



***SCHOOL DISTRICT
OF
CITY OF BAYONNE***

BOARD OF EDUCATION

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

***ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR
ENDED JUNE 30, 2021***

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Note: The schedules denoted with N/A are not applicable in the current year. However, the New Jersey Department of Education requires the District to reference all schedules included in its sample Annual Comprehensive Financial Report.

Introductory Section



BAYONNE BOARD OF EDUCATION
Administration Building
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Daniel M. Castles
School Business Administrator

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Email: dcastles@bboed.org

May 6, 2022

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

Dear Members of the Board of Education:

The Annual Comprehensive Financial Report (A.C.F.R.) of the Bayonne School District (the "District") as of and for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Bayonne School District. To the best of our knowledge and belief, the data presented in this auditors' 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 of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The A.C.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 auditors' 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 Single Audit Act Amendments of 1996, the Federal Uniform Guidance and the 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 auditors' report on internal control 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. All funds and the Government-wide financial statements 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 2020-2021 fiscal year with an average daily enrollment of 9,312 students, which is 40 or 0.04% 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
2020-2021	9,312	-0.04%
2019-2020	9,352	1.77%
2018-2019	9,189	-0.92%
2017-2018	9,274	-0.44%
2016-2017	9,315	-0.47%

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 opened 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:

Due to the current pandemic and virtual learning environment our students have had to transition to, the District has expanded its 1:1 laptop initiative with the additional purchase of laptops. All District students now have access to a laptop for both virtual instruction and in person instruction when that continues.

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 teachers with this process and for the degree to which the teachers in their school meet SGOs. Curriculum writers create diagnostic assessments administrated in September. Teachers review student's 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 system 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 awards 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 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 assigned fund balance at June 30, 2021.

6. ACCOUNTING SYSTEM AND REPORTS:

A District's accounting records must reflect generally accepted principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds and government-wide financial statements 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 and special revenue fund revenues for the fiscal year ended June 30, 2021, and the amount of increase/(decrease) in relation to the prior year.

<u>Revenue</u>	<u>2020-2021</u>	<u>Percent of Total</u>	<u>2019-2020</u>	<u>Increase/ (Decrease)</u>
Local Tax Levy	\$ 69,754,379	36.79%	\$ 69,063,735	\$ 690,644
Other Local Sources	576,903	0.30%	2,077,772	(1,500,869)
State Sources	105,587,731	55.70%	94,328,883	11,211,467
Federal Sources	<u>13,671,397</u>	<u>7.21%</u>	<u>8,327,637</u>	<u>5,171,038</u>
Total	<u>\$ 189,590,410</u>	<u>100.00%</u>	<u>\$ 173,798,027</u>	<u>\$ 15,572,280</u>

The following schedule presents a summary of the general fund and special revenue fund expenditures for the fiscal year ended June 30, 2021, and the amount of increase/ (decrease) in relation to the prior year.

Current Expenses:

Instruction	\$ 66,886,923	35.33%	\$ 65,405,920	\$ 1,481,003
Undistributed Expenditures	96,142,677	50.78%	87,403,710	8,738,967
Capital Outlay	2,246,085	1.19%	2,758,700	(512,615)
Special Revenues	<u>24,071,337</u>	<u>12.70%</u>	<u>15,904,954</u>	<u>8,166,383</u>
	<u>\$ 189,347,022</u>	<u>100.00%</u>	<u>\$ 171,473,284</u>	<u>\$ 17,873,738</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. The accounting firm 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and *New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' 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 auditors' 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,



John J. Niesz
Superintendent of Schools



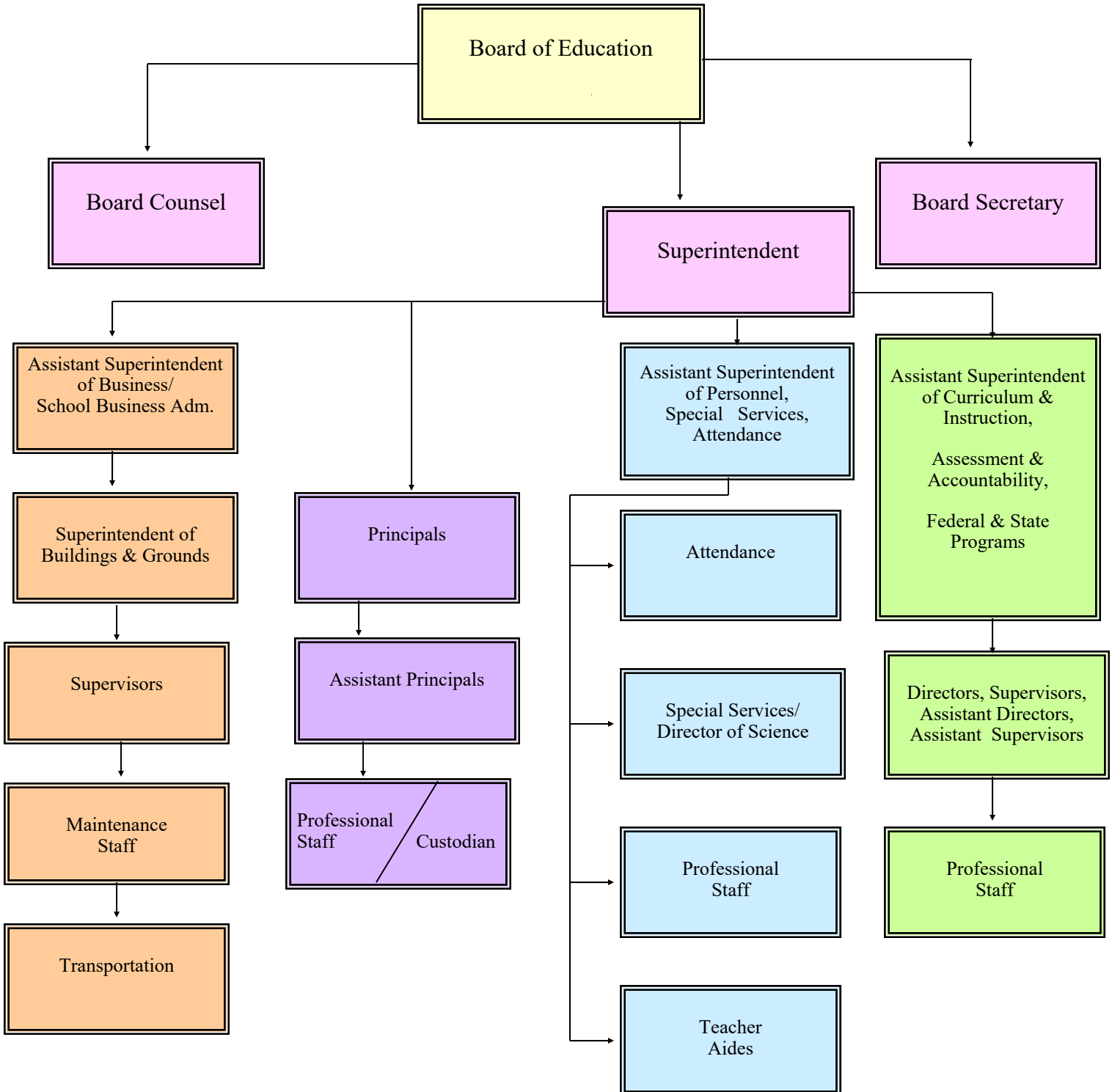
Daniel M. Castles
School Business Administrator

POLICY

BOARD OF EDUCATION BAYONNE

1110 ORGANIZATIONAL CHART

ADMINISTRATION
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ORGANIZATIONAL CHART



CITY OF BAYONNE SCHOOL DISTRICT
HUDSON COUNTY, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2021

Members of the Board of Education

Term Expires

Maria Valado, President	January 2024
Christopher Munoz, Vice President	January 2024
Denis Wilbeck	January 2023
Jodi Casais	January 2022
David Watson	January 2024
Ava Finnerty	January 2022
Pamela Sciafane	January 2022
Jan Patrick Egan	January 2023
Lisa Burke	January 2023

Other Officials

John J. Niesz, Superintendent of Schools
Kenneth Kopacz, Assistant Superintendent of Schools
Dr. Dennis Degnan, Ed. D, Assistant Superintendent of Schools
Jennifer Vecchiarelli, Assistant Superintendent of Schools
Daniel M. Castles, School Business Administrator
Thomas Fogu, Jr. Assistant School Business Administrator
Dr. Gary R. Maita, School Board Secretary

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

Architects

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Hasbrouck Heights, New Jersey 07604

Audit Firm

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Cranford, NJ 07016

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Parsipanny, New Jersey 07054

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Matawan, New Jersey 07747

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

INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Bayonne School District, in the County of Hudson, State of New Jersey (the "District"), as of and for the fiscal year ended June 30, 2021, 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 the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and requirements 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 those risk assessments, the auditor considers internal control relevant to the District'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 District'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.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the City of Bayonne School District, in the County of Hudson, State of New Jersey, as of June 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 1Y and Note 20 in the notes to financial statements which disclose the effects of the District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*. Additionally, we draw attention to Note 3 and Note 20 in the notes to the financial statements which disclose the effects of the District's revaluation of capital assets. Our opinion is not modified with respect to these matters.

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 pension contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF, schedule of the State's proportionate share of the OPEB liability associated with the District, and budgetary comparison information as identified 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 District's basic financial statements. The accompanying supplementary information, consisting of the combining and individual fund financial statements and long-term debt schedules, the schedule of expenditures of federal awards, as required by 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, 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, schedule of expenditures of federal awards and schedule of expenditures of 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, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections 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 May 6, 2022 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Cranford, New Jersey
May 6, 2022



Michael Andriola, CPA
Licensed Public School Accountant
PSA # 2429

Required Supplementary Information – Part I

Management's Discussion and Analysis

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

MANAGEMENT DISCUSSION & ANALYSIS (MD&A)
June 30, 2021

This section of the district's annual comprehensive financial report presents a discussion and analysis of the district's financial performance during the fiscal year ending June 30, 2021. 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 Required Supplementary Information specified 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 presented in the MD&A.

FINANCIAL HIGHLIGHTS

The key financial highlights for the 2020-2021 fiscal year include the following:

Total net position for governmental activities is reported at \$82,519,386 at June 30, 2021. This represents an increase of \$1,745,264 or 2.16% over the prior year reported net position. Governmental funds reported a positive fund balance of \$7,252,643, which is a \$107,038 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 \$6,889,459, which represents an increase of \$685,503 over the prior year. Of this total, \$423,907 was assigned to cover open purchase orders at year-end. Based upon the reduction imposed by S1701 in the calculation of maximum unassigned fund balance that the District is allowed to retain, the amount of general fund balance required to be reserved for tax relief in the 2021-2022 budget is \$2,540,477. The District's 2021-2022 budget also utilizes \$27,702 of fund balance for tax relief. The unassigned general fund balance is reported at negative \$2,349,478. \$3,927,942 is reserved for tax relief in the 2022-2023 budget. Total expenditures for all governmental funds were \$190,579,087. Total revenues were \$190,686,125 resulting in an excess of revenues over expenditures of \$107,038 for the year. Revenues included \$120.35 million in state and federal aid and \$69.75 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 government-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 government-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.

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

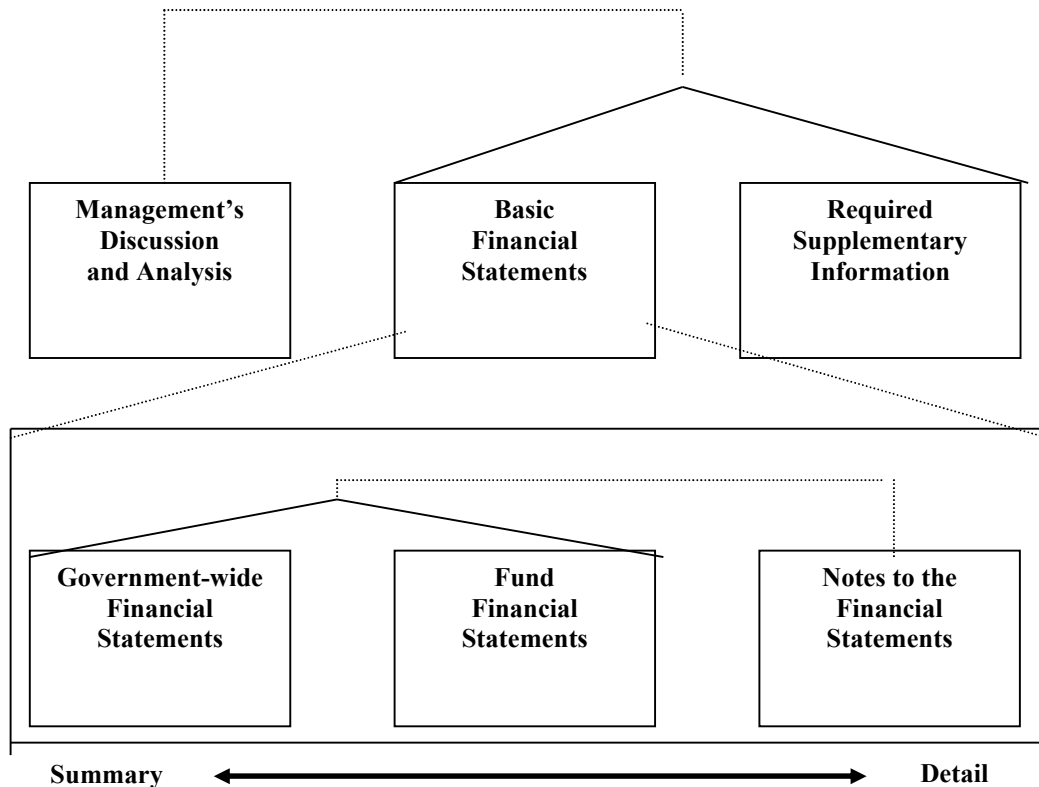


Figure A-2 summarizes the major features of the district's financial statements, including the portion of the district's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents 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
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
Required financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses and changes in net position • Statement of cash flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial 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
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

Government-wide Statements

The government-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 government-wide statements report the district's net position and how they have changed. Net position - the difference between the district's assets and deferred outflows of resources and liabilities and deferred inflows of resources - 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 government-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 community 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 two types 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 government-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 government-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.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The school district's Governmental Activities net position was \$82,519,386 at June 30, 2021. Of this amount, a deficit amount of \$53,591,372 was reported as unrestricted net position, primarily due to GASB Statement No. 68 accounting and reporting requirements for the PERS and TPAF defined benefit pension systems. Restricted net positions 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. The balances as of June 30, 2020 were restated as a result of GASB 84 implementation and the capital assets re-valuation for comparative purposes. See the notes to the financial statements for additional information.

Figure A-3
Net Position at June 30, 2021

	Governmental Activities		Amount Difference	% Increase (Decrease)
	2021	2020		
ASSETS				
Current and Other Assets	\$ 19,664,973	\$ 13,416,495	\$ 6,248,478	46.57%
Capital Assets	128,170,429	127,471,991	698,438	0.55%
Total Assets	\$ 147,835,402	\$ 140,888,486	\$ 6,946,916	4.93%
DEFERRED OUTFLOWS OF RESOURCES				
	\$ 11,526,034	\$ 13,368,200	\$ (1,842,166)	-13.78%
LIABILITIES				
Current and other liabilities	15,452,287	9,144,688	6,307,599	68.98%
Long-term liabilities	43,644,410	47,280,025	(3,635,615)	-7.69%
Total Liabilities	\$ 59,096,697	\$ 56,424,713	\$ 2,671,984	4.74%
DEFERRED INFLOWS OF RESOURCES				
	\$ 17,745,353	\$ 16,717,491	\$ 1,027,862	6.15%
NET POSITION				
Net Investment in Capital Assets	126,960,246	58,479,063	68,481,183	117.10%
Restricted	9,150,512	7,866,088	1,284,424	16.33%
Unrestricted (Deficit)	(53,591,372)	14,769,331	(68,360,703)	-462.86%
Total Net Position	\$ 82,519,386	\$ 81,114,482	\$ 1,404,904	1.73%

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 for the Year Ended June 30,

	Governmental Activities		Amount	%
	2021	2020	Difference	Increase (Decrease)
Revenues:				
Program Revenue				
Operating Grants and Contributions	\$ 24,710,789	\$ 16,586,115	\$ 8,124,674	48.98%
Capital Grants and Contributions	1,095,715	1,593,908	(498,193)	-31.26%
Charges for Services	1,642	72,711	(71,069)	-97.74%
General Revenues				
Property Taxes	69,754,379	69,063,735	690,644	1.00%
Federal and State Aid not Restricted	114,546,616	97,970,529	16,576,087	16.92%
Other General Revenues	507,488	1,792,534	(1,285,046)	-71.69%
Total Revenues	\$ 210,616,629	\$ 187,079,532	\$ 23,537,097	12.58%
Function/program expense:				
Instruction	133,398,176	121,480,304	11,917,872	9.81%
Support Services:				
Attendance/Social Work	562,228	-	562,228	100.00%
Speech, OT, PT and Related Services	3,963,611	3,577,923	385,688	10.78%
Health Services	2,834,312	2,639,622	194,690	7.38%
Other Support Services	20,044,912	14,715,518	5,329,394	36.22%
Improvement of Instruction	3,238,090	2,601,477	636,613	24.47%
Other Support: Instructional Staff	13,424	32,530	(19,106)	-58.73%
School Library	1,493,235	241,279	1,251,956	518.88%
General Administration	3,916,928	3,588,977	327,951	9.14%
School Administration	9,339,889	8,074,525	1,265,364	15.67%
Central Services	3,387,804	2,871,754	516,050	17.97%
Administrative Information Technology	904,160	1,400,596	(496,436)	-35.44%
Plant Operation and Maintenance	20,501,351	19,459,335	1,042,016	5.35%
Student Transportation	4,371,402	4,162,568	208,834	5.02%
Special Schools	848,441	774,205	74,236	9.59%
Capital Outlay	-	2,121,883	(2,121,883)	-100.00%
Interest on Long-Term Debt	53,402	21,858	31,544	144.31%
Total Expenses	\$ 208,871,365	\$ 187,764,354	\$ 21,107,011	11.24%
Increase/(Decrease) in Net Position	\$ 1,745,264	\$ (684,822)	\$ 2,430,086	-354.85%

Figure A-4 (continued)
Change in Net Position for the Year Ended June 30,

	Business Type Activities		Amount Difference	% Increase (Decrease)
	2021	2020		
Revenues:				
Charges for Services	\$ 81,359	\$ 1,622,848	\$ (1,541,489)	-94.99%
Operating Grants and Contributions	1,986,360	3,757,627	(1,771,267)	-47.14%
Total Revenues	\$ 2,067,719	\$ 5,380,475	\$ (3,312,756)	-61.57%
Program Expenses				
Food Service	\$ 1,962,523	\$ 5,662,022	\$ (3,699,499)	-65.34%
Community Education	163,198	176,908	(13,710)	-7.75%
Total Expenses	\$ 2,125,721	\$ 5,838,930	\$ (3,713,209)	-63.59%
Decrease in Net Position	\$ (58,002)	\$ (458,455)	\$ 400,453	-87.35%

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

	2021	2020	Increase (Decrease)	
			\$	%
Instruction	\$ 133,398,176	\$ 121,480,304	\$ 11,917,872	9.81%
Support Services:				
Attendance/Social Work	562,228	-	562,228	100.00%
Speech, OT, PT and Related Services	3,963,611	3,577,923	385,688	10.78%
Health Services	2,834,312	2,639,622	194,690	7.38%
Other Support Services	20,044,912	14,715,518	5,329,394	36.22%
Improvement of Instruction	3,238,090	2,601,477	636,613	24.47%
Other Support: Instructional Staff	13,424	32,530	(19,106)	-58.73%
School Library	1,493,235	241,279	1,251,956	518.88%
General Administration	3,916,928	3,588,977	327,951	9.14%
School Administration	9,339,889	8,074,525	1,265,364	15.67%
Central Services	3,387,804	2,871,754	516,050	17.97%
Administrative Information Technology	904,160	1,400,596	(496,436)	-35.44%
Plant Operation and Maintenance	20,501,351	19,459,335	1,042,016	5.35%
Student Transportation	4,371,402	4,162,568	208,834	5.02%
Special Schools	848,441	774,205	74,236	9.59%
Capital Outlay	-	2,121,883	(2,121,883)	-100.00%
Interest on Long-Term Debt	53,402	21,858	31,544	144.31%
Total Expenses	\$ 208,871,365	\$ 187,764,354	\$ 21,107,011	11.24%

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 \$7,252,643, which is an increase of \$107,038 from last year. This amount includes the general fund (increase of \$685,503), special revenue fund (decrease of \$30,101), and capital projects fund (decrease of \$548,364).

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 \$26.99 million. This is due primarily to the State reimbursement/on behalf in the amount of \$27.24 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 \$17.92 million even though all budget categories show a positive variance. This again is due to the State requirement to include TPAF pension and post retirement and social security contributions in the audit.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the school district governmental activities reported \$194,578,530 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 \$6,790,854 from the prior year. During the 2021 fiscal year, the District performed a reappraisal of capital assets, resulting in net prior period restatement of \$66,690,119. The balances at June 30, 2020 have been restated for comparative purposes. Figure A-6 details the composition of capital assets at June 30th of the current and prior year and the net changes for the current year.

Figure A - 6
Governmental Activity Capital Assets at Year-End June 30,

	<u>FY 2021</u>	<u>FY 2020</u>	<u>Increase (Decrease)</u>
Land	\$ 1,520,207	\$ 1,520,207	\$ -
Construction in Progress	9,134,690	5,925,820	3,208,870
Buildings and Improvements	168,277,252	168,277,252	-
Machinery and Equipment	12,792,071	9,342,087	3,449,984
Vehicles	2,854,310	2,722,310	132,000
Total	\$ 194,578,530	\$ 187,787,676	\$ 6,790,854

Long-Term Liabilities

At the end of this year, the school district had \$43,644,410 in long term liabilities outstanding versus \$47,280,025 last year – a decrease of 7.69%. The summary of year-end long-term liabilities and changes for the 2020-2021 school years are as follows:

Figure A - 7
Outstanding Long-Term Liabilities at Year-End June 30,

	Governmental Activities	
	<u>2021</u>	<u>2020</u>
Obligations Under Capital Lease	\$ 1,210,183	\$ 1,865,809
Compensated Absences Payable	1,035,470	1,108,150
Net Pension Liability (PERS)	41,398,757	44,306,066
Total Liabilities	\$ 43,644,410	\$ 47,280,025

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, 29th Street and Avenue A, Bayonne, New Jersey 07002.

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2021.

CITY OF BAYONNE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 11,077,861	\$ 705,242	\$ 11,783,103
Accounts Receivable	8,827,328	204,301	9,031,629
Internal Balances	(240,216)	240,216	-
Inventory		5,522	5,522
Capital Assets, Net	128,170,429	940,033	129,110,462
Total Assets	147,835,402	2,095,314	149,930,716
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Pension Deferrals	11,526,034		11,526,034
Total Deferred Outflow of Resources	11,526,034	-	11,526,034
<u>LIABILITIES</u>			
Accounts Payable	4,799,978		4,799,978
Accrued Liabilities	243,124		243,124
Unearned Revenue	9,017,744		9,017,744
Payable to Other Governments	330,257	607,170	937,427
Payroll Deductions and Withholdings Payable	898,047		898,047
Unemployment Compensation Claims Payable	163,137		163,137
Noncurrent Liabilities:			
Due Within One Year	704,774		704,774
Due Beyond One Year	1,540,879		1,540,879
Net Pension Liability	41,398,757		41,398,757
Total Liabilities	59,096,697	607,170	59,703,867
<u>DEFERRED INFLOW OF RESOURCES</u>			
Pension Deferrals	17,745,353		17,745,353
Total Deferred Inflow of Resources	17,745,353	-	17,745,353
<u>NET POSITION</u>			
Net Investment in Capital Assets	126,960,246	940,033	127,900,279
Restricted for:			
Capital Projects	16,331		16,331
Other Purposes	9,134,181		9,134,181
Unrestricted (Deficit)	(53,591,372)	548,111	(53,043,261)
Total Net Position	\$ 82,519,386	\$ 1,488,144	\$ 84,007,530

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

CITY OF BAYONNE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction	\$ 133,398,176	\$ 1,642	\$ 10,586,407		\$ (122,810,127)		\$ (122,810,127)
Support Services:							
Attendance/social work	562,228				(562,228)		(562,228)
Speech, OT, PT and Related Services	3,963,611				(3,963,611)		(3,963,611)
Health Services	2,834,312				(2,834,312)		(2,834,312)
Other Support Services	20,044,912		10,776,557		(9,268,355)		(9,268,355)
Improvement of Instruction	3,238,090				(3,238,090)		(3,238,090)
Other Support: Instructional Staff	13,424				(13,424)		(13,424)
School Library	1,493,235				(1,493,235)		(1,493,235)
General Administration	3,916,928				(3,916,928)		(3,916,928)
School Administration	9,339,889				(9,339,889)		(9,339,889)
Central Services	3,387,804				(3,387,804)		(3,387,804)
Administrative Information Technology	904,160				(904,160)		(904,160)
Plant Operation and Maintenance	20,501,351				(20,501,351)		(20,501,351)
Student Transportation	4,371,402				(4,371,402)		(4,371,402)
Special Schools	848,441				(848,441)		(848,441)
Interest on Long-Term Debt	53,402				(53,402)		(53,402)
Capital Outlay			3,347,825	1,095,715	4,443,540		4,443,540
Total Governmental Activities	208,871,365	1,642	24,710,789	1,095,715	(183,063,219)	-	(183,063,219)
Business-Type Activities:							
Food Service	1,962,523	1,928	1,977,987			17,392	17,392
Community Education	163,198	79,431	8,373			(75,394)	(75,394)
Total Business-Type Activities	2,125,721	81,359	1,986,360	-		(58,002)	(58,002)
Total Primary Government	\$ 210,997,086	\$ 83,001	\$ 26,697,149	\$ 1,095,715	(183,063,219)	(58,002)	(183,121,221)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 69,754,379		\$ 69,754,379
Federal and State Aid Not Restricted					114,546,616		114,546,616
Miscellaneous Income					507,488		507,488
Total General Revenues					184,808,483	-	184,808,483
Change in Net Position					1,745,264	(58,002)	1,687,262
Net Position—Beginning, Restated					80,774,122	1,546,146	82,320,268
Net Position—Ending					\$ 82,519,386	\$ 1,488,144	\$ 84,007,530

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

Fund Financial Statements

Governmental Funds

CITY OF BAYONNE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	
ASSETS				
Cash and Cash Equivalents	\$ 11,077,861	\$	\$	\$ 11,077,861
Interfund Accounts Receivable	3,252,473			3,252,473
Receivables from Other Governments	941,856	6,692,240	470,826	8,104,922
Other Receivables	450,000	272,406		722,406
Total Assets	\$ 15,722,190	\$ 6,964,646	\$ 470,826	\$ 23,157,662
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Accounts Payable	\$ 240,216	\$ 2,845,061	\$ 407,412	\$ 3,492,689
Accounts Payable	1,359,085	353,853	47,083	1,760,021
Intergovernmental Accounts Payable:				
- State		30,105		30,105
- Federal		300,152		300,152
Accrued Liabilities - IBNR	243,124			243,124
Payroll Deductions and Withholdings Payable	898,047			898,047
Unemployment Compensation Claims Payable	163,137			163,137
Unearned Revenue	5,929,122	3,088,622		9,017,744
Total Liabilities	8,832,731	6,617,793	454,495	15,905,019
Fund Balances:				
Restricted for:				
Excess Surplus - Current Year	3,927,942			3,927,942
Excess Surplus - Designated for Subsequent Year Expenditures	2,540,477			2,540,477
Capital Reserve Account	1,971,908			1,971,908
Maintenance Reserve	250,000			250,000
Unemployment Compensation	97,001			97,001
Student Activities		346,853		346,853
Capital Projects			16,331	16,331
Assigned to:				
Designated for subsequent years expenditures - FFCRA/SEMI	27,702			27,702
Year End Encumbrances	423,907			423,907
Unassigned:				
General Fund	(2,349,478)			(2,349,478)
Total Fund Balances	6,889,459	346,853	16,331	7,252,643
Total Liabilities and Fund Balances	\$ 15,722,190	\$ 6,964,646	\$ 470,826	\$ 23,157,662

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

**CITY OF BAYONNE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:	\$ 7,252,643
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$194,578,530, and the accumulated depreciation is \$66,408,101.	128,170,429
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.	(2,245,653)
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 carrying amounts of the individual components are as follows:	
Deferred Outflows of Resources - Pension Deferrals	\$ 11,526,034
Accounts Payable for Pension Expense	(3,039,957)
Net Pension Liability	(41,398,757)
Deferred Inflows of Resources - Pension Deferrals	<u>(17,745,353)</u>
	<u>(50,658,033)</u>
Net Position of Governmental Activities	\$ <u>82,519,386</u>

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

CITY OF BAYONNE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	
REVENUES				
Local Tax Levy	\$ 69,754,379	\$	\$	\$ 69,754,379
Tuition-LEAs Within State	1,642			1,642
Other Local Sources	507,488	67,773		575,261
State Sources	94,989,281	10,598,450	1,095,715	106,683,446
Federal Sources	296,384	13,375,013		13,671,397
Total Revenues	165,549,174	24,041,236	1,095,715	190,686,125
EXPENDITURES				
Current:				
Instruction	66,886,923	9,916,854		76,803,777
Undistributed-Current:				
Instruction	3,155,574			3,155,574
Attendance/social work	302,390			302,390
Speech, OT, PT, and Related Services	3,087,702			3,087,702
Health Services	1,547,514			1,547,514
Other Support Services	5,003,789	10,806,658		15,810,447
Improvement of Instruction	1,738,586			1,738,586
Education Media Library	998,859			998,859
Other Support: Instructional Staff	12,873			12,873
General Administration	3,383,099			3,383,099
School Administration	5,114,944			5,114,944
Central Services	1,971,379			1,971,379
Administrative Information Technology	821,751			821,751
Required Maintenance of Plant Services	4,193,302			4,193,302
Operation of Plant	10,094,272			10,094,272
Student Transportation	3,172,620			3,172,620
Unallocated Benefits	23,436,702			23,436,702
On-behalf TPAF Social Security and Pension Contributions	27,258,880			27,258,880
Transfer to Charter Schools	848,441			848,441
Capital Outlay	2,246,085	3,347,825	1,232,065	6,825,975
Total Expenditures	165,275,685	24,071,337	1,232,065	190,579,087
Excess (Deficiency) of Revenues over Expenditures	273,489	(30,101)	(136,350)	107,038
OTHER FINANCING SOURCES (USES)				
Transfers	412,014		(412,014)	-
Total Other Financing Sources and Uses	412,014	-	(412,014)	-
Net Change in Fund Balances	685,503	(30,101)	(548,364)	107,038
Fund Balance—July 1, Restated	6,203,956	376,954	564,695	7,145,605
Fund Balance—June 30	\$ 6,889,459	\$ 346,853	\$ 16,331	\$ 7,252,643

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

**CITY OF BAYONNE SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Total Net Change in Fund Balances - Governmental Funds (from B-2) **\$ 107,038**

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

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

Depreciation expense	\$ (5,655,417)	
Capital outlays	<u>6,790,854</u>	1,135,437

Repayment of 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 position and is not reported in the statement of activities.

655,626

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.

(225,517)

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 (+).

72,680

Change in net position of governmental activities (A-2)

\$ 1,745,264

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

Proprietary Funds

**CITY OF BAYONNE SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021**

	Major Enterprise Funds		
	Food Service	Community Education	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 155,458	\$ 549,784	\$ 705,242
Receivables from Other Governments	204,301		204,301
Interfund Receivable	240,216		240,216
Inventories	5,522		5,522
Total Current Assets	<u>605,497</u>	<u>549,784</u>	<u>1,155,281</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	1,498,980		1,498,980
Less Accumulated Depreciation	<u>(558,947)</u>		<u>(558,947)</u>
Total Noncurrent Assets	<u>940,033</u>	<u>-</u>	<u>940,033</u>
Total Assets	<u>\$ 1,545,530</u>	<u>\$ 549,784</u>	<u>\$ 2,095,314</u>
LIABILITIES			
Current Liabilities:			
Due to Grantor	<u>\$ 158,900</u>	<u>\$ 448,270</u>	<u>\$ 607,170</u>
Total Current Liabilities	<u>158,900</u>	<u>448,270</u>	<u>607,170</u>
NET POSITION			
Investment in Capital Assets	940,033		940,033
Unrestricted	446,597	101,514	548,111
Total Net Position	<u>1,386,630</u>	<u>101,514</u>	<u>1,488,144</u>
Total Liabilities and Net Position	<u>\$ 1,545,530</u>	<u>\$ 549,784</u>	<u>\$ 2,095,314</u>

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

CITY OF BAYONNE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Major Enterprise Funds		
	Food Service	Community Education	Total
<u>OPERATING REVENUES</u>			
Charges for Services:			
Non-Program Sales	\$ 1,928	\$	\$ 1,928
Education Programs		13,920	13,920
Facility Rentals		65,511	65,511
Total Operating Revenues	<u>1,928</u>	<u>79,431</u>	<u>81,359</u>
<u>OPERATING EXPENSES</u>			
Cost of Sales:			
Program Food Costs	758,742		758,742
USDA Commodities	130,977		130,977
Subtotal-Cost of Sales	889,719	-	889,719
Supplies and Materials	3,582	2,883	6,465
Salaries and Wages	903,465	160,315	1,063,780
Employee Benefits	29,486		29,486
Insurance	14,255		14,255
Cleaning & Maintenance	13,747		13,747
Outside Services	2,067		2,067
Depreciation	106,202		106,202
Total Operating Expenses	<u>1,962,523</u>	<u>163,198</u>	<u>2,125,721</u>
Operating Loss	<u>(1,960,595)</u>	<u>(83,767)</u>	<u>(2,044,362)</u>
<u>NON-OPERATING REVENUES</u>			
State Sources:			
State School Lunch Program	50,432		50,432
Federal Sources:			
Child Care Program	-	8,373	8,373
School Breakfast Program	668,992		668,992
National School Lunch Program	1,065,650		1,065,650
Summer Food Program	61,936		61,936
USDA Commodities Program	130,977		130,977
Total Non-Operating Revenues	<u>1,977,987</u>	<u>8,373</u>	<u>1,986,360</u>
Change in Net Position	17,392	(75,394)	(58,002)
Total Net Position - Beginning, Restated	<u>1,369,238</u>	<u>176,908</u>	<u>1,546,146</u>
Total Net Position - Ending	<u>\$ 1,386,630</u>	<u>\$ 101,514</u>	<u>\$ 1,488,144</u>

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

**CITY OF BAYONNE SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Major Enterprise Funds		
	Food Service	Community Education	Totals
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ (23,808)	\$ 79,431	\$ 55,623
Cash Payments for Goods & Supplies	(739,962)	(2,883)	(742,845)
Cash Payments for Employee Expenses	(932,951)	(160,315)	(1,093,266)
Net Cash Flows from Operating Activities	<u>(1,696,721)</u>	<u>(83,767)</u>	<u>(1,780,488)</u>
Cash Flows from Non-Capital Financing Activities			
State Sources	51,484		51,484
Federal Sources	2,419,231	456,643	2,875,874
Interfund Loan (Paid)/Received	(618,536)	176,908	(441,628)
Net Cash Flows from Non-Capital Financing Activities	<u>1,852,179</u>	<u>633,551</u>	<u>2,485,730</u>
Net Increase in Cash and Cash Equivalents	155,458	549,784	705,242
Cash and Cash Equivalents, July 1	-	-	-
Cash and Cash Equivalents, June 30	<u>\$ 155,458</u>	<u>\$ 549,784</u>	<u>\$ 705,242</u>
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:			
Operating Loss	\$ (1,960,595)	\$ (83,767)	\$ (2,044,362)
Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities:			
Depreciation	106,202		106,202
USDA Commodities	130,977		130,977
Decrease in Inventory	52,431		52,431
(Decrease) in Unearned Revenues	(25,736)		(25,736)
Net Cash Flows from Operating Activities	<u>\$ (1,696,721)</u>	<u>\$ (83,767)</u>	<u>\$ (1,780,488)</u>

Noncash noncapital financing activities:

The District received \$105,242 of food commodities and expended \$130,978 of food commodities from the Department of Agriculture for the year ended June 30, 2021.

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, 2021**

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, 2021 of 9,842 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 while business-type activities incorporate data from the government's enterprise funds.

Separate financial statements are provided for governmental funds and proprietary 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. Separate statements for each category – governmental and proprietary – 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. Since the District's payroll agency and unemployment funds do not meet the new criteria defined by the new Government Accounting Standards Board Statement No. 84, the payroll agency and unemployment funds which are used to account for the assets that the District holds on behalf of others as their agent are reported in the General Fund as governmental activities effective for the year ended June 30, 2021.

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.

NOTES TO FINANCIAL STATEMENTS

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

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

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. The revenue sources reported in the Special Revenue Fund include resources from the United States government, the State of New Jersey and some local organizations. Since the District's student activity funds do not meet the new criteria defined by the new of Government Accounting Standards Board Statement No. 84, student activities which are used to account for funds derived from athletic events or other activities of pupil organizations and to account for the accumulation of money to pay for student group activities are reported in the special revenue fund as governmental activities effective for the year ended June 30, 2021.

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 New Jersey School Development Authority grants are also financial resources of this fund.

Enterprise Funds – 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 and Community Education 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 funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, any interfund balances 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.

NOTES TO FINANCIAL STATEMENTS

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

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. 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".

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 are reported using the economic resources measurement focus and the accrual basis of accounting.

NOTES TO FINANCIAL STATEMENTS

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

F. Encumbrances:

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

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

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

G. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with 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.

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.

NOTES TO FINANCIAL STATEMENTS

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

G. Cash, Cash Equivalents and Investments (Cont'd):

Under the 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.

H. Tuition Revenue:

Tuition revenues for the fiscal year 2020-2021 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.

I. Inventories:

Inventories, 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.

J. Short-Term Interfund Receivables/Payables:

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

K. 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.

NOTES TO FINANCIAL STATEMENTS

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

K. Capital Assets (Cont'd):

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.

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 for the food service fund are as follows:

Equipment	7-20 Years
Vehicles	10 Years

During the 2021 fiscal year, the District's appraisal company performed a full revaluation of the District's capital assets, resulting in a restatement of beginning balances as of July 1, 2020. See Note 3 for additional information.

L. 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.

M. 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 has one item that qualifies for reporting in this category, deferred amounts related to pensions.

In addition to liabilities, the statement of net 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 has one item that qualifies for reporting in this category, deferred amounts related to pensions.

NOTES TO FINANCIAL STATEMENTS

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

N. 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.

O. 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.

P. 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.

Q. Net Position Flow Assumption (Government-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.

NOTES TO FINANCIAL STATEMENTS

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

R. 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.

S. 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.

T. 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.

NOTES TO FINANCIAL STATEMENTS

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

T. District-Wide Financial Statement Classifications (Cont'd):

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 Capital 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 Capital Assets, as a component of net position for the governmental activities and business-type activities.

U. 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. The District's Community Education proprietary fund reports operating revenues from education programs and facility rentals. Revenues earned through the Child Care and Development Block Grant provide assistance to students in the aftercare program and are classified as nonoperating revenues.

V. Reconciliation of District-Wide and Fund Financial Statements:

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

Total Governmental Fund Balance (B-1)	\$ 7,252,643
<u>Adjustments to District-Wide Net Position:</u>	
Capital Assets (see Note 3)	128,170,429
Long-Term Liabilities (see Note 4)	(2,245,653)
Net Pension Liability	(41,398,757)
Other Items not recognized in Fund Financial Statements:	
Deferred Outflows of Financial Resources	11,526,034
Deferred Inflows of Financial Resources	(17,745,353)
Payment Subsequent to Measurement Date	<u>(3,039,957)</u>
Net Position of Governmental Activities	<u>\$ 82,519,386</u>

NOTES TO FINANCIAL STATEMENTS

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

V. Reconciliation of District-Wide and Fund Financial Statements (Cont'd):

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

Total Net Change Governmental Fund Balance (B-2)	\$ 107,038
<u>Adjustments to District-Wide Net Position:</u>	
Capital Outlays, net of depreciation	(1,135,437)
Repayment of Long-Term Liabilities (see Note 4)	655,626
Decrease in Value of Compensated Absences	72,680
Net Increase in Pension Expense	<u>(225,517)</u>
Change in Net Position of Governmental Activities	<u>\$(1,745,263)</u>

W. 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 and such differences may be material.

X. Calculation of Excess Surplus

The designation for restricted fund balance-excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve fund balance in the general fund at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District has excess fund balance at the end of the 2020-2021 fiscal year in the amount of \$6,468,419. Of this amount, \$2,540,477 has been appropriated in the 2021-2022 budget and the remaining \$3,927,942 will be appropriated in the 2022-2023 budget.

Y. Recently Issued Accounting Pronouncements

The GASB issued Statement No. 84, *Fiduciary Activities*, which requires compliance by June 30, 2021. GASB 84 establishes specific criteria for identifying fiduciary activities based primarily on whether the school district is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. If the activity is not a "fiduciary activity," then it is a "governmental activity." The school district examined its current fiduciary funds and determined they do not meet the new terms and conditions of a fiduciary activity, as set forth by GASB 84. Therefore, the District's payroll and agency activity and unemployment compensation activity is reported in the general fund and the District's student activity funds are reported in the special revenue funds as governmental activities accordingly. Management has appropriately implemented this standard for the year ended June 30, 2021.

NOTES TO FINANCIAL STATEMENTS

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

Y. Recently Issued Accounting Pronouncements (Cont'd)

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2019. Due to the COVID-19 pandemic, the effective date has been postponed by eighteen months. Management has not determined the impact of the Statement on the 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 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 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
Insured—NJGUDPA (N.J.S.A. 17:941)	11,725,362
Uninsured	<u>5,566,777</u>
Total	<u>\$ 17,792,139</u>

NOTES TO FINANCIAL STATEMENTS

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

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 District does not have a deposit policy for custodial credit risk. As of June 30, 2021, the carrying amount of the District's deposits was \$11,783,103 and the bank balance was \$17,792,139. Of the bank balance, \$500,000 of the District's cash deposits on June 30, 2021 was covered by federal depository insurance. The New Jersey Governmental Unit Depository Protection Act Covered the bank balance of \$11,725,362. \$5,566,777 of cash equivalents are not covered by GUDPA.

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. The District had \$4,317,699 on deposit with the New Jersey Cash Management Fund at June 30, 2021. Pursuant to GASB Statement No. 40, the NJCMF, which is a pooled investment, is exempt from custodial credit exposure. The District does not have a policy for custodial credit risk.

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CAPITAL ASSETS

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2021:

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Governmental Activities:			
Capital Assets not being depreciated:			
Land	\$ 1,520,207	\$ -	\$ 1,520,207
Construction in Progress	5,925,820	3,208,870	9,134,690
Total Capital Assets not being depreciated	7,446,027	3,208,870	10,654,897
Building & Building Improvements	168,277,252		168,277,252
Machinery and Equipment	9,342,087	3,449,984	12,792,071
Vehicles	2,722,310	132,000	2,854,310
Totals at Historical Cost	180,341,649	3,581,984	183,923,633
Less Accumulated Depreciation For:			
Building & Building Improvements	55,607,448	4,472,150	60,079,598
Machinery and Equipment	3,597,317	990,097	4,587,414
Vehicles	1,547,919	193,170	1,741,089
Total Accumulated Depreciation	60,752,684	5,655,417	66,408,101
Total Capital Assets being depreciated (Net of Accumulated Depreciation)	119,588,965	(2,073,433)	117,515,532
Governmental Activities Capital Assets, Net	\$ 127,034,992	\$ 1,135,437	\$ 128,170,429

During the 2021 fiscal year, the District's appraisal company performed a full revaluation of the District's capital assets. The revaluation included updating the capital asset inventory to agree to the physical existence and re-evaluating the estimates of the useful lives. The beginning balances in the tables above reflect the prior period restatements needed to bring the balance in agreement with the value provided by the appraisal company. Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2021 as follows:

Instruction	\$ 3,420,366
Attendance/social work	12,935
Speech, OT, PT and related services	132,080
Health services	66,197
Other support services	676,313
Improvement of instruction	74,370
Education media library	42,728
Other support: instruction staff	551
General administration	144,716
School administration	218,798
Central services	84,328
Administration information technology	35,151
Required maintenance of plant services	179,374
Operation of plant	431,796
Student transportation	135,714
Total depreciation expense	\$ 5,655,417

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CAPITAL ASSETS (CONT'D)

The following schedule is a summarization of business-type activities changes in capital assets for the year ended June 30, 2021:

	Restated Beginning Balance	Additions	Ending Balance
Business-type Activities			
Machinery and Equipment	\$ 1,276,980	\$ -	\$ 1,276,980
Vehicles	222,000	-	222,000
Totals at Historical Cost	<u>1,498,980</u>	<u>-</u>	<u>1,498,980</u>
Less Accumulated Depreciation for:			
Machinery and Equipment	312,345	92,702	405,047
Vehicles	140,400	13,500	153,900
Total Accumulated Depreciation	<u>452,745</u>	<u>106,202</u>	<u>558,947</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,046,235</u>	<u>\$ (106,202)</u>	<u>\$ 940,033</u>

During the 2021 fiscal year, the District's appraisal company performed a full revaluation of the District's capital assets. The revaluation included updating the capital asset inventory to agree to the physical existence and re-evaluating the estimates of the useful lives. The beginning balances in the tables above reflect the prior period restatements needed to bring the balance in agreement with the value provided by the appraisal company.

NOTE 4. LONG-TERM LIABILITIES

During the year ended June 30, 2021, the following changes occurred in governmental activities long-term liabilities:

	Beginning Balance	Additions/ Adjustments	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Liabilities:					
Obligations Under Capital Lease	\$ 1,865,809	\$ -	\$ 655,626	\$ 1,210,183	\$ 601,227
Compensated Absences Payable	1,108,150	35,640	108,320	1,035,470	103,547
Subtotal - Liabilities	<u>2,973,959</u>	<u>35,640</u>	<u>763,946</u>	<u>2,245,653</u>	<u>704,774</u>
Net Pension Liability (PERS)	44,306,066		2,907,309	41,398,757	
Total Liabilities	<u>\$ 47,280,025</u>	<u>\$ 35,640</u>	<u>\$ 3,671,255</u>	<u>\$ 43,644,410</u>	<u>\$ 704,774</u>

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, 2021, the District had no bonds authorized but not issued.

NOTES TO FINANCIAL STATEMENTS

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

C. Capital Leases – The District is leasing various equipment and vehicles totaling \$1,507,849. The following is a schedule of the future minimum lease payments under this capital lease and the net minimum lease payments at June 30, 2021.

Year ending June 30,	<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
2022	\$ 606,957	\$ 25,890	\$ 632,847
2023	279,587	25,890	305,477
2024	152,352	25,890	178,242
2025	152,352	-	152,352
	<hr/>	<hr/>	<hr/>
Total Minimum Lease Payments	1,191,248	77,670	1,268,918
Less: Amount Representing Interest	55,437	3,298	58,735
Present Value of Net Minimum Lease Payments	<u>\$ 1,135,811</u>	<u>\$ 74,372</u>	<u>\$ 1,210,183</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, 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 Employees' 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, 2021:

Inactive plan members or beneficiaries currently receiving benefits	182,492
Inactive plan members entitled to but not yet receiving benefits	942
Active plan members	<u>249,045</u>
Total	<u>432,479</u>

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, 2021 the Board's total payroll for all employees was \$89,835,234. Total PERS covered payroll was \$19,816,002. Covered payroll refers to pensionable compensation paid by the District 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 District's cash basis contributions to the Plan for the years ended June 30, 2021 and 2020 were \$2,777,158 and \$2,407,105, respectively equal to the required contributions. 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 1/55th 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 1/60th 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, 2021, the District reported a liability of \$41,398,757 for its proportionate share of the net pension liability. The net pension liability was determined by actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At the June 30, 2020 valuation date, the District's proportion was 0.2538650861%, which was an increase of 0.0079727623% from its proportion measured as of June 30, 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D)

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

For the year ended June 30, 2021, the District recognized PERS pension expenses of \$225,518 in its governmental activities. At June 30, 2021, the District 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	\$ 1,343,023	\$ 17,334,050
Net difference between projected and actual experience	753,803	146,404
Net difference between projected and actual earnings on plan investments	1,415,043	
Changes in proportion and differences between District contributions and proportionate share of contributions	4,974,208	264,899
District contributions subsequent to the measurement date	<u>3,039,957</u>	<u> </u>
 Total	 <u>\$ 11,526,034</u>	 <u>\$ 17,745,353</u>

The \$3,039,957 of deferred outflows of resources resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. 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 June 30,	
2022	\$ (3,490,544)
2023	(3,310,527)
2024	(1,544,314)
2025	(718,057)
2026	<u>(195,834)</u>
	 <u>\$ (9,259,276)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D)

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

Actuarial Assumptions - The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation	Price - 2.75% ; Wage – 3.25%
Salary Increases: Through 2026	2.00-6.00% Based on years of service
Thereafter	3.00-7.00% Based on years of service
Investment rate of return	7.00%

Mortality Rates:

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

Long-Term Rate of Return:

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) 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.

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, 2020 are summarized in the following table:

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	<u>3.00%</u>	3.40%
Total	<u>100.00%</u>	

Discount Rate – The discount rate used to measure the total pension liabilities of PERS was 7.00% as of June 30, 2020. 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 and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D)

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

	At 1% Decrease (6.00%)	At current discount rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 52,114,129	\$ 41,398,757	\$ 32,306,471

Components of Net Pension Liability – The components of the collective net pension liability for PERS, including the State of New Jersey, at June 30, 2020 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,272,160,382	\$ 39,432,792,871	\$ 67,704,953,253
Plan Fiduciary Net Position	6,048,192,857	22,997,176,445	29,045,369,302
Net Pension Liability	<u>\$ 22,223,967,525</u>	<u>\$ 16,435,616,426</u>	<u>\$ 38,659,583,951</u>

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 is \$407,705,399.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years, respectively.

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:

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, 2020:

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D)

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

Inactive plan members or beneficiaries currently receiving benefits	106,388
Inactive plan members entitled to but not yet receiving benefits	432
Active plan members	<u>156,066</u>
Total	<u>262,886</u>

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, 2021 the Board's total payroll for all employees was \$89,835,234. Total TPAF covered payroll was \$70,019,232. 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 2020 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 2020, 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 1/55th 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 1/60th 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)

At June 30, 2020, the TPAF reported a net pension liability of \$65,848,796,740 for its Non-State Employer Member Group. The proportionate share of the State of New Jersey's net pension liability for the Non-State Employer Member Group that is attributable to the District was \$364,897,642, or 0.5541447381%.

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020.

Actuarial Assumptions - The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Price/Wage	2.75%/3.25%
Salary Increases (2011-2026)	1.55 – 4.55%
Thereafter	2.75 – 5.65%
Investment rate of return	7.00%

Mortality Rates - Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Discount Rate – The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 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 based on 78% of the actuarially determined contributions for the State. 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 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):

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	<u>3.00%</u>	3.40%
Total	<u>100.00%</u>	

Sensitivity of Net Pension Liability to Changes in the Discount Rate - the following presents the net pension liability of TPAF as of June 30, 2020 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:

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D):

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

	At 1% Decrease <u>(4.40%)</u>	At current discount rate <u>(5.40%)</u>	At 1% increase <u>(6.40%)</u>
State's proportionate share of the District's net pension liability	<u>\$ 428,615,016</u>	<u>\$ 364,897,642</u>	<u>\$ 311,991,058</u>

Components of Net Pension Liability – The components of the net pension liability for TPAF, including the State of New Jersey, at June 30, 2020 is as follows:

Total pension liability	\$ 87,522,678,686
Plan fiduciary net position	<u>21,529,179,998</u>
 Net pension liability	 <u>\$ 65,993,498,688</u>
 Plan fiduciary net position as a percentage of the total pension liability	 24.60%

Pension Expense – The components of allocable pension expense, which exclude pension expense related to specific liabilities of individual employers, for the year ending June 30, 2020 are as follows:

Service Cost	\$ 1,643,902,335
Interest of total pension liability	4,680,942,056
Benefit changes	(16,738,469)
Member contributions	(867,037,595)
Administrative expense	13,511,148
Expected Investment return – Net of Investment Expense	 (1,525,370,804)
Pension Expense related to specific Liabilities of Individual Employers	 4,749,837
Recognition (amortization) of Deferred Inflows/Outflows of resources:	
Differences between expected and actual experience	177,152,462
Changes of assumptions	(394,786,992)
Difference between projected and actual investment earnings on pension plan investments	<u>387,432,792</u>
Total Pension Expense	\$ <u>4,103,756,770</u>

Additional Information – Collective balances at June 30, 2020 were as follows:

Collective Deferred Outflows of Resources	\$ 9,626,548,228
Collective Deferred Inflows of Resources	14,591,988,841
State's Total Non-employer Net Pension Liability	65,993,498,688
 District's Proportion	 0.5541447381%

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D):

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.

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, 2021, the Boards total payroll for all employees was \$89,835,234. The Board had no DCRP covered payroll for the year ended June 30, 2021.

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. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994. The State's contributions to the SHBP for post-retirement benefits on behalf of the District for the years ended June 30, 2021, 2020, and 2019

NOTES TO FINANCIAL STATEMENTS

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

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

were \$5,300,888, \$4,589,924, and \$5,462,777, respectively, which equaled the required contributions for each year.

As the employer contributions for local government education employers are legally required to be funded by the State, this constitutes a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity.

The State is also responsible for the cost attributable P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service.

The State of New Jersey Provides post-retirement (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2020, the State paid PRM benefits for 143,053 State and local retirees.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76.0 billion liability recorded in Fiscal Year 2019.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

The State provides OPEB benefits through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Total OPEB Liability

The nonemployer OPEB liability from New Jersey's plan is \$67,809,962,608.

The following employees were covered by the benefit terms:

Local Education	June 30, 2019
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	<u>366,108</u>

NOTES TO FINANCIAL STATEMENTS

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

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

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS 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.

The State's proportionate share of the net OPEB liability associated with the District as of June 30, 2021 was, \$362,219,405, or 0.53%. Additional information can be obtained from the State of New Jersey's comprehensive annual financial report.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55-4.45%	2.00-6.00%
	Based on Years of Service	Based on years of service
Thereafter	1.55-4.45%	3.00-7.00%
	Based on Years of Service	Based on years of service

Preretirement mortality rates were based on the Pub-2010 Health "Teachers" (TPAF/ABP) and, "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2019, July 1, 2018, for TPAF and PERS, respectively.

Healthcare Trend Assumptions:

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For Medicare Part B reimbursement, the trend rate is 5.0%.

NOTES TO FINANCIAL STATEMENTS

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

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

Discount Rate:

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is 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.

Changes in the Total Non-employer OPEB Liability:

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, 2021 were as follows:

	<u>State Totals</u>	<u>District Allocation</u>
Non-employer OPEB Liability Balance-June 30, 2019:	\$41,729,081,045	\$221,023,057
Changes During the Current Year:		
Service Cost	1,790,973,822	10,509,587
Interest on the Total OPEB Liability	1,503,341,357	7,997,554
Differences Between Expected and Actual Experience	11,544,750,637	62,638,978
Changes in Assumptions	12,386,549,981	66,165,038
Gross Benefit Payments	(1,180,515,618)	(6,305,942)
Employee Contributions	<u>35,781,384</u>	<u>191,133</u>
Net Changes	26,080,881,563	141,196,348
Non-employer OPEB Liability Balance-June 30, 2020	<u>\$67,809,962,608</u>	<u>\$362,219,405</u>

The State's proportionate share of deferred outflows and inflows of resources associated with the District at June 30, 2020 was \$123,315,529 and \$91,775,036, respectively.

The following represents sensitivity of the State's proportionate share of the net OPEB liability associated with the District to changes in the discount rate and healthcare cost trend rate:

	At 1% decrease (1.21%)	At discount rate (2.21%)	At 1% increase (3.21%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 436,674,189	\$ 362,219,405	\$ 304,002,935

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, 2020, 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:

NOTES TO FINANCIAL STATEMENTS

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

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

	<u>1% decrease</u>	Healthcare cost <u>trend rate</u>	<u>1% increase</u>
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 292,395,719	\$ 362,219,405	\$ 445,363,897

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

For the year ended June 30, 2021, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$19,455,473 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2020 are as follows:

Deferred outflows of resources	\$ 24,023,298,802
Deferred inflows of resources	\$ 19,101,933,244
Collective OPEB expense	\$ 3,337,755,596

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.

In the government-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.

NOTES TO FINANCIAL STATEMENTS

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 prescription coverage. 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, 2021, the Board has incurred cost totaling \$4,624,468 for prescription benefits for all employees. In addition, the Board has provided for IBNR as calculated in the amount of \$243,124 for the year ended June 30, 2021.

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.

NOTE 9. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2021:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 3,252,473	\$ 240,216
Special Revenue Fund		2,845,061
Capital Projects Fund		407,412
Food Service Fund	240,216	
Total	\$ 3,492,689	\$ 3,492,689

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

NOTE 10. INVENTORY

Inventory in the Food Service Fund at June 30, 2021 consisted of the following:

Supplies	\$	5,522
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NOTES TO FINANCIAL STATEMENTS

NOTE 11. FUND BALANCE APPROPRIATED

General Fund - Of the \$6,889,459 General Fund balance at June 30, 2021, \$423,907 is assigned for encumbrances; \$27,702 is designated for subsequent expenditures – FFCRA/SEMI; \$3,927,942 is restricted as excess surplus – current year in accordance with N.J.S.A. 18A:7F-7; \$2,540,477 is restricted as excess surplus designated for subsequent year expenditures; \$1,971,908 is restricted for Capital Reserve; \$250,000 is restricted for Maintenance Reserve; \$97,001 is restricted for unemployment compensation; and \$(2,349,478) is unassigned.

Special Revenue Fund – The \$346,853 Special Revenue Fund fund balance is restricted for student activities.

Capital Projects Fund – At June 30, 2021, the Capital Projects Fund reported a fund balance of \$16,331. This amount is restricted to funding authorized capital project costs.

NOTE 12. DEFICIT FUND BALANCES

The District has a deficit unassigned fund balance of \$2,349,478 in the General Fund at June 30, 2021 that was reported in the fund statements (modified accrual basis). *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. 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 payments 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, 2021 in the amount of \$3,927,942. This amount will be utilized as tax relief in the 2022-2023 school budget. There is another \$2,540,477 of excess surplus designated for subsequent year's expenditures.

NOTES TO FINANCIAL STATEMENTS

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.

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 2021 Budget for City of Bayonne recognized revenue of \$8,090,159 from the annual service charge in lieu of payment of taxes in 2020 and taxes in 2020 that otherwise would have been due on these long-term tax exemptions amounted to \$27,124,434, 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 \$941,856 are comprised of \$922,058 from state sources and \$19,798 from federal sources.

Receivables from other governments as reported on the Special Revenue Fund balance sheet amounting to \$6,692,240 are comprised of \$6,603,915 from federal sources and \$88,325 from state sources.

Receivables from other governments as reported on the Food Service Enterprise Fund balance sheet amounting to \$204,301 are comprised of \$198,957 from federal sources and \$5,344 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 17. PENDING LITIGATION AND CONTINGENT LIABILITIES

PENDING LITIGATION - At June 30, 2021, 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.

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.

Based on a potential for disputed unemployment claims we cannot determine any liability at the year end of June 30, 2021. Therefore, there will be no provision in the financial statements for the unemployment liability.

NOTE 18. SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions from June 30, 2021 through May 6, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure, except for the following:

In March 2022, the District purchased the former St. Andrew's School and Convent in the southern part of the city for approximately six million dollars in an effort to expand classroom space.

NOTE 19. TRANSFERS – RECONCILIATION

The following presents a reconciliation of transfers during the 2021 fiscal year:

<u>Fund</u>	<u>In</u>	<u>Out</u>
General Fund	\$ 412,014	
Capital Projects Fund		\$ 412,014
Total	<u>\$ 412,014</u>	<u>\$ 412,014</u>

The transfer from capital projects fund to the general fund represents the close out of completed capital projects. The District transferred \$412,014 of unspent capital projects funds back to the capital reserve account in the general fund, which was the original funding source for the projects.

NOTES TO FINANCIAL STATEMENTS

NOTE 20. CHANGE IN ACCOUNTING PRINCIPLE/RESTATEMENT

Effective in the fiscal year ended June 30, 2021, the District implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* as described in Note 1Y. Additionally, as discussed in Note 3, the District also underwent a full revaluation of its capital assets. As a result, net position and fund balances as of July 1, 2020 have been restated as follows:

Beginning General Fund Budgetary Fund Balance Per Schedule C-1 at June 30, 2020	\$ 13,258,005
General Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Unemployment compensation net position	96,640
Beginning General Fund Budgetary Fund Balance Per Schedule C-1 at June 30, 2020 (as restated)	\$ 13,354,645
Beginning Special Revenue Budgetary and Modified Accrual Fund Balances Per Schedules B-2, C-2 and E-1 at June 30, 2020	
	\$ -
Special Revenue Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Due to student groups	376,954
Beginning Special Revenue Fund Budgetary Fund Balance Per Schedules B-2, E-1 and C-2 at June 30, 2020 (as restated)	\$ 376,954
Beginning General Fund Modified Accrual Fund Balance Per Schedule B-2 at June 30, 2020	
	\$ 6,107,316
General Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Unemployment compensation net position	96,640
Beginning General Fund Modified Accrual Fund Balance - June 30, 2020 (as restated)	\$ 6,203,956
Beginning Food Service Fund Net Position Per Schedule B-4 at June 30, 2020	
	\$ 1,275,892
Capital Assets Revaluation	93,346
Beginning Food Service Fund Net Position Per Schedule B-4 at June 30, 2020 (as restated)	\$ 1,369,238
Beginning Full Accrual Governmental Activities Net Position Per Schedule A-2 at June 30, 2020	
	\$ 13,610,409
Adjustments to Government-Wide Net Position	
Recognition of the Following June 30, 2020 Balances:	
Capital Assets Revaluation	66,690,119
Unemployment compensation net position	96,640
Due to student groups	376,954
Total	67,163,713
Beginning Full Accrual Governmental Activities Net Position Per Schedule A-2 at June 30, 2020 (as restated)	\$ 80,774,122

NOTES TO FINANCIAL STATEMENTS

NOTE 20. CHANGE IN ACCOUNTING PRINCIPLE/RESTATEMENT (CONT'D)

Beginning Full Accrual Business-Type Activities Net Position Per Schedule A-2 at June 30, 2020	\$ 1,452,800
Adjustments to Business-Type Activities Net Position	
Recognition of the Following June 30, 2020 Balances:	
Capital Assets Revaluation	<u>93,346</u>
Beginning Full Accrual Business-Type Activities Net Position Per Schedule A-2 at June 30, 2020 (as restated)	<u>\$ 1,546,146</u>

NOTE 21. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes.

A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1 (d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted projects in its approved LRFP.

The activity of the capital reserve for July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$ 1,559,894
Deposit:	
Return of unspent funds after completion of Capital Projects	<u>412,014</u>
Ending Balance, June 30, 2021	<u>\$ 1,971,908</u>

NOTE 22. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the District for the accumulation of funds for the required maintenance of a facility in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c. 73 (S1701).

The District had a balance of \$250,000 in the maintenance reserve account as of June 30, 2021 and there was no activity in the maintenance reserve account during the fiscal year.

Required Supplementary Information – Part II
Schedules Related to Accounting and Reporting for Pensions
and OPEB
(GASB 68 and GASB 75)

CITY OF BAYONNE SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's Proportion of the Net Pension Liability	0.2000565%	0.2112561%	0.2250583%	0.2205595%	0.2290078%	0.2458923%	0.2538651%
District's Proportionate Share of the Net Pension Liability	\$37,456,050	\$47,422,764	\$66,655,820	\$51,342,721	\$45,090,500	\$44,306,066	\$41,398,757
District's Covered-Employee Payroll	\$15,122,699	\$15,122,699	\$15,172,232	\$15,634,992	\$16,878,549	\$17,790,316	\$19,816,002
District's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	247.68%	313.59%	439.33%	328.38%	267.15%	249.05%	208.92%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Notes to Required Supplementary Information.

CITY OF BAYONNE SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually Required Contribution	\$ 1,636,220	\$ 1,816,236	\$ 2,013,206	\$ 2,078,720	\$ 2,291,309	\$ 2,407,105	\$ 2,777,158
Contribution in Relation to Contractually Required Contribution	\$ (1,636,220)	\$ (1,816,236)	\$ (2,013,206)	\$ (2,078,720)	\$ (2,291,309)	\$ (2,407,105)	\$ (2,777,158)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 15,122,699	\$ 15,172,232	\$ 15,634,992	\$ 16,878,549	\$ 17,790,316	\$ 19,007,992	\$ 19,816,002
Contributions as a Percentage of Covered Employee Payroll	10.82%	11.97%	12.88%	12.32%	12.88%	12.66%	14.01%

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Notes to Required Supplementary Information.

CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
REQUIRED SUPPLEMENTARY INFORMATION

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State's Proportion of the Net Pension Liability (asset) associated with the District-Local Group	0.5908106%	0.5827959%	0.5625895%	0.5380858%	0.6005273%	0.5593333%	0.5997827%	0.5541447%
District's Proportionate Share of the Net Pension Liability	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability (asset) associated with the District	\$298,591,035	\$311,485,455	\$355,580,617	\$423,292,585	\$404,897,178	\$377,122,661	\$368,092,317	\$364,897,642
Total Proportionate Share of the Net Pension Liability (asset) associated with the District	<u>\$298,591,035</u>	<u>\$311,485,455</u>	<u>\$355,580,617</u>	<u>\$423,292,585</u>	<u>\$404,897,178</u>	<u>\$377,122,661</u>	<u>\$368,092,317</u>	<u>\$364,897,642</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	33.76%	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

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

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Notes to Required Supplementary Information.

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

**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
JUNE 30, 2021**

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, 2020, dated March 31, 2021. 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 2020, the discount rate changed to 7.0% and the long-term expected rate of return remained at the prior-year rate of 7.0%. Demographic assumptions were unchanged.

For 2019, the discount rate changed to 6.28% and the long-term expected rate of return remained at the prior-year rate of 7.0%. Demographic assumptions were unchanged.

TPAF

Changes in benefit terms: None

Changes in assumptions:

For 2020, the discount rate was changed to 5.40%. There were no changes to the long-term expected rate of return and no changes to demographic assumptions.

For 2019, the discount rate was changed to 5.60%. There were no changes to the long-term expected rate of return and no changes to demographic assumptions.

CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE OPEB LIABILITY ASSOCIATED WITH THE DISTRICT
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN
REQUIRED SUPPLEMENTARY INFORMATION

Last Ten Fiscal Years*

	Year Ended June 30, 2018	Year Ended June 30, 2019	Year Ended June 30, 2020	Year Ended June 30, 2021
State's Proportion of the OPEB Liability Associated with the District	0.5256019%	0.5220542%	0.5296619%	0.5341684%
District's Proportionate Share of the OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the OPEB Liability Associated with the District	\$ 281,932,045	\$ 240,723,538	\$ 221,023,057	\$ 362,219,405
District's Covered Employee Payroll	\$ 76,313,001	\$ 80,035,538	\$ 85,400,048	\$ 89,835,234
Total OPEB Liability as a Percentage of Covered Employee Payroll	369.44%	300.77%	258.81%	403.20%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

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.

See Notes to Required Supplementary Information.

CITY OF BAYONNE SCHOOL DISTRICT
COUNTY OF HUDSON, NEW JERSEY

NOTES TO REQUIRED SUPPLEMENTARY OPEB INFORMATION
JUNE 30, 2021

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 2020, the discount rate changed to 2.21% from 3.50% in 2019. For pre-Medicare PPO and HMO medical benefits, the initial trend rate changed to 5.6% from 5.7%. For prescription drug benefits, the initial trend rate changed to 7.0% from 7.5%. Demographic assumptions remained unchanged and are consistent with the assumptions used in the pension plan valuations.

For 2019, the discount rate changed to 3.50% from 3.87% in 2018. For pre-Medicare PPO and HMO medical benefits, the initial trend rate changed to 5.7% from 5.8%. For prescription drug benefits, the initial trend rate changed to 7.5% from 8.0%. Demographic assumptions remained unchanged and are consistent with the assumptions used in the pension plan valuations.

Required Supplementary Information – Part III
Budgetary Comparison Schedules

CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 69,754,376	\$ -	\$ 69,754,376	\$ 69,754,379	\$ 3
Tuition-LEAs Within State	45,000		45,000	1,642	(43,358)
Miscellaneous Restricted Income				362	362
Miscellaneous	650,000	-	650,000	507,126	(142,874)
Total - Local Sources	<u>70,449,376</u>	<u>-</u>	<u>70,449,376</u>	<u>70,263,509</u>	<u>(185,867)</u>
State Sources:					
Categorical Transportation Aid	403,763		403,763	403,763	-
Extraordinary Aid	688,925		688,925	669,553	(19,372)
Special Education Categorical Aid	6,370,555		6,370,555	6,370,555	-
Equalization Aid	62,462,488	(4,895,374)	57,567,114	57,567,114	-
Security Aid	3,438,877	-	3,438,877	3,438,877	-
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)				16,914,970	16,914,970
TPAF - Post Retirement Medical (On-Behalf - Non-Budgeted)				5,300,888	5,300,888
TPAF Non-Contributory Insurance Contribution (On-behalf-Non-Budgeted)				10,731	10,731
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				5,032,291	5,032,291
Total State Sources	<u>73,364,608</u>	<u>(4,895,374)</u>	<u>68,469,234</u>	<u>95,708,742</u>	<u>27,239,508</u>
Federal Sources:					
Medical Reimbursement	356,489		356,489	296,384	(60,105)
Total - Federal Sources	<u>356,489</u>	<u>-</u>	<u>356,489</u>	<u>296,384</u>	<u>(60,105)</u>
Total Revenues	<u>144,170,473</u>	<u>(4,895,374)</u>	<u>139,275,099</u>	<u>166,268,635</u>	<u>26,993,536</u>

CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 2,279,223	\$ -	\$ 2,279,223	\$ 2,034,099	\$ 245,124
Grades 1-5 - Salaries of Teachers	12,087,645	42,130	12,129,775	11,812,757	317,018
Grades 6-8 - Salaries of Teachers	12,357,406	48,671	12,406,077	12,168,162	237,915
Grades 9-12 - Salaries of Teachers	12,003,443	35,122	12,038,565	11,765,672	272,893
Regular Programs - Home Instruction:					
Salaries of Teachers	118,971	31,253	150,224	150,224	-
Purchased Professional-Educational Services	124,644	(45,014)	79,630	23,498	56,132
General Supplies	500		500	-	500
Regular Programs - Undistributed Instruction:					
Salaries of Teachers	55,589	(16,584)	39,005	38,850	155
Other Salaries for Instruction	1,151,000	153,758	1,304,758	1,298,464	6,294
Unused Vaca. Pay to Retired/Terminated Staff	-	88,363	88,363	88,363	-
Purchased Professional-Educational Services	4,072,130	(67,290)	4,004,840	2,335,619	1,669,221
Other Purchased Services (400-500 series)	1,189,156	-	1,189,156	1,187,984	1,172
General Supplies	887,671	(30,619)	857,052	297,540	559,512
Textbooks	1,311,012	253,835	1,564,847	1,337,829	227,018
TOTAL REGULAR PROGRAMS - INSTRUCTION	47,638,390	493,625	48,132,015	44,539,061	3,592,954
Learning and/or Language Disabilities:					
Salaries of Teachers	2,310,059	(75,798)	2,234,261	2,234,261	-
Other Salaries for Instruction	1,109,480	97,775	1,207,255	1,207,255	-
General Supplies	29,868	(24,989)	4,879	-	4,879
Total Learning and/or Language Disabilities	3,449,407	(3,012)	3,446,395	3,441,516	4,879

CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Behavioral Disabilities:					
Salaries of Teachers	\$ 480,252	\$ (16,745)	\$ 463,507	\$ 463,507	\$ -
Other Salaries for Instruction	281,500	92,605	374,105	374,105	-
General Supplies	3,000	-	3,000	-	3,000
Total Behavioral Disabilities	<u>764,752</u>	<u>75,860</u>	<u>840,612</u>	<u>837,612</u>	<u>3,000</u>
Multiple Disabilities:					
Salaries of Teachers	846,853	(122,031)	724,822	724,822	-
Other Salaries for Instruction	1,029,350	178,124	1,207,474	1,207,474	-
General Supplies	43,538	(37,400)	6,138	655	5,483
Total Multiple Disabilities	<u>1,919,741</u>	<u>18,693</u>	<u>1,938,434</u>	<u>1,932,951</u>	<u>5,483</u>
Resource Room/Resource Center:					
Salaries of Teachers	7,847,586	221,643	8,069,229	8,069,229	-
Other Salaries for Instruction	1,044,700	188,616	1,233,316	1,233,316	-
General Supplies	6,050	-	6,050	-	6,050
Total Resource Room/Resource Center	<u>8,898,336</u>	<u>410,259</u>	<u>9,308,595</u>	<u>9,302,545</u>	<u>6,050</u>
Autism:					
Salaries of Teachers	1,236,025	(120,744)	1,115,281	1,115,281	-
Other Salaries for Instruction	794,700	146,668	941,368	941,368	-
General Supplies	42,086	(34,700)	7,386	6,618	768
Total Autism	<u>2,072,811</u>	<u>(8,776)</u>	<u>2,064,035</u>	<u>2,063,267</u>	<u>768</u>

**CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Full-Time:					
Other Salaries for Instruction	\$ 93,950	\$ (5,500)	\$ 88,450	\$ 88,450	\$ -
Total Preschool Disabilities - Full-Time	93,950	(5,500)	88,450	88,450	-
TOTAL SPECIAL EDUCATION - INSTRUCTION	17,198,997	487,524	17,686,521	17,666,341	20,180
Basic Skills/Remedial - Instruction					
Salaries of Teachers	322,205	(11,767)	310,438	310,438	-
Total Basic Skills/Remedial - Instruction	322,205	(11,767)	310,438	310,438	-
Bilingual Education - Instruction					
Salaries of Teachers	2,014,981	188,579	2,203,560	2,203,560	-
Other Salaries for Instruction	353,200	89,630	442,830	442,830	-
Other Objects	5,500	(2,000)	3,500	454	3,046
Total Bilingual Education - Instruction	2,373,681	276,209	2,649,890	2,646,844	3,046
Vocational Programs - Local - Instruction					
Salaries of Teachers	171,907	100	172,007	172,007	-
General Supplies	62,300	(100)	62,200	28,316	33,884
Other Objects	2,000	266	2,266	1,483	783
Total Vocational Programs - Local - Instruction	236,207	266	236,473	201,806	34,667
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	261,300	(11,114)	250,186	241,063	9,123
Purchased Services (300-500 series)	81,100	(42,200)	38,900	36,396	2,504
Total School-Spon. Cocurricular Actvts. - Inst.	342,400	(53,314)	289,086	277,459	11,627
School-Spon. Cocurricular Athletics - Inst.					
Salaries	415,000	100,011	515,011	515,011	-
Purchased Services (300-500 series)	361,707	(22,762)	338,945	304,503	34,442
Supplies and Materials	15,550	75,261	90,811	67,581	23,230
Total School-Spon. Cocurricular Athletics - Inst.	792,257	152,510	944,767	887,095	57,672
Summer School - Instruction					
Salaries of Teachers	2,500	875	3,375	3,375	-
Total Summer School - Instruction	2,500	875	3,375	3,375	-
Summer School - Support					
Salaries	50,000	13,000	63,000	63,000	-
Total Summer School - Support	50,000	13,000	63,000	63,000	-

CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Alternative Education Program - Instruction					
Salaries of Teachers	\$ 249,805	\$ 41,583	\$ 291,388	\$ 291,388	\$ -
General Supplies	3,650	(2,606)	1,044	116	928
Total Alternative Education Program - Instruction	<u>253,455</u>	<u>38,977</u>	<u>292,432</u>	<u>291,504</u>	<u>928</u>
TOTAL INSTRUCTION AND AT-RISK PROGRAMS	<u>69,210,092</u>	<u>1,397,905</u>	<u>70,607,997</u>	<u>66,886,923</u>	<u>3,721,074</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	1,201,760	114,045	1,315,805	1,298,538	17,267
Tuition to CSSDs & Reg. Day Schools	141,309	4,375	145,684	145,684	-
Tuition to Pvt. Schools for the Disabled/Other LEA - Within State	1,010,213	264,866	1,275,079	1,223,549	51,530
Tuition - State Facilities	66,444	4,836	71,280	71,280	-
Tuition - Other	38,676	377,847	416,523	416,523	-
Total Undistributed Expenditures - Instruction:	<u>2,458,402</u>	<u>765,969</u>	<u>3,224,371</u>	<u>3,155,574</u>	<u>68,797</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	263,092	38,117	301,209	301,209	-
Supplies and Materials	1,500	-	1,500	1,181	319
Total Undistributed Expend. - Attend. & Social Work	<u>264,592</u>	<u>38,117</u>	<u>302,709</u>	<u>302,390</u>	<u>319</u>
Undist. Expend. - Health Services					
Salaries	1,538,390	(19,117)	1,519,273	1,489,067	30,206
Purchased Professional and Technical Services	33,400	-	33,400	16,327	17,073
Other Purchased Services (400-500 series)	2,500	228	2,728	228	2,500
Supplies and Materials	35,700	13,380	49,080	41,892	7,188
Total Undistributed Expenditures - Health Services	<u>1,609,990</u>	<u>(5,509)</u>	<u>1,604,481</u>	<u>1,547,514</u>	<u>56,967</u>

CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Speech/Occupational Therapy, Physical Therapy & Related Serv.					
Salaries	\$ 1,039,517	\$ (65,106)	\$ 974,411	\$ 907,431	\$ 66,980
Purchased Professional - Educational Services	1,235,620	1,022,866	2,258,486	2,172,262	86,224
Supplies and Materials	8,725	4,200	12,925	8,009	4,916
Other Objects	7,250	(7,235)	15	-	15
Total Undist. Expend. - Speech/OT, PT & Related Serv.	2,291,112	954,725	3,245,837	3,087,702	158,135
Other Support Services - Students - Extraordinary					
Salaries	128,500	(111,491)	17,009	17,009	-
Total Support Services - Students - Extraordinary	128,500	(111,491)	17,009	17,009	-
Undist. Expend. - Guidance Services					
Salaries of Other Professional Staff	2,765,319	15,626	2,780,945	2,403,544	377,401
Salaries of Secretarial and Clerical Assistants	208,082	-	208,082	162,136	45,946
Purchased Professional - Educational Services	2,500	101	2,601	480	2,121
Supplies and Materials	103,611	(17,090)	86,521	75,799	10,722
Total Undist. Expend. - Guidance Services	3,079,512	(1,363)	3,078,149	2,641,959	436,190
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	2,061,641	(37,038)	2,024,603	1,282,263	742,340
Salaries of Secretarial and Clerical Assistants	513,283	-	513,283	492,810	20,473
Purchased Professional - Educational Services	563,898	272,153	836,051	561,698	274,353
Misc. Purchased Services (400-500 series Other Than Residential)	500	(100)	400	-	400
Supplies and Materials	7,500	1,217	8,717	7,266	1,451
Other Objects	750	100	850	784	66
Total Undist. Expend. - Child Study Teams	3,147,572	236,332	3,383,904	2,344,821	1,039,083
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	1,347,091	(14,870)	1,332,221	1,272,968	59,253
Salaries of Other Professional Staff	82,000	8,904	90,904	90,904	-
Salaries of Secr and Clerical Assist.	368,748	5,966	374,714	374,714	-
Total Undist. Expend. - Improvement of Inst. Serv.	1,797,839	-	1,797,839	1,738,586	59,253
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	671,742	-	671,742	550,986	120,756
Purchased Professional and Technical Services	269,984	(40,597)	229,387	157,499	71,888
Other Purchased Services (400-500 series)	341,000	(25,327)	315,673	283,907	31,766
Supplies and Materials	7,494	20,500	27,994	5,591	22,403
Other Objects	71,000	(65,725)	5,275	876	4,399
Total Undist. Expend. - Edu. Media Serv./Sch. Library	1,361,220	(111,149)	1,250,071	998,859	251,212

**CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Service	\$ 8,750	\$ 1,250	\$ 10,000	\$ 5,795	\$ 4,205
Other Purchased Services (400-500 series)	18,500	(996)	17,504	5,578	11,926
Other Objects	1,750	-	1,750	1,500	250
Total Undist. Expend. - Instructional Staff Training Serv.	<u>29,000</u>	<u>254</u>	<u>29,254</u>	<u>12,873</u>	<u>16,381</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	649,089	(61,000)	588,089	474,698	113,391
Unused Vacation Pay to Terminated/Retired Staff	100,000	-	100,000	13,352	86,648
Legal Services	425,000	52,606	477,606	353,346	124,260
Audit Fees	77,550	-	77,550	72,596	4,954
Other Purchased Professional Services	410,000	(342,345)	67,655	23,664	43,991
Communications/Telephone	700,000	364,044	1,064,044	1,059,848	4,196
BOE Other Purchased Services	7,775	-	7,775	-	7,775
Miscellaneous Purchased Services (400-500 series other than 530/585)	1,267,636	76,000	1,343,636	1,313,622	30,014
General Supplies	47,500	(1,006)	46,494	31,967	14,527
BOE Membership Dues and Fees	40,000	6	40,006	40,006	-
Total Undist. Expend. - Supp. Serv. - General Admin.	<u>3,724,550</u>	<u>88,305</u>	<u>3,812,855</u>	<u>3,383,099</u>	<u>429,756</u>
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals/Program Directors	4,230,168	(293,600)	3,936,568	3,435,487	501,081
Salaries of Secretarial and Clerical Assistants	1,436,135	16,300	1,452,435	1,451,796	639
Supplies and Materials	127,960	136,627	264,587	227,661	36,926
Total Undist. Expend. - Support Serv. - School Admin.	<u>5,794,263</u>	<u>(140,673)</u>	<u>5,653,590</u>	<u>5,114,944</u>	<u>538,646</u>
Undistributed Expenditures - Central Services					
Salaries	1,690,550	36,387	1,726,937	1,625,087	101,850
Misc. Purch. Services (400-500 Series)	454,807	(12,261)	442,546	345,296	97,250
Supplies and Materials	1,500	1,100	2,600	996	1,604
Total Undistributed Expenditures - Central Services	<u>2,146,857</u>	<u>25,226</u>	<u>2,172,083</u>	<u>1,971,379</u>	<u>200,704</u>

**CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	\$ -	\$ 57,653	\$ 57,653	\$ 57,653	\$ -
Other Purchased Services (400-500 series)	-	127,127	127,127	111,808	15,319
Supplies and Materials	-	706,735	706,735	652,290	54,445
Total Undistributed Expenditures - Admin. Info. Tech.	-	891,515	891,515	821,751	69,764
Undist. Expend. -Required Maintenance for School Facilities					
Salaries	4,285,666	94,828	4,380,494	4,042,401	338,093
General Supplies	314,550	(140,933)	173,617	150,901	22,716
Total Undist. Expend. -Required Maintenance for School Facilities	4,600,216	(46,105)	4,554,111	4,193,302	360,809
Undist. Expend. - Custodial Services					
Salaries	3,190,439	(41,317)	3,149,122	2,996,165	152,957
Cleaning, Repair and Maintenance Services	1,909,945	2,149,747	4,059,692	3,718,720	340,972
Other Purchased Property Services	317,049	5,178	322,227	312,403	9,824
Insurance	355,950	-	355,950	355,950	-
General Supplies	130,500	215,445	345,945	285,206	60,739
Energy - Natural Gas	340,000	-	340,000	253,053	86,947
Energy - Electricity	1,629,726	(39,999)	1,589,727	1,516,887	72,840
Total Undist. Expend. - Custodial Services	7,873,609	2,289,054	10,162,663	9,438,384	724,279
Undistributed Expenditures - Security					
Salaries	876,778	(93,620)	783,158	608,744	174,414
General Supplies	49,910	17,523	67,433	47,144	20,289
Total Undistributed Expenditures - Security	926,688	(76,097)	850,591	655,888	194,703
Total Undist. Expend. - Oper. & Maint. Of Plant	13,400,513	2,166,852	15,567,365	14,287,574	1,279,791
Undist. Expend. - Student Transportation Serv.					
Salaries of Non-instructional Aides	480,240	-	480,240	435,522	44,718
Sal. For Pup.Trans. (Bet. Home and School) - Special	989,347	(55,000)	934,347	861,678	72,669
Sal. For Pup. Trans. (Other than Bet. Home and School)	64,600	(20,000)	44,600	9,378	35,222
Lease Purchase Payments - School Buses	120,107	(16,500)	103,607	72,998	30,609
Contr Serv (Spl. Ed. Students) - Vendors	1,586,953	555,521	2,142,474	1,714,670	427,804
Misc. Purchased Serv. - Transportation	134,220	20,577	154,797	78,374	76,423
Other Objects	5,000	-	5,000	-	5,000
Total Undist. Expend. - Student Transportation Serv.	3,380,467	484,598	3,865,065	3,172,620	692,445

**CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 1,994,316	\$ 686,676	\$ 2,680,992	\$ 2,680,992	\$ -
Other Retirement Contributions - PERS	2,527,461	249,697	2,777,158	2,777,158	-
Unemployment Compensation	20,000	-	20,000	-	20,000
Workmen's Compensation	1,016,203	150,000	1,166,203	1,166,203	-
Health Benefits	19,291,458	(2,536,265)	16,755,193	16,724,951	30,242
Tuition Reimbursement	50,000	38,603	88,603	53,444	35,159
Other Employee Benefits	60,000	16,000	76,000	33,954	42,046
TOTAL UNALLOCATED BENEFITS	<u>24,959,438</u>	<u>(1,395,289)</u>	<u>23,564,149</u>	<u>23,436,702</u>	<u>127,447</u>
On-behalf TPAF Pension Contributions (non-budgeted)				16,914,970	(16,914,970)
On-behalf TPAF Post Retire. Medical Contrib.(non-budgeted)				5,300,888	(5,300,888)
On-behalf TPAF Non-contributory Ins. Contrib. (non-budgeted)				10,731	(10,731)
Reimbursed TPAF Social Security Contributions (non-budgeted)				5,032,291	(5,032,291)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,258,880</u>	<u>(27,258,880)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>24,959,438</u>	<u>(1,395,289)</u>	<u>23,564,149</u>	<u>50,695,582</u>	<u>(27,131,433)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>69,573,827</u>	<u>3,886,419</u>	<u>73,460,246</u>	<u>95,294,236</u>	<u>(21,833,990)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>138,783,919</u>	<u>5,284,324</u>	<u>144,068,243</u>	<u>162,181,159</u>	<u>(18,112,916)</u>
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	-	58,200	58,200	43,600	14,600
Construction Services	6,931,068	(4,957,914)	1,973,154	1,933,205	39,949
Assessment for Debt Service on SDA Funding	269,280	-	269,280	269,280	-
Total Facilities Acquisition and Construction Services	<u>7,200,348</u>	<u>(4,899,714)</u>	<u>2,300,634</u>	<u>2,246,085</u>	<u>54,549</u>
TOTAL CAPITAL OUTLAY	<u>7,200,348</u>	<u>(4,899,714)</u>	<u>2,300,634</u>	<u>2,246,085</u>	<u>54,549</u>

CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TRANSFER OF FUNDS TO CHARTER SCHOOLS					
Transfer of Funds to Charter Schools	\$ 760,274	\$ 226,719	\$ 986,993	\$ 848,441	\$ 138,552
TOTAL TRANSFER OF FUNDS TO CHARTER SCHOOLS	<u>760,274</u>	<u>226,719</u>	<u>986,993</u>	<u>848,441</u>	<u>138,552</u>
TOTAL EXPENDITURES	<u>146,744,541</u>	<u>611,329</u>	<u>147,355,870</u>	<u>165,275,685</u>	<u>(17,919,815)</u>
Other Financing Sources/(Uses):					
Transfer from Capital Projects Fund	-	-	-	412,014	412,014
TOTAL OTHER FINANCING SOURCES/(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>412,014</u>	<u>412,014</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(2,574,068)</u>	<u>(5,506,703)</u>	<u>(8,080,771)</u>	<u>1,404,964</u>	<u>9,485,735</u>
Net Change in Fund Balance	<u>(2,574,068)</u>	<u>(5,506,703)</u>	<u>(8,080,771)</u>	<u>1,404,964</u>	<u>9,485,735</u>
Fund Balance - July 1, Restated	<u>13,354,645</u>		<u>13,354,645</u>	<u>13,354,645</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 10,780,577</u>	<u>\$ (5,506,703)</u>	<u>\$ 5,273,874</u>	<u>\$ 14,759,609</u>	<u>\$ 9,485,735</u>
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)					
Budgeted fund balance	\$ (2,574,068)	\$ -	\$ (2,574,068)	\$ 9,194,324	\$ 11,768,392
Budgeted withdrawal from unassigned		(2,612,717)	(2,612,717)	(4,895,374)	(2,282,657)
Adjustment for prior year encumbrances		(3,699,369)	(3,699,369)	(3,699,369)	-
Cancellation of prior year encumbrances		805,383	805,383	805,383	-
Total	<u>\$ (2,574,068)</u>	<u>\$ (5,506,703)</u>	<u>\$ (8,080,771)</u>	<u>\$ 1,404,964</u>	<u>\$ 9,485,735</u>
Recapitulation of Fund Balance:					
Assigned to:					
Year-End Encumbrances				\$ 423,907	
Designated for subsequent years expenditures - FFCRA/SEMI				27,702	
Restricted for:					
Capital Reserve				1,971,908	
Maintenance Reserve				250,000	
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures				2,540,477	
Reserve for Excess Surplus				3,927,942	
Unemployment Compensation				97,001	
Unassigned: Unrestricted Fund Balance				<u>5,520,672</u>	
				14,759,609	
Reconciliation to Governmental Funds Statements (GAAP):					
State Aid Payments not recognized on GAAP basis				(7,870,150)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 6,889,459</u>	

**CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Local Sources					
Revenues from Local Sources	\$ -	\$ 225,738	\$ 225,738	\$ 67,773	\$ (157,965)
Total Local Revenues	-	225,738	225,738	67,773	(157,965)
State Sources					
Preschool Education Aid	12,477,968	(788,766)	11,689,202	10,117,791	(1,571,411)
School Based Youth Services	-	273,216	273,216	271,916	(1,300)
Municipal Alliance Program	-	14,940	14,940	14,299	(641)
Nonpublic Textbooks	-	27,307	27,307	26,695	(612)
Nonpublic Auxiliary Services	-	71,569	71,569	71,569	-
Nonpublic Handicapped Services	-	48,266	48,266	47,901	(365)
Nonpublic Security Aid	-	81,550	81,550	59,137	(22,413)
Nonpublic Nursing Services	-	47,532	47,532	47,532	-
Total State Revenues	12,477,968	(224,386)	12,253,582	10,656,840	(1,596,742)
Federal Sources					
Title I	2,592,370	598,545	3,190,915	3,122,445	(68,470)
Title I - Reallocated	-	192,878	192,878	192,167	(711)
Title I SIA	-	65,015	65,015	64,977	(38)
Title II, Part A	343,060	370,808	713,868	686,154	(27,714)
Title III	109,018	(1,156)	107,862	106,004	(1,858)
Title III Immigrant	-	48,430	48,430	48,430	-
Title IV	134,963	97,170	232,133	215,143	(16,990)
IDEA Part B	1,898,701	931,593	2,830,294	2,668,186	(162,108)
IDEA Preschool	-	61,560	61,560	61,560	-
COVID CARES Emergency Relief	-	771,213	771,213	454,140	(317,073)
CRF Coronavirus Relief Fund	-	883,887	883,887	882,843	(1,044)
CRF ESSER II	-	10,379,884	10,379,884	4,856,752	(5,523,132)
Nonpublic Digital Divide	-	19,445	19,445	19,331	(114)
Total Federal Revenues	5,078,112	14,419,272	19,497,384	13,378,132	(6,119,252)
Total Revenues	17,556,080	14,420,624	31,976,704	24,102,745	(7,873,959)

CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
(BUDGETARY BASIS)
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
EXPENDITURES:					
Instruction					
Salaries of Teachers	\$ 5,274,717	\$ 1,619,722	\$ 6,894,439	\$ 5,145,033	\$ 1,749,406
Other Salaries for Instruction	900,000	165,140	1,065,140	1,001,369	63,771
Purchased Professional and Technical Services	250,000	(33,116)	216,884	206,126	10,758
Other Purchased Services (Incl. Tuition)	2,100,284	108,574	2,208,858	2,153,169	55,689
General Supplies	608,981	3,730,777	4,339,758	1,445,971	2,893,787
Textbooks	-	27,307	27,307	26,695	612
Total Instruction	<u>9,133,982</u>	<u>5,618,404</u>	<u>14,752,386</u>	<u>9,978,363</u>	<u>4,774,023</u>
Support Services					
Salaries of Supervisor of Instruction	529,252	579,548	1,108,800	1,108,800	-
Salaries of Program Directors	438,395	(247,112)	191,283	93,860	97,423
Salaries of Other Professional Staff	96,357	434,191	530,548	51,098	479,450
Salaries of Secretaries & Clerical Assistants	134,133	39,816	173,949	137,665	36,284
Other Salaries	262,459	246,790	509,249	405,558	103,691
Salaries of Program Directors	-	99,229	99,229	-	99,229
Salaries of Community Parent Involvement Spec.	56,769	113,278	170,047	170,047	-
Salaries of Master Teachers	591,081	(468,581)	122,500	122,500	-
Personal Services - Employee Benefits	992,369	1,176,310	2,168,679	2,027,101	141,578
Purchased Professional - Educational Services	3,461,892	657,212	4,119,104	3,952,950	166,154
Other Purchased Professional Services	92,879	(45,347)	47,532	47,532	-
Cleaning, Repair and Maintenance Services	282,000	(282,000)	-	-	-
Purchased Professional and Technical Services	45,202	403,231	448,433	-	448,433
Rentals	-	10,000	10,000	10,000	-
Contr. Serv.-Trans. (Bet. Home & Sch.)	75,000	(75,000)	-	-	-
Contr. Serv.-Trans. (Other than Bet. Home & Sch.)	50,000	(1,734)	48,266	47,901	365
Purchased Property Services	-	22,750	22,750	5,600	17,150
Travel	50,000	(50,000)	-	-	-
Other Purchased Services (400-500 series)	95,000	117,498	212,498	74,573	137,925
Supplies & Materials	147,310	3,469,129	3,616,439	2,452,464	1,163,975
Other Objects	162,000	(136,944)	25,056	6,884	18,172
Student Activities	-	92,125	92,125	92,125	-
Total Support Services	<u>7,562,098</u>	<u>6,154,389</u>	<u>13,716,487</u>	<u>10,806,658</u>	<u>2,909,829</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	360,000	(180,698)	179,302	19,296	160,006
Noninstructional Equipment	500,000	2,828,529	3,328,529	3,328,529	-
Total Facilities Acquisition and Construction Services	<u>860,000</u>	<u>2,647,831</u>	<u>3,507,831</u>	<u>3,347,825</u>	<u>160,006</u>
Total Expenditures	<u>17,556,080</u>	<u>14,420,624</u>	<u>31,976,704</u>	<u>24,132,846</u>	<u>7,843,858</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(30,101)</u>	<u>\$ (30,101)</u>
Fund Balance, July 1 - Restated				<u>376,954</u>	
Fund Balance, June 30				<u>\$ 346,853</u>	
Recapitulation:					
Restricted:					
Student Activities				<u>\$ 346,853</u>	
Total Fund Balance				<u>\$ 346,853</u>	

**CITY OF BAYONNE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE YEAR ENDED JUNE 30, 2021**

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	\$ 166,268,635	(C-2)	\$ 24,102,745
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).				(61,509)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.				
Prior year		7,150,689		
Current year		<u>(7,870,150)</u>		
Total revenues as reported on the statement of revenues, expenditures and change in fund balances - governmental funds	(B-2)	<u>\$ 165,549,174</u>	(B-2)	<u>\$ 24,041,236</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	\$ 165,275,685	(C-2)	\$ 24,132,846
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 (Net).				(61,509)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	(B-2)	<u>\$ 165,275,685</u>	(B-2)	<u>\$ 24,071,337</u>

Supplementary Information

Special Revenue Fund

**CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	TOTAL BROUGHT FORWARD (Ex. E-1a)	TOTAL BROUGHT FORWARD (PAGE 2)	TITLE I	TITLE I - REALLOCATED	TITLE I SIA	TITLE II PART A	TOTALS
REVENUES:							
State Sources	\$ 10,656,840	\$ -	\$ 3,122,445	\$ 192,167	\$ 64,977	\$ 686,154	\$ 10,656,840
Federal Sources	-	9,312,389	3,122,445	192,167	64,977	686,154	13,378,132
Local Sources	67,773	-	-	-	-	-	67,773
Total Revenues	10,724,613	9,312,389	3,122,445	192,167	64,977	686,154	24,102,745
EXPENDITURES:							
Instruction:							
Salaries of Teachers	3,010,929	228,909	1,862,067	-	-	43,128	5,145,033
Other Salaries for Instruc.	1,001,369	-	-	-	-	-	1,001,369
Purch. Prof. & Tech. Services	71,569	124,529	-	-	-	-	196,098
Purch. Prof. - Educ. Services	-	-	10,028	-	-	-	10,028
Other Purchased Services (Incl. Tuition)	-	2,153,169	-	-	-	-	2,153,169
General Supplies	111,705	910,578	187,253	172,871	63,564	-	1,445,971
Textbooks	26,695	-	-	-	-	-	26,695
Total Instruction	4,222,267	3,417,185	2,059,348	172,871	63,564	43,128	9,978,363
Support Services:							
Salaries of Supervisors of Instruction	471,519	277,549	92,014	-	1,188	266,530	1,108,800
Salaries of Program Directors	93,860	-	-	-	-	-	93,860
Salaries of Community Parent Involvement Spec.	170,047	-	-	-	-	-	170,047
Salaries of Other Prof. Staff	51,098	-	-	-	-	-	51,098
Salaries of Sec. & Clerical Asst.	54,193	-	83,472	-	-	-	137,665
Other Salaries	405,558	-	-	-	-	-	405,558
Salaries of Master Teachers	122,500	-	-	-	-	-	122,500
Personal Services - Empl. Benefits	992,369	103,797	800,479	-	225	130,231	2,027,101
Purch. Prof. - Educ. Services	3,579,159	222,852	-	-	-	150,939	3,952,950
Other Purch. Prof. Services	47,532	-	-	-	-	-	47,532
Contracted Services - Trans. (Other Than Between Home and School)	47,901	-	-	-	-	-	47,901
Purchased Property Services	5,600	-	-	-	-	-	5,600
Rentals	10,000	-	-	-	-	-	10,000
Supplies and Materials	388,986	1,946,072	87,132	-	-	30,274	2,452,464
Other Purchased Services	-	14,347	-	-	-	60,226	74,573
Other Objects	-	2,058	-	-	-	4,826	6,884
Student Activities	92,125	-	-	-	-	-	92,125
Total Support Services	6,532,447	2,566,675	1,063,097	-	1,413	643,026	10,806,658
Facilities Acquis. & Const. Serv.:							
Noninstructional Equipment	-	3,328,529	-	-	-	-	3,328,529
Instructional Equipment	-	-	-	19,296	-	-	19,296
Total Facil. Acquis. & Const. Serv.	-	3,328,529	-	19,296	-	-	3,347,825
Total Expenditures	10,754,714	9,312,389	3,122,445	192,167	64,977	686,154	24,132,846
Excess/(Deficiency) of Revenues Over/(under) Expenditures	(30,101)	-	-	-	-	-	(30,101)
Net change in fund balance	(30,101)	-	-	-	-	-	(30,101)
Fund Balance, July 1 - Restated	376,954	-	-	-	-	-	376,954
Fund Balance, June 30	\$ 346,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 346,853

**CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

						CARES ACT		CORONAVIRUS RELIEF FUNDS (CRF)		TOTAL CARRIED FORWARD
	TITLE III	TITLE III IMMIGRANT	TITLE IV	IDEA PART B	IDEA PRESCHOOL	STABILIZATION FUND	CRRSA ESSER II	BRIDGING THE DIGITAL DIVIDE	SCHOOL REOPENING & REMOTE LEARNING	
	TITLE III	TITLE III IMMIGRANT	TITLE IV	IDEA PART B	IDEA PRESCHOOL	STABILIZATION FUND	CRRSA ESSER II	BRIDGING THE DIGITAL DIVIDE	SCHOOL REOPENING & REMOTE LEARNING	
REVENUES:										
State Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	106,004	48,430	215,143	2,668,186	61,560	454,140	4,856,752	19,331	882,843	9,312,389
Local Sources	-	-	-	-	-	-	-	-	-	-
Total Revenues	106,004	48,430	215,143	2,668,186	61,560	454,140	4,856,752	19,331	882,843	9,312,389
EXPENDITURES:										
Instruction:										
Salaries of Teachers	1,480	-	-	191,429	-	36,000	-	-	-	228,909
Other Salaries for Instruc.	-	-	-	-	-	-	-	-	-	-
Purch. Prof. & Tech. Services	177	-	-	-	-	124,352	-	-	-	124,529
Purch. Prof. - Educ. Services	-	-	-	-	-	-	-	-	-	-
Other Purchased Services (Incl. Tuition)	-	-	-	1,723,001	61,560	-	-	-	368,608	2,153,169
General Supplies	91,119	48,430	112,036	125,427	-	-	-	19,331	514,235	910,578
Textbooks	-	-	-	-	-	-	-	-	-	-
Total Instruction	92,776	48,430	112,036	2,039,857	61,560	160,352	-	19,331	882,843	3,417,185
Support Services:										
Salaries of Supervisors of Instruction	1,200	-	19,954	241,914	-	14,481	-	-	-	277,549
Salaries of Program Directors	-	-	-	-	-	-	-	-	-	-
Salaries of Community Parent Involvement Spec.	-	-	-	-	-	-	-	-	-	-
Salaries of Other Prof. Staff	-	-	-	-	-	-	-	-	-	-
Salaries of Sec. & Clerical Asst.	-	-	-	-	-	-	-	-	-	-
Other Salaries	-	-	-	-	-	-	-	-	-	-
Salaries of Master Teachers	-	-	-	-	-	-	-	-	-	-
Personal Services - Empl. Benefits	360	-	1,622	96,766	-	5,049	-	-	-	103,797
Purch. Prof. - Educ. Services	4,668	-	-	218,184	-	-	-	-	-	222,852
Other Purch. Prof. Services	-	-	-	-	-	-	-	-	-	-
Contracted Services - Trans. (Other Than Between Home and School)	-	-	-	-	-	-	-	-	-	-
Purchased Property Services	-	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-	-
Supplies and Materials	7,000	-	67,184	69,407	-	274,258	1,528,223	-	-	1,946,072
Other Purchased Services	-	-	14,347	-	-	-	-	-	-	14,347
Other Objects	-	-	-	2,058	-	-	-	-	-	2,058
Student Activities	-	-	-	-	-	-	-	-	-	-
Total Support Services	13,228	-	103,107	628,329	-	293,788	1,528,223	-	-	2,566,675
Facilities Acquis. & Const. Serv.:										
Noninstructional Equipment	-	-	-	-	-	-	3,328,529	-	-	3,328,529
Instructional Equipment	-	-	-	-	-	-	-	-	-	-
Total Facil. Acquis. & Const. Serv.	-	-	-	-	-	-	3,328,529	-	-	3,328,529
Total Expenditures	106,004	48,430	215,143	2,668,186	61,560	454,140	4,856,752	19,331	882,843	9,312,389
Excess/(Deficiency) of Revenues Over/(under Expenditures	-	-	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1 - Restated	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	TOTAL BROUGHT FORWARD (Ex. E-1b)	PRESCHOOL EDUCATION AID (Ex. E-2)	N.J. NONPUBLIC NURSING SERVICES	N.J. NONPUBLIC TEXTBOOK AID	N.J. NONPUBLIC SECURITY AID	TOTAL CARRIED FORWARD
REVENUES:						
State Sources	\$ 405,685	\$ 10,117,791	\$ 47,532	\$ 26,695	\$ 59,137	\$ 10,656,840
Federal Sources	-	-	-	-	-	-
Local Sources	<u>67,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,773</u>
Total Revenues	<u>473,458</u>	<u>10,117,791</u>	<u>47,532</u>	<u>26,695</u>	<u>59,137</u>	<u>10,724,613</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	246,505	2,764,424	-	-	-	3,010,929
Other Salaries for Instruc.	-	1,001,369	-	-	-	1,001,369
Purch. Prof. & Tech. Services	71,569	-	-	-	-	71,569
Purch. Prof. - Educ. Services	-	-	-	-	-	-
Other Purchased Services (Incl. Tuition)	-	-	-	-	-	-
General Supplies	-	111,705	-	-	-	111,705
Textbooks	-	-	-	26,695	-	26,695
Total Instruction	<u>318,074</u>	<u>3,877,498</u>	<u>-</u>	<u>26,695</u>	<u>-</u>	<u>4,222,267</u>
Support Services:						
Salaries of Supervisors of Instruction	1,600	469,919	-	-	-	471,519
Salaries of Program Directors	-	93,860	-	-	-	93,860
Salaries of Community Parent Involvement Spec.	-	170,047	-	-	-	170,047
Salaries of Other Prof. Staff	-	51,098	-	-	-	51,098
Salaries of Sec. & Clerical Asst.	-	54,193	-	-	-	54,193
Other Salaries	-	405,558	-	-	-	405,558
Salaries of Master Teachers	-	122,500	-	-	-	122,500
Personal Services - Empl. Benefits	-	992,369	-	-	-	992,369
Purch. Prof. - Educ. Services	12,699	3,566,460	-	-	-	3,579,159
Other Purch. Prof. Services	-	-	47,532	-	-	47,532
Contracted Services - Trans. (Other Than Between Home and School)	47,901	-	-	-	-	47,901
Purchased Property Services	-	-	-	-	5,600	5,600
Rentals	10,000	-	-	-	-	10,000
Supplies and Materials	21,160	314,289	-	-	53,537	388,986
Other Purchased Services	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-
Student Activities	92,125	-	-	-	-	92,125
Total Support Services	<u>185,485</u>	<u>6,240,293</u>	<u>47,532</u>	<u>-</u>	<u>59,137</u>	<u>6,532,447</u>
Facilities Acquis. & Const. Serv.:						
Noninstructional Equipment	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-
Total Facil. Acquis. & Const. Serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>503,559</u>	<u>10,117,791</u>	<u>47,532</u>	<u>26,695</u>	<u>59,137</u>	<u>10,754,714</u>
Excess/(Deficiency) of Revenues Over/(under Expenditures	<u>(30,101)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,101)</u>
Net change in fund balance	<u>(30,101)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,101)</u>
Fund Balance, July 1 - Restated	<u>376,954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>376,954</u>
Fund Balance, June 30	<u>\$ 346,853</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 346,853</u>

**CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	NJ NONPUBLIC SERVICES							TOTAL CARRIED FORWARD
	TOTAL BROUGHT FORWARD (Ex. E-1c)	AUXILIARY CH. 192			HANDICAPPED SERVICES CH. 193			
		TRANSPORT- ATION	COMP. EDUCATION	ESL	SUPPL. INSTR.	EXAM. & CLASS.	CORRECTIVE SPEECH	
REVENUES:								
State Sources	\$ 286,215	\$ 14,943	\$ 55,738	\$ 888	\$ 16,190	\$ 23,599	\$ 8,112	\$ 405,685
Federal Sources	-	-	-	-	-	-	-	-
Local Sources	67,773	-	-	-	-	-	-	67,773
Total Revenues	353,988	14,943	55,738	888	16,190	23,599	8,112	473,458
EXPENDITURES:								
Instruction:								
Salaries of Teachers	246,505	-	-	-	-	-	-	246,505
Other Salaries for Instruc.	-	-	-	-	-	-	-	-
Purch. Prof. & Tech. Services	-	14,943	55,738	888	-	-	-	71,569
Purch. Prof. - Educ. Services	-	-	-	-	-	-	-	-
Other Purchased Services (Incl. Tuition)	-	-	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-	-	-
Total Instruction	246,505	14,943	55,738	888	-	-	-	318,074
Support Services:								
Salaries of Supervisors of Instruction	1,600	-	-	-	-	-	-	1,600
Salaries of Program Directors	-	-	-	-	-	-	-	-
Salaries of Community Parent Involvement Spec.	-	-	-	-	-	-	-	-
Salaries of Other Prof. Staff	-	-	-	-	-	-	-	-
Salaries of Sec. & Clerical Asst.	-	-	-	-	-	-	-	-
Other Salaries	-	-	-	-	-	-	-	-
Salaries of Master Teachers	-	-	-	-	-	-	-	-
Personal Services - Empl. Benefits	-	-	-	-	-	-	-	-
Purch. Prof. - Educ. Services	12,699	-	-	-	-	-	-	12,699
Other Purch. Prof. Services	-	-	-	-	-	-	-	-
Contracted Services - Trans. (Other Than Between Home and School)	-	-	-	-	16,190	23,599	8,112	47,901
Purchased Property Services	-	-	-	-	-	-	-	-
Rentals	10,000	-	-	-	-	-	-	10,000
Supplies and Materials	21,160	-	-	-	-	-	-	21,160
Other Purchased Services	-	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-	-
Student Activities	92,125	-	-	-	-	-	-	92,125
Total Support Services	137,584	-	-	-	16,190	23,599	8,112	185,485
Facilities Acquis. & Const. Serv.:								
Noninstructional Equipment	-	-	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-	-	-
Total Facil. Acquis. & Const. Serv.	-	-	-	-	-	-	-	-
Total Expenditures	384,089	14,943	55,738	888	16,190	23,599	8,112	503,559
Excess/(Deficiency) of Revenues Over/(under Expenditures	(30,101)	-	-	-	-	-	-	(30,101)
Net change in fund balance	(30,101)	-	-	-	-	-	-	(30,101)
Fund Balance, July 1 - Restated	376,954	-	-	-	-	-	-	376,954
Fund Balance, June 30	\$ 346,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 346,853

**CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	LOCAL PROGRAMS	SCHOOL BASED YOUTH SERVICES	MUNICIPAL ALLIANCE PROGRAM	STUDENT ACTIVITIES	TOTAL CARRIED FORWARD
REVENUES:					
State Sources	\$ -	\$ 271,916	\$ 14,299	\$ -	\$ 286,215
Federal Sources	-	-	-	-	-
Local Sources	5,749	-	-	62,024	67,773
Total Revenues	5,749	271,916	14,299	62,024	353,988
EXPENDITURES:					
Instruction:					
Salaries of Teachers	-	246,505	-	-	246,505
Other Salaries for Instruc.	-	-	-	-	-
Purch. Prof. & Tech. Services	-	-	-	-	-
Purch. Prof. - Educ. Services	-	-	-	-	-
Other Purchased Services (Incl. Tuition)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Total Instruction	-	246,505	-	-	246,505
Support Services:					
Salaries of Supervisors of Instruction	-	-	1,600	-	1,600
Salaries of Program Directors	-	-	-	-	-
Salaries of Community Parent Involvement Spec.	-	-	-	-	-
Salaries of Other Prof. Staff	-	-	-	-	-
Salaries of Sec. & Clerical Asst.	-	-	-	-	-
Other Salaries	-	-	-	-	-
Salaries of Master Teachers	-	-	-	-	-
Personal Services - Empl. Benefits	-	-	-	-	-
Purch. Prof. - Educ. Services	-	-	12,699	-	12,699
Other Purch. Prof. Services	-	-	-	-	-
Contracted Services - Trans. (Other Than Between Home and School)	-	-	-	-	-
Purchased Property Services	-	-	-	-	-
Rentals	-	10,000	-	-	10,000
Supplies and Materials	5,749	15,411	-	-	21,160
Other Purchased Services	-	-	-	-	-
Other Objects	-	-	-	-	-
Student Activities	-	-	-	92,125	92,125
Total Support Services	5,749	25,411	14,299	92,125	137,584
Facilities Acquis. & Const. Serv.:					
Noninstructional Equipment	-	-	-	-	-
Instructional Equipment	-	-	-	-	-
Total Facil. Acquis. & Const. Serv.	-	-	-	-	-
Total Expenditures	5,749	271,916	14,299	92,125	384,089
Excess/(Deficiency) of Revenues Over/(under Expenditures)	-	-	-	(30,101)	(30,101)
Net change in fund balance	-	-	-	(30,101)	(30,101)
Fund Balance, July 1 - Restated	-	-	-	376,954	376,954
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 346,853	\$ 346,853

**CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 2,827,980	\$ 2,764,424	\$ 63,556
Other Salaries for Instr.	1,065,140	1,001,369	63,771
Supplies and Materials	<u>119,849</u>	<u>111,705</u>	<u>8,144</u>
Total Instruction	<u>4,012,969</u>	<u>3,877,498</u>	<u>135,471</u>
Support Services:			
Salaries of Supervisors of Instruction	568,921	469,919	99,002
Salaries of Program Directors	93,860	93,860	-
Salaries of Community Parent Involvement Spec.	170,047	170,047	-
Salaries of Other Professional Staff	96,357	51,098	45,259
Salaries of Secr. And Clerical Asst.	90,477	54,193	36,284
Other Salaries	758,400	405,558	352,842
Salaries of Master Teachers	130,140	122,500	7,640
Personal Serv.-Employee Benefits	992,369	992,369	-
Purch. Prof. - Educ. Services	4,106,405	3,566,460	539,945
Supplies and Materials	<u>669,257</u>	<u>314,289</u>	<u>354,968</u>
Total Support Services	<u>7,676,233</u>	<u>6,240,293</u>	<u>1,435,940</u>
Total Expenditures	<u>\$ 11,689,202</u>	<u>\$ 10,117,791</u>	<u>\$ 1,571,411</u>

CALCULATION OF BUDGET AND CARRYOVER:

Total revised 2020-21 Preschool Education Aid Allocation	\$ 11,689,202
Add: Actual Carryover (June 30, 2020)	<u>788,766</u>
Total Preschool Education Aid Available for 2020-21 Budget	12,477,968
Less: 2020-21 Budgeted Preschool Education Aid	<u>(11,689,202)</u>
Available and Unbudgeted PEA Funds at June 30, 2021	788,766
Add: June 30, 2021 Unexpended PEA	<u>1,571,411</u>
2020-21 Carryover - Preschool Aid Programs	<u>\$ 2,360,177</u>
2020-21 PEA Carryover Budgeted for 2021-22 Preschool Programs	<u>\$ 788,766</u>

Capital Projects Fund

**CITY OF BAYONNE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2021**

ISSUE/PROJECT TITLE	ORIGINAL DATE	ORIGINAL APPROPRIATIONS	PRIOR YEARS ADJUSTMENTS/ TRANSFERS	CURRENT YEAR ADJUSTMENTS/ TRANSFERS	REVISED APPROPRIATIONS	EXPENDITURES TO DATE			UNEXPENDED BALANCE
						PRIOR YEARS	CURRENT YEAR	TOTAL	
14-1001 Renovations at Bayonne High School	05/01/10	\$ 6,341,960	\$	\$	\$ 6,341,960	\$ 4,201,171	\$ 761,239	\$ 4,962,410	\$ 1,379,550
14-1002 Renovations at Walter F. Robinson School	05/15/10	827,375		(333,909)	493,466	493,466	-	493,466	-
14-1005 Renovations at Horace Mann School	05/15/10	1,100,793	(63,793)	(33,200)	1,003,800	1,003,800	-	1,003,800	-
14-1006 Renovations at Lincoln School	2013-14	1,367,500	(220,647)	(206,368)	940,485	940,485	-	940,485	-
14-1008 Renovations at Midtown Community School	2013-14	1,275,369		(189,604)	1,085,765	1,085,765	-	1,085,765	-
14-1010 Renovations at Washington School	2013-14	1,077,500	313,827	(22,000)	1,369,327	1,369,327	-	1,369,327	-
14-1011 Renovations at Woodrow Wilson School	2013-14	495,250		(214,905)	280,345	280,345	-	280,345	-
N/A School Security Upgrades	07/01/20	470,826			470,826	-	470,826	470,826	-
		\$ 12,956,573	\$ 29,387	\$ (999,986)	\$ 11,985,974	\$ 9,374,359	\$ 1,232,065	\$ 10,606,424	\$ 1,379,550

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

Unexpended Project balances (from above):	\$ 1,379,550
Less: Unearned/Unrecognized State Aid Revenues:	
14-1001 Renovations at Bayonne High School	(1,363,219)
Fund Balance-Exhibit F-2	<u>\$ 16,331</u>

CITY OF BAYONNE SCHOOL DISTRICT
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, 2021

	<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	4,201,171	761,239	4,962,410	6,341,960
Total Expenditures	<u>4,201,171</u>	<u>761,239</u>	<u>4,962,410</u>	<u>6,341,960</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 2,140,789</u>	<u>\$ (761,239)</u>	<u>\$ 1,379,550</u>	<u>\$ -</u>
<u>Additional Project information:</u>				
Project Number	0220-020-14-1001			
Grant Date	5/2/2014			
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	78.25%			
Original Target Completion				
Revised Target Completion				

CITY OF BAYONNE SCHOOL DISTRICT
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, 2021

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTAL</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COST</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 487,580	\$ (213,478)	\$ 274,102	\$ 274,102
Transfer from Capital Reserve Fund	<u>339,795</u>	<u>(120,431)</u>	<u>219,364</u>	<u>219,364</u>
Total Revenues	<u>827,375</u>	<u>(333,909)</u>	<u>493,466</u>	<u>493,466</u>
Expenditures and Other Financing Uses:				
Construction	<u>493,466</u>	<u>-</u>	<u>493,466</u>	<u>493,466</u>
Total Expenditures	<u>493,466</u>	<u>-</u>	<u>493,466</u>	<u>493,466</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 333,909</u>	<u>\$ (333,909)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project information:

Project Number	0220-030-14-1002
Grant Date	5/16/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 827,375
Adjustment to Authorized Cost	(333,909)
Revised Authorized Cost	\$ 493,466
Percentage Change from Original Authorized Cost	-40.36%
Percentage of Completion	100.00%
Original Target Completion	
Revised Target Completion	

CITY OF BAYONNE SCHOOL DISTRICT
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, 2021

	<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	\$ 611,114	\$ (17,839)	\$ 593,275	\$ 593,275
Transfer from Capital Reserve Fund	<u>425,886</u>	<u>(15,361)</u>	<u>410,525</u>	<u>410,525</u>
Total Revenues	<u>1,037,000</u>	<u>(33,200)</u>	<u>1,003,800</u>	<u>1,003,800</u>
Expenditures and Other Financing Uses:				
Construction	<u>1,003,800</u>	<u>-</u>	<u>1,003,800</u>	<u>1,003,800</u>
Total Expenditures	<u>1,003,800</u>	<u>-</u>	<u>1,003,800</u>	<u>1,003,800</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 33,200</u>	<u>\$ (33,200)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project information:

Project Number	0220-060-14-1005
Grant Date	5/16/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,100,793
Adjustment to Authorized Cost	(96,993)
Revised Authorized Cost	\$ 1,003,800
Percentage Change from Original Authorized Cost	-9%
Percentage of Completion	100.00%
Original Target Completion	
Revised Target Completion	

CITY OF BAYONNE SCHOOL DISTRICT
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, 2021

	<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	\$ 675,853	\$(119,890)	\$ 555,963	\$ 555,963
Transfer from Capital Reserve Fund	<u>471,000</u>	<u>(86,478)</u>	<u>384,522</u>	<u>384,522</u>
Total Revenues	<u>1,146,853</u>	<u>(206,368)</u>	<u>940,485</u>	<u>940,485</u>
Expenditures and Other Financing Uses:				
Construction	<u>940,485</u>	<u>-</u>	<u>940,485</u>	<u>940,485</u>
Total Expenditures	<u>940,485</u>	<u>-</u>	<u>940,485</u>	<u>940,485</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 206,368</u>	<u>\$(206,368)</u>	<u>\$ -</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	(427,015)
Revised Authorized Cost	\$ 940,485
Percentage Change from Original Authorized Cost	-31.23%
Percentage of Completion	100.00%
Original Target Completion	
Revised Target Completion	

CITY OF BAYONNE SCHOOL DISTRICT
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, 2021

	<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	\$ (67,090)	\$ 684,279	\$ 684,279
Transfer from Capital Reserve Fund	<u>524,000</u>	<u>(122,514)</u>	<u>401,486</u>	<u>401,486</u>
Total Revenues	<u>1,275,369</u>	<u>(189,604)</u>	<u>1,085,765</u>	<u>1,085,765</u>
Expenditures and Other Financing Uses:				
Construction	<u>1,085,765</u>	<u>-</u>	<u>1,085,765</u>	<u>1,085,765</u>
Total Expenditures	<u>1,085,765</u>	<u>-</u>	<u>1,085,765</u>	<u>1,085,765</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 189,604</u>	<u>\$ (189,604)</u>	<u>\$ -</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	(189,604)
Revised Authorized Cost	\$ 1,085,765

Percentage Change from Original Authorized Cost	-14.87%
Percentage of Completion	100.00%
Original Target Completion	
Revised Target Completion	

CITY OF BAYONNE SCHOOL DISTRICT
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, 2021

	PRIOR PERIODS	CURRENT YEAR	TOTAL	REVISED AUTHORIZED COST
Revenue and Other Financing Sources:				
State Sources - SCC Grant	\$ 367,837	\$ -	\$ 367,837	\$ 367,837
Transfer from Capital Reserve Fund	256,344	-	256,344	256,344
Total Revenues	<u>624,181</u>	<u>-</u>	<u>624,181</u>	<u>624,181</u>
Expenditures and Other Financing Uses:				
Construction	624,181	-	624,181	624,181
Total Expenditures	<u>624,181</u>	<u>-</u>	<u>624,181</u>	<u>624,181</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</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 SCHOOL DISTRICT
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, 2021

	<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>756,347</u>	<u>(22,000)</u>	<u>734,347</u>	<u>734,347</u>
Total Revenues	<u>1,391,327</u>	<u>(22,000)</u>	<u>1,369,327</u>	<u>1,369,327</u>
Expenditures and Other Financing Uses:				
Construction	<u>1,369,327</u>	<u>-</u>	<u>1,369,327</u>	<u>1,369,327</u>
Total Expenditures	<u>1,369,327</u>	<u>-</u>	<u>1,369,327</u>	<u>1,369,327</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 22,000</u>	<u>\$ (22,000)</u>	<u>\$ -</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	291,827
Revised Authorized Cost	\$ 1,369,327
Percentage Change from Original Authorized Cost	27.08%
Percentage of Completion	100.00%
Original Target Completion	
Revised Target Completion	

CITY OF BAYONNE SCHOOL DISTRICT
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, 2021

	<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	\$ 291,855	\$ (123,000)	\$ 168,855	\$ 168,855
Transfer from Capital Reserve Fund	<u>203,395</u>	<u>(91,905)</u>	<u>111,490</u>	<u>111,490</u>
Total Revenues	<u>495,250</u>	<u>(214,905)</u>	<u>280,345</u>	<u>280,345</u>
Expenditures and Other Financing Uses:				
Construction	<u>280,345</u>	<u>-</u>	<u>280,345</u>	<u>280,345</u>
Total Expenditures	<u>280,345</u>	<u>-</u>	<u>280,345</u>	<u>280,345</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 214,905</u>	<u>\$ (214,905)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project information:

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	(214,905)
Revised Authorized Cost	\$ 280,345
Percentage Change from Original Authorized Cost	-43.39%
Percentage of Completion	100.00%
Original Target Completion	
Revised Target Completion	

**CITY OF BAYONNE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021**

Revenues and Other Financing Sources	
State Sources - SDA Alyssa's Law School Security Grant	\$ <u>470,826</u>
Total Revenues and Other Financing Sources	<u>470,826</u>
Expenditures and Other Financing Uses	
Construction	<u>1,232,065</u>
Total Expenditures	<u>1,232,065</u>
Transfers and Cancellations (Net)	<u>999,986</u>
Total Other Financing Uses	<u>999,986</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(1,761,225)
Fund Balance - Beginning	<u>3,140,775</u>
Fund Balance - Ending	\$ <u><u>1,379,550</u></u>

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

Fund Balance - June 30, 2021 (Budgetary Basis)	\$ 1,379,550
Less: Uncollected State SDA Grants Recognized as Revenue on the Budgetary Basis but not Recognized on a GAAP Basis	<u>(1,363,219)</u>
Fund Balance - June 30, 2021 (GAAP Basis-Exhibit B-1)	\$ <u><u>16,331</u></u>

Long-Term Debt

CITY OF BAYONNE SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF OBLIGATION UNDER CAPITAL LEASES
 FOR THE YEAR ENDED JUNE 30, 2021

DESCRIPTION	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE		INTEREST RATE	BALANCE JUNE 30, 2020	CURRENT YEAR ISSUED	CURRENT YEAR RETIRED	BALANCE JUNE 30, 2021
			PRINCIPAL	INTEREST					
Digital Copy Machine	11/19/2015	5 years	\$ 165,247	\$ 18,952	4.800%	\$ 18,182	\$	\$ 18,182	\$ -
Three School Buses	12/15/2016	4 years	354,285	22,124	3.000%	51,793		51,793	-
Digital Copy Machines	5/31/2018	5 years	628,800	42,937	2.630%	378,801		124,587	254,214
Buses	8/15/2019	5 years	123,878	5,571	4.500%	98,102		23,730	74,372
Digital Copy Machines	3/10/2020	5 years	697,890	63,870	3.501%	697,890		130,021	567,869
Chromebooks	3/24/2020	3 years	940,500	20,331	2.087%	621,041		307,313	313,728
						\$ 1,865,809	\$ -	\$ 655,626	\$ 1,210,183

Statistical Section (Unaudited)

Other Information

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

FISCAL YEAR ENDING JUNE 30,

	<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>2020*</u>	<u>2021*</u>
GOVERNMENTAL ACTIVITIES										
NET INVESTMENT IN CAPITAL ASSETS	\$ 78,869,802	\$ 74,101,180	\$ 71,751,033	\$ 71,534,738	\$ 70,252,999	\$ 64,822,684	\$ 62,089,615	\$ 61,477,554	\$ 125,169,182	\$ 126,960,246
RESTRICTED	7,945,377	13,221,269	22,813,455	13,611,071	11,423,675	8,804,788	3,359,793	4,179,656	7,962,728	9,150,512
UNRESTRICTED	2,080,273	4,122,044	8,549,764	(37,284,444)	(42,947,006)	(53,981,342)	(51,087,710)	(51,361,979)	(52,357,788)	(53,591,372)
TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS/POSITION	<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>	<u>\$ 80,774,122</u>	<u>\$ 82,519,386</u>
BUSINESS-TYPE ACTIVITIES										
NET INVESTMENT IN CAPITAL ASSETS	\$ 529,431	\$ 437,305	\$ 430,070	\$ 789,374	\$ 749,752	\$ 1,192,738	\$ 1,109,588	\$ 1,077,134	\$ 1,046,236	\$ 940,033
UNRESTRICTED	904,023	1,325,760	1,829,269	2,159,494	1,646,812	631,871	526,052	834,121	499,910	548,111
TOTAL BUSINESS-TYPE ACTIVITIES NET ASSETS/POSITION	<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>	<u>\$ 1,546,146</u>	<u>\$ 1,488,144</u>
DISTRICT- WIDE										
NET INVESTMENT IN CAPITAL ASSETS	\$ 79,399,233	\$ 74,538,485	\$ 72,181,103	\$ 72,324,112	\$ 71,002,751	\$ 66,015,422	\$ 63,199,203	\$ 62,554,689	\$ 126,215,418	\$ 127,900,279
RESTRICTED	7,945,377	13,221,269	22,813,455	13,611,071	11,423,675	8,804,788	3,359,793	4,179,656	7,962,728	9,150,512
UNRESTRICTED	2,984,296	5,447,804	10,379,033	(35,124,950)	(41,300,194)	(53,349,471)	(50,561,658)	(50,527,858)	(51,857,878)	(53,043,261)
TOTAL DISTRICT NET ASSETS/POSITION	<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>	<u>\$ 82,320,268</u>	<u>\$ 84,007,530</u>

* Reflects implementation of GASB Statement No. 84 and restatement due to revaluation of capital assets.

Source: ACFR A-1

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

FISCAL YEAR ENDING JUNE 30,

	<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>2020</u>	<u>2021*</u>
EXPENSES										
GOVERNMENTAL ACTIVITIES:										
INSTRUCTION:										
REGULAR	\$ 51,836,599	\$ 61,231,007	\$ 60,973,103	\$ 79,378,908	\$ 87,223,327	\$ 91,817,468	\$ 39,601,036	\$ 188,715,394	\$ 121,480,304	\$ 133,398,176
SPECIAL EDUCATION	19,788,428	20,174,541	18,385,407	23,848,242	21,223,351	27,764,427	23,280,445			
OTHER SPECIAL INSTRUCTION	4,363,299	1,948,500	1,862,584	3,165,132	2,348,059	2,346,897	2,028,717			
OTHER INSTRUCTION	2,690,410	2,788,971	2,728,706	4,242,405	2,974,368	4,344,136	2,487,134			
SUPPORT SERVICES:										
ATTENDANCE/SOCIAL WORK										562,228
SPEECH, OT, PT AND RELATED SERVICES								3,169,296	3,577,923	3,963,611
TUITION	2,968,094	2,197,596	2,423,347	3,154,142	3,704,564	4,013,916	2,056,505			
HEALTH SERVICES								2,730,035	2,639,622	2,834,312
IMPROVEMENT OF INSTRUCTION								2,385,952	2,601,477	3,238,090
OTHER SUPPORT INSTRUCTIONAL STAFF								45,961	32,530	13,424
SCHOOL LIBRARY								323,446	241,279	1,493,235
STUDENT & INST. RELATED SERVICES	16,156,066	13,337,135	14,915,093	20,523,983	16,187,433	19,951,151	14,925,463			
CENTRAL SERVICES								2,605,262	2,871,754	3,387,804
SCHOOL ADMINISTRATION SERVICES	6,824,481	6,169,133	6,607,782	8,001,097	8,669,898	10,415,044	4,797,816	8,151,708	8,074,525	9,339,889
GENERAL & BUSINESS ADMIN. SERVICES	3,877,563	4,284,615	5,043,712	6,419,764	6,246,216	6,390,416	5,484,197	3,890,030	3,588,977	3,916,928
ADMINISTRATIVE INFORMATION TECHNOLOGY									1,400,596	904,160
PLANT OPERATION AND MAINTENANCE	13,495,867	13,906,560	13,512,958	13,897,008	15,225,585	16,645,578	11,096,656	19,377,759	19,459,335	20,501,351
PUPIL TRANSPORTATION	2,886,768	3,425,396	3,430,453	3,199,941	4,100,159	4,737,682	2,879,309	4,306,583	4,162,568	4,371,402
OTHER SUPPORT SERVICES	-	-	-	-	-	-	-		14,715,518	20,044,912
UNALLOCATED BENEFITS	-	-	-	-	-	-	75,223,568			
SPECIAL SCHOOLS	372,643	497,811	485,483	504,322	596,200	687,376			774,205	848,441
TRANSFER TO CHARTER SCHOOL	123,894	123,714	140,251	203,546	312,481	423,561	385,706	477,856		
INTEREST ON LONG TERM DEBT	-	-	-	-	-	-	-	-	-	53,402
UNALLOCATED DEPRECIATION	-	-	-	-	-	-	1,528,690			
CAPITAL OUTLAYS	-	-	-	-	-	-	269,280	269,280	2,143,741	
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	125,384,112	130,084,979	130,508,879	166,538,490	168,811,641	189,537,652	186,044,523	181,065,121	187,764,354	208,871,365
BUSINESS - TYPE ACTIVITIES:										
FOOD SERVICE	3,954,203	4,778,534	5,142,617	4,557,667	4,663,524	5,114,856	4,847,519	4,688,908	5,838,930	1,962,523
COMMUNITY EDUCATION	-	-	-	-	-	-	-	-	-	163,198
TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES	3,954,203	4,778,534	5,142,617	4,557,667	4,663,524	5,114,856	4,847,519	4,688,908	5,838,930	2,125,721
TOTAL DISTRICT EXPENSES	129,338,315	134,863,513	135,651,496	171,096,157	173,475,165	194,652,508	190,892,042	185,754,029	193,603,284	210,997,086
PROGRAM REVENUE										
GOVERNMENTAL ACTIVITIES:										
CHARGES FOR SERVICES	63,644	77,704	189,949	87,707	64,792	101,842		779,815	72,711	83,001
OPERATING GRANTS AND CONTRIBUTIONS	69,840,019	73,719,820	73,026,691	90,415,285	95,653,695	108,866,343	43,609,221	10,360,976	16,586,115	26,697,149
CAPITAL GRANTS AND CONTRIBUTIONS			8,264,617	(1,732,099)	(230,764)	41,604		779,797	1,593,908	1,095,715
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUE	69,903,663	73,797,524	81,481,257	88,770,893	95,487,723	109,009,789	43,609,221	11,920,588	18,252,734	27,875,865

* Reflects implementation of GASB Statement No. 84.

Source: ACFR A-2

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

FISCAL YEAR ENDING JUNE 30,

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*
BUSINESS-TYPE ACTIVITIES										
CHARGE FOR SERVICES										
FOOD SERVICES	\$ 953,627	\$ 995,347	\$ 1,356,699	\$ 1,013,658	\$ 1,038,210	\$ 1,047,445	\$ 988,445	\$ 1,112,361	\$ 1,622,848	\$ 1,928,79,431
COMMUNITY EDUCATION										
OPERATING GRANTS AND CONTRIBUTIONS	2,675,390	3,413,846	3,709,742	3,672,574	3,633,974	3,495,456	3,670,104	3,865,012	3,757,627	1,986,360
TOTAL BUSINESS TYPE ACTIVITY PROG. REVENUE	3,629,017	4,409,193	5,066,441	4,686,232	4,672,184	4,542,901	4,658,549	4,977,373	5,380,475	2,067,719
TOTAL DISTRICT PROGRAM REVENUE	3,629,017	4,409,193	5,066,441	4,686,232	4,672,184	4,542,901	4,658,549	4,977,373	5,380,475	2,067,719
NET (EXPENSE)/REVENUE:										
GOVERNMENTAL ACTIVITIES	(55,480,449)	(56,287,455)	(49,027,622)	(77,767,597)	(73,323,918)	(80,527,863)	(142,435,302)	(168,878,255)	(169,511,620)	(183,063,219)
BUSINESS - TYPE ACTIVITIES	(325,186)	(369,341)	(76,176)	128,565	8,660	(304,618)	(30,359)	288,464	(458,455)	(58,002)
TOTAL DISTRICT - WIDE NET EXPENSE	(55,805,635)	(56,656,796)	(49,103,798)	(77,639,032)	(73,315,258)	(80,832,481)	(142,465,661)	(168,589,791)	(169,970,075)	(183,121,221)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS/POSITION										
GOVERNMENTAL ACTIVITIES:										
PROPERTY TAXES LEVIED FOR GEN. PURPOSES, NET	57,086,193	58,227,916	59,392,474	59,392,474	61,174,248	62,876,035	66,407,653	68,312,303	69,063,735	69,754,379
UNRESTRICTED GRANTS AND CONTRIUTIONS	1,917,569	126,586	35,943	162,262	-	-	64,468,987	61,704,888	97,970,529	114,546,616
RESTRICTED GRANTS AND CONTRIBUTIONS							9,748,223	9,456,674		
TUITION RECEIVED							655,515	779,815		
INVESTMENT EARNINGS	29,726	18,564	25,340	21,621	49,953	57,191				
MISCELLANEOUS INCOME	1,962,020	1,423,496	1,832,796	1,676,933	2,430,481	2,757,070	1,216,891	1,284,141	1,792,534	507,488
EXTRAORDINARY ITEMS	(5,898,849)	(17,751)	(16,722)	(67,306)	(23,425)	(269,617)	(5,233,608)	-	-	-
TRANSFERS	(543,777)	(698,952)	(572,450)	(560,964)	560,964	-	(112,796)	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	54,552,882	59,079,859	60,697,381	60,625,020	64,192,221	65,420,679	137,150,865	141,537,822	168,826,798	184,808,483
BUSINESS-TYPE ACTIVITIES:										
TRANSFERS	543,777	698,952	572,450	560,964	(560,964)	-	-	-	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	543,777	698,952	572,450	560,964	(560,964)	-	-	-	-	-
TOTAL DISTRICT WIDE	55,096,659	59,778,811	61,269,831	61,185,984	63,631,257	65,420,679	137,150,865	141,537,822	168,826,798	184,808,483
CHANGE IN NET ASSETS/POSITION										
GOVERNMENTAL ACTIVITIES	(927,567)	2,792,404	11,669,759	(17,142,577)	(9,131,697)	(15,107,184)	(5,284,437)	(66,468)	(684,822)	1,745,264
BUSINESS-TYPE ACTIVITIES	218,591	329,611	496,274	689,529	(552,304)	(304,618)	(30,359)	288,464	(458,455)	(58,002)
TOTAL DISTRICT	\$ (708,976)	\$ 3,122,015	\$ 12,166,033	\$ (16,453,048)	\$ (9,684,001)	\$ (15,411,802)	\$ (5,314,796)	\$ 221,996	\$ (1,143,277)	\$ 1,687,262

* Reflects implementation of GASB Statement No. 84.

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

	<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>2020</u>	<u>2021</u>
GOVERNMENTAL FUNDS:										
GENERAL FUND:										
RESTRICTED	\$ 7,945,377	\$ 7,036,151	\$ 4,744,715	\$ 1,523,324	\$ 1,523,324	\$ -	\$ 181,511	\$ 3,565,474	\$ 6,924,439	\$ 8,787,328
COMMITTED	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	3,699,369	451,609
UNASSIGNED	(1,798,664)	(4,385,349)	(2,329,538)	(2,130,372)	(7,321,329)	(7,397,711)	(4,034,443)	(3,712,911)	(4,516,492)	(2,349,478)
TOTAL GENERAL FUND	<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>\$ 6,107,316</u>	<u>\$ 6,889,459</u>
OTHER GOVERNMENTAL FUNDS										
RESTRICTED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 363,184
COMMITTED	428,834	124,758	1,557,834	1,557,834	1,316,204	122,300	-	-	-	-
ASSIGNED	4,366,428	4,310,360	16,510,906	10,529,913	8,584,147	8,682,488	3,359,793	795,693	564,695	-
UNASSIGNED	(186,364)	(197,519)	(222,301)	(215,446)	(201,736)	(241,887)	-	-	-	-
TOTAL OTHER GOVERNMENTAL FUNDS	<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>	<u>\$ 564,695</u>	<u>\$ 363,184</u>

Source: ACFR B-1

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

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
YEARS ENDING JUNE 30

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
TAX LEVY	\$ 57,086,193	\$ 58,227,916	\$ 59,392,474	\$ 59,392,474	\$ 61,174,248	\$ 62,876,035	\$ 66,407,653	\$ 68,312,303	\$ 69,063,735	\$ 69,754,379
TUITION CHARGES	63,644	77,704	189,949	87,707	64,792	101,842	655,515	779,815	72,711	1,642
INTEREST EARNINGS	29,726	18,564	25,340	21,621	49,953	57,191	-	-	-	-
MISCELLANEOUS	1,962,020	1,423,496	1,832,796	1,676,933	2,430,481	2,757,070	1,216,894	1,452,745	2,005,061	575,261
STATE SOURCES	63,884,671	68,761,082	75,661,327	68,247,696	70,353,660	74,637,595	78,529,144	87,605,167	95,922,791	106,683,446
FEDERAL SOURCES	7,872,917	5,085,324	5,665,924	6,102,408	6,195,298	6,569,508	6,896,478	6,345,394	8,327,637	13,671,397
TOTAL REVENUES	130,899,171	133,594,086	142,767,810	135,528,839	140,268,432	146,999,241	153,705,683	164,495,425	175,391,935	190,686,125
EXPENDITURES										
INSTRUCTION										
REGULAR INSTRUCTION	37,421,198	42,574,952	43,844,980	52,795,612	53,608,866	52,479,475	38,598,789	69,668,607	75,970,064	76,803,777
SPECIAL EDUCATION INSTRUCTION	14,155,289	13,493,605	12,971,067	15,644,626	12,266,080	14,420,155	22,106,562	-	-	-
OTHER SPECIAL INSTRUCTION	4,074,490	2,074,322	2,061,721	4,190,784	2,147,197	1,928,527	1,926,422	-	-	-
OTHER INSTRUCTION	1,089,439	1,230,920	1,210,243	1,199,784	1,076,115	1,817,721	2,361,724	-	-	-
SUPPORT SERVICES										
INSTRUCTION										
ATTENDANCE/SOCIAL WORK	-	-	-	-	-	-	-	2,394,192	2,691,903	3,155,574
SPEECH, OT, PT, AND RELATED SERVICES	-	-	-	-	-	-	-	2,076,665	2,688,725	3,087,702
HEALTH SERVICES	-	-	-	-	-	-	-	1,552,563	1,568,122	1,547,514
OTHER SUPPORT SERVICES	-	-	-	-	-	-	-	9,124,879	10,832,647	15,810,447
IMPROVEMENT OF INSTRUCTION	-	-	-	-	-	-	-	1,490,804	1,505,875	1,738,586
EDUCATION MEDIA LIBRARY	-	-	-	-	-	-	-	182,947	143,368	998,859
OTHER SUPPORT INSTRUCTIONAL STAFF	-	-	-	-	-	-	-	44,024	31,293	12,873
TUITION	2,815,865	2,076,043	2,287,469	3,000,977	3,517,867	3,822,028	2,056,505	-	-	-
STUDENT & INST. RELATED SERVICES	12,260,749	10,006,231	11,857,149	14,751,454	11,552,060	13,395,325	14,925,463	-	-	-
GENERAL ADMINISTRATION	3,134,556	3,379,817	4,188,803	5,067,051	4,818,459	4,637,991	4,797,816	3,367,204	3,098,180	3,383,099
SCHOOL ADMINISTRATIVE SERVICES	4,905,520	4,134,307	4,570,978	5,088,842	5,035,674	5,445,056	6,222,028	4,558,634	4,739,139	5,114,944
CENTRAL SERVICES	-	-	-	-	-	-	-	1,637,641	1,835,350	1,971,379
ADMINISTRATIVE INFORMATION TECHNOLOGY	-	-	-	-	-	-	-	897,416	1,039,811	821,751
PLANT OPERATIONS AND MAINTENANCE	11,276,718	11,075,919	12,716,655	12,223,980	12,290,975	11,744,829	11,120,881	13,588,354	14,270,825	14,287,574
PUPIL TRANSPORTATION	2,357,400	2,703,686	2,719,766	2,510,985	2,996,766	3,250,093	2,963,100	3,113,897	3,052,978	3,172,620
EMPLOYEE BENEFITS	26,797,951	32,369,266	28,662,290	31,518,548	34,957,175	39,535,897	40,453,293	44,667,895	43,976,908	50,695,582
TRANSFER TO CHARTER SCHOOLS	123,894	123,714	140,251	203,546	312,481	423,561	385,706	477,856	774,205	848,441
SPECIAL SCHOOLS	282,379	361,916	359,031	348,535	381,366	379,149	-	-	-	-
CAPITAL OUTLAY	599,491	4,968,128	4,847,779	3,449,094	3,191,323	4,730,399	626,853	3,960,078	5,078,797	6,825,975
TOTAL EXPENDITURES	121,294,939	130,572,826	132,438,182	151,993,818	148,152,404	158,010,206	148,545,143	162,803,655	173,298,190	190,579,087
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,604,232	3,021,260	10,329,628	(16,464,979)	(7,883,972)	(11,010,965)	5,160,541	1,691,770	2,093,745	107,038
OTHER FINANCING SOURCES (USES)										
CAPITAL LEASES (NON-BUDGETED)	139,048	4,731,049	4,095,129	122,103	1,230,747	2,480,106	-	-	1,762,268	-
LOAN INTEREST	(531,831)	(17,751)	-	-	(23,425)	560,964	-	-	-	-
TRANSFERS IN	-	-	-	-	-	-	-	608,962	879,592	412,014
TRANSFERS OUT	(543,777)	(698,952)	(572,450)	(560,964)	-	-	(1,541,456)	(59,894)	-	(412,014)
EXTRAORDINARY ITEMS	(5,367,018)	(243,363)	(16,722)	(67,306)	-	-	(5,233,608)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(6,303,578)	3,770,983	3,505,957	(506,167)	1,768,286	2,480,106	(6,775,065)	549,069	2,641,860	-
NET CHANGE IN FUND BALANCES	\$ 3,300,654	\$ 6,792,243	\$ 13,835,585	\$ (16,971,146)	\$ (6,115,686)	\$ (8,530,859)	\$ (1,614,524)	\$ 2,240,838	\$ 4,735,605	\$ 107,038
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: ACFR B-2

CITY OF BAYONNE SCHOOL DISTRICT
 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>MISC.</u>	<u>TOTAL</u>
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
2020			72,711			1,792,534	1,865,245
2021			1,642			507,488	509,130

Source: CAFR B-2

CITY OF BAYONNE SCHOOL DISTRICT
 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
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	4,935,015,894	3.194
2018	131,538,000	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	5,969,390,487	3.105
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	6,486,311,451	3.147
2020 *	645,967,400	4,483,207,000	-	-	979,883,800	1,007,781,200	453,457,300	7,570,296,700	2,095,670,600	7,803,624	7,578,100,324	6,436,775,677	0.916
2021	661,237,500	4,478,244,400	-	-	986,559,800	987,330,100	419,191,800	7,532,563,600	2,394,594,700	7,725,706	7,540,289,306	7,756,651,898	0.935

* Note - The City of Bayonne performed a revaluation during the 2020 year, resulting in values adjusted to market.

Source: Municipal Tax Assessor

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

ASSESSMENT YEAR END <u>DEC. 31</u>	BAYONNE SCHOOL DISTRICT			OVERLAPPING RATES		TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT SCHOOL TAX RATE	BAYONNE CITY	HUDSON COUNTY	
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
2020 *	0.916	0.140	1.056	1.127	0.383	2.566
2021	0.935	0.139	1.074	1.131	0.407	2.612

* Note - The City of Bayonne a revaluation during the 2020 year, resulting in values adjusted to market.

Source: Municipal Tax Collector

CITY OF BAYONNE SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND TEN YEARS AGO (UNAUDITED)

	2021			2012		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DIRECT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DIRECT NET ASSESSED VALUE
Bayonne Industries Inc/IMTT	\$ 653,705,800	1	8.68%	\$ 116,103,000	1	5.07%
LEG - BP Bayonne Owner LLC	95,527,000	2	1.27%			
NJIND Hook Road, LLC	61,947,500	3	0.82%			
Exxon Corporation	52,017,900	4	0.69%	15,001,500	4	0.66%
Togus Urban Renewal	48,587,500	5	0.65%			
29 E 29th St Holdings LLC	43,392,300	6	0.58%			
Gordan Terminal Serv Co of NJ Inc.	38,829,600	7	0.52%	15,027,100	3	0.66%
Howard Warehouse Inc.	36,845,300	8	0.49%			
Centerpoint Pulaski, LLC	35,367,400	9	0.47%			
Millions Inc.	34,865,400	10	0.46%			
Bayonne Auto Terminal Inc.				23,095,700	2	1.01%
Texaco, Inc.				13,085,800	5	0.57%
Hess Corp				11,188,700	6	0.49%
Morris Bayonne Assoc., LLC, et als				9,813,700	7	0.43%
99 Hook Road LLC				9,500,000	8	0.42%
South Cove Development, LLC				8,519,700	9	0.37%
MPT of Bayonne, LLC				8,000,000	10	0.35%
TOTAL	\$ 1,101,085,700		14.62%	\$ 229,335,200		10.03%

Source: Municipal Tax Assessor

CITY OF BAYONNE SCHOOL DISTRICT
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>
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
2020	69,063,735	69,063,735	100.00%	N/A
2021	69,754,379	69,754,379	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.

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

CITY OF BAYONNE SCHOOL DISTRICT
 RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)

FISCAL YEAR ENDING JUNE 30.	GENERAL OBLIGATION BONDS	<u>GOVERNMENTAL ACTIVITIES</u>		BOND ANTICIPATION NOTES	<u>BUSINESS TYPE ACTIVITIES</u>		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
		<u>CERTIFICATES OF PARTICIPATION</u>	<u>CAPITAL LEASES</u>		<u>CAPITAL LEASES</u>				
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		
2020	-	-	1,865,809	-	-	1,865,809	N/A		
2021	-	-	1,210,183	-	-	1,210,183	N/A		

Source: Bayonne BOE Finance Office

CITY OF BAYONNE SCHOOL DISTRICT
 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>
2012	\$ -	\$ -	\$ -	0.000%	\$ -
2013	-	-	-	0.000%	-
2014	-	-	-	0.000%	-
2015	-	-	-	0.000%	-
2016	-	-	-	0.000%	-
2017	-	-	-	0.000%	-
2018	-	-	-	0.000%	-
2019	-	-	-	0.000%	-
2020	-	-	-	0.000%	-
2021	-	-	-	0.000%	-

Source: City of Bayonne Finance Office

CITY OF BAYONNE SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021 (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	\$ 172,942,679	100.00%	\$ 172,942,679
COUNTY OF HUDSON	473,075,109	7.50%	<u>35,480,633</u>
SUBTOTAL OVERLAPPING DEBT			208,423,312
SCHOOL DISTRICT DIRECT DEBT			<u>-</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 208,423,312</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.

Source: City of Bayonne Finance Office

CITY OF BAYONNE SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2021 (As of December 31, 2020 per statute)

EQUALIZED VALUATION BASIS

2021	\$ 8,255,768,961
2020	7,911,272,547
2019	7,102,914,187
	\$ 23,269,955,695

AVERAGE EQUALIZED VALUATION OF TAXABLE PROPERTY \$ 7,756,651,898

DEBT LIMIT (4% X) \$ 310,266,076
 TOTAL DEBT APPLICABLE TO LIMIT -

LEGAL DEBT MARGIN \$ 310,266,076

<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>
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%
2020	162,765,505	-	162,765,505	0.000%
2021	310,266,076	-	310,266,076	0.000%

Source: Abstract of Ratables and District Records CAFR Schedule J-6

CITY OF BAYONNE SCHOOL DISTRICT
 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>
2012	64,250	\$ 1,890,749,000	\$ 29,428	11.1%
2013	64,911	1,898,906,394	29,254	12.2%
2014	65,737	1,992,948,629	30,317	10.8%
2015	66,727	1,878,698,685	28,155	7.3%
2016	66,825	1,910,860,875	28,595	6.5%
2017	67,076	1,901,336,296	28,346	6.0%
2018	67,186	2,023,306,390	30,115	4.4%
2019	65,083	2,038,985,307	31,329	3.7%
2020	64,897	2,156,073,031	33,223	3.9%
2021	65,165	*	*	10.5%

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.

* Information was not available at the time of the audit.

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

<u>EMPLOYERS</u>	<u>2021</u>			<u>2012</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 Hospital	1,867	1	5.73%	1,164	1	4.22%
City of Bayonne	1,627	2	4.99%			
Bayonne Board of Education	1,322	3	4.06%			
Gel Spice Company Inc.	500	4	1.53%			
Jerhel Plastics Inc.	500	5	1.53%	500	2	1.81%
Vertellus	350	6	1.07%	135	9	0.49%
Bayonne Community Bank	327	7	1.00%			
European American Food Group Co. Ir	325	8	1.00%			
Ideal Window Manufacturing Inc.	287	9	0.88%	127	10	0.46%
Muralo Company, Inc.	250	10	0.77%	180	7	0.65%
Royal Wine Corporation				220	3	0.80%
Inserra Inc				220	4	0.80%
Haddad Aooarel Group Ltd.				200	5	0.73%
GTK Duplication				200	6	0.73%
Bookazine Co Inc.				180	8	0.65%
	<u>7,355</u>		<u>22.56%</u>	<u>3,126</u>		<u>11.34%</u>

Source: City of Bayonne

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

<u>Function/Program</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>2020</u>	<u>2021</u>
Instruction										
Regular	563	568	587	584	701	608	572	533	557	564
Special Education	315	315	317	315	272	387	372	343	366	376
Other Special Education	23	18	32	33	39	40	42	35	40	44
Vocational	7	6	6	6	3	5	2	2	2	2
Other Instruction	1	1	1	1	2	60	0	0	0	0
Support Services										
Student & Instruction Related Services	98	96	104	99	125	50	49	50	47	54
General Administration	12	10	11	11	10	23	23	24	21	23
School Administrative Services	60	62	62	67	65	82	70	63	54	56
Central Services	11	11	12	12	12	8	18	16	16	17
Administrative Information Technology	1	1	1	1	0	9	9	10	7	10
Plant Operations and Maintenance	124	127	125	125	152	159	128	138	149	152
Pupil Transportation	34	33	35	35.0	22.0	39	44.0	42	43	39
Other Support Services	-	-	-	-	2	-	-	-	-	-
Total	1,249	1,248	1,293	1,289	1,405	1,470	1,329	1,256	1,302	1,337

Source: District Budget Records

CITY OF BAYONNE SCHOOL DISTRICT
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				
2012	9,078	\$ 130,367,279	14,361	4.41%	909	13.8-1	11.9-1	8,773	8,243	0.23%	93.96%
2013	9,031	131,494,337	14,560	0.86%	908	14.85-1	11.8-1	8,821	8,306	0.55%	94.16%
2014	9,178	131,747,676	14,355	0.19%	943	14.4-1	13-1	8,967	8,523	1.66%	95.05%
2015	9,341	149,064,121	15,958	13.14%	939	13.8-1	13-1	9,341	8,925	4.17%	95.55%
2016	9,359	146,539,905	15,658	-1.69%	1,017	13.2-1	12.4-1	9,359	8,944	0.19%	95.57%
2017	9,631	153,629,124	15,952	4.84%	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%
2020	9,878	146,744,541	14,856	3.03%	965	10.37-1	9.16-1	9,352	8,979	0.18%	96.01%
2021	9,842	138,056,501	14,027	-5.92%	986	10.04-1	8.94-1	9,312	9,218	2.66%	98.99%

Sources: District records, ASSA and Schedule J-12, J-14

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

	<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>2020</u>	<u>2021</u>
Elementary										
HENRY E. HARRIS (1921)										
Square Feet	110,000	82,320	82,320	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	598	664	689	699	699	685	710	707	697	697
PHILIP VROOM (1914)										
Square Feet	72,500	66,746	66,746	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	387	454	485	491	491	473	479	485	476	476
WALTER F. ROBINSON (1903)										
Square Feet	128,000	119,979	119,979	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	755	778	766	744	744	710	757	792	843	843
MARY J. DONOHUE (1920)										
Square Feet	81,000	61,450	61,450	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	451	496	485	498	498	496	464	444	478	478
LINCOLN (1919)										
Square Feet	51,588	76,614	76,614	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	417	430	463	45	453	470	434	428	471	471
HORACE MANN (1914)										
Square Feet	94,000	85,353	85,353	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	563	602	602	614	614	627	576	572	629	629
WASHINGTON (1917)										
Square Feet	135,413	113,755	113,755	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	634	677	661	678	678	684	721	723	694	694
NICHOLAS ORESKO (2008)										
Square Feet	90,000	80,006	80,006	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	413	455	455	444	444	467	452	432	445	445
JOHN M. BAILEY (1909)										
Square Feet	123,500	84,884	84,884	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	598	620	640	652	652	679	659	688	707	707
WOODROW WILSON (1931)										
Square Feet	127,000	114,998	114,998	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	590	635	675	635	655	672	716	735	755	755
MIDTOWN COMMUNITY (1992)										
Square Feet	170,000	160,876	160,876	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	1,013	1,110	1,121	1,155	1,155	1,151	1,198	1,193	1,248	1,248
High School										
BAYONNE (1926)										
Square Feet	505,000	535,570	535,570	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	2,617	2,417	2,437	2,574	2,574	2,605	2,400	2,438	2,401	2,401

Number of Schools at June 30, 2021:

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.

Source: District Records

CITY OF BAYONNE SCHOOL DISTRICT
 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
HENRY E. HARRIS SCHOOL	N/A	\$ 287,352	\$ 247,981	\$ 271,507	\$ 257,635	\$ 295,994	\$ 308,481	\$ 304,690	\$ 203,325	\$ 263,808	\$ 118,906
PHILIP VROOM SCHOOL	N/A	189,391	201,068	220,141	208,894	239,996	250,120	287,613	219,804	213,898	43,334
WALTER F. ROBINSON SCHOOL	N/A	334,373	385,586	395,718	375,499	431,407	449,607	483,568	198,098	384,492	128,425
MARY J. DONOHUE SCHOOL	N/A	211,596	185,112	202,677	192,321	220,956	230,277	261,720	172,278	196,927	92,187
LINCOLN SCHOOL	N/A	134,763	230,794	252,691	239,780	275,481	287,102	346,302	305,911	245,522	160,285
HORACE MANN SCHOOL	N/A	245,555	257,118	281,513	267,130	306,903	319,850	293,809	208,833	273,528	96,410
WASHINGTON SCHOOL	N/A	235,106	342,674	375,189	356,020	409,027	426,282	432,895	219,930	364,547	74,464
NICHOLAS ORESKO SCHOOL	N/A	444,089	241,009	263,876	250,394	287,675	299,811	333,796	228,006	256,392	83,711
JOHN M. BAILEY SCHOOL	N/A	331,761	255,704	279,963	265,659	305,213	318,088	334,781	197,531	272,025	81,913
WOODROW WILSON SCHOOL	N/A	322,618	346,421	379,287	359,908	413,494	430,938	417,430	218,290	368,530	87,269
MIDTOWN COMMUNITY SCHOOL	N/A	353,738	484,620	530,603	503,492	578,457	602,860	560,508	283,272	515,554	216,086
BAYONNE HIGH SCHOOL	N/A	1,319,207	1,613,346	1,766,424	1,676,170	1,925,736	2,006,975	1,734,726	2,073,660	1,716,322	3,010,312
TOTAL		\$ 4,409,549	\$ 4,791,433	\$ 5,219,589	\$ 4,952,902	\$ 5,690,339	\$ 5,930,391	\$ 5,791,838	\$ 4,528,938	\$ 5,071,545	\$ 4,193,302

Source: CAFR C-1

CITY OF BAYONNE SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021

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 2020-2021 fiscal year:

	<u>Coverage</u>	<u>Deductible</u>
Property - Blanket Building And Contents	\$459,399,932	\$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	3,000,000	
School Leaders Errors and Omissions		
Coverage A	31,000,000	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

**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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund 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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 6, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we consider to be material weaknesses.

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 grants agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 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 as items 2021-001 and 2021-002.

We noted other matters that we reported to the Board of Education of the City of Bayonne School District in a separate report entitled, Auditors Management Report on Administrative Findings dated May 6, 2022.

City of Bayonne School District's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance, Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Cranford, New Jersey
May 6, 2022



Michael Andriola, CPA
Licensed Public School Accountant
PSA # 2429

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, in the County of Hudson, State of New Jersey's (the "District") compliance with the types of compliance requirements described in *OMB Compliance Supplement* and *New Jersey State Aid/Grant Compliance Supplemental Requirements* 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, 2021. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, 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 and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the 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 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 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 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 material weaknesses or significant deficiencies. 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 on the requirements of the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Cranford, New Jersey
May 6, 2022



Michael Andriola, CPA
Licensed Public School Accountant
PSA # 2429

CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount*	Grant Period		Balance June 30, 2020				Balance June 30, 2021				
					From	To	Unearned Revenue (Accounts Receivable)	Cash Received	Budgetary Expenditures	Adjustments	(Accounts Receivable)	Unearned Revenue	Due to Grantor		
General Fund:															
U.S. Department of Health and Human Services															
Passed-through State Department of Education															
Special Education Medical Initiative	93.778	2105NJ5MAP	7540-100-211	\$ 296,384	7/1/2020	6/30/2021	\$ -	\$ 276,585	\$ (296,384)	\$ -	\$ (19,799)	\$ -	\$ -		
Special Education Medical Initiative	93.778	2005NJ5MAP	7540-100-211	315,555	7/1/2019	6/30/2020	(19,540)	19,540	-	-	-	-	-		
Total U.S. Department of Health and Human Services							(19,540)	296,125	(296,384)	-	(19,799)	-	-		
U.S. Department of Labor															
Passed-through State Department of Labor:															
Cares ACT DOL Unemployment Grant	17.225	Not Applicable	N/A	58,685	3/13/2020	6/30/2020	(58,685)	58,685	-	-	-	-	-		
Total General Fund							(78,225)	354,810	(296,384)	-	(19,799)	-	-		
Special Revenue Fund:															
U.S. Department of Education															
Passed-through State Department of Education:															
Title I	84.010	S010A200030	5064-100-194	3,383,793	7/1/2020	9/30/2021	-	2,887,223	(3,314,612)	-	(427,389)	-	-		
Title I	84.010	S010A190030	5064-100-194	3,153,812	7/1/2019	9/30/2020	(1,194,226)	1,194,226	-	-	-	-	-		
Title I SIA	84.010	S010A200030	5064-100-132	65,015	7/1/2020	9/30/2021	(42,264)	98,810	(64,977)	714	(8,431)	-	714		
Subtotal Title I Cluster							(1,236,490)	4,180,259	(3,379,589)	714	(435,820)	-	714		
Title II, Part A	84.367	S367A200029	5063-100-290	713,868	7/1/2020	9/30/2021	-	628,612	(686,154)	-	(57,542)	-	-		
Title II, Part A	84.367	S367A190029	5063-100-290	584,468	7/1/2019	9/30/2020	(290,239)	290,239	-	-	-	-	-		
Title III	84.365	S365A200030	5064-100-187	107,862	7/1/2020	9/30/2021	-	105,826	(106,004)	-	(178)	-	-		
Title III	84.365	S365A190030	5064-100-187	105,308	7/1/2019	9/30/2020	(30,565)	30,565	-	7,244	-	-	7,244		
Title III Immigrant	84.365	S365A200030	5064-100-187	48,430	7/1/2020	9/30/2021	-	42,558	(48,430)	-	(5,872)	-	-		
Title III Immigrant	84.365	S365A190030	5064-100-187	47,763	7/1/2019	9/30/2020	(46,574)	46,574	-	-	-	-	-		
Title IV - Student Support & Academic Enrichment Program	84.424	S424A200031	5063-100-348	232,133	7/1/2019	9/30/2020	-	27,557	(215,143)	-	(187,586)	-	-		
Title IV - Student Support & Academic Enrichment Program	84.424	S424A190031	5063-100-348	193,346	7/1/2019	9/30/2020	(164,574)	164,574	-	-	-	-	-		
IDEA Cluster:															
IDEA, Part B	84.027	H027A210100	5065-100-016	2,830,294	7/1/2020	9/30/2021	-	2,097,434	(2,668,186)	-	(570,752)	-	-		
IDEA, Part B	84.027	H027A200100	5065-100-016	2,583,849	7/1/2019	9/30/2020	(1,007,696)	1,154,927	-	130,563	-	-	277,794		
IDEA, Preschool	84.173	H173A200114	5065-100-020	61,560	7/1/2020	9/30/2021	-	61,560	(61,560)	-	-	-	-		
Subtotal IDEA Cluster							(1,007,696)	3,313,921	(2,729,746)	130,563	(570,752)	-	277,794		
Coronavirus Relief Fund (CRF) Cluster:															
COVID-19 CRF Program	21.019	S377A130031	N/A	883,887	3/1/2020	12/31/2021	-	883,887	(882,843)	-	(19,331)	1,044	-		
COVID-19 CRF - Bridging the Digital Divide	21.019	S377A130031	N/A	19,445	7/16/2020	10/31/2020	-	-	(19,331)	-	(19,331)	1,044	-		
Subtotal CRF Cluster							-	883,887	(902,174)	-	(19,331)	1,044	-		
Elementary and Secondary School Emergency Relief Fund (ESSER):															
COVID-19 CARES Act - Stabilization Fund (ESSER)	84.425D	S425D200027	21-5120-513	2,574,215	3/13/2020	9/30/2022	(1,802,998)	1,764,134	(454,140)	14,400	(493,004)	-	14,400		
COVID-19 CARES Act - ESSER II	84.425D	S425D210027	21-5120-513	10,379,884	3/13/2020	9/30/2022	-	-	(4,856,752)	-	(4,856,752)	-	-		
Subtotal Elementary and Secondary Education							(1,802,998)	1,764,134	(5,310,892)	14,400	(5,349,756)	-	14,400		
Total U.S. Dept. of Education							(4,579,136)	11,478,706	(13,378,132)	152,921	(6,626,837)	1,044	300,152		
Total Special Revenue Fund							(4,579,136)	11,478,706	(13,378,132)	152,921	(6,626,837)	1,044	300,152		

CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount*	Grant Period		Balance June 30, 2020				Balance June 30, 2021		
					From	To	Unearned Revenue (Accounts Receivable)	Cash Received	Budgetary Expenditures	Adjustments	(Accounts Receivable)	Unearned Revenue	Due to Grantor
Enterprise Funds:													
U.S. Department of Agriculture													
Passed-through State Department of Education													
Child Nutrition Cluster:													
COVID-19 (CARES ACT) Summer Food Program	10.559	211NJ304N1099	N/A	\$ 61,935	7/1/2020	6/30/2021	\$ -	\$ 61,936	\$ (61,936)	-	\$ -	\$ -	\$ -
Food Distribution Program (NC)	10.555	211NJ304N1099	N/A	105,242	7/1/2020	6/30/2021	-	105,241	(105,241)	-	-	-	-
Food Distribution Program (NC)	10.555	201NJ304N1099	N/A	218,744	7/1/2019	6/30/2020	25,736	-	(25,736)	-	-	-	-
National School Lunch Program	10.555	211NJ304N1099	N/A	715,317	7/1/2020	6/30/2021	-	639,296	(694,595)	-	(150,128)	-	94,829
COVID-19 (CARES ACT) Cares Act Lunch	10.555	211NJ304N1099	N/A	350,334	7/1/2020	6/30/2021	-	350,334	(350,334)	-	-	-	-
COVID-19 (CARES ACT) Cares Act Lunch	10.555	201NJ304N1099	N/A	2,254,082	7/1/2019	6/30/2020	(398,788)	398,788	-	-	-	-	-
Healthy Hunger-Free Kids Act	10.555	211NJ304N1099	N/A	20,721	7/1/2020	6/30/2021	-	21,135	(20,721)	-	(1,467)	-	1,881
Healthy Hunger-Free Kids Act	10.555	201NJ304N1099	N/A	50,978	7/1/2019	6/30/2020	(8,139)	8,139	-	-	-	-	-
COVID-19 (CARES ACT) Cares Act Breakfast	10.553	211NJ304N1099	N/A	219,932	7/1/2020	6/30/2021	-	219,932	(219,932)	-	-	-	-
National School Breakfast Program	10.553	211NJ304N1099	N/A	449,059	7/1/2020	6/30/2021	-	462,411	(449,060)	-	(47,362)	-	60,713
COVID-19 (CARES ACT) Cares Act Breakfast	10.553	201NJ304N1099	N/A	1,122,978	7/1/2020	6/30/2020	(255,783)	255,783	-	-	-	-	-
Subtotal Child Nutrition Cluster							<u>(636,974)</u>	<u>2,522,995</u>	<u>(1,927,555)</u>	<u>-</u>	<u>(198,957)</u>	<u>-</u>	<u>157,423</u>
Total U.S. Department of Agriculture							<u>(636,974)</u>	<u>2,522,995</u>	<u>(1,927,555)</u>	<u>-</u>	<u>(198,957)</u>	<u>-</u>	<u>157,423</u>
U.S. Department of Health and Human Services													
Passed-through Urban League of Hudson County													
Child Care and Development Block Grant	93.575	Not Applicable	N/A	456,643	7/1/2020	6/30/2021	-	456,643	(8,373)	-	-	-	448,270
Total Enterprise Funds							<u>(636,974)</u>	<u>2,979,638</u>	<u>(1,935,928)</u>	<u>-</u>	<u>(198,957)</u>	<u>-</u>	<u>605,693</u>
Total Federal Financial Awards							<u>\$ (5,294,335)</u>	<u>\$ 14,813,154</u>	<u>\$ (15,610,444)</u>	<u>\$ 152,921</u>	<u>\$ (6,845,593)</u>	<u>\$ 1,044</u>	<u>\$ 905,845</u>

Footnotes:

N/A - Not Available

NC - Non Cash Expenditures

*- Award Amounts do not include approved carryover funds from prior grant periods.

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020					Balance at June 30, 2021					MEMO	Cumulative Total Expenditures	
			From	To	Intergovernmental Unearned Revenue (Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Intergovernmental Unearned Revenue (Accounts Receivable)	Due to Grantor	Budgetary Receivable			
General Fund																	
State Department of Education																	
Equalization Aid	495-034-5120-078	\$ 57,567,114	7/1/2020	6/30/2021	\$	\$	\$	\$ 50,882,845	\$ (57,567,114)	\$	\$	\$	\$	\$	\$ (6,684,269)	\$ (57,567,114)	
Equalization Aid	495-034-5120-078	55,286,768	7/1/2019	6/30/2020			(6,035,706)	6,035,706									
Special Education Categorical Aid	495-034-5120-089	6,370,555	7/1/2020	6/30/2021				5,630,853	(6,370,555)						(739,702)	(6,370,555)	
Special Education Categorical Aid	495-034-5120-089	6,370,555	7/1/2019	6/30/2020			(695,479)	695,479									
Security Aid	495-034-5120-084	3,438,877	7/1/2020	6/30/2021				3,039,580	(3,438,877)						(399,297)	(3,438,877)	
Security Aid	495-034-5120-084	3,438,877	7/1/2019	6/30/2020			(375,425)	375,425									
Transportation Aid	495-034-5120-014	403,763	7/1/2020	6/30/2021				356,881	(403,763)						(46,882)	(403,763)	
Transportation Aid	495-034-5120-014	403,763	7/1/2019	6/30/2020			(44,079)	44,079									
Extraordinary Aid (Spec Ed)	495-034-5120-044	669,553	7/1/2020	6/30/2021										(669,553)		(669,553)	
Extraordinary Aid (Spec Ed)	495-034-5120-044	681,161	7/1/2019	6/30/2020		(681,161)		681,161									
T.P.A.F. Social Security Aid	495-034-5094-003	5,032,291	7/1/2020	6/30/2021				4,779,787	(5,032,291)					(252,504)		(5,032,291)	
T.P.A.F. Social Security Aid	495-034-5095-003	4,734,571	7/1/2019	6/30/2020		(241,366)		241,366									
T.P.A.F. Post Retirement Medical	495-034-5094-001	5,300,888	7/1/2020	6/30/2021				5,300,888	(5,300,888)							(5,300,888)	
T.P.A.F. Pension	495-034-5094-002	16,914,970	7/1/2020	6/30/2021				16,914,970	(16,914,970)							(16,914,970)	
T.P.A.F. Non-Contributory Ins. Premiums	495-034-5094-004	10,731	7/1/2020	6/30/2021				10,731	(10,731)							(10,731)	
Total General Fund							(922,527)	-	(7,150,689)	94,989,751	(95,708,742)	-	-	(922,057)	-	(7,870,150)	(95,708,742)
Special Revenue Fund																	
State Dept of Education																	
Preschool Education Aid	495-034-5120-086	11,689,202	7/1/2020	6/30/2021				11,689,202	(9,329,025)				30,951	2,391,128	-	(9,298,074)	
Preschool Education Aid	495-034-5120-086	6,745,719	7/1/2019	6/30/2020		788,766		(788,766)								(788,766)	
NJ Nonpublic Aid:																	
Textbook Aid	100-034-5120-064	27,307	7/1/2020	9/30/2021				27,307	(26,695)						612		
Textbook Aid	100-034-5120-064	39,005	7/1/2019	6/30/2020			4,631			(4,631)						(34,374)	
Auxiliary Services:																	
Compensatory Education	100-034-5120-067	55,738	7/1/2020	6/30/2021				55,738	(55,738)							(55,738)	
Compensatory Education	100-034-5120-067	51,185	7/1/2019	6/30/2020		(5,735)	810	5,735		(810)						(50,375)	
ESL	100-034-5120-067	898	7/1/2020	6/30/2021				898	(888)							(888)	
ESL	100-034-5120-067	2,648	7/1/2019	6/30/2020			580			(580)						(2,068)	
Handicapped Transportation	100-034-5120-068	14,943	7/1/2020	6/30/2021				14,943	(14,943)							(14,943)	
Handicapped Transportation	100-034-5120-068	10,522	7/1/2019	6/30/2020		(1,052)		1,052								(10,522)	
Handicapped Services:																	
Supplemental Instruction	100-034-5120-066	16,190	7/1/2020	6/30/2021				16,190	(16,190)								(16,190)
Supplemental Instruction	100-034-5120-066	40,394	7/1/2019	6/30/2020		(7,678)	1	7,678		(1)						(40,393)	
Examination & Classification	100-034-5120-066	23,964	7/1/2020	6/30/2021				23,964	(23,599)					365		(23,599)	
Examination & Classification	100-034-5120-066	56,127	7/1/2019	6/30/2020		(5,612)	18,392	5,612		(18,392)						(37,735)	
Corrective Speech	100-034-5120-066	8,112	7/1/2020	6/30/2021				8,112	(8,112)							(8,112)	
Corrective Speech	100-034-5120-066	9,398	7/1/2019	6/30/2020		(939)	1	939		(1)						(9,397)	
Technology Initiative	100-034-5120-373	26,640	7/1/2019	6/30/2020			3,367								6,734	(23,273)	
Security Aid	100-034-5120-509	81,550	7/1/2020	6/30/2021				81,550	(59,137)					22,413		(59,137)	
Security Aid	100-034-5120-509	111,300	7/1/2019	6/30/2020			52,872			(52,872)	6,290			6,290		(52,138)	
Nursing Services	100-034-5120-070	47,532	7/1/2020	6/30/2021				47,532	(47,532)							(47,532)	
State Dept of Children and Families																	
School Based Youth Services	100-054-7500-068	273,216	7/1/2020	9/30/2021				273,216	(271,916)					1,300		(270,616)	
School Based Youth Services	100-054-7500-068	132,809	7/1/2019	6/30/2020		140,407								140,407		(132,809)	
School Based Youth Services	100-054-7500-068	132,809	7/1/2018	6/30/2019			75,473							75,473			

CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020		MEMO		Balance at June 30, 2021		MEMO		Cumulative Total Expenditures	
			From	To	Intergovernmental Unearned Revenue (Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Intergovernmental Unearned Revenue/ (Accounts Receivable)		Due to Grantor
Special Revenue Fund (Cont'd.)														
Indirect Aid:														
State Department of Treasury Passed through County of Hudson Passed through City of Bayonne														
Municipal Alliance Program	100-082-C001-004	\$ 54,448	7/1/2020	6/30/2021	\$	\$	\$	\$	\$ (14,299)	\$	\$	\$ (14,299)	\$	
Municipal Alliance Program	100-082-C001-004	40,750	7/1/2019	6/30/2020	(40,750)							(40,750)	\$	
Municipal Alliance Program	100-082-C001-004	33,277	7/1/2018	6/30/2019	(33,276)							(33,276)	\$	
Total Special Revenue Fund					909,604	80,654	-	12,259,658	(10,656,840)	(80,654)	37,241	2,520,348	36,049	(10,706,053)
Capital Projects Fund														
Direct Aid:														
School Development Authority:														
Renov. at Bayonne HS	0220-020-14-1001	3,737,374	Indefinite		(101,632)				(448,605)			(550,237)		(2,924,393)
Renov. at Walter E. Robinson No. 3 ES	0220-030-14-1002	487,580	Indefinite		(100,310)		83,608					(16,702)		(290,804)
Renov. at John M. Bailey No. 12 ES	0220-040-14-1003	204,785	Indefinite		(24,649)							(24,649)		(96,840)
Renov. at Henry Harris No. 1 ES	0220-050-14-1004	67,034	Indefinite		(11,010)							(11,010)		(29,426)
Renov. at Horace Mann No. 6 ES	0220-060-14-1005	648,707	Indefinite		1,735							1,735		(591,539)
Renov. at Lincoln No. 5 ES	0220-070-14-1006	805,890	Indefinite		1,735							1,735		(554,226)
Renov. at Mary J. Donohoe No. 4 ES	0220-080-14-1007	116,757	Indefinite		(11,010)							(11,010)		(29,426)
Renov. at Midtown Community No. 8 ES	0220-085-14-1008	751,369	Indefinite		(496,636)		541,280					44,644		(639,851)
Renov. at Phillip G. Vroom No. 2 ES	0220-090-14-1009	503,859	Indefinite		(188)							(188)		(367,830)
Renov. at Washington School	0220-120-14-1010	634,980	Indefinite		10,040							10,040		(624,940)
Renov. at Woodrow Wilson No. 10 ES	0220-130-14-1011	291,855	Indefinite		3,646							3,646		(165,210)
Securing our Children's Future Bond Act	N/A	470,826	Indefinite		-				(470,826)			(470,826)		(470,826)
Total Capital Projects Fund					(728,279)	-	-	624,888	(919,431)	-	-	(1,022,822)	-	(6,785,313)
Enterprise Fund														
State School Lunch Program	21-100-010-3350-023	50,432	7/1/2020	6/30/2021	-	-	-	46,565	(50,432)	-	-	(5,344)	1,477	(50,432)
COVID CARES Act	20-100-010-3350-023	9,067	7/1/2019	6/30/2020	(6,396)	-	-	6,396	-	-	-	-	-	-
Total Enterprise Fund					(6,396)	-	-	52,961	(50,432)	-	-	(5,344)	1,477	(50,432)
Total State Financial Assistance					\$ (747,598)	\$ 80,654	\$ (7,150,689)	\$ 107,927,258	\$ (107,335,445)	\$ (80,654)	\$ 37,241	\$ 570,125	\$ 37,526	\$ (7,870,150)
Less: State Financial Assistance Not Subject to Single Audit Determination														
TPAF Post Retirement Medical														5,300,888
TPAF Pension														16,914,970
TPAF Non-Contributory Pension Ins.														10,731
Total State financial Assistance Subject to State Single Audit.														\$ (85,108,856)

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

CITY OF BAYONNE SCHOOL DISTRICT
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL
 AWARDS AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2021

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 District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies 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 federal awards and state 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 and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal grants, State grants, and State aid*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the District's 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 Proprietary Fund (Enterprise Fund – Food Service) is presented in the accompanying schedules on the GAAP basis.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(719,461) for the General Fund and \$(61,509) for the Special Revenue Fund.

CITY OF BAYONNE SCHOOL DISTRICT
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL
 AWARDS AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2021

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

See Exhibit "C-3" (the Notes to the Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 296,384	\$94,989,281	\$ 95,285,665
Special Revenue Fund	13,375,013	10,598,450	23,973,463
Capital Projects Fund		1,095,715	1,095,715
Food Service Fund	1,927,555	50,432	1,977,987
Community Ed Fund	<u>8,373</u>	<u> </u>	<u>8,373</u>
Total Awards and Financial Assistance	<u>\$15,607,325</u>	<u>\$106,733,878</u>	<u>\$122,341,203</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. 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, 2021.

The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2021 amount to \$22,226,589. Since on-behalf post retirement pension, medical and disability insurance benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2021

NOTE 6. INDIRECT COST RATE

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

NOTE 7. ADJUSTMENTS

During the year ended June 30, 2021, the District made adjustments for cancelled accounts payables and encumbrances that were improperly accrued as of June 30, 2020. These cancellations resulted in \$300,152 of cash receipts due back to federal funding sources and \$36,049 of cash receipts due back to state funding sources.

NOTE 8. FEDERAL AND STATE LOANS OUTSTANDING

The District had no loan balances outstanding at June 30, 2021.

CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified? √ Yes No
- 2) Were significant deficiencies identified that are not considered to be material weaknesses? Yes √ None Reported

Noncompliance material to basic financial statements noted? √ Yes No

Federal Awards Section

Internal control over major programs:

- 1) Material weakness(es) identified? Yes √ No
- 2) Were significant deficiencies identified that are not considered to be material weaknesses? Yes √ 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 OMB Uniform Guidance? Yes √ No

Identification of Major Federal Programs:

<u>Assistance Listing</u> <u>Number(s)</u>	<u>FAIN #</u>	<u>Name of Federal Program or Cluster</u>
84.027	H027A210100	Special Education Cluster: IDEA, Part B IDEA, Preschool
84.173	H173A200114	
84.425D	S425D200027	Elementary and Secondary School Emergency Relief Fund (ESSER)
21.019	S377A130031	Coronavirus Relief Fund Bridging the Digital Divide
21.019	S377A130031	

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Auditee qualified as low-risk auditee? √ Yes No

**CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section I - Summary of Auditors' Results (continued)

State Financial Assistance

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

\$2,553,266

Auditee qualified as low-risk auditee? Yes No

Internal control over major programs:

1) Material weakness(es) identified? Yes No

2) Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

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 NJOMB Circular Letter 15-08?

Yes No

Identification of major State programs:

GMIS/Program Number

Name of State Program or Cluster

495-034-5120-089
495-034-5120-078
495-034-5120-084

State Aid Cluster:
Special Education Categorical Aid
Equalization Aid
Security Aid

495-034-5094-003

T.P.A.F Social Security Aid

495-034-5120-086

Preschool Education Aid

CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Section II - Financial Statement Findings

Finding 2021-001: Material Weakness

Criteria:

Internal controls should be in place that provide reasonable assurance that the various financial system processes function appropriately. In addition, finance personnel should review necessary requirements for compliance with the various aspects of their assigned duties.

Condition:

Issues identified with respect to financial system processes including the posting of financial transactions' and the reporting of trial balances. Specifically, the following issues included, but were not limited to, as follows:

- Beginning general ledger balances at July 1, 2020 did not agree to the June 30, 2020 audited ending balances resulting in misstatements of current year general ledger balances.
- Material journal entries were improperly recorded to fund balance accounts in the general fund.
- Entries were incorrectly posted to fund balance accounts in the general fund rather than the appropriate asset, liability, revenue or expenditure accounts.
- It was discovered during the audit that accounts payable and encumbrances were not recorded properly which caused incorrect grant reporting and adjusting journal entries were required to properly refund monies due back to grantors.
- The Community Education fund improperly recognized federal grant revenues.
- The capital assets additions were not reconciled to the capital outlay expenditures resulting in capital assets that were not properly capitalized.

Context:

Management should review the ending general ledger balances closely and agree opening balances to the prior year's audited financial statements. Additionally, ending general ledger balances should be reviewed for accuracy at year end and amounts should be agreed to supporting schedules.

Cause:

The internal controls around the financial statement close out process are not effective.

Effect:

As a result, a number of financial posting errors were noted requiring reclassification to correct material misstatements within the general ledger records.

CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Section II - Financial Statement Findings (continued)

Finding 2021-001 (continued):

Recommendation:

Controls and procedures should be implemented to cause for the review of the recording of certain transactions to avoid the necessity of audit entries; and that procedures and reporting be performed on schedule to reduce the risk that errors may not be identified in a timely manner. It is recommended the District enhance its financial statements close process and procedures.

Management's Response:

The finding will be corrected in the fiscal year ending June 30, 2022.

Finding 2021-002: Material Weakness

Criteria:

Internal controls should be in place to ensure the proper supporting documentation is retained for all revenue transactions.

Condition:

Community education fund deposits selected for testing did not have the proper supporting documentation.

Context:

The community education after-care program was closed for the majority of the school year, but the District continued recognizing grant revenue for students that did not have attendance records to support the recognition of this grant revenue.

Cause:

Supporting documentation was not retained in accordance with record retention policies.

Effect:

As a result, revenue discrepancies existed due to the supporting documentation not being reconciled to the community education fund revenues. Federal grant revenue was improperly recognized and an audit entry was required to reclassify the revenues as due back to the grantor.

Recommendation:

It is recommended the proper detailed documentation for all transactions be maintained.

Management's Response:

The finding will be corrected in the fiscal year ending June 30, 2022.

CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Section III - Summary of Auditors' Results

This section identifies the significant deficiencies, material weaknesses, and instances of non-compliance, including questioned costs, related to the audit of major federal and state programs, as required by 2 CFR 200 Section 516(a) and New Jersey Treasury Circular OMB 15-08, respectively.

a) Federal Award Findings and Questioned Costs:

This section identifies compliance or internal control findings noted that are required to be reported in accordance with 2 CFR 200 Section 516(a).

There were no compliance or internal control findings noted in relation with 2 CFR 200 Section 516(a).

b) State Financial Assistance Findings and Questioned Costs:

This section identifies compliance or internal control findings that are required to be reported in accordance with New Jersey Treasury Circular OMB 15-08.

There were no compliance or internal control findings noted in relation to the state financial assistance programs.

**CITY OF BAYONNE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FISCAL YEAR ENDED JUNE 30, 2021**

Section IV:

Status of Prior Year Findings

Financial Statement Finding 2020-001:

Recommendation:

It is recommended the proper detailed documentation for all transactions be maintained.

Management's Response:

The finding will be corrected in the fiscal year ending June 30, 2022.

Current Status:

This condition has not been corrected and is reported as finding 2021-002. District closures due to the COVID-19 pandemic hindered the financial reporting process.