | <u>1,709,893</u>                          | <u>55,178</u>                | <u>430</u>  |
| <b>Support services:</b>                                      |   |                              |   |
| Salaries  | -   | -                            | -   |
| Salaries of supervisors of instruction                        | 54,448                                    | -                            | -   |
| Salaries of Program Directors                                 | 226,880                                   | -                            | 6,500   |
| Salaries of other professional staff                          | 105,254                                   | -                            | 25,000  |
| Salaries of secretarial & clerical staff                      | 78,052                                    | -                            | 8,200   |
| Salaries of facilitators, math and literacy coaches           | 66,545                                    | -                            | -   |
| Personal services-employee benefits                           | 339,866                                   | -                            | 3,037   |
| Purchased professional - educational services                 | 34,045                                    | -                            | -   |
| Purchased technical services                                  | -   | -                            | -   |
| Rentals   | 10,000                                    | -                            | -   |
| Travel  | -   | -                            | -   |
| Other purchased services (400-500 series)                     | 140,966                                   | -                            | -   |
| Supplies and materials  | 25,995                                    | -                            | 1,489   |
| Other objects   | -   | -                            | -   |
| <b>Total support services</b>                                 | <u>1,082,051</u>                          | <u>-</u>                     | <u>44,226</u>   |
| <b>Facilities acquisition and construction services:</b>      |   |                              |   |
| Instructional equipment                                       | -   | -                            | -   |
| <b>Total facilities acquisition and construction services</b> | <u>-</u>                                  | <u>-</u>                     | <u>-</u>  |
| <b>Total expenditures</b>                                     | <u>2,791,944</u>                          | <u>55,178</u>                | <u>44,656</u>   |
| <b>Total Outflows</b>   | <u>2,791,944</u>                          | <u>55,178</u>                | <u>44,656</u>   |
| <b>Excess of revenues over expenditures</b>                   | <u>\$ -</u>                               | <u>\$ -</u>                  | <u>\$ -</u>   |

| Nonpublic Handicapped Aid |               | Nonpublic Aux  | Nonpublic     | Total            |
|---------------------------|---------------|----------------|---------------|------------------|
| Corrective                | Supplemental  | Services Aid   | Nursing       | Carried          |
| Speech                    | Instruction   | Compensatory   | Services      | Forward          |
|                           |               | Education      |               |                  |
| \$ -                      | \$ -          | \$ -           | \$ -          | \$ -             |
| 4,418                     | 50,221        | 238,547        | 94,282        | 3,014,996        |
| -                         | -             | -              | -             | 264,250          |
| <u>4,418</u>              | <u>50,221</u> | <u>238,547</u> | <u>94,282</u> | <u>3,279,246</u> |
| -                         | -             | 124,699        | -             | 1,484,288        |
| -                         | -             | -              | -             | 299,493          |
| -                         | -             | -              | -             | -                |
| -                         | 50,221        | -              | -             | 50,221           |
| -                         | -             | 21,559         | -             | 67,300           |
| -                         | -             | -              | -             | 55,178           |
| -                         | -             | -              | -             | 5,500            |
| <u>-</u>                  | <u>50,221</u> | <u>146,258</u> | <u>-</u>      | <u>1,961,980</u> |
| -                         | -             | -              | -             | -                |
| -                         | -             | 18,024         | -             | 72,472           |
| -                         | -             | -              | -             | 233,380          |
| 4,104                     | -             | -              | -             | 134,358          |
| -                         | -             | 3,982          | -             | 90,234           |
| -                         | -             | -              | -             | 66,545           |
| 314                       | -             | 70,083         | -             | 413,300          |
| -                         | -             | -              | -             | 34,045           |
| -                         | -             | -              | 94,282        | 94,282           |
| -                         | -             | -              | -             | 10,000           |
| -                         | -             | -              | -             | -                |
| -                         | -             | -              | -             | 140,966          |
| -                         | -             | -              | -             | 27,484           |
| -                         | -             | 200            | -             | 200              |
| <u>4,418</u>              | <u>-</u>      | <u>92,289</u>  | <u>94,282</u> | <u>1,317,266</u> |
| -                         | -             | -              | -             | -                |
| -                         | -             | -              | -             | -                |
| <u>4,418</u>              | <u>50,221</u> | <u>238,547</u> | <u>94,282</u> | <u>3,279,246</u> |
| <u>4,418</u>              | <u>50,221</u> | <u>238,547</u> | <u>94,282</u> | <u>3,279,246</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, 2015**

|   | Nonpublic<br>Technology<br>Initiative | Preschool<br>Education<br>Aid | School Based<br>Youth Services |
|---|---------------------------------------|-------------------------------|--------------------------------|
| <b>REVENUES</b>   |                                       |                               |                                |
| Federal sources   | \$ -                                  | \$ -                          | \$ -                           |
| State sources   | 29,461                                | 2,135,258                     | 271,162                        |
| Miscellaneous   | -                                     | -                             | -                              |
| <b>Total revenues</b>   | <u>29,461</u>                         | <u>2,135,258</u>              | <u>271,162</u>                 |
| <b>EXPENDITURES</b>   |                                       |                               |                                |
| <b>Instruction:</b>   |                                       |                               |                                |
| Salaries of teachers  | -                                     | 1,128,833                     | 230,756                        |
| Other salaries for instruction                                | -                                     | 299,493                       | -                              |
| Purchased prof. & tech. services                              | -                                     | -                             | -                              |
| Other purchased services (400-500 series)                     | -                                     | -                             | -                              |
| General supplies  | 29,461                                | -                             | -                              |
| Textbooks   | -                                     | -                             | -                              |
| Other objects   | -                                     | -                             | -                              |
| <b>Total instruction</b>                                      | <u>29,461</u>                         | <u>1,428,326</u>              | <u>230,756</u>                 |
| <b>Support services:</b>                                      |                                       |                               |                                |
| Salaries  | -                                     | -                             | -                              |
| Salaries of supervisors of instruction                        | -                                     | -                             | -                              |
| Salaries of Program Directors                                 | -                                     | 226,880                       | -                              |
| Salaries of other professional staff                          | -                                     | -                             | -                              |
| Salaries of secretarial & clerical staff                      | -                                     | 50,592                        | 27,460                         |
| Salaries of facilitators, math and literacy coaches           | -                                     | 66,545                        | -                              |
| Personal services-employee benefits                           | -                                     | 339,866                       | -                              |
| Purchased professional - educational services                 | -                                     | -                             | -                              |
| Purchased technical services                                  | -                                     | -                             | -                              |
| Rentals   | -                                     | -                             | 10,000                         |
| Travel  | -                                     | -                             | -                              |
| Other purchased services (400-500 series)                     | -                                     | -                             | -                              |
| Supplies and materials  | -                                     | 23,049                        | 2,946                          |
| Other objects   | -                                     | -                             | -                              |
| <b>Total support services</b>                                 | <u>-</u>                              | <u>706,932</u>                | <u>40,406</u>                  |
| <b>Facilities acquisition and construction services:</b>      |                                       |                               |                                |
| Instructional equipment                                       | -                                     | -                             | -                              |
| <b>Total facilities acquisition and construction services</b> | <u>-</u>                              | <u>-</u>                      | <u>-</u>                       |
| <b>Total expenditures</b>                                     | <u>29,461</u>                         | <u>2,135,258</u>              | <u>271,162</u>                 |
| <b>Total Outflows</b>   | <u>29,461</u>                         | <u>2,135,258</u>              | <u>271,162</u>                 |
| <b>Excess of revenues over expenditures</b>                   | <u>\$ -</u>                           | <u>\$ -</u>                   | <u>\$ -</u>                    |

| Municipal<br>Alliance | Bayonne Housing<br>Authority, Drug<br>Elimination<br>Program | Adopt-A-School<br>Grant | Total<br>Carried<br>Forward |
|-----------------------|--|-------------------------|-----------------------------|
| \$ -                  | \$ -   | \$ -                    | \$ -                        |
| 91,813                | -  | -                       | 2,527,694                   |
| -                     | 123,284  | 140,966                 | 264,250                     |
| <u>91,813</u>         | <u>123,284</u>   | <u>140,966</u>          | <u>2,791,944</u>            |
| -                     | -  | -                       | 1,359,589                   |
| -                     | -  | -                       | 299,493                     |
| -                     | -  | -                       | -                           |
| -                     | 16,280   | -                       | 45,741                      |
| -                     | -  | -                       | -                           |
| 3,320                 | 1,750  | -                       | 5,070                       |
| <u>3,320</u>          | <u>18,030</u>  | <u>-</u>                | <u>1,709,893</u>            |
| -                     | -  | -                       | -                           |
| 54,448                | -  | -                       | 54,448                      |
| -                     | -  | -                       | 226,880                     |
| -                     | 105,254  | -                       | 105,254                     |
| -                     | -  | -                       | 78,052                      |
| -                     | -  | -                       | 66,545                      |
| -                     | -  | -                       | 339,866                     |
| 34,045                | -  | -                       | 34,045                      |
| -                     | -  | -                       | -                           |
| -                     | -  | -                       | 10,000                      |
| -                     | -  | -                       | -                           |
| -                     | -  | 140,966                 | 140,966                     |
| -                     | -  | -                       | 25,995                      |
| -                     | -  | -                       | -                           |
| <u>88,493</u>         | <u>105,254</u>   | <u>140,966</u>          | <u>1,082,051</u>            |
| -                     | -  | -                       | -                           |
| -                     | -  | -                       | -                           |
| <u>91,813</u>         | <u>123,284</u>   | <u>140,966</u>          | <u>2,791,944</u>            |
| <u>91,813</u>         | <u>123,284</u>   | <u>140,966</u>          | <u>2,791,944</u>            |
| <u>\$ -</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, 2015**

|   | <u>Original<br/>Budget</u> | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>       | <u>Variance</u>   |
|---|----------------------------|-----------------------------|-------------------------|---------------------|-------------------|
| <b>EXPENDITURES</b>                                 |                            |                             |                         |                     |                   |
| Instruction:  |                            |                             |                         |                     |                   |
| Salaries of teachers                                | \$ 1,081,069               | \$ 160,994                  | \$ 1,242,063            | \$ 1,128,833        | \$ 113,230        |
| Other salaries for instruction                      | 251,771                    | 47,722                      | 299,493                 | 299,493             | -                 |
| Total instruction                                   | <u>1,332,840</u>           | <u>208,716</u>              | <u>1,541,556</u>        | <u>1,428,326</u>    | <u>113,230</u>    |
| Support services:                                   |                            |                             |                         |                     |                   |
| Salaries of Program Directors                       | 207,202                    | 19,678                      | 226,880                 | 226,880             | -                 |
| Salaries of secretarial & clerical staff            | 38,455                     | 12,137                      | 50,592                  | 50,592              | -                 |
| Salaries of facilitators, math and literacy coaches | 10,120                     | 56,425                      | 66,545                  | 66,545              | -                 |
| Personal services-employee benefits                 | 249,285                    | 90,581                      | 339,866                 | 339,866             | -                 |
| Other purchased professional services               | 97,857                     | (47,857)                    | 50,000                  | -                   | 50,000            |
| Supplies and materials                              | 218,701                    | (84,227)                    | 134,474                 | 23,049              | 111,425           |
| Total support services                              | <u>821,620</u>             | <u>46,737</u>               | <u>868,357</u>          | <u>706,932</u>      | <u>161,425</u>    |
| Total expenditures                                  | <u>\$ 2,154,460</u>        | <u>\$ 255,453</u>           | <u>\$ 2,409,913</u>     | <u>\$ 2,135,258</u> | <u>\$ 274,655</u> |

**CALCULATION OF BUDGET & CARRYOVER**

|   |                                     |
|---|-------------------------------------|
| Total revised 2014-15 Preschool Education Aid   | \$ 2,154,460                        |
| Add: Actual Preschool Education Aid carryover June 30, 2014   | 255,453                             |
| Add: Budgeted transfer from General Fund 2014-15  | -                                   |
| Total Preschool Education Aid funds available for<br>2014-15 Budget   | <u>2,409,913</u>                    |
| Less: 2014-15 budgeted Preschool Education Aid<br>(Including prior year budgeted carryover)                 | <u>(2,409,913)</u>                  |
| Available & unbudgeted funds as of June 30, 2015  | -                                   |
| Add: June 30, 2015 unexpended Preschool Education Aid<br>2014-15 actual carryover - Preschool Education Aid | <u>274,655</u><br><u>\$ 274,655</u> |
| Preschool Education Aid carryover<br>Budgeted for Preschool Programs 2015-16                                | <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, 2015**

| Project Title/Issue                         | Revised<br>Budgetary<br>Appropriations | GAAP<br>Expenditures to Date |                     | Unexpended<br>Balance<br>June 30, 2015 |
|---|--|------------------------------|---------------------|--|
|   |  | Prior<br>Years               | Current<br>Year     |  |
| 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 - Business Administrator       | 1,583,368                              | 1,490,747                    | -                   | 92,621                                 |
| Improvements to Walter F. Robinson No. 3 ES | 668,256                                | 545,504                      | 122,752             | -                                      |
| Improvements to John M. Bailey No. 12 ES    | 383,454                                | 338,788                      | 44,666              | -                                      |
| Improvements to Henry Harris No. 1 ES       | 390,814                                | 377,815                      | 12,999              | -                                      |
| Improvements to Horace Mann No. 6 ES        | 811,250                                | 456,012                      | 355,238             | -                                      |
| Improvements to Lincoln No. 5 ES            | 541,602                                | 480,093                      | 61,509              | -                                      |
| Improvements to Mary J. Donohoe No. 4 ES    | 606,505                                | 502,544                      | 103,961             | -                                      |
| Improvements to Phillip G. Vroom No. 2 ES   | 319,093                                | 482,339                      | (163,246)           | -                                      |
| Improvements to Washington No. 9 ES         | 1,493,500                              | 806,464                      | 687,036             | -                                      |
| Improvements to Woodrow Wilson No. 10 ES    | 1,024,951                              | 821,062                      | 203,889             | -                                      |
| Improvements to Bayonne High School         | 1,256,440                              | 1,460,222                    | (203,782)           | -                                      |
| Renovations at Bayonne High School          | 6,341,960                              | 62,472                       | 294,022             | 5,985,466                              |
| Renovations at Walter F. Robinson No. 3 ES  | 827,375                                | 24,561                       | 7,478               | 795,336                                |
| Renovations at John M. Bailey No. 12 ES     | 347,500                                | -                            | 47,940              | 299,560                                |
| Renovations at Henry Harris No. 1 ES        | 113,750                                | -                            | -                   | 113,750                                |
| Renovations at Horace Mann No. 6 ES         | 1,100,793                              | -                            | -                   | 1,100,793                              |
| Renovations at Lincoln No. 5 ES             | 1,367,500                              | 58,918                       | 796,424             | 512,158                                |
| Renovations at Mary J. Donohoe No. 4 ES     | 198,125                                | -                            | -                   | 198,125                                |
| Renovations at Midtown Community No. 8 ES   | 1,275,369                              | 197,753                      | 44,012              | 1,033,604                              |
| Renovations at Phillip G. Vroom No. 2 ES    | 855,000                                | 20,933                       | 410,916             | 423,151                                |
| Renovations at Washington No. 9 ES          | 1,077,500                              | -                            | -                   | 1,077,500                              |
| Renovations at Woodrow Wilson No. 10 ES     | 495,250                                | -                            | 69,841              | 425,409                                |
|   | <u>\$ 30,434,792</u>                   | <u>\$ 15,451,390</u>         | <u>\$ 2,895,655</u> | <u>\$ 12,087,747</u>                   |
| Committed fund balance:                     |  |                              |                     |  |
| Year-end encumbrances                       |  |                              |                     | \$ 1,557,834                           |
| Assigned fund balance:                      |  |                              |                     |  |
| Capital projects fund                       |  |                              |                     | <u>10,529,913</u>                      |
|   |  |                              |                     | <u>\$ 12,087,747</u>                   |

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis**  
**for the Fiscal Year Ended June 30, 2015**

**REVENUES AND OTHER FINANCING SOURCES**

|  |                           |
|--|---------------------------|
| State sources - SDA Grant                  | \$ (1,735,263)            |
| Transfer from capital reserve              | 217                       |
| City of Bayonne                            | <u>(1,350,292)</u>        |
| Total revenues and other financing sources | <u><u>(3,085,338)</u></u> |

**EXPENDITURES**

|  |                         |
|--|-------------------------|
| Construction services                                | 1,670,633               |
| Special Item - prior year adjustment to expenditures | <u>1,225,022</u>        |
| Total expenditures                                   | <u><u>2,895,655</u></u> |

|   |                             |
|---|-----------------------------|
| Excess of revenues and other financing sources<br>over expenditures | (5,980,993)                 |
| Fund balance, July 1  | <u>18,068,740</u>           |
| Fund balance, June 30   | <u><u>\$ 12,087,747</u></u> |

**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, 2015**

|   | Prior<br>Years | Current<br>Year | Totals         | Revised<br>Authorized<br>Cost |
|---|----------------|-----------------|----------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                |                 |                |                               |
| 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>                |
| <b>Expenditures and other financing uses</b>                        |                |                 |                |                               |
| 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 and other financing sources<br>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, 2015**

|   | Prior<br>Years   | Current<br>Year | Totals           | Revised<br>Authorized<br>Cost |
|---|------------------|-----------------|------------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                  |                 |                  |                               |
| City of Bayonne   | \$ 4,583,293     | \$ -            | \$ 4,583,293     | \$ 4,583,293                  |
| Total revenues  | <u>4,583,293</u> | <u>-</u>        | <u>4,583,293</u> | <u>4,583,293</u>              |
| <b>Expenditures and other financing uses</b>                        |                  |                 |                  |                               |
| 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 and other financing sources<br>over expenditures | <u>\$ 16,154</u> | <u>\$ -</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<br>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, 2015**

|   | Prior<br>Years   | Current<br>Year | Totals           | Revised<br>Authorized<br>Cost |
|---|------------------|-----------------|------------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                  |                 |                  |                               |
| City of Bayonne   | \$ 487,292       | \$ -            | \$ 487,292       | \$ 487,292                    |
| Total revenues  | <u>487,292</u>   | <u>-</u>        | <u>487,292</u>   | <u>487,292</u>                |
| <b>Expenditures and other financing uses</b>                        |                  |                 |                  |                               |
| 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 and other financing sources<br>over expenditures | <u>\$ 13,028</u> | <u>\$ -</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 | -2.54%     |
| 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, 2015**

|   | Prior<br>Years   | Current<br>Year | Totals           | Revised<br>Authorized<br>Cost |
|---|------------------|-----------------|------------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                  |                 |                  |                               |
| City of Bayonne   | \$ 1,899,852     | \$ -            | \$ 1,899,852     | \$ 1,899,852                  |
| Total revenues  | <u>1,899,852</u> | <u>-</u>        | <u>1,899,852</u> | <u>1,899,852</u>              |
| <b>Expenditures and other financing uses</b>                        |                  |                 |                  |                               |
| 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 and other financing sources<br>over expenditures | <u>\$ 199</u>    | <u>\$ -</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<br>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 - Business Administrator**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years   | Current<br>Year | Totals           | Revised<br>Authorized<br>Cost |
|---|------------------|-----------------|------------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                  |                 |                  |                               |
| City of Bayonne   | \$ 1,583,368     | \$ -            | \$ 1,583,368     | \$ 1,583,368                  |
| Total revenues  | <u>1,583,368</u> | <u>-</u>        | <u>1,583,368</u> | <u>1,583,368</u>              |
| <b>Expenditures and other financing uses</b>                        |                  |                 |                  |                               |
| Construction services   | 1,490,747        | -               | 1,490,747        | 1,583,368                     |
| Total expenditures  | <u>1,490,747</u> | <u>-</u>        | <u>1,490,747</u> | <u>1,583,368</u>              |
| Excess of revenues and other financing sources<br>over expenditures | <u>\$ 92,621</u> | <u>\$ -</u>     | <u>\$ 92,621</u> | <u>\$ -</u>                   |

**Additional project information:**

|  |             |
|--|-------------|
| Project number                                       | *           |
| Grant date/letter of notification                    | *           |
| Original authorized cost                             | \$1,640,000 |
| Authorized cancellation                              | (\$56,632)  |
| Revised authorized cost                              | \$1,583,368 |
| Percentage increase over original<br>authorized cost | -3.45%      |
| 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 Walter F. Robinson No. 3 ES**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years    | Current<br>Year     | Totals         | Revised<br>Authorized<br>Cost |
|---|-------------------|---------------------|----------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                   |                     |                |                               |
| State sources - SDA Grant   | \$ 607,762        | \$ (231,967)        | \$ 375,795     | \$ 375,795                    |
| City of Bayonne   | 472,988           | (180,527)           | 292,461        | 292,461                       |
| Total revenues  | <u>1,080,750</u>  | <u>(412,494)</u>    | <u>668,256</u> | <u>668,256</u>                |
| <b>Expenditures and other financing uses</b>                        |                   |                     |                |                               |
| Construction services   | 545,504           | -                   | 545,504        | 668,256                       |
| Special Item - prior year adjustment to expenditures                | -                 | 122,752             | 122,752        | -                             |
| Total expenditures  | <u>545,504</u>    | <u>122,752</u>      | <u>668,256</u> | <u>668,256</u>                |
| Excess of revenues and other financing sources<br>over expenditures | <u>\$ 535,246</u> | <u>\$ (535,246)</u> | <u>\$ -</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        | (\$412,494)      |
| Revised authorized cost           | \$668,256        |

|   |         |
|---|---------|
| Percentage increase (decrease) over<br>original authorized cost | -38.17% |
| 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 John M. Bailey No. 12 ES**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years    | Current<br>Year     | Totals         | Revised<br>Authorized<br>Cost |
|---|-------------------|---------------------|----------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                   |                     |                |                               |
| State sources - SDA Grant   | \$ 335,724        | \$ (120,088)        | \$ 215,636     | \$ 215,636                    |
| City of Bayonne   | 261,276           | (93,458)            | 167,818        | 167,818                       |
| Total revenues  | <u>597,000</u>    | <u>(213,546)</u>    | <u>383,454</u> | <u>383,454</u>                |
| <b>Expenditures and other financing uses</b>                        |                   |                     |                |                               |
| Construction services   | 338,788           | -                   | 338,788        | 383,454                       |
| Special Item - prior year adjustment to expenditures                | -                 | 44,666              | 44,666         | -                             |
| Total expenditures  | <u>338,788</u>    | <u>44,666</u>       | <u>383,454</u> | <u>383,454</u>                |
| Excess of revenues and other financing sources<br>over expenditures | <u>\$ 258,212</u> | <u>\$ (258,212)</u> | <u>\$ -</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                                      | (\$213,546)           |
| Revised authorized cost   | \$383,454             |
| Percentage increase (decrease) over<br>original authorized cost | -35.77%               |
| 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 Henry Harris No. 1 ES**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years    | Current<br>Year     | Totals         | Revised<br>Authorized<br>Cost |
|---|-------------------|---------------------|----------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                   |                     |                |                               |
| State sources - SDA Grant   | \$ 358,851        | \$ (139,076)        | \$ 219,775     | \$ 219,775                    |
| City of Bayonne   | 279,274           | (108,235)           | 171,039        | 171,039                       |
| Total revenues  | <u>638,125</u>    | <u>(247,311)</u>    | <u>390,814</u> | <u>390,814</u>                |
| <b>Expenditures and other financing uses</b>                        |                   |                     |                |                               |
| Construction services   | 377,815           | -                   | 377,815        | 390,814                       |
| Special Item - prior year adjustment to expenditures                | -                 | 12,999              | 12,999         | -                             |
| Total expenditures  | <u>377,815</u>    | <u>12,999</u>       | <u>390,814</u> | <u>390,814</u>                |
| Excess of revenues and other financing sources<br>over expenditures | <u>\$ 260,310</u> | <u>\$ (260,310)</u> | <u>\$ -</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                                      | (\$247,311)           |
| Revised authorized cost   | \$390,814             |
| Percentage increase (decrease) over<br>original authorized cost | -38.76%               |
| 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 Horace Mann No. 6 ES**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years    | Current<br>Year     | Totals         | Revised<br>Authorized<br>Cost |
|---|-------------------|---------------------|----------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                   |                     |                |                               |
| 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>                |
| <b>Expenditures and other financing uses</b>                        |                   |                     |                |                               |
| Construction services   | 456,012           | -                   | 456,012        | 456,012                       |
| Special Item - prior year adjustment to expenditures                | -                 | 355,238             | 355,238        | -                             |
| Total expenditures  | <u>456,012</u>    | <u>355,238</u>      | <u>811,250</u> | <u>456,012</u>                |
| Excess of revenues and other financing sources<br>over expenditures | <u>\$ 355,238</u> | <u>\$ (355,238)</u> | <u>\$ -</u>    | <u>\$ 355,238</u>             |

**Additional project information:**

|   |                       |
|---|-----------------------|
| Project number  | 0220-060-09-1005-00AO |
| Grant date/letter of notification                               | *                     |
| Original authorized cost  | \$811,250             |
| Additional authorized cost                                      | (\$355,238)           |
| Revised authorized cost   | \$456,012             |
| Percentage increase (decrease) over<br>original authorized cost | -43.79%               |
| 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 Lincoln No. 5 ES**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years | Current<br>Year | Totals     | Revised<br>Authorized<br>Cost |
|---|----------------|-----------------|------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                |                 |            |                               |
| State sources - SDA Grant   | \$ 467,455     | \$ (162,884)    | \$ 304,571 | \$ 304,571                    |
| City of Bayonne   | 363,795        | (126,764)       | 237,031    | 237,031                       |
| Total revenues  | 831,250        | (289,648)       | 541,602    | 541,602                       |
| <b>Expenditures and other financing uses</b>                        |                |                 |            |                               |
| Construction services   | 480,093        | -               | 480,093    | 541,602                       |
| Special Item - prior year adjustment to expenditures                | -              | 61,509          | 61,509     | -                             |
| Total expenditures  | 480,093        | 61,509          | 541,602    | 541,602                       |
| Excess of revenues and other financing sources<br>over expenditures | \$ 351,157     | \$ (351,157)    | \$ -       | \$ -                          |

**Additional project information:**

|   |                  |
|---|------------------|
| Project number  | 0220-070-09-0OAP |
| Grant date/letter of notification                               | *                |
| Original authorized cost  | \$831,250        |
| Additional authorized cost                                      | (\$289,648)      |
| Revised authorized cost   | \$541,602        |
| Percentage increase (decrease) over<br>original authorized cost | -34.84%          |
| 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 Mary J. Donohoe No. 4 ES**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years    | Current<br>Year     | Totals         | Revised<br>Authorized<br>Cost |
|---|-------------------|---------------------|----------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                   |                     |                |                               |
| State sources - SDA Grant   | \$ 538,420        | \$ (197,351)        | \$ 341,069     | \$ 341,069                    |
| City of Bayonne   | 419,023           | (153,587)           | 265,436        | 265,436                       |
| Total revenues  | <u>957,443</u>    | <u>(350,938)</u>    | <u>606,505</u> | <u>606,505</u>                |
| <b>Expenditures and other financing uses</b>                        |                   |                     |                |                               |
| Construction services   | 502,544           | -                   | 502,544        | 606,505                       |
| Special Item - prior year adjustment to expenditures                | -                 | 103,961             | 103,961        | -                             |
| Total expenditures  | <u>502,544</u>    | <u>103,961</u>      | <u>606,505</u> | <u>606,505</u>                |
| Excess of revenues and other financing sources<br>over expenditures | <u>\$ 454,899</u> | <u>\$ (454,899)</u> | <u>\$ -</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                                      | (\$350,938)      |
| Revised authorized cost   | \$606,505        |
| Percentage increase (decrease) over<br>original authorized cost | -36.65%          |
| 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 Phillip G. Vroom No. 2 ES**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years    | Current<br>Year     | Totals         | Revised<br>Authorized<br>Cost |
|---|-------------------|---------------------|----------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                   |                     |                |                               |
| State sources - SDA Grant   | \$ 386,673        | \$ (207,231)        | \$ 179,442     | \$ 179,442                    |
| City of Bayonne   | 300,927           | (161,276)           | 139,651        | 139,651                       |
| Total revenues  | <u>687,600</u>    | <u>(368,507)</u>    | <u>319,093</u> | <u>319,093</u>                |
| <b>Expenditures and other financing uses</b>                        |                   |                     |                |                               |
| Construction services   | 482,339           | -                   | 482,339        | 319,093                       |
| Special Item - prior year adjustment to expenditures                | -                 | (163,246)           | (163,246)      | -                             |
| Total expenditures  | <u>482,339</u>    | <u>(163,246)</u>    | <u>319,093</u> | <u>319,093</u>                |
| Excess of revenues and other financing sources<br>over expenditures | <u>\$ 205,261</u> | <u>\$ (205,261)</u> | <u>\$ -</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                                      | (\$368,507)      |
| Revised authorized cost   | \$319,093        |
| Percentage increase (decrease) over<br>original authorized cost | -53.59%          |
| 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 Washington No. 9 ES**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years    | Current<br>Year     | Totals           | Revised<br>Authorized<br>Cost |
|---|-------------------|---------------------|------------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                   |                     |                  |                               |
| 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>              |
| <b>Expenditures and other financing uses</b>                        |                   |                     |                  |                               |
| Construction services   | 806,464           | -                   | 806,464          | 1,493,500                     |
| Special Item - prior year adjustment to expenditures                |                   | 687,036             | 687,036          | -                             |
| Total expenditures  | <u>806,464</u>    | <u>687,036</u>      | <u>1,493,500</u> | <u>1,493,500</u>              |
| Excess of revenues and other financing sources<br>over expenditures | <u>\$ 687,036</u> | <u>\$ (687,036)</u> | <u>\$ -</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<br>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 Woodrow Wilson No. 10 ES**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years    | Current<br>Year     | Totals           | Revised<br>Authorized<br>Cost |
|---|-------------------|---------------------|------------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                   |                     |                  |                               |
| State sources - SDA Grant   | \$ 707,579        | \$ (131,196)        | \$ 576,383       | \$ 576,383                    |
| City of Bayonne   | 550,671           | (102,103)           | 448,568          | 448,568                       |
| Total revenues  | <u>1,258,250</u>  | <u>(233,299)</u>    | <u>1,024,951</u> | <u>1,024,951</u>              |
| <b>Expenditures and other financing uses</b>                        |                   |                     |                  |                               |
| Construction services   | 821,062           | -                   | 821,062          | 1,024,951                     |
| Special Item - prior year adjustment to expenditures                | -                 | 203,889             | 203,889          | -                             |
| Total expenditures  | <u>821,062</u>    | <u>203,889</u>      | <u>1,024,951</u> | <u>1,024,951</u>              |
| Excess of revenues and other financing sources<br>over expenditures | <u>\$ 437,188</u> | <u>\$ (437,188)</u> | <u>\$ -</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        | (\$233,299)      |
| Revised authorized cost           | \$1,024,951      |

|   |         |
|---|---------|
| Percentage increase (decrease) over<br>original authorized cost | -18.54% |
| 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, 2015**

|   | <u>Prior<br/>Years</u> | <u>Current<br/>Year</u> | <u>Totals</u>    | <u>Revised<br/>Authorized<br/>Cost</u> |
|---|------------------------|-------------------------|------------------|--|
| <b>Revenues and other financing sources</b>                         |                        |                         |                  |  |
| State sources - SDA Grant   | \$ 1,251,815           | \$ (545,253)            | \$ 706,562       | \$ 706,562                             |
| City of Bayonne   | <u>974,220</u>         | <u>(424,342)</u>        | <u>549,878</u>   | <u>549,878</u>                         |
| Total revenues  | <u>2,226,035</u>       | <u>(969,595)</u>        | <u>1,256,440</u> | <u>1,256,440</u>                       |
| <b>Expenditures and other financing uses</b>                        |                        |                         |                  |  |
| Construction services   | 1,460,222              | -                       | 1,460,222        | 1,256,440                              |
| Special Item - prior year adjustment to expenditures                | <u>-</u>               | <u>(203,782)</u>        | <u>(203,782)</u> | <u>-</u>                               |
| Total expenditures  | <u>1,460,222</u>       | <u>(203,782)</u>        | <u>1,256,440</u> | <u>1,256,440</u>                       |
| Excess of revenues and other financing sources<br>over expenditures | <u>\$ 765,813</u>      | <u>\$ (765,813)</u>     | <u>\$ -</u>      | <u>\$ -</u>                            |

**Additional project information:**

|                                   |                  |
|-----------------------------------|------------------|
| Project number                    | 0220-020-09-00AK |
| Grant date/letter of notification | *                |
| Original authorized cost          | \$2,226,035      |
| Additional authorized cost        | (\$969,595)      |
| Revised authorized cost           | \$1,256,440      |

|   |         |
|---|---------|
| Percentage increase (decrease) over<br>original authorized cost | -43.56% |
| 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**  
**Renovations at Bayonne High School**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years      | Current<br>Year     | Totals              | Revised<br>Authorized<br>Cost |
|---|---------------------|---------------------|---------------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                     |                     |                     |                               |
| State sources - SDA Grant   | \$ 3,737,374        | \$ -                | \$ 3,737,374        | \$ 3,737,374                  |
| Transfer from capital reserve                                       | 2,604,586           | -                   | 2,604,586           | 2,604,586                     |
| Total revenues  | <u>6,341,960</u>    | <u>-</u>            | <u>6,341,960</u>    | <u>6,341,960</u>              |
| <b>Expenditures and other financing uses</b>                        |                     |                     |                     |                               |
| Construction services   | 62,472              | 294,022             | 356,494             | 6,341,960                     |
| Total expenditures  | <u>62,472</u>       | <u>294,022</u>      | <u>356,494</u>      | <u>6,341,960</u>              |
| Excess of revenues and other financing sources<br>over expenditures | <u>\$ 6,279,488</u> | <u>\$ (294,022)</u> | <u>\$ 5,985,466</u> | <u>\$ -</u>                   |

**Additional project information:**

|                                   |                  |
|-----------------------------------|------------------|
| Project number                    | 0220-020-14-1001 |
| Grant date/letter of notification | 05/02/14         |
| Original authorized cost          | \$6,341,960      |
| Additional authorized cost        | \$0              |
| Revised authorized cost           | \$6,341,960      |

Percentage increase (decrease) over

original authorized cost 0.00%

Percentage completion 5.62%

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**  
**Renovations at Walter F. Robinson No. 3 ES**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years    | Current<br>Year   | Totals            | Revised<br>Authorized<br>Cost |
|---|-------------------|-------------------|-------------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                   |                   |                   |                               |
| State sources - SDA Grant   | \$ 487,580        | \$ -              | \$ 487,580        | \$ 487,580                    |
| Transfer from capital reserve                                       | 339,795           | -                 | 339,795           | 339,795                       |
| Total revenues  | <u>827,375</u>    | <u>-</u>          | <u>827,375</u>    | <u>827,375</u>                |
| <b>Expenditures and other financing uses</b>                        |                   |                   |                   |                               |
| Construction services   | 24,561            | 7,478             | 32,039            | 827,375                       |
| Total expenditures  | <u>24,561</u>     | <u>7,478</u>      | <u>32,039</u>     | <u>827,375</u>                |
| Excess of revenues and other financing sources<br>over expenditures | <u>\$ 802,814</u> | <u>\$ (7,478)</u> | <u>\$ 795,336</u> | <u>\$ -</u>                   |

**Additional project information:**

|   |                  |
|---|------------------|
| Project number  | 0220-030-14-1002 |
| Grant date/letter of notification                               | 05/16/14         |
| Original authorized cost  | \$827,375        |
| Additional authorized cost                                      | \$0              |
| Revised authorized cost   | \$827,375        |
| Percentage increase (decrease) over<br>original authorized cost | 0.00%            |
| Percentage completion   | 3.87%            |
| 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**  
**Renovations at John M. Bailey No. 12 ES**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years | Current<br>Year | Totals     | Revised<br>Authorized<br>Cost |
|---|----------------|-----------------|------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                |                 |            |                               |
| State sources - SDA Grant   | \$ 204,785     | \$ -            | \$ 204,785 | \$ 204,785                    |
| Transfer from capital reserve                                       | 142,715        | -               | 142,715    | 142,715                       |
| Total revenues  | 347,500        | -               | 347,500    | 347,500                       |
| <b>Expenditures and other financing uses</b>                        |                |                 |            |                               |
| Construction services   | -              | 47,940          | 47,940     | 347,500                       |
| Total expenditures  | -              | 47,940          | 47,940     | 347,500                       |
| Excess of revenues and other financing sources<br>over expenditures | \$ 347,500     | \$ (47,940)     | \$ 299,560 | \$ -                          |

**Additional project information:**

|   |                  |
|---|------------------|
| Project number  | 0220-040-14-1003 |
| Grant date/letter of notification                               | 05/16/14         |
| Original authorized cost  | \$347,500        |
| Additional authorized cost                                      | \$0              |
| Revised authorized cost   | \$347,500        |
| Percentage increase (decrease) over<br>original authorized cost | 0.00%            |
| Percentage completion   | 13.80%           |
| 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**  
**Renovations at Henry Harris No. 1 ES**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years    | Current<br>Year | Totals            | Revised<br>Authorized<br>Cost |
|---|-------------------|-----------------|-------------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                   |                 |                   |                               |
| State sources - SDA Grant   | \$ 67,034         | \$ -            | \$ 67,034         | \$ 67,034                     |
| Transfer from capital reserve                                       | 46,716            | -               | 46,716            | 46,716                        |
| Total revenues  | <u>113,750</u>    | <u>-</u>        | <u>113,750</u>    | <u>113,750</u>                |
| <b>Expenditures and other financing uses</b>                        |                   |                 |                   |                               |
| Construction services   | -                 | -               | -                 | 113,750                       |
| Total expenditures  | <u>-</u>          | <u>-</u>        | <u>-</u>          | <u>113,750</u>                |
| Excess of revenues and other financing sources<br>over expenditures | <u>\$ 113,750</u> | <u>\$ -</u>     | <u>\$ 113,750</u> | <u>\$ -</u>                   |

**Additional project information:**

|   |                  |
|---|------------------|
| Project number  | 0220-050-14-1004 |
| Grant date/letter of notification                               | 05/16/14         |
| Original authorized cost  | \$113,750        |
| Additional authorized cost                                      | \$0              |
| Revised authorized cost   | \$113,750        |
| Percentage increase (decrease) over<br>original authorized cost | 0.00%            |
| Percentage completion   | 0.00%            |
| 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**  
**Renovations at Horace Mann No. 6 ES**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years      | Current<br>Year | Totals              | Revised<br>Authorized<br>Cost |
|---|---------------------|-----------------|---------------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                     |                 |                     |                               |
| State sources - SDA Grant   | \$ 648,707          | \$ -            | \$ 648,707          | \$ 648,707                    |
| Transfer from capital reserve                                       | 452,086             | -               | 452,086             | 452,086                       |
| Total revenues  | <u>1,100,793</u>    | <u>-</u>        | <u>1,100,793</u>    | <u>1,100,793</u>              |
| <b>Expenditures and other financing uses</b>                        |                     |                 |                     |                               |
| Construction services   | -                   | -               | -                   | 1,100,793                     |
| Total expenditures  | <u>-</u>            | <u>-</u>        | <u>-</u>            | <u>1,100,793</u>              |
| Excess of revenues and other financing sources<br>over expenditures | <u>\$ 1,100,793</u> | <u>\$ -</u>     | <u>\$ 1,100,793</u> | <u>\$ -</u>                   |

**Additional project information:**

|   |                  |
|---|------------------|
| Project number  | 0220-060-14-1005 |
| Grant date/letter of notification                               | 05/16/14         |
| Original authorized cost  | \$1,100,793      |
| Additional authorized cost                                      | \$0              |
| Revised authorized cost   | \$1,100,793      |
| Percentage increase (decrease) over<br>original authorized cost | 0.00%            |
| Percentage completion   | 0.00%            |
| 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**  
**Renovations at Lincoln No. 5 ES**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years      | Current<br>Year     | Totals            | Revised<br>Authorized<br>Cost |
|---|---------------------|---------------------|-------------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                     |                     |                   |                               |
| State sources - SDA Grant   | \$ 805,880          | \$ -                | \$ 805,880        | \$ 805,880                    |
| Transfer from capital reserve                                       | 561,620             | -                   | 561,620           | 561,620                       |
| Total revenues  | <u>1,367,500</u>    | <u>-</u>            | <u>1,367,500</u>  | <u>1,367,500</u>              |
| <b>Expenditures and other financing uses</b>                        |                     |                     |                   |                               |
| Construction services   | 58,918              | 796,424             | 855,342           | 1,367,500                     |
| Total expenditures  | <u>58,918</u>       | <u>796,424</u>      | <u>855,342</u>    | <u>1,367,500</u>              |
| Excess of revenues and other financing sources<br>over expenditures | <u>\$ 1,308,582</u> | <u>\$ (796,424)</u> | <u>\$ 512,158</u> | <u>\$ -</u>                   |

**Additional project information:**

|   |                  |
|---|------------------|
| Project number  | 0220-070-14-1006 |
| Grant date/letter of notification                               | *                |
| Original authorized cost  | \$1,367,500      |
| Additional authorized cost                                      | \$0              |
| Revised authorized cost   | \$1,367,500      |
| Percentage increase (decrease) over<br>original authorized cost | 0.00%            |
| Percentage completion   | 62.55%           |
| 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**  
**Renovations at Mary J. Donohoe No. 4 ES**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years    | Current<br>Year | Totals            | Revised<br>Authorized<br>Cost |
|---|-------------------|-----------------|-------------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                   |                 |                   |                               |
| State sources - SDA Grant   | \$ 116,757        | \$ -            | \$ 116,757        | \$ 116,757                    |
| Transfer from capital reserve                                       | 81,368            | -               | 81,368            | 81,368                        |
| Total revenues  | <u>198,125</u>    | <u>-</u>        | <u>198,125</u>    | <u>198,125</u>                |
| <b>Expenditures and other financing uses</b>                        |                   |                 |                   |                               |
| Construction services   | -                 | -               | -                 | 198,125                       |
| Total expenditures  | <u>-</u>          | <u>-</u>        | <u>-</u>          | <u>198,125</u>                |
| Excess of revenues and other financing sources<br>over expenditures | <u>\$ 198,125</u> | <u>\$ -</u>     | <u>\$ 198,125</u> | <u>\$ -</u>                   |

**Additional project information:**

|   |                  |
|---|------------------|
| Project number  | 0220-080-14-1007 |
| Grant date/letter of notification                               | *                |
| Original authorized cost  | \$198,125        |
| Additional authorized cost                                      | \$0              |
| Revised authorized cost   | \$198,125        |
| Percentage increase (decrease) over<br>original authorized cost | 0.00%            |
| Percentage completion   | 0.00%            |
| 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**  
**Renovations at Midtown Community No. 8 ES**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years      | Current<br>Year    | Totals              | Revised<br>Authorized<br>Cost |
|---|---------------------|--------------------|---------------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                     |                    |                     |                               |
| State sources - SDA Grant   | \$ 751,590          | \$ (221)           | \$ 751,369          | \$ 751,590                    |
| Transfer from capital reserve                                       | 523,779             | 221                | 524,000             | 523,779                       |
| Total revenues  | <u>1,275,369</u>    | <u>-</u>           | <u>1,275,369</u>    | <u>1,275,369</u>              |
| <b>Expenditures and other financing uses</b>                        |                     |                    |                     |                               |
| Construction services   | 197,753             | 44,012             | 241,765             | 1,275,369                     |
| Total expenditures  | <u>197,753</u>      | <u>44,012</u>      | <u>241,765</u>      | <u>1,275,369</u>              |
| Excess of revenues and other financing sources<br>over expenditures | <u>\$ 1,077,616</u> | <u>\$ (44,012)</u> | <u>\$ 1,033,604</u> | <u>\$ -</u>                   |

**Additional project information:**

|   |                  |
|---|------------------|
| Project number  | 0220-085-14-1008 |
| Grant date/letter of notification                               | *                |
| Original authorized cost  | \$1,275,369      |
| Additional authorized cost                                      | \$0              |
| Revised authorized cost   | \$1,275,369      |
| Percentage increase (decrease) over<br>original authorized cost | 0.00%            |
| Percentage completion   | 18.96%           |
| 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**  
**Renovations at Phillip G. Vroom No. 2 ES**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years    | Current<br>Year     | Totals            | Revised<br>Authorized<br>Cost |
|---|-------------------|---------------------|-------------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                   |                     |                   |                               |
| State sources - SDA Grant   | \$ 503,855        | \$ 4                | \$ 503,859        | \$ 503,855                    |
| Transfer from capital reserve                                       | 351,145           | (4)                 | 351,141           | 351,145                       |
| Total revenues  | <u>855,000</u>    | <u>-</u>            | <u>855,000</u>    | <u>855,000</u>                |
| <b>Expenditures and other financing uses</b>                        |                   |                     |                   |                               |
| Construction services   | 20,933            | 410,916             | 431,849           | 855,000                       |
| Total expenditures  | <u>20,933</u>     | <u>410,916</u>      | <u>431,849</u>    | <u>855,000</u>                |
| Excess of revenues and other financing sources<br>over expenditures | <u>\$ 834,067</u> | <u>\$ (410,916)</u> | <u>\$ 423,151</u> | <u>\$ -</u>                   |

**Additional project information:**

|   |                  |
|---|------------------|
| Project number  | 0220-090-14-1009 |
| Grant date/letter of notification                               | *                |
| Original authorized cost  | \$855,000        |
| Additional authorized cost                                      | \$0              |
| Revised authorized cost   | \$855,000        |
| Percentage increase (decrease) over<br>original authorized cost | 0.00%            |
| Percentage completion   | 50.51%           |
| 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**  
**Renovations at Washington No. 9 ES**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years | Current<br>Year | Totals       | Revised<br>Authorized<br>Cost |
|---|----------------|-----------------|--------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                |                 |              |                               |
| State sources - SDA Grant   | \$ 634,980     | \$ -            | \$ 634,980   | \$ 634,980                    |
| Transfer from capital reserve                                       | 442,520        | -               | 442,520      | 442,520                       |
| Total revenues  | 1,077,500      | -               | 1,077,500    | 1,077,500                     |
| <b>Expenditures and other financing uses</b>                        |                |                 |              |                               |
| Construction services   | -              | -               | -            | 1,077,500                     |
| Total expenditures  | -              | -               | -            | 1,077,500                     |
| Excess of revenues and other financing sources<br>over expenditures | \$ 1,077,500   | \$ -            | \$ 1,077,500 | \$ -                          |

**Additional project information:**

|   |                  |
|---|------------------|
| Project number  | 0220-120-14-1010 |
| Grant date/letter of notification                               | *                |
| Original authorized cost  | \$1,077,500      |
| Additional authorized cost                                      | \$0              |
| Revised authorized cost   | \$1,077,500      |
|   |                  |
| Percentage increase (decrease) over<br>original authorized cost | 0.00%            |
| Percentage completion   | 0.00%            |
| 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**  
**Renovations at Woodrow Wilson No. 10 ES**  
**for the Fiscal Year Ended June 30, 2015**

|   | Prior<br>Years    | Current<br>Year    | Totals            | Revised<br>Authorized<br>Cost |
|---|-------------------|--------------------|-------------------|-------------------------------|
| <b>Revenues and other financing sources</b>                         |                   |                    |                   |                               |
| State sources - SDA Grant   | \$ 291,855        | \$ -               | \$ 291,855        | \$ 291,855                    |
| Transfer from capital reserve                                       | 203,395           | -                  | 203,395           | 203,395                       |
| Total revenues  | <u>495,250</u>    | <u>-</u>           | <u>495,250</u>    | <u>495,250</u>                |
| <b>Expenditures and other financing uses</b>                        |                   |                    |                   |                               |
| Construction services   | -                 | 69,841             | 69,841            | 495,250                       |
| Total expenditures  | <u>-</u>          | <u>69,841</u>      | <u>69,841</u>     | <u>495,250</u>                |
| Excess of revenues and other financing sources<br>over expenditures | <u>\$ 495,250</u> | <u>\$ (69,841)</u> | <u>\$ 425,409</u> | <u>\$ -</u>                   |

**Additional project information:**

|   |                  |
|---|------------------|
| Project number  | 0220-130-14-1011 |
| Grant date/letter of notification                               | *                |
| Original authorized cost  | \$495,250        |
| Additional authorized cost                                      | \$0              |
| Revised authorized cost   | \$495,250        |
| Percentage increase (decrease) over<br>original authorized cost | 0.00%            |
| Percentage completion   | 14.10%           |
| 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 Position**  
**June 30, 2015**

|                                    | <u><b>Food<br/>Service<br/>Fund</b></u> |
|------------------------------------|---|
| <b>ASSETS</b>                      |   |
| Current assets:                    |   |
| Cash and cash equivalents          | \$ 464,881                              |
| Accounts receivable                | 274,533                                 |
| Inventory                          | 71,436                                  |
| Interfund receivable               | 1,348,644                               |
| Total current assets               | <u>2,159,494</u>                        |
| Noncurrent assets:                 |   |
| Furniture, machinery and equipment | 1,652,300                               |
| Less: accumulated depreciation     | <u>(862,926)</u>                        |
| Total noncurrent assets            | <u>789,374</u>                          |
| Total assets                       | <u><u>\$ 2,948,868</u></u>              |
| <b>NET POSITION</b>                |   |
| Net investment in capital assets   | \$ 789,374                              |
| Unrestricted                       | <u>2,159,494</u>                        |
| Total net position                 | <u><u>\$ 2,948,868</u></u>              |

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Enterprise Fund**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**for the Fiscal Year Ended June 30, 2015**

|   | <b>Food<br/>Service<br/>Fund</b> |
|---|----------------------------------|
|   |                                  |
| <b>OPERATING REVENUES</b>               |                                  |
| Charges for services:                   |                                  |
| Daily sales - non-reimbursable programs | \$ 964,236                       |
| Special functions                       | 46,508                           |
| Miscellaneous income                    | 2,914                            |
| Total operating revenues                | 1,013,658                        |
| <b>OPERATING EXPENSES</b>               |                                  |
| Cost of sales                           | 2,191,988                        |
| Salaries                                | 1,841,356                        |
| Employee benefits                       | 100,346                          |
| Supplies and materials                  | 298,146                          |
| Depreciation expense                    | 83,549                           |
| Insurance - other                       | 42,282                           |
| Total operating expenses                | 4,557,667                        |
| Operating (loss)                        | (3,544,009)                      |
| <b>NONOPERATING REVENUES</b>            |                                  |
| State sources:                          |                                  |
| State school lunch program              | 46,746                           |
| Federal sources:                        |                                  |
| School breakfast program                | 989,502                          |
| National school lunch program           | 2,313,431                        |
| Special milk program                    | 3,714                            |
| Snack program                           | 31,012                           |
| Summer food program                     | 62,488                           |
| Food distribution program               | 225,681                          |
| Total nonoperating revenues             | 3,672,574                        |
| Net income before transfer              | 128,565                          |
| Operating transfer in - general fund    | 560,964                          |
| Change in net position                  | 689,529                          |
| Total net position, July 1              | 2,259,339                        |
| Total net position, June 30             | \$ 2,948,868                     |

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Enterprise Fund**  
**Statement of Cash Flows**  
**for the Fiscal Year Ended June 30, 2015**

|   | <u><b>Food<br/>Service<br/>Fund</b></u> |
|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |   |
| Receipts from customers   | \$ 964,236                              |
| Other Receipts  | 46,508                                  |
| Guaranteed revenue contribution receipt   | 2,914                                   |
| Payments to employees   | (1,841,356)                             |
| Payments for employee benefits  | (100,346)                               |
| Payments to suppliers   | (2,319,556)                             |
| Net cash (used for) operating activities  | <u>(3,247,600)</u>                      |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>                                   |   |
| State sources   | 46,903                                  |
| Federal sources   | 3,406,759                               |
| Transfers in - General fund   | 701,672                                 |
| Net cash provided by non-capital financing activities                                     | <u>4,155,334</u>                        |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                           |   |
| Capital expenditures - payment for equipment  | <u>(442,853)</u>                        |
| Net increase in cash and cash equivalents   | 464,881                                 |
| Balance, July 1   | -                                       |
| Balance, June 30  | <u>\$ 464,881</u>                       |
| <b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED FOR)<br/>OPERATING ACTIVITIES</b> |   |
| Operating (loss)  | <u>\$ (3,544,009)</u>                   |
| Adjustment to reconcile operating (loss) to net cash (used for)<br>operating activities:  |   |
| Depreciation  | 83,549                                  |
| Food distribution program   | 225,681                                 |
| (Increase) in inventory   | (12,821)                                |
| Total adjustments   | <u>296,409</u>                          |
| Net cash (used for) operating activities  | <u>\$ (3,247,600)</u>                   |
| <b>NON-CASH ACTIVITY FROM NON-CAPITAL FINANCING ACTIVITIES</b>                            |   |
| Food commodities from the U.S. Department of Agriculture                                  | <u>\$ 225,681</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 Position**  
**June 30, 2015**

|                                  | <u>Agency</u>           |                   | <u>Expendable Trusts</u>                   | <u>Total</u>        |
|----------------------------------|-------------------------|-------------------|--|---------------------|
|                                  | <u>Student Activity</u> | <u>Payroll</u>    | <u>Unemployment Compensation Insurance</u> |                     |
| <b>ASSETS</b>                    |                         |                   |  |                     |
| Cash and cash equivalents        | \$ 312,715              | \$ 800,130        | \$ 166,259                                 | \$ 1,279,104        |
| <b>LIABILITIES</b>               |                         |                   |  |                     |
| Net Payroll                      | \$ -                    | \$ 11,927         | \$ -                                       | \$ 11,927           |
| Social Security and withholdings | -                       | 5,315             | -  | 5,315               |
| New Jersey income tax            | -                       | 1,769             | -  | 1,769               |
| Exchange checking                | -                       | 3,252             | -  | 3,252               |
| Trust and Agency                 | -                       | 9,431             | -  | 9,431               |
| Flex spending                    | -                       | 18,989            | -  | 18,989              |
| Pension                          | -                       | 749,447           | -  | 749,447             |
| Due to student groups            | 312,715                 | -                 | -  | 312,715             |
| Due to general fund              | -                       | -                 | 166,259                                    | 166,259             |
| Total liabilities                | <u>\$ 312,715</u>       | <u>\$ 800,130</u> | <u>\$ 166,259</u>                          | <u>\$ 1,279,104</u> |

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Agency Funds Schedule of Receipts and Disbursements**  
**for the Fiscal Year Ended June 30, 2015**

|                                     | <u>Balance,<br/>June 30, 2014</u> | <u>Cash<br/>Receipts</u> | <u>Cash<br/>Disbursements</u> | <u>Balance,<br/>June 30, 2015</u> |
|-------------------------------------|-----------------------------------|--------------------------|-------------------------------|-----------------------------------|
| <b><u>PAYROLL AGENCY FUND</u></b>   |                                   |                          |                               |                                   |
| <b>ASSETS</b>                       |                                   |                          |                               |                                   |
| Cash and cash equivalents           | \$ 694,465                        | \$ 196,295,472           | \$ 196,189,807                | \$ 800,130                        |
| <b>LIABILITIES</b>                  |                                   |                          |                               |                                   |
| Net Payroll                         | 13,852                            | 53,553,905               | 53,555,830                    | 11,927                            |
| Social Security and withholdings    | 283                               | 26,577,640               | 26,572,608                    | 5,315                             |
| New Jersey income tax               | 1,644                             | 3,438,055                | 3,437,930                     | 1,769                             |
| Exchange checking                   | -                                 | 14,234                   | 10,982                        | 3,252                             |
| Trust and Agency                    | -                                 | 103,664,241              | 103,654,810                   | 9,431                             |
| Flex spending                       | -                                 | 30,775                   | 11,786                        | 18,989                            |
| Pension                             | 678,686                           | 9,016,622                | 8,945,861                     | 749,447                           |
| Total liabilities                   | <u>\$ 694,465</u>                 | <u>\$ 196,295,472</u>    | <u>\$ 196,189,807</u>         | <u>\$ 800,130</u>                 |
| <b><u>STUDENT ACTIVITY FUND</u></b> |                                   |                          |                               |                                   |
| <b>ASSETS</b>                       |                                   |                          |                               |                                   |
| Cash and cash equivalents           | \$ 293,449                        | \$ 1,078,920             | \$ 1,059,654                  | \$ 312,715                        |
| <b>LIABILITIES</b>                  |                                   |                          |                               |                                   |
| Due to student groups               | \$ 293,449                        | \$ 1,078,920             | \$ 1,059,654                  | \$ 312,715                        |
| <b><u>TOTAL AGENCY FUNDS</u></b>    |                                   |                          |                               |                                   |
| <b>ASSETS</b>                       |                                   |                          |                               |                                   |
| Cash and cash equivalents           | \$ 987,914                        | \$ 197,374,392           | \$ 197,249,461                | \$ 1,112,845                      |
| <b>LIABILITIES</b>                  |                                   |                          |                               |                                   |
| Net Payroll                         | 13,852                            | 53,553,905               | 53,555,830                    | 11,927                            |
| Social Security and withholdings    | 283                               | 26,577,640               | 26,572,608                    | 5,315                             |
| New Jersey income tax               | 1,644                             | 3,438,055                | 3,437,930                     | 1,769                             |
| Exchange checking                   | -                                 | 14,234                   | 10,982                        | 3,252                             |
| Trust and Agency                    | -                                 | 103,664,241              | 103,654,810                   | 9,431                             |
| Flex spending                       | -                                 | 30,775                   | 11,786                        | 18,989                            |
| Pension                             | 678,686                           | 9,016,622                | 8,945,861                     | 749,447                           |
| Due to student groups               | 293,449                           | 1,078,920                | 1,059,654                     | 312,715                           |
| Total liabilities                   | <u>\$ 987,914</u>                 | <u>\$ 197,374,392</u>    | <u>\$ 197,249,461</u>         | <u>\$ 1,112,845</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, 2015**

| Purpose              | Date of Lease | Term of Lease | Amount of Original Lease |          | Interest Rate | Balance, June 30, 2014 | Issued     | Retired      | Balance, June 30, 2015 |
|----------------------|---------------|---------------|--------------------------|----------|---------------|------------------------|------------|--------------|------------------------|
|                      |               |               | Principal                | Interest |               |                        |            |              |                        |
| Apple Computers      | 09/29/11      | 4 years       | 66,953                   | 5,754    | 5.640%        | \$ 17,182              | \$ -       | \$ 17,182    | \$ -                   |
| Apple Computers      | 11/20/11      | 4 years       | 72,094                   | 3,986    | 3.710%        | 18,339                 | -          | 18,339       | -                      |
| Digital Copy Machine | 05/01/13      | 5 years       | 158,680                  | 17,178   | 10.826%       | 119,503                | -          | 30,825       | 88,678                 |
| Digital Copy Machine | 05/01/13      | 5 years       | 326,838                  | 43,045   | 13.170%       | 252,605                | -          | 62,831       | 189,774                |
| Apple Computers      | 05/01/13      | 4 years       | 1,910,875                | -        | 0.000%        | 1,253,399              | -          | 417,800      | 835,599                |
| Digital Copy Machine | 06/28/13      | 5 years       | 6,229                    | 1,105    | 17.740%       | 5,034                  | -          | 1,162        | 3,872                  |
| Network Upgrades     | 06/30/13      | 5 years       | 2,328,427                | 131,373  | 2.600%        | 1,846,437              | -          | 444,013      | 1,402,424              |
| Digital Copy Machine | 04/06/14      | 5 years       | 14,378                   | 2,428    | 6.320%        | 13,762                 | -          | 2,565        | 11,197                 |
| Digital Copy Machine | 06/30/14      | 5 years       | 6,025                    | 1,069    | 6.620%        | 5,940                  | -          | 1,057        | 4,883                  |
| Digital Copy Machine | 06/28/12      | 5 years       | 39,431                   | 6,664    | 5.990%        | 25,280                 | -          | 7,933        | 17,347                 |
| Digital Copy Machine | 10/26/10      | 5 years       | 85,461                   | 14,777   | 5.490%        | 25,736                 | -          | 19,127       | 6,609                  |
| Dump Truck with Plow | 02/01/12      | 5 years       | 58,600                   | 3,657    | 3.000%        | 26,500                 | -          | 14,973       | 11,527                 |
| Apple Computers      | 09/01/11      | 4 years       | 797,055                  | 54,593   | 2.760%        | 207,307                | -          | 207,307      | -                      |
| Chromebooks          | 08/04/13      | 3 years       | 3,520,900                | 28,792   | 0.820%        | 2,337,669              | -          | 1,164,062    | 1,173,607              |
| Jeep Vehicle         | 06/30/14      | 4 years       | 27,000                   | 1,243    | 3.650%        | 27,000                 | -          | 6,386        | 20,614                 |
| Digital Copy Machine | 02/15/15      | 5 years       | 6,025                    | 1,068    | 6.620%        | -                      | 6,025      | 430          | 5,595                  |
| Digital Copy Machine | 01/07/15      | 5 years       | 6,078                    | 1,082    | 7.260%        | -                      | 6,078      | 431          | 5,647                  |
| New Badging Station  | 06/30/15      | 5 years       | 110,000                  | 10,960   | 4.730%        | -                      | 110,000    | -            | 110,000                |
|                      |               |               |                          |          |               | \$ 6,181,693           | \$ 122,103 | \$ 2,416,423 | \$ 3,887,373           |

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

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

| <b><u>CONTENTS:</u></b>   | <b><u>Page</u></b> |
|---|--------------------|
| <p><b>Financial Trends</b><br/>           These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>   | 150 - 156          |
| <p><b>Revenue Capacity</b><br/>           These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>   | 157 - 160          |
| <p><b>Debt Capacity</b><br/>           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>                            | 161 - 164          |
| <p><b>Demographic and Economic Information</b><br/>           These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>  | 165 - 166          |
| <p><b>Operating Information</b><br/>           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> | 167 - 171          |

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

## **FINANCIAL TRENDS**

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

|  | 2006                 | 2007                 | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 | 2014                  | 2015                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|
| <b>Governmental activities</b>                           |                      |                      |                      |                      |                      |                      |                      |                      |                       |                      |
| Net investment in capital assets                         | \$ 60,025,476        | \$ 80,877,271        | \$ 82,590,925        | \$ 83,686,193        | \$ 85,810,086        | \$ 83,095,750        | \$ 78,869,802        | \$ 74,101,180        | \$ 71,751,033         | \$ 71,534,738        |
| Restricted   | 28,265,136           | 4,942,196            | 11,346               | 5,837,591            | 6,058,712            | 11,854,337           | 7,945,377            | 13,221,269           | 22,813,455            | 13,611,071           |
| Unrestricted   | (5,499,029)          | (5,424,358)          | (4,548,862)          | (7,370,901)          | 1,553,239            | (5,127,067)          | 2,080,273            | 4,122,044            | 8,549,764             | (37,284,444)         |
| <b>Total governmental activities financial position</b>  | <b>\$ 82,791,583</b> | <b>\$ 80,395,109</b> | <b>\$ 78,053,409</b> | <b>\$ 82,152,883</b> | <b>\$ 93,422,037</b> | <b>\$ 89,823,020</b> | <b>\$ 88,895,452</b> | <b>\$ 91,444,493</b> | <b>\$ 103,114,252</b> | <b>\$ 47,861,365</b> |
| <b>Business-type activities</b>                          |                      |                      |                      |                      |                      |                      |                      |                      |                       |                      |
| Net investment in capital assets                         | \$ 275,674           | \$ 290,516           | \$ 317,928           | \$ 411,072           | \$ 524,169           | \$ 778,455           | \$ 529,431           | \$ 437,305           | \$ 430,070            | \$ 789,374           |
| Unrestricted   | 187,291              | 312,394              | 373,468              | 392,413              | 528,279              | 436,408              | 904,023              | 1,325,760            | 1,829,269             | 2,159,494            |
| <b>Total business-type activities financial position</b> | <b>\$ 463,965</b>    | <b>\$ 602,910</b>    | <b>\$ 691,396</b>    | <b>\$ 803,485</b>    | <b>\$ 1,052,448</b>  | <b>\$ 1,214,863</b>  | <b>\$ 1,433,454</b>  | <b>\$ 1,763,065</b>  | <b>\$ 2,259,339</b>   | <b>\$ 2,948,868</b>  |
| <b>Government-wide</b>                                   |                      |                      |                      |                      |                      |                      |                      |                      |                       |                      |
| Net investment in capital assets                         | \$ 60,301,150        | \$ 81,167,787        | \$ 82,908,853        | \$ 84,097,265        | \$ 86,334,255        | \$ 83,874,205        | \$ 79,399,233        | \$ 74,538,485        | \$ 72,181,103         | \$ 72,324,112        |
| Restricted   | 28,265,136           | 4,942,196            | 11,346               | 5,837,591            | 6,058,712            | 11,854,337           | 7,945,377            | 13,221,269           | 22,813,455            | 13,611,071           |
| Unrestricted   | (5,311,738)          | (5,111,964)          | (4,175,394)          | (6,978,488)          | 2,081,518            | (4,690,659)          | 2,984,296            | 5,447,804            | 10,379,033            | (35,124,950)         |
| <b>Total government-wide net position</b>                | <b>\$ 83,254,548</b> | <b>\$ 80,998,019</b> | <b>\$ 78,744,805</b> | <b>\$ 82,956,368</b> | <b>\$ 94,474,485</b> | <b>\$ 91,037,883</b> | <b>\$ 90,328,906</b> | <b>\$ 93,207,558</b> | <b>\$ 105,373,591</b> | <b>\$ 50,810,233</b> |

Source: District records

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

|   | 2006                   | 2007                   | 2008                   | 2009                   | 2010                   | 2011                  | 2012                   | 2013                   | 2014                   | 2015                   |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|
| <b>EXPENSES</b>                                 |                        |                        |                        |                        |                        |                       |                        |                        |                        |                        |
| Governmental activities                         |                        |                        |                        |                        |                        |                       |                        |                        |                        |                        |
| Instruction                                     |                        |                        |                        |                        |                        |                       |                        |                        |                        |                        |
| Regular   | \$ 49,673,719          | \$ 49,922,600          | \$ 51,132,486          | \$ 56,859,607          | \$ 55,320,543          | \$ 50,380,194         | \$ 51,836,599          | \$ 61,231,007          | \$ 60,973,103          | \$ 79,378,908          |
| Special education                               | 15,851,192             | 14,736,752             | 17,564,026             | 19,032,283             | 15,458,460             | 16,901,786            | 19,788,428             | 20,174,541             | 18,385,407             | 23,848,242             |
| Other special instruction                       | 4,350,130              | 4,868,674              | 5,352,312              | 7,183,950              | 6,678,730              | 7,045,043             | 4,363,299              | 1,948,500              | 1,862,584              | 3,165,132              |
| Vocational                                      | 1,399,299              | 1,603,352              | 1,503,584              | 1,657,258              | 1,649,304              | 1,661,090             | 1,263,387              | 1,078,499              | 1,090,449              | 2,507,755              |
| Other instruction                               | 1,569,987              | 1,767,955              | 1,521,434              | 1,986,848              | 1,444,535              | 1,416,872             | 1,427,023              | 1,710,472              | 1,638,257              | 1,734,650              |
| Support Services:                               |                        |                        |                        |                        |                        |                       |                        |                        |                        |                        |
| Tuition   | 1,995,138              | 2,050,050              | 2,084,950              | 2,193,912              | 1,099,436              | 2,697,354             | 2,968,094              | 2,197,596              | 2,463,347              | 3,154,142              |
| Student & instruction related services          | 15,472,849             | 16,054,014             | 17,602,199             | 18,836,876             | 17,649,163             | 16,985,146            | 16,156,066             | 13,337,135             | 14,915,093             | 20,523,983             |
| School administrative services                  | 6,234,889              | 5,002,433              | 3,530,254              | 3,315,428              | 2,256,524              | 2,053,053             | 6,824,481              | 6,169,133              | 6,607,782              | 8,001,097              |
| General and business administrative services    | 3,916,304              | 7,344,284              | 7,286,557              | 9,340,051              | 8,056,492              | 8,545,663             | 3,877,563              | 4,284,615              | 5,043,712              | 6,419,764              |
| Plant operations and maintenance                | 11,350,342             | 12,673,508             | 13,444,132             | 14,366,854             | 13,817,706             | 13,821,246            | 13,495,867             | 13,906,560             | 13,512,958             | 13,897,008             |
| Pupil transportation                            | 2,759,587              | 3,113,602              | 3,108,833              | 3,467,030              | 2,967,784              | 2,720,508             | 2,886,768              | 3,425,396              | 3,430,453              | 3,199,941              |
| Other support services                          | -                      | -                      | -                      | 4,500                  | -                      | -                     | -                      | -                      | -                      | -                      |
| Special Schools                                 |                        |                        |                        |                        |                        |                       |                        |                        |                        |                        |
| Current:  |                        |                        |                        |                        |                        |                       |                        |                        |                        |                        |
| Instruction                                     | 541,312                | 545,510                | 615,844                | 639,479                | 313,797                | 353,064               | 372,643                | 497,811                | 485,483                | 504,322                |
| Charter Schools                                 | 135,389                | 102,908                | 137,660                | 179,243                | 163,340                | 160,327               | 123,894                | 123,714                | 140,251                | 203,546                |
| Total governmental activities expenses          | <u>115,250,137</u>     | <u>119,787,642</u>     | <u>124,884,271</u>     | <u>139,063,279</u>     | <u>126,875,814</u>     | <u>124,741,346</u>    | <u>125,384,112</u>     | <u>130,084,979</u>     | <u>130,508,879</u>     | <u>166,538,490</u>     |
| Business-type activity:                         |                        |                        |                        |                        |                        |                       |                        |                        |                        |                        |
| Food service                                    | 2,737,319              | 3,155,443              | 3,438,005              | 3,704,628              | 3,772,887              | 3,698,276             | 3,954,203              | 4,778,534              | 5,142,617              | 4,557,667              |
| Total business-type activity expense            | <u>2,737,319</u>       | <u>3,155,443</u>       | <u>3,438,005</u>       | <u>3,704,628</u>       | <u>3,772,887</u>       | <u>3,698,276</u>      | <u>3,954,203</u>       | <u>4,778,534</u>       | <u>5,142,617</u>       | <u>4,557,667</u>       |
| Total government-wide expenses                  | <u>\$ 117,987,456</u>  | <u>\$ 122,943,085</u>  | <u>\$ 128,322,276</u>  | <u>\$ 142,767,907</u>  | <u>\$ 130,648,701</u>  | <u>\$ 128,439,622</u> | <u>\$ 129,338,315</u>  | <u>\$ 134,863,513</u>  | <u>\$ 135,651,496</u>  | <u>\$ 171,096,157</u>  |
| <b>PROGRAM REVENUES</b>                         |                        |                        |                        |                        |                        |                       |                        |                        |                        |                        |
| Governmental activities:                        |                        |                        |                        |                        |                        |                       |                        |                        |                        |                        |
| Charges for services:                           |                        |                        |                        |                        |                        |                       |                        |                        |                        |                        |
| Instruction (tuition)                           | \$ 188,904             | \$ 159,568             | \$ 103,668             | \$ 140,268             | \$ 100,310             | \$ 123,024            | \$ 63,644              | \$ 77,704              | \$ 189,949             | \$ 87,707              |
| Operating grants and contributions              | 47,300,095             | 46,954,608             | 50,803,241             | 56,807,184             | 65,737,964             | 59,327,766            | 69,840,019             | 73,719,820             | 73,026,691             | 90,415,285             |
| Capital grants and contributions                | -                      | -                      | -                      | -                      | -                      | -                     | -                      | -                      | 8,264,617              | (1,732,099)            |
| Total governmental activities program revenues  | <u>47,488,999</u>      | <u>47,114,176</u>      | <u>50,906,909</u>      | <u>56,947,452</u>      | <u>65,838,274</u>      | <u>59,450,790</u>     | <u>69,903,663</u>      | <u>73,797,524</u>      | <u>81,481,257</u>      | <u>88,770,893</u>      |
| Business-type activity:                         |                        |                        |                        |                        |                        |                       |                        |                        |                        |                        |
| Charges for services:                           |                        |                        |                        |                        |                        |                       |                        |                        |                        |                        |
| Food service                                    | 891,287                | 980,106                | 1,015,005              | 1,042,259              | 1,084,756              | 990,125               | 953,627                | 995,347                | 1,356,699              | 1,013,658              |
| Operating grants and contributions              | 1,447,180              | 1,675,733              | 1,853,566              | 2,056,061              | 2,308,979              | 2,337,451             | 2,675,390              | 3,413,846              | 3,709,742              | 3,672,574              |
| Total business-type activities program revenues | <u>2,338,467</u>       | <u>2,655,839</u>       | <u>2,868,571</u>       | <u>3,098,320</u>       | <u>3,393,735</u>       | <u>3,327,576</u>      | <u>3,629,017</u>       | <u>4,409,193</u>       | <u>5,066,441</u>       | <u>4,686,232</u>       |
| Total government-wide program revenues          | <u>49,827,466</u>      | <u>49,770,015</u>      | <u>53,775,480</u>      | <u>60,045,772</u>      | <u>69,232,009</u>      | <u>62,778,366</u>     | <u>73,532,680</u>      | <u>78,206,717</u>      | <u>86,547,698</u>      | <u>93,457,125</u>      |
| <b>Net (Expense)/Revenue</b>                    |                        |                        |                        |                        |                        |                       |                        |                        |                        |                        |
| Governmental activities                         | \$ (67,761,138)        | \$ (72,673,466)        | \$ (73,977,362)        | \$ (82,115,827)        | \$ (61,017,540)        | \$ 65,290,556         | \$ (55,480,449)        | \$ (56,287,455)        | \$ (49,027,622)        | \$ (77,767,597)        |
| Business-type activity                          | (398,852)              | (499,604)              | (569,434)              | (606,308)              | (379,152)              | (370,700)             | (325,186)              | (369,341)              | (76,176)               | 128,565                |
| Total government-wide net expense               | <u>\$ (68,159,990)</u> | <u>\$ (73,173,070)</u> | <u>\$ (74,546,796)</u> | <u>\$ (82,722,135)</u> | <u>\$ (61,396,692)</u> | <u>\$ 64,919,856</u>  | <u>\$ (55,805,635)</u> | <u>\$ (56,656,796)</u> | <u>\$ (49,103,798)</u> | <u>\$ (77,639,032)</u> |

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

|   | 2006           | 2007           | 2008           | 2009          | 2010          | 2011           | 2012          | 2013          | 2014          | 2015            |
|---|----------------|----------------|----------------|---------------|---------------|----------------|---------------|---------------|---------------|-----------------|
| <b>General Revenues and Other Changes in Net Position</b> |                |                |                |               |               |                |               |               |               |                 |
| Governmental activities:                                  |                |                |                |               |               |                |               |               |               |                 |
| Property taxes levied for general purposes, net           | \$ 52,521,354  | \$ 52,521,354  | \$ 57,086,193  | \$ 57,086,193 | \$ 57,086,193 | \$ 57,086,193  | \$ 57,086,193 | \$ 58,227,916 | \$ 59,392,474 | \$ 59,392,474   |
| State aid not restricted                                  | 7,213,734      | 10,781,672     | 11,534,511     | 8,317,098     | 14,626,014    | 8,483,553      | 1,917,569     | 126,586       | 35,943        | 162,262         |
| Investment earnings                                       | 108,673        | 61,436         | 71,786         | 87,609        | 49,377        | 31,769         | 29,726        | 18,564        | 25,340        | 21,621          |
| Miscellaneous income                                      | 5,402,172      | 2,826,596      | 1,157,480      | 2,965,638     | 2,161,660     | 3,942,979      | 1,962,020     | 1,423,496     | 1,832,796     | 1,676,933       |
| Special items   | 524,723        | 4,725,483      | 2,443,612      | 18,477,160    | (1,008,435)   | (7,319,840)    | (5,898,849)   | (17,751)      | (16,722)      | (67,306)        |
| Transfers   | (609,998)      | (639,549)      | (657,920)      | (718,397)     | (628,115)     | (533,115)      | (543,777)     | (698,952)     | (572,450)     | (560,964)       |
| Total governmental activities                             | 65,160,658     | 70,276,992     | 71,635,662     | 86,215,301    | 72,286,694    | 61,691,539     | 54,552,882    | 59,079,859    | 60,697,381    | 60,625,020      |
| Business-type activity:                                   |                |                |                |               |               |                |               |               |               |                 |
| Transfers   | 609,998        | 639,549        | 657,920        | 718,397       | 628,115       | 628,115        | 543,777       | 698,952       | 572,450       | 560,964         |
| Total business-type activity                              | 609,998        | 639,549        | 657,920        | 718,397       | 628,115       | 628,115        | 543,777       | 698,952       | 572,450       | 560,964         |
| Total government-wide                                     | \$ 65,770,656  | \$ 70,916,541  | \$ 72,293,582  | \$ 86,933,698 | \$ 72,914,809 | \$ 62,319,654  | \$ 55,096,659 | \$ 59,778,811 | \$ 61,269,831 | \$ 61,185,984   |
| <b>Change in Net Position</b>                             |                |                |                |               |               |                |               |               |               |                 |
| Governmental activities                                   | \$ (2,600,480) | \$ (2,396,474) | \$ (2,341,700) | \$ 4,099,474  | \$ 11,269,154 | \$ 126,982,095 | \$ (927,567)  | \$ 2,792,404  | \$ 11,669,759 | \$ (17,142,577) |
| Business-type activity                                    | 211,146        | 139,945        | 88,486         | 112,089       | 248,963       | 257,415        | 218,591       | 329,611       | 496,274       | 689,529         |
| Total government-wide                                     | \$ (2,389,334) | \$ (2,256,529) | \$ (2,253,214) | \$ 4,211,563  | \$ 11,518,117 | \$ 127,239,510 | \$ (708,976)  | \$ 3,122,015  | \$ 12,166,033 | \$ (16,453,048) |

Source: District records

**CITY OF BAYONNE SCHOOL DISTRICT  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

*(modified accrual basis of accounting)*

|                                    | 2006                 | 2007                | 2008                  | 2009                  | 2010                | 2011                | 2012                | 2013                 | 2014                 | 2015                 |
|------------------------------------|----------------------|---------------------|-----------------------|-----------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| General Fund                       |                      |                     |                       |                       |                     |                     |                     |                      |                      |                      |
| Restricted                         | \$ 1,081,119         | \$ 1,377,783        | \$ 603,652            | \$ 520,005            | \$ 3,959,087        | \$ 4,400,787        | \$ 7,945,377        | \$ 7,036,151         | \$ 4,744,715         | \$ 1,523,324         |
| Committed                          | -                    | -                   | -                     | -                     | -                   | 2,208,127           | 1,544,341           | 11,318,101           | 12,299,220           | 4,040,304            |
| Assigned                           | -                    | -                   | -                     | -                     | -                   | -                   | -                   | 885,693              | 366,944              | 651,077              |
| Unassigned                         | (1,462,169)          | (1,667,922)         | (1,847,816)           | (3,280,712)           | -                   | (2,660,246)         | (1,798,664)         | (4,385,349)          | (2,329,538)          | (2,130,372)          |
| Total general fund                 | <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> | <u>\$ 14,854,596</u> | <u>\$ 15,081,341</u> | <u>\$ 4,084,333</u>  |
| All Other Governmental Funds       |                      |                     |                       |                       |                     |                     |                     |                      |                      |                      |
| Restricted                         | \$ 28,265,136        | \$ 4,942,196        | \$ 11,346             | \$ 5,837,591          | \$ 6,058,712        | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 |
| Committed                          | -                    | -                   | -                     | -                     | -                   | 279,403             | 428,834             | 124,758              | 1,557,834            | 1,557,834            |
| Assigned:                          |                      |                     |                       |                       |                     |                     |                     |                      |                      |                      |
| Capital projects fund              | -                    | -                   | -                     | -                     | -                   | 4,966,020           | 4,366,428           | 4,310,360            | 16,510,906           | 10,529,913           |
| Unassigned:                        |                      |                     |                       |                       |                     |                     |                     |                      |                      |                      |
| Special revenue fund               | (328,658)            | (328,658)           | (328,658)             | (186,233)             | (194,792)           | (194,792)           | (186,364)           | (197,519)            | (222,301)            | (215,446)            |
| Total all other governmental funds | <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> | <u>\$ 4,237,599</u>  | <u>\$ 17,846,439</u> | <u>\$ 11,872,301</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)**

|   | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | 2013          | 2014          | 2015          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>REVENUES</b>   |               |               |               |               |               |               |               |               |               |               |
| Local sources:  |               |               |               |               |               |               |               |               |               |               |
| Tax levy  | \$ 52,521,354 | \$ 52,521,354 | \$ 57,086,193 | \$ 57,086,193 | \$ 57,086,193 | \$ 57,086,193 | \$ 57,086,193 | \$ 58,227,916 | \$ 59,392,474 | \$ 59,392,474 |
| Tuition charges   | 188,904       | 159,568       | 103,668       | 140,268       | 100,310       | 123,024       | 63,644        | 77,704        | 189,949       | 87,707        |
| Interest earnings   | 108,673       | 61,436        | 71,786        | 67,609        | 31,769        | 31,769        | 29,726        | 18,564        | 25,340        | 21,621        |
| Miscellaneous   | 5,514,026     | 2,940,836     | 1,341,965     | 3,032,635     | 2,209,839     | 3,988,543     | 1,962,020     | 1,423,496     | 1,832,796     | 1,676,933     |
| Total local sources                                       | 58,332,957    | 55,683,194    | 58,603,612    | 60,346,705    | 59,445,719    | 61,220,529    | 59,141,583    | 59,747,680    | 61,440,559    | 61,178,735    |
| State sources   | 48,411,992    | 52,569,819    | 57,039,042    | 66,720,402    | 62,699,554    | 59,915,070    | 63,884,671    | 68,761,082    | 75,661,327    | 68,247,696    |
| Federal sources   | 5,989,983     | 5,052,221     | 5,114,225     | 6,020,709     | 17,696,245    | 7,850,685     | 7,872,917     | 5,085,524     | 5,665,924     | 6,102,408     |
| Total revenue   | 112,734,932   | 113,305,234   | 120,756,879   | 133,087,816   | 139,781,518   | 128,995,284   | 130,899,171   | 133,594,086   | 142,767,810   | 135,528,839   |
| <b>EXPENDITURES</b>                                       |               |               |               |               |               |               |               |               |               |               |
| Instruction:  |               |               |               |               |               |               |               |               |               |               |
| Regular   | 37,388,339    | 36,527,376    | 38,635,849    | 39,945,823    | 43,170,345    | 36,956,782    | 37,421,198    | 42,574,952    | 43,844,980    | 52,795,612    |
| Special education instruction                             | 10,996,555    | 11,648,411    | 12,905,518    | 12,861,282    | 11,716,325    | 11,920,222    | 14,155,289    | 13,493,605    | 12,971,067    | 15,644,626    |
| Other special instruction                                 | 3,006,328     | 3,313,278     | 3,817,134     | 4,804,893     | 4,975,313     | 4,949,435     | 3,114,783     | 1,296,360     | 1,279,538     | 2,246,247     |
| Vocational educator                                       | 1,029,563     | 1,237,066     | 1,141,148     | 1,194,030     | 1,306,625     | 1,243,747     | 959,707       | 777,962       | 782,183       | 1,944,537     |
| Other instructor  | 863,112       | 967,754       | 857,277       | 1,462,435     | 1,134,827     | 1,051,753     | 1,089,439     | 1,230,920     | 1,210,243     | 1,199,784     |
| Adult/continuing education                                | 331,059       | 356,472       | 314,241       | -             | -             | -             | -             | -             | -             | -             |
| Support Services:   |               |               |               |               |               |               |               |               |               |               |
| Tuition   | 1,931,004     | 1,971,973     | 2,006,725     | 2,108,521     | 1,054,585     | 2,652,503     | 2,815,865     | 2,076,043     | 2,287,469     | 3,000,977     |
| Student & instruction related services                    | 12,209,507    | 12,543,046    | 14,094,666    | 14,084,220    | 14,233,420    | 13,423,840    | 12,260,749    | 10,006,231    | 11,857,149    | 14,751,454    |
| General administration                                    | 2,627,847     | 2,933,699     | 2,818,968     | 3,875,208     | 3,440,357     | 3,377,303     | 3,134,556     | 3,379,817     | 4,188,803     | 5,067,051     |
| School administration services                            | 4,379,717     | 4,668,261     | 4,903,856     | 5,059,150     | 4,984,237     | 4,887,112     | 4,905,520     | 4,134,307     | 4,570,978     | 5,088,842     |
| Plant operations and maintenance                          | 8,861,008     | 9,906,902     | 10,961,250    | 11,171,451    | 11,471,100    | 11,017,813    | 11,276,718    | 11,075,919    | 12,716,655    | 12,223,980    |
| Pupil transportation                                      | 2,178,914     | 2,464,366     | 2,536,828     | 2,759,569     | 2,491,190     | 2,243,914     | 2,357,400     | 2,703,686     | 2,719,766     | 2,510,985     |
| Other support services                                    | 831,083       | 828,771       | 851,867       | -             | -             | -             | -             | -             | -             | -             |
| Employee benefits   | 25,226,972    | 25,343,160    | 26,913,700    | 33,165,070    | 24,895,399    | 26,568,842    | 26,797,951    | 32,369,266    | 28,662,290    | 31,518,548    |
| Food service  | -             | -             | 4,500         | 4,500         | -             | -             | -             | -             | -             | -             |
| Special schools   | 523,912       | 524,734       | 595,389       | 618,228       | 291,481       | 330,748       | 282,379       | 361,916       | 359,031       | 348,535       |
| Charter schools   | 135,389       | 102,908       | 137,660       | 179,243       | 163,340       | 160,327       | 123,894       | 123,714       | 140,251       | 203,546       |
| Capital Outlay  | 21,083,730    | 25,285,020    | 4,935,370     | 5,417,002     | 6,136,769     | 1,302,456     | 599,491       | 4,968,128     | 4,847,779     | 3,449,094     |
| Total Expenditures  | 133,604,039   | 140,623,197   | 128,427,446   | 138,710,625   | 131,465,313   | 122,086,797   | 121,294,939   | 130,572,826   | 132,438,182   | 151,993,818   |
| Excess (Deficiency) of revenues over (under) expenditures | (20,869,107)  | (27,317,963)  | (7,670,567)   | (5,622,809)   | 8,316,205     | 6,908,487     | 9,604,232     | 3,021,260     | 10,329,628    | (16,464,979)  |

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

|   | 2006              | 2007            | 2008           | 2009         | 2010         | 2011         | 2012         | 2013         | 2014          | 2015            |
|---|-------------------|-----------------|----------------|--------------|--------------|--------------|--------------|--------------|---------------|-----------------|
| <b>OTHER FINANCING SOURCES (USES)</b>                                       |                   |                 |                |              |              |              |              |              |               |                 |
| Capital leases (non-budgeted)   | \$ 549,325        | \$ 1,795,882    | -              | \$ 1,148,584 | \$ 252,700   | \$ 120,760   | \$ 139,048   | \$ 4,731,049 | \$ 4,095,129  | \$ 122,103      |
| Project authorizations  | (24,602)          | (21,521)        | -              | 9,644,750    | -            | -            | -            | -            | -             | (1,350,292)     |
| Non-board expenditures  | -                 | -               | -              | -            | -            | -            | -            | -            | -             | -               |
| Loan interest   | -                 | -               | -              | -            | (1,008,435)  | (320,035)    | (531,831)    | (17,751)     | -             | -               |
| Special item  | -                 | -               | -              | -            | -            | -            | -            | -            | -             | -               |
| Special item-prior year accounts receivable reinstated                      | -                 | -               | -              | -            | -            | -            | -            | 119,708      | -             | 1,282,986       |
| Special item-cancellation of receivable                                     | -                 | -               | -              | -            | -            | (6,999,805)  | (5,367,018)  | -            | -             | -               |
| Special item-tuition receivable cancelled                                   | -                 | (77,640)        | -              | -            | -            | -            | -            | -            | -             | -               |
| Special item-City of Bayonne  | -                 | 4,926,396       | 2,443,612      | -            | -            | -            | -            | -            | -             | -               |
| Special item-State of New Jersey ERI  | -                 | (1,897,634)     | -              | -            | -            | -            | -            | -            | -             | -               |
| Special item-contribution to unemployment compensation insurance trust fund | -                 | -               | -              | -            | -            | -            | -            | (363,071)    | (16,722)      | -               |
| Transfers out   | (609,998)         | (639,549)       | (657,920)      | (718,397)    | (628,115)    | (533,115)    | (543,777)    | (698,952)    | (572,450)     | (560,964)       |
| Total other financing sources (uses)  | (85,275)          | 4,085,934       | 1,785,692      | 10,074,937   | (1,383,850)  | (7,732,195)  | (6,303,578)  | 3,770,983    | 3,505,957     | (506,167)       |
| Net change in fund balances   | \$ (20,954,382) a | \$ (23,232,029) | \$ (5,884,875) | \$ 4,452,128 | \$ 6,932,355 | \$ (823,708) | \$ 3,300,654 | \$ 6,792,243 | \$ 13,835,585 | \$ (16,971,146) |
| 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

Note: Noncapital expenditures are total expenditures less capital outlay.

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<br>Year Ending<br>June 30, | Physical<br>Education<br>Center Fees | Insurance<br>Refunds | Community<br>Education<br>Fees | BTA<br>President<br>Salary<br>Reimbursement | Clean<br>Energy<br>Fund | E-Rate     | Energy<br>Ratables | BHA<br>Drug<br>Elimination<br>Program | Adopt-A-<br>School<br>Grant | Miscell-<br>aneous | Tuition    | Interest   | Annual<br>Totals |
|-----------------------------------|--------------------------------------|----------------------|--------------------------------|---|-------------------------|------------|--------------------|---------------------------------------|-----------------------------|--------------------|------------|------------|------------------|
|                                   |                                      |                      |                                |   |                         |            |                    |                                       |                             |                    |            |            |                  |
| 2006                              | \$ 104,393                           | \$ 278,333           | \$ 329,124                     | \$ -  | \$ 1,854,300            | \$ 188,849 | \$ -               | \$ -                                  | \$ 111,854                  | \$ 2,647,173       | \$ 188,904 | \$ 108,673 | \$ 5,811,603     |
| 2007                              | 147,349                              | 273,120              | 415,427                        | -   | 1,438,280               | 202,543    | -                  | -                                     | 114,240                     | 349,877            | 159,568    | 61,436     | 3,161,840        |
| 2008                              | 178,846                              | 314,224              | 365,416                        | -   | -                       | 201,648    | -                  | -                                     | 184,485                     | 97,346             | 103,668    | 71,786     | 1,517,419        |
| 2009                              | 272,719                              | 325,037              | 384,632                        | -   | 450,400                 | 206,319    | 1,110,360          | -                                     | 66,998                      | 216,170            | 140,268    | 87,609     | 3,260,512        |
| 2010                              | 285,251                              | 384,298              | 423,099                        | -   | -                       | 218,198    | 570,060            | -                                     | 48,179                      | 280,754            | 100,310    | 49,377     | 2,359,526        |
| 2011                              | 275,456                              | 348,343              | 370,304                        | -   | -                       | 196,708    | 2,403,415          | -                                     | 45,564                      | 348,753            | 123,024    | 31,769     | 4,143,336        |
| 2012                              | 229,608                              | 36,784               | 361,308                        | -   | 19,945                  | 178,879    | 154,940            | 117,813                               | 85,171                      | 777,572            | 63,644     | 29,726     | 2,055,390        |
| 2013                              | 305,973                              | 27,145               | 391,471                        | -   | -                       | 142,644    | 223,216            | 112,314                               | 102,909                     | 117,824            | 77,704     | 18,564     | 1,519,764        |
| 2014                              | 265,560                              | 156,406              | 371,777                        | 25,460                                      | -                       | 267        | 485,562            | 111,685                               | 99,310                      | 316,769            | 189,949    | 25,340     | 2,048,085        |
| 2015                              | 163,601                              | 30,532               | 319,891                        | 26,493                                      | -                       | -          | 338,967            | 115,803                               | 140,966                     | 540,680            | 87,707     | 21,621     | 1,786,261        |

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)**

|   | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | 2013          | 2014          | 2015          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| District Property                         |               |               |               |               |               |               |               |               |               |               |
| Vacant Land                               | \$ 81,751,900 | \$ 83,967,600 | \$ 90,117,400 | \$ 90,886,200 | \$ 97,098,600 | \$ 93,035,900 | \$ 90,028,800 | \$ 88,482,500 | \$ 88,498,400 | 4,905,400     |
| Residential                               | 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 | 1,438,954,449 | 1,418,703,549 | 363,369,747   |
| Commercial                                | 347,575,600   | 346,656,800   | 340,967,314   | 352,708,260   | 342,821,060   | 333,018,000   | 322,272,200   | 320,284,300   | 312,518,800   | 63,186,000    |
| Industrial                                | 355,237,200   | 340,326,900   | 334,446,600   | 322,712,000   | 333,375,800   | 301,330,700   | 302,193,500   | 301,265,000   | 299,784,600   | 12,716,200    |
| Apartment                                 | 106,053,600   | 112,665,800   | 110,639,700   | 119,808,310   | 108,041,800   | 105,076,200   | 102,495,900   | 102,078,700   | 104,642,700   | 26,303,700    |
| Total Assessed Value                      | 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 | 2,251,064,949 | 2,224,148,049 | 470,481,047   |
| Less: Tax Exempt Property                 | 2,527,200     | 2,974,300     | 2,659,300     | 2,421,700     | 2,961,100     | 5,092,305     | 4,170,205     | 4,045,805     | 4,371,900     | 336,600       |
| Public Utilities <sup>a</sup>             | 2,370,177     | 2,063,130     | 1,893,483     | 1,947,786     | 2,098,999     | 2,405,200     | 2,707,920     | 2,405,981     | 1,744,987     | -             |
| Net Valuation Taxable                     | 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 | 2,249,425,125 | 2,221,521,136 | 470,144,447   |
| Estimated Actual Value                    | 4,876,433,567 | 5,640,507,650 | 6,325,567,323 | 6,558,110,450 | 6,287,209,458 | 5,647,653,602 | 5,476,572,060 | 5,121,641,906 | 5,047,764,454 | 1,068,267,319 |
| Total Direct School Tax Rate <sup>b</sup> | 2.832         | 2.514         | 2.729         | 2.786         | 2.551         | 2.828         | 3.015         | 3.065         | 3.138         | 3.168         |

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<br>Year | Basic Rate <sup>a</sup> | General<br>Obligation<br>Debt Service <sup>b</sup> | Total Direct<br>School Tax<br>Rate | Municipality of<br>Bayonne | Hudson<br>County | Total Direct<br>and<br>Overlapping<br>Tax Rate |
|--------------------|-------------------------|--|------------------------------------|----------------------------|------------------|--|
| 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  |
| 2013               | 3.017                   | 0.048  | 3.065                              | 3.034                      | 1.240            | 7.339  |
| 2014               | 2.674                   | 0.464  | 3.138                              | 3.064                      | 1.243            | 7.445  |
| 2015               | 2.728                   | 0.440  | 3.168                              | 3.206                      | 1.300            | 7.674  |

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 NINE YEARS AGO  
(UNAUDITED)**

| Taxpayers                                   | 2015                   |                 |  | 2006                   |                 |  |
|---|------------------------|-----------------|--|------------------------|-----------------|--|
|   | 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               | 24.70%                                 | \$ 116,481,400         | 1               | 4.90%                                  |
| Bayonne Auto Terminal Inc.                  | 23,095,700             | 2               | 4.91%                                  |                        |                 |  |
| Gordon Terminals Serv Co of NJ, Inc.        | 15,027,100             | 3               | 3.20%                                  | 15,027,100             | 4               | 0.63%                                  |
| Exxon Corporation                           | 14,312,000             | 4               | 3.04%                                  | 17,023,500             | 3               | 0.72%                                  |
| Texaco, Inc.                                | 13,085,800             | 5               | 2.78%                                  | 13,085,800             | 8               | 0.55%                                  |
| NJIND Hook Road, LLC                        | 9,500,000              | 6               | 2.02%                                  |                        |                 |  |
| South Cove Development, LLC                 | 8,519,700              | 7               | 1.81%                                  | 11,858,200             | 10              | 0.50%                                  |
| MPT of Bayonne, LLC                         | 8,000,000              | 8               | 1.81%                                  |                        |                 |  |
| Buckeye Bayonne Terminal LLC                | 7,800,000              | 9               | 1.70%                                  |                        |                 |  |
| 51-53 Hook Road, LLC                        | 7,796,900              | 10              | 1.70%                                  |                        |                 |  |
| Global Terminal and Container Services, Inc |                        |                 |  | 20,000,000             | 2               | 0.84%                                  |
| ACG Chemicals Americas, Inc                 |                        |                 |  | 14,532,900             | 5               | 0.61%                                  |
| HB Bayonne Partnership                      |                        |                 |  | 14,475,000             | 6               | 0.61%                                  |
| Amerada Hess Corp.                          |                        |                 |  | 13,141,000             | 7               | 0.55%                                  |
| Cogen Tech                                  |                        |                 |  | 12,705,000             | 9               | 0.53%                                  |
| <b>Total</b>                                | <b>\$ 223,240,200</b>  |                 | <b>47.67%</b>                          | <b>\$ 248,329,900</b>  |                 | <b>10.44%</b>                          |

Source: Municipal Tax Assessor

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

| Fiscal<br>Year Ending<br>June 30, | Total<br>Tax Levy | Current<br>Collections <sup>a</sup> | Percent of<br>Tax Levy<br>Collected |
|-----------------------------------|-------------------|-------------------------------------|-------------------------------------|
| 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%                             |
| 2013                              | 58,227,916        | 58,227,916                          | 100.00%                             |
| 2014                              | 59,392,474        | 59,392,474                          | 100.00%                             |
| 2015                              | 59,392,474        | 59,392,474                          | 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<br>Ended June 30, | Governmental Activities                     |                                  |                |                                      | Business-Type<br>Activities |           | Total District | Percentage<br>of Personal<br>Income <sup>a</sup> | Per Capita<br>Debt <sup>a</sup> |
|-------------------------------|---|----------------------------------|----------------|--------------------------------------|-----------------------------|-----------|----------------|--|---------------------------------|
|                               | General<br>Obligation<br>Bonds <sup>b</sup> | Certificates of<br>Participation | Capital Leases | Bond<br>Anticipation<br>Notes (BANs) | Capital Leases              |           |                |  |                                 |
| 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   | 0.03%          | 9  |                                 |
| 2013                          | -   | -                                | 4,840,568      | -                                    | -                           | 4,840,568 | 0.25%          | 75   |                                 |
| 2014                          | -   | -                                | 6,181,693      | -                                    | -                           | 6,181,693 | 0.33%          | 94   |                                 |
| 2015                          | -   | -                                | 3,887,373      | -                                    | -                           | 3,887,373 | *              | *  |                                 |

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<br>Ended June 30, | General Bonded Debt Outstanding |            |   | Percentage of<br>Actual Taxable<br>Value <sup>a</sup> of<br>Property | Per Capita<br>Debt <sup>b</sup> |
|-------------------------------|---------------------------------|------------|---|--|---------------------------------|
|                               | General<br>Obligation<br>Bonds  | Deductions | Net General<br>Bonded Debt<br>Outstanding |  |                                 |
| 2006                          | \$ -                            | \$ -       | \$ -                                      | 0.00%  | \$ -                            |
| 2007                          | -                               | -          | -   | 0.00%  | -                               |
| 2008                          | -                               | -          | -   | 0.00%  | -                               |
| 2009                          | -                               | -          | -   | 0.00%  | -                               |
| 2010                          | -                               | -          | -   | 0.00%  | -                               |
| 2011                          | -                               | -          | -   | 0.00%  | -                               |
| 2012                          | -                               | -          | -   | 0.00%  | -                               |
| 2013                          | -                               | -          | -   | 0.00%  | -                               |
| 2014                          | -                               | -          | -   | 0.00%  | -                               |
| 2015                          | -                               | -          | -   | 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, 2015  
(UNAUDITED)**

|  | Debt<br>Outstanding | Estimated<br>Percentage<br>Applicable <sup>a</sup> | Estimated<br>Share of<br>Overlapping<br>Debt |
|--|---------------------|--|--|
| Gross Overlapping Debt                               |                     |  |  |
| City of Bayonne                                      | \$264,562,750       | 100.00%  | \$ 264,562,750                               |
| Hudson County General Obligation Debt                | 164,041,087         | 8.825%   | 14,476,626                                   |
| Subtotal, Overlapping and Other Debt                 |                     |  | 279,039,376                                  |
| Gross Direct Debt of City of Bayonne School District |                     |  | -  |
| Total Direct and Overlapping Debt                    |                     |  | \$ 279,039,376                               |

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, 2014, 2015 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<br>December 31, | Population <sup>a</sup> | Personal Income <sup>b</sup> | Total Per Capita<br>Income <sup>c</sup> | Unemployment<br>Rate <sup>d</sup> |
|----------------------------|-------------------------|------------------------------|---|-----------------------------------|
| 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                       | 63,826                  | 1,867,165,804                | 29,254                                  | 12.2%                             |
| 2013                       | 64,702                  | 1,961,570,534                | 30,317.00                               | 10.8%                             |
| 2014                       | 65,975.00               | 1,857,526,125                | 28,155.00                               | 7.3%                              |
| 2015                       | *                       | *                            | *                                       | *                                 |

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 2010 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 NINE YEARS AGO  
(UNAUDITED)**

| Employer                     | 2015         |                    |  | 2006         |                    |  |
|------------------------------|--------------|--------------------|--|--------------|--------------------|--|
|                              | Employees    | Rank<br>(Optional) | Percentage of<br>Total Municipal<br>Employment | Employees    | Rank<br>(Optional) | Percentage of<br>Total Municipal<br>Employment |
| Bayonne Medical Center       | 1,867        | 1                  | 6.69%  | 1,100        | 1                  | 3.97%  |
| Jerhel Plastics Inc          | 500          | 2                  | 1.79%  |              |                    |  |
| Royal Wine Corporation       | 220          | 3                  | 0.79%  |              |                    |  |
| Inserra Inc                  | 220          | 4                  | 0.79%  |              |                    |  |
| Bookazine Co Inc             | 180          | 5                  | 0.64%  | 300          | 3                  | 1.08%  |
| Muralo Company               | 180          | 6                  | 0.64%  |              |                    |  |
| The Haddad Apparel Group Ltd | 155          | 7                  | 0.56%  |              |                    |  |
| Vertellus                    | 150          | 8                  | 0.54%  |              |                    |  |
| Season Contracting Corp      | 150          | 9                  | 0.54%  |              |                    |  |
| Ideal Window Manufacturing   | 127          | 10                 | 0.45%  |              |                    |  |
| Ideal Aluminum Products      |              |                    |  | 344          | 2                  | 1.24%  |
| IMTT                         |              |                    |  | 295          | 4                  | 1.06%  |
| Maidenform                   |              |                    |  | 254          | 5                  | 0.92%  |
| Shop Rite                    |              |                    |  | 184          | 6                  | 0.66%  |
| AGC Chemicals America, Inc   |              |                    |  | 164          | 7                  | 0.59%  |
| Royal Kedem Wine             |              |                    |  | 150          | 8                  | 0.54%  |
| Imperial Bag                 |              |                    |  | 138          | 9                  | 0.50%  |
| Stop & Shop                  |              |                    |  | 128          | 10                 | 0.46%  |
|                              | <u>3,749</u> |                    | <u>13.43%</u>                                  | <u>3,057</u> |                    | <u>11.02%</u>                                  |

Sources: Hudson County Economic Development Corporation.

\* In years 2003-2005, 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)**

|  | 2006         | 2007         | 2008         | 2009         | 2010         | 2011         | 2012         | 2013         | 2014         | 2015         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Function/Program</b>                |              |              |              |              |              |              |              |              |              |              |
| Instruction                            |              |              |              |              |              |              |              |              |              |              |
| Regular                                | 401          | 399          | 403          | 428          | 428          | 541          | 563          | 568          | 587          | 584          |
| Special education                      | 147          | 144          | 147          | 157          | 157          | 315          | 315          | 315          | 317          | 315          |
| Other special education                | 208          | 207          | 208          | 217          | 217          | 43           | 23           | 18           | 32           | 33           |
| Vocational                             | 4            | 4            | 5            | 4            | 4            | 10           | 7            | 6            | 6            | 6            |
| Other instruction                      | 136          | 132          | 133          | 116          | 116          | 1            | 1            | 1            | 1            | 1            |
| Support Services:                      |              |              |              |              |              |              |              |              |              |              |
| Student & instruction related services | 69           | 69           | 70           | 76           | 76           | 102          | 98           | 96           | 104          | 99           |
| General administration                 | 31           | 31           | 31           | 36           | 36           | 13           | 12           | 10           | 11           | 11           |
| School administrative services         | 43           | 43           | 43           | 45           | 45           | 59           | 60           | 62           | 62           | 67           |
| Central services                       | 12           | 12           | 12           | 12           | 12           | 11           | 11           | 11           | 12           | 12           |
| Administrative Information Technology  | 3            | 3            | 3            | 10           | 10           | 1            | 1            | 1            | 1            | 1            |
| Plant operations and maintenance       | 121          | 120          | 122          | 111          | 111          | 121          | 124          | 127          | 125          | 125          |
| Pupil transportation                   | 46           | 46           | 45           | 21           | 21           | 29           | 34           | 33           | 35           | 35           |
| Other support services                 | 15           | 15           | 16           | 41           | 41           | -            | -            | -            | -            | -            |
| <b>Total</b>                           | <b>1,236</b> | <b>1,225</b> | <b>1,238</b> | <b>1,274</b> | <b>1,274</b> | <b>1,246</b> | <b>1,249</b> | <b>1,248</b> | <b>1,293</b> | <b>1,289</b> |

Source: Human resources

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

| Fiscal Year | Enrollment | Operating Expenditures <sup>a</sup> | Cost Per Pupil | Percentage Change | Pupil/Teacher Ratio <sup>c</sup> |                    | Teaching Staff <sup>b</sup> | Average Daily Enrollment (ADE) <sup>d</sup> | Average Daily Attendance (ADA) <sup>d</sup> | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|-------------------------------------|----------------|-------------------|----------------------------------|--------------------|-----------------------------|---|---|--------------------------------------|-------------------------------|
|             |            |                                     |                |                   | Elementary                       | Senior High School |                             |   |   |                                      |                               |
| 2006        | 8,830      | 112,520,309                         | 12,743         | 11.64%            | 12.7                             | 14.2               | 896                         | 8,712                                       | 8,176                                       | 1.46%                                | 93.85%                        |
| 2007        | 8,841      | 115,338,177                         | 13,046         | 2.38%             | 12.8                             | 14.1               | 886                         | 8,826                                       | 8,248                                       | 1.31%                                | 93.45%                        |
| 2008        | 9,032      | 123,492,076                         | 13,673         | 4.81%             | 13.3                             | 15.2               | 896                         | 8,985                                       | 8,592                                       | 1.80%                                | 95.63%                        |
| 2009        | 8,906      | 133,293,623                         | 14,967         | 9.46%             | 11.96                            | 11.2               | 922                         | 8,987                                       | 8,684                                       | 0.02%                                | 96.63%                        |
| 2010        | 9,142      | 125,328,544                         | 13,709         | -8.41%            | 12.17                            | 11.7               | 922                         | 9,095                                       | 8,441                                       | 1.20%                                | 92.81%                        |
| 2011        | 8,954      | 124,858,905                         | 13,944         | 1.71%             | 12.67                            | 12                 | 910                         | 8,753                                       | 8,163                                       | -3.76%                               | 93.26%                        |
| 2012        | 9,078      | 130,367,279                         | 14,361         | 2.99%             | 13.8                             | 11.9               | 909                         | 8,773                                       | 8,243                                       | 0.23%                                | 93.96%                        |
| 2013        | 9,031      | 131,494,337                         | 14,560         | 1.39%             | 14.85                            | 11.8               | 908                         | 8,821                                       | 8,306                                       | 0.55%                                | 94.16%                        |
| 2014        | 9,178      | 131,747,676                         | 14,355         | -1.41%            | 14.4                             | 13                 | 943                         | 8,967                                       | 8,523                                       | 1.66%                                | 95.05%                        |
| 2015        | 9,341      | 149,064,121                         | 15,958         | 11.17%            | *                                | *                  | 939                         | 9,341                                       | 8,925                                       | 4.17%                                | 95.55%                        |

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. From 2011 to 2012 the Annual School Budget Statement Supporting Documentation was used to calculate teaching staff. Commencing in 2013 the teaching staff was provided by human resources.
- c. Commencing in 2009 the School Report Cards (referred to School Performance Reports in 2013) 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)**

|                                 | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    |
|---------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>District Building</b>        |         |         |         |         |         |         |         |         |         |         |
| <u>Element</u>                  |         |         |         |         |         |         |         |         |         |         |
| Henry E. Harris (1921)          |         |         |         |         |         |         |         |         |         |         |
| Square Feet                     | 81,466  | 81,466  | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 | 82,320  | 82,320  | 82,320  |
| Capacity (students)             | 745     | 745     | 690     | 690     | 690     | 690     | 690     | 690     | 690     | 690     |
| Enrollment                      | 635     | 642     | 627     | 606     | 618     | 606     | 598     | 664     | 689     | 699     |
| Philip Vroom (1914)             |         |         |         |         |         |         |         |         |         |         |
| Square Feet                     | 72,500  | 72,500  | 72,500  | 72,500  | 72,500  | 72,500  | 72,500  | 66,746  | 66,746  | 66,746  |
| Capacity (students)             | 470     | 470     | 470     | 504     | 504     | 504     | 504     | 504     | 504     | 504     |
| Enrollment                      | 348     | 344     | 418     | 477     | 435     | 380     | 387     | 454     | 485     | 491     |
| Walter F. Robinson (1903)       |         |         |         |         |         |         |         |         |         |         |
| Square Feet                     | 83,000  | 83,000  | 128,000 | 128,000 | 128,000 | 128,000 | 128,000 | 119,979 | 119,979 | 119,979 |
| Capacity (students)             | 552     | 552     | 960     | 960     | 960     | 960     | 960     | 960     | 960     | 960     |
| Enrollment                      | 528     | 672     | 696     | 699     | 732     | 796     | 755     | 778     | 766     | 744     |
| Mary J. Donohue (1920)          |         |         |         |         |         |         |         |         |         |         |
| Square Feet                     | 61,376  | 61,376  | 81,000  | 81,000  | 81,000  | 81,000  | 81,000  | 61,450  | 61,450  | 61,450  |
| Capacity (students)             | 442     | 442     | 500     | 500     | 500     | 500     | 500     | 500     | 500     | 500     |
| Enrollment                      | 423     | 423     | 446     | 456     | 467     | 484     | 451     | 496     | 485     | 498     |
| Lincoln School (1919)           |         |         |         |         |         |         |         |         |         |         |
| Square Feet                     | 51,588  | 51,588  | 51,588  | 51,588  | 51,588  | 51,588  | 51,588  | 76,614  | 76,614  | 76,614  |
| Capacity (students)             | 426     | 426     | 426     | 426     | 426     | 426     | 426     | 426     | 426     | 426     |
| Enrollment                      | 414     | 364     | 391     | 415     | 434     | 426     | 417     | 430     | 463     | 453     |
| Horace Mann (1914)              |         |         |         |         |         |         |         |         |         |         |
| Square Feet                     | 94,000  | 94,000  | 94,000  | 94,000  | 94,000  | 94,000  | 94,000  | 85,353  | 85,353  | 85,353  |
| Capacity (students)             | 636     | 636     | 636     | 636     | 636     | 636     | 636     | 636     | 636     | 636     |
| Enrollment                      | 557     | 536     | 529     | 515     | 501     | 563     | 563     | 602     | 602     | 614     |
| Washington School (1917)        |         |         |         |         |         |         |         |         |         |         |
| Square Feet                     | 105,413 | 105,413 | 135,413 | 135,413 | 135,413 | 135,413 | 135,413 | 113,755 | 113,755 | 113,755 |
| Capacity (students)             | 556     | 556     | 650     | 650     | 650     | 650     | 650     | 650     | 650     | 650     |
| Enrollment                      | 611     | 614     | 547     | 569     | 573     | 620     | 634     | 677     | 661     | 678     |
| Nicolas Oresko School(2008)     |         |         |         |         |         |         |         |         |         |         |
| Square Feet                     | 42,000  | 42,000  | 90,000  | 90,000  | 90,000  | 90,000  | 90,000  | 80,006  | 80,006  | 80,006  |
| Capacity (students)             | 329     | 329     | 600     | 600     | 600     | 600     | 600     | 600     | 600     | 600     |
| Enrollment                      | 254     | 256     | 342     | 389     | 349     | 400     | 413     | 455     | 455     | 444     |
| John M. Bailey (1909)           |         |         |         |         |         |         |         |         |         |         |
| Square Feet                     | 73,500  | 73,500  | 123,500 | 123,500 | 123,500 | 123,500 | 123,500 | 84,884  | 84,884  | 84,884  |
| Capacity (students)             | 680     | 680     | 750     | 750     | 750     | 750     | 750     | 750     | 750     | 750     |
| Enrollment                      | 671     | 621     | 666     | 651     | 661     | 634     | 598     | 620     | 640     | 652     |
| Woodrow Wilson (1931)           |         |         |         |         |         |         |         |         |         |         |
| Square Feet                     | 94,000  | 94,000  | 127,000 | 127,000 | 127,000 | 127,000 | 127,000 | 114,998 | 114,998 | 114,998 |
| Capacity (students)             | 475     | 475     | 750     | 750     | 750     | 750     | 750     | 750     | 750     | 750     |
| Enrollment                      | 495     | 593     | 629     | 647     | 666     | 656     | 590     | 635     | 675     | 655     |
| Midtown Community School (1992) |         |         |         |         |         |         |         |         |         |         |
| Square Feet                     | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 | 160,876 | 160,876 | 160,876 |
| Capacity (students)             | 1,252   | 1,252   | 1,252   | 1,252   | 1,252   | 1,252   | 1,252   | 1,252   | 1,252   | 1,252   |
| Enrollment                      | 992     | 1,072   | 1,019   | 1,023   | 1,058   | 1,050   | 1,013   | 1,110   | 1,121   | 1,155   |
| <u>High School</u>              |         |         |         |         |         |         |         |         |         |         |
| Bayonne High School (1935)      |         |         |         |         |         |         |         |         |         |         |
| Square Feet                     | 505,000 | 505,000 | 505,000 | 505,000 | 505,000 | 505,000 | 505,000 | 535,570 | 535,570 | 535,570 |
| Capacity (students)             | 3,895   | 3,895   | 3,895   | 3,895   | 3,895   | 3,895   | 3,895   | 3,895   | 3,895   | 3,895   |
| Enrollment                      | 2,902   | 2,704   | 2,500   | 2,536   | 2,365   | 2,381   | 2,617   | 2,417   | 2,437   | 2,574   |

Number of Schools at June 30, 2015

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  
INSURANCE SCHEDULE  
June 30, 2015  
(UNAUDITED)**

|   | <u>COVERAGE</u> | <u>DEDUCTIBLE</u> |
|---|-----------------|-------------------|
| New Jersey School Boards Insurance Group:                                 |                 |                   |
| Property - Blanket Building & Contents                                    | \$ 314,939,109  | \$ 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          | -                 |
| Electric Data Processing/<br>Public Entity Inland Marine Coverage         | 2,392,608       | 1,000             |
| Equipment Breakdown   | 100,000,000     | 5,000             |
| Public Employee Crime Coverage -<br>Faithful Performance                  | 100,000         | 1,000             |
| Forgery and Altercation   | 100,000         | 1,000             |
| Money 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:<br>Castastrophic Cash K-12                              | 77,220          | N/A               |
| Comprehensive Automobile Liability  | 31,000,000      | N/A               |
| Workman's Compensation and Supplemental Indemnity Options<br>Professional | 70,429,780      | N/A               |
| Non Professional  | 6,050,767       | N/A               |
| School Leaders Error and Omissions:<br>Coverage A                         | 6,000,000       | 10,000            |
| Coverage B  | 100,000         | 10,000            |
| The Hartford Fire Insurance Company:                                      |                 |                   |
| Surety Bond Coverage<br>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 & TOMKINS LLC

*Certified Public Accountants*

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Matthew A. Donohue, CPA  
Robert A. Gironda, CPA  
Robert G. Doria, CPA (N.J. & N.Y.)  
Frederick J. Tomkins, CPA, RMA

310 Broadway  
Bayonne, NJ 07002  
(201) 437-9000  
Fax: (201) 437-1432  
E-Mail: [dgd@dgdcpas.com](mailto:dgd@dgdcpas.com)

Linda P. Kish, CPA, RMA  
Tammy L. Zucca, CPA, RMA  
Mark W. Bednarz, CPA, RMA  
Jason R. Gironda, CPA

## **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***

#### **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, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information 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, 2015, and the related notes to the financial statements, which collectively comprise the City of Bayonne School District's basic financial statements, and have issued our report thereon dated December 14, 2015.

#### **Internal Control Over Financial Reporting**

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

## EXHIBIT K-1

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs, Finding 2015-01, to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs, Finding 2015-02, to be a significant deficiency.

### **Compliance and Other Matters**

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

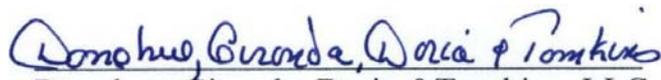
We noted certain matters that we reported to management of the City of Bayonne School District in a separate auditor's management report dated December 14, 2015 as required by the Division of Finance, Department of Education, State of New Jersey.

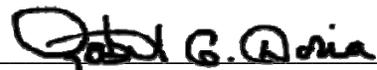
**The District's Response to Findings**

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Donohue, Gironda, Doria & Tomkins, LLC

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

Bayonne, New Jersey  
December 14, 2015

# DONOHUE, GIRONDA, DORIA & TOMKINS LLC

*Certified Public Accountants*

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Matthew A. Donohue, CPA  
Robert A. Gironda, CPA  
Robert G. Doria, CPA (N.J. & N.Y.)  
Frederick J. Tomkins, CPA, RMA

310 Broadway  
Bayonne, NJ 07002  
(201) 437-9000  
Fax: (201) 437-1432  
E-Mail: [dgd@dgdcpas.com](mailto:dgd@dgdcpas.com)

Linda P. Kish, CPA, RMA  
Tammy L. Zucca, CPA, RMA  
Mark W. Bednarz, CPA, RMA  
Jason R. Gironda, CPA

## **EXHIBIT K-2**

### **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08**

#### **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

#### **Report on Compliance for Each Major Federal and State Program**

We have audited the City of Bayonne School District, in the County of Hudson, State of New Jersey compliance 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 year ended June 30, 2015. 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.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Bayonne School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, 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 and/or 15-08, 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 and/or 15-08, 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City of Bayonne School District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City of Bayonne School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with New Jersey OMB's Circular 04-04 and/or 15-08 and which is described in the accompanying schedule of findings and questioned costs as item *2015-01 and 2015-02*. Our opinion on each major state program is not modified with respect to these matters.

The District's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## Report on Internal Control Over Compliance

Management of the City of Bayonne School District is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the City of Bayonne School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Bayonne School District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

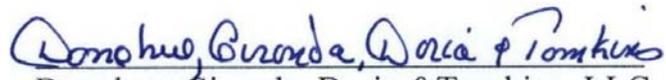
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2015-01 to be a material weakness.

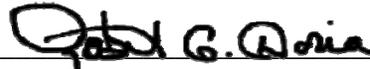
*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2015-02 to be a significant deficiency.

**EXHIBIT K-2**

The District's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

  
Donohue, Gironda, Doria & Tomkins, LLC

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

Bayonne, New Jersey  
December 14, 2015

CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
for the Fiscal Year Ended June 30, 2015

| FEDERAL GRANTOR/PASS THROUGH<br>GRANTOR/PROGRAM TITLE | FEDERAL<br>CFDA<br>NUMBER | GRANT OR<br>STATE<br>PROJECT<br>NUMBER | PROGRAM<br>OR<br>AWARD<br>AMOUNT | GRANT PERIOD |          | BALANCE<br>AT<br>JUNE 30, 2014 |
|---|---------------------------|--|----------------------------------|--------------|----------|--------------------------------|
|   |                           |  |                                  | FROM         | TO       |                                |
| <b>ENTERPRISE FUND</b>                                |                           |  |                                  |              |          |                                |
| U.S. DEPARTMENT OF AGRICULTURE                        |                           |  |                                  |              |          |                                |
| PASSED-THROUGH STATE OF NEW JERSEY                    |                           |  |                                  |              |          |                                |
| DEPARTMENT OF EDUCATION                               |                           |  |                                  |              |          |                                |
| ** School Breakfast Program                           | 10.553                    | *                                      | \$ 989,502                       | 07/01/14     | 06/30/15 | \$ -                           |
| ** School Breakfast Program                           | 10.553                    | *                                      | 1,003,983                        | 07/01/13     | 06/30/14 | (83,229)                       |
| ** National School Lunch Program                      | 10.555                    | *                                      | 2,313,431                        | 07/01/14     | 06/30/15 | -                              |
| ** National School Lunch Program                      | 10.555                    | *                                      | 2,343,055                        | 07/01/13     | 06/30/14 | (191,751)                      |
| ** National School Lunch Program (Food Distribution)  | 10.555                    | *                                      | 225,681                          | 07/01/14     | 06/30/15 | -                              |
| ** After School Snack                                 | 10.555                    | *                                      | 31,012                           | 07/01/14     | 06/30/15 | -                              |
| ** After School Snack                                 | 10.555                    | *                                      | 30,833                           | 07/01/13     | 06/30/14 | (2,008)                        |
| ** Special Milk Program                               | 10.556                    | *                                      | 3,714                            | 07/01/14     | 06/30/15 | -                              |
| ** Special Milk Program                               | 10.556                    | *                                      | 5,035                            | 07/01/13     | 06/30/14 | (391)                          |
| ** Summer Food Program                                | 10.559                    | *                                      | 62,488                           | 07/01/14     | 06/30/15 | -                              |
| <i>Child Nutrition Cluster</i>                        |                           |  |                                  |              |          | <u>(277,379)</u>               |
| <b>TOTAL ENTERPRISE FUND</b>                          |                           |  |                                  |              |          |                                |
|   |                           |  |                                  |              |          | <u>(277,379)</u>               |
| <b>SPECIAL REVENUE FUND</b>                           |                           |  |                                  |              |          |                                |
| 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__15                               | 2,631,998                        | 09/01/14     | 08/31/15 | (2,431,194)                    |
| ** Title II, Part A Teacher & Principal Training      | 84.367A                   | NCLB__15                               | 358,593                          | 09/01/14     | 08/31/15 | (339,234)                      |
| Title III, English Language Acquisition               | 84.365A                   | NCLB__15                               | 85,191                           | 09/01/14     | 08/31/15 | (73,126)                       |
| Title III, Immigrant                                  | 84.365A                   | NCLB__14                               | 99,274                           | 09/01/13     | 08/31/14 | (99,274)                       |
|   |                           |  |                                  |              |          | <u>(172,400)</u>               |
| ** IDEA, Basic  | 84.027                    | FT__15                                 | 2,511,429                        | 09/01/14     | 08/31/15 | -                              |
| ** IDEA, Basic  | 84.027                    | FT__14                                 | 2,343,759                        | 09/01/13     | 08/31/14 | (2,121,747)                    |
| ** IDEA, ISCI   | 84.027                    | FT__15                                 | 2,500                            | 09/01/14     | 08/31/15 | -                              |
| ** IDEA, Preschool                                    | 84.173                    | FT__15                                 | 54,374                           | 09/01/14     | 08/31/15 | -                              |
| ** IDEA, Preschool                                    | 84.173                    | FT__14                                 | 53,863                           | 09/01/13     | 08/31/14 | (53,863)                       |
| <i>IDEA Cluster</i>                                   |                           |  |                                  |              |          | <u>(2,175,610)</u>             |
| Race To The Top Phase 3 (RTT3)                        | 84.413A                   | RTTT3                                  | 207,369                          | 09/01/12     | 08/31/13 | 20,712                         |
| 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                    | *                                      | 259,992                          | 09/01/12     | 06/30/13 | (28,345)                       |
| <b>TOTAL SPECIAL REVENUE FUND</b>                     |                           |  |                                  |              |          |                                |
|   |                           |  |                                  |              |          | <u>(5,126,071)</u>             |
| <b>GENERAL FUND</b>                                   |                           |  |                                  |              |          |                                |
| 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                    | *                                      | 343,713                          | 07/01/14     | 06/30/15 | -                              |
| ** Special Education Medicaid Initiative ("SEMI")     | 93.778                    | *                                      | 376,148                          | 07/01/12     | 06/30/13 | -                              |
| ** Special Education Medicaid Initiative ("SEMI")     | 93.778                    | *                                      | 301,542                          | 07/01/11     | 06/30/12 | -                              |
| <b>TOTAL GENERAL FUND</b>                             |                           |  |                                  |              |          |                                |
|   |                           |  |                                  |              |          | <u>-</u>                       |
| <b>TOTAL FEDERAL AWARDS</b>                           |                           |  |                                  |              |          |                                |
|   |                           |  |                                  |              |          | <u>\$ (5,403,450)</u>          |

\* - Not Available  
\*\* - Denotes Major Program

EXHIBIT K-3  
SCHEDULE A

| CASH<br>RECEIVED     | BUDGETARY<br>EXPEND-<br>ITURES | ADJUST-<br>EMENTS | REPAYMENT<br>OF PRIOR<br>YEARS'<br>BALANCES | BALANCE AT JUNE 30, 2015 |                     |                   |
|----------------------|--------------------------------|-------------------|---|--------------------------|---------------------|-------------------|
|                      |                                |                   |   | (ACCOUNTS<br>RECEIVABLE) | DEFERRED<br>REVENUE | DUE TO<br>GRANTOR |
| \$ 908,834           | \$ (989,502)                   | \$ -              | \$ -  | \$ (80,668)              | \$ -                | \$ -              |
| 83,229               | -                              | -                 | -   | -                        | -                   | -                 |
| 2,125,627            | (2,313,431)                    | -                 | -   | (187,804)                | -                   | -                 |
| 191,751              | -                              | -                 | -   | -                        | -                   | -                 |
| 225,681              | (225,681)                      | -                 | -   | -                        | -                   | -                 |
| 28,921               | (31,012)                       | -                 | -   | (2,091)                  | -                   | -                 |
| 2,008                | -                              | -                 | -   | -                        | -                   | -                 |
| 3,510                | (3,714)                        | -                 | -   | (204)                    | -                   | -                 |
| 391                  | -                              | -                 | -   | -                        | -                   | -                 |
| 62,488               | (62,488)                       | -                 | -   | -                        | -                   | -                 |
| <u>3,632,440</u>     | <u>(3,625,828)</u>             | <u>-</u>          | <u>-</u>                                    | <u>(270,767)</u>         | <u>-</u>            | <u>-</u>          |
| <u>3,632,440</u>     | <u>(3,625,828)</u>             | <u>-</u>          | <u>-</u>                                    | <u>(270,767)</u>         | <u>-</u>            | <u>-</u>          |
| 3,975,118            | (2,390,260)                    | -                 | -   | (846,337)                | -                   | -                 |
| 339,017              | (367,921)                      | 217               | -   | (367,921)                | -                   | -                 |
| 73,126               | (85,191)                       | -                 | -   | (85,191)                 | -                   | -                 |
| 99,274               | -                              | -                 | -   | -                        | -                   | -                 |
| <u>172,400</u>       | <u>(85,191)</u>                | <u>-</u>          | <u>-</u>                                    | <u>(85,191)</u>          | <u>-</u>            | <u>-</u>          |
| -                    | (2,498,456)                    | -                 | -   | (2,498,456)              | -                   | -                 |
| 2,121,749            | (222,012)                      | -                 | -   | (222,010)                | -                   | -                 |
| -                    | (2,476)                        | -                 | -   | (2,476)                  | -                   | -                 |
| -                    | (53,921)                       | -                 | -   | (53,921)                 | -                   | -                 |
| <u>53,863</u>        | <u>-</u>                       | <u>-</u>          | <u>-</u>                                    | <u>-</u>                 | <u>-</u>            | <u>-</u>          |
| <u>2,175,612</u>     | <u>(2,776,865)</u>             | <u>-</u>          | <u>-</u>                                    | <u>(2,776,863)</u>       | <u>-</u>            | <u>-</u>          |
| 12,030               | (12,030)                       | (3,038)           | -   | -                        | 17,674              | -                 |
| 2,147                | -                              | -                 | -   | (26,198)                 | -                   | -                 |
| <u>6,676,324</u>     | <u>(5,632,267)</u>             | <u>(2,821)</u>    | <u>-</u>                                    | <u>(4,102,510)</u>       | <u>17,674</u>       | <u>-</u>          |
| 265,647              | (343,713)                      | -                 | -   | (78,066)                 | -                   | -                 |
| 44,927               | (44,927)                       | -                 | -   | -                        | -                   | -                 |
| 23,535               | (23,535)                       | -                 | -   | -                        | -                   | -                 |
| <u>334,109</u>       | <u>(412,175)</u>               | <u>-</u>          | <u>-</u>                                    | <u>(78,066)</u>          | <u>-</u>            | <u>-</u>          |
| <u>\$ 10,642,873</u> | <u>\$ (9,670,270)</u>          | <u>\$ (2,821)</u> | <u>\$ -</u>                                 | <u>\$ (4,451,343)</u>    | <u>\$ 17,674</u>    | <u>\$ -</u>       |

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, 2015

| STATE GRANTOR/PASS THROUGH<br>GRANTOR/PROGRAM TITLE             | GRANT OR<br>STATE<br>PROGRAM<br>NUMBER | PROGRAM<br>OR<br>AWARD<br>AMOUNT | GRANT PERIOD |            | BALANCE AT JUNE 30, 2014                         |                   |                      |
|---|--|----------------------------------|--------------|------------|--|-------------------|----------------------|
|   |  |                                  | FROM         | TO         | DEFERRED<br>REVENUE/<br>(ACCOUNTS<br>RECEIVABLE) | DUE TO<br>GRANTOR | CASH<br>RECEIVED     |
|   |  |                                  |              |            |  |                   |                      |
| <b>GENERAL FUND</b>   |  |                                  |              |            |  |                   |                      |
| <b>STATE DEPARTMENT OF EDUCATION</b>                            |  |                                  |              |            |  |                   |                      |
| ** Equalization Aid   | 15-495-034-5120-078                    | \$ 46,701,236                    | 07/01/14     | 06/30/15   | \$ -   | \$ -              | \$ 46,701,236        |
| Transportation Aid  | 15-495-034-5120-014                    | 64,658                           | 07/01/14     | 06/30/15   | -  | -                 | 64,658               |
| ** Special Education Categorical Aid                            | 15-495-034-5120-089                    | 5,433,590                        | 07/01/14     | 06/30/15   | -  | -                 | 5,433,590            |
| Security Aid  | 15-495-034-5120-084                    | 639,416                          | 07/01/14     | 06/30/15   | -  | -                 | 639,416              |
| Under Adequacy Aid  | 15-495-034-5120-096                    | 500,000                          | 07/01/14     | 06/30/15   | -  | -                 | 500,000              |
| Extraordinary Aid   | 15-495-034-5120-044                    | 615,577                          | 07/01/14     | 06/30/15   | -  | -                 | -                    |
| Extraordinary Aid   | 14-495-034-5120-044                    | 643,241                          | 07/01/13     | 06/30/14   | (643,241)  | -                 | 643,241              |
| PARCC Readiness Aid   | 15-495-034-5120-098                    | 92,880                           | 07/01/14     | 06/30/15   | -  | -                 | 92,880               |
| Per Pupil Growth Aid  | 15-495-034-5120-097                    | 92,880                           | 07/01/14     | 06/30/15   | -  | -                 | 92,880               |
| ** Reimbursed TPAF Social Security Contributions                | 15-495-034-5094-003                    | 4,991,091                        | 07/01/14     | 06/30/15   | -  | -                 | 4,768,724            |
| ** Reimbursed TPAF Social Security Contributions                | 14-495-034-5095-002                    | 4,007,654                        | 07/01/13     | 06/30/14   | (236,248)  | -                 | 236,248              |
| On-behalf TPAF Pension Contribution                             | 15-495-034-5094-006                    | 2,837,425                        | 07/01/14     | 06/30/15   | -  | -                 | 2,837,425            |
| On-behalf TPAF Non-Contributory Group Insurance                 | 15-495-034-5094-007                    | 204,140                          | 07/01/14     | 06/30/15   | -  | -                 | 204,140              |
| On-behalf TPAF Post Retirement Medical Contributions            | 15-495-034-5094-001                    | 4,828,487                        | 07/01/14     | 06/30/15   | -  | -                 | 4,828,487            |
| <b>TOTAL GENERAL FUND</b>                                       |  |                                  |              |            | <u>(879,489)</u>                                 | <u>-</u>          | <u>67,042,925</u>    |
| <b>SPECIAL REVENUE FUND</b>                                     |  |                                  |              |            |  |                   |                      |
| <b>STATE DEPARTMENT OF EDUCATION</b>                            |  |                                  |              |            |  |                   |                      |
| N.J. Nonpublic Aid:   |  |                                  |              |            |  |                   |                      |
| Nonpublic Textbook Aid  | 15-100-034-5120-064                    | 57,078                           | 07/01/14     | 06/30/15   | -  | -                 | 57,078               |
| Nonpublic Textbook Aid  | 14-100-034-5120-064                    | 50,133                           | 07/01/13     | 06/30/14   | -  | 190               | -                    |
| Nonpublic Handicapped Aid Ch. 193:                              |  |                                  |              |            |  |                   |                      |
| Examination and Classification                                  | 15-100-034-5120-066                    | 46,511                           | 07/01/14     | 06/30/15   | -  | -                 | 46,511               |
| Examination and Classification                                  | 14-100-034-5120-066                    | 57,640                           | 07/01/13     | 06/30/14   | -  | 2,500             | -                    |
| Corrective Speech   | 15-100-034-5120-066                    | 4,418                            | 07/01/14     | 06/30/15   | -  | -                 | 4,418                |
| Supplemental Instruction  | 15-100-034-5120-066                    | 50,221                           | 07/01/14     | 06/30/15   | -  | -                 | 50,221               |
| <i>Total Nonpublic Handicapped Aid Ch. 193</i>                  |  |                                  |              |            |  |                   |                      |
|   |  |                                  |              |            | -  | 2,500             | 101,150              |
| Nonpublic Auxiliary Services Aid Ch. 192:                       |  |                                  |              |            |  |                   |                      |
| Compensatory Education  | 15-100-034-5120-067                    | 239,179                          | 07/01/14     | 06/30/15   | -  | -                 | 239,179              |
| Compensatory Education  | 14-100-034-5120-067                    | 206,291                          | 07/01/13     | 06/30/14   | -  | 837               | -                    |
| Nonpublic Nursing Services                                      | 15-100-034-5120-070                    | 94,282                           | 07/01/14     | 06/30/15   | -  | -                 | 94,282               |
| Nonpublic Technology Initiative                                 | 15-100-034-5120-373                    | 30,656                           | 07/01/14     | 06/30/15   | -  | -                 | 30,656               |
| Nonpublic Technology Initiative                                 | 14-100-034-5120-373                    | 18,280                           | 07/01/13     | 06/30/14   | -  | 1,476             | -                    |
| ** Preschool Education Aid                                      | 15-495-034-5120-086                    | 2,154,460                        | 07/01/14     | 06/30/15   | -  | -                 | 2,154,460            |
| ** Preschool Education Aid                                      | 14-495-034-5120-086                    | 2,223,011                        | 07/01/13     | 06/30/14   | 255,453  | -                 | -                    |
| ** Preschool Education Aid                                      | 12-495-034-5120-086                    | 1,863,635                        | 07/01/11     | 06/30/12   | -  | 64,425            | -                    |
| <b>STATE DEPARTMENT OF CHILDREN AND FAMILIES</b>                |  |                                  |              |            |  |                   |                      |
| School Based Youth Services                                     | 15-100-054-7500-068                    | 273,216                          | 07/01/14     | 06/30/15   | -  | -                 | 273,216              |
| <b>STATE DEPARTMENT OF TREASURY</b>                             |  |                                  |              |            |  |                   |                      |
| <b>PASSED-THROUGH COUNTY OF HUDSON</b>                          |  |                                  |              |            |  |                   |                      |
| <b>PASSED-THROUGH CITY OF BAYONNE</b>                           |  |                                  |              |            |  |                   |                      |
| Municipal Alliance  | 100-082-C001-004                       | 54,448                           | 07/01/14     | 06/30/15   | -  | -                 | -                    |
| Municipal Alliance  | 100-082-C001-004                       | 72,355                           | 07/01/13     | 06/30/14   | (34,810)   | -                 | -                    |
| Municipal Alliance  | 100-082-C001-004                       | 74,521                           | 07/01/12     | 06/30/13   | (63,450)   | -                 | -                    |
| Municipal Alliance  | 100-082-C001-004                       | 63,526                           | 07/01/11     | 06/30/12   | (48,589)   | -                 | -                    |
| Municipal Alliance  | 100-082-C001-004                       | 63,526                           | 01/01/10     | 12/31/10   | (62,326)   | -                 | -                    |
| <b>TOTAL SPECIAL REVENUE FUND</b>                               |  |                                  |              |            | <u>46,278</u>                                    | <u>69,428</u>     | <u>2,950,021</u>     |
| <b>CAPITAL PROJECTS FUND</b>                                    |  |                                  |              |            |  |                   |                      |
| <b>STATE SCHOOL DEVELOPMENT AUTHORITY (SDA)</b>                 |  |                                  |              |            |  |                   |                      |
| SDA Grant Projects:   |  |                                  |              |            |  |                   |                      |
| Improvements to Walter F. Robinson No. 3 ES                     | 0220-030-09-00AL-00                    | 607,762                          | 2009         | Completion | (364,657)  | -                 | -                    |
| Improvements to John M. Bailey ES, #12                          | 0220-040-09-00AM-00                    | 335,724                          | 2009         | Completion | (201,434)  | -                 | -                    |
| Improvements to Henry Harris No. 1 ES                           | 0220-050-09-00AN-00                    | 358,851                          | 2009         | Completion | (251,196)  | -                 | -                    |
| Improvements to Horace Mann No. 6 ES                            | 0220-060-09-00AO-00                    | 456,208                          | 2009         | Completion | (319,346)  | -                 | -                    |
| Improvements to Lincoln No. 5 ES                                | 0220-070-09-00AP-00                    | 467,455                          | 2009         | Completion | (280,473)  | -                 | -                    |
| Improvements to Mary J. Donohoe No. 4 ES                        | 0220-080-09-00AQ-00                    | 538,420                          | 2009         | Completion | (376,894)  | -                 | -                    |
| Improvements to Phillip G. Vroom No. 2 ES                       | 0220-090-09-00AR-00                    | 386,673                          | 2009         | Completion | (270,671)  | -                 | -                    |
| Improvements to Washington No. 9 ES                             | 0220-120-09-00AS-00                    | 839,873                          | 2009         | Completion | (503,924)  | -                 | -                    |
| Improvements to Woodrow Wilson No. 10 ES                        | 0220-130-09-00AT-00                    | 707,579                          | 2009         | Completion | (424,548)  | -                 | -                    |
| Improvements to Bayonne High School                             | 0220-020-09-00AK-00                    | 1,251,815                        | 2009         | Completion | (751,089)  | -                 | -                    |
| <b>TOTAL CAPITAL PROJECTS FUND</b>                              |  |                                  |              |            | <u>(3,744,232)</u>                               | <u>-</u>          | <u>-</u>             |
| <b>DEBT SERVICE FUND</b>  |  |                                  |              |            |  |                   |                      |
| On-behalf Debt Service Aid - Type I                             | 14-495-034-5120-017                    | 202,663                          | 01/01/14     | 12/31/14   | -  | -                 | 202,663              |
| <b>TOTAL DEBT SERVICE FUND</b>                                  |  |                                  |              |            | <u>-</u>   | <u>-</u>          | <u>202,663</u>       |
| <b>ENTERPRISE FUND</b>  |  |                                  |              |            |  |                   |                      |
| <b>STATE DEPARTMENT OF AGRICULTURE</b>                          |  |                                  |              |            |  |                   |                      |
| State School Lunch Aid  | 15-100-010-3350-023                    | 46,746                           | 07/01/14     | 06/30/15   | -  | -                 | 42,980               |
| State School Lunch Aid  | 14-100-010-3350-023                    | 48,369                           | 07/01/13     | 06/30/14   | (3,923)  | -                 | 3,923                |
| <b>TOTAL ENTERPRISE FUND</b>                                    |  |                                  |              |            | <u>(3,923)</u>                                   | <u>-</u>          | <u>46,903</u>        |
| <b>TOTAL STATE FINANCIAL ASSISTANCE</b>                         |  |                                  |              |            | <u>\$ (4,581,366)</u>                            | <u>\$ 69,428</u>  | <u>\$ 70,242,512</u> |
| <b>LESS:</b>  |  |                                  |              |            |  |                   |                      |
| 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                             |  |                                  |              |            |  |                   |                      |
| <b>TOTAL STATE FINANCIAL ASSISTANCE SUBJECT TO SINGLE AUDIT</b> |  |                                  |              |            |  |                   |                      |

\* - Not Available  
\*\* - Denotes Major Program

(A) - These amounts represent cancellation of due to grantor.

EXHIBIT K-4  
SCHEDULE B

| BUDGETARY<br>EXPEND-<br>ITURES | ADJUST-<br>MENTS/ | REPAYMENT<br>OF PRIOR<br>YEARS'<br>BALANCES | BALANCE AT JUNE 30, 2015 |                     |                   | MEMO                    |  |
|--------------------------------|-------------------|---|--------------------------|---------------------|-------------------|-------------------------|--|
|                                |                   |   | (ACCOUNTS<br>RECEIVABLE) | DEFERRED<br>REVENUE | DUE TO<br>GRANTOR | BUDGETARY<br>RECEIVABLE | CUMULATIVE<br>TOTAL<br>EXPEND-<br>ITURES |
| \$ (46,701,236)                | \$ -              | \$ -  | \$ -                     | \$ -                | \$ -              | \$ 4,618,217            | \$ 46,701,236                            |
| (64,658)                       | -                 | -   | -                        | -                   | -                 | 6,466                   | 64,658                                   |
| (5,433,590)                    | -                 | -   | -                        | -                   | -                 | 543,359                 | 5,433,590                                |
| (639,416)                      | -                 | -   | -                        | -                   | -                 | 63,942                  | 639,416                                  |
| (500,000)                      | -                 | -   | -                        | -                   | -                 | 50,000                  | 500,000                                  |
| (615,577)                      | -                 | -   | (615,577)                | -                   | -                 | -                       | 615,577                                  |
| -                              | -                 | -   | -                        | -                   | -                 | -                       | 643,241                                  |
| (92,880)                       | -                 | -   | -                        | -                   | -                 | 9,288                   | 92,880                                   |
| (92,880)                       | -                 | -   | -                        | -                   | -                 | 9,288                   | 92,880                                   |
| (4,991,091)                    | -                 | -   | (222,367)                | -                   | -                 | -                       | 4,991,091                                |
| -                              | -                 | -   | -                        | -                   | -                 | -                       | 4,007,654                                |
| (2,837,425)                    | -                 | -   | -                        | -                   | -                 | -                       | 2,837,425                                |
| (204,140)                      | -                 | -   | -                        | -                   | -                 | -                       | 204,140                                  |
| (4,828,487)                    | -                 | -   | -                        | -                   | -                 | -                       | 4,828,487                                |
| <u>(67,001,380)</u>            | <u>-</u>          | <u>-</u>                                    | <u>(837,944)</u>         | <u>-</u>            | <u>-</u>          | <u>5,300,560</u>        |  |
|                                |                   |   |                          | 6,138,504           |                   |                         |  |
| (55,178)                       | -                 | -   | -                        | -                   | 1,900             | -                       | 57,078                                   |
| -                              | -                 | (190)                                       | -                        | -                   | -                 | -                       | 50,133                                   |
| (44,656)                       | -                 | -   | -                        | -                   | 1,855             | -                       | 46,511                                   |
| -                              | -                 | (2,500)                                     | -                        | -                   | -                 | -                       | 57,640                                   |
| (4,418)                        | -                 | -   | -                        | -                   | -                 | -                       | 4,418                                    |
| (50,221)                       | -                 | -   | -                        | -                   | -                 | -                       | 50,221                                   |
| <u>(99,295)</u>                | <u>-</u>          | <u>(2,500)</u>                              | <u>-</u>                 | <u>-</u>            | <u>1,855</u>      | <u>-</u>                |  |
| (238,547)                      | -                 | -   | -                        | -                   | 632               | -                       | 239,179                                  |
| -                              | -                 | (837)                                       | -                        | -                   | -                 | -                       | 206,291                                  |
| (94,282)                       | -                 | -   | -                        | -                   | -                 | -                       | 94,282                                   |
| (29,461)                       | -                 | -   | -                        | -                   | 1,195             | -                       | 30,656                                   |
| -                              | -                 | (1,476)                                     | -                        | -                   | -                 | -                       | 18,280                                   |
| (1,879,805)                    | -                 | -   | -                        | 274,655             | -                 | 215,446                 | 1,879,805                                |
| (255,453)                      | -                 | -   | -                        | -                   | -                 | -                       | 2,223,011                                |
| -                              | -                 | -   | -                        | -                   | 64,425            | -                       | 1,863,635                                |
| (271,162)                      | -                 | -   | -                        | -                   | 2,054             | -                       | 273,216                                  |
| (91,813)                       | -                 | -   | (91,813)                 | -                   | -                 | -                       | 54,448                                   |
| -                              | -                 | -   | (34,810)                 | -                   | -                 | -                       | 72,355                                   |
| -                              | -                 | -   | (63,450)                 | -                   | -                 | -                       | 74,521                                   |
| -                              | -                 | -   | (48,589)                 | -                   | -                 | -                       | 63,526                                   |
| -                              | -                 | -   | (62,326)                 | -                   | -                 | -                       | 63,526                                   |
| <u>(3,014,996)</u>             | <u>-</u>          | <u>(5,003)</u>                              | <u>(300,988)</u>         | <u>274,655</u>      | <u>72,061</u>     | <u>215,446</u>          |  |
| -                              | -                 | -   | (364,657)                | -                   | -                 | -                       | 607,762                                  |
| -                              | -                 | -   | (201,434)                | -                   | -                 | -                       | 335,724                                  |
| -                              | -                 | -   | (251,196)                | -                   | -                 | -                       | 358,851                                  |
| -                              | -                 | -   | (319,346)                | -                   | -                 | -                       | 456,208                                  |
| -                              | -                 | -   | (280,473)                | -                   | -                 | -                       | 467,455                                  |
| -                              | -                 | -   | (376,894)                | -                   | -                 | -                       | 538,420                                  |
| -                              | -                 | -   | (270,671)                | -                   | -                 | -                       | 386,673                                  |
| -                              | -                 | -   | (503,924)                | -                   | -                 | -                       | 839,873                                  |
| -                              | -                 | -   | (424,548)                | -                   | -                 | -                       | 707,579                                  |
| -                              | -                 | -   | (751,089)                | -                   | -                 | -                       | 1,251,815                                |
| <u>-</u>                       | <u>-</u>          | <u>-</u>                                    | <u>(3,744,232)</u>       | <u>-</u>            | <u>-</u>          | <u>-</u>                |  |
| (202,663)                      | -                 | -   | -                        | -                   | -                 | -                       | 202,663                                  |
| <u>(202,663)</u>               | <u>-</u>          | <u>-</u>                                    | <u>-</u>                 | <u>-</u>            | <u>-</u>          | <u>-</u>                |  |
| (46,746)                       | -                 | -   | (3,766)                  | -                   | -                 | -                       | 46,746                                   |
| <u>(46,746)</u>                | <u>-</u>          | <u>-</u>                                    | <u>(3,766)</u>           | <u>-</u>            | <u>-</u>          | <u>-</u>                | 48,369                                   |
| (70,265,785)                   | \$ -              | \$ (5,003)                                  | \$ (4,886,930)           | \$ 274,655          | \$ 72,061         | \$ 5,516,006            |  |
| 2,837,425                      |                   |   |                          |                     |                   |                         |  |
| 204,140                        |                   |   |                          |                     |                   |                         |  |
| 4,828,487                      |                   |   |                          |                     |                   |                         |  |
| 202,663                        |                   |   |                          |                     |                   |                         |  |
| <u>\$ (62,193,070)</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, 2015**

**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 City of Bayonne 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 one or more of state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, 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, 2015**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$23,830) for the General Fund and \$40,897 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:

|                                       | <u>Federal</u>      | <u>State</u>         | <u>Local</u>      | <u>Total</u>         |
|---------------------------------------|---------------------|----------------------|-------------------|----------------------|
| General Fund                          | \$ 412,176          | \$ 66,977,550        | \$ -              | \$ 67,389,726        |
| Special Revenue Fund                  | 5,690,232           | 3,005,409            | 256,769           | 8,952,410            |
| Capital Projects Fund                 | -                   | (1,735,263)          | -                 | (1,735,263)          |
| Food Service Fund                     | <u>3,625,828</u>    | <u>46,746</u>        | <u>-</u>          | <u>3,672,574</u>     |
| Total Awards and Financial Assistance | <u>\$ 9,728,236</u> | <u>\$ 68,294,442</u> | <u>\$ 256,769</u> | <u>\$ 78,279,447</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 \$2,837,425 reported as TPAF Pension Contributions, \$204,140 reported as TPAF Non-Contributory Group Insurance, and \$4,828,487 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, 2015. TPAF Social Security Contributions in the amount of \$4,991,091 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, 2015. Type I debt service payments in the amount of \$202,663 represent amounts paid by the City of Bayonne on behalf of the District for the year ended June 30, 2015.

**CITY OF BAYONNE SCHOOL DISTRICT  
 NOTES TO THE SCHEDULES OF AWARDS  
 AND FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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                         | \$ 2,390,260 |
| Title II, Part A Teacher & Principal Training | 367,921      |
| Title III, English Language Acquisition       | 85,191       |
|   | \$ 2,843,372 |

**CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*Section 1 - Summary of Auditors' Results*

Financial Statement Section

A) Type of Auditors Report Issued: Modified

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 Unmodified

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>84.010A</u>                        | No Child Left Behind:                                    |
| <u>84.367A</u>                        | <u>Title I, Part A Basic</u>                             |
| <u>84.027</u>                         | <u>Title II, Part A Teacher &amp; Principal Training</u> |
| <u>84.173</u>                         | <u>IDEA, Basic</u>                                       |
| <u>93.778</u>                         | <u>IDEA, Preschool</u>                                   |
| <u>10.553, 10.555, 10.556, 10.559</u> | <u>Special Education Medicaid Initiative (SEMI)</u>      |
|                                       | <u>Child Nutrition Cluster</u>                           |

H) Dollar threshold used to distinguish between Type A and Type B Programs. \$300,000

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, 2015**

*Section 1 - Summary of Auditors' Results*

State Awards Section

- J) Dollar threshold used to distinguish between Type A and Type B Programs. \$1,865,792
- 
- 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: Modified
- 
- N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular Letter 04-04 and/or 15-08?  Yes  No
- O) Identification of major programs:

| <u>State Grant/Project Number(s)</u> | <u>Name of State Program</u>                  |
|--------------------------------------|---|
| 15-495-034-5120-078                  | Equalization Aid                              |
| 15-495-034-5120-089                  | Special Education Categorical Aid             |
| 15-495-034-5094-003                  | Reimbursed TPAF Social Security Contributions |
| 15-495-034-5120-086                  | Preschool Education Aid                       |

**CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*Section II - Financial Statement Findings*

(This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the basic financial statements for which Government Auditing Standards requires reporting in a Circular A-133 and New Jersey OMB Circular 04-04 and/or 15-08 audit. See paragraphs 13.15 and 13.35.)

**Finding 2015-01**

Criteria: N.J.A.C. 6A:23A-16.10 states a School District Board of Education shall not incur any obligation or approve any payment in excess of the amount appropriated by the District Board of Education in the applicable line item.

Condition: The District expended \$5,357,291 over the amount appropriated for two budget line items.

Questioned Costs: None

Context: \$5,357,291 (4.23%) in expenditures were in excess of appropriations out of \$126,538,484 in General Fund appropriations.

Effect: The District is not in compliance with N.J.A.C. 6A:23A-16.10.

Cause: The District did not properly monitor budget line item accounts to ensure that they would not become over expended.

Recommendation: The District must monitor line item accounts to ensure accounts are not over expended.

View of Responsible Officials: The District will utilize their new accounting software to monitor line item accounts to ensure that accounts to not become over expended. Transfers will be properly authorized to ensure accounts do not become over expended.

**CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

***Finding 2015-02***

**Criteria:** N.J.S.A. 18A:22-8.1 requires Commissioner approval or executive county superintendent as Commissioner’s designee for line item transfers to or from any general fund appropriation account that on a cumulative basis exceed 10 percent of the amount of the account included in the budget certified for taxes.

**Condition:** The District did not obtain proper approval for general fund appropriation account transfers that on a cumulative basis exceeded 10 percent of the amount of the account included in the budget certified for taxes. This finding is repeated from the prior year.

**Questioned Costs:** None

**Context:** Several budget line accounts had transfers over 10% which require Commissioner or executive county superintendent approval.

**Cause:** The District did not properly monitor cumulative transfers to and from general fund appropriation accounts.

**Effect:** The District initiated transfers to and from general fund appropriation accounts that on a cumulative basis exceeded 10 percent of the amount of the account included in the budget certified for taxes without obtaining proper approval.

**Recommendation:** The District must monitor cumulative transfers to and from general fund appropriation accounts to ensure proper approval is obtained prior to initiating transfers that on a cumulative basis exceed 10 percent of the amount of the account included in the budget certified for taxes.

**View of Responsible Officials:** The District will utilize their new accounting software to monitor cumulative transfers to and from general fund appropriation accounts to ensure proper approval is obtained prior to initiating transfers that on a cumulative basis exceed 10 percent of the amount of the account included in the budget certified for taxes.

**CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

***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 and/or 15-08.)

**FEDERAL AWARDS**

**None Reported**

**STATE FINANCIAL ASSISTANCE**

**New Jersey State Department of Education  
Equalization Aid  
15-495-034-5120-078**

***Finding 2015-01***

Criteria: N.J.A.C. 6A:23A-16.10 states a School District Board of Education shall not incur any obligation or approve any payment in excess of the amount appropriated by the District Board of Education in the applicable line item.

Condition: The District expended \$5,357,291 over the amount appropriated for two budget line items.

Questioned Costs: None

Context: \$5,357,291 (4.23%) in expenditures were in excess of appropriations out of \$126,538,484 in General Fund appropriations.

Effect: The District is not in compliance with N.J.A.C. 6A:23A-16.10.

Cause: The District did not properly monitor budget line item accounts to ensure that they would not become over expended.

Recommendation: The District must monitor line item accounts to ensure accounts are not over expended.

**CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**STATE FINANCIAL ASSISTANCE (Continued)**

**New Jersey State Department of Education  
Equalization Aid  
15-495-034-5120-078**

***Finding 2015-01 (Continued)***

View of Responsible

Officials: The District will utilize their new accounting software to monitor line item accounts to ensure that accounts to not become over expended. Transfers will be properly authorized to ensure accounts to not become over expended.

**New Jersey State Department of Education  
Equalization Aid  
15-495-034-5120-078**

***Finding 2015-02***

Criteria: N.J.S.A. 18A:22-8.1 requires Commissioner approval or executive county superintendent as Commissioner's designee for line item transfers to or from any general fund appropriation account that on a cumulative basis exceed 10 percent of the amount of the account included in the budget certified for taxes.

Condition: The District did not obtain proper approval for general fund appropriation account transfers that on a cumulative basis exceeded 10 percent of the amount of the account included in the budget certified for taxes. This finding is repeated from the prior year.

Questioned Costs: None

Context: Several budget line accounts had transfers over 10% which require Commissioner or executive county superintendent approval.

Cause: The District did not properly monitor cumulative transfers to and from general fund appropriation accounts.

**CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**STATE FINANCIAL ASSISTANCE (Continued)**

**New Jersey State Department of Education  
Equalization Aid  
15-495-034-5120-078**

*Finding 2015-02 (Continued)*

Effect: The District initiated transfers to and from general fund appropriation accounts that on a cumulative basis exceeded 10 percent of the amount of the account included in the budget certified for taxes without obtaining proper approval.

Recommendation: The District must monitor cumulative transfers to and from general fund appropriation accounts to ensure proper approval is obtained prior to initiating transfers that on a cumulative basis exceed 10 percent of the amount of the account included in the budget certified for taxes.

View of Responsible Officials: The District will utilize their new accounting software to monitor cumulative transfers to and from general fund appropriation accounts to ensure proper approval is obtained prior to initiating transfers that on a cumulative basis exceed 10 percent of the amount of the account included in the budget certified for taxes.

**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, 2015**

(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 and/or 15-08.)

**FEDERAL AWARDS**

**There were no prior year findings and questioned costs for federal awards**

**STATE FINANCIAL ASSISTANCE**

**New Jersey State Department of Education  
Equalization Aid  
14-495-034-5120-078**

***Finding SA14-01***

**Condition:** The District did not obtain proper approval for general fund appropriation account transfers that on a cumulative basis exceeded 10 percent of the amount of the account included in the budget certified for taxes.

**Recommendation:** The district must monitor cumulative transfers to and from general fund appropriation accounts to ensure proper approval is obtained prior to initiating transfers that on a cumulative basis exceed 10 percent of the amount of the account included in the budget certified for taxes.

**Current Status:** The recommendation has not been adopted. This finding is repeated in the current year as finding 2015-02.