

**CITY OF BAYONNE SCHOOL DISTRICT**

**AUDITOR'S MANAGEMENT REPORT**  
**ON ADMINISTRATIVE FINDINGS -**  
**FINANCIAL, COMPLIANCE AND PERFORMANCE**

**JUNE 30, 2016**

# CITY OF BAYONNE SCHOOL DISTRICT

## AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

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# DONOHUE, GIRONDA, DORIA & TOMKINS LLC

Certified Public Accountants

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

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

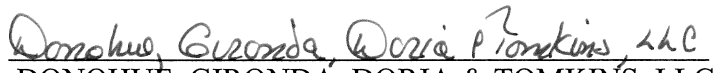
## **REPORT OF INDEPENDENT AUDITOR'S**

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

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the City of Bayonne School District in the County of Hudson for the year ended June 30, 2016, and have issued our report thereon dated November 23, 2016.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the City of Bayonne Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

  
DONOHUE, GIRONDA, DORIA & TOMKINS, LLC  
Certified Public Accountants



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

Bayonne, New Jersey  
November 23, 2016

**ADMINISTRATIVE FINDINGS –  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**SCOPE OF AUDIT**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Board of Education, and the records of various funds under the auspices of the Board of Education.

**ADMINISTRATIVE PRACTICES AND PROCEDURES**

**Insurance**

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule, contained in the District's CAFR.

**Official Bonds**

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Amount</u></b>
Janet Convery	Treasurer of School Monies	\$475,000
Leo Smith	School Business Administrator/ Board Secretary/ Custodian of School Moneys	475,000
Gary R. Maita, DMD	Board Secretary	475,000

The Board also has an errors and omissions policy with the New Jersey School Boards Association Insurance Group with coverage of \$100,000 total for all fees and claims.

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING**

**Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The District made a proper adjustment to the billings to sending Districts for the decrease in per pupil costs in accordance with N.J.A.C. 6A:23A-3.1(f)3.

**Examination of Claims**

A test examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification and proper itemization and/or supporting documentation.

**ADMINISTRATIVE FINDINGS –  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING (Continued)**

**Payroll Account**

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and the Board's required payroll contributions were deposited in the Agency Reserve Account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholdings due to the general fund.

Payrolls were delivered to the treasurer of school monies with a warrant made to her order for the full amount of each payroll.

**Compensated Absences Payouts**

A review of retired employees who received sick day outs was made as of June 30 and the following discrepancies was noted

**Finding 2016-003**     The District issued sick day payouts to retired employees who did not meet the necessary requirements, therefore they should not have received the payouts.

**Recommendation:**     The District should make sure all retired employees who receive sick day payouts are eligible to receive them.

**Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. No discrepancies were noted.

**Travel**

The District did have an approved board travel policy as required by N.J.A.C. 6A:23-6.13 and N.J.S.A. 18A:11-12. No discrepancies were noted.

**ADMINISTRATIVE FINDINGS –  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23-2.2(f)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classification to determine overall reliability and compliance with *N.J.A.C. 6A:23-8.3*. As a result of the procedures performed, no transaction errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

**A. General Classification Findings**

No findings were noted

**B. Administrative Classification Findings**

No findings were noted

**Board Secretary's Records/Business Administrator**

Our review of the financial and accounting records maintained by the Board Secretary/Business Administrator disclosed the following exceptions.

**Finding 2016-001 (CAFR Finding 2016-001)**

The District over expended a budgetary line item in violation of *N.J.A.C. 6A:23A-16.10*.

**Recommendation:**

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

**Finding 2016-002: (CAFR Finding 2016-002)**

The District did not obtain proper approval from the New Jersey State Department of Education Commissioner or executive county superintendent as Commissioner's designee 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.

**ADMINISTRATIVE FINDINGS –  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**Board Secretary's Records/Business Administrator (Continued)**

**Recommendation:**

The District must monitor cumulative transfers to and from general fund appropriation accounts to ensure proper approval from the New Jersey State Department of Education Commissioner or executive county superintendent as Commissioner's designee 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.

**Treasurer's Records**

Our review of the financial and accounting records maintained by the Treasurer found them to be in proper form and order.

**Elementary and Secondary Education Act (E.S.E.A./Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001**

The E.S.E.A./NCLB financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended.

The study of compliance for E.S.E.A. indicated no instances of noncompliance and/or questionable costs.

**Other Special Federal and/or State Projects**

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

Our audit of the federal and state funds on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for the other special federal and/or state projects indicated the following areas of noncompliance:

**ADMINISTRATIVE FINDINGS –  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**Other Special Federal and/or State Projects (Continued)**

Equalization Aid

**Finding 2016-001 (CAFR Finding 2016-001)**

The District over expended a budgetary line item in violation of N.J.A.C. 6A:23A-16.10.

**Recommendation:**

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

**Finding 2016-002 (CAFR Finding 2016-002)**

The District did not obtain proper approval from the New Jersey State Department of Education Commissioner or executive county superintendent as Commissioner's designee 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 from the New Jersey State Department of Education Commissioner or executive county superintendent as Commissioner's designee 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.

**T.P.A.F. Reimbursement**

Our audit procedures included a test of the semi-monthly reimbursement forms filed with the Department of Education for District employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.



**ADMINISTRATIVE FINDINGS –  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**SCHOOL PURCHASING PROGRAMS**

**Contracts and Agreements Requiring Advertisement for Bids**

The bid thresholds in accordance with *N.J.S.A.* 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A.* 18A:39-3 is \$18,800 for 2015-2016.

The District Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Based on the results of our examination, we did note some individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A.* 18A:18A-4, amended as noted in the following:

**Finding 2016-004** Instances were noted where the District initiated aggregate purchases in excess of the bid threshold without properly complying with statutory procurement regulations.

**Recommendation:** The District must monitor aggregate expenditures to ensure compliance with statutory procurement regulations prior to initiating aggregate purchases in excess of their bid threshold.

Resolutions were adopted authorizing the awarding of contracts or agreements for “Professional Services” per *N.J.S.A.* 18A:18A-5.

**SCHOOL FOOD SERVICE**

The financial transactions and statistical records of the school food services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and supplies were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

**ADMINISTRATIVE FINDINGS –  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**SCHOOL FOOD SERVICE (CONTINUED)**

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. However, net cash resources exceeded three months average expenditures.

**Finding 2015-005** Net cash resources exceeded three months average expenditures.

**Recommendation:** The District should make sure the net cash resources balance is at a level that is approximately three months average expenditures. The excess amount should be spent in the food service fund.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the Board of Education. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process, the Edit Check Worksheet was completed. No exceptions were noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications and list of directly certified students on file, times the number of operating days, on a school by school basis. The free and reduced price meals and free milk policy is uniformly administered throughout the school system. Sites approved to participate in Provisions complied with all counting and claiming requirements. The required verification procedures for free and reduced price applications was completed and available for review. No exceptions were noted.

USDA Food Distribution program food and commodities were received and a separate inventory was maintained on a first-in, first-out basis. No exception were noted.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G.

**STUDENT BODY ACTIVITIES**

Our audit of the Student Activity funds found no exceptions in regards to proper form and order.

**ADMINISTRATIVE FINDINGS –  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

**APPLICATION FOR STATE SCHOOL AID**

Our audit procedures included a test of information reported in the October 15, 2015, Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low income and bilingual. We also performed a review of the district procedures related to its completion. The information on the ASSA was compared to the district workpapers without exception. The information that was included on the workpapers was verified. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

**PUPIL TRANSPORTATION**

Our audit procedures included a test of on roll status reported in the 2015-16 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

**FACILITIES AND CAPITAL ASSETS**

Our procedures included a review of the SDA grant agreement for consistency with recording SDA revenue, transfer of local funds from the General Fund or from the Capital Reserve Account, and awarding of contracts for eligible facilities construction. The following exception was noted.

**Finding 2016-006**     The District did not have a capital asset valuation performed, nor was a capital asset subsidiary ledger properly maintained.

**Recommendation:**     The District should either have a periodic capital asset valuation performed or properly maintain a capital asset subsidiary ledger.

**ADMINISTRATIVE FINDINGS –  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

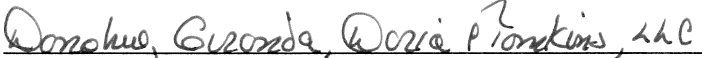
**FOLLOW-UP ON PRIOR YEAR FINDINGS**

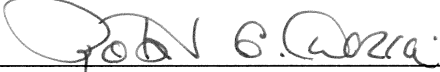
In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations. Corrective action had been taken on all prior year findings with the exception of the following, which are repeated in this year's recommendations:

- The District over expended a budgetary line item.
- The District did not obtain proper approval from the New Jersey State Department of Education Commissioner or executive county superintendent as Commissioner's designee 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.
- Instances were noted where the District initiated aggregate purchases in excess of the bid threshold without properly complying with statutory procurement regulations.
- The District did not have a capital asset valuation performed, nor was a capital asset subsidiary ledger properly maintained.

**ACKNOWLEDGMENT**

We received the complete cooperation of all the officials of the School District and we greatly appreciate the courtesies extended to the members of the audit team.

  
DONOHUE, GIRONDA, DORIA & TOMKINS, LLC  
Certified Public Accountants

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

Bayonne, New Jersey  
November 23, 2016

**CITY OF BAYONNE SCHOOL DISTRICT**  
**SCHEDULE OF MEAL COUNT ACTIVITY**  
**ENTERPRISE FUND**  
**FOOD SERVICE FUND**  
**NUMBER OF MEALS SERVED AND (OVER) UNDER CLAIM - FEDERAL**  
**FOR FISCAL YEAR ENDED JUNE 30, 2016**

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE</u>	<u>(OVER)/ UNDER CLAIM</u>
National School Lunch (High Rate)	Paid	135,785	39,955	39,955	-	0.310	\$ -
	Reduced	66,759	19,763	19,763	-	2.690	-
	Free	<u>659,797</u>	<u>192,016</u>	<u>192,016</u>	-	3.090	-
	Total	<u>862,341</u>	<u>251,734</u>	<u>251,734</u>	-		<u>\$ -</u>
National School Lunch	HHFKA - PB Lunch Only	<u>862,341</u>	<u>251,734</u>	<u>251,734</u>	-	0.06	
School Breakfast (Severe Needs Rate)	Paid	225,151	66,542	66,542	-	0.290	\$ -
	Reduced	56,171	17,371	17,371	-	1.690	-
	Free	<u>458,642</u>	<u>138,836</u>	<u>138,836</u>	-	1.990	-
	Total	<u>739,964</u>	<u>222,749</u>	<u>222,749</u>	-		<u>\$ -</u>
Total Net (Over)/Under Claim					<u>-</u>		<u>\$ -</u>

**CITY OF BAYONNE SCHOOL DISTRICT**  
**SCHEDULE OF MEAL COUNT ACTIVITY**  
**ENTERPRISE FUND**  
**FOOD SERVICE FUND**  
**NUMBER OF MEALS SERVED AND (OVER) UNDER CLAIM - STATE**  
**FOR FISCAL YEAR ENDED JUNE 30, 2016**

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE</u>	<u>(OVER)/ UNDER CLAIM</u>
State Reimbursement National School Lunch (High Rate)	Paid	135,785	39,955	39,955	-	0.040	\$ -
	Reduced	66,759	19,763	19,763	-	0.055	-
	Free	<u>659,797</u>	<u>192,016</u>	<u>192,016</u>	<u>-</u>	0.055	<u>-</u>
Total		<u>862,341</u>	<u>251,734</u>	<u>251,734</u>	<u>-</u>		<u>\$ -</u>
Total Net (Over)/Under Claim					<u>-</u>		<u>\$ -</u>

**CITY OF BAYONNE SCHOOL DISTRICT**  
**Net cash resources did/did not exceed three months of expenditures**  
**Proprietary Funds - Food Service**  
**For Fiscal Year Ended June 30, 2016**

<u>Net Cash Resources:</u>	<b>Food Service B - 4/5</b>	
<b>CAFR</b> *	<b>Current Assets</b>	
B-4	Due from Other Gov'ts	845,959
B-4	Accounts Receivable	731,997
	<b>Net Cash Resources</b>	<u><u>\$ 1,577,956.00</u></u> (A)

<u>Net Adj. Total Operating Expense:</u>		
B-5	Tot. Operating Exp.	4,663,524
B-5	Less Depreciation	<u>(129,050)</u>
	<b>Adj. Tot. Oper. Exp.</b>	<u><u>\$ 4,534,474.00</u></u> (B)

<u>Average Monthly Operating Expense:</u>		
	B / 10	<u><u>\$ 453,447.40</u></u> (C)

<u>Three times monthly Average:</u>		
	3 X C	<u><u>\$ 1,360,342.20</u></u> (D)

TOTAL IN BOX A	<u>\$ 1,577,956.00</u>
LESS TOTAL IN BOX D	<u>\$ 1,360,342.20</u>
<b>NET</b>	<u><u>\$ 217,613.80</u></u>
From above:	
<b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>	
<b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b>	

\* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

CITY OF BAYONNE SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015

	2016-2017 Application for State School Aid						Sample of Verification						Private Schools for Disabled							
	Reported on		Reported on		Errors		Sample Selected from		Registers Verified per		Registers per		Reported on		Sample for		Sample			
	ASSA	On Roll	Workpapers	On Roll	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	on ASSA as Private Schools	Verification	Verified	Errors		
Half Day Preschool	-	-	383	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Full Day Preschool	52	-	52	-	-	-	23	-	23	-	-	-	-	-	-	-	-	-	-	
Full Day Kindergarten	665	-	665	-	-	-	52	-	52	-	-	-	-	-	-	-	-	-	-	
One	730	-	730	-	-	-	47	-	47	-	-	-	-	-	-	-	-	-	-	
Two	694	-	694	-	-	-	67	-	67	-	-	-	-	-	-	-	-	-	-	
Three	646	-	646	-	-	-	54	-	54	-	-	-	-	-	-	-	-	-	-	
Four	597	-	597	-	-	-	60	-	60	-	-	-	-	-	-	-	-	-	-	
Five	645	-	645	-	-	-	50	-	50	-	-	-	-	-	-	-	-	-	-	
Six	597	-	597	-	-	-	53	-	53	-	-	-	-	-	-	-	-	-	-	
Seven	610	-	610	-	-	-	73	-	73	-	-	-	-	-	-	-	-	-	-	
Eight	603	-	603	-	-	-	49	-	49	-	-	-	-	-	-	-	-	-	-	
Nine	563	56	563	56	-	-	31	-	31	-	-	-	-	-	-	-	-	-	-	
Ten	515	37	515	37	-	-	410	-	410	-	-	-	-	-	-	-	-	-	-	
Eleven	500	25	500	25	-	-	35	-	35	-	-	-	-	-	-	-	-	-	-	
Twelve	426	85	426	85	-	-	36	-	36	-	-	-	-	-	-	-	-	-	-	
Post Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adult HS (15+ Credits)	81	-	81	-	-	-	11	-	11	-	-	-	-	-	-	-	-	-	-	
Adult HS (1-14 Credits)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	8,307	203	8,307	203	-	-	1,051	-	1,051	-	-	-	-	-	-	-	-	-	-	
Special Education-Elementary	542	-	542	-	-	-	26	-	26	-	-	-	-	11	11	11	5	5	5	
Special Education-Middle	336	-	336	-	-	-	25	-	25	-	-	-	-	5	5	5	19	19	19	
Special Education-Highschool	352	83	352	83	-	-	278	-	278	-	-	-	-	19	19	19	35	35	35	
Subtotal	1,230	83	1,230	83	-	-	329	-	329	-	-	-	-	35	35	35	35	35	35	
TOTALS	9,537	286	9,537	286	-	-	1,380	-	1,380	-	-	-	-	35	35	35	35	35	35	
																				0.00%



**CITY OF BAYONNE SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015**

	2016-2017 Application for State School Aid			Sample of Verification			Resident LEP Low Income			Sample of Verification		
	Reported on ASSA Low Income	Reported on Workpapers Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Registers	Sample Errors	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Registers	Sample Errors
Half Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	404	404	-	28	28	-	18	18	-	5	5	-
One	511	511	-	33	33	-	22	22	-	5	5	-
Two	447	447	-	24	24	-	15	15	-	5	5	-
Three	428	428	-	27	27	-	18	18	-	5	5	-
Four	387	387	-	38	38	-	19	19	-	5	5	-
Five	421	421	-	29	29	-	21	21	-	5	5	-
Six	370	370	-	35	35	-	17	17	-	8	8	-
Seven	390	390	-	33	33	-	14	14	-	9	9	-
Eight	375	375	-	35	35	-	16	16	-	6	6	-
Nine	392	392	-	45	45	-	27	27	-	10	10	-
Ten	331	331	-	45	45	-	14	14	-	10	10	-
Eleven	316	316	-	100	100	-	16	16	-	7	7	-
Twelve	297	297	-	45	45	-	8	8	-	5	5	-
Subtotal	5,069	5,069	-	517	517	-	225	225	-	85	85	-
Special Education-Elementary	395	395	-	25	25	-	3	3	-	1	1	-
Special Education-Middle	251	251	-	15	15	-	2	2	-	1	1	-
Special Education-Highschool	288	288	-	15	15	-	6	6	-	3	3	-
Subtotal	934	934	-	55	55	-	11	11	-	5	5	-
TOTALS	6,003	6,003	0.00%	572	572	0.00%	236	236	0.00%	90	90	0.00%
Transportation												
Reported on DRTRS by DOE/County	15	15	-	7	7	-	-	-	-	-	-	-
Reported on DRTRS by District	391	391	-	150	150	-	-	-	-	-	-	-
Subtotal	406	406	-	157	157	-	-	-	-	-	-	-
TOTALS	467	467	0.00%	202	202	0.00%	202	202	0.00%	202	202	0.00%
Reg.-Public Schools	15	15	-	7	7	-	-	-	-	-	-	-
Reg. - Special Education	391	391	-	150	150	-	-	-	-	-	-	-
Special Ed. Spec Trans.	61	61	-	45	45	-	-	-	-	-	-	-
TOTALS	467	467	0.00%	202	202	0.00%	202	202	0.00%	202	202	0.00%

Reg Avg (Mileage) = Regular including Grade PK Students (Part A)  
 Reg Avg (Mileage) = Regular excluding Grade PK Students (Part B)  
 Special Avg = Special Ed w/ Special Needs

Reported  
n/a

Reported  
1.5  
19.2

Recalculated  
n/a

Recalculated  
1.5  
19.2

**CITY OF BAYONNE SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015**

	LEP Not Low Income			Sample of Verification		
	Reported on ASSA NOT LOW Income	Reported on Workpapers NOT LOW Income	Errors	Sample Selected from Workpapers	Verified per Applications & Registers	Errors
Full Day Kindergarten						
One	5	5	-	1	1	-
Two	5	5	-	2	2	-
Three	2	2	-	-	-	-
Four	3	3	-	1	1	-
Five	2	2	-	1	1	-
Six	2	2	-	-	-	-
Seven	-	-	-	-	-	-
Eight	2	2	-	1	1	-
Nine	2	2	-	-	-	-
Ten	6	6	-	1	1	-
Eleven	3	3	-	3	3	-
Twelve	5	5	-	4	4	-
Subtotal	3	3	-	1	1	-
	40	40	-	15	15	-
TOTALS	40	40	-	15	15	-
			0.00%			0.00%

**CITY OF BAYONNE SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**SECTION 1**

**A. 2% Calculation of Excess Surplus**

2015-2016 Total General Fund Expenditures per the CAFR, Exhibit C-1	<u>\$ 137,315,009</u> (B)
Increased by:	
Transfer to Food Service Fund	<u>\$ -</u> (B1a)
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -</u> (B1b)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -</u> (B2c)
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>\$ (13,848,093)</u> (B2a)
Assets Acquired Under Capital Leases:	<u>\$ (1,230,747)</u> (B2b)
Adjusted 2015-16 General Fund Expenditures [(B) + (B1s) - (B2s)]	<u>\$ 122,236,169</u> (B3)
2% of Adjusted 2015-16 General Fund Expenditures [(B3) times .02]	<u>\$ 2,444,723</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 2,444,723</u> (B3)
Increased by:	
Allowable Adjustment*	<u>\$ 543,648</u> (K)
Maximum Unassigned Fund Balance [(B5) + (K)]	<u>\$ 2,988,371</u> (M)

**SECTION 2**

Total General Fund - Fund Balances at for the Fiscal Year Ended June 30, 2016 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 5,460,037</u> (C)
Decreased by:	
Year-end Encumbrances	<u>\$ (5,940,338)</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>\$ (1,523,324)</u> (C3)
Other Restricted/Reserved Fund Balances****	<u>\$ -</u> (C4)
Assigned Fund Balance - Unreserved-Designated for Subsequent Year's Expenditures	<u>\$ -</u> (C5)
Total Unassigned Fund Balance [(C) - (C1) - (C2) - (C3) - (C4) - (C5)]	<u>\$ (2,003,625)</u> (U1)

**SECTION 3**

Restricted Fund Balance - Excess Surplus***[(U) - (M)] IF NEGATIVE ENTER -0-	<u>\$ -</u> (E)
--	-----------------

**Recapitulation of Excess Surplus as of June 30, 2016**

Restricted Excess Surplus -- Designated for Subsequent Year's Expenditures**	<u>\$ 1,523,324</u> (C3)
Restricted Excess Surplus***[(E)]	<u>\$ -</u> (E)
Total [(C3) + (E)]	<u>\$ 1,523,324</u> (D)

\* This adjustment line (line (K) as detailed below) is to utilized for Impact Aid, Sale and Lease-back, Extraordinary Aid, and Additional Nonpublic School Transportation Aid, and unbudgeted FICA Wage Freeze Grant Revenue, if applicable. Extraordinary Aid and Additional Nonpublic School Transportation Aid for 2015-16 received after June 30 is limited to the amount of revenue recognized in the audit year that was not appropriated.

**CITY OF BAYONNE SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Detail of Allowable Adjustments**

Impact Aid	\$ - (H)
Sale & Lease-back	\$ - (I)
Extraordinary Aid	\$ 543,648 (J1)
Additional Nonpublic School Transportation Aid	\$ - (J2)
Total Adjustments [(H) + (I) + (J1) + (J2)]	\$ 543,648 (K)

\*\* This amount represents the June 30, 2015 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amount must agree with the June 30, 2016 CAFR and Audit Summary Worksheet Line 90030.

\*\*\*\* Amount for Other Restricted/Reserved Fund Balance must be detailed for each source and request for approval to use amounts other than state imposed legal restrictions in the excess surplus calculation must be submitted to that Assistant to the Commissioner for Finance prior to September 30.

- (N-1) Capital reserve at June 30, 2016
- (N-2) Maintenance reserve minimum required under EFCFA
- (N-3) Tuition reserve at June 30, 2016
- (N-4) Emergency reserve at June 30, 2016
- (N-5) Waiver offset reserve at June 30, 2016

**Detail of Other Reserved Fund Balance**

**Statutory restrictions:**

Approved unspent separate proposal	\$ -
Sale/lease-back reserve	\$ -
Capital reserve	\$ -
Maintenance reserve	\$ -
Emergency reserve	\$ -
Waiver offset reserve	\$ -
Tuition reserve	\$ -
Other state/government mandated reserve	\$ -
[Other Restricted/Reserved Fund Balance not noted above]****	\$ -
Total Other Restricted/Reserved Fund Balance	\$ - (C4)