

*SCHOOL DISTRICT  
OF  
CITY OF BAYONNE*

*BOARD OF EDUCATION*

*COUNTY OF HUDSON  
CITY OF BAYONNE, NEW JERSEY*

*COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR  
ENDED JUNE 30, 2019*

**HODULIK & MORRISON, P.A.**

A division of



**CITY OF BAYONNE SCHOOL DISTRICT**  
**COUNTY OF HUDSON, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2019**

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# **INTRODUCTORY SECTION**



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

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**Daniel M. Castles**  
**School Business Administrator**

**Phone: (201) 858-5560**  
**Fax: (201) 858-5599**  
**Email: dcastles@bboed.org**

January 7, 2020

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

Dear Members of the Board of Education:

The Comprehensive Annual Financial Report (C.A.F.R.) of the Bayonne School District (the "District") for the fiscal year ended June 30, 2019, 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 the auditor's report are accurate in all material respects and are reported in a manner designed to fairly present 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 C.A.F.R. is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials and consultants, independent auditors and advisors. The financial section includes the general-purpose financial statements, management's discussion and analysis, and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis. The District is required to undergo an annual single audit in conformity with the provisions of the 1996 Single Audit Act, as amended, and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* 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, is included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES:**

Bayonne School District is a Type II District (elected board), having been reclassified from a Type I (appointed school board) during the General Elections held on November 3, 2015. The District is an independent reporting entity within the criteria adopted by 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 District provides a full range of educational services appropriate to grade levels Pre-K through twelve. These services include regular, vocational programs as well as special education for handicapped youngsters.

The District completed the 2018-2019 fiscal year with an average daily enrollment of 9,189 students, which is 85 or 0.92% less than the previous year's enrollment.

The following figures details the changes in the student enrollment of the District over a five-year period.

**Average Daily Enrollment**

Fiscal Year	Student Enrollment	Percent Change
2018-2019	9,189	-0.92%
2017-2018	9,274	-0.44%
2016-2017	9,315	-0.47%
2015-2016	9,359	0.19%
2014-2015	9,341	4.17%

**2. ECONOMIC CONDITION AND OUTLOOK:**

The Board of Education has maintained quality education programs during the recent expansion of student enrollment, with only a minor increase in school taxes. Community revitalization efforts are ongoing. A Hudson-Bergen NJ 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'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 and/or renovations utilizing New Jersey Development Authority grant funds. The student population is becoming increasingly diverse and score respectively with the state peers.

**3. MAJOR INITIATIVES:**

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. For 2014-2015 school year, the District Piloted Grade 8 students with a 1:1 takes home initiative for the Chrome books. Success was documented and the District moved to making all Chrome books 1:1 for taking home for all students 3-12. MacBooks were purchased for all teachers. The District started a major technology upgrade in the Fall of 2017 to further upgrade its network infrastructure through use of the Federally Funded E-Rate program. In addition, to the Chrome book rollout, the school District continues to use Google Apps for Education for all staff and students.

The entire District staff is committed to testing 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. Additionally, training is conducted to support staff members with the creation of Student Growth Objectives (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 teacher with this process and for the degree to which the teachers in their school meet SGOs. Curriculum writes create diagnostic assessments administrated in September. Teachers review students baseline data and set attainment scores with guidance from their building level administrators and District directors. Conversations continue regarding SGOs as there are build-in checkpoints and teachers will continue to monitor progress on our abbreviated professional days. The District has begun full scope external review of its curriculum, which including a review of Math, Language Arts, Social Studies and next generation science standards.

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

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

As part of the District single audit described earlier, 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. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education 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 Districts 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 cancelled or are included as a re-appropriation of fund balances in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2019.

#### 6. ACCOUNTING SYSTEM AND REPORTS:

A District's accounting records must reflect generally accepted principles, as promulgated by the Governmental Accounting Standards Board (G.A.S.B.). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

An effective and efficient system of internal controls is essential to accurate, timely reporting of all relevant transactions on an accounting system and the resultant administrative and external reports generated from that system.

**7. FINANCIAL INFORMATION AT FISCAL YEAR-END:**

As demonstrated by the various statements and schedules included in the financial section of this report, the district continues to meet its responsibilities for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2019, and the amount and percentage of increase/(decrease) in relation to the prior year.

<u>Revenue</u>	<u>2018-2019 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2017-18</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$70,544,864	42.89%	\$2,264,802	3.32%
State Sources	87,605,167	53.25%	9,076,023	11.56%
Federal Sources	<u>6,345,394</u>	<u>3.86%</u>	<u>(541,084)</u>	<u>-7.86%</u>
Totals	<u>\$154,093,350</u>	<u>100.00%</u>	<u>\$10,799,741</u>	<u>7.03%</u>

The following schedule presents a summary of the general fund and special revenue fund expenditures for the fiscal year ended June 30, 2019, and the amount and percentage of increase/ (decrease) in relation to the prior year.

<u>Expenditures</u>	<u>2018-2019 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2017-18</u>	<u>Percent of Increase (Decrease)</u>
Current Expense	\$149,218,300	93.54%	10,941,746	-7.91%
Capital Outlays	679,075	0.43%	263,609	63.45%
Special Revenues	<u>9,625,278</u>	<u>6.03%</u>	<u>(16,457)</u>	<u>-0.17%</u>
Totals	<u>\$159,522,653</u>	<u>100.0%</u>	<u>\$11,188,898</u>	<u>-7.54%</u>

**8. CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 1. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

**9. RISK MANAGEMENT:**

The Board carries various forms of insurance, including but not limited to, general liability and comprehensive collision, hazard and theft insurance on property and contents, and fidelity bonds. Exhibit J-20 provides a summary of the coverage amounts and deductibles.

10. OTHER INFORMATION:

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Hodulik & Morrison, P.A., a division of PKF O'Connor Davies, LLP. was selected by the Board of Education. 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 and the related New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* 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 the report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Bayonne School District for taking initiative to provide 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. Further, the preparation of this report could not have been accomplished without the efficient and dedicated services of our business office staff members.

Respectfully Submitted,



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John J. Niesz  
Superintendent of Schools



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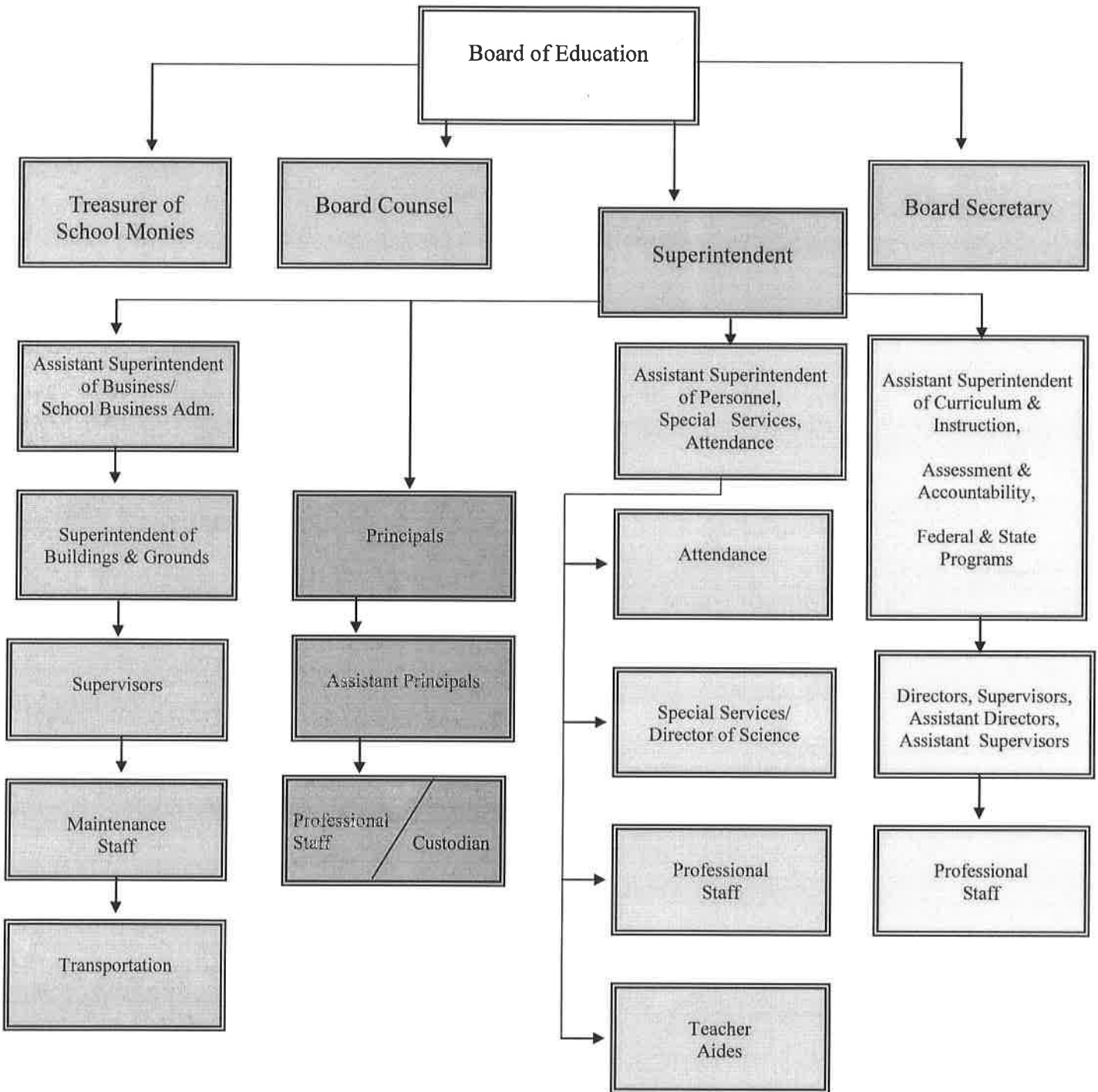
Daniel M. Castles  
School Business Administrator

# POLICY

# BOARD OF EDUCATION BAYONNE

## 1110 ORGANIZATIONAL CHART

ADMINISTRATION  
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ORGANIZATIONAL CHART



Revised: November 2016

CITY OF BAYONNE BOARD OF EDUCATION  
HUDSON COUNTY, NEW JERSEY

ROSTER OF OFFICIALS  
JUNE 30, 2019

Members of the Board of Education

Term Expires

Joseph T. Broderick, President	January 2022
Denis F. Wilbeck, Vice President	January 2020
Michael Alonso	January 2021
Jodi Casais	January 2022
Carol Cruden, R.N.	January 2020
Ava Finnerty	January 2022
Christopher Munoz	January 2021
Charles Ryan	January 2020
Maria Valado	January 2021

Other Officials

Dr. Michael A. Wanko, PhD, Interim Superintendent of Schools  
Dr. Dennis Degnan, Ed. D, Assistant Superintendent of Schools  
Kenneth Kopacz, Assistant Superintendent of Schools  
Thomas Fogu, Jr., Acting School Business Administrator  
Dr. Gary R. Maita, School Board Secretary

**CITY OF BAYONNE BOARD OF EDUCATION  
Consultants, Independent Auditors and Advisors**

**Architects**

DMR Architects  
777 Terrace Avenue  
Hasbrouck Heights, New Jersey 07604

**Audit Firm**

Hodulik & Morrison. P.A., a division of PKF O'Connor Davies  
20 Commerce Drive, Suite 301  
Cranford, NJ 07016

**Attorneys**

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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**



# HODULIK & MORRISON, P.A.



## INDEPENDENT AUDITORS' REPORT

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

### REPORT ON FINANCIAL STATEMENTS

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, in the County of Hudson, State of New Jersey, as of and for the fiscal year ended June 30, 2019, 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 of 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 these 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 our 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, 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 June 30, 2019 and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity 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 management's discussion and analysis, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF, schedule of post-employment benefits and budgetary comparison information as presented in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bayonne School District's basic financial statements. The introductory section, combining and individual fund financial statements, long-term debt schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, respectively, and are also not a required part of the basic financial statements.

The combining and individual fund financial statements, long-term debt schedules, schedules of expenditures of federal awards and state financial assistance are the responsibility of management and are 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole. In our opinion, the combining and individual fund financial statements, long-term debt schedules, schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section and statistical section 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.

**OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2020 on our consideration of the City of Bayonne School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering the City of Bayonne School District's internal control over financial reporting and compliance.



HODULIK & MORRISON, P.A.  
A division of PKF O'Connor Davies  
Certified Public Accountants  
Registered Municipal Accountants  
Public School Accountants



Robert S. Morrison  
Public School Accountant  
PSA # 871

Cranford, New Jersey  
January 7, 2020

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**PART I**

**CITY OF BAYONNE SCHOOL DISTRICT**  
**City of Bayonne, New Jersey**  
**Hudson, County**

**MANAGEMENT DISCUSSION & ANALYSIS (MD&A)**  
**June 30, 2019**

This section of the district's annual financial report presents a discussion and analysis of the district's financial performance during the fiscal year ending June 30, 2019. It should be read in conjunction with the transmittal letter at the front of this report and the district's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statement—and Management's Discussion and Analysis—for State and Local Governments issued June 1999 and amended by GASB Statement No. 37. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

The key financial highlights for the 2018-2019 fiscal year include the following:

Total net position for governmental activities is reported at \$14,295,231 at June 30, 2019. This represents a decrease of \$66,468 or 0.46% over the prior year reported net position. Governmental funds reported a positive fund balance of \$1,936,406, which is a \$2,240,838 increase from last year's total governmental fund balance. This favorable operating result reflects the more disciplined expenditure authorization and approval process that has been implemented by the District. The general or operating fund balance was reported for GAAP purposes at \$1,140,713, which represents an increase of \$4,804,938 over the prior year. Of this total, \$1,067,963 was committed to cover open purchase orders at year-end. Based upon the reduction imposed by S1701 in the calculation of maximum restricted fund balance that the District is allowed to retain, the amount of general fund balance required to be reserved for tax relief in the 2020-2021 budget is \$2,574,069. The Board also approved the reservation of \$750,000 for ongoing capital and maintenance projects. The District's 2019-2020 budget also utilizes \$401,698 of fund balance for tax relief. The unassigned general fund balance is reported at negative \$3712,911. Total expenditures for all governmental funds were \$162,803,655. Total revenues were \$164,495,425 resulting in an excess of revenues over expenditures of \$1,691,770 for the year. Revenues included \$93.95 million in state and federal aid and \$68.31 million in local taxes.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the district's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the district, reporting the district's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short- and long-term financial information about the activities the district operated like businesses, such as food services.
- Fiduciary funds statements provide information about the financial relationship in which the district acts solely as a trustee or agent for the benefits of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the district's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1**

### *Organization of the School District Annual Financial Report*

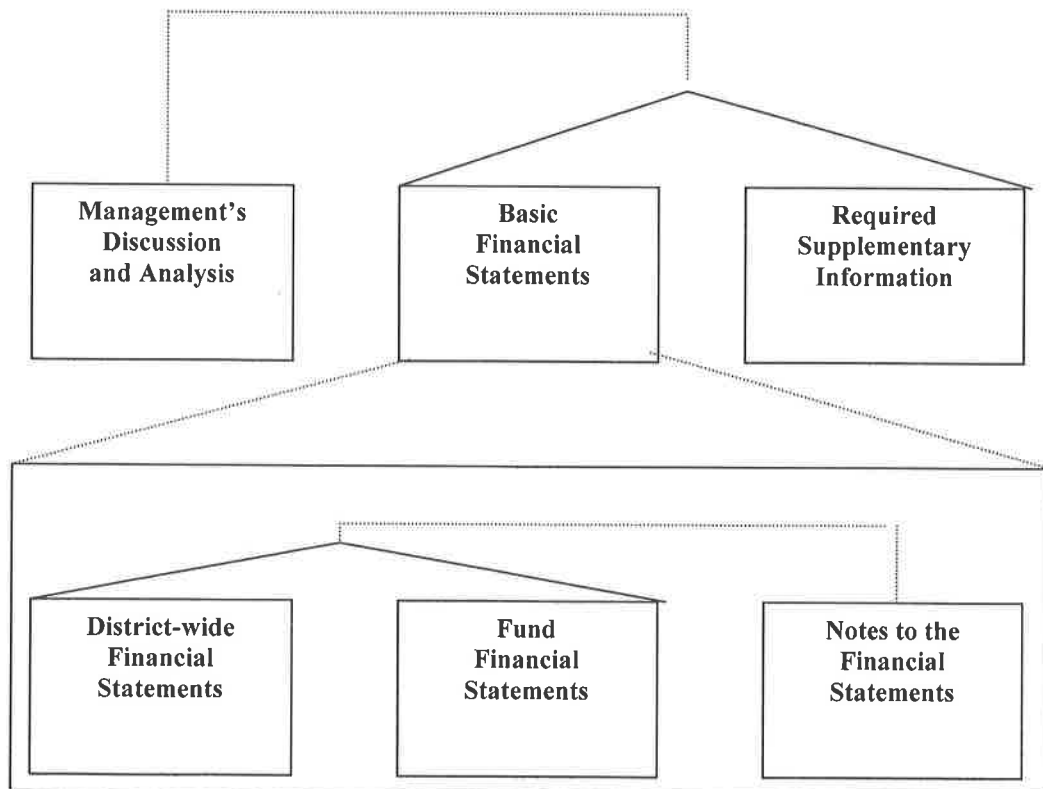


Figure A-2 summarizes the major features of the district’s financial statements, including the portion of the district’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2 Major Features of the District-Wide and Fund Financial Statements				
	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial Statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset / liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/out-flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## **District-wide Statements**

The district-wide statements report information about the district as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the district's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the district's net position and how they have changed. Net position - the difference between the district's assets and liabilities - is one way to measure the district's financial health or position.

- Over time, increases or decreases in the district's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the district's overall health, you need to consider that the school district's goal is to provide services to students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the of the schools to assess the overall health of the district.

In the district-wide financial statements, the district's activities are divided into two categories:

- **Governmental activities:** Most of the district's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.
- **Business-type activities:** The district charges fees to help it cover the costs of certain services it provides. The district's adult education programs and food services are included here.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the district's funds, focusing on its most significant or "major" funds – not the district as a whole. Funds are accounting devices the district uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The district establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).



The district has three kinds of funds:

Governmental funds: Most of the district's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

Proprietary funds: Services for which the district charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The district's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The district uses internal service funds (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The district currently has one internal service fund, the health insurance fund.

Fiduciary funds: The district is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The district excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

## **FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

The school district's Governmental Activities net position was \$14,295,231 at June 30, 2019. Of this amount, a deficit amount of \$51,361,979 was reported as unrestricted net position, primarily due to GASB #68 accounting and reporting requirements for the PERS and TPAF defined benefit pension systems. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the school district's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net position (Figure A-3) and change in net position (Figure A-4) of the school district's governmental activities.

**Figure A-3**  
**Net Position**

	<b>Governmental Activities</b>		<b>Amount Difference</b>	<b>% Increase (Decrease)</b>
	<b>2019</b>	<b>2018</b>		
<b>ASSETS</b>				
Current and Other Assets	\$ 9,447,345	\$ 8,497,227	\$ 950,118	11.182%
Capital Assets	62,283,108	63,594,218	(1,311,110)	-2.062%
<b>Total Assets</b>	<b>\$ 71,730,454</b>	<b>\$ 72,091,445</b>	<b>\$ (360,991)</b>	<b>-0.501%</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	\$ 14,205,221	\$ 17,123,100	\$ (2,917,879)	-17.041%
<b>LIABILITIES</b>				
Current and other liabilities	9,038,452	9,664,308	(625,856)	-6.476%
Long-term liabilities	46,906,129	53,980,821	(7,074,692)	-13.106%
<b>Total Liabilities</b>	<b>\$ 55,944,581</b>	<b>\$ 63,645,129</b>	<b>\$ (7,700,548)</b>	<b>-12.099%</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	\$ 15,695,863	\$ 11,107,718	\$ 4,588,145	100.000%
<b>NET POSITION</b>				
Net Investment in				
Capital Assets	61,477,554	62,089,615	(612,061)	-0.986%
Restricted	4,179,656	3,359,793	819,862	24.402%
Unrestricted	(51,361,979)	(51,087,710)	(274,269)	0.537%
<b>Total Net Position</b>	<b>\$ 14,295,231</b>	<b>\$ 14,361,698</b>	<b>\$ (66,468)</b>	<b>-0.463%</b>

The results of this year's operations for the school district Governmental Activities and Business-type Activities are reported in the Statement of Activities (Exhibit A-2). Figure A - 4, below, takes the information from that financial statement, rounds off the numbers, and rearranges them so slightly so you can see the District's total revenues and expenses for the year.

**Figure A-4**  
**Change in Net Position**

	<u>Governmental Activities</u>		<u>Amount Difference</u>	<u>% Increase (Decrease)</u>
	<u>2019</u>	<u>2018</u>		
<b>Revenues:</b>				
Operating Grants and Contributions	\$ 39,460,831	\$ 43,609,221	(4,148,390)	-9.51%
<b>General Revenues:</b>				
Property Taxes	68,312,303	66,407,653	1,904,650	2.87%
Federal and State Aid not Restricted	61,704,888	64,468,987	(2,764,098)	100.00%
Federal and State Aid Restricted	9,456,674	9,748,223	(291,549)	100.00%
Tuition	779,815	655,515	124,301	100.00%
Other General Revenues	1,284,141	1,216,891	67,250.06	5.53%
<b>Total Revenues</b>	<b>\$ 180,998,653</b>	<b>\$ 186,106,490</b>	<b>\$ (5,107,837)</b>	<b>-2.74%</b>
<b>Program Expenses Including</b>				
<b>Indirect Expenses:</b>				
Instruction:				
Regular	44,584,888	39,601,036	4,983,852	12.59%
Special Education	23,478,396	23,280,445	197,951	0.85%
Other Instruction	2,287,280	4,515,851	(2,228,571)	-49.35%
Support Services:				
Tuition	2,394,192	2,056,505	337,687	16.42%
Student & Instruction Related Services	14,471,882	14,925,463	(453,581)	-3.04%
School Administrative Services	4,558,634	4,797,816	(239,182)	-4.99%
General and Business Admin. Services	5,577,328	5,484,197	93,131	1.70%
Plant Operations and Maintenance	13,573,024	11,096,656	2,476,368	22.32%
Pupil Transportation	3,028,142	2,879,309	148,833	5.17%
Special Schools	477,856	385,706	92,150	23.89%
Unallocated Benefits	62,440,722	75,223,568	(12,782,846)	100.00%
Capital Outlay	269,280	269,280	0	0.00%
Unallocated Depreciation & Amortization	1,550,680	1,528,690	21,990	100.00%
<b>Total Expenses</b>	<b>\$ 181,065,121</b>	<b>\$ 186,044,522</b>	<b>\$ (4,979,401)</b>	<b>-2.68%</b>
Transfers (From) or To	-	(112,796)	112,795.50	100.00%
<b>Increase (Decrease) in Net Position</b>	<b>\$ (66,468)</b>	<b>\$ (50,828)</b>	<b>\$ (15,640)</b>	<b>30.77%</b>

**Figure A-4**  
**Change in Net Position**

	<u>Business Type Activity</u>		<u>Amount Difference</u>	<u>%</u>
	<u>2019</u>	<u>2018</u>		<u>Increase (Decrease)</u>
<b>Revenues:</b>				
Charges for Services	\$ 1,112,361	\$ 988,445	\$ 123,916	12.54%
Operating Grants and Contributions	3,865,012	3,670,104	194,908	5.31%
<b>Total Revenues</b>	<b>\$ 4,977,373</b>	<b>\$ 4,658,549</b>	<b>\$ 318,824</b>	<b>6.84%</b>
<b>Program Expenses</b>				
Food Service	4,688,908	4,847,519	-	0.00%
<b>Total Expenses</b>	<b>\$ 4,688,908.30</b>	<b>\$ 4,847,519.00</b>	<b>\$ (158,610.70)</b>	<b>-3.27%</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 288,464</b>	<b>\$ (188,970)</b>	<b>\$ 477,434</b>	<b>-252.65%</b>

In figure A-5 below, we have presented the cost of each of the school district's functions for the current year and prior year. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by each function.

**Table Figure A-5**  
**Governmental Activities - Total Cost of Services**

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	
			<u>\$</u>	<u>%</u>
Instruction	\$ 72,723,381	\$ 67,397,332	\$ 5,326,049	2.86%
Support Services				
Pupil and Instructional Staff	16,866,074	16,981,968	(115,894)	-0.06%
General and Business				
Administrative Services	10,135,962	10,282,013	(146,051)	-0.08%
Plant Operation and Maintenance	13,573,024	11,096,656	2,476,367	1.33%
Pupil Transportation	3,028,142	2,879,309	148,833	0.08%
Unallocated Benefits	62,440,722	75,223,568	(12,782,846)	-6.87%
Special Schools	477,856	385,706	92,150	0.05%
Capital Outlay	269,280	269,280	-	0.00%
Unallocated Depreciation and Amortization	1,550,680	1,528,690	21,990	0.01%
<b>Total Expenses</b>	<b>\$ 181,065,121</b>	<b>\$ 186,044,523</b>	<b>\$ (4,979,402)</b>	<b>-2.68%</b>

As we noted earlier, the school district uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the school district is being accountable for the resources provided to it, and also, gives more insight into the school district's overall financial health.

As the school district completed this year, our governmental funds reported a combined fund balance of \$1,936,406, which is an increase of \$2,240,838 from last year. This amount includes the general fund (increase of \$4,804,938), capital projects fund (decrease of \$2,564,100) and special revenue fund (no change).

### **General Fund Budgetary Highlights**

Over the course of the year, the school district revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. Budget changes/transfers are approved by the Board of Education throughout the year. Although the district's projected budget for the general fund anticipated that revenues and expenditures would be roughly equal, the actual results for the year show a surplus.

Actual revenues reflect a positive variance of \$22.34 million. This is due primarily to the State reimbursement/on behalf in the amount of \$22.05 million for TPAF pension and post retirement and social security contributions. This is always a non-budgeted item that the State requires to be included in the final audit.

Actual expenditures reflect a negative variance of \$18 million even though all budget categories show a positive variance. This again is primarily due to the State requirement to include TPAF pension and post retirement and social security contributions in the audit.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2018, the school district reported \$194,591,658 invested in a broad range of capital assets, including land, buildings, building improvements, other improvements, vehicles, furniture and equipment. This amount represents a net increase (including additions, trade-ins and retirements) of \$3,690,798 from the prior year. Figure A-6 details the composition of capital assets at June 30<sup>th</sup> of the current and prior year and the net changes for the current year.

Figure A - 6

#### Governmental Activity Capital Assets at Year-End

	<u>FY 2018</u>	<u>FY 2017</u>	<u>Increase (Decrease )</u>
Land	\$ 1,520,207	\$ 1,520,207	\$ -
Construction in Progress	3,492,391	211,388	3,281,003
Buildings and Improvements	159,905,802	159,905,802	-
Furniture, Equipment and Vehicles	<u>29,673,258</u>	<u>29,263,464</u>	<u>409,795</u>
<b>Total</b>	<b><u>\$ 194,591,658</u></b>	<b><u>\$ 190,900,860</u></b>	<b><u>\$ 3,690,798</u></b>

### Long -Term Debt

At the end of this year, the school district had \$1,815,629 in long term debt outstanding versus \$2,638,100 last year- a decrease of 31.18%. The summary of year- end long-term debt and changes for the 2018-2019 school year is as follow:

Figure A - 7

#### Outstanding Long-Term Debt Liability at Year-End

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Other Liabilities:		
Obligations Under Capital Lease	\$ 805,554	\$ 1,504,603
Compensated Absences Payable	<u>1,010,075</u>	<u>1,133,497</u>
<b>Total Other Liabilities</b>	<b><u>\$ 1,815,629</u></b>	<b><u>\$ 2,638,100</u></b>
Net Pension Liability (PERS)	<u>45,090,500</u>	<u>51,342,721</u>
<b>Total Liabilities</b>	<b><u>\$ 46,906,129</u></b>	<b><u>\$ 53,980,821</u></b>

## **FACTORS AFFECTING THE DISTRICT'S FUTURE**

- The District has been and continues to utilize sound accounting practices in the state of 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 SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the school district's finances and to show the school district's accountability for the money it received. If you have questions about this report or wish to request additional financial information, contact Daniel Castles, School Business Administrator, Bayonne Board of Education, 29<sup>th</sup> Street and Avenue A, Bayonne, New Jersey 07002.

## **BASIC FINANCIAL STATEMENTS**



**DISTRICT-WIDE FINANCIAL STATEMENTS**

**SECTION – A**

**CITY OF BAYONNE BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	<u>GOVERNMENTAL FUNDS</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 5,046,797.90	\$ -	\$ 5,046,797.90
Other Receivables	789,484.37		789,484.37
Receivables from Other Funds	189,133.65		189,133.65
Receivables from Other Governments	3,421,929.54	1,030,954.76	4,452,884.30
Inventory		88,656.57	88,656.57
Capital Assets, (Note 1):	<u>62,283,108.32</u>	<u>1,077,134.27</u>	<u>63,360,242.59</u>
<b>Total Assets</b>	<b><u>71,730,453.78</u></b>	<b><u>2,196,745.60</u></b>	<b><u>73,927,199.38</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Change of Pension Assumptions	7,430,167.00		7,430,167.00
Change in Pension Proportion	3,508,066.00		3,508,066.00
Difference Projected vs. Actual Earnings	-		-
Difference Projected vs. Actual Experience	859,883.00		859,883.00
Pension Payment Subsequent to Measurement Date	<u>2,407,105.00</u>		<u>2,407,105.00</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>14,205,221.00</u></b>	<b><u>-</u></b>	<b><u>14,205,221.00</u></b>
<b>LIABILITIES</b>			
Accounts Payable	6,748,575.04	270.40	6,748,845.44
Accrued Liabilities	1,004,870.37		1,004,870.37
Payable to Other Funds		285,219.74	285,219.74
Payable to Other Governments	40,262.00		40,262.00
Advances from Grantors	1,244,744.81		1,244,744.81
Noncurrent Liabilities (Note 2):			
Due Within One Year	369,045.00		369,045.00
Due Beyond One Year	1,446,584.00		1,446,584.00
Net Pension Liability	<u>45,090,500.00</u>		<u>45,090,500.00</u>
<b>Total Liabilities</b>	<b><u>55,944,581.22</u></b>	<b><u>285,490.14</u></b>	<b><u>56,230,071.36</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Difference Projected vs. Actual Earnings	422,951.00		422,951.00
Difference Projected vs. Actual Experience	232,501.00		232,501.00
Change of Pension Assumptions	14,417,544.00		14,417,544.00
Change in Pension Proportion	<u>622,867.00</u>		<u>622,867.00</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>15,695,863.00</u></b>	<b><u>-</u></b>	<b><u>15,695,863.00</u></b>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	61,477,554.32	1,077,134.27	62,554,688.59
Restricted for:			
Capital Projects	795,693.33		795,693.33
Other Purposes	3,383,962.30		3,383,962.30
Unrestricted (Deficit)	<u>(51,361,979.39)</u>	<u>834,121.19</u>	<u>(50,527,858.20)</u>
<b>Total Net Position</b>	<b><u>\$ 14,295,230.56</u></b>	<b><u>\$ 1,911,255.46</u></b>	<b><u>\$ 16,206,486.02</u></b>

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

CITY OF BAYONNE BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		TOTAL
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
Governmental Activities:						
Instruction:						
Regular	\$ 44,584,887.53	\$	\$	\$ (44,584,887.53)	\$	\$ (44,584,887.53)
Special Education	23,478,395.88		735,698.00	(22,742,697.88)		(22,742,697.88)
Other Special Instruction	2,287,279.70			(2,287,279.70)		(2,287,279.70)
Other Instruction	2,372,818.24			(2,372,818.24)		(2,372,818.24)
Support Services:						
Tuition	2,394,192.32			(2,394,192.32)		(2,394,192.32)
Student & Instruction Related Services	14,471,881.65		168,604.00	(14,303,277.65)		(14,303,277.65)
School Administrative Services	4,558,634.23			(4,558,634.23)		(4,558,634.23)
General and Business Administrative Services	5,577,328.26			(5,577,328.26)		(5,577,328.26)
Plant Operations and Maintenance	13,573,023.52			(13,573,023.52)		(13,573,023.52)
Pupil Transportation	3,028,141.56			(3,028,141.56)		(3,028,141.56)
Unallocated Benefits	62,440,721.98		38,556,529.24	(23,884,192.74)		(23,884,192.74)
Special Schools	477,856.00			(477,856.00)		(477,856.00)
Interest on Long-Term Debt	269,280.00			(269,280.00)		(269,280.00)
Unallocated Depreciation and Amortization	1,550,679.97			(1,550,679.97)		(1,550,679.97)
<b>Total Governmental Activities</b>	<b>181,065,120.84</b>	<b>-</b>	<b>39,460,831.24</b>	<b>(141,604,289.60)</b>	<b>-</b>	<b>(141,604,289.60)</b>
Business-Type Activities:						
Food Service	4,688,908.30	1,112,360.99	3,865,011.64		288,464.33	288,464.33
<b>Total Business-Type Activities</b>	<b>4,688,908.30</b>	<b>1,112,360.99</b>	<b>3,865,011.64</b>		<b>288,464.33</b>	<b>288,464.33</b>
<b>Total Primary Government</b>	<b>\$ 185,754,029.14</b>	<b>\$ 1,112,360.99</b>	<b>\$ 43,325,842.88</b>	<b>\$ (141,604,289.60)</b>	<b>\$ 288,464.33</b>	<b>\$ (141,315,825.27)</b>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purpose				\$ 68,312,303.00	\$	\$ 68,312,303.00
Federal and State Aid Not Restricted				61,704,888.26		61,704,888.26
Federal and State Aid Restricted				9,456,673.99		9,456,673.99
Tuition Received				779,815.45		779,815.45
Miscellaneous Income				1,284,141.26		1,284,141.26
<b>Total General Revenues</b>				<b>141,537,821.96</b>		<b>141,537,821.96</b>
Transfers						
<b>Total General Revenues and Transfers</b>				<b>141,537,821.96</b>		<b>141,537,821.96</b>
<b>Change in Net Position</b>				<b>(66,467.64)</b>	<b>288,464.33</b>	<b>221,996.69</b>
Net Position—Beginning				14,361,698.20	1,635,639.00	15,997,337.20
Special Item						
Loss on retirement of capital assets					(12,847.87)	(12,847.87)
<b>Net Position—Ending</b>				<b>\$ 14,295,230.56</b>	<b>\$ 1,911,255.46</b>	<b>\$ 16,206,486.02</b>

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

**FUND FINANCIAL STATEMENTS**

**SECTION – B**

**GOVERNMENTAL FUNDS**

CITY OF BAYONNE BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 611,882.46	\$	\$ 85,875.78	\$ 697,758.24
Interfund Accounts Receivable	95,905.10		709,817.55	805,722.65
Receivables from Other Governments	968,827.77	2,453,101.77		3,421,929.54
Other Receivables	450,000.00	148,671.29		598,671.29
<b>Total Assets</b>	<b><u>2,126,615.33</u></b>	<b><u>2,601,773.06</u></b>	<b><u>795,693.33</u></b>	<b><u>5,524,081.72</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Interfund Accounts Payable		709,817.54		709,817.54
Accounts Payable	985,902.54	606,948.71		1,592,851.25
Intergovernmental Accounts Payable:				
- State		40,262.00		40,262.00
Advances from Grantors		1,244,744.81		1,244,744.81
<b>Total Liabilities</b>	<b><u>985,902.54</u></b>	<b><u>2,601,773.06</u></b>	<b><u>-</u></b>	<b><u>3,587,675.60</u></b>
Fund Balances:				
Restricted for:				
Excess Surplus - Current Year	2,574,068.55			2,574,068.55
Excess Surplus - Designated for Subsequent Year Expenditures	181,511.44			181,511.44
Capital Reserve Account	559,893.75			559,893.75
Maintenance Reserve	250,000.00			250,000.00
Committed to:				
Year End Encumbrances	1,067,963.52			1,067,963.52
Assigned to:				
Capital Projects			795,693.33	795,693.33
Designated for Subsequent Year Expenditures	220,186.56			220,186.56
Unassigned:				
General Fund	(3,712,911.03)			(3,712,911.03)
<b>Total Fund balances</b>	<b><u>1,140,712.79</u></b>	<b><u>-</u></b>	<b><u>795,693.33</u></b>	<b><u>1,936,406.12</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 2,126,615.33</u></b>	<b><u>\$ 2,601,773.06</u></b>	<b><u>\$ 795,693.33</u></b>	<b><u>\$ 5,524,081.72</u></b>

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

**CITY OF BAYONNE BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019**

Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:	\$	1,936,406.12
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$194,591,657.77, and the accumulated depreciation is \$132,308,549.45.		62,283,108.32
Long-term liabilities, including capital lease commitments and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(1,815,629.00)
The Net Pension Liability, and associated Deferred Inflows and Outflows of Resources of the District relating to its participation in the PERS system are not recognized in the funds using the current financial resources measurement focus, but are recognized in the statement of net position using the economic resources measurement focus. The decrease in net position is \$48,988,247, as follows: The carrying amounts of the individual components are as follows:		
Deferred Outflows of Resources:		
Change in Pension Assumptions	7,430,167.00	
Difference in Pension Experience	859,883.00	
Change in Pension Proportion	3,508,066.00	
Pension Payment Subsequent to Measurement Date	2,407,105.00	
Accounts Payable for Pension Expense	(2,407,105.00)	
Net Pension Liability	(45,090,500.00)	
Deferred Inflows of Resources:		
Difference in Pension Experience	(232,501.00)	
Difference in Pension Earnings	(422,951.00)	
Change in Pension Assumptions	(14,417,544.00)	
Change in Pension Proportion	(622,867.00)	
	(48,988,247.00)	
Internal Service Fund - Health Benefits		879,592.12
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>14,295,230.56</u></b>

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

**CITY OF BAYONNE BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
Local Tax Levy	\$ 68,312,303.00	\$ -	\$ -	\$ 68,312,303.00
Tuition-Individuals	570,548.23			570,548.23
Tuition-LEAs Within State	172,853.22			172,853.22
Tuition-Other LEAs	36,414.00			36,414.00
Other Local Sources	1,284,141.25	168,604.00		1,452,745.25
State Sources	83,374,471.24	3,453,899.41	776,796.74	87,605,167.39
Federal Sources	342,619.52	6,002,774.58		6,345,394.10
<b>Total Revenues</b>	<b>154,093,350.46</b>	<b>9,625,277.99</b>	<b>776,796.74</b>	<b>164,495,425.19</b>
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	42,931,701.82			42,931,701.82
Special Education Instruction	16,043,479.67	6,261,033.15		22,304,512.82
Other Special Instruction	2,184,984.53			2,184,984.53
Other Instruction	2,247,408.06			2,247,408.06
Support Services and Undistributed Costs:				
Tuition	2,394,192.32			2,394,192.32
Student & Instruction Related Services	11,107,636.81	3,364,244.84		14,471,881.65
School Administrative Services	4,558,634.23			4,558,634.23
General & Other Administrative Services	5,902,261.26			5,902,261.26
Plant Operations and Maintenance	13,588,353.52			13,588,353.52
Pupil Transportation	3,113,896.56			3,113,896.56
Unallocated Benefits	44,667,894.98			44,667,894.98
Special Schools				
Transfer to Charter Schools	477,856.00			477,856.00
Capital Outlay	679,074.64		3,281,002.94	3,960,077.58
<b>Total Expenditures</b>	<b>149,897,374.40</b>	<b>9,625,277.99</b>	<b>3,281,002.94</b>	<b>162,803,655.33</b>
Excess (Deficiency) of Revenues over Expenditures	4,195,976.06	-	(2,504,206.20)	1,691,769.86
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	608,962.34			608,962.34
Transfers Out	-	-	(59,893.75)	(59,893.75)
<b>Total Other Financing Sources and Uses</b>	<b>608,962.34</b>	<b>-</b>	<b>(59,893.75)</b>	<b>549,068.59</b>
Net Change in Fund Balances	4,804,938.40	-	(2,564,099.95)	2,240,838.45
Fund Balance—July 1	(3,664,225.61)	-	3,359,793.27	(304,432.34)
<b>Fund Balance—June 30</b>	<b>\$ 1,140,712.79</b>	<b>\$ -</b>	<b>\$ 795,693.32</b>	<b>\$ 1,936,406.11</b>

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



**CITY OF BAYONNE BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>Total Net Change in Fund Balances - Governmental Funds (from B-2)</b>	<b>\$</b>	<b>2,240,838.45</b>						
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p> <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="text-align: right;">Depreciation expense</td> <td style="text-align: right;">(5,001,907.09)</td> <td></td> </tr> <tr> <td style="text-align: right;">Capital outlays</td> <td style="text-align: right;"><u>3,690,797.58</u></td> <td style="text-align: right;">(1,311,109.51)</td> </tr> </table>			Depreciation expense	(5,001,907.09)		Capital outlays	<u>3,690,797.58</u>	(1,311,109.51)
Depreciation expense	(5,001,907.09)							
Capital outlays	<u>3,690,797.58</u>	(1,311,109.51)						
<p>Repayment of bond and lease obligation (long-term debt) principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		699,049.00						
<p>Transfers to and from Internal Service Funds are recorded in the governmental funds as operating transfers when the transfers are made, but to the extent that transfers differ from the cost of services, expenses are adjusted in the statement of activities to reflect costs of service.</p>		(549,068.59)						
<p>Pension expenditures in the governmental funds are recognized when paid or payable from expendable available financial resources. In the statement of activities, pension costs are recognized on a full accrual basis utilizing actuarial valuations. The net amount by which actuarially calculated pension expense exceeds the expenditure reported in the funds (expense less "on-behalf" revenue) is a deduction.</p>		(1,269,599.00)						
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		<u>123,422.00</u>						
<b>Change in net position of governmental activities (A-2)</b>	<b>\$</b>	<b><u>(66,467.65)</u></b>						

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

**PROPRIETARY FUNDS**

**CITY OF BAYONNE BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**PROPPRIETARY FUNDS**  
**JUNE 30, 2019**

	<b>Business-type Activities - Enterprise Funds</b>		<b>Governmental Activities - Internal Service Fund</b>
	<b>Food Service</b>	<b>Totals</b>	
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ -	\$ -	\$ 4,349,039.66
Accounts Receivable	1,030,954.76	1,030,954.76	190,813.08
Interfund Receivable		-	285,219.74
Inventories	88,656.57	88,656.57	-
<b>Total Current Assets</b>	<u>1,119,611.33</u>	<u>1,119,611.33</u>	<u>4,825,072.48</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	2,069,800.07	2,069,800.07	-
Less Accumulated Depreciation	(992,665.80)	(992,665.80)	-
<b>Total Noncurrent Assets</b>	<u>1,077,134.27</u>	<u>1,077,134.27</u>	<u>-</u>
<b>Total Assets</b>	<u><b>2,196,745.60</b></u>	<u><b>2,196,745.60</b></u>	<u><b>4,825,072.48</b></u>
<b>LIABILITIES</b>			
Current liabilities:			
Interfund Payables	\$ 285,219.74	\$ 285,219.74	\$ -
Accounts Payable-Insurance	-	-	2,940,609.99
Accounts Payable-Trade	270.40	270.40	-
Accrued Expenses (IBNR)	-	-	1,004,870.37
<b>Total Current Liabilities</b>	<u>285,490.14</u>	<u>285,490.14</u>	<u>3,945,480.36</u>
<b>NET POSITION</b>			
Invested in capital assets net of Related debt	1,077,134.27	1,077,134.27	-
Unrestricted (Deficit)	834,121.19	834,121.19	879,592.12
<b>Total Net Position</b>	<u>1,911,255.46</u>	<u>1,911,255.46</u>	<u>879,592.12</u>
<b>Total Liabilities and Net Position</b>	<u><b>\$ 2,196,745.60</b></u>	<u><b>\$ 2,196,745.60</b></u>	<u><b>\$ 4,825,072.48</b></u>

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

**CITY OF BAYONNE BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Business-type Activities - Enterprise Funds</b>		<b>Governmental Activities - Internal Service Fund</b>
	<b>Food Service</b>	<b>Total</b>	
<b><u>OPERATING REVENUES</u></b>			
Charges for Services:			
Program Sales	\$ 286,282.24	\$ 286,282.24	\$
Non-Program Sales	662,516.45	662,516.45	
Special Functions	163,562.30	163,562.30	
Employee Share of Estimated Program Costs		-	5,049,945.35
Services Provided to Other Funds		-	17,549,068.59
<b>Total Operating Revenues</b>	<b><u>1,112,360.99</u></b>	<b><u>1,112,360.99</u></b>	<b><u>22,599,013.94</u></b>
<b><u>OPERATING EXPENSES</u></b>			
Cost of Sales:			
Program Food Costs	1,563,746.13	1,563,746.13	
Non-Program Food Costs	228,112.71	228,112.71	
USDA Commodities	269,537.03	269,537.03	
Subtotal-Cost of Sales	2,061,395.87	2,061,395.87	
Supplies and Materials	413,691.23	413,691.23	
Salaries and Wages	2,093,048.61	2,093,048.61	
Employee Benefits	57,691.92	57,691.92	22,599,013.94
Insurance	43,474.30	43,474.30	
Depreciation	19,606.10	19,606.10	
<b>Total Operating Expenses</b>	<b><u>4,688,908.03</u></b>	<b><u>4,688,908.03</u></b>	<b><u>22,599,013.94</u></b>
<b>Operating Income (Loss)</b>	<b><u>(3,576,547.04)</u></b>	<b><u>(3,576,547.04)</u></b>	<b><u>-</u></b>
<b>Non-Operating Revenues:</b>			
State Sources:			
State School Lunch Program	42,739.44	42,739.44	
Federal Sources:			
School Breakfast Program	1,100,213.45	1,100,213.45	
National School Lunch Program	2,293,811.55	2,293,811.55	
Special Milk Program	574.62	574.62	
Snack Program	48,283.69	48,283.69	
Summer Food Program	109,851.59	109,851.59	
USDA Commodities Program	269,537.03	269,537.03	
Loss on Disposal of Fixed Assets	(12,847.87)	(12,847.87)	
<b>Total Non-Operating Revenues</b>	<b><u>3,852,163.50</u></b>	<b><u>3,852,163.50</u></b>	<b><u>-</u></b>
<b>Income (Loss) Before Operating Transfers</b>	<b><u>275,616.46</u></b>	<b><u>275,616.46</u></b>	<b><u>-</u></b>
<b>Operating Transfers in/(Out)</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(549,068.59)</u></b>
<b>Change in Net Position</b>	<b><u>275,616.46</u></b>	<b><u>275,616.46</u></b>	<b><u>(549,068.59)</u></b>
<b>Total Net Position - Beginning</b>	<b><u>1,635,639.00</u></b>	<b><u>1,635,639.00</u></b>	<b><u>1,428,660.71</u></b>
<b>Total Net Position - Ending</b>	<b><u>\$ 1,911,255.46</u></b>	<b><u>\$ 1,911,255.46</u></b>	<b><u>\$ 879,592.12</u></b>

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

**CITY OF BAYONNE BOARD OF EDUCATION  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Business-type Activities - Enterprise Fund</b>	<b>Governmental Activities - Internal Service Fund</b>
	<u>                    </u>	<u>                    </u>
<b>Cash Flows from Operating Activities:</b>		
Cash Received from Customers	\$ 1,112,360.99	\$ -
Cash Received from Employees	-	5,049,945.35
Cash Received from Other Funds	-	17,000,000.00
Cash Payments for Program Costs	-	(18,165,710.70)
Cash Payments for Goods & Supplies	(2,230,513.77)	-
Cash Payments for Employee Expenses	(2,194,214.83)	-
	<u>                    </u>	<u>                    </u>
Net Cash Provided by (used for) Operating Activities	(3,312,367.61)	3,884,234.65
<b>Cash Flows from Non-Capital Financing Activities</b>		
State Sources	30,160.47	-
Federal Sources	2,813,149.07	-
Operating Transfer Out	-	(549,068.59)
Interfund Loan Received	285,219.74	191,991.20
Interfund Loan Advanced	-	(285,219.74)
	<u>                    </u>	<u>                    </u>
Net Cash Provided by (used for) Non-Capital Financing Activities	3,128,529.28	(642,297.13)
Net Increase (Decrease) in Cash and Cash Equivalents	(183,838.33)	3,241,937.52
Cash and Cash Equivalents, July 1	183,838.33	1,107,102.14
	<u>                    </u>	<u>                    </u>
<b>Cash and Cash Equivalents, June 30</b>	<u>                    </u>	<u>                    </u>
	-	\$ 4,349,039.66
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>		
Operating Income (Loss)	\$ (3,576,547.04)	\$ -
Adjust. to Reconcile Operating Income (Loss) to Cash Provided (Used) by Oper. Activities:		
Depreciation	19,606.10	
USDA Commodities	269,537.03	
(Increase) Decrease in Accounts Receivable		8,504.29
(Increase) Decrease in Inventory	(25,032.10)	
(Increase) Decrease in Prepaid Expenses		30,250.00
Increase (Decrease) in Accrued Liabilities		904,870.37
Increase (Decrease) in Accounts Payable	68.40	2,940,609.99
	<u>                    </u>	<u>                    </u>
Net Cash Used by Operating Activities	\$ (3,312,367.61)	\$ 3,884,234.65

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

## **FIDUCIARY FUNDS**

**CITY OF BAYONNE BOARD OF EDUCATION  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Trust Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ <u>153,987.42</u>
Total Assets	\$ <u><u>153,987.42</u></u>
<b>LIABILITIES</b>	
Accounts Payable	16,519.42
Interfund Loans Payable	<u>95,905.10</u>
Total Liabilities	\$ <u><u>112,424.52</u></u>
<b>NET POSITION</b>	
Held in Trust for Unemployment Claims	<u>41,562.90</u>
<b>TOTAL NET POSITION</b>	\$ <u><u>41,562.90</u></u>

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

**CITY OF BAYONNE BOARD OF EDUCATION  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Trust Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Plan Member	\$ 239,850.55
Total Contributions	<u>239,850.55</u>
Investment Earnings:	
Interest	<u>139.56</u>
Net Investment Earnings	<u>139.56</u>
<b>Total Additions</b>	<b><u>239,990.11</u></b>
<b>DEDUCTIONS</b>	
Quarterly Contribution Reports	<u>198,427.21</u>
<b>Total Deductions</b>	<b><u>198,427.21</u></b>
Change in net assets	41,562.90
Net Position—Beginning of the Year	<u>-</u>
<b>Net Position—End of the Year</b>	<b><u>\$ 41,562.90</u></b>

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



**CITY OF BAYONNE SCHOOL DISTRICT**  
**COUNTY OF HUDSON, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

**A. Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) of the Board of Education (Board) of the City of Bayonne School District (the District) report information on all of the nonfiduciary activities of the primary government only. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The District is not financially accountable for any legally separate component units, and no component units have been included in the government-wide financial statements.

The more significant of the Board's accounting policies are described below.

**B. Reporting Entity:**

The City of Bayonne School District is a Type II district located in the County of Hudson, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms and one sending district member appointed annually. The District converted from a Type I District (appointed school board) to a Type II District (elected school board) pursuant to a special question included in the general election held on November 3, 2015. The outstanding Type I District school debt remains the legal responsibility of the City of Bayonne and is not included in the financial statements of the City of Bayonne School District. 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, 2019 of 9,474 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 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 has no component units. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

#### D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. Any remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

**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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### D. Basis of Presentation - Fund Financial Statements (Cont'd)

**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. State Aid in the form of Economic Development Authority Grants under EFCFA are also financial resources of this fund.

The District reports the following proprietary funds:

**Enterprise Fund** – The Enterprise Funds are 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 costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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

**Internal Service Fund** – The Internal Service Fund is used to account for the District's various employee health insurance expenses and the funds reserved by the District to cover the self-insured limits of the various insurance policies of the District. The financial statement of the internal service fund is consolidated into the governmental activities column when presented in the government-wide financial statements.

The District also reports the following fiduciary fund types:

**Agency Fund** – The Agency Fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities 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.

During the course of its normal operations, the District will have activity between funds (interfund activity) for various purposes. Any residual interfund balances at year end are reported as interfund accounts receivable/payable. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included within governmental activities (the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, any interfund balances

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### D. Basis of Presentation - Fund Financial Statements (Cont'd)

between business-type (enterprise) funds are eliminated so that only the net amount is included as internal balances in the business-type activities columns.

Further, interfund activity may occur during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. In the preparation of the government-wide financial statements, transfers between funds included as governmental activities are eliminated so that only net amounts of resources transferred from or to the governmental activities are reported. A similar treatment is afforded transfers of resources between enterprise funds for the preparation of business-type activity financial statements.

#### E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting refers to the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal period that the taxes are levied by the municipality(s) within which the District is domiciled. 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 recognizes the entire approved tax levy as revenue in the fiscal period for which they were levied. The District is entitled to receive moneys under an established payment schedule and any unpaid amount is considered to be an "accounts receivable". Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. State categorical aid revenues are recognized as District revenue during the fiscal period in which they are appropriated.

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual basis accounting. Exceptions to this general rule include debt service, for which interest and principal expenditures in the Debt Service Fund are recognized on their due dates, and expenditures relating to compensated absences, claims and judgments, which are recorded in the period when payment becomes due. General capital asset acquisitions are recorded as expenditures in the governmental funds and are not capitalized. The issuance of long-term debt for capital purposes and capital lease obligations incurred to acquire general capital assets are reported as "other financing sources".

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### E. Measurement Focus and Basis of Accounting (Cont'd)

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. Entitlements are recorded as revenue when all eligibility requirements, including timing of funding appropriations, are met, subject to the 60-day availability requirement for collection. Interest and tuition revenues are considered susceptible to accrual and have been recognized as revenues of the current fiscal period, subject to availability. Expenditure driven grant revenues are recorded as qualifying expenditures are incurred and all other eligibility requirements have been met, subject to availability requirements. All other revenue items are considered measurable and available only when cash is received by the District.

The District's proprietary funds, employee benefit trust fund and private purpose scholarship trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

#### F. Budgets/Budgetary Control

Annual budgets are adopted for the general, special revenue and debt service funds using a regulatory basis of accounting which differs from generally accepted accounting principles in one material respect; Budgetary revenues for certain nonexchange state aid transactions are recognized for budgetary purposes in the fiscal period prior to the period in which the state recognizes expenditures/expenses.

The amounts of the adjustments needed to reconcile the budgetary basis to the GAAP based fund financial statements is set forth in the explanation of differences schedules which follow.

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Pursuant to changes in the Local District School Budget Law, statutorily conforming base budgets of Districts with annual school elections held in November (The District has chosen this option) are no longer required to be presented to the voters for approval on the third Tuesday in April. 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 accounts 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. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. New Jersey statutes place limits on the Board's ability to increase budgeted expenditures through the appropriation of previously undesignated fund balance and requires the District to obtain additional approvals when budgetary transfers, measured using the advertised budgetary account totals rather than line-item totals, exceed certain thresholds.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### F. Budgets/Budgetary Control (Cont'd)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and 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.

Appropriations in the general and debt service funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances, for which the contracted performance is expected during the subsequent budget cycle, are legally restricted at year-end and are automatically re-appropriated and become part of the subsequent years' budget pursuant to state regulations.

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 statements.

The following presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules – General and Special Revenue Funds to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**F. Budgets/Budgetary Control (Cont'd)**

Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from The budgetary comparison schedules	\$153,511,839.46	\$9,831,093.18
Difference – budget to GAAP:		
Grant accounting budgetary differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized - net		(205,815.19)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements (Net)	<u>581,511.00</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance – governmental funds	<u>154,093,350.46</u>	<u>9,625,277.99</u>
Uses/Outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	148,870,449.81	9,831,093.18
Differences – budget to GAAP:		
Encumbrances for supplies and equipment ordered but no received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(205,815.19)
Transfers to and from other funds and charter schools are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers to Charter Schools	477,856.00	
Net transfers to Internal Service Fund	<u>549,068.59</u>	_____
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds (B-2)	<u>\$149,897,374.40</u>	<u>\$9,625,277.99</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### G. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

#### H. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with maturities 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 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. GUDPA was amended, effective July 1, 2010, by P.L. 2009, c. 326. The amendments provide a greater level of security protection for covered deposits by increasing collateralization requirements and revising the enforcement protocol to allow for timely response in the event that a member bank shows signs of stress.

Under the new law, collateralization of GUDPA deposits up to 75% of New Jersey capital is based on a sliding scale that requires the minimum of 5% collateral for Well Capitalized institutions to a maximum of 120% collateral for Critically Undercapitalized institutions. All uninsured GUDPA deposits in excess of 75% of New Jersey capital require 100% collateral. 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.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### I. Tuition Revenue

Tuition revenues for the fiscal year 2018-2019 were based on contractual per pupil rates established by and between the sending and receiving districts. These rates are not subject to change except through amendatory contracts.

#### J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as 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 cost of such inventories is recorded as expenses when consumed rather than when purchased.

Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2019.

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

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

#### L. Capital Assets:

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$2,000 or more for capitalizing capital assets. The system for accumulation of fixed assets cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated cost.

Capital assets are recorded in the District-wide financial statement, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in progress.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### L. Capital Assets (Cont'd):

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund:	
Equipment	5-20 Years

#### M. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. 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 in the government-wide financial statements as the employees earn the rights to the benefits. Compensated absences that related 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 School District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences".

The entire compensated absences liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. The noncurrent portion of the liability is not reported.

#### N. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recorded as an outflow of resources (expenditure/expense) until that time. The District is reporting three items in this category; The Deferred Amount on Refunding, and Pension related items including the Change in Pension Assumptions and the amounts of pension payments made by the District subsequent to the pension measurement date. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding bonds. Deferred Outflows for Changes in Pension Assumptions future outflows of resources resulting from changes in actuarial assumptions used in the valuation of the pension liability. Deferred outflows for Subsequent pension payments reflects payments made by the District to the pension system subsequent to the date of the most recent actuarial valuation, which was June 30, 2018.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### N. Deferred Outflows/Inflows of Resources (Cont'd):

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element represents the acquisition of net position that applies to a future period(s) and will not be recorded as an inflow of resources (revenue) until that time. The District is reporting two pension related items in this category, the Difference in Pension Earnings and the Change in Pension Proportion. The former represents the District's proportionate share of plan earnings in excess of assumed amounts, while the latter represents the favorable impact of a decline in the District's proportionate share of system wide net pension liability.

#### O. Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Jersey Public Employees Retirement System (PERS) and additions to/deductions from PERS fiduciary net position 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. Investments are reported at fair value.

#### P. Other Post-Employment Benefits:

Pursuant to State Statute, the State Health Benefits Local Education Retirees Employees Plan was established to oversee the funding and payment of post-employment medical benefits for eligible LEA employees. This plan is a multi-employer defined benefit OPEB Plan that is administered on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75. The Plan is a "Special Funding Situation" as defined in GASB Statement No. 75 as the State of New Jersey is solely responsible for funding the Plan's obligations (net of employee contributions). Accordingly, no net OPEB liability is reported on the District's Statement of Net Position. In the Statement of Activities, the District reports an annual OPEB expense and a corresponding revenue, equal to the allocated expense of the District as reported by the State.

#### Q. Unearned Revenue/Advances from Grantors:

Unearned revenue represents cash advances received relating to services (expenditures/expenses) that will be provided in a subsequent fiscal period. Similarly, for expenditure-driven grants, amounts advanced to the District in excess of the amounts expended and earned are recorded as advances from grantors.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### R. Net Position Flow Assumption (District-Wide and Proprietary Fund Financial Statements):

Periodically, the District may fund outlays for a particular purpose from both restricted resources, such as bond referendum proceeds and/or grant proceeds, and unrestricted resources. To determine the amounts of net position- restricted and unrestricted that should be reported in the government-wide and proprietary fund financial statements, a flow assumption must be made to establish the order in which resources are considered to be applied. In the absence of specific grant compliance requirements to the contrary, the District policy is to utilize all amounts of available restricted net position prior to applying unrestricted net position to fund acquisition costs.

#### S. Fund Balance Flow Assumption (Governmental Fund Financial Statements):

Periodically, the District may fund outlays for a particular purpose from both restricted resources and unrestricted resources (the total of the committed, assigned and unassigned fund balance). To determine the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made to establish the order in which resources are considered to be applied. In the absence of specific grant compliance requirements to the contrary, the District policy is to utilize all amounts of available restricted fund balance prior to applying any component of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance, with unassigned fund balance applied last.

#### T. Fund Balance Policies:

Fund balance of the governmental funds is reported in various categories based upon the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through actions to transfer amounts to legally restricted reserve accounts (capital, maintenance and emergency reserves), or actions to commit or assign fund balance.

The committed fund balance includes amounts that can only be used for the specific purposes determined by a formal action of the Board of Education. Commitments of fund balance remain in place until the committed fund balance is fully depleted or an amendatory action is taken by the Board of Education.

Assignments of fund balance are made by the Board of Education for specific purposes that do not meet the criteria to be classified as committed. The Board of Education also assigns fund balance when it appropriates unrestricted/unassigned fund balance to bridge a gap between estimated revenue and appropriations in the subsequent year budget. Unlike commitments, assignments are generally temporary in nature, and additional actions of the Board are generally not required to remove an assignment, whereas an action of the Board is essential to the modification or elimination of an unexpended committed fund balance.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### U. District-Wide Financial Statement Classifications:

1. Program Revenues – Amounts reported as program revenues include a) charges to customers or applicants who purchase, use or benefit from goods services or privileges provided by a given function or segment and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.
2. General Revenues – all taxes, including those designated for specific purposes such as debt service, are reported as general revenues. All other resources, including internally dedicated resources, unrestricted entitlements, and investment income are reported as general revenues.
3. Capital Assets – In the statement of net position, capital assets are reported, net of accumulated depreciation as assets of the governmental activities and business-type activities.
4. Long-term Debt - In the statement of net position, long-term debt is reported as a component of long-term liabilities of the governmental activities and business-type activities.
5. Net Investment in Fixed Assets – In the statement of Net Position, the net undepreciated value of capital assets, less the value of outstanding debt issued to purchase acquire or build those capital assets, is reported as Net Investment in Fixed assets as a component of net position for the governmental activities and business-type activities.

#### V. Proprietary Fund Operating and Nonoperating Revenues and Expenses:

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and products in connection with the primary purpose or function for which the fund was established. The District's Food Service proprietary fund reports operating revenues from the sales of lunches and a la carte items, and operating expenses include the costs of sales (food, supplies and labor), administrative costs and depreciation on capital assets. Revenues earned through the District's participation in the National School Lunch Program are classified as nonoperating revenues, notwithstanding the limitations on the pricing of Type A student lunches that is required for program participation.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### W. Reconciliation of District-Wide and Fund Financial Statements:

I. Differences between governmental fund balance sheet and District-wide statement of net position:

<b>Total Governmental Fund Balance (B-1)</b>	<b>\$ 1,936,406.12</b>
<u>Adjustments to District-Wide Net Position:</u>	
Capital Assets (see Note 3)	62,283,108.32
Long-Term Liabilities (see Note 4)	(1,815,629.00)
Net Pension Liability	(45,090,500.00)
Other Items not recognized in Fund Financial Statements:	
Deferred Outflows of Financial Resources	14,205,221.00
Deferred Inflows of Financial Resources	(15,695,863.00)
Payment Subsequent to Measurement Date	(2,407,105.00)
Internal Service Fund – Health Benefits	879,592.12
<b>Net Position of Governmental Activities</b>	<b><u>\$ 14,295,230.56</u></b>

II. Differences between governmental fund statement of revenues, expenditures and changes in fund balances and District-wide statement of activities:

<b>Total Net Change Governmental Fund Balance (B-2)</b>	<b>\$ 2,240,838.45</b>
<u>Adjustments to District-Wide Net Position:</u>	
Capital Outlays, net of depreciation	(1,311,109.51)
Repayment of Long-Term Liabilities (see Note 4)	699,049.00
Decrease in Value of Compensated Absences	123,422.00
Transfers to Internal Service Funds	-549,068.59
Net Increase in Pension Expense	(1,269,599.00)
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ (66,467.65)</u></b>

#### X. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS)

State statutes set forth deposit requirements and investments that may be purchased by local units and the District deposits and invests its funds pursuant to statutory requirements, its policies and an adopted cash management plan.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation (FDIC), New Jersey's Governmental Unit Deposit Protection Act, by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. The New Jersey Governmental Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain collateral in the amount of 5% of the average public deposits and deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000.00 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

Based upon GASB criteria, the District considers cash and cash equivalents to include petty cash, change funds, demand deposits, money market accounts and short-term investments and are either any direct and general obligation of the United States of America or certificates of deposit issued by any bank, savings and bank or national banking association if qualified to serve as a depository for public funds under the provisions of the Governmental Unit Depository Protection Act.

The City of Bayonne School District had the following depository accounts. All deposits are carried at cost plus accrued interest. The government does not have a deposit policy.

<u>Depository Account</u>	<u>Bank Balance</u>
Insured--FDIC	\$ 500,000.00
Insured—NJGUDPA (N.J.S.A. 17:941)	4,138,278.22
Total	<u>\$ 4,638,278.22</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the board's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2019, based upon the insured balances as provided by FDIC and NJGUDPA coverage, none of the Board's bank balance of \$4,638,278.22 was considered exposed to custodial risk. (See Note 1-H relating to statutory mitigations of custodial risk in the event of a bank failure.)

Concentration of Credit Risk – This is the risk associated with the amount of investments that the Board has with any one issuer that exceeds 5 percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. In general, the Board does not have an investment policy regarding Credit Risk except to the extent outlined under the Board's investment policy.

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Board does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

**New Jersey Cash Management Fund** – All investments in the 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 indicated above, the District had \$3,406,452.11 on deposit with the New Jersey Cash Management Fund at June 30, 2019.



**NOTE 3 - DISCLOSURE OF INFORMATION ABOUT CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 1,520,207.00	\$	\$	\$ 1,520,207.00
Construction in Progress	211,387.66	3,281,002.94		3,492,390.60
<b>Total Capital Assets Not Being Depreciated</b>	<b><u>1,731,594.66</u></b>	<b><u>3,281,002.94</u></b>	<b><u>-</u></b>	<b><u>5,012,597.60</u></b>
Building	83,239,013.00			83,239,013.00
Building Improvements	76,666,789.00			76,666,789.00
Machinery and Equipment	25,813,424.53	30,000.00		25,843,424.53
Vehicles	3,450,039.00	379,794.64		3,829,833.64
<b>Totals at Historical Cost</b>	<b><u>189,169,265.53</u></b>	<b><u>409,794.64</u></b>	<b><u>-</u></b>	<b><u>189,579,060.17</u></b>
Less Accumulated Depreciation For:				
Building	(72,180,709.28)	(890,518.28)		(73,071,227.56)
Building Improvements	(33,593,312.83)	(2,560,708.83)		(36,154,021.66)
Machinery and Equipment	(19,027,757.77)	(1,359,563.77)		(20,387,321.54)
Vehicles	(2,504,862.48)	(191,116.21)		(2,695,978.69)
<b>Total Accumulated Depreciation</b>	<b><u>(127,306,642.36)</u></b>	<b><u>(5,001,907.09)</u></b>	<b><u>-</u></b>	<b><u>(132,308,549.45)</u></b>
<b>Government Activities Capital Assets, Net</b>	<b><u>\$ 63,594,217.83</u></b>	<b><u>\$ (1,311,109.51)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 62,283,108.32</u></b>
<b>Business-type Activities</b>				
Machinery and Equipment	\$ 2,268,202.24	(128,031.80)	(350,373.17)	1,789,797.27
Vehicles	151,971.00	128,031.80		280,002.80
<b>Totals at Historical Cost</b>	<b><u>2,420,173.24</u></b>	<b><u>-</u></b>	<b><u>(350,373.17)</u></b>	<b><u>2,069,800.07</u></b>
Less Accumulated Depreciation for:				
Machinery and Equipment	(1,158,614.00)		337,525.30	(821,088.70)
Vehicles	(151,971.00)	(19,606.10)		(171,577.10)
<b>Total Accumulated Depreciation</b>	<b><u>(1,310,585.00)</u></b>	<b><u>(19,606.10)</u></b>	<b><u>337,525.30</u></b>	<b><u>(992,665.80)</u></b>
<b>Business-type Activities Capital Assets, Net</b>	<b><u>\$ 1,109,588.24</u></b>	<b><u>\$ (19,606.10)</u></b>	<b><u>\$ (12,847.87)</u></b>	<b><u>\$ 1,077,134.27</u></b>

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

Instruction - Regular	\$ 2,049,638.71
Special Education Instruction	1,173,883.06
Other Special Instruction	102,295.17
Other Instruction	125,410.18
Unallocated	<u>1,550,679.97</u>
<b>Total Depreciation Expense</b>	<b><u>\$ 5,001,907.09</u></b>

**NOTE 4 - DISCLOSURE OF INFORMATION ABOUT LONG TERM LIABILITIES**

Long-term debt liability activity for the year ended June 30, 2019 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Other Liabilities:					
Obligations Under Capital Lease	\$ 1,504,603.00	\$	\$ 699,049.00	\$ 805,554.00	\$ 369,045.00
Compensated Absences Payable	<u>1,133,497.00</u>	<u>70,005.00</u>	<u>193,427.00</u>	<u>1,010,075.00</u>	
Total Other Liabilities	<u>2,638,100.00</u>	<u>70,005.00</u>	<u>892,476.00</u>	<u>1,815,629.00</u>	<u>369,045.00</u>
Net Pension Liability (PERS)	<u>51,342,721.00</u>		<u>6,252,221.00</u>	<u>45,090,500.00</u>	
<b>Total Liabilities</b>	<b><u>\$ 53,980,821.00</u></b>	<b><u>\$ 70,005.00</u></b>	<b><u>\$ 7,144,697.00</u></b>	<b><u>\$ 46,906,129.00</u></b>	<b><u>\$ 369,045.00</u></b>

**NOTE 4. LONG-TERM DEBT (CONT'D)**

**A. Bonds Payable** -- Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the City on behalf of the District while a Type I school district are on the records of the City. Retirement of Type I bonds and interest payments are made in the operating budget of the City.

**B. Bonds Authorized But Not Issued** -- As of June 30, 2019, the District had no bonds authorized but not issued.

**C. Capital Leases** – The District is leasing various equipment and vehicles totaling \$805,554. The following is a schedule of the future minimum lease payments under this capital lease and the net minimum lease payments at June 30, 2019.

<u>Year Ending June 30,</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
2020	\$ 279,353	\$ 94,217	\$ 373,570
2021	153,432	47,108	200,540
2022	134,347		134,347
2023	<u>123,152</u>	<u>          </u>	<u>123,152</u>
Total Minimum Lease Payments	690,284	141,325	831,609
Less: Amount Representing Interest	<u>(23,715)</u>	<u>(2,340)</u>	<u>(26,055)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 666,569</u>	<u>\$138,985</u>	<u>\$805,554</u>

**NOTE 5. PENSION PLANS**

**Description of Plans** – The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the public Employees Retirement System (PERS) and the Teachers' Pension and Annuity Fund (TPAF), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions), or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. PENSION PLANS (CONT'D)

#### A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

*Plan Membership and Contributing Employers-* Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2018:

Inactive plan members or beneficiaries currently receiving benefits	174,904
Inactive plan members entitled to but not yet receiving benefits	589
Active plan members	<u>254,780</u>
Total	<u>430,273</u>

Contributing Employers – 1,706

#### Significant Legislation

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PFRS and PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

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

*Payrolls and Covered Wages:* For the year ended June 30, 2019 the Board's total payroll for all employees was \$96,922,144. Total PERS covered payroll was \$17,790,316. Covered payroll refers to pensionable compensation paid by the Board to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions –* The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. 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 completed the phase-in period for State fiscal year 2019 and member contributions increased to 7.5% effective July 1, 2018. Employers' contribution amounts are based on an actuarially

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) (CONT'D).

determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The School Board's cash basis contributions to the Plan for the years ended June 30, 2019 and 2018 were \$2,291,309 and \$2,078,720, respectively.

School Board Contributions are due and payable in the fiscal period subsequent to the plan year for which the contributions requirements were calculated.

The vesting and benefit provisions are set by N.J.S.A. 43:15. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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 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

A service retirement benefit of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 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 year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 with 25 or more years of service credit and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with his/her respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. 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.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – At June 30, 2019, the School Board reported a liability of \$45,090,500 for its proportionate share of the net pension liability. The net pension liability was determined by actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At the June 30, 2018 valuation date, the Boards proportion was 0.2290078272%, which was a increase of 0.0084483501% from its proportion measure as of June 30, 2017.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D)

For the year ended June 30, 2019, the Board recognized PERS pension expenses of \$3,547,488 in its governmental activities. At June 30, 2019, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Changes in Assumptions	\$ 7,430,167	\$ 14,417,544
Changes in Pension Proportion	3,508,066	622,867
Difference Projected vs. Actual Earnings	-	422,951
Difference Projected vs. Actual Experience	859,883	232,501
Board contributions subsequent to the measurement date	<u>2,407,105</u>	
Total	\$14,205,221	\$15,695,863

The \$ 2,407,105 of deferred outflows of resources resulting from the Boards contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense by PERS as follows:

Year ending <u>June 30,</u>	
2019	\$1,270,507
2020	492,785
2021	(2,595,757)
2022	(2,415,743)
2023	<u>(649,538)</u>
Total	\$(3,897,746)

*Actuarial Assumptions* - The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation	2.25%
Salary Increases: Through 2026	1.65-4.15% Based on age
Thereafter	2.65-5.15% Based on age
Investment rate of return	7.00%

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. PENSION PLANS (CONT'D)

#### A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D)

Pre-retirement ordinary mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent Modified 2014 Projection Scale. Pre-retirement accidental mortality rates reflect a rate of 0.001% at all ages, and no mortality improvement is assumed.

Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent Modified 2014 Projection Scale thereafter. Disability mortality rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table, set back three years for males and set forward one year for females. No mortality improvement is assumed.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experiences will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk mitigation strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

*Discount Rate* – The discount rate used to measure the pension liabilities of PERS was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 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 at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.



**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5. PENSION PLANS (CONT'D)**

**A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D)**

*Sensitivity of Collective Net Pension Liability to Changes in the Discount Rate* – the following presents the collective net pension liability of PERS participating employers, as well as the District's attributed share of that liability, as of June 30, 2018, calculated using the discount rates as disclosed above as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	At 1% Decrease (4.66%)	At current discount rate (5.66%)	At 1% increase (6.66%)
State	\$27,413,044,035	\$23,704,298,093	\$20,597,322,253
Local	<u>24,757,279,564</u>	<u>19,689,501,539</u>	<u>15,437,959,879</u>
PERS Plan Total	<u>\$52,170,323,599</u>	<u>\$43,393,799,632</u>	<u>\$36,035,282,132</u>
Bayonne BOE	<u>\$56,696,108</u>	<u>\$45,090,500</u>	<u>\$35,354,136</u>

*Components of Net Pension Liability* – The components of the collective net pension liability for PERS, including the State of New Jersey, at June 30, 2018 is as follows:

	State	Local	Total
Total Pension Liability	\$30,434,600,657	\$42,431,573,511	\$72,866,174,168
Plan Fiduciary Net Position	<u>6,730,302,564</u>	<u>22,742,071,972</u>	<u>29,472,374,536</u>
Net Pension Liability	<u>\$23,704,298,093</u>	<u>\$19,689,501,539</u>	<u>\$43,393,799,632</u>

**B. TEACHERS PENSION AND ANNUITY FUND**

The Teachers Pension and Annuity Fund is a cost-sharing, multiple employer defined benefit pension plan with a special funding situation as defined in GASB Statement No. 68, by which the State of New Jersey (State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the TPAF Plan are as follows:

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. PENSION PLANS (CONT'D)

#### B. TEACHERS PENSION AND ANNUITY FUND (CONT'D)

*Plan Membership and Contributing Employers-* Substantially all teachers or members of the professional staff of Local Education Agencies that are certified by the State Board of Examiners, and Employees of the Department of Education who have titles that are unclassified, professional and certified are enrolled in the TPAF. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2018:

Inactive plan members or beneficiaries currently receiving benefits	102,573
Inactive plan members entitled to but not yet receiving benefits	197
Active plan members	<u>154,889</u>
Total	<u>257,659</u>

Contributing Employers – 24.

In addition to the State, who is the sole payer of regular employer contributions to the fund, TPAF's contributing employers include boards of education who elected to participate in the Early Retirement Incentive Program (ERIP) and are legally responsible to continue to pay towards their incurred liability.

*Significant Legislation* – Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of TPAF.

*Covered Payroll* - For the year ended June 30, 2019 the Board's total payroll for all employees was \$96,922,144. Total TPAF covered payroll was \$62,245,222. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. 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 completed the phase-in period for State fiscal year 2019 and member contributions increased to 7.5% effective July 1, 2018. The State of New Jersey contribution amount is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2018, the State's pension contribution was less than the actuarially determined amount.

*Vesting Provisions* - The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. PENSION PLANS (CONT'D)

#### B. TEACHERS PENSION AND ANNUITY FUND (CONT'D)

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
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 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 year of service credit is 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 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her 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.

*Special Funding Situation* – Employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The State of New Jersey is solely responsible for funding the normal pension obligations of the TPAF, including 100% of the obligations of LEAs within the State. Accordingly, the District does not report TPAF pension liabilities or deferred inflows and outflows of financial resources in its financial statements. Payments made by the State to the TPAF “on-behalf” of the LEAs are reported to the LEAs and reported as TPAF pension expenditures/expenses as made.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5. PENSION PLANS (CONT'D):**

**B. TEACHERS PENSION AND ANNUITY FUND (CONT'D)**

**Three-Year Trend Information for TPAF (Paid on-behalf of the District, excluding post-retirement medical benefits which are reported in Note 6)**

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Local Pension Obligation</u>
6/30/19	\$ 12,043,202	Unknown %	\$ 0
6/30/18	8,941,610	Unknown	0
6/30/17	6,754,750	Unknown	0

At June 30, 2018, the TPAF reported a net pension liability of \$63,617,852,031 for its Non-State Employer Member Group. The proportionate share of the State of New Jersey's the net pension liability for the Non-State Employer Member Group that is attributable to the District was \$377,122,661, or 0.5927937668%.

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018.

*Actuarial Assumptions-* The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases (2011-2026)	1.55 – 4.55%
Thereafter	2.00 – 5.45%
Investment rate of return	7.00%

Pre-retirement mortality rates were based upon the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D):

B. TEACHERS PENSION AND ANNUITY FUND (CONT'D)

*Discount Rate* – The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2017 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 at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 50% of the actuarially determined 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Return on Investments* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) was 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk mitigation strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-US developedmarkets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5. PENSION PLANS (CONT'D):**

**B. TEACHERS PENSION AND ANNUITY FUND (CONT'D)**

*Sensitivity of Net Pension Liability to Changes in the Discount Rate* - the following presents the net pension liability of TPAF as of June 30, 2018 calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	<u>At 1% Decrease (3.86%)</u>	<u>At current Discount rate (4.86%)</u>	<u>At 1% Increase (5.86%)</u>
TPAF	\$75,417,894,537	\$63,806,350,446	\$54,180,663,328

*Components of Net Pension Liability* – The components of the net pension liability for TPAF, including the State of New Jersey, at June 30, 2018 is as follows:

Total pension liability	\$ 86,797,467,286
Plan fiduciary net position	<u>22,991,116,840</u>
 Net pension liability	 <u>\$ 63,806,350,446</u>
 Plan fiduciary net position as a percentage of the total pension liability	  26.49%

*Additional Information* – Collective balances at June 30, 2018 were as follows:

Collective Deferred Outflows of Resources	\$ 12,473,998,870
Collective Deferred Inflows of Resources	16,180,773,643
State's Total Non-employer Net Pension Liability	63,617,852,031
 District's Proportion	 0.5927937668%

**C: DEFINED CONTRIBUTION RETIREMENT PLAN**

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

*Plan Membership and Contributing Employers-* Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. PENSION PLANS (CONT'D):

#### C: DEFINED CONTRIBUTION RETIREMENT PLAN (CONT'D).

*Contribution Requirement and Benefit Provisions* - State and local government employers contribute 3% of the employee's base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

For the year ended June 30, 2019, the Boards total payroll for all employees was \$96,922,144. The Board had no DCRP covered payroll for the year ended June 30, 2019.

### NOTE 6. POST-EMPLOYMENT BENEFITS

#### General Information about the OPEB Plan:

##### *Plan Description and Benefits Provided:*

P.L. 1987, c.384 and P.L. 1990, c.6. required the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees Retirement System (PERS), respectively, to fund post-retirement medical benefits for those members who retire after accumulating a minimum of 25 years of credited service or on a disability retirement. Pursuant to P.L. 2007, c.103, separate funds outside the pension plans were established for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. Pursuant to this Act, the State Health Benefits Local Education Retired Employees Plan (SHBLEREP) was established to oversee the funding and payment of post-employment medical benefits for eligible LEA employees. The SHBLEREP is a multiple employer defined benefit OPEB plan that is administered on a pay-as-you-go basis in accordance with P.L. 1994, c.62. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria set forth in paragraph 4 of GASB Statement No. 75. The SHBLEREP provides medical, prescription drug and Medicare Part B reimbursement to retirees and retiree dependents of local education employers.

Coverage is provided at no cost to members of the TPAF and PERS that had retired on a disability retirement or retired after accumulating 25 years of creditable service prior to June 28, 2011 and to those who had a minimum of 20 years of creditable service on June 28, 2011 and who subsequently retire after accumulating 25 years of credited service or on a disability retirement. Employees who had less than 20 years of creditable service on June 28, 2011 and subsequently retire after accumulating a minimum of 25 years of creditable service are required by Chapter 78, P.L. 2011 to contribute a percentage of the cost of their health care coverage in retirement. The percentage of the premium that will be the responsibility of the retiree is determined based upon the retiree's annual retirement benefit and level of coverage.

NOTES TO FINANCIAL STATEMENTS

**NOTE 6. POST-EMPLOYMENT BENEFITS (CONT'D):**

**General Information about the OPEB Plan (cont'd):**

The State is also responsible for the costs attributable to Chapter 126, P.L. 1992, 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 or on a disability retirement if the member's employer does not provide this coverage.

*Covered Retirees and State Contributions:*

In fiscal year 2018, the State paid post-employment health benefits for 148,401 State and local retirees meeting the service credit eligibility requirements.

The State funds post-employment health benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the OPEB expenses that the State may incur in future years.

*Total OPEB Liability*

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make contributions to OPEB for qualified retired SHBLEREP participants. The State of New Jersey's Total Non-employer OPEB Liability for the SHBLEREP was \$53,639,841,858 and \$46,110,832,982 at June 30, 2017 and 2018, respectively. The amounts of the State's Non-employer OPEB Liability that are attributable to employees and retirees of the Bayonne School District was \$281,932,045 and \$240,723,538 at June 30, 2017 and 2018, respectively. These allocated liabilities represent 0.53% and 0.52% of the State's Total Non-employer OPEB Liability for the year's ending June 30, 2017 and June 30, 2018, respectively. However, the Bayonne School District's proportionate share percentage as determined in accordance with the provisions of paragraphs 193 and 203 to 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Based upon the preceding, the OPEB liability information that follows is reported at the State's level and does not reflect expenses and liabilities of the District that are required to be funded through annual District budgets.

*Actuarial Assumptions and Other Inputs:*

The total non-employer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017 that was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending upon the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55-4.55%	2.15-4.15%
	Based on Years of Service	Based on Age
Thereafter	2.00-5.45%	3.15-5.15%
	Based on Years of Service	Based on Age



**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6. POST-EMPLOYMENT BENEFITS (CONT'D):**

**General Information about the OPEB Plan (Cont'd):**

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012-June 30, 2015, and July 1, 2011-June 30, 2014 for TPAF and PERS, respectively.

*Healthcare Trend Assumptions:*

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% per annum and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

*Discount Rate:*

The discount rates for June 30, 2018 and 2017 were 3.87% and 3.58%, respectively. The source is the Bond Buyer G.O. 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of Aa/AA or higher.

*Changes in the Total Non-employer OPEB Liability reported by the State of New Jersey:*

Changes to the State's Total Non-employer OPEB Liability and the portion of those amounts allocated to the District during the fiscal year ended June 30, 2018 were as follows:

	<u>State Totals</u>	<u>District Allocation</u>
Non-employer OPEB Liability Balance-June 30, 2017:	\$53,639,841,858	\$281,932,045
<b>Changes During the Current Year:</b>		
Service Cost	1,984,642,729	11,377,074
Interest on the Total OPEB Liability	1,970,236,232	10,390,207
Differences Between Expected and Actual Experience	(5,002,065,740)	(29,137,163)
Changes in Assumptions	(5,291,448,855)	(27,624,231)
Gross Benefit Payments	(1,232,987,247)	(6,436,862)
Employee Contributions	<u>42,614,005</u>	<u>222,468</u>
Net Changes	(7,529,008,876)	(41,208,507)
Non-employer OPEB Liability Balance-June 30, 2018	<u>\$46,110,832,982</u>	<u>\$240,723,538</u>

*Differences Between Expected and Actual Experience* – Reflects changes in the census and claims and premiums experience.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6. POST-EMPLOYMENT BENEFITS (CONT'D):**

**General Information about the OPEB Plan (Cont'd):**

*Changes in Assumptions*-Reflects a change in the discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018, and a decrease in the assumed health care cost trend and excise tax assumptions

*Sensitivity of the State's Total Non-employer OPEB Liability to Changes in the Discount Rate:*

The following table sets forth the State's Total Non-employer OPEB Liability as of June 30, 2018, calculated using the discount rate as disclosed above, as well as what the State's Total Non-employer OPEB Liability would be if it was calculated using a discount rate that is one percentage point (1%) higher and lower than the actual discount rate that was utilized in the current period:

	<u>1% Decrease</u> <u>(2.87%)</u>	<u>At Discount Rate</u> <u>(3.87%)</u>	<u>1% Increase</u> <u>(4.87%)</u>
Total Non-employer OPEB Liability (New Jersey LEA Retirees)	\$54,512,391,175	\$46,110,832,982	\$39,432,461,816

*Sensitivity of the State's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:*

The following table sets forth the State's Total Non-employer OPEB Liability as of June 30, 2018, calculated using the healthcare trend rates rate as disclosed above, as well as what the State's Total Non-employer OPEB Liability would be if it was calculated using a healthcare trend rate that is one percentage point (1%) higher and lower than the actual healthcare trend rate that was utilized in the current period:

	<u>1% Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rate</u>	<u>1% Increase</u>
Total Non-employer OPEB Liability (New Jersey LEA Retirees)	\$38,113,289,045	\$46,110,832,982	\$56,687,891,003

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:*

For the year ended June 30, 2019, in the Statement of Activities, the School District recognized OPEB expense of \$12,024,275. This amount was determined by the State of New Jersey as the District's allocated special funding share of the State's \$2,129,660,368 Total OPEB Non-employer Expense for the year ended June 30, 2018. These expense amounts represent calculations in accordance with GASB Statement No. 75 for the defined benefit OPEB Plan that is not operated through a trust that meets the criteria of paragraph 4 of the Statement and in which there is a special funding situation. As the State of New Jersey is the only entity with a legal responsibility to fund SHBLEREP OPEB obligations, the District's recognized OPEB expense is offset by Program Revenues/Operating Contributions in an equal amount in the Statement of Activities. Due to this special funding situation, there is no recognition of the allocation of the proportionate shares of deferred outflows of resources and deferred inflows of resources in the District's financial statements.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6. POST-EMPLOYMENT BENEFITS (CONT'D):**

**General Information about the OPEB Plan (Cont'd):**

*On-behalf Payments by the State of New Jersey for Retiree Health Benefits Costs:*

As noted above, the State of New Jersey, pursuant to P.L. 1994, c. 62, administers the OPEB Plan on a pay-as-you-go basis. The following table sets forth the amounts of State contributions to the SHBLEREP allocated to the District for the last three years for post-employment medical costs. These amounts are reported in the governmental funds and budgetary comparison schedules as revenues and expenditures.

**Three-Year Trend Information for TPAF Retiree Health Benefits (Paid on-behalf of the District)**

<u>Year Funding</u>	Annual Post-Retirement Medical Cost (APC)	Percentage of APC Contributed
6/30/19	\$ 5,462,777	100%
6/30/18	5,775,195	100%
6/30/17	5,129,786	100%

*Additional Information:*

Collective balances of the SHBLEREP at June 30, 2018 were as follows:

Deferred Outflows of Resources	\$	0
Deferred Inflows of Resources		14,812,065,034
State's Total Non-employer OPEB Liability		46,110,832,982
 District's Proportion		 0.5220541951%

**NOTE 7. COMPENSATED ABSENCES**

The District accounts for compensated absences (e.g. unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB16), "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 vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and accumulate for use in future years. Upon the attainment of specified years of service or upon reaching normal retirement age, employees become eligible to receive compensation for unused accumulated sick leave. The specific terms for eligibility and compensation are governed by the various collective bargaining agreements and employment contract. Generally, payments are based upon a set amount per day of earned and unused sick pay, with a cap on the maximum number of days subject to reimbursement.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 7. COMPENSATED ABSENCES (Cont'd)**

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.

### **NOTE 8. 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 disasters.

**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.

**Employee Health Benefit/Prescription** – Beginning on July 1, 2017, the District implemented a self-insurance program for health and prescription coverage. As a result, the District has changed their accounting relating the health benefits to the Internal Service Fund. Billings for the cost of health benefits are charged to the General Fund, Special Revenue Fund for personnel within the various grant programs, and the Food Service Enterprise Fund for personnel in the food service program.

For the year ended June 30, 2019, the Board has incurred cost totaling \$22,599,013.94 for health and prescription benefits for all employees. In addition, the Board has provided for IBNR as calculated in the amount of \$1,004,870.37 for the year ended June 30, 2019.

In addition, the District reports other accounts receivable in the amount of \$190,813.08 as at June 30, 2019.

**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.

Due to legal restrictions imposed by the State of New Jersey on the accumulated balance in the District's Unemployment Compensation Insurance Fund, the District has elected to treat this fund as an expendable trust fund for the purpose of financial reporting. Information relating to this fund for the years ended June 30, 2019 and the previous two years is as follows:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Residual Equity Transfer</u>	<u>Amount Reimbursed</u>	<u>Interest Earned</u>	<u>Ending Balance</u>
2018-2019	\$ -0-	\$239,850.55	\$ -0-	\$198,427.21	\$139.56	\$41,562.90
2017-2018	225,000.00	242,798.99	112,795.50	559,475.06	220.57	-0-
2016-2017	-0-	260,604.00	-0-	239,485.00	221.00	(21,340.00)

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2019:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 95,905.10	\$
Special Revenue Fund		709,817.55
Capital Projects Fund	709,817.55	
Unemployment Comp. Trust Fund		95,905.10
Food Service Fund		285,219.74
Internal Service Fund	285,219.74	
	_____	_____
<b>Total</b>	<b>\$ 1,090,942.39</b>	<b>\$ 1,090,942.39</b>

### NOTE 10. INVENTORY

Inventory in the Food Service Fund at June 30, 2019 consisted of the following:

Food	\$ 82,907.35
Supplies	<u>5,749.22</u>
	<b>\$ 88,656.57</b>

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 11. FUND BALANCE APPROPRIATED

**General Fund** - Of the \$1,140,712.79 General Fund balance at June 30, 2019, \$1,067,963.52 is reserved for encumbrances; \$2,574,068.55 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$181,511.44 is restricted as excess surplus designated for subsequent year expenditures; \$559,893.75 is restricted for Capital Reserve; \$250,000.00 is restricted for Maintenance Reserve; \$220,186.56 is designated for subsequent year expenditures; and (3,712,911.03) is unassigned.

**Capital Projects Fund** – At June 30, 2019, the Capital Projects Fund reported a fund balance of \$795,693.33. These amounts restricted to funding authorized capital project costs.

The total Governmental Funds fund balance on the GAAP financial statements is \$1,936,406.12.

**NOTE 12. DEFICIT FUND BALANCES**

The District did not have any deficit fund balances at June 30, 2019 that would have been 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 state aid payment as revenue, for budget purposes only, in the current school budget year. Similarly, Extraordinary Special Education Aid is both received by the District and budgeted by the State in the fiscal period subsequent to the year that budget revenue must be recorded. The bill provides legal authority for school districts to recognize these revenues 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 District is not recording the last state aid payment on the GAAP financial statements until the year the State records the payable, it is possible that a positive fund balance could be reported on a mandated budgetary basis while a deficit is reported on a GAAP basis based upon non-recognition of revenue on the GAAP basis for the final state aid payment and any Extraordinary Special Education Aid awards.

Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general 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.

**NOTE 13. CALCULATION OF EXCESS SURPLUS**

In accordance with *N.J.S.A. 18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance -- Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. Based upon the reduction in the maximum undesignated surplus permitted as a result of the enactment of S1701, the District had excess surplus at June 30, 2019 in the amount of \$2,574,068.55. This amount will be utilized as tax relief in the 2020-2021 school budget.

**NOTE 14. TAX ABATEMENTS**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because *N.J.S.A. 54:4-75* and *N.J.S.A. 54:4-76* require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 14. TAX ABATEMENTS (Cont'd)

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Division of Local Government Services, in the Department of Community Affairs, State of New Jersey, requires each municipality to submit annually a "User Friendly Budget", which, among other disclosures, includes a listing of all properties which have been granted tax abatements, including assessed values and any In-Lieu-Of-Tax-Payments made to the municipality. The 2019 User Friendly Budget for City of Bayonne recognized revenue of \$5,120,500 from the annual service charge in lieu of payment of taxes in 2018 and taxes in 2018 that otherwise would have been due on these long-term tax exemptions amounted to \$16,091,790, based upon the assessed valuations of the long-term tax exemptions properties.

### NOTE 15. RECEIVABLES FROM OTHER GOVERNMENTS

Receivables from other governments as reported on the General Fund balance sheet amounting to \$968,827.77 are comprised of \$954,394.26 from state sources and \$14,433.51 from federal sources.

Receivables from other governments as reported on the Special Revenue Fund balance sheet amounting to \$2,453,101.77 are comprised of \$2,413,858.49 from federal sources and \$39,243.28 from state sources.

Receivables from other governments as reported on the Food Service Enterprise Fund balance sheet amounting to \$1,030,954.76 are comprised of \$1,018,375.79 from federal sources and \$12,578.97 from state sources.

### NOTE 16. 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 a significant effect on the District's programs and activities.

### NOTE 17. PENDING LITIGATION AND CONTINGENT LIABILITIES

PENDING LITIGATION - At June 30, 2019, the District had litigation pending or threatened. Excluding litigation relating to individualized education programs, which seek specific actions and/or tuition reimbursements, and for which no material adverse financial consequence is anticipated, the majority of the litigation is covered, and defended by, the District's insurance providers. There was no litigation pending for which an unfavorable outcome with a material adverse impact on the net position of the District was anticipated.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 17. PENDING LITIGATION AND CONTINGENT LIABILITIES (Cont'd)**

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.

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 18. SUBSEQUENT EVENTS**

No events have occurred subsequent to the close of the fiscal year that require disclosure herein.



**REQUIRED SUPPLEMENTARY  
INFORMATION**

**PART II**

**BUDGETARY COMPARISON SCHEDULES**

**SECTION – C**

CITY OF BAYONNE BOARD OF EDUCATION  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 68,312,303.00	\$ -	\$ 68,312,303.00	\$ 68,312,303.00	\$ -
Tuition-Individuals	45,000.00	594,000.00	639,000.00	570,548.23	(68,451.77)
Tuition-LEAs Within State		45,000.00	45,000.00	172,853.22	127,853.22
Tuition-Other LEAs		-	-	36,414.00	36,414.00
Rents and Royalties		310,000.00	310,000.00	314,690.28	4,690.28
Miscellaneous	1,832,172.00	(949,000.00)	883,172.00	969,450.97	86,278.97
<b>Total - Local Sources</b>	<u>70,189,475.00</u>	<u>-</u>	<u>70,189,475.00</u>	<u>70,376,259.70</u>	<u>186,784.70</u>
<b>State Sources:</b>					
Categorical Transportation Aid	403,763.00	-	403,763.00	403,763.00	-
Extraordinary Aid	688,925.00	-	688,925.00	735,698.00	46,773.00
Special Education Categorical Aid	6,128,471.00	242,084.00	6,370,555.00	6,370,555.00	-
Equalization Aid	49,790,766.00	-	49,790,766.00	49,790,766.00	-
Security Aid	3,438,877.00	-	3,438,877.00	3,438,877.00	-
TPAF - Post Retirement Medical (On-Behalf - Non-Budgeted)				5,462,777.00	5,462,777.00
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)				12,043,202.00	12,043,202.00
TPAF Non-Contributory Insurance Contribution (On-behalf-Non-Budgeted)				16,239.00	16,239.00
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				4,531,083.24	4,531,083.24
<b>Total State Sources</b>	<u>60,450,802.00</u>	<u>242,084.00</u>	<u>60,692,886.00</u>	<u>82,792,960.24</u>	<u>22,100,074.24</u>
<b>Federal Sources:</b>					
Medicaid Reimbursement	288,023.00		288,023.00	342,619.52	(54,596.52)
<b>Total - Federal Sources</b>	<u>288,023.00</u>	<u>-</u>	<u>288,023.00</u>	<u>342,619.52</u>	<u>(54,596.52)</u>
<b>Total Revenues</b>	<u>130,928,300.00</u>	<u>242,084.00</u>	<u>131,170,384.00</u>	<u>153,511,839.46</u>	<u>22,341,455.46</u>

CITY OF BAYONNE BOARD OF EDUCATION  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction:</b>					
Kindergarten - Salaries of Teachers	\$ 2,207,430.00	\$ (22,076.07)	\$ 2,185,353.93	\$ 2,130,727.62	\$ 54,626.31
Grades 1-5 - Salaries of Teachers	11,811,112.00	(1,105,312.37)	10,705,799.63	10,704,994.03	805.60
Grades 6-8 - Salaries of Teachers	10,725,890.00	118,660.32	10,844,550.32	10,693,338.59	151,211.73
Grades 9-12 - Salaries of Teachers	10,698,514.00	1,601,286.27	12,299,800.27	12,240,764.36	59,035.91
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	180,708.00	89,457.60	270,165.60	270,165.60	-
Purchased Professional-Educational Services	35,000.00	41,590.50	76,590.50	73,942.09	2,648.41
General Supplies	1,500.00	-	1,500.00	1,500.00	-
Other Objects	1,000.00	(701.11)	298.89	298.89	-
<b>Regular Programs - Undistributed Instruction:</b>					
Salaries of Teachers	-	33,067.00	33,067.00	32,966.66	100.34
Other Salaries for Instruction	1,074,491.00	29,560.39	1,104,051.39	1,051,024.97	53,026.42
Unused Vaca. Pay to Retired/Terminated Staff	125,000.00	140,000.00	265,000.00	186,175.80	78,824.20
Purchased Professional-Educational Services	2,565,306.00	534,985.21	3,100,291.21	3,095,871.84	4,419.37
Other Purchased Services (400-500 series)	1,298,226.00	(108,000.00)	1,190,226.00	1,190,168.77	57.23
General Supplies	817,169.00	(84,134.77)	733,034.23	653,192.91	79,841.32
Textbooks	1,140,531.00	(514,575.00)	625,956.00	606,569.69	19,386.31
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>42,681,877.00</b>	<b>753,807.97</b>	<b>43,435,684.97</b>	<b>42,931,701.82</b>	<b>503,983.15</b>
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	2,141,738.00	100,872.26	2,242,610.26	2,179,985.89	62,624.37
Other Salaries for Instruction	922,206.00	110,763.05	1,032,969.05	1,027,373.82	5,595.23
General Supplies	5,000.00	287.23	5,287.23	4,760.01	527.22
Textbooks	9,720.00	(2,623.24)	7,096.76	1,500.00	5,596.76
<b>Total Learning and/or Language Disabilities</b>	<b>3,078,664.00</b>	<b>209,299.30</b>	<b>3,287,963.30</b>	<b>3,213,619.72</b>	<b>74,343.58</b>

CITY OF BAYONNE BOARD OF EDUCATION  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Behavioral Disabilities:</b>					
Salaries of Teachers	\$ 446,932.00	\$ 131,951.58	\$ 578,883.58	\$ 578,883.58	\$ -
Other Salaries for Instruction	334,365.00	(6,589.35)	327,775.65	303,352.75	24,422.90
General Supplies	1,400.00	506.00	1,906.00	1,871.58	34.42
<b>Total Behavioral Disabilities</b>	<u>782,697.00</u>	<u>125,868.23</u>	<u>908,565.23</u>	<u>884,107.91</u>	<u>24,457.32</u>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	939,117.00	(176,917.34)	762,199.66	761,065.66	1,134.00
Other Salaries for Instruction	1,026,086.00	54,817.14	1,080,903.14	1,053,884.78	27,018.36
General Supplies	59,000.00	(33,954.12)	25,045.88	17,052.14	7,993.74
<b>Total Multiple Disabilities</b>	<u>2,024,203.00</u>	<u>(156,054.32)</u>	<u>1,868,148.68</u>	<u>1,832,002.58</u>	<u>36,146.10</u>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	7,076,332.00	(194,127.44)	6,882,204.56	6,779,914.21	102,290.35
Other Salaries for Instruction	1,179,134.00	61,655.27	1,240,789.27	1,205,048.65	35,740.62
Purchased Professional-Educational Services	80,280.00	218,231.00	298,511.00	298,509.69	1.31
General Supplies	16,800.00	2,060.11	18,860.11	14,730.07	4,130.04
Textbooks	2,600.00	(1,400.00)	1,200.00	1,200.00	-
<b>Total Resource Room/Resource Center</b>	<u>8,355,146.00</u>	<u>86,418.94</u>	<u>8,441,564.94</u>	<u>8,299,402.62</u>	<u>142,162.32</u>
<b>Autisim:</b>					
Salaries of Teachers	765,614.00	152,053.00	917,667.00	895,674.67	21,992.33
Other Salaries for Instruction	824,517.00	(23,399.14)	801,117.86	801,117.86	-
General Supplies	1,600.00	1,233.60	2,833.60	2,833.60	-
Textbooks	4,000.00	(1,237.00)	2,763.00	2,762.35	0.65
<b>Total Autisim</b>	<u>1,595,731.00</u>	<u>128,650.46</u>	<u>1,724,381.46</u>	<u>1,702,388.48</u>	<u>21,992.98</u>

CITY OF BAYONNE BOARD OF EDUCATION  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Preschool Disabilities - Full-Time:</b>					
Salaries of Teachers	\$ 109,575.00	\$ 1,691.00	\$ 111,266.00	\$ 21,781.45	\$ 89,484.55
Other Salaries for Instruction	111,555.00	(21,575.66)	89,979.34	89,979.34	-
General Supplies	-	197.57	197.57	197.57	-
<b>Total Preschool Disabilities - Full-Time</b>	<u>221,130.00</u>	<u>(19,687.09)</u>	<u>201,442.91</u>	<u>111,958.36</u>	<u>89,484.55</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>16,057,571.00</u>	<u>374,495.52</u>	<u>16,432,066.52</u>	<u>16,043,479.67</u>	<u>388,586.85</u>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	30,000.00	97,606.00	127,606.00	127,606.00	-
Purchased Technical Services	30,000.00	(30,000.00)	-	-	-
<b>Total Basic Skills/Remedial - Instruction</b>	<u>60,000.00</u>	<u>67,606.00</u>	<u>127,606.00</u>	<u>127,606.00</u>	<u>-</u>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	1,385,659.00	182,323.36	1,567,982.36	1,566,504.56	1,477.80
Other Salaries for Instruction	336,158.00	(2,336.00)	333,822.00	326,298.02	7,523.98
Textbooks	2,000.00	(2,000.00)	-	-	-
Other Objects	11,012.00	(8,164.57)	2,847.43	2,847.43	-
<b>Total Bilingual Education - Instruction</b>	<u>1,734,829.00</u>	<u>169,822.79</u>	<u>1,904,651.79</u>	<u>1,895,650.01</u>	<u>9,001.78</u>
<b>Vocational Programs - Local - Instruction</b>					
Salaries of Teachers	161,010.00	-	161,010.00	106,609.60	54,400.40
General Supplies	73,800.00	(16,023.95)	57,776.05	47,969.00	9,807.05
Textbooks	11,200.00	(7,180.05)	4,019.95	4,019.95	-
Other Objects	3,500.00	-	3,500.00	3,129.97	370.03
<b>Total Vocational Programs - Local - Instruction</b>	<u>249,510.00</u>	<u>(23,204.00)</u>	<u>226,306.00</u>	<u>161,728.52</u>	<u>64,577.48</u>
<b>School-Spon. Cocurricular Actvts. - Inst.</b>					
Salaries	235,700.00	61,580.00	297,280.00	268,547.06	28,732.94
Purchased Services (300-500 series)	71,100.00	(24.00)	71,076.00	60,318.95	10,757.05
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>	<u>306,800.00</u>	<u>61,556.00</u>	<u>368,356.00</u>	<u>328,866.01</u>	<u>39,489.99</u>
<b>School-Spon. Cocurricular Athletics - Inst.</b>					
Salaries	463,099.00	(29,999.00)	433,100.00	358,197.00	74,903.00
Purchased Services (300-500 series)	325,301.00	26,478.30	351,779.30	331,643.60	20,135.70
<b>Total School-Spon. Cocurricular Athletics - Inst.</b>	<u>788,400.00</u>	<u>(3,520.70)</u>	<u>784,879.30</u>	<u>689,840.60</u>	<u>95,038.70</u>
<b>Summer School - Instruction</b>					
Salaries of Teachers	50,000.00	2,500.00	52,500.00	48,105.40	4,394.60
Purchased Professional & Technical Services	53,000.00	(2,500.00)	50,500.00	-	50,500.00
<b>Total Summer School - Instruction</b>	<u>103,000.00</u>	<u>-</u>	<u>103,000.00</u>	<u>48,105.40</u>	<u>54,894.60</u>
<b>Summer School - Support</b>					
Salaries	2,500.00	(2,500.00)	-	-	-
<b>Total Summer School - Support</b>	<u>2,500.00</u>	<u>(2,500.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Summer School</b>	<u>105,500.00</u>	<u>(2,500.00)</u>	<u>103,000.00</u>	<u>48,105.40</u>	<u>54,894.60</u>

CITY OF BAYONNE BOARD OF EDUCATION  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Alternative Education Program - Instruction</b>					
Salaries of Teachers	\$ 249,805.00	\$ -	\$ 249,805.00	\$ 177,544.54	\$ 72,260.46
General Supplies	2,650.00	84.65	2,734.65	818.73	1,915.92
Textbooks	1,000.00	(1,000.00)		-	-
<b>Total Alternative Education Program - Instruction</b>	<u>253,455.00</u>	<u>(915.35)</u>	<u>252,539.65</u>	<u>178,363.27</u>	<u>74,176.38</u>
<b>Total Alternative Education Program</b>	<u>253,455.00</u>	<u>(915.35)</u>	<u>252,539.65</u>	<u>178,363.27</u>	<u>74,176.38</u>
<b>Community Services Programs/Operations</b>					
Salaries	1,231,766.00	16,160.98	1,247,926.98	953,239.46	294,687.52
Supplies and Materials	10,025.00	(1,319.96)	8,705.04	5,411.44	3,293.60
Other Objects	71,800.00	(15,704.28)	56,095.72	43,581.88	12,513.84
<b>Total Community Services Programs/Operations</b>	<u>1,313,591.00</u>	<u>(863.26)</u>	<u>1,312,727.74</u>	<u>1,002,232.78</u>	<u>310,494.96</u>
<b>TOTAL INSTRUCTION AND AT-RISK PROGRAMS</b>	<u>63,551,533.00</u>	<u>1,396,284.97</u>	<u>64,947,817.97</u>	<u>63,407,574.08</u>	<u>1,540,243.89</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Regular	287,102.00	35,759.57	322,861.57	319,316.57	3,545.00
Tuition to CSSDs & Reg. Day Schools	300,000.00	2,223.00	302,223.00	283,210.91	19,012.09
Tuition to Pvt. Schools for the Disabled/Other LEA - Within State	1,926,030.00	(283,100.00)	1,642,930.00	1,625,241.84	17,688.16
Tuition - State Facilities	36,247.00	2,400.00	38,647.00	38,647.00	-
Tuition - Other	125,376.00	2,400.00	127,776.00	127,776.00	-
<b>Total Undistributed Expenditures - Instruction:</b>	<u>2,674,755.00</u>	<u>(240,317.43)</u>	<u>2,434,437.57</u>	<u>2,394,192.32</u>	<u>40,245.25</u>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	280,098.00	(3,198.13)	276,899.87	276,899.87	-
Supplies and Materials	2,500.00	(2,263.43)	236.57	236.57	-
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<u>282,598.00</u>	<u>(5,461.56)</u>	<u>277,136.44</u>	<u>277,136.44</u>	<u>-</u>
<b>Undist. Expend. - Health Services</b>					
Salaries	1,540,166.00	(66,174.74)	1,473,991.26	1,447,728.12	26,263.14
Purchased Professional and Technical Services	74,723.00	(9,504.80)	65,218.20	64,968.81	249.39
Other Purchased Services (400-500 series)	8,175.00	715.12	8,890.12	8,890.12	-
Supplies and Materials	56,975.00	(25,269.88)	31,705.12	30,976.05	729.07
<b>Total Undistributed Expenditures - Health Services</b>	<u>1,680,039.00</u>	<u>(100,234.30)</u>	<u>1,579,804.70</u>	<u>1,552,563.10</u>	<u>27,241.60</u>

CITY OF BAYONNE BOARD OF EDUCATION  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Undist. Expend. - Speech/Occupational Therapy, Physical Therapy &amp; Related Serv.</b>					
Salaries	\$ 857,570.00	\$ (1,640.17)	\$ 855,929.83	\$ 850,361.69	\$ 5,568.14
Purchased Professional - Educational Services	1,157,913.00	51,563.03	1,209,476.03	1,190,450.94	19,025.09
Supplies and Materials	27,600.00	(644.16)	26,955.84	26,885.88	69.96
Other Objects	9,000.00	57.10	9,057.10	8,966.82	90.28
<b>Total Undist. Expend. - Speech/OT, PT &amp; Related Serv.</b>	<b>2,052,083.00</b>	<b>49,335.80</b>	<b>2,101,418.80</b>	<b>2,076,665.33</b>	<b>24,753.47</b>
<b>Other Support Services - Students - Extraordinary</b>					
Salaries	301,092.00	161,132.17	462,224.17	456,532.77	5,691.40
<b>Total Support Services - Students - Extraordinary</b>	<b>301,092.00</b>	<b>161,132.17</b>	<b>462,224.17</b>	<b>456,532.77</b>	<b>5,691.40</b>
<b>Undist. Expend. - Guidance Services</b>					
Salaries of Other Professional Staff	2,087,376.00	(36,293.26)	2,051,082.74	2,050,458.01	624.73
Salaries of Secretarial and Clerical Assistants	100,074.00	4,960.70	105,034.70	99,078.90	5,955.80
Purchased Professional - Educational Services	30,000.00	(14,900.00)	15,100.00	15,100.00	-
Supplies and Materials	150,901.00	(78,383.42)	72,517.58	72,514.98	2.60
<b>Total Undist. Expend. - Guidance Services</b>	<b>2,368,351.00</b>	<b>(124,615.98)</b>	<b>2,243,735.02</b>	<b>2,237,151.89</b>	<b>6,583.13</b>
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of Other Professional Staff	2,116,419.00	(376,479.07)	1,739,939.93	1,704,584.73	35,355.20
Salaries of Secretarial and Clerical Assistants	470,613.00	1,718.24	472,331.24	455,738.60	16,592.64
Purchased Professional - Educational Services	500,292.00	127,194.03	627,486.03	620,356.58	7,129.45
Supplies and Materials	10,000.00	1,010.22	11,010.22	8,794.84	2,215.38
Other Objects	1,000.00	(663.00)	337.00	337.00	-
<b>Total Undist. Expend. - Child Study Teams</b>	<b>3,098,324.00</b>	<b>(247,219.58)</b>	<b>2,851,104.42</b>	<b>2,789,811.75</b>	<b>61,292.67</b>
<b>Undist. Expend. - Improvement of Inst. Serv.</b>					
Salaries of Supervisor of Instruction	1,117,670.00	(34,895.30)	1,082,774.70	1,082,774.70	-
Salaries of Other Professional Staff	92,000.00	(32,402.60)	59,597.40	59,597.40	-
Salaries of Sec and Clerical Assist.	343,715.00	14,207.06	357,922.06	348,432.30	9,489.76
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	<b>1,553,385.00</b>	<b>(53,090.84)</b>	<b>1,500,294.16</b>	<b>1,490,804.40</b>	<b>9,489.76</b>
<b>Undist. Expend. - Edu. Media Serv./Sch. Library</b>					
Salaries	218,927.00	(43,270.95)	175,656.05	172,879.50	2,776.55
Supplies and Materials	11,255.00	(1,187.12)	10,067.88	10,067.88	-
<b>Total Undist. Expend. - Edu. Media Serv./Sch. Library</b>	<b>230,182.00</b>	<b>(44,458.07)</b>	<b>185,723.93</b>	<b>182,947.38</b>	<b>2,776.55</b>



CITY OF BAYONNE BOARD OF EDUCATION  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Purchased Professional - Educational Servic	\$ 18,000.00	\$ (15,000.00)	\$ 3,000.00	\$ 3,000.00	\$ -
Other Purchased Services (400-500 series)	25,000.00	14,675.24	39,675.24	39,673.75	1.49
Other Objects	2,000.00	(650.00)	1,350.00	1,350.00	-
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>45,000.00</b>	<b>(974.76)</b>	<b>44,025.24</b>	<b>44,023.75</b>	<b>1.49</b>
<b>Undist. Expend. - Supp. Serv. - General Admin.</b>					
Salaries	435,856.00	63,125.87	498,981.87	489,061.56	9,920.31
Unused Vacation Pay to Terminated/Retired Staff	140,000.00	34,853.48	174,853.48	174,853.48	-
Legal Services	375,000.00	24,489.79	399,489.79	398,894.09	595.70
Audit Fees	118,339.00	692.26	119,031.26	119,031.26	-
Other Purchased Professional Services	45,000.00	59,089.66	104,089.66	94,159.82	9,929.84
Communications/Telephone	700,000.00	(40,896.00)	659,104.00	609,864.67	49,239.33
BOE Other Purchased Services	9,775.00	20,380.00	30,155.00	30,155.00	-
Miscellaneous Purchased Services (400-500 series other than 530/585)	1,450,000.00	(100,793.73)	1,349,206.27	1,347,781.27	1,425.00
General Supplies	107,500.00	(46,589.62)	60,910.38	60,403.14	507.24
BOE In-House Training/Meeting Supplies	10,000.00	-	10,000.00	-	10,000.00
BOE Membership Dues and Fees	40,000.00	3,000.00	43,000.00	43,000.00	-
<b>Total Undist. Expend. - Supp. Serv. - General Admin.</b>	<b>3,431,470.00</b>	<b>17,351.71</b>	<b>3,448,821.71</b>	<b>3,367,204.29</b>	<b>81,617.42</b>
<b>Undist. Expend. - Support Serv. - School Admin.</b>					
Salaries of Principals/Assistant Principals/Program Directors	2,991,813.00	142,587.98	3,134,400.98	3,132,347.01	2,053.97
Salaries of Secretarial and Clerical Assistants	1,461,703.00	(114,736.92)	1,346,966.08	1,295,722.08	51,244.00
Purchased Professional and Technical Services	8,539.00	5,000.00	13,539.00	11,748.78	1,790.22
Supplies and Materials	167,468.00	(43,634.13)	123,833.87	118,816.36	5,017.51
<b>Total Undist. Expend. - Support Serv. - School Admin.</b>	<b>4,629,523.00</b>	<b>(10,783.07)</b>	<b>4,618,739.93</b>	<b>4,558,634.23</b>	<b>60,105.70</b>
<b>Undistributed Expenditures - Central Services</b>					
Salaries	1,248,117.00	(55,296.96)	1,192,820.04	1,168,938.10	23,881.94
Misc. Purch. Services (400-500 Series)	479,026.00	(10,323.01)	468,702.99	468,702.99	-
<b>Total Undistributed Expenditures - Central Services</b>	<b>1,727,143.00</b>	<b>(65,619.97)</b>	<b>1,661,523.03</b>	<b>1,637,641.09</b>	<b>23,881.94</b>

CITY OF BAYONNE BOARD OF EDUCATION  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Exhibit C-1  
 Page 8 of 10

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Undistributed Expenditures - Admin. Info. Tech.</b>					
Salaries	\$ 598,656.00	\$ (100,254.23)	\$ 498,401.77	\$ 482,874.39	\$ 15,527.38
Purchased Professional Services	230,600.00	12,229.61	242,829.61	241,978.60	851.01
Other Purchased Services (400-500 series)	108,936.00	(2,818.00)	106,118.00	103,355.26	2,762.74
Supplies and Materials	103,100.00	(31,543.26)	71,556.74	69,207.63	2,349.11
<b>Total Undistributed Expenditures - Admin. Info. Tech.</b>	<u>1,041,292.00</u>	<u>(122,385.88)</u>	<u>918,906.12</u>	<u>897,415.88</u>	<u>21,490.24</u>
<b>Undist. Expend. -Required Maintenance for School Facilities</b>					
Salaries	4,275,347.00	(158,413.02)	4,116,933.98	4,097,047.11	19,886.87
General Supplies	475,000.00	(31,632.12)	443,367.88	431,890.52	11,477.36
<b>Total Undist. Expend. -Required Maintenance for School Facilities</b>	<u>4,750,347.00</u>	<u>(190,045.14)</u>	<u>4,560,301.86</u>	<u>4,528,937.63</u>	<u>31,364.23</u>
<b>Undist. Expend. - Custodial Services</b>					
Salaries	2,858,376.00	66,310.27	2,924,686.27	2,922,014.63	2,671.64
Cleaning, Repair and Maintenance Services	1,626,727.00	1,564,314.75	3,191,041.75	2,884,801.54	306,240.21
Other Purchased Property Services	284,074.00	7,088.42	291,162.42	290,565.66	596.76
Insurance	315,000.00	7,928.22	322,928.22	322,928.22	-
General Supplies	193,149.00	7,032.05	200,181.05	193,337.43	6,843.62
Energy - Natural Gas	300,000.00	(128,789.21)	171,210.79	171,210.79	-
Energy - Electricity	1,900,000.00	(40,620.36)	1,859,379.64	1,702,964.93	156,414.71
<b>Total Undist. Expend. - Custodial Services</b>	<u>7,477,326.00</u>	<u>1,483,264.14</u>	<u>8,960,590.14</u>	<u>8,487,823.20</u>	<u>472,766.94</u>
<b>Undistributed Expenditures - Security</b>					
Salaries	739,301.00	(229,731.20)	509,569.80	498,386.42	11,183.38
Purchased Professional & Technical Services	-	313,582.00	313,582.00	-	313,582.00
General Supplies	-	75,250.57	75,250.57	73,206.27	2,044.30
<b>Total Undistributed Expenditures - Security</b>	<u>739,301.00</u>	<u>159,101.37</u>	<u>898,402.37</u>	<u>571,592.69</u>	<u>326,809.68</u>
<b>Total Undist. Expend. - Oper. &amp; Maint. Of Plant</b>	<u>12,966,974.00</u>	<u>1,452,320.37</u>	<u>14,419,294.37</u>	<u>13,588,353.52</u>	<u>830,940.85</u>
<b>Undist. Expend. - Student Transportation Serv.</b>					
Salaries of Non-instructional Aides	432,586.00	-	432,586.00	422,588.56	9,997.44
Sal. For Pup.Trans. (Bet. Home and School) - Special	948,733.00	(36,313.79)	912,419.21	912,419.21	-
Sal. For Pup. Trans. (Other than Bet. Home and School)	63,780.00	(16,358.45)	47,421.55	42,924.37	4,497.18
Lease Purchase Payments - School Buses	94,217.00	-	94,217.00	94,216.92	0.08
Contr Serv (Spl. Ed. Students) - Vendors	1,400,000.00	163,696.97	1,563,696.97	1,520,385.85	43,311.12
Misc. Purchased Serv. - Transportation	75,000.00	45,357.55	120,357.55	119,036.65	1,320.90
Miscellaneous Purch. Services-Transportation	12,898.00	(10,573.00)	2,325.00	2,325.00	-
<b>Total Undist. Expend. - Student Transportation Serv.</b>	<u>3,027,214.00</u>	<u>145,809.28</u>	<u>3,173,023.28</u>	<u>3,113,896.56</u>	<u>59,126.72</u>

CITY OF BAYONNE BOARD OF EDUCATION  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	\$ 2,126,393.00	\$ (0.50)	\$ 2,126,392.50	\$ 2,013,175.25	\$ 113,217.25
Other Retirement Contributions - PERS	2,255,904.00	35,405.00	2,291,309.00	2,291,309.00	-
Unemployment Compensation	40,000.00	(39,000.00)	1,000.00	-	1,000.00
Workmen's Compensation	1,225,000.00	28,507.74	1,253,507.74	1,253,507.57	0.17
Health Benefits	19,406,733.00	(1,849,579.48)	17,557,153.52	16,440,073.86	1,117,079.66
Tuition Reimbursement	50,000.00	-	50,000.00	28,130.00	21,870.00
Other Employee Benefits	-	45,304.00	45,304.00	39,329.47	5,974.53
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>25,104,030.00</u>	<u>(1,779,363.24)</u>	<u>23,324,666.76</u>	<u>22,065,525.15</u>	<u>1,259,141.61</u>
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	12,043,202.00	(12,043,202.00)
On-behalf TPAF Post Retire. Medical Contrib.(non-budgeted)	-	-	-	5,462,777.00	(5,462,777.00)
On-behalf TPAF Non-contributory Ins. Contrib. (non-budgeted)	-	-	-	16,239.00	(16,239.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	4,531,083.24	(4,531,083.24)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,053,301.24</u>	<u>(22,053,301.24)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>25,104,030.00</u>	<u>(1,779,363.24)</u>	<u>23,324,666.76</u>	<u>44,118,826.39</u>	<u>(20,794,159.63)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>66,213,455.00</u>	<u>(968,575.35)</u>	<u>65,244,879.65</u>	<u>84,783,801.09</u>	<u>(19,538,921.44)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>129,764,988.00</u>	<u>427,709.62</u>	<u>130,192,697.62</u>	<u>148,191,375.17</u>	<u>(17,998,677.55)</u>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
Regular Programs - Instruction:					
Grades 1-5	30,000.00	-	30,000.00	30,000.00	-
Undistributed Expenditures- Care and Upkeep of Grounds	-	2,903	2,903	-	2,903
School Buses - Special	380,000	-	380,000	379,794.64	205
<b>Total Equipment</b>	<u>410,000.00</u>	<u>2,903.12</u>	<u>412,903.12</u>	<u>409,794.64</u>	<u>3,108.48</u>
<b>Facilities Acquisition and Construction Services</b>					
Assessment for Debt Service on SDA Funding	269,280.00	-	269,280.00	269,280.00	-
<b>Total Facilities Acquisition and Construction Services</b>	<u>269,280.00</u>	<u>-</u>	<u>269,280.00</u>	<u>269,280.00</u>	<u>-</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>679,280.00</u>	<u>2,903.12</u>	<u>682,183.12</u>	<u>679,074.64</u>	<u>3,108.48</u>

CITY OF BAYONNE BOARD OF EDUCATION  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>TOTAL EXPENDITURES</b>	\$ 130,444,268.00	\$ 430,612.74	\$ 130,874,880.74	\$ 148,870,449.81	\$ (17,995,569.07)
Other Financing Sources/(Uses):					
Transfer of Funds to Charter Schools	(484,032.00)	(177.00)	(484,209.00)	(477,856.00)	6,353.00
Transfer from Capital Projects Fund				59,893.75	
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	(484,032.00)	(177.00)	(484,209.00)	(417,962.25)	6,353.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	(188,705.74)	(188,705.74)	4,223,427.40	4,412,133.14
<b>Net Change in Fund Balance</b>	-	(188,705.74)	(188,705.74)	4,223,427.40	4,412,133.14
Fund Balance, July 1	3,213,312.39		3,213,312.39	3,213,312.39	-
Fund Balance, June 30	\$ 3,213,312.39	\$ (188,705.74)	\$ 3,024,606.65	\$ 7,436,739.79	\$ 4,412,133.14
<b>Recapitulation of Fund Balance:</b>					
Committed: Year-End Encumbrances				\$ 1,067,963.52	
Restricted: Reserve for Excess Surplus					
Capital Reserve				559,893.75	
Capital Reserve - Designated for Subsequent Year's Expenditures					
Maintenance Reserve				250,000.00	
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures				181,511.44	
Reserve for Excess Surplus				2,574,068.55	
Assigned:					
Designated for Subsequent Year's Expenditures				220,186.56	
Unassigned: Unrestricted Fund Balance				2,583,115.97	
				7,436,739.79	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
State Aid Payments not recognized on GAAP basis				(6,296,027.00)	
Fund Balance (Deficit) per Governmental Funds (GAAP)				\$ 1,140,712.79	

CITY OF BAYONNE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>REVENUES:</b>					
<b>Local Sources</b>					
Revenues from Local Sources	\$ 323,635.67	\$ 141,829.00	\$ 465,464.67	\$ 171,737.61	\$ (293,727.06)
<b>Total Local Revenues</b>	<u>323,635.67</u>	<u>141,829.00</u>	<u>465,464.67</u>	<u>171,737.61</u>	<u>(293,727.06)</u>
<b>State Sources</b>					
Preschool Education Aid	3,443,256.00		3,443,256.00	2,831,214.51	(612,041.49)
School Based Youth Services	273,216.00		273,216.00	197,743.63	(75,472.37)
Municipal Alliance Program	54,448.00		54,448.00	33,276.28	(21,171.72)
Nonpublic Textbooks	40,049.00		40,049.00	39,943.39	(105.61)
Nonpublic Auxiliary Services	36,662.00	18,371.00	55,033.00	55,033.00	-
Nonpublic Handicapped Services	93,783.00	22,331.00	116,114.00	86,633.00	(29,481.00)
Nonpublic Security Aid	58,125.00	58,125.00	116,250.00	105,702.60	(10,547.40)
Nonpublic Nursing Services	75,175.00		75,175.00	75,175.00	-
Nonpublic Technology Initiative	27,000.00		27,000.00	26,871.52	(128.48)
Nonpublic Home Instruction		5,967.00	5,967.00	5,967.00	-
<b>Total State Revenues</b>	<u>4,101,714.00</u>	<u>104,794.00</u>	<u>4,206,508.00</u>	<u>3,457,559.93</u>	<u>(748,948.07)</u>
<b>Federal Sources</b>					
Title I	3,098,524.00	7,527.00	3,106,051.00	3,014,202.13	(91,848.87)
Title II, Part A	428,942.00	33,797.00	462,739.00	334,922.34	(127,816.66)
Title III	102,939.00	15,170.00	118,109.00	106,206.74	(11,902.26)
Title III Immigrant	47,949.00	1,595.00	49,544.00	48,490.62	(1,053.38)
Title IV	186,799.00		186,799.00	174,733.87	(12,065.13)
IDEA Part B	2,516,131.00	16,952.00	2,533,083.00	2,462,515.65	(70,567.35)
IDEA Preschool	60,759.00		60,759.00	60,724.29	(34.71)
Emergency Impact Aid		51,500.00	51,500.00	-	(51,500.00)
<b>Total Federal Revenues</b>	<u>6,442,043.00</u>	<u>126,541.00</u>	<u>6,568,584.00</u>	<u>6,201,795.64</u>	<u>(366,788.36)</u>
<b>Total Revenues</b>	<u>10,867,392.67</u>	<u>373,164.00</u>	<u>11,240,556.67</u>	<u>9,831,093.18</u>	<u>(1,409,463.49)</u>

CITY OF BAYONNE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	\$ 3,737,391.00	\$ (8,754.28)	\$ 3,728,636.72	\$ 3,400,115.23	\$ 328,521.49
Other Salaries for Instruction	565,747.00	10,747.34	576,494.34	466,702.94	109,791.40
Purchased Professional and Technical Services	60,227.00	5,640.00	65,867.00	47,417.87	18,449.13
Other Purchased Sevices (Incl. Tuition)	2,065,541.00	210.00	2,065,751.00	2,048,271.29	17,479.71
General Supplies	479,025.00	18,929.92	497,954.92	435,179.76	62,775.16
Textbooks	40,049.00		40,049.00	39,943.39	105.61
Other Objects	3,500.00	1,000.00	4,500.00	4,500.00	-
<b>Total Instruction</b>	<b>6,951,480.00</b>	<b>27,772.98</b>	<b>6,979,252.98</b>	<b>6,442,130.48</b>	<b>537,122.50</b>
<b>Support Services</b>					
Salaries of Supervisor of Instruction	175,047.00	430.92	175,477.92	172,345.92	3,132.00
Salaries of Program Directors	563,189.00		563,189.00	411,583.71	151,605.29
Salaries of Other Professional Staff	41,621.00	15,833.53	57,454.53	56,722.04	732.49
Salaries of Secretaries & Clerical Assistants	145,935.00	607.86	146,542.86	133,189.19	13,353.67
Other Salaries		13,790.00	13,790.00	13,713.40	76.60
Salaries of Master Teachers	93,834.00		93,834.00	72,982.00	20,852.00
Personal Services - Employee Benefits	1,665,267.00	(21,817.00)	1,643,450.00	1,564,443.29	79,006.71
Purchased Professional - Educational Services	63,005.00	11,457.80	74,462.80	59,787.00	14,675.80
Other Purchased Professional Services	156,018.00	(1,557.59)	154,460.41	75,175.00	79,285.41
Purchased Professional and Technical Services	350,404.00	105,953.39	456,357.39	368,119.09	88,238.30
Rentals	10,000.00		10,000.00	8,510.28	1,489.72
Contr. Serv.-Trans. (Other than Bet. Home & Sch.)	47,500.00	23,042.00	70,542.00	22,449.25	48,092.75
Purchased Property Services	58,125.00	58,125.00	116,250.00	105,702.60	10,547.40
Other Purchased Services (400-500 series)	213,039.67	54,962.17	268,001.84	99,413.43	168,588.41
Supplies & Materials	189,617.00	35,633.11	225,250.11	215,209.40	10,040.71
Other Objects	16,012.00	72,629.83	88,641.83	9,617.10	79,024.73
<b>Total Support Services</b>	<b>3,788,613.67</b>	<b>369,091.02</b>	<b>4,157,704.69</b>	<b>3,388,962.70</b>	<b>768,741.99</b>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment	66,500.00	(11,700.00)	54,800.00	-	54,800.00
Noninstructional Equipment	60,799.00	(12,000.00)	48,799.00	-	48,799.00
<b>Total Facilities Acquisition and Construction Services</b>	<b>127,299.00</b>	<b>(23,700.00)</b>	<b>103,599.00</b>	<b>-</b>	<b>103,599.00</b>
<b>Total Expenditures</b>	<b>10,867,392.67</b>	<b>373,164.00</b>	<b>11,240,556.67</b>	<b>9,831,093.18</b>	<b>1,409,463.49</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**NOTES TO THE REQUIRED**  
**SUPPLEMENTARY INFORMATION – PART II**

**CITY OF BAYONNE BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE YEAR ENDED JUNE 30, 2019**

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

	<b>General Fund</b>		<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) 153,511,839.46	(C-2)	9,831,093.18
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized (Net)			(205,815.19)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements (Net)	<u>581,511.00</u>		<u>                    </u>
<b>Total revenues as reported on the statement of revenues, expenditures and change in fund balances - governmental funds</b>	<b>(B-2) <u>154,093,350.46</u></b>	<b>(B-2)</b>	<b><u>9,625,277.99</u></b>
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) 148,870,449.81	(C-2)	9,831,093.18
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.			(205,815.19)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers inflows/(outflows) from/to Charter School	477,856.00		
Net transfers inflows/(outflows) from/to Internal Service Fund	<u>549,068.59</u>		<u>                    </u>
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<b>(B-2) <u>149,897,374.40</u></b>	<b>(B-2)</b>	<b><u>9,625,277.99</u></b>



**REQUIRED SUPPLEMENTARY  
INFORMATION**

**PART III**

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

**SECTION – L**

**(Section numbering as per N.J. Department of Education  
2014-2015 Audit Program)**

CITY OF BAYONNE BOARD OF EDUCATION  
 SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

Last 10 Fiscal Years\*

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's Proportion of the Net Pension Liability	0.1994053%	0.2000565%	0.2112561%	0.2250583%	0.2205595%	0.2290078%
District's Proportionate Share of the Net Pension Liability	\$38,110,310	\$37,456,050	\$47,422,764	\$66,655,820	\$51,342,721	\$45,090,500
District's Covered-Employee Payroll	\$14,557,819	\$15,122,699	\$15,172,232	\$15,634,992	\$16,878,549	\$17,790,316
District's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	261.79%	247.68%	312.56%	426.32%	304.19%	253.46%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	48.72%	52.08%	47.93%	40.14%	48.10%	53.60%

\* Amounts presented for each fiscal year were determined as of June 30.

CITY OF BAYONNE BOARD OF EDUCATION  
 SCHEDULE OF THE DISTRICT'S CONTRIBUTION  
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

Last 10 Fiscal Years\*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually Required Contribution	\$ 1,502,478	\$ 1,636,220	\$ 1,816,236	\$ 2,013,206	\$ 2,078,720	\$ 2,291,309
Contribution in Relation to Contractually Required Contribution	<u>\$ (1,502,478)</u>	<u>\$ (1,636,220)</u>	<u>\$ (1,816,236)</u>	<u>\$ (2,013,206)</u>	<u>\$ (2,078,720)</u>	<u>\$ (2,291,309)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Proportionate Share of the Payroll	\$ 14,557,819	\$ 15,122,699	\$ 15,172,232	\$ 15,634,992	\$ 16,878,549	\$ 17,790,316
Contributions as a percentage of Covered Employee Payroll	10.32%	10.82%	11.97%	12.88%	12.32%	12.88%

\* Amounts presented for each fiscal year were determined as of June 30.

CITY OF BAYONNE BOARD OF EDUCATION  
 SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY  
TEACHERS PENSION AND ANNUITY FUND (Non-State Employer Group)

Last 10 Fiscal Years\*

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's Proportion of the Net Pension Liability	0.5908106%	0.5827959%	0.5625895%	0.5380858%	0.6005273%	0.5593333%
District's Proportionate Share of the Net Pension Liability	\$298,591,035	\$311,485,455	\$355,580,617	\$423,292,585	\$404,897,178	\$377,122,661
District's Covered-Employee Payroll	\$54,455,845	\$59,838,204	\$60,939,235	\$62,060,627	\$59,434,452	\$62,245,222
District's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	548.32%	520.55%	583.50%	682.06%	681.25%	605.87%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	33.76%	33.64%	28.71%	22.33%	25.41%	26.49%

\* Amounts presented for each fiscal year were determined as of June 30.

Note: Percentages shown are Plan-wide, and include NPL and PFNP data that include employees of the State of New Jersey.

**CITY OF BAYONNE BOARD OF EDUCATION  
COUNTY OF HUDSON, NEW JERSEY**

**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION  
JUNE 30, 2019**

**NOTE 1. CHANGES IN BENEFITS AND ASSUMPTIONS**

The following information is as abstracted from the State of New Jersey, Division of Pension and Benefits, Financial Statements and Supplementary Schedules report as of June 30, 2018, dated April 16, 2019. This information pertains to the RSI schedules of changes in net pension liability contained in that report.

**PERS**

Changes in benefit terms: None

Changes in assumptions:

For 2018, the discount rate changed to 5.66% and the long-term expected rate of return remained at the prior-year rate of 7.0%. Demographic assumptions were unchanged.

For 2017, the discount rate changed to 5.00%, the long-term expected rate of return changed to 7.00%. Demographic assumptions were unchanged.

For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%. Demographic assumptions were revised in accordance with the results of the July 1, 2011 – June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

For 2015, the discount rate changed to 4.90% and the long-term expected rate of return remained unchanged at 7.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually,

For 2014, the discount rate was 5.39% and the long-term expected rate of return was 7.90%.

**TPAF**

Changes in benefit terms: None

Changes in assumptions:

For 2018, the discount rate was changed to 4.86%. There were no changes to the long-term expected rate of return and no changes to demographic assumptions.

For 2017, the discount rate was changed to 4.25%, and the long-term expected rate of return changed to 7.00%, There were no changes to demographic assumptions.

**CITY OF BAYONNE BOARD OF EDUCATION  
COUNTY OF HUDSON, NEW JERSEY**

**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION  
JUNE 30, 2019**

**NOTE 1. CHANGES IN BENEFITS AND ASSUMPTIONS (Cont'd.)**

**TPAF (Cont'd.)**

For 2016, the discount rate was changed to 3.22%, and the long-term expected rate of return was changed to 7.65%. Further, the demographic assumptions were revised to reflect those recommended on the basis of the July 1, 2012-June 30, 2015 experience study.

For 2015, the discount rate was changed to 4.13%. There were no changes to the long-term expected rate of return and no changes to demographic assumptions.

For 2014, the discount rate was 4.68% and the long-term expected rate of return was 7.90%.

**SCHEDULES RELATED TO ACCOUNTING AND  
REPORTING FOR OPEB (GASB 75) (NEW)**

**SECTION – M**

**(Section numbering as per N.J. Department of Education 2017-2018  
Audit Program)**



CITY OF BAYONNE BOARD OF EDUCATION  
 SCHEDULE OF THE DISTRICT'S SHARE OF THE NET OPEB LIABILITY  
STATE HEALTH BENEFITS LOCAL EDUCATION RETIRED EMPLOYEES PLAN

	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's Proportion of the Net OPEB Liability	0.5234733%	0.5256019%	0.5220542%
District's Proportionate Share of the Net OPEB Liability	\$ 302,733,965	\$ 281,932,045	\$ 240,723,538
District's Covered Employee Payroll	\$ 77,695,619	\$ 76,313,001	\$ 80,035,538
District's Proportionate Share of the Net OPEB Liability as a percentage of its Covered Employee Payroll	389.64%	369.44%	300.77%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	100.00%

Note: The State of New Jersey is solely responsible for the funding and payment of the OPEB costs of the State Health Benefits Local Education Retired Employees Plan.

**CITY OF BAYONNE BOARD OF EDUCATION  
COUNTY OF HUDSON, NEW JERSEY**

**NOTES TO REQUIRED SUPPLEMENTARY OPEB INFORMATION  
JUNE 30, 2019**

**NOTE 1. SPECIAL FUNDING SITUATION**

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make contributions to OPEB for qualified retired SHBLEREP participants. Accordingly, proportionate share information of the Net OPEB Liability is not reflected in the District's financial statements.

**NOTE 2. CHANGES IN ASSUMPTIONS**

For 2018, the discount rate changed to 3.87% from 3.58% in 2017. For pre-Medicare PPO and HMO medical benefits, the initial trend rate changed to 5.8% from 5.9%. For prescription drug benefits, the initial trend rate changed to 8.0% from 10.5%. Demographic assumptions remained unchanged and are consistent with the assumptions used in the pension plan valuations.

For 2017, the discount rate changed to 3.58% from 2.85%. Demographic assumptions remained unchanged and are consistent with the assumptions used in the pension plan valuations.

## **OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES**

**SECTION – D**

**SPECIAL REVENUE FUND**

**SECTION – E**

**CITY OF BAYONNE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	TOTAL BROUGHT FORWARD (Ex. E-1a)	TOTAL BROUGHT FORWARD (PAGE 2)	TITLE I	TITLE II PART A	TITLE III	TITLE III IMMIGRANT	TOTALS
<b>REVENUES:</b>							
State Sources	\$ 3,457,559.93	-	\$	\$	\$	\$	\$ 3,457,559.93
Federal Sources	-	2,697,973.81	3,014,202.13	334,922.34	106,206.74	48,490.62	6,201,795.64
Local Sources	171,737.61	-					171,737.61
<b>Total Revenues</b>	<u>3,629,297.54</u>	<u>2,697,973.81</u>	<u>3,014,202.13</u>	<u>334,922.34</u>	<u>106,206.74</u>	<u>48,490.62</u>	<u>9,831,093.18</u>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	1,482,703.43	165,877.50	1,708,605.30	39,819.00	3,110.00		3,400,115.23
Other Salaries for Instruc.	466,702.94	-					466,702.94
Purch. Prof. & Tech. Services	42,906.00	-	2,967.00		983.25	561.62	47,417.87
Other Purchased Seives (Incl. Tuition)	38,855.00	2,009,416.29					2,048,271.29
General Supplies	69,313.84	181,051.48	49,034.44		87,851.00	47,929.00	435,179.76
Textbooks	39,943.39	-					39,943.39
Other Objects	4,500.00	-					4,500.00
<b>Total Instruction</b>	<u>2,144,924.60</u>	<u>2,356,345.27</u>	<u>1,760,606.74</u>	<u>39,819.00</u>	<u>91,944.25</u>	<u>48,490.62</u>	<u>6,442,130.48</u>
<b>Support Services:</b>							
Salaries of Supervisors of Instruction	10,000.00	-	162,345.92				172,345.92
Salaries of Program Directors	411,583.71	-		54,642.04	2,080.00		411,583.71
Salaries of Other Prof. Staff	-	-					56,722.04
Salaries of Sec. & Clerical Asst.	47,750.33	-	85,438.86				133,189.19
Other Salaries	13,713.40	-					13,713.40
Salaries of Master Teachers	72,982.00	-					72,982.00
Personal Services - Empl. Benefits	592,513.80	-	953,840.00	18,089.49			1,564,443.29
Purch. Prof. - Educ. Services	59,787.00	-					59,787.00
Other Purch. Prof. Services	75,175.00	-					75,175.00
Purchased Prof. and Technical Services	-	204,507.39		159,111.94	4,499.76		368,119.09
Contracted Services - Trans. (Other Than Between Home and School)	22,449.25	-					22,449.25
Purchased Property Services	105,702.60	-					105,702.60
Rentals	8,510.28	-					8,510.28
Supplies and Materials	5,587.89	131,336.90	51,970.61	26,314.00			215,209.40
Other Purchased Services	54,501.68	5,784.25		32,442.87	6,684.63		99,413.43
Other Objects	4,116.00	-		4,503.00	998.10		9,617.10
<b>Total Support Services</b>	<u>1,484,372.94</u>	<u>341,628.54</u>	<u>1,253,595.39</u>	<u>295,103.34</u>	<u>14,262.49</u>	<u>-</u>	<u>3,388,962.70</u>
<b>Total Expenditures</b>	<u>\$ 3,629,297.54</u>	<u>2,697,973.81</u>	<u>\$ 3,014,202.13</u>	<u>\$ 334,922.34</u>	<u>\$ 106,206.74</u>	<u>\$ 48,490.62</u>	<u>\$ 9,831,093.18</u>

**CITY OF BAYONNE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>TITLE IV</u>	<u>IDEA PART B</u>	<u>IDEA PRESCHOOL</u>	<u>EMERGENCY IMPACT AID</u>	<u>TOTAL CARRIED FORWARD</u>
<b>REVENUES:</b>					
State Sources	\$ -				\$ -
Federal Sources	174,733.87	2,462,515.65	60,724.29	-	2,697,973.81
Local Sources	-				-
<b>Total Revenues</b>	<u>174,733.87</u>	<u>2,462,515.65</u>	<u>60,724.29</u>	<u>-</u>	<u>2,697,973.81</u>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers		165,877.50			165,877.50
Other Salaries for Instruc.					-
Purch. Prof. & Tech. Services					-
Other Purchased Sevices (Incl. Tuition)		1,948,692.00	60,724.29		2,009,416.29
General Supplies	61,657.62	119,393.86			181,051.48
Textbooks					-
Other Objects					-
<b>Total Instruction</b>	<u>61,657.62</u>	<u>2,233,963.36</u>	<u>60,724.29</u>	<u>-</u>	<u>2,356,345.27</u>
<b>Support Services:</b>					
Salaries of Supervisors of Instruction					-
Salaries of Program Directors					-
Salaries of Other Prof. Staff					-
Salaries of Sec. & Clerical Asst.					-
Other Salaries					-
Salaries of Master Teachers					-
Personal Services - Empl. Benefits					-
Purch. Prof. - Educ. Services					-
Other Purch. Prof. Services					-
Purchased Prof. and Technical Services	91,863.00	112,644.39			204,507.39
Contracted Services - Trans. (Other Than Between Home and School)					-
Purchased Property Services					-
Rentals					-
Supplies and Materials	15,429.00	115,907.90			131,336.90
Other Purchased Services	5,784.25				5,784.25
Other Objects					-
<b>Total Support Services</b>	<u>113,076.25</u>	<u>228,552.29</u>	<u>-</u>	<u>-</u>	<u>341,628.54</u>
<b>Total Expenditures</b>	<u>\$ 174,733.87</u>	<u>2,462,515.65</u>	<u>\$ 60,724.29</u>	<u>\$ -</u>	<u>\$ 2,697,973.81</u>

CITY OF BAYONNE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	TOTAL BROUGHT FORWARD (Ex. E-1b)	PRESCHOOL EDUCATION AID (Ex. E-2)	N.J. NONPUBLIC TECHNOLOGY INITIATIVE	N.J. NONPUBLIC NURSING SERVICES	N.J. NONPUBLIC TEXTBOOK AID	N.J. NONPUBLIC SECURITY AID	TOTAL CARRIED FORWARD
<b>REVENUES:</b>							
State Sources	\$ 378,652.91	\$ 2,831,214.51	\$ 26,871.52	\$ 75,175.00	\$ 39,943.39	\$ 105,702.60	\$ 3,457,559.93
Federal Sources	-	-	-	-	-	-	-
Local Sources	171,737.61	-	-	-	-	-	171,737.61
<b>Total Revenues</b>	<b>550,390.52</b>	<b>2,831,214.51</b>	<b>26,871.52</b>	<b>75,175.00</b>	<b>39,943.39</b>	<b>105,702.60</b>	<b>3,629,297.54</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	192,122.74	1,290,580.69	-	-	-	-	1,482,703.43
Other Salaries for Instruc.	82,948.20	383,754.74	-	-	-	-	466,702.94
Purch. Prof. & Tech. Services	42,906.00	-	-	-	-	-	42,906.00
Other Purchased Services (Incl. Tuition)	38,855.00	-	-	-	-	-	38,855.00
General Supplies	10,393.08	32,049.24	26,871.52	-	-	-	69,313.84
Textbooks	-	-	-	-	39,943.39	-	39,943.39
Other Objects	4,500.00	-	-	-	-	-	4,500.00
<b>Total Instruction</b>	<b>371,725.02</b>	<b>1,706,384.67</b>	<b>26,871.52</b>	<b>-</b>	<b>39,943.39</b>	<b>-</b>	<b>2,144,924.60</b>
Support Services:							
Salaries of Supervisors of Instruction	10,000.00	-	-	-	-	-	10,000.00
Salaries of Program Directors	-	411,583.71	-	-	-	-	411,583.71
Salaries of Other Prof. Staff	-	-	-	-	-	-	-
Salaries of Sec. & Clerical Asst.	-	47,750.33	-	-	-	-	47,750.33
Other Salaries	13,713.40	-	-	-	-	-	13,713.40
Salaries of Master Teachers	-	72,982.00	-	-	-	-	72,982.00
Personal Services - Empl. Benefits	-	592,513.80	-	-	-	-	592,513.80
Purch. Prof. - Educ. Services	59,787.00	-	-	-	-	-	59,787.00
Other Purch. Prof. Services	-	-	-	75,175.00	-	-	75,175.00
Purchased Prof. and Technical Service	-	-	-	-	-	-	-
Contracted Services - Trans. (Other Than Between Home and School)	22,449.25	-	-	-	-	-	22,449.25
Purchased Property Services	-	-	-	-	-	105,702.60	105,702.60
Rentals	8,510.28	-	-	-	-	-	8,510.28
Supplies and Materials	5,587.89	-	-	-	-	-	5,587.89
Other Purchased Services	54,501.68	-	-	-	-	-	54,501.68
Other Objects	4,116.00	-	-	-	-	-	4,116.00
<b>Total Support Services</b>	<b>178,665.50</b>	<b>1,124,829.84</b>	<b>-</b>	<b>75,175.00</b>	<b>-</b>	<b>105,702.60</b>	<b>1,484,372.94</b>
<b>Total Expenditures</b>	<b>\$ 550,390.52</b>	<b>\$ 2,831,214.51</b>	<b>\$ 26,871.52</b>	<b>\$ 75,175.00</b>	<b>\$ 39,943.39</b>	<b>\$ 105,702.60</b>	<b>\$ 3,629,297.54</b>



**CITY OF BAYONNE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	NJ NONPUBLIC SERVICES						TOTAL CARRIED FORWARD
	TOTAL BROUGHT FORWARD (Ex. E-1c)	AUXILIARY CH. 192			HANDICAPPED SERVICES CH. 193		
		TRANSPORT- ATION	COMP. EDUCATION	SUPPL. INSTR.	EXAM. & CLASS.	CORRECTIVE SPEECH	
<b>REVENUES:</b>							
State Sources	\$ 236,986.91	\$ 12,127.00	\$ 42,906.00	\$ 38,855.00	\$ 43,137.00	\$ 4,641.00	\$ 378,652.91
Federal Sources	-						-
Local Sources	171,737.61						171,737.61
<b>Total Revenues</b>	<b>408,724.52</b>	<b>12,127.00</b>	<b>42,906.00</b>	<b>38,855.00</b>	<b>43,137.00</b>	<b>4,641.00</b>	<b>550,390.52</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	192,122.74						192,122.74
Other Salaries for Instruc.	78,307.20					4,641.00	82,948.20
Purch. Prof. & Tech. Services	-		42,906.00				42,906.00
Other Purchased Sevices (Incl. Tuition)	-			38,855.00			38,855.00
General Supplies	10,393.08						10,393.08
Textbooks	-						-
Other Objects	4,500.00						4,500.00
<b>Total Instruction</b>	<b>285,323.02</b>	<b>-</b>	<b>42,906.00</b>	<b>38,855.00</b>	<b>-</b>	<b>4,641.00</b>	<b>371,725.02</b>
Support Services:							
Salaries of Supervisors of Instruction	10,000.00						10,000.00
Salaries of Program Directors	-						-
Salaries of Other Prof. Staff	-						-
Salaries of Sec. & Clerical Asst.	-						-
Other Salaries	13,713.40						13,713.40
Salaries of Master Teachers	-						-
Personal Services - Empl. Benefits	-						-
Purch. Prof. - Educ. Services	16,650.00				43,137.00		59,787.00
Other Purch. Prof. Services	-						-
Purchased Prof. and Technical Services	-						-
Contracted Services - Trans. (Other Than Between Home and School)	10,322.25	12,127.00					22,449.25
Purchased Property Services	-						-
Rentals	8,510.28						8,510.28
Supplies and Materials	5,587.89						5,587.89
Other Purchased Services	54,501.68						54,501.68
Other Objects	4,116.00						4,116.00
<b>Total Support Services</b>	<b>123,401.50</b>	<b>12,127.00</b>	<b>-</b>	<b>-</b>	<b>43,137.00</b>	<b>-</b>	<b>178,665.50</b>
<b>Total Expenditures</b>	<b>\$ 408,724.52</b>	<b>12,127.00</b>	<b>\$ 42,906.00</b>	<b>\$ 38,855.00</b>	<b>\$ 43,137.00</b>	<b>\$ 4,641.00</b>	<b>\$ 550,390.52</b>

CITY OF BAYONNE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ADOPT-A- SCHOOL PROGRAM	PSE&G ROBOTICS GRANT	BAYONNE HOURSING AUTHORITY HOMEWORK ASSISTANCE	NON-PUBLIC HOME INSTR.	SCHOOL BASED YOUTH SERVICES	MUNICIPAL ALLIANCE PROGRAM	TOTAL CARRIED FORWARD
<b>REVENUES:</b>							
State Sources	\$	\$	\$	\$ 5,967.00	\$ 197,743.63	\$ 33,276.28	\$ 236,986.91
Federal Sources							-
Local Sources	65,291.68	2,923.40	103,522.53				171,737.61
Total Revenues	65,291.68	2,923.40	103,522.53	5,967.00	197,743.63	33,276.28	408,724.52
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers				5,967.00	186,155.74		192,122.74
Other Salaries for Instruc.			78,307.20				78,307.20
Purch. Prof. & Tech. Services							-
Other Purchased Services (Incl. Tuition)							-
General Supplies			10,393.08				10,393.08
Textbooks							-
Other Objects			4,500.00				4,500.00
Total Instruction	-	-	93,200.28	5,967.00	186,155.74	-	285,323.02
Support Services:							
Salaries of Supervisors of Instruction						10,000.00	10,000.00
Salaries of Program Directors							-
Salaries of Other Prof. Staff							-
Salaries of Sec. & Clerical Asst.							-
Other Salaries	10,790.00	2,923.40					13,713.40
Salaries of Master Teachers							-
Personal Services - Empl. Benefits							-
Purch. Prof. - Educ. Services						16,650.00	16,650.00
Other Purch. Prof. Services							-
Purchased Prof. and Technical Services							-
Contracted Services - Trans. (Other Than Between Home and School)			10,322.25				10,322.25
Purchased Property Services							-
Rentals					6,000.00	2,510.28	8,510.28
Supplies and Materials					5,587.89		5,587.89
Other Purchased Services	54,501.68						54,501.68
Other Objects						4,116.00	4,116.00
Total Support Services	65,291.68	2,923.40	10,322.25	-	11,587.89	33,276.28	123,401.50
Total Expenditures	\$ 65,291.68	\$ 2,923.40	\$ 103,522.53	\$ 5,967.00	\$ 197,743.63	\$ 33,276.28	\$ 408,724.52

**CITY OF BAYONNE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of Teachers	\$ 1,441,227.00	\$ 1,290,580.69	\$ 150,646.31
Other Salaries for Instr.	471,714.34	383,754.74	87,959.60
Supplies and Materials	34,817.92	32,049.24	2,768.68
<b>Total Instruction</b>	<u>1,947,759.26</u>	<u>1,706,384.67</u>	<u>241,374.59</u>
Support Services:			
Salaries of Program Directors	563,189.00	411,583.71	151,605.29
Salaries of Other Professional Staff			-
Salaries of Secr. And Clerical Asst.	47,750.33	47,750.33	-
Salaries of Master Teachers	93,834.00	72,982.00	20,852.00
Personal Serv.-Employee Benefits	608,089.00	592,513.80	15,575.20
Other Purch. Prof. Services	74,285.41	-	74,285.41
Supplies and Materials	4,750.00	-	4,750.00
<b>Total Support Services</b>	<u>1,391,897.74</u>	<u>1,124,829.84</u>	<u>267,067.90</u>
Capital Outlays:			
Instructional Equipment	54,800.00	-	54,800.00
Non-Instructional Equipment	48,799.00	-	48,799.00
<b>Total Capital Outlays</b>	<u>103,599.00</u>	<u>-</u>	<u>103,599.00</u>
<b>Total Expenditures</b>	<u>\$ 3,443,256.00</u>	<u>\$ 2,831,214.51</u>	<u>\$ 612,041.49</u>

**CALCULATION OF BUDGET AND CARRYOVER:**

Total revised 2018-19 Preschool Education Aid Allocation	\$ 3,443,256.00
Add: Actual Carryover (June 30, 2018)	175,784.88
Add: Prior Year Encumbrances Cancelled	<u>939.96</u>
Total Preschool Education Aid Available for 2018-19 Budget	3,619,980.84
Less: 2018-19 Budgeted Preschool Education Aid	<u>(3,443,256.00)</u>
Available and Unbudgeted PEA Funds at June 30, 2018	176,724.84
Add: June 30, 2019 Unexpended PEA	<u>612,041.49</u>
2018-19 Carryover - Preschool Aid Programs	<u>\$ 788,766.33</u>
2018-19 PEA Carryover Budgeted for 2019-20 Preschool Programs	<u>\$ -</u>

**CAPITAL PROJECTS FUND**

**SECTION – F**

**CITY OF BAYONNE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
YEAR ENDED JUNE 30, 2019**

ISSUE/PROJECT TITLE	ORIGINAL DATE	ORIGINAL APPROPRIATIONS	ADJUSTMENTS/ TRANSFERS	REVISED APPROPRIATIONS	EXPENDITURES TO DATE			UNEXPENDED BALANCE
					PRIOR YEARS	CURRENT YEAR	TOTAL	
14-1001 Renovations at Bayonne High School	05/02/14	\$ 6,341,960.00	\$ -	\$ 6,341,960.00	\$ 1,682,452.58	\$ 1,596,915.00	\$ 3,279,367.58	\$ 3,062,592.42
14-1002 Renovations at Walter F. Robinson School	05/16/14	827,375.00	-	827,375.00	269,427.37	177,901.10	447,328.47	380,046.53
14-1003 Renovations at John M. Bailey School	05/16/14	347,500.00	(183,170.15)	164,329.85	164,329.85	-	164,329.85	-
14-1004 Renovations at Henry Harris School	05/16/14	113,750.00	(63,816.19)	49,933.81	49,933.81	-	49,933.81	-
14-1005 Renovations at Horace Mann School	05/16/14	1,100,793.00	(63,793.00)	1,037,000.00	914,700.00	89,100.00	1,003,800.00	33,200.00
14-1006 Renovations at Lincoln School	2013-14	1,367,500.00	(220,647.35)	1,146,852.65	940,485.00	-	940,485.00	206,367.65
14-1007 Renovations at Mary J. Donohoe School	2013-14	198,125.00	(148,191.19)	49,933.81	49,933.81	-	49,933.81	-
14-1008 Renovations at Midtown Community School	2013-14	1,275,369.00	-	1,275,369.00	241,765.00	-	241,765.00	1,033,604.00
14-1009 Renovations at Phillip G. Vroom School	2013-14	855,000.00	(230,819.00)	624,181.00	624,181.00	-	624,181.00	-
14-1010 Renovations at Washington School	2013-14	1,077,500.00	313,826.84	1,391,326.84	77,775.00	1,291,551.84	1,369,326.84	22,000.00
14-1011 Renovations at Woodrow Wilson School	2013-14	495,250.00	-	495,250.00	141,844.92	125,535.00	267,379.92	227,870.08
		<b>\$ 14,000,122.00</b>	<b>\$ (596,610.04)</b>	<b>\$ 13,403,511.96</b>	<b>\$ 5,156,828.34</b>	<b>\$ 3,281,002.94</b>	<b>\$ 8,437,831.28</b>	<b>\$ 4,965,680.68</b>

**Reconciliation of Unexpended Project Balances to Capital Projects Fund Balance (Exhibit B-1):**

Unexpended Project balances (from above):	\$ 4,965,680.68
Less: Unearned/Unrecognized State Aid Revenues:	
14-1001 Renovations at Bayonne High School	(2,853,831.61)
14-1002 Renovations at Walter F. Robinson School	(297,085.55)
14-1003 Renovations at John M. Bailey School	(24,652.36)
14-1004 Renovations at Henry Harris School	(11,011.11)
14-1005 Renovations at Horace Mann School	(17,839.46)
14-1006 Renovations at Lincoln School	(119,890.02)
14-1007 Renovations at Mary J. Donohoe School	(11,011.87)
14-1008 Renovations at Midtown Community School	(608,370.73)
14-1009 Renovations at Phillip G. Vroom School	-
14-1010 Renovations at Washington School	-
14-1011 Renovations at Woodrow Wilson School	(226,294.65)
Fund Balance-Exhibit F-2	<b>\$ 795,693.33</b>

**CITY OF BAYONNE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE  
IN FUND BALANCE - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Expenditures and Other Financing Uses**

Construction	3,281,002.94
Total Expenditures	3,281,002.94
Transfers and Cancellations (Net)	596,610.04
Total Other Financing Uses	596,610.04
Excess (Deficiency) of Revenues over (under) Expenditures	(3,877,612.98)
Fund Balance - Beginning	8,843,293.66
Fund Balance - Ending	\$ 4,965,680.68

**Reconciliation of Budgetary Basis Fund Balance to Capital Projects Fund Balance (Exhibit B-1):**

Fund Balance - June 30, 2019 (Budgetary Basis)	\$ 4,965,680.68
Less: Uncollected State SDA Grants Recognized as Revenue on the Budgetary Basis but not Recognized on a GAAP Basis	(4,169,987.34)
Fund Balance - June 30, 2019 (GAAP Basis-Exhibit B-1)	\$ 795,693.35

CITY OF BAYONNE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
RENOVATIONS AT BAYONNE HIGH SCHOOL  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2019

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 3,737,374		\$ 3,737,374	\$ 3,737,374
Transfer from Capital Reserve Fund	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>
Expenditures and Other Financing Uses:				
Construction	\$ 1,682,453	\$ 1,596,915	\$ 3,279,368	\$ 6,341,960
Total Expenditures	<u>\$ 1,682,453</u>	<u>\$ 1,596,915</u>	<u>\$ 3,279,368</u>	<u>\$ 6,341,960</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 4,659,507</u>	<u>\$ (1,596,915)</u>	<u>\$ 3,062,592</u>	<u>\$ -</u>

Additional Project information:

Project Number	0220-020-14-1001
Grant Date	5/3/2018
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	6,341,960
Adjustment to Authorized Cost	-
Revised Authorized Cost	6,341,960

Percentage Change from Original Authorized Cost	0.00%
Percentage of Completion	51.71%
Original Target Completion	
Revised Target Completion	

CITY OF BAYONNE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
RENOVATIONS AT WALTER F. ROBINSON SCHOOL  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2019

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 487,580		\$ 487,580	\$ 487,580
Transfer from Capital Reserve Fund	339,795		339,795	339,795
Total Revenues	<u>\$ 827,375</u>	<u>\$ -</u>	<u>\$ 827,375</u>	<u>\$ 827,375</u>
Expenditures and Other Financing Uses:				
Construction	\$ 269,428	\$ 177,901	\$ 447,329	\$ 827,375
Total Expenditures	<u>\$ 269,428</u>	<u>\$ 177,901</u>	<u>\$ 447,329</u>	<u>\$ 827,375</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 557,947</u>	<u>\$(177,901)</u>	<u>\$ 380,046</u>	<u>\$ -</u>
<u>Additional Project information:</u>				
Project Number	0220-030-14-1002			
Grant Date	5/17/2018			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	827,375			
Adjustment to Authorized Cost	-			
Revised Authorized Cost	827,375			
Percentage Change from Original Authorized Cost	0.00%			
Percentage of Completion	54.07%			
Original Target Completion				
Revised Target Completion				



CITY OF BAYONNE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
RENOVATIONS AT JOHN M. BAILEY SCHOOL  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2019

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 204,785	\$ (107,942)	\$ 96,843	\$ 96,843
Transfer from Capital Reserve Fund	<u>142,715</u>	<u>(75,228)</u>	<u>67,487</u>	<u>67,487</u>
Total Revenues	<u>\$ 347,500</u>	<u>\$ (183,170)</u>	<u>\$ 164,330</u>	<u>\$ 164,330</u>
Expenditures and Other Financing Uses:				
Construction	<u>\$ 164,330</u>	<u>\$ -</u>	<u>\$ 164,330</u>	<u>\$ 164,330</u>
Total Expenditures	<u>\$ 164,330</u>	<u>\$ -</u>	<u>\$ 164,330</u>	<u>\$ 164,330</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 183,170</u>	<u>\$ (183,170)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project information:

Project Number	0220-040-14-1003
Grant Date	5/17/2018
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	347,500
Adjustment to Authorized Cost	(183,170)
Revised Authorized Cost	164,330
Percentage Change from Original Authorized Cost	-52.71%
Percentage of Completion	100.00%
Original Target Completion	
Revised Target Completion	

CITY OF BAYONNE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
RENOVATIONS AT HENRY HARRIS SCHOOL  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2019

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 67,034	\$ (37,607)	\$ 29,427	\$ 29,427
Transfer from Capital Reserve Fund	46,716	(26,209)	20,507	20,507
	<u>\$ 113,750</u>	<u>\$ (63,816)</u>	<u>\$ 49,934</u>	<u>\$ 49,934</u>
Total Revenues				
Expenditures and Other Financing Uses:				
Construction	\$ 49,934		\$ 49,934	\$ 49,934
	<u>\$ 49,934</u>	<u>\$ -</u>	<u>\$ 49,934</u>	<u>\$ 49,934</u>
Total Expenditures				
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 63,816</u>	<u>\$ (63,816)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project information:

Project Number	0220-050-14-1004
Grant Date	5/17/2018
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	113,750
Adjustment to Authorized Cost	(63,816)
Revised Authorized Cost	49,934
Percentage Change from Original Authorized Cost	-56.10%
Percentage of Completion	100.00%
Original Target Completion	
Revised Target Completion	

CITY OF BAYONNE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
RENOVATIONS AT HORACE MANN SCHOOL  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2019

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 648,707	\$ (37,593)	\$ 611,114	\$ 611,114
Transfer from Capital Reserve Fund	452,086	(26,200)	425,886	425,886
	<u>\$ 1,100,793</u>	<u>\$ (63,793)</u>	<u>\$ 1,037,000</u>	<u>\$ 1,037,000</u>
Total Revenues				
Expenditures and Other Financing Uses:				
Construction	\$ 914,700	\$ 89,100	\$ 1,003,800	\$ 1,037,000
	-	-	-	-
Total Expenditures	<u>\$ 914,700</u>	<u>\$ 89,100</u>	<u>\$ 1,003,800</u>	<u>\$ 1,037,000</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 186,093</u>	<u>\$ (152,893)</u>	<u>\$ 33,200</u>	<u>\$ -</u>

Additional Project information:

Project Number	0220-060-14-1005
Grant Date	5/17/2018
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,100,793
Adjustment to Authorized Cost	(63,793)
Revised Authorized Cost	1,037,000
Percentage Change from Original Authorized Cost	(5.80)
Percentage of Completion	96.80%
Original Target Completion	
Revised Target Completion	

CITY OF BAYONNE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
RENOVATIONS AT LINCOLN SCHOOL  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2019

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 805,880	\$ (130,027)	\$ 675,853	\$ 675,853
Transfer from Capital Reserve Fund	561,620	(90,620)	471,000	471,000
	<u>\$ 1,367,500</u>	<u>\$ (220,647)</u>	<u>\$ 1,146,853</u>	<u>\$ 1,146,853</u>
Expenditures and Other Financing Uses:				
Construction	\$ 940,485		\$ 940,485	\$ 1,146,853
	<u>\$ 940,485</u>	<u>\$ -</u>	<u>\$ 940,485</u>	<u>\$ 1,146,853</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 427,015</u>	<u>\$ (220,647)</u>	<u>\$ 206,368</u>	<u>\$ -</u>

Additional Project information:

Project Number	0220-070-14-1006
Grant Date	2013-2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,367,500
Adjustment to Authorized Cost	(220,647)
Revised Authorized Cost	1,146,853
Percentage Change from Original Authorized Cost	-16.14%
Percentage of Completion	82.01%
Original Target Completion	
Revised Target Completion	

CITY OF BAYONNE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
RENOVATIONS AT MARY J. DONOHOE SCHOOL  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2019

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 116,757	\$ (87,329)	\$ 29,428	\$ 29,428
Transfer from Capital Reserve Fund	<u>81,368</u>	<u>(60,862)</u>	<u>20,506</u>	<u>20,506</u>
Total Revenues	<u>\$ 198,125</u>	<u>\$ (148,191)</u>	<u>\$ 49,934</u>	<u>\$ 49,934</u>
Expenditures and Other Financing Uses:				
Construction	<u>\$ 49,934</u>	<u>                    </u>	<u>\$ 49,934</u>	<u>\$ 49,934</u>
Total Expenditures	<u>\$ 49,934</u>	<u>\$ -</u>	<u>\$ 49,934</u>	<u>\$ 49,934</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 148,191</u>	<u>\$ (148,191)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project information:

Project Number	0220-080-14-1007
Grant Date	2013-2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	198,125
Adjustment to Authorized Cost	(148,191)
Revised Authorized Cost	49,934
Percentage Change from Original Authorized Cost	-74.80%
Percentage of Completion	100.00%
Original Target Completion	
Revised Target Completion	

CITY OF BAYONNE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
RENOVATIONS AT MIDTOWN COMMUNITY SCHOOL  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2019

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 751,369		\$ 751,369	\$ 751,369
Transfer from Capital Reserve Fund	524,000		524,000	524,000
	<u>\$ 1,275,369</u>	<u>\$ -</u>	<u>\$ 1,275,369</u>	<u>\$ 1,275,369</u>
Total Revenues				
Expenditures and Other Financing Uses:				
Construction	\$ 241,765		\$ 241,765	\$ 1,275,369
	<u>\$ 241,765</u>	<u>\$ -</u>	<u>\$ 241,765</u>	<u>\$ 1,275,369</u>
Total Expenditures				
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 1,033,604</u>	<u>\$ -</u>	<u>\$ 1,033,604</u>	<u>\$ -</u>

Additional Project information:

Project Number	0220-085-14-1008
Grant Date	2013-2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,275,369
Adjustment to Authorized Cost	-
Revised Authorized Cost	1,275,369
Percentage Change from Original Authorized Cost	0.00%
Percentage of Completion	18.96%
Original Target Completion	
Revised Target Completion	

CITY OF BAYONNE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
RENOVATIONS AT PHILLIP G. VROOM SCHOOL  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2019

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ 503,859	\$ (136,022)	\$ 367,837	\$ 367,837
Transfer from Capital Reserve Fund	<u>351,141</u>	<u>(94,797)</u>	<u>256,344</u>	<u>256,344</u>
Total Revenues	<u>\$ 855,000</u>	<u>\$ (230,819)</u>	<u>\$ 624,181</u>	<u>\$ 624,181</u>
Expenditures and Other Financing Uses:				
Construction	<u>\$ 624,181</u>	<u>                    </u>	<u>\$ 624,181</u>	<u>\$ 624,181</u>
Total Expenditures	<u>\$ 624,181</u>	<u>\$ -</u>	<u>\$ 624,181</u>	<u>624,181</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 230,819</u>	<u>\$ (230,819)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project information:

Project Number	0220-090-14-1009
Grant Date	2013-2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	855,000
Adjustment to Authorized Cost	(230,819)
Revised Authorized Cost	624,181

Percentage Change from Original Authorized Cost	-27.00%
Percentage of Completion	100.00%
Original Target Completion	
Revised Target Completion	

CITY OF BAYONNE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
RENOVATIONS AT WASHINGTON SCHOOL  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2019

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ 634,980		\$ 634,980	\$ 634,980
Transfer from Capital Reserve Fund	<u>442,520</u>	<u>313,827</u>	<u>756,347</u>	<u>756,347</u>
Total Revenues	<u>\$ 1,077,500</u>	<u>\$ 313,827</u>	<u>\$ 1,391,327</u>	<u>\$ 1,391,327</u>
Expenditures and Other Financing Uses:				
Construction	<u>\$ 77,775</u>	<u>\$ 1,291,552</u>	<u>\$ 1,369,327</u>	<u>\$ 1,391,327</u>
Total Expenditures	<u>\$ 77,775</u>	<u>\$ 1,291,552</u>	<u>\$ 1,369,327</u>	<u>\$ 1,391,327</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 999,725</u>	<u>\$ (977,725)</u>	<u>\$ 22,000</u>	<u>\$ -</u>

Additional Project information:

Project Number	0220-120-14-1010
Grant Date	2013-2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,077,500
Adjustment to Authorized Cost	313,827
Revised Authorized Cost	1,391,327

Percentage Change from Original Authorized Cost	98.42%
Percentage of Completion	98.42%
Original Target Completion	
Revised Target Completion	



CITY OF BAYONNE BOARD OF EDUCATION  
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
RENOVATIONS AT WOODROW WILSON SCHOOL  
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2019

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
<b>Revenue and Other Financing Sources:</b>				
State Sources - SDA Grant	\$ 291,855	\$ -	\$ 291,855	\$ 291,855
Transfer from Capital Reserve Fund	<u>203,395</u>	<u>-</u>	<u>203,395</u>	<u>203,395</u>
Total Revenues	<u>\$ 495,250</u>	<u>\$ -</u>	<u>\$ 495,250</u>	<u>\$ 495,250</u>
<b>Expenditures and Other Financing Uses:</b>				
Construction	\$ 141,845	\$ 125,535	\$ 267,380	\$ 495,250
Total Expenditures	<u>\$ 141,845</u>	<u>\$ 125,535</u>	<u>\$ 267,380</u>	<u>\$ 495,250</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 353,405</u>	<u>\$ (125,535)</u>	<u>\$ 227,870</u>	<u>\$ -</u>
<b><u>Additional Project information:</u></b>				
Project Number	0220-130-14-1011			
Grant Date	2013-2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	495,250			
Adjustment to Authorized Cost	-			
Revised Authorized Cost	495,250			
Percentage Change from Original Authorized Cost	0.00%			
Percentage of Completion	53.99%			
Original Target Completion				
Revised Target Completion				

**PROPRIETARY FUNDS**

**SECTION – G**

**ENTERPRISE FUND**

**CITY OF BAYONNE BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
ENTERPRISE FUND  
AS OF JUNE 30, 2019**

	<u>MAJOR FUND FOOD SERVICE</u>	<u>TOTAL ENTERPRISE FUND</u>
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and Cash Equivalents	\$ -	\$ -
Accounts Receivable:		
State	12,578.97	12,578.97
Federal	1,018,375.79	1,018,375.79
Inventories	<u>88,656.57</u>	<u>88,656.57</u>
Total Current Assets	<u>1,119,611.33</u>	<u>1,119,611.33</u>
Noncurrent Assets:		
Fixed Assets:		
Equipment	2,069,800.07	2,069,800.07
Accumulated Depreciation	<u>(992,665.80)</u>	<u>(992,665.80)</u>
Total Noncurrent Assets	<u>1,077,134.27</u>	<u>1,077,134.27</u>
Total Assets	<u>\$ 2,196,745.60</u>	<u>\$ 2,196,745.60</u>
<b><u>LIABILITIES</u></b>		
Current Liabilities:		
Interfund Payables	\$ 285,219.74	\$ 285,219.74
Accounts Payable	<u>270.40</u>	<u>270.40</u>
Total Current Liabilities	<u>285,490.14</u>	<u>285,490.14</u>
<b><u>NET POSITION</u></b>		
Invested in Capital Assets Net of Related Debt	\$ 1,077,134.27	\$ 1,077,134.27
Unrestricted	<u>834,121.19</u>	<u>834,121.19</u>
Total Net Position	<u><u>\$ 1,911,255.46</u></u>	<u><u>\$ 1,911,255.46</u></u>

**CITY OF BAYONNE BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**ENTERPRISE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>MAJOR FUND FOOD SERVICE</b>	<b>TOTAL ENTERPRISE FUND</b>
<b><u>OPERATING REVENUES</u></b>		
Charges for Services:		
Program Sales	\$ 286,282.24	\$ 286,282.24
Non-Program Sales	662,516.45	662,516.45
Special Functions	163,562.30	163,562.30
Total Operating Revenues	1,112,360.99	1,112,360.99
<b><u>OPERATING EXPENSES</u></b>		
Cost of Sales:		
Program Food Costs	1,563,746.13	1,563,746.13
Non-Program Food Costs	228,112.71	228,112.71
USDA Commodities	269,537.03	269,537.03
Subtotal-Cost of Sales	2,061,395.87	2,061,395.87
Supplies and Materials	413,691.23	413,691.23
Salaries and Wages	2,093,048.61	2,093,048.61
Employee Benefits	57,691.92	57,691.92
Insurance	43,474.30	43,474.30
Depreciation	19,606.10	19,606.10
Total Operating Expenses	4,688,908.03	4,688,908.03
Operating Income (Loss)	(3,576,547.04)	(3,576,547.04)
<b>Non-Operating Revenues (Expenses):</b>		
State Sources:		
State School Lunch Program	42,739.44	42,739.44
Federal Sources:		
School Breakfast Program	1,100,213.45	1,100,213.45
National School Lunch Program	2,293,811.55	2,293,811.55
Special Milk Program	574.62	574.62
Snack Program	48,283.69	48,283.69
Summer Food Program	109,851.59	109,851.59
USDA Commodities Program	269,537.03	269,537.03
Loss on Disposal of Fixed Assets	(12,847.87)	(12,847.87)
Total Non-Operating Revenues	3,852,163.50	3,852,163.50
Income (Loss) Before Operating Transfers	275,616.46	275,616.46
Change in Net Position	275,616.46	275,616.46
Total Net Position - Beginning	1,635,639.00	1,635,639.00
Total Net Position - Ending	\$ 1,911,255.46	\$ 1,911,255.46

**CITY OF BAYONNE BOARD OF EDUCATION  
STATEMENT OF CASH FLOWS  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>MAJOR FUND FOOD SERVICE</u>	<u>TOTAL ENTERPRISE FUND</u>
<b>Cash Flows from Operating Activities:</b>		
Cash Received from Customers	\$ 1,112,360.99	\$ 1,112,360.99
Cash Payments for Goods & Supplies	(2,230,513.77)	(2,230,513.77)
Cash Payments for Employee Expenses	<u>(2,194,214.83)</u>	<u>(2,194,214.83)</u>
Net Cash Provided by (used for) Operating Activities	<u>(3,312,367.61)</u>	<u>(3,312,367.61)</u>
<b>Cash Flows from Non-Capital Financing Activities</b>		
State Sources	30,160.47	30,160.47
Federal Sources	2,813,149.07	2,813,149.07
Interfund Loan Received	<u>285,219.74</u>	<u>285,219.74</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>3,128,529.28</u>	<u>3,128,529.28</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(183,838.33)	(183,838.33)
Cash and Cash Equivalents, July 1	<u>183,838.33</u>	<u>183,838.33</u>
<b>Cash and Cash Equivalents, June 30</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>		
Operating Income (Loss)	\$ (3,576,547.04)	\$ (3,576,547.04)
Adjust. to Reconcile Operating Income (Loss) to Cash Provided (Used) by Oper. Activities:		
Depreciation	19,606.10	19,606.10
USDA Commodities	269,537.03	269,537.03
(Increase) Decrease in Inventory	(25,032.10)	(25,032.10)
Increase (Decrease) in Accounts Payable	<u>68.40</u>	<u>68.40</u>
Net Cash Used by Operating Activities	<u>\$ (3,312,367.61)</u>	<u>\$ (3,312,367.61)</u>

**INTERNAL SERVICE FUND**

**CITY OF BAYONNE BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
AS OF JUNE 30, 2019**

<u>ASSETS</u>	<u>HEALTH BENEFITS</u>	<u>TOTAL INTERNAL SERVICE FUND</u>
Current Assets:		
Cash and Cash Equivalents	\$ 4,349,039.66	\$ 4,349,039.66
Accounts Receivable:		
Interfund	285,219.74	285,219.74
Other	190,813.08	190,813.08
	<u>4,825,072.48</u>	<u>4,825,072.48</u>
Total Current Assets		
	<u>4,825,072.48</u>	<u>4,825,072.48</u>
Total Assets	\$ 4,825,072.48	\$ 4,825,072.48
<u>LIABILITIES</u>		
Current Liabilities:		
Insurance Premiums Payable	\$ 2,940,609.99	\$ 2,940,609.99
Accrued Expenses (IBNR)	1,004,870.37	1,004,870.37
	<u>3,945,480.36</u>	<u>3,945,480.36</u>
Total Current Liabilities		
	<u>3,945,480.36</u>	<u>3,945,480.36</u>
<u>NET POSITION</u>		
Unrestricted	<u>879,592.12</u>	<u>879,592.12</u>
<b>Total Net Position</b>	<b>\$ <u>879,592.12</u></b>	<b>\$ <u>879,592.12</u></b>



**CITY OF BAYONNE BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>HEALTH BENEFITS</u>	<u>TOTAL INTERNAL SERVICE FUND</u>
<b><u>OPERATING REVENUES</u></b>		
Charges for Services:		
Employee Share of Estimated Program Costs	\$ 5,049,945.35	\$ 5,049,945.35
Services Provided to Other Funds	<u>17,549,068.59</u>	<u>17,549,068.59</u>
Total Operating Revenues	<u>22,599,013.94</u>	<u>22,599,013.94</u>
<b><u>OPERATING EXPENSES</u></b>		
Operating Expenses:		
Health/Major Medical Program	17,005,720.13	17,005,720.13
Prescription Drug Program	4,348,594.95	4,348,594.95
Dental Program	1,048,001.56	1,048,001.56
Retiree Medical Reimbursements	<u>196,697.30</u>	<u>196,697.30</u>
Total Operating Expenses	<u>22,599,013.94</u>	<u>22,599,013.94</u>
Income (Loss) Before Operating Transfers	-	-
Operating Transfers In/(Out)	<u>(549,068.59)</u>	<u>(549,068.59)</u>
Change in Net Position	(549,068.59)	(549,068.59)
Total Net Position - Beginning	<u>1,428,660.71</u>	<u>1,428,660.71</u>
<b>Total Net Position - Ending</b>	<b><u>\$ 879,592.12</u></b>	<b><u>\$ 879,592.12</u></b>

**CITY OF BAYONNE BOARD OF EDUCATION  
STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>HEALTH BENEFITS</u>	<u>TOTAL INTERNAL SERVICE FUND</u>
<b>Cash Flows from Operating Activities:</b>		
Cash Received from Employees	\$ 5,049,945.35	\$ 5,049,945.35
Cash Received from Other Funds	17,000,000.00	17,000,000.00
Cash Payments for Program Costs	<u>(18,165,710.70)</u>	<u>(18,165,710.70)</u>
Net Cash Provided by (used for) Operating Activities	<u>3,884,234.65</u>	<u>3,884,234.65</u>
<b>Cash Flows from Non-Capital Financing Activities</b>		
Interfund Loans Advanced (Net)	(93,228.54)	(93,228.54)
Operating Transfer Out	<u>(549,068.59)</u>	<u>(549,068.59)</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>(642,297.13)</u>	<u>(642,297.13)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,241,937.52	3,241,937.52
Cash and Cash Equivalents, July 1	<u>1,107,102.14</u>	<u>1,107,102.14</u>
<b>Cash and Cash Equivalents, June 30</b>	<b><u>\$ 4,349,039.66</u></b>	<b><u>\$ 4,349,039.66</u></b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>		
Operating Income (Loss)	\$ -	\$ -
Adjust. to Reconcile Operating Income (Loss) to Cash Provided (Used) by Oper. Activities:		
(Increase) Decrease in Accounts Receivable	8,504.29	8,504.29
(Increase) Decrease in Prepaid Expenses	30,250.00	30,250.00
Increase (Decrease) in Accounts Payable	2,940,609.99	2,940,609.99
Increase (Decrease) in Accrued Liabilities	<u>904,870.37</u>	<u>904,870.37</u>
Net Cash Used by Operating Activities	<u>\$ 3,884,234.65</u>	<u>\$ 3,884,234.65</u>

**FIDUCIARY FUNDS**

**SECTION - H**

CITY OF BAYONNE BOARD OF EDUCATION  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>TRUST FUND</u>		<u>AGENCY FUND</u>		<u>TOTALS</u>
	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>STUDENT ACTIVITY</u>	<u>PAYROLL</u>		<u>2019</u>
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ 153,987.42	\$ 326,735.12	\$ 925,074.21		\$ 1,405,796.75
<b>Total Assets</b>	<b>\$ 153,987.42</b>	<b>\$ 326,735.12</b>	<b>\$ 925,074.21</b>		<b>\$ 1,405,796.75</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
Liabilities:					
Accounts Payable	\$ 16,519.42				\$ 16,519.42
Payroll Deductions and Withholdings			925,074.21		925,074.21
Due to General Fund	95,905.10				95,905.10
Due to Student Groups		326,735.12			326,735.12
<b>Total Liabilities</b>	<b>112,424.52</b>	<b>326,735.12</b>	<b>925,074.21</b>		<b>1,364,233.85</b>
Net Assets:					
Held in Trust for Unemployment Claims and Other Purposes	41,562.90				41,562.90
<b>Total Fund Balances</b>	<b>41,562.90</b>				<b>41,562.90</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 153,987.42</b>	<b>\$ 326,735.12</b>	<b>\$ 925,074.21</b>		<b>\$ 1,405,796.75</b>

**CITY OF BAYONNE BOARD OF EDUCATION  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>UNEMPLOYMENT COMPENSATION TRUST</b>
<b>ADDITIONS:</b>	
Contributions:	
Plan Member	\$ 239,850.55
Employer (Board Contribution)	
<b>Total Contributions</b>	<b>239,850.55</b>
Investment Earnings:	
Interest	139.56
<b>Total investment earnings</b>	<b>139.56</b>
<b>Total Additions</b>	<b>239,990.11</b>
<b>DEDUCTIONS:</b>	
Quarterly Contributions Reports	198,427.21
<b>Total Deductions</b>	<b>198,427.21</b>
Change in Net Assets	41,562.90
Other Financing Sources/(Uses):	
Residual Equity Transfer from General Fund	
Net Assets (Deficit) - Beginning of the Year	-
<b>Net Assets - End of the Year</b>	<b>\$ 41,562.90</b>

**CITY OF BAYONNE BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>BALANCE JULY 1, <u>2018</u></b>	<b>CASH <u>RECEIPTS</u></b>	<b>CASH <u>DISBURSEMENTS</u></b>	<b>BALANCE JUNE 30, <u>2019</u></b>
<b><u>ELEMENTARY SCHOOLS</u></b>				
Henry E. Harris	\$ 5,865.43	\$ 14,251.44	\$ 15,033.64	\$ 5,083.23
Philip G. Vroom	2,708.05	9,498.35	8,945.93	3,260.47
Dr. Walter F. Robinson	4,874.40	27,476.89	30,727.23	1,624.06
Mary J. Donohoe	1,687.10	16,991.45	16,549.08	2,129.47
Lincoln Community	13,089.13	35,413.64	31,902.86	16,599.91
Horace Mann	9,031.51	30,690.19	30,273.00	9,448.70
Midtown Community	920.97	42,933.15	43,569.79	284.33
Washington Community	11,831.96	20,749.06	15,709.81	16,871.21
Woodrow Wilson	7,063.72	20,580.36	24,948.81	2,695.27
John M. Bailey	2,152.71	22,404.45	20,901.58	3,655.58
Nicholas Oresko	10,581.77	41,523.12	42,289.16	9,815.73
	<u>10,581.77</u>	<u>41,523.12</u>	<u>42,289.16</u>	<u>9,815.73</u>
Total Elementary Schools	<u>\$ 69,806.75</u>	<u>\$ 282,512.10</u>	<u>\$ 280,850.89</u>	<u>\$ 71,467.96</u>
<b><u>HIGH SCHOOL</u></b>				
Bayonne High School	\$ 205,933.12	\$ 593,509.27	\$ 544,175.23	\$ 255,267.16
Total High School	<u>\$ 205,933.12</u>	<u>\$ 593,509.27</u>	<u>\$ 544,175.23</u>	<u>\$ 255,267.16</u>
<b>Total All Schools</b>	<u><u>\$ 275,739.87</u></u>	<u><u>\$ 876,021.37</u></u>	<u><u>\$ 825,026.12</u></u>	<u><u>\$ 326,735.12</u></u>

**CITY OF BAYONNE BOARD OF EDUCATION  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
PAYROLL AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>BALANCE JUNE 30, 2018</u>	<u>RECEIPTS/ INCREASES</u>	<u>DISBURSEMENTS/ DECREASES</u>	<u>BALANCE JUNE 30, 2019</u>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ <u>1,064,090.62</u>	\$ <u>182,753,892.10</u>	\$ <u>182,892,908.51</u>	\$ <u>925,074.21</u>
<b>Total Assets</b>	<b>\$ <u>1,064,090.62</u></b>	<b>\$ <u>182,753,892.10</u></b>	<b>\$ <u>182,892,908.51</u></b>	<b>\$ <u>925,074.21</u></b>
<b><u>LIABILITIES</u></b>				
Payroll Deductions and Withholdings	\$ <u>1,059,687.29</u>	\$ <u>132,761,384.25</u>	\$ <u>132,895,997.33</u>	\$ <u>925,074.21</u>
Net Payroll	<u>4,403.33</u>	<u>49,992,507.85</u>	<u>49,996,911.18</u>	<u>-</u>
<b>Total Liabilities</b>	<b>\$ <u>1,064,090.62</u></b>	<b>\$ <u>182,753,892.10</u></b>	<b>\$ <u>182,892,908.51</u></b>	<b>\$ <u>925,074.21</u></b>

**LONG-TERM DEBT**

**SECTION - I**



CITY OF BAYONNE BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATION UNDER CAPITAL LEASES  
FOR THE YEAR ENDED JUNE 30, 2019

DESCRIPTION	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE		INTEREST RATE	BALANCE JUNE 30, 2018	CURRENT YEAR ISSUED	CURRENT YEAR RETIRED	BALANCE JUNE 30, 2019
			PRINCIPAL	INTEREST					
Digital Copy Machine	4/6/2014	5 years	\$ 14,378	\$ 2,428	6.320%	\$ 2,592	\$	\$ 2,592	\$ -
Digital Copy Machine	6/30/2014	5 years	6,025	1,069	6.620%	1,261		1,261	-
Digital Copy Machine	2/15/2015	5 years	6,025	1,068	6.620%	2,162		1,301	861
Digital Copy Machine	1/7/2015	5 years	6,078	1,082	7.260%	2,101		1,341	760
New Badging Station	6/30/2015	5 years	110,000	10,960	4.730%	37,915		27,965	9,950
Digital Copy Machine	11/19/2015	5 years	165,247	18,952	4.800%	90,270		35,865	54,405
Two Interceptor Vehicles	5/30/2015	4 years	51,690	2,215	4.000%	11,611		11,611	-
Metal Detectors	2/14/2016	3 years	11,505	375	3.000%	3,719		3,719	-
Digital Copy Machine	11/25/2014	67 Months	549,834	45,129	2.640%	197,969		100,981	96,988
Chromebooks	9/28/2016	3 years	954	13,484	1.340%	307,156		307,156	-
Three School Buses	12/15/2016	4 years	354,285	22,124	3.000%	228,865		85,755	143,110
Digital Copy Machines	5/31/2018	5 years	628,800	42,937	2.630%	618,982		119,502	499,480
						<u>\$ 1,504,603</u>	<u>\$ -</u>	<u>\$ 699,049</u>	<u>\$ 805,554</u>

**STATISTICAL SECTION**

**SECTION – J**

## Financial Trends

CITY OF BAYONNE BOARD OF EDUCATION  
 NET ASSETS/NET POSITION BY COMPONENT  
 LAST TEN FISCAL YEARS (UNAUDITED)  
 (ACCRUAL BASIS OF ACCOUNTING)

FISCAL YEAR ENDING JUNE 30.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018**</u>	<u>2019**</u>
GOVERNMENTAL ACTIVITIES										
INVESTED IN CAPITAL ASSETS,										
NET OF RELATED DEBT	\$ 85,810,086	\$ 83,095,750	\$ 78,869,802	\$ 74,101,180	\$ 71,751,033	\$ 71,534,738	\$ 70,252,999	\$ 64,822,684	\$ 62,089,615	\$ 61,477,554
RESTRICTED	6,058,712	11,854,337	7,945,377	13,221,269	22,813,455	13,611,071	11,423,675	8,804,788	3,359,793	4,179,656
UNRESTRICTED	1,553,239	(5,127,067)	2,080,273	4,122,044	8,549,764	(37,284,444)	(42,947,006)	(53,981,342)	(51,087,710)	(51,361,979)
TOTAL GOVERNMENTAL										
ACTIVITIES NET ASSETS/POSITION	<u>93,422,037</u>	<u>89,823,020</u>	<u>88,895,452</u>	<u>91,444,493</u>	<u>103,114,252</u>	<u>47,861,365</u>	<u>38,729,668</u>	<u>19,646,130</u>	<u>14,361,698</u>	<u>14,295,231</u>
BUSINESS-TYPE ACTIVITIES										
INVESTED IN CAPITAL ASSETS,										
NET OF RELATED DEBT	524169/00	778,455	529,431	437,305	430,070	789,374	749,752	1,192,738	1,109,588	1,077,134
RESTRICTED										
UNRESTRICTED	528,279	436,408	904,023	1,325,760	1,829,269	2,159,494	1,646,812	631,871	526,052	834,121
TOTAL BUSINESS-TYPE										
ACTIVITIES NET ASSETS/POSITION	<u>528,279</u>	<u>1,214,863</u>	<u>1,433,454</u>	<u>1,763,065</u>	<u>2,259,339</u>	<u>2,948,868</u>	<u>2,396,564</u>	<u>1,824,609</u>	<u>1,635,640</u>	<u>1,911,255</u>
DISTRICT- WIDE										
INVESTED IN CAPITAL ASSETS,										
NET OF RELATED DEBT	17,027,197	83,874,205	79,399,233	74,538,485	72,181,103	72,324,112	71,002,751	66,015,422	63,199,203	62,554,689
RESTRICTED	12,826,389	11,854,337	7,945,377	13,221,269	22,813,455	13,611,071	11,423,675	8,804,788	3,359,793	4,179,656
UNRESTRICTED	1,174,877	(4,690,659)	2,984,296	5,447,804	10,379,033	(35,124,950)	(41,300,194)	(53,349,471)	(50,561,658)	(50,527,858)
TOTAL DISTRICT NET ASSETS/POSITION	<u>31,028,463</u>	<u>91,037,883</u>	<u>90,328,906</u>	<u>93,207,558</u>	<u>105,373,591</u>	<u>50,810,233</u>	<u>41,126,232</u>	<u>21,470,739</u>	<u>15,997,338</u>	<u>16,206,486</u>

\* Reflects implementation of GASB Statement No. 68.

\*\* Reflects implementation of GASB Statement No.75

CITY OF BAYONNE BOARD OF EDUCATION  
CHANGES IN NET ASSETS/NET POSITION  
LAST TEN FISCAL YEARS (UNAUDITED)  
(ACCRUAL BASIS OF ACCOUNTING)

FISCAL YEAR ENDING JUNE 30,

	2010	2011	2012	2013	2014	2015*	2016*	2017*	2018**	2019**
<b>EXPENSES</b>										
GOVERNMENTAL ACTIVITIES:										
INSTRUCTION:										
REGULAR	\$ 55,320,543	\$ 50,380,194	\$ 51,836,599	\$ 61,231,007	\$ 60,973,103	\$ 79,378,908	\$ 87,223,327	\$ 91,817,468	\$ 39,601,036	\$ 44,584,888
SPECIAL EDUCATION	15,458,460	16,901,786	19,788,428	20,174,541	18,385,407	23,848,242	21,223,351	27,764,427	23,280,445	23,478,396
OTHER SPECIAL INSTRUCTION	6,678,730	7,045,043	4,363,299	1,948,500	1,862,584	3,165,132	2,348,059	2,346,897	2,028,717	2,287,280
OTHER INSTRUCTION	3,093,839	3,077,962	2,690,410	2,788,971	2,728,706	4,242,405	2,974,368	4,344,136	2,487,134	2,372,818
SUPPORT SERVICES:										
COMMUNITY SERVICE PROGRAMS										
TUITION	1,099,436	2,697,354	2,968,094	2,197,596	2,423,347	3,154,142	3,704,564	4,013,916	2,056,505	2,394,192
STUDENT & INST. RELATED SERVICES	17,649,163	16,985,146	16,156,066	13,337,135	14,915,093	20,523,983	16,187,433	19,951,151	14,925,463	14,471,882
SCHOOL ADMINISTRATION SERVICES	2,256,524	2,053,053	6,824,481	6,169,133	6,607,782	8,001,097	8,669,898	10,415,044	4,797,816	4,558,634
GENERAL & BUSINESS ADMIN. SERVICES	8,056,492	8,545,663	3,877,563	4,284,615	5,043,712	6,419,764	6,246,216	6,390,416	5,484,197	5,577,328
PLANT OPERATION AND MAINTENANCE	13,817,706	13,821,246	13,495,867	13,906,560	13,512,958	13,897,008	15,225,585	16,645,578	11,096,656	13,573,024
PUPIL TRANSPORTATION	2,967,784	2,720,508	2,886,768	3,425,396	3,430,453	3,199,941	4,100,159	4,737,682	2,879,309	3,028,142
OTHER SUPPORT SERVICES	-	-	-	-	-	-	-	-	-	-
UNALLOCATED BENEFITS	-	-	-	-	-	-	-	-	75,223,568	62,440,722
SPECIAL SCHOOLS	313,797	353,064	372,643	497,811	485,483	504,322	596,200	687,376	-	-
TRANSFER TO CHARTER SCHOOL	163,340	160,327	123,894	123,714	140,251	203,546	312,481	423,561	385,706	477,856
UNALLOCATED DEPRECIATION	-	-	-	-	-	-	-	-	1,528,690	1,550,680
CAPITAL OUTLAYS	-	-	-	-	-	-	-	-	269,280	269,280
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	126,875,814	124,741,346	125,384,112	130,084,979	130,508,879	166,538,490	168,811,641	189,537,652	186,044,523	181,065,121
BUSINESS - TYPE ACTIVITIES:										
FOOD SERVICE										
TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES	3,772,887	3,698,276	3,954,203	4,778,534	5,142,617	4,557,667	4,663,524	5,114,856	4,847,519	4,688,908
TOTAL DISTRICT EXPENSES	130,648,701	128,439,622	129,338,315	134,863,513	135,651,496	171,096,157	173,475,165	194,652,508	190,892,042	185,754,029
PROGRAM REVENUE										
GOVERNMENTAL ACTIVITIES:										
CHARGES FOR SERVICES:										
OPERATING GRANTS AND CONTRIBUTIONS	100,310	123,024	63,644	77,704	189,949	87,707	64,792	101,842	-	-
CAPITAL GRANTS AND CONTRIBUTIONS	65,757,964	59,327,766	69,840,019	73,719,820	73,026,691	90,415,285	95,653,695	108,866,343	43,609,221	39,460,831
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUE	65,858,274	59,450,790	69,903,663	73,797,524	81,481,257	88,770,893	95,487,723	109,009,789	43,609,221	39,460,831

\* Reflects implementation of GASB Statement No. 68.

\*\* Reflects implementation of GASB Statement No.75

CITY OF BAYONNE BOARD OF EDUCATION  
CHANGES IN NET ASSETS/NET POSITION  
LAST TEN FISCAL YEARS (UNAUDITED)  
(ACCRUAL BASIS OF ACCOUNTING)

FISCAL YEAR ENDING JUNE 30,

	2010	2011	2012	2013	2014	2015*	2016*	2017*	2018**	2019**
<b>BUSINESS-TYPE ACTIVITIES</b>										
CHARGE FOR SERVICES										
FOOD SERVICES	\$ 1,084,756	\$ 990,125	\$ 953,627	\$ 995,347	\$ 1,356,699	\$ 1,013,658	\$ 1,038,210	\$ 1,047,445	\$ 988,445	\$ 1,112,361
OPERATING GRANTS AND CONTRIBUTIONS	2,308,979	2,337,451	2,675,390	3,413,846	3,709,742	3,672,574	3,633,974	3,495,456	3,670,104	3,865,012
TOTAL BUSINESS TYPE ACTIVITY PROG. REVENUE	3,393,735	3,327,576	3,629,017	4,409,193	5,066,441	4,686,232	4,672,184	4,542,901	4,658,549	4,977,373
TOTAL DISTRICT PROGRAM REVENUE	3,393,735	3,327,576	3,629,017	4,409,193	5,066,441	4,686,232	4,672,184	4,542,901	4,658,549	4,977,373
<b>NET (EXPENSE)/REVENUE:</b>										
GOVERNMENTAL ACTIVITIES	(61,017,540)	(65,290,556)	(55,480,449)	(56,287,455)	(49,027,622)	(77,767,597)	(73,323,918)	(80,527,863)	(142,435,302)	(141,604,290)
BUSINESS - TYPE ACTIVITIES	(379,152)	(370,700)	(325,186)	(369,341)	(76,176)	128,565	8,660	(571,955)	(188,970)	288,464
TOTAL DISTRICT - WIDE NET EXPENSE	(61,396,692)	(65,661,256)	(55,805,635)	(56,656,796)	(49,103,798)	(77,639,032)	(73,315,258)	(81,099,818)	(142,624,272)	(141,315,825)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS/POSITION</b>										
GOVERNMENTAL ACTIVITIES:										
PROPERTY TAXES LEVIED FOR GEN. PURPOSES, NET	57,086,193	57,086,193	57,086,193	58,227,916	59,392,474	59,392,474	61,174,248	62,876,035	66,407,653	68,312,303
UNRESTRICTED GRANTS AND CONTRIBUTIONS	14,626,014	8,483,553	1,917,569	126,586	35,943	162,262	-	-	64,468,987	61,704,888
RESTRICTED GRANTS AND CONTRIBUTIONS									9,748,223	9,456,674
TUITION RECEIVED									655,515	779,815
INVESTMENT EARNINGS	49,377	31,769	29,726	18,564	25,340	21,621	49,953	57,191		
MISCELLANEOUS INCOME	2,161,660	3,942,979	1,962,020	1,423,496	1,832,796	1,676,933	2,430,481	2,757,070	1,216,891	1,284,141
EXTRAORDINARY ITEMS	(1,008,435)	(7,319,840)	(5,898,849)	(17,751)	(16,722)	(67,306)	(23,425)	(269,617)	(5,233,608)	-
TRANSFERS	(628,115)	(533,115)	(543,777)	(698,952)	(572,450)	(560,964)	560,964	-	(112,796)	-
TOTAL GOVERNMENTAL ACTIVITIES	72,286,694	61,691,539	54,552,882	59,079,859	60,697,381	60,625,020	64,192,221	65,420,679	137,150,865	141,537,822
BUSINESS-TYPE ACTIVITIES:										
INVESTMENT INCOME	-	-	-	-	-	-	-	-	-	-
TRANSFERS	628,115	628,115	543,777	698,952	572,450	560,964	(560,964)	-	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	628,115	628,115	543,777	698,952	572,450	560,964	(560,964)	-	-	-
TOTAL DISTRICT WIDE	72,914,809	62,319,654	55,096,659	59,778,811	61,269,831	61,185,984	63,631,257	65,420,679	137,150,865	141,537,822
CHANGE IN NET ASSETS/POSITION										
GOVERNMENTAL ACTIVITIES	11,269,154	(3,599,017)	(927,567)	2,792,404	11,669,759	(17,142,577)	(9,131,697)	(15,107,184)	(5,284,437)	(66,468)
BUSINESS-TYPE ACTIVITIES	248,963	257,415	218,591	329,611	496,274	689,529	(552,304)	(571,955)	(188,970)	288,464
TOTAL DISTRICT	11,518,117	(3,341,602)	(708,976)	3,122,015	12,166,033	(16,453,048)	(9,684,001)	(15,679,139)	(5,473,407)	221,997

\* Reflects implementation of GASB Statement No. 68.

\*\* Reflects implementation of GASB Statement No. 75

CITY OF BAYONNE BOARD OF EDUCATION  
 FUND BALANCE, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS (UNAUDITED)  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
 FISCAL YEAR ENDING JUNE 30,

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>GOVERNMENTAL FUND</u>										
RESERVED	\$ 3,959,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UNRESERVED	-	-	-	-	-	-	-	-	-	-
TOTAL GENERAL FUND	<u>3,959,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>										
RESERVED	-	-	-	-	-	-	-	-	-	-
UNRESERVED REPORTED IN:										
SPECIAL REVENUE FUND	(194,792)	-	-	-	-	-	-	-	-	-
CAPITAL PROJECT FUND	6,058,712	-	-	-	-	-	-	-	-	-
DEBT SERVICE FUND	-	-	-	-	-	-	-	-	-	-
PERMANENT FUND	-	-	-	-	-	-	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>5,863,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>GOVERNMENTAL FUNDS:</u>										
<u>GENERAL FUND:</u>										
RESTRICTED	\$ 4,400,787	\$ 7,945,377	\$ 7,036,151	\$ 4,744,715	\$ 1,523,324	\$ 1,523,324	\$ -	\$ 181,511	\$ 3,565,474	
COMMITTED	2,208,127	1,544,341	11,318,101	12,299,220	4,040,304	5,940,338	144,899	188,706	1,067,964	
ASSIGNED	-	-	885,693	366,944	651,077	-	-	-	220,187	
UNASSIGNED	(2,660,246)	(1,798,664)	(4,385,349)	(2,329,538)	(2,130,372)	(7,321,329)	(7,397,711)	(4,034,443)	(3,712,911)	
TOTAL GENERAL FUND	<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>	<u>142,333</u>	<u>(7,252,812)</u>	<u>(3,664,226)</u>	<u>1,140,713</u>	
<u>OTHER GOVERNMENTAL FUNDS</u>										
RESTRICTED	-	-	-	-	-	-	-	-	-	-
COMMITTED	279,403	428,834	124,758	1,557,834	1,557,834	1,316,204	122,300	-	-	-
ASSIGNED	4,966,020	4,366,428	4,310,360	16,510,906	10,529,913	8,584,147	8,682,488	3,359,793	795,693	
UNASSIGNED	(194,792)	(186,364)	(197,519)	(222,301)	(215,446)	(201,736)	(241,887)	-	-	-
TOTAL OTHER GOVERNMENTAL FUNDS	<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>	<u>9,698,615</u>	<u>8,562,901</u>	<u>3,359,793</u>	<u>795,693</u>	

NOTE: FOR YEARS COMMENCING WITH THE 2010-2011 SCHOOL YEAR, THE PROVISIONS OF GASB STATEMENT NO. 34 WERE APPLICABLE

CITY OF BAYONNE BOARD OF EDUCATION  
CHANGE IN FUND BALANCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS (UNAUDITED)

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
YEARS ENDING JUNE 30

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2018
<b>REVENUES</b>										
TAX LEVY	\$ 57,086,193	\$ 57,086,193	\$ 57,086,193	\$ 58,227,916	\$ 59,392,474	\$ 59,392,474	\$ 61,174,248	\$ 62,876,035	\$ 66,407,653	\$ 68,312,303
TUITION CHARGES	100,310	123,024	63,644	77,704	189,949	87,707	64,792	101,842	655,515	779,815
INTEREST EARNINGS	49,377	31,769	29,726	18,564	25,340	21,621	49,953	57,191	-	-
MISCELLANEOUS	2,209,839	3,988,543	1,962,020	1,423,496	1,832,796	1,676,933	2,430,481	2,757,070	1,216,894	1,452,745
OTHER LOCAL SOURCES	-	-	-	-	-	-	-	-	-	-
STATE SOURCES	62,699,554	59,915,070	63,884,671	68,761,082	75,661,327	68,247,696	70,353,660	74,637,595	78,529,144	87,605,167
FEDERAL SOURCES	17,636,245	7,850,685	7,872,917	5,085,324	5,665,924	6,102,408	6,195,298	6,569,508	6,896,478	6,345,394
TOTAL REVENUES	139,781,518	128,995,284	130,899,171	133,594,086	142,767,810	135,528,839	140,268,432	146,999,241	153,705,683	164,495,425
<b>EXPENDITURES</b>										
INSTRUCTION										
REGULAR INSTRUCTION	43,170,345	36,956,782	37,421,198	42,574,952	43,844,980	52,795,612	53,608,866	52,479,475	38,598,789	42,931,702
SPECIAL EDUCATION INSTRUCTION	11,716,325	11,920,222	14,155,289	13,493,605	12,971,067	15,644,626	12,266,080	14,420,155	22,106,562	22,304,513
OTHER SPECIAL INSTRUCTION	6,281,938	6,193,182	4,074,490	2,074,322	2,061,721	4,190,784	2,147,197	1,928,527	1,926,422	2,184,985
OTHER INSTRUCTION	1,134,827	1,051,753	1,089,439	1,230,920	1,210,243	1,199,784	1,076,115	1,817,721	2,361,724	2,247,408
SUPPORT SERVICES										
TUITION	1,054,585	2,652,503	2,815,865	2,076,043	2,287,469	3,000,977	3,517,867	3,822,028	2,056,505	2,394,192
STUDENT & INST. RELATED SERVICES	14,233,420	13,423,840	12,260,749	10,006,231	11,857,149	14,751,454	11,552,060	13,395,325	14,925,463	14,471,882
GENERAL ADMINISTRATION	3,440,357	3,377,303	3,134,556	3,379,817	4,188,803	5,067,051	4,818,459	4,637,991	4,797,816	4,558,634
SCHOOL ADMINISTRATIVE SERVICES	4,984,237	4,887,112	4,905,520	4,134,307	4,570,978	5,088,842	5,035,674	5,445,056	6,222,028	5,902,261
PLANT OPERATIONS AND MAINTENANCE	11,471,100	11,017,813	11,276,718	11,075,919	12,716,655	12,223,980	12,290,975	11,744,829	11,120,881	13,588,354
PUPIL TRANSPORTATION	2,491,190	2,243,914	2,357,400	2,703,686	2,719,766	2,510,985	2,996,766	3,250,093	2,963,100	3,113,897
EMPLOYEE BENEFITS	24,895,399	26,568,842	26,797,951	32,369,266	28,662,290	31,518,548	34,957,175	39,535,897	40,453,293	44,667,895
TRANSFER TO CHARTER SCHOOLS	163,340	160,327	123,894	123,714	140,251	203,546	312,481	423,561	385,706	477,856
SPECIAL SCHOOLS	291,481	330,748	282,379	361,916	359,031	348,535	381,366	379,149	-	-
CAPITAL OUTLAY	6,136,769	1,302,456	599,491	4,968,128	4,847,779	3,449,094	3,191,323	4,730,399	626,853	3,960,078
TOTAL EXPENDITURES	131,465,313	122,086,797	121,294,939	130,572,826	132,438,182	151,993,818	148,152,404	158,010,206	148,545,143	162,803,655
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,316,205	6,908,487	9,604,232	3,021,260	10,329,628	(16,464,979)	(7,883,972)	(11,010,965)	5,160,541	1,691,770
<b>OTHER FINANCING SOURCES (USES)</b>										
CAPITAL LEASES (NON-BUDGETED)	252,700	120,760	139,048	4,731,049	4,095,129	122,103	1,230,747	2,480,106	-	-
NON-BOARD EXPENDITURES	-	-	-	-	-	-	-	-	-	-
LOAN INTEREST	(1,008,435)	(320,035)	(531,831)	(17,751)	-	-	(23,425)	-	-	-
TRANSFERS IN	-	-	-	-	-	-	560,964	-	-	608,962
TRANSFERS OUT	(628,115)	(533,115)	(543,777)	(698,952)	(572,450)	(560,964)	-	-	(1,541,456)	(59,894)
EXTRAORDINARY ITEMS	-	(6,999,805)	(5,367,018)	(243,363)	(16,722)	(67,306)	-	-	(5,233,608)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,383,850)	(7,732,195)	(6,303,578)	3,770,983	3,505,957	(506,167)	1,768,286	2,480,106	(6,775,065)	549,069
NET CHANGE IN FUND BALANCES	6,932,355	(823,708)	3,300,654	6,792,243	13,835,585	(16,971,146)	(6,115,686)	(8,530,859)	(1,614,524)	2,240,838
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%



CITY OF BAYONNE BOARD OF EDUCATION  
 GENERAL FUND - OTHER LOCAL REVENUE SOURCE  
 LAST TEN FISCAL YEARS (UNAUDITED)  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

<u>FISCAL YEAR</u> <u>ENDING JUNE 30.</u>	<u>PHYS. ED</u> <u>CTR. FEES</u>	<u>COMM.</u> <u>ED. FEES</u>	<u>TUITION</u>	<u>INTEREST ON</u> <u>INVESTMENTS</u>	<u>SPECIAL PROJ.</u> <u>DONATIONS</u>	<u>RENTALS</u>	<u>MISC.</u>	<u>TOTAL</u>
2010	\$ 285,251	\$ 423,099	\$ 100,310	\$ 49,377	\$ 48,179		\$ 170,161	\$ 1,076,377
2011	275,456	370,304	123,024	31,769	45,564		124,111	970,228
2012	229,608	361,308	63,644	29,726	85,171		118,212	887,669
2013	305,973	391,471	77,704	18,564	102,909		143,309	1,039,930
2014	265,560	371,777	189,949	23,340	99,310		438,055	1,387,991
2015	163,601	319,891	87,707	21,621	140,966		150,776	884,562
2016	124,725	291,147	64,792	49,953	276,147		489,467	1,296,231
2017	638,241	318,454	101,842	57,191	172,064		570,791	1,858,583
2018	305,259	635,984	42,215	-	149,391		84,045	1,216,894
2019	314,690	570,548	209,267	-			1,138,056	2,232,561

## Revenue Capacity

CITY OF BAYONNE BOARD OF EDUCATION  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS (UNAUDITED)

YEAR ENDING DECEMBER 31	VACANT LAND	RESIDENT	FARM REG	Q FARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	MEMO TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	ESTIMATED ACTUAL EQUALIZED VALUE	TOTAL SCHOOL DISTRICT TAX RATE
2010	\$ 97,098,600	\$ 1,498,604,900	\$ -	\$ -	\$ 342,821,060	\$ 333,375,800	\$ 108,041,800	\$ 2,379,942,160	N/A	\$ 2,098,999	\$ 2,382,041,159	\$ 6,287,209,458	2.551
2011	93,035,900	1,489,152,874	-	-	333,018,000	301,330,700	105,076,200	2,321,613,674	N/A	2,405,200	2,324,018,874	5,647,653,602	2.828
2012	90,028,800	1,473,131,349	-	-	322,272,200	302,193,500	102,495,900	2,290,121,749	N/A	2,707,920	2,292,829,669	5,476,572,060	3.015
2013	88,482,500	1,438,954,449	-	-	320,284,300	301,265,000	102,078,700	2,251,064,949	N/A	2,405,981	2,253,470,930	5,121,641,906	3.065
2014	88,498,400	1,418,703,549	-	-	312,518,800	299,784,600	104,642,700	2,224,148,049	N/A	1,744,987	2,225,893,036	5,047,764,454	3.138
2015	88,498,000	1,418,703,549	-	-	312,518,800	299,784,600	104,642,700	2,224,147,649	N/A	1,744,987	2,225,892,636	5,047,763,545	3.168
2016	88,432,300	1,393,888,890	-	-	300,200,200	286,467,100	104,014,900	2,173,003,390	N/A	2,665,905	2,175,669,295	4,935,015,894	3.194
2017	88,432,300	1,393,888,890	-	-	300,200,200	286,467,100	104,014,900	2,173,003,390	N/A	2,665,905	3,851,597,393	5,969,390,487	3.105
2018	131,536,000	1,381,593,664	-	-	292,234,200	256,621,000	104,480,400	2,166,467,264	933,118,175	2,657,878	2,169,125,142	6,486,311,451	3.147
2019	145,152,400	1,380,846,164	-	-	291,908,000	255,317,600	106,660,200	2,179,884,364	916,967,375	2,611,677	2,182,496,041		

CITY OF BAYONNE BOARD OF EDUCATION  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 LAST TEN FISCAL YEARS (UNAUDITED)  
(RATE PER \$100 OF ASSESSED VALUE)

ASSESSMENT YEAR END <u>DEC. 31</u>	<u>BAYONNE SCHOOL DISTRICT</u>			<u>OVERLAPING RATES</u>		TOTAL DIRECT AND OVERLAPPING <u>TAX RATE</u>
	<u>BASIC RATE</u>	<u>GENERAL OBLIGATION DEBT SERVICE</u>	<u>TOTAL DIRECT SCHOOL TAX RATE</u>	<u>BAYONNE CITY</u>	<u>HUDSON COUNTY</u>	
2010	2.504	0.470	2.974	2.637	1.100	6.711
2011	2.781	0.470	3.251	2.877	1.144	7.272
2012	2.968	0.470	3.438	2.852	1.247	7.537
2013	3.017	0.480	3.497	3.034	1.240	7.771
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
2016	2.856	0.338	3.194	3.472	1.269	7.935
2017	2.988	0.473	3.461	3.536	1.242	8.239
2018	3.105	0.490	3.595	3.624	1.210	8.429
2019	3.226	0.482	3.708	3.723	1.247	8.679

CITY OF BAYONNE BOARD OF EDUCATION  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND TEN YEARS AGO (UNAUDITED)

	2019			2010		
	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>% OF TOTAL DIRECT NET ASSESSED VALUE</u>	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>% OF TOTAL DIRECT NET ASSESSED VALUE</u>
Bayonne Industries-IMTT	\$ 116,806,400	1	5.39%	\$ 116,349,400	1	4.88%
Bayonne Auto Terminal	23,095,700	2	1.07%			
Gordon Terminal Service Co. of NJ	13,453,500	3	0.62%	15,027,100	4	0.63%
Texaco Downstream Properties Inc.	12,388,300	4	0.57%	13,085,800	6	0.55%
Exxon Corporation	12,291,000	5	0.57%	17,023,500	3	0.71%
Bayonne Bay Developers Urban Renewal LLC	12,233,600	6	0.56%			
NJIND Hook Road, LLC	9,000,000	7	0.42%			
MPT of Bayonne, LLC	8,000,000	8	0.37%			
Buckeye Bayonne Terminal LLC	7,800,000	9	0.36%			
South Cove Development, LLC	7,294,100	10	0.34%			
Globasl Terminal and Container Service				20,000,000	2	0.84%
ACG Chemicals Americas Inc.				14,532,900	5	0.61%
Amerada Hess Corp.				12,579,000	7	0.53%
Morris Bayonne Assoc. LLC				9,813,700	8	0.41%
99 Hook Road LLC				9,500,000	9	0.40%
Harrison Industrial Park, Ltd.				9,319,000	10	0.39%
<u>TOTAL</u>	<u>\$ 222,362,600</u>		<u>10.26%</u>	<u>\$ 237,230,400</u>		<u>6.78%</u>
ASSESSED VALUATION	\$ 2,166,467,264			\$ 2,382,341,914		

CITY OF BAYONNE BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS  
FOR THE LAST TEN YEARS (UNAUDITED)

FISCAL YEAR ENDED <u>JUNE 30</u>	TAXES LEVIED FOR THE <u>YEAR</u>	COLLECTED FOR THE <u>YEAR</u>	PERCENTAGE <u>OF LEVY</u>	COLLECTION IN SUBSEQUENT <u>YEARS*</u>
2009	\$ 57,086,193	\$ 57,086,193	98.04%	N/A
2010	57,086,193	57,086,193	100.00%	N/A
2011	57,086,193	57,086,193	100.00%	N/A
2012	57,086,193	57,086,193	100.00%	N/A
2013	58,227,916	58,227,916	100.00%	N/A
2014	59,392,474	59,392,474	100.00%	N/A
2015	59,392,474	59,392,474	100.00%	N/A
2016	61,174,248	61,174,248	100.00%	N/A
2017	62,876,035	62,876,035	100.00%	N/A
2018	66,407,653	66,407,653	100.00%	N/A
2019	68,312,303	68,312,303	100.00%	N/A

\* - New Jersey School Taxes are levied and collected by the constituent municipalities that comprise the District. All New Jersey school districts are entitled to full payment of school taxes levied by the close of the school year for which the taxes were levied. Payments follow statutory or negotiated payment schedules.

## Debt Capacity

CITY OF BAYONNE BOARD OF EDUCATION  
 RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS (UNAUDITED)

FISCAL YEAR ENDING JUNE 30,	GENERAL OBLIGATION BONDS	GOVERNMENTAL ACTIVITIES		BOND ANTICIPATION NOTES	BUSINESS TYPE ACTIVITIES		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
		CERTIFICATES OF PARTICIPATION	CAPITAL LEASES		CAPITAL LEASES				
2009	\$ -	\$ -	\$ 1,148,584	\$ -	\$ -	\$ -	\$ 1,148,584	0.070%	\$ 20
2010	-	-	252,700	-	-	-	252,700	0.010%	4
2011	-	-	803,501	-	-	-	803,501	0.040%	13
2012	-	-	554,643	-	-	-	554,643	0.030%	9
2013	-	-	4,840,568	-	-	-	4,840,568	0.250%	75
2014	-	-	6,181,693	-	-	-	6,181,693	3.300%	94
2015	-	-	3,887,373	-	-	-	3,887,373	0.021%	59
2016	-	-	2,544,327	-	-	-	2,544,327	0.014%	38
2017	-	-	2,765,078	-	-	-	2,765,078	N/A	
2018	-	-	1,504,603	-	-	-	1,504,603	N/A	
2019	-	-	805,554	-	-	-	805,554	N/A	



CITY OF BAYONNE BOARD OF EDUCATION  
 RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS (UNAUDITED)

<u>FISCAL YEAR ENDING JUNE 30.</u>	<u>GENERAL OBLIGATION BONDS</u>	<u>DEDUCTIONS</u>	<u>NET GENERAL BONDED DEBT OUTSTANDING</u>	<u>PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY</u>	<u>PER CAPITA</u>
2010	\$ -	\$ -	\$ -	0.000%	\$ -
2011	-	-	-	0.000%	-
2012	-	-	-	0.000%	-
2013	-	-	-	0.000%	-
2014	-	-	-	0.000%	-
2015	-	-	-	0.000%	-
2016	-	-	-	0.000%	-
2017	-	-	-	0.000%	-
2018	-	-	-	0.000%	-
2019	-	-	-	0.000%	-

CITY OF BAYONNE BOARD OF EDUCATION  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2019 (UNAUDITED)

GOVERNMENTAL UNIT	<u>NET DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
DEBT REPAYED WITH PROPERTY TAXES			
CITY OF BAYONNE	\$ 166,173,490	100.00%	\$ 166,173,490
COUNTY OF HUDSON	503,640,408	7.28%	<u>36,665,022</u>
SUBTOTAL OVERLAPPING DEBT			202,838,512
BOARD OF EDUCATION DIRECT DEBT			<u>-</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 202,838,512</u>

**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 situated within the District. 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.

CITY OF BAYONNE BOARD OF EDUCATION  
 LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS (UNAUDITED)

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2019 (As of December 31, 2018 per statute)

EQUALIZED VALUATION BASIS

2018	\$ 6,347,691,954
2017	5,859,720,889
2016	5,431,233,325
	<u>17,638,646,168</u>

AVERAGE EQUALIZED VALUATION OF TAXABLE PROPERTY

5,879,548,723

DEBT LIMIT (4% X ) )

235,181,949

TOTAL DEBT APPLICABLE TO LIMIT

-

LEGAL DEBT MARGIN

\$ 235,181,949

<u>YEAR</u>	<u>DEBT</u> <u>LIMIT</u>	<u>TOTAL DEBT</u> <u>APPLICABLE</u> <u>TO LIMIT</u>	<u>LEGAL</u> <u>DEBT</u> <u>MARGIN</u>	<u>PERCENTAGE</u> <u>OF DEBT</u> <u>LIMIT</u>
2009	\$ 246,352,093	\$ -	\$ 246,352,093	0.000%
2010	255,685,272	-	255,685,272	0.000%
2011	248,610,124	-	213,915,676	0.000%
2012	235,400,041	-	235,400,041	0.000%
2013	220,494,587	-	220,494,587	0.000%
2014	214,404,298	-	214,404,298	0.000%
2015	208,627,750	-	208,627,750	0.000%
2016	209,233,720	-	209,233,720	0.000%
2017	213,574,147	-	213,574,147	0.000%
2018	220,914,437	-	220,914,437	0.000%
2019	235,181,949	-	235,181,949	0.000%

## Demographic and Economic Information

CITY OF BAYONNE BOARD OF EDUCATION  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS (UNAUDITED)

<u>YEAR</u>	<u>POPULATION</u>	<u>PERSONAL INCOME</u>	<u>PER CAPITA PERSONAL INCOME</u>	<u>UNEMPLOYMENT RATE</u>
2008	57,201	\$ 1,554,036,768	\$ 27,168	7.2%
2009	58,359	1,660,430,268	28,452	11.3%
2010	63,125	1,855,748,750	29,398	0.115
2011	64,250	1,890,749,000	29,428	11.1%
2012	64,911	1,898,906,394	29,254	12.2%
2013	65,737	1,992,948,629	30,317	10.8%
2014	66,727	1,878,698,685	28,155	7.3%
2015	66,825	1,910,860,875	28,595	6.5%
2016	67,076	1,901,336,296	28,346	6.0%
2017	67,186	2,023,306,390	30,115	4.4%
2018	65,083	2,038,985,307	31,329	3.7%

## Sources:

Population data provided by NJ Dept. of Labor and Workforce Development.

Per Capita Income data provided by US Bureau of Census

Personal Income derived from Population and Per Capita Personal Income data.

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

CITY OF BAYONNE BOARD OF EDUCATION  
 PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

<u>EMPLOYERS</u>	<u>2019</u>			<u>2010</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL MUNICIPAL EMPLOYMENT</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL MUNICIPAL EMPLOYMENT</u>
Bayonne Board of Education	2,745	1	8.69%			
Bayonne Medical Center	1,867	2	5.91%	930	1	3.37%
City of Bayonne	1,627	3	5.15%			
Haddad Apparel Group Ltd.	687	4	2.18%	443	2	1.61%
European American Food Group	525	5	1.66%			
Jerhel Plastics Inc.	500	6	1.58%			
Vertellus	350	7	1.11%			
Royal Wine Corp.	220	8	0.70%			
Inserra Inc.	220	8	0.70%			
Bayonne Community Bank	206	10	0.65%			
Gel Spice Company Inc.	200	11	0.63%			
Bookazine Co. Inc.	180	12	0.57%	190	6	0.690%
Ideal Aluminum				344	3	1.250%
IMTT				293	4	1.060%
Royal Kedem Wine				200	5	0.730%
Shop Rite				184	7	0.670%
Stop & Shop				156	8	0.570%
A & P				140	9	0.510%
Imperial Bag				138	10	0.500%
	<u>9,327</u>		<u>29.54%</u>	<u>3,018</u>		<u>10.96%</u>

## Operating Information

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

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	428	541	563	568	587	584	701	608	572	533
Special Education	157	315	315	315	317	315	272	387	372	343
Other Special Education	217	43	23	18	32	33	39	40	42	35
Vocational	4	10	7	6	6	6	3	5	2	2
Other Instruction	116	1	1	1	1	1	2	60	0	0
Support Services										
Student & Instruction Related Services	76	102	98	96	104	99	125	50	49	50
General Administration	36	13	12	10	11	11	10	23	23	24
School Administrative Services	45	59	60	62	62	67	65	82	70	63
Central Services	12	11	11	11	12	12	12	8	18	16
Administrative Information Technology	10	1	1	1	1	1	0	9	9	10
Plant Operations and Maintenance	111	121	124	127	125	125	152	159	128	138
Pupil Transportation	21	29	34	33	35	35.0	22.0	39	44.0	42
Other Support Services	41	-	-	-	-	-	2	-	-	-
<b>Total</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>	<b>1,405</b>	<b>1,470</b>	<b>1,329</b>	<b>1,256</b>



CITY OF BAYONNE BOARD OF EDUCATION  
 OPERATING STATISTICS  
LAST TEN FISCAL YEARS (UNAUDITED)

FISCAL YEAR ENDING JUNE 30.	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT	AVERAGE DAILY ATTENDANCE	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	SENIOR HIGH SCHOOL				
2010	9,142	\$ 125,328,544	\$ 13,709	-841.00%	922	12.17-1	11.7-1	9,095	8,441	1.20%	92.81%
2011	8,954	124,858,905	13,944	1.71%	910	12.67-1	12-1	8,753	8,163	-3.76%	93.26%
2012	9,078	130,367,279	14,361	2.99%	909	13.8-1	11.9-1	8,773	8,243	0.23%	93.96%
2013	9,031	131,494,337	14,560	1.39%	908	14.85-1	11.8-1	8,821	8,306	0.55%	94.16%
2014	9,178	131,747,676	14,355	-141.00%	943	14.4-1	13-1	8,967	8,523	1.66%	95.05%
2015	9,341	149,064,121	15,958	11.17%	939	13.8-1	13-1	9,341	8,925	4.17%	95.55%
2016	9,359	146,539,905	15,658	-188.00%	1,017	13.2-1	12.4-1	9,359	8,944	0.19%	95.57%
2017	9,631	153,629,124	15,952	11.13%	1,101	13-1	12.3-1	9,315	8,706	-3.42%	93.46%
2018	9,562	148,545,143	15,535	-3.31%	988	14.2-1	13.1-1	9,274	8,654	-3.42%	93.31%
2019	9,474	142,433,757	15,034	-4.11%	1,108	12.67-1	11.45-1	9,189	8,963	96.58%	97.54%

CITY OF BAYONNE BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS (UNAUDITED)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Elementary</b>										
<b>HENRY E. HARRIS (1921)</b>										
Square Feet	110,000	110,000	110,000	82,320	82,320	82,320	82,320	82,320	82,320	82,320
Capacity	690	690	690	690	690	690	690	690	690	690
Enrollment	618	606	598	664	689	699	699	685	710	707
<b>PHILIP VROOM (1914)</b>										
Square Feet	72,500	72,500	72,500	66,746	66,746	66,746	66,746	66,746	66,746	66,746
Capacity	504	504	504	504	504	504	504	504	504	504
Enrollment	435	380	387	454	485	491	491	473	479	485
<b>WALTER F. ROBINSON (1903)</b>										
Square Feet	128,000	128,000	128,000	119,979	119,979	119,979	119,979	119,979	119,979	119,979
Capacity	960	960	960	960	960	960	960	960	960	960
Enrollment	732	796	755	778	766	744	744	710	757	792
<b>MARY J. DONOHUE (1920)</b>										
Square Feet	81,000	81,000	81,000	61,450	61,450	61,450	61,450	61,450	61,450	61,450
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	467	484	451	496	485	498	498	496	464	444
<b>LINCOLN (1919)</b>										
Square Feet	51,588	51,588	51,588	76,614	76,614	76,614	76,614	76,614	76,614	76,614
Capacity	426	426	426	426	426	426	426	426	426	426
Enrollment	434	426	417	430	463	45	453	470	434	428
<b>HORACE MANN (1914)</b>										
Square Feet	94,000	94,000	94,000	85,353	85,353	85,353	85,353	85,353	85,353	85,353
Capacity	636	636	636	636	636	636	636	636	636	636
Enrollment	501	563	563	602	602	614	614	627	576	572
<b>WASHINGTON (1917)</b>										
Square Feet	135,413	135,413	135,413	113,755	113,755	113,755	113,755	113,755	113,755	113,755
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	573	620	634	677	661	678	678	684	721	723
<b>NICHOLAS ORESKO (2008)</b>										
Square Feet	90,000	90,000	90,000	80,006	80,006	80,006	80,006	80,006	80,006	80,006
Capacity	600	600	600	600	600	600	600	600	600	600
Enrollment	349	400	413	455	455	444	444	467	452	432
<b>JOHN M. BAILEY (1909)</b>										
Square Feet	123,500	123,500	123,500	84,884	84,884	84,884	84,884	84,884	84,884	84,884
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	661	634	598	620	640	652	652	679	659	688
<b>WOODROW WILSON (1931)</b>										
Square Feet	127,000	127,000	127,000	114,998	114,998	114,998	114,998	114,998	114,998	114,998
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	666	656	590	635	675	635	655	672	716	735
<b>MIDTOWN COMMUNITY (1992)</b>										
Square Feet	170,000	170,000	170,000	160,876	160,876	160,876	160,876	160,876	160,876	160,876
Capacity	1,252	1,252	1,252	1,252	1,252	1,252	1,252	1,252	1,252	1,252
Enrollment	1,058	1,050	1,013	1,110	1,121	1,155	1,155	1,151	1,198	1,193
<b>High School</b>										
<b>BAYONNE (1926)</b>										
Square Feet	505,000	505,000	505,000	535,570	535,570	535,570	535,570	535,570	535,570	535,570
Capacity	3,895	3,895	3,895	3,895	3,895	3,895	3,895	3,895	3,895	3,895
Enrollment	2,365	2,381	2,617	2,417	2,437	2,574	2,574	2,605	2,400	2,438

Number of Schools at June 30, 2019:  
Elementary - 11  
Senior High School - 1

Note: Year of original construction shown in parenthesis. Changes in square footage and capacity are the results of additions and alterations. Enrollment is based on the annual October student count.

CITY OF BAYONNE BOARD OF EDUCATION  
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 FOR THE LAST TEN FISCAL YEARS  
 (UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED  
 MAINTENANCE FOR SCHOOL FACILITIES  
 11-000-261-XXX

<u>SCHOOL FACILITIES:</u>	<u>PROJECT #</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
HENRY E. HARRIS SCHOOL	N/A	\$ 346,040	\$ 378,853	\$ 287,352	\$ 247,981	\$ 271,507	\$ 257,635	\$ 295,994	\$ 308,481	\$ 304,690	\$ 203,325
PHILIP VROOM SCHOOL	N/A	202,842	222,071	189,391	201,068	220,141	208,894	239,996	250,120	287,613	219,804
WALTER F. ROBINSON SCHOOL	N/A	272,054	297,852	334,373	385,586	395,718	375,499	431,407	449,607	483,568	198,098
MARY J. DONOHUE SCHOOL	N/A	226,710	248,208	211,596	185,112	202,677	192,321	220,956	230,277	261,720	172,278
LINCOLN SCHOOL	N/A	268,474	293,932	134,763	230,794	252,691	239,780	275,481	287,102	346,302	305,911
HORACE MANN SCHOOL	N/A	250,578	274,339	245,555	257,118	281,513	267,130	306,903	319,850	293,809	208,833
WASHINGTON SCHOOL	N/A	447,464	489,895	235,106	342,674	375,189	356,020	409,027	426,282	432,895	219,930
NICHOLAS ORESKO SCHOOL	N/A	536,953	587,870	444,089	241,009	263,876	250,394	287,675	299,811	333,796	228,006
JOHN M. BAILEY SCHOOL	N/A	301,889	330,516	331,761	255,704	279,963	265,659	305,213	318,088	334,781	197,531
WOODROW WILSON SCHOOL	N/A	325,222	356,061	322,618	346,421	379,287	359,908	413,494	430,938	417,430	218,290
MIDTOWN COMMUNITY SCHOOL	N/A	119,320	130,635	353,738	484,620	530,603	503,492	578,457	602,860	560,508	283,272
BAYONNE HIGH SCHOOL	N/A	775,608	849,156	1,319,207	1,613,346	1,766,424	1,676,170	1,925,736	2,006,975	1,734,726	2,073,660
TOTAL		<u>\$ 4,073,154</u>	<u>\$ 4,459,388</u>	<u>\$ 4,409,549</u>	<u>\$ 4,791,433</u>	<u>\$ 5,219,589</u>	<u>\$ 4,952,902</u>	<u>\$ 5,690,339</u>	<u>\$ 5,930,391</u>	<u>\$ 5,791,838</u>	<u>\$ 4,528,938</u>

CITY OF BAYONNE BOARD OF EDUCATION  
 INSURANCE SCHEDULE  
 JUNE 30, 2019

UNAUDITED

The District is a member of the North Jersey Educational Insurance Fund (NJEIF) and maintains commercial insurance coverages for the various risks to which it is exposed.

The District, through NJEIF, has obtained the following coverages for the 2018-2019 fiscal year:

	<u>Coverage</u>	<u>Deductible</u>
Property - Blanket Building And Contents	\$416,191,167	\$5,000
Environmental	1,000,000	60,000
Blanket Extra Expense	50,000,000	5,000
Valuable Papers	10,000,000	5,000
Loss of Rents	10,000	5,000
Electronic Data Processing/ Public Entity Inland Marine Coverage	10,984,900	1,000
Equipment Breakdown	100,000,000	5,000
Public Employee Crime Coverage:		
Faithful Performance	100,000	1,000
Forgery or Alteration	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 Activities	31,000,000	N/A
Comprehensive Auto Liability	31,000,000	N/A
Workers Compensation and Supplemental Indemnity Options:		
Statutory	2,000,000	
School Leaders Errors and Omissions		
Coverage A	30,000,000	10,000
Coverage B	300,000	10,000
The Hartford Fire Insurance Co.		
Public Officials Bond:		
Business Administrator	510,000	N/A
Asst. Business Administrator	510,000	N/A
Board Secretary	510,000	N/A
Accountant	510,000	N/A

Note: Coverage amounts as shown above, unless otherwise noted, represent per occurrence and aggregate annual NJSIG limits.

Source: School Business Administrator

**SINGLE AUDIT SECTION**

**SECTION – K**



**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 AUDITORS' REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the 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 (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 7, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board of Education of 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.

*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. *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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

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

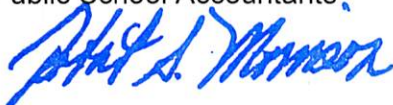
We noted other matters involving compliance and internal control over financial reporting that we have reported to the Board of Education of the City of Bayonne School District in a separate *Auditors' Management Report on Administrative Findings* dated January 7, 2020.

## 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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HODULIK & MORRISON, P.A.  
A division of PKF O'Connor Davies  
Certified Public Accountants  
Registered Municipal Accountants  
Public School Accountants.



Robert S. Morrison  
Public School Accountant  
PSA # 871

Cranford, New Jersey  
January 7, 2020

# HODULIK & MORRISON, P.A.

A division of



K-2

## **Report on Compliance For Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular 15-08**

### **INDEPENDENT AUDITORS' REPORT**

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

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

We have audited the City of Bayonne School District's, in the County of Hudson, State of New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2019. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants and State Aid*.



Those standards, the Uniform Guidance and New Jersey OMB Circular 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 on the City of Bayonne School District's compliance.

### **Opinion on each Major Federal and State Program**

In our opinion, the City of Bayonne School District complied, in all material respects, with the 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, 2019.

### **Report on Internal Control Over Compliance**

The management of the City of Bayonne School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance 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 and 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 the Uniform Guidance and New Jersey OMB Circular 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.

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. 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.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Purpose of this Report

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 upon the requirements of the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this communication is not suitable for any other purpose.

*Hodulik & Morrison, P.A.*

HODULIK & MORRISON, P.A.

A division of PKF O'Connor Davies

Certified Public Accountants

Registered Municipal Accountants

Public School Accountants

*Robert S. Morrison*

Robert S. Morrison

Public School Accountant

PSA # 871

Cranford, New Jersey

January 7, 2020

CITY OF BAYONNE BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount*	Grant Period		Balance	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance
					From	To	June 30, 2018					June 30, 2019
							Deferred Rev. (Accounts Receivable)					Deferred Rev. (Accounts Receivable)
<b>U.S. Department of Health and Human services</b>												
<b>Passed-through State Department of Education</b>												
General Fund:												
Special Education Medicaid Initiative	93.778	1905NJ5MAP			7/1/2016	6/30/2017	\$ -	\$ -	\$ 328,186.01	\$ (342,619.52)	\$ -	\$ (14,433.51)
Special Education Medicaid Initiative	93.778	1805NJ5MAP		300,051	7/1/2017	6/30/2018	(7,408.14)	-	7,408.14	-	-	-
<b>Program Totals</b>							<b>(7,408.14)</b>	<b>-</b>	<b>335,594.15</b>	<b>(342,619.52)</b>	<b>-</b>	<b>(14,433.51)</b>
<b>Total Dept. of HHS</b>							<b>(7,408.14)</b>	<b>-</b>	<b>335,594.15</b>	<b>(342,619.52)</b>	<b>-</b>	<b>(14,433.51)</b>
<b>Total General Fund</b>							<b>(7,408.14)</b>	<b>-</b>	<b>335,594.15</b>	<b>(342,619.52)</b>	<b>-</b>	<b>(14,433.51)</b>
<b>U.S. Department of Agriculture</b>												
<b>Passed-through State Department of Education</b>												
Enterprise Fund:												
Child Nutrition - Cluster												
National School Lunch Program	10.555	191NJ304N1099	N/A	2,293,812	7/1/2018	6/30/2019	-	-	1,617,574.86	(2,293,811.55)	-	(676,236.69)
National School Lunch Program	10.555	181NJ304N1099	N/A		7/1/2017	6/30/2018	(186,507.11)	-	186,507.11	-	-	-
National School Breakfast Program	10.553	191NJ304N1099	N/A	1,100,213	7/1/2018	6/30/2019	-	-	772,695.00	(1,100,213.45)	-	(327,518.45)
National School Breakfast Program	10.553	181NJ304N1099	N/A		7/1/2017	6/30/2018	(87,948.39)	-	87,948.39	-	-	-
After School Snack Program	10.555	191NJ304N1099	N/A	48,284	7/1/2018	6/30/2019	-	-	33,892.04	(48,283.69)	-	(14,391.65)
After School Snack Program	10.555	181NJ304N1099	N/A		7/1/2017	6/30/2018	(4,348.08)	-	4,348.08	-	-	-
Special Milk Program	10.556	191NJ304N1099	N/A	575	7/1/2018	6/30/2019	-	-	332.00	(574.62)	-	(242.62)
Summer Food Program	10.559	191NJ304N1099	N/A	109,852	7/1/2018	6/30/2019	-	-	109,851.59	(109,851.59)	-	-
Food Distribution Program	10.555	191NJ304N1099	N/A	269,537	7/1/2018	6/30/2019	19,350.82	-	269,537.30	(265,759.62)	-	23,128.50
<b>Total CN Cluster/Enterprise Fund</b>							<b>(259,452.76)</b>	<b>-</b>	<b>3,082,686.37</b>	<b>(3,818,494.52)</b>	<b>-</b>	<b>(995,260.91)</b>
<b>U.S. Department of Education</b>												
<b>Passed-through State Department of Education</b>												
Special Revenue Fund:												
Title I	84.010	S010A170030	5064-100-194		7/1/2017	6/30/2018	(984,028.92)	(7,527.00)	991,556.00	-	(0.08)	-
Title I	84.010	S010A180030	5064-100-194	3,106,051	7/1/2018	6/30/2019	-	7,527.00	1,429,113.00	(3,014,202.13)	-	(1,577,562.13)
Title III	84.365	S365A170030	5064-100-187		7/1/2017	6/30/2018	(14,363.84)	(20,907.00)	35,271.00	-	(0.16)	-
Title III	84.365	S365A180030	5064-100-187	118,109	7/1/2018	6/30/2019	-	20,907.00	46,981.00	(106,206.74)	-	(38,318.74)
Title III Immigrant	84.365	S365A170030	5064-100-187		7/1/2017	6/30/2018	(734.00)	-	734.00	-	-	-
Title III Immigrant	84.365	S365A180030	5064-100-187	49,544	7/1/2018	6/30/2019	-	-	-	(48,490.62)	-	(48,490.62)
Title II, Part A	84.367	S367A170029	5063-100-290		7/1/2017	6/30/2018	(175,063.46)	(33,798.00)	208,861.00	-	0.46	-
Title II, Part A	84.367	S367A180029	5063-100-290	462,739	7/1/2018	6/30/2019	-	33,798.00	176,513.00	(334,922.34)	-	(124,611.34)
Title IV - Student Support & Academic Enrichment Program	84.424	S424A170031	5063-100-348		7/1/2017	6/30/2018	(29,047.00)	-	29,047.00	-	-	-
Title IV - Student Support & Academic Enrichment Program	84.424	S424A180031		186,799	7/1/2018	6/30/2019	-	-	74,849.00	(174,733.87)	-	(99,884.87)
Emergency Impact Aid	84.938C	S938C18005	N/A		7/1/2017	6/30/2018	(137,726.00)	-	137,726.00	-	-	-

CITY OF BAYONNE BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount*	Grant Period		Balance June 30, 2018	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance June 30, 2019
					From	To	Accounts Receivable					Accounts Receivable
<b>U.S. Department of Education</b>												
<b>Passed-through State Department of Education</b>												
Special Revenue Fund (Continued):												
IDEA Cluster:												
IDEA, Part B	84.027	H027A170100	5065-100-016		7/1/2017	6/30/2018	(364,422.58)	(5,094.00)	369,517.00		(0.42)	-
IDEA, Part B	84.027	H027A180100	5065-100-016	2,533,083	7/1/2018	6/30/2019	-	5,094.00	1,693,311.00	(2,462,515.65)		(764,110.65)
IDEA, ISCI	84.027	H027A170100	FT-17		9/1/2016	6/30/2017	(360.15)					(360.15)
IDEA, ISCI	84.027	H027A170100	FT-16		9/1/2015	6/30/2016	(1,135.00)					(1,135.00)
IDEA, Preschool	84.173	H173A170114	5065-100-020		7/1/2017	6/30/2018	(30,918.00)		30,918.00			-
IDEA, Preschool	84.173	H173A180114	5065-100-020	60,759	7/1/2018	6/30/2019	-		41,135.00	(60,724.29)		(19,589.29)
Subtotal IDEA Cluster							<u>(396,835.73)</u>	<u>-</u>	<u>2,134,881.00</u>	<u>(2,523,239.94)</u>	<u>(0.42)</u>	<u>(785,195.09)</u>
<b>Total U.S. Dept. of Education</b>							<u>(1,737,798.95)</u>	<u>-</u>	<u>5,265,532.00</u>	<u>(6,201,795.64)</u>	<u>(0.20)</u>	<u>(2,574,177.92)</u>
<b>U.S. Department of Homeland Security</b>												
<b>Passed-through New Jersey State Police:</b>												
Special Revenue Fund												
Public Assistance Grants - Hurricane Sandy	97.036	N/A	N/A		9/1/2012	6/30/2013	(14,660.81)					(14,660.81)
<b>Total U.S. Dept. of Homeland Security</b>							<u>(14,660.81)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,660.81)</u>
<b>Total Special Revenue Fund</b>							<u>(1,752,459.76)</u>	<u>-</u>	<u>5,265,532.00</u>	<u>(6,201,795.64)</u>	<u>(0.20)</u>	<u>(2,588,838.73)</u>
<b>Total Federal Financial Awards</b>							<u>\$ (2,019,320.66)</u>	<u>\$ -</u>	<u>\$ 8,683,812.52</u>	<u>\$ (10,362,909.68)</u>	<u>\$ (0.20)</u>	<u>\$ (3,598,533.15)</u>
											Rounding Adjustments	(0.66)
												(0.66)

\*. Award Amounts do not include approved carryover funds from prior grant periods.  
Note: See Accompanying Notes to Schedules of Expenditures of Awards/Financial Assistance

CITY OF BAYONNE BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30 2019

Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2018		MEMO			Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2019		MEMO		Cumulative Total Expenditures	
					Deferred Revenue (Accounts Receivable)	Due to Grantor	Budgetary Receivable	Carryover/ (Walkover) Amount	Cash Received		Budgetary Expenditures	Deferred Revenue (Accounts Receivable)	Due to Grantor	Budgetary Receivable		
<b>General Fund</b>																
State Dept of Education																
Equalization Aid	18-495-034-5120-078	\$	7/1/2017	6/30/2018	\$	\$	\$ (5,172,170.00)	\$	\$	5,172,170.00	\$	\$	\$	\$	\$ -	
Equalization Aid	19-495-034-5120-078	49,790,766	7/1/2018	6/30/2019						44,566,378.00	(49,790,766.00)				(5,224,388.00)	
Special Education Categorical Aid	18-495-034-5120-089		7/1/2017	6/30/2018			(574,328.00)			574,328.00					(49,790,766.00)	
Special Education Categorical Aid	19-495-034-5120-089	6,370,555	7/1/2018	6/30/2019						5,702,113.00	(6,370,555.00)				(6,370,555.00)	
Security Aid	18-495-034-5120-084		7/1/2017	6/30/2018			(77,059.00)			77,059.00						
Security Aid	19-495-034-5120-084	3,438,877	7/1/2018	6/30/2019						3,078,046.00	(3,438,877.00)				(368,442.00)	
Transportation Aid	18-495-034-5120-014		7/1/2017	6/30/2018			(7,870.00)			7,870.00					(3,438,877.00)	
Transportation Aid	19-495-034-5120-014	403,763	7/1/2018	6/30/2019						361,397.00	(403,763.00)				(403,763.00)	
Under Adequacy Aid	18-495-034-5120-096		7/1/2017	6/30/2018			(51,939.00)			51,939.00						
PARCC Readiness Aid	18-495-034-5120-098		7/1/2017	6/30/2018			(9,648.00)			9,648.00						
Per Pupil Growth Aid	18-495-034-5120-097		7/1/2017	6/30/2018			(9,648.00)			9,648.00						
Professional Learning Comm. Aid	18-495-034-3120-101		7/1/2017	6/30/2018			(9,671.00)			9,671.00						
Extraordinary Aid (Spec Ed)	19-495-034-5120-044	731,946	7/1/2018	6/30/2019				3,752.00		(735,698.00)		(731,946.00)			(735,698.00)	
Extraordinary Aid (Spec Ed)	18-495-034-5120-044		7/1/2017	6/30/2018			(965,205.00)	(3,752.00)		968,957.00						
T.P.A.F. Social Security Aid	19-495-034-5094-003	4,531,083	7/1/2018	6/30/2019						4,308,634.98	(4,531,083.24)		(222,448.26)		(4,531,083.24)	
T.P.A.F. Social Security Aid	18-495-034-5095-003		7/1/2017	6/30/2018	(211,599.93)					211,599.93						
T.P.A.F. Post Retirement Medical	19-495-034-5094-001	5,462,777	7/1/2018	6/30/2019						5,462,777.00					(5,462,777.00)	
T.P.A.F. Pension	19-495-034-5094-002	12,043,202	7/1/2017	6/30/2018						12,043,202.00	(12,043,202.00)				(12,043,202.00)	
T.P.A.F. Non-Contributory Ins. Premiums	19-495-034-5094-004	16,239	7/1/2018	6/30/2019						16,239.00	(16,239.00)				(16,239.00)	
<b>Total General Fund</b>					(211,599.93)		(6,877,538.00)			82,631,678.91	(82,792,960.24)		(954,394.26)		(6,296,027.00)	(33,002,194.24)
<b>Special Revenue Fund</b>																
State Dept of Education																
Preschool Education Aid	19-495-034-5120-086	3,443,256	7/1/2018	6/30/2019						3,443,256.00	(2,831,214.51)		612,041.49		(2,831,214.51)	
Preschool Education Aid	18-495-034-5120-086		7/1/2017	6/30/2018	175,784.88							939.96	176,724.84			
NJ Nonpublic Aid:																
Textbook Aid	19-100-034-5120-064	40,049	7/1/2018	6/30/2019						40,049.00	(39,943.00)		106.00		(39,943.00)	
Textbook Aid	18-100-034-5120-064		7/1/2017	6/30/2018								127.87				
Auxiliary Services:																
Compensatory Education	19-100-034-5120-067	42,302	7/1/2018	6/30/2019						42,302.00	(42,302.00)				(42,302.00)	
Compensatory Education	18-100-034-5120-067		7/1/2017	6/30/2018			50,493.00					50,493.00				
ESL	19-100-034-5120-067	604	7/1/2018	6/30/2019						604.00	(604.00)					
Home Instruction	19-100-034-5120-067	5,967	7/1/2018	6/30/2019						5,967.00			(5,967.00)			
Handicapped Transportation	19-100-034-5120-068	12,127	1/0/1900	1/0/1900						12,127.00	(12,127.00)					
Handicapped Services:																
Supplemental Instruction	19-100-034-5120-066	56,300	7/1/2018	6/30/2019						56,300.00	(38,855.00)		17,445.00		(38,855.00)	
Supplemental Instruction	18-100-034-5120-066		7/1/2017	6/30/2018			17,514.00					17,514.00				
Examination & Classification	19-100-034-5120-066	55,173	7/1/2018	6/30/2019						55,173.00	(43,137.00)		12,036.00		(43,137.00)	
Examination & Classification	18-100-034-5120-066		7/1/2017	6/30/2018			23,747.99					23,747.99				
Corrective Speech	19-100-034-5120-066	4,641	7/1/2018	6/30/2019						4,641.00	(4,641.00)				(4,641.00)	
Corrective Speech	18-100-034-5120-066		7/1/2017	6/30/2018			590.00					590.00				
Technology Initiative	19-100-034-5120-373	27,000	7/1/2018	6/30/2019						27,000.00	(26,872.00)		128.00		(26,872.00)	
Technology Initiative	18-100-034-5120-373		7/1/2017	6/30/2018			74.87					74.87				
Security Aid	19-100-034-5120-509	116,250	7/1/2018	6/30/2019						116,250.00	(105,703.00)		10,547.00		(105,703.00)	
Security Aid	18-100-034-5120-509		7/1/2017	6/30/2018			4,574.71					4,574.71				
Nursing Services	19-100-034-5120-070	75,175	7/1/2018	6/30/2019						75,175.00	(75,175.00)				75,175.00	
Nursing Services	18-100-034-5120-070		7/1/2017	6/30/2018												
State Dept of Children and Families																
School Based Youth Services	18-100-054-7500-068		7/1/2017	6/30/2018			(4,000.00)			4,000.00						
School Based Youth Services	19-100-054-7500-068		7/1/2018	6/30/2019						273,216.00	(197,743.63)				75,472.37	

CITY OF BAYONNE BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2018		MEMO		Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2019		MEMO		Cumulative Total Expenditures
				Deferred Revenue (Accounts Receivable)	Due to Grantor	Budgetary Receivable	Carryover/ (Walkover) Amount				Deferred Revenue/ (Accounts Receivable)	Due to Grantor	Budgetary Receivable		
<b>Special Revenue Fund (Cont'd.)</b>															
Indirect Aid:															
State Department of Treasury Passed through County of Hudson Passed through City of Bayonne															
Municipal Alliance Program	100-082-C001-004		7/1/2017 6/30/2018	\$ (51,448.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (51,448.00)	\$ -	\$ -	\$ -	\$ -
Municipal Alliance Program	100-082-C001-004	54,448	7/1/2018 6/30/2019	-	-	-	-	-	(33,276.28)	-	(33,276.28)	-	-	-	-
<b>Total Special Revenue Fund</b>				<b>120,336.88</b>	<b>97,122.44</b>	<b>-</b>	<b>-</b>	<b>4,150,093.00</b>	<b>(3,457,560.42)</b>	<b>98,062.40</b>	<b>698,075.05</b>	<b>40,262.00</b>	<b>-</b>	<b>-</b>	<b>(2,982,020.14)</b>
<b>Capital Projects Fund</b>															
Direct Aid:															
School Development Authority:															
Renov. at Bayonne HS	0220-020-14-1001	3,737,374	Indefinite	(107,941.95)	-	-	-	-	(941,078.39)	-	(1,049,020.34)	-	-	-	(2,623,531.39)
Renov. at Walter E. Robinson No. 3 ES	0220-030-14-1002	487,580	Indefinite	(7,095.87)	-	-	-	38,813.88	(104,838.72)	-	(73,120.71)	-	-	-	(374,266.72)
Renov. at John M. Bailey No. 12 ES	0220-040-14-1003	204,785	Indefinite	(24,650.71)	-	-	-	-	1.48	-	(24,649.23)	-	-	-	(164,330.00)
Renov. at Henry Harris No. 1 ES	0220-050-14-1004	67,034	Indefinite	(11,010.53)	-	-	-	-	0.45	-	(11,010.08)	-	-	-	(49,934.00)
Renov. at Horace Mann No. 6 ES	0220-060-14-1005	648,707	Indefinite	(48,769.25)	-	-	-	103,002.86	(127,354.33)	-	(73,120.72)	-	-	-	(1,042,054.33)
Renov. at Lincoln No. 5 ES	0220-070-14-1006	805,880	Indefinite	1,726.26	-	-	-	-	8.43	-	1,734.69	-	-	-	(940,485.00)
Renov. at Mary J. Donohoe No. 4 ES	0220-080-14-1007	116,757	Indefinite	(11,010.53)	-	-	-	-	-	-	(11,010.53)	-	-	-	(49,934.00)
Renov. at Midtown Community No. 8 ES	0220-085-14-1008	751,369	Indefinite	741.41	-	-	-	-	-	-	741.41	-	-	-	(241,765.00)
Renov. at Phillip G. Vroom No. 2 ES	0220-090-14-1009	503,859	Indefinite	(193.31)	-	-	-	-	5.62	-	(187.69)	-	-	-	(624,181.00)
Renov. at Washington School	0220-120-14-1010	634,980	Indefinite	(45,833.51)	-	-	-	634,980.00	(599,186.51)	-	(10,040.02)	-	-	-	(676,961.51)
Renov. at Woodrow Wilson No. 10 ES	0220-130-14-1011	291,855	Indefinite	(18,029.86)	-	-	-	-	(73,978.90)	-	(92,008.76)	-	-	-	(215,823.90)
<b>Total Capital Projects Fund</b>				<b>(272,067.84)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>776,796.74</b>	<b>(1,846,420.87)</b>	<b>-</b>	<b>(1,341,691.97)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,003,266.85)</b>
<b>Enterprise Fund</b>															
National School Lunch Program	19-100-010-3350-023	42,739	7/1/2018 6/30/2019	-	-	-	-	30,160.47	(42,739.44)	-	(12,578.97)	-	-	-	(42,739.44)
National School Lunch Program	18-100-010-3350-023		7/1/2017 6/30/2018	(3,564.88)	-	-	-	3,564.88	-	-	-	-	-	-	-
<b>Total Enterprise Fund</b>				<b>(3,564.88)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,725.35</b>	<b>(42,739.44)</b>	<b>-</b>	<b>(12,578.97)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(42,739.44)</b>
<b>Total State Financial Assistance</b>				<b>\$ (366,895.77)</b>	<b>\$ 97,122.44</b>	<b>\$ (6,877,538.00)</b>	<b>\$ -</b>	<b>\$ 87,592,292.00</b>	<b>\$ (88,139,680.97)</b>	<b>\$ 98,062.40</b>	<b>\$ (1,610,590.15)</b>	<b>\$ 40,262.00</b>	<b>\$ (6,296,027.00)</b>	<b>\$ (43,030,220.67)</b>	
Less:															
TPAF Post Retirement Medical 5,462,777.00															
TPAF Pension 12,043,202.00															
TRAF Non-Contributory Pension Ins. 16,239.00															
<b>Total State financial Assistance Subject to State Single Audit \$ (70,617,462.97)</b>															

Note: See Accompanying Notes to Schedules of Expenditures of Awards / Financial Assistance.

CITY OF BAYONNE BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2019

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 Boards' basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is 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 the OMB Uniform Guidance, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District did not allocate any indirect costs to any of its federal and/or state financial assistance programs during the 2018-2019 school year.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the General Fund and Special Revenue Fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid 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 last 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 last state aid payments in the current budget, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$581,511.00 for the General Fund and (\$205,815) for the Special Revenue Fund.

CITY OF BAYONNE BOARD OF EDUCATION  
 NOTES TO THE SCHEDULES OF AWARDS  
 AND FINANCIAL ASSISTANCE  
JUNE 30, 2019

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D.):

See Note 1 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 presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 342,619.52	\$83,374,471.24	\$ 83,717,090.76
Special Revenue Fund	6,002,774.58	3,453,899.41	9,456,673.99
Capital Projects Fund	0.00	0.00	0.00
Food Service Fund	<u>3,822,271.93</u>	<u>42,739.44</u>	<u>3,865,011.37</u>
Total Awards and Financial Assistance	\$10,167,666.03	\$86,871,110.09	\$97,038,776.12

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 as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2019. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2019.

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

On-behalf expenditures for the District by the State or by the 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. INDIRECT COST RATE

The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.



CITY OF BAYONNE BOARD OF EDUCATION  
 NOTES TO THE SCHEDULES OF AWARDS  
 AND FINANCIAL ASSISTANCE  
JUNE 30, 2019

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate Federal programs as defined in 2 CFR 200.42; 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	\$3,014,202.13
Title II, Part A Teacher & Principal Training	334,922.34
Title III, English Language Acquisition	106,206.74
Title IV, Student Support & Academic Enrichment Program	<u>174,733.87</u>
	\$3,630,065.08

CITY OF BAYONNE BOARD OF EDUCATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Section 1 - Summary of Auditor's Results

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal Control over financial reporting:

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

2) Significant deficiencies identified that are not considered to be material weaknesses?            Yes       X       No

Noncompliance material to basic financial statements noted?            Yes       X       No

**Federal Awards**

Internal Control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weaknesses?            Yes       X       No

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a)?            Yes       X       No

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
		<u>Child Nutrition Cluster:</u>
10.555	191NJ304N1099	National School Lunch Program
10.553	191NJ304N1099	National School Breakfast Program
10.555	191NJ304N1099	After School Snack Program
10.556	191NJ304N1099	Special Milk Program
10.559	191NJ304N1099	Summer Food Program
10.555	191NJ304N1099	Food Distribution Program
84.367	S367A170029	Title II, Part A

Dollar threshold used to distinguish between Type A and B programs: \$750,000.00

Auditee qualified as low-risk auditee?            Yes       X       No

CITY OF BAYONNE BOARD OF EDUCATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Section 1 - Summary of Auditor's Results (cont'd)

**State Awards**

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

\$750,000.00

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes     X     No

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

Unmodified

Internal Control over major programs:

1) Material weakness(es) identified? \_\_\_\_\_ Yes     X     No

2) Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes     X     No

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable ?

\_\_\_\_\_ Yes     X     No

Identification of major programs:

GMIS Number(s)	Name of State Program
_____	_____
_____	State Aid Program Cluster:
19-495-034-5120-078	Equalization Aid
19-495-034-5120-089	Special Education Categorical Aid
19-495-034-5120-089	Security Aid
_____	School Development Authority:
0220-020-14-1001	Renov. at Bayonne HS
0220-030-14-1002	Renov. at Walter E. Robinson No. 3 ES
0220-040-14-1003	Renov. at John M. Bailey No. 12 ES
0220-050-14-1004	Renov. at Henry Harris No. 1 ES
0220-060-14-1005	Renov. at Horace Mann No. 6 ES
0220-070-14-1006	Renov. at Lincoln No. 5 ES
0220-080-14-1007	Renov. at Mary J. Donohoe No. 4 ES
0220-085-14-1008	Renov. at Midtown Community No. 8 ES
0220-090-14-1009	Renov. at Phillip G. Vroom No. 2 ES
0220-120-14-1010	Renov. at Washington School
0220-130-14-1011	Renov. at Woodrow Wilson No. 10 ES

Section II - Financial Statement Findings

**NONE**

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

**NONE**

CITY OF BAYONNE BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

STATUS OF PRIOR YEAR AUDIT FINDINGS

Not Applicable- No prior year findings or questioned costs.