



***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, 2022***

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## **Introductory Section**



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

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

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

June 1, 2023

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, 2022, 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 2021-2022 fiscal year with an average daily enrollment of 8,929 students, which is 383 or 4.11% 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
2021-2022	8,929	-4.11%
2020-2021	9,312	-0.43%
2019-2020	9,352	1.77%
2018-2019	9,189	-0.92%
2017-2018	9,274	-0.44%

## 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 includes 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 District's financial obligations for the remainder of the fiscal year.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either 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, 2022.

#### 6. ACCOUNTING SYSTEM AND REPORTS:

A District's accounting records must reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. 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, 2022, and the amount of increase/(decrease) in relation to the prior year.

<u>Revenue</u>	<u>2021-2022</u>	<u>Percent of Total</u>	<u>2020-2021</u>	<u>Increase/ (Decrease)</u>
Local Tax Levy	\$ 70,451,920	31.82%	\$ 69,754,379	\$ 697,541
Other Local Sources	1,710,243	0.77%	576,903	1,133,340
State Sources	129,228,818	58.37%	105,587,731	23,641,087
Federal Sources	<u>20,000,152</u>	<u>9.04%</u>	<u>13,671,397</u>	<u>6,328,755</u>
Total	<u>\$ 221,391,133</u>	<u>100.00%</u>	<u>\$ 189,590,410</u>	<u>\$ 31,800,723</u>

The following schedule presents a summary of the general fund and special revenue fund expenditures for the fiscal year ended June 30, 2022, and the amount of increase/ (decrease) in relation to the prior year.

<u>Expenditures</u>	<u>2021-2022</u>	<u>Percent of Total</u>	<u>2020-2021</u>	<u>Increase/ Decrease</u>
Current Expenses:				
Instruction	\$ 71,931,775	32.82%	\$ 66,886,923	\$ 5,044,852
Undistributed Expenditures	107,405,744	49.01%	96,142,677	11,263,067
Capital Outlay	6,669,875	3.04%	2,246,085	4,423,790
Special Revenues	<u>33,158,311</u>	<u>15.13%</u>	<u>24,071,337</u>	<u>9,086,974</u>
	<u>\$ 219,165,705</u>	<u>100.00%</u>	<u>\$ 189,347,022</u>	<u>\$ 29,818,683</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,



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John J. Niesz  
Superintendent of Schools



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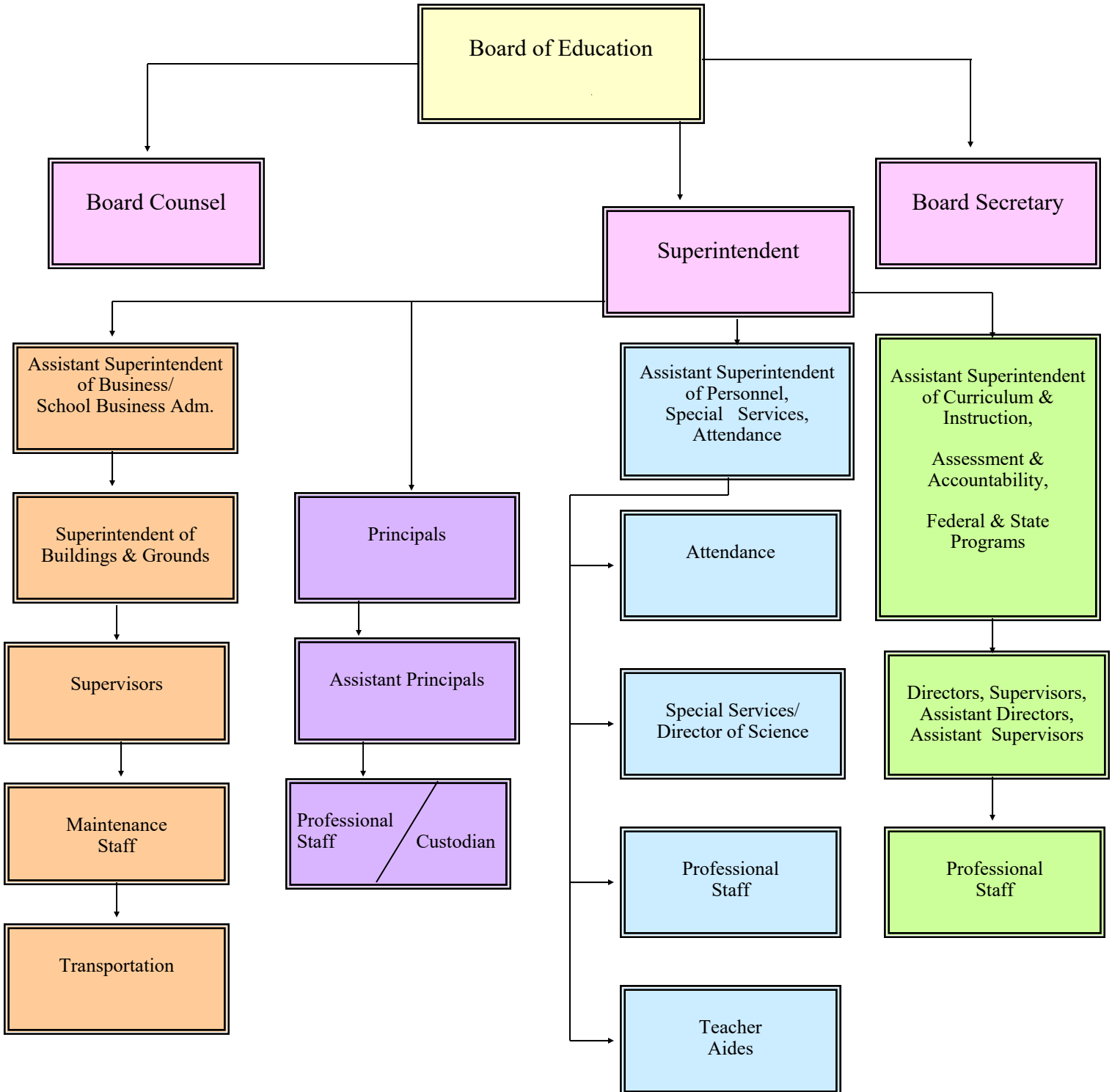
Daniel M. Castles  
School Business Administrator

# POLICY

# BOARD OF EDUCATION BAYONNE

## 1110 ORGANIZATIONAL CHART

ADMINISTRATION  
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ORGANIZATIONAL CHART



Revised: July 2017

CITY OF BAYONNE SCHOOL DISTRICT  
HUDSON COUNTY, NEW JERSEY

ROSTER OF OFFICIALS  
JUNE 30, 2022

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 2026
Hector Gonzalez, Jr.	January 2023
Melissa Godesky-Rodriguez	January 2026
Pamela Sclafane	January 2026
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 Special Services  
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**

DMR Architects  
777 Terrace Avenue  
Hasbrouck Heights, New Jersey 07604

**Audit Firm**

PKF O'Connor Davies, LLP  
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Cranford, NJ 07016

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Secaucus, New Jersey 07094-3621

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Parsipanny, New Jersey 07054

Cleary, Giacobbe, Alferi & Jacobs, LLC  
955 State Highway 34 - Suite#200  
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 the Audit of the Financial Statements**

#### ***Opinions***

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 District as of June 30, 2022, 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.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management's 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

### **Supplementary 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 combining and individual fund financial statements, long-term debt schedules, and the schedules of expenditures of federal awards and state financial assistance, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2022. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2023 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  
June 1, 2023



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'S DISCUSSION & ANALYSIS (MD&A)**  
**June 30, 2022**

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, 2022. 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 2021-2022 fiscal year include the following:

Total government-wide net position is reported at \$95,951,010 at June 30, 2022. This represents an increase of \$11,943,480 or 14.22% over the prior year reported government-wide net position. Governmental funds reported a positive fund balance of \$10,137,005, which is a \$2,884,362 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 \$9,749,694, which represents an increase of \$2,860,235 over the prior year. Of this total, \$272,414 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 2022-2023 budget is \$3,927,942. The District's 2022-2023 budget also utilizes \$1,029,109 of fund balance for tax relief. The unassigned general fund balance is reported at negative \$2,611,068. \$4,136,562 is reserved for tax relief in the 2023-2024 budget. Total expenditures for all governmental funds were \$219,165,705. Total revenues were \$222,050,067 resulting in an excess of revenues over expenditures of \$2,884,362 for the year. Revenues included \$149.89 million in state and federal aid and \$70.45 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*

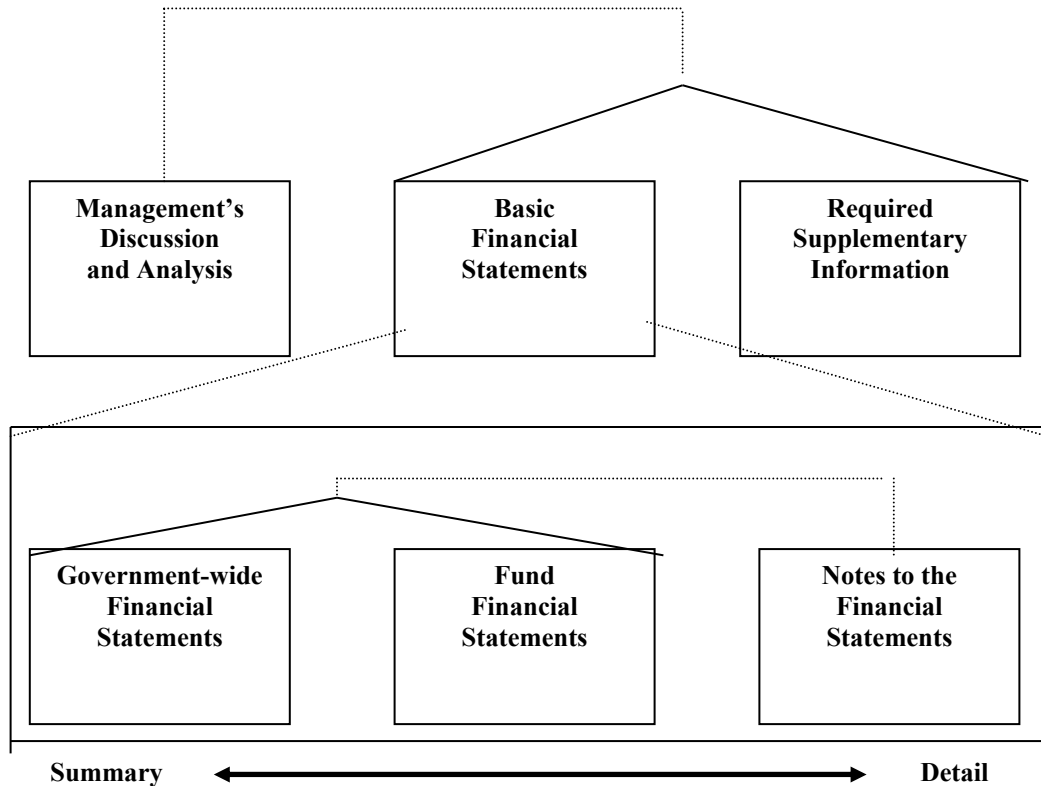


Figure A-2 summarizes the major features of the district’s financial statements, including the portion of the district’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents 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"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses and changes in net position</li> <li>• Statement of cash flows</li> </ul>
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
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 \$92,146,070 at June 30, 2022. Of this amount, a deficit amount of \$47,461,507 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.

**Figure A-3**  
**Net Position at June 30, 2022**

	<b>Governmental Activities</b>		<b>Amount Difference</b>	<b>% Increase (Decrease)</b>
	<b>2022</b>	<b>2021</b>		
<b>ASSETS</b>				
Current and Other Assets	\$ 21,836,968	\$ 19,664,973	\$ 2,171,995	11.04%
Capital Assets	128,770,193	128,170,429	599,764	0.47%
<b>Total Assets</b>	<b>\$ 150,607,161</b>	<b>\$ 147,835,402</b>	<b>\$ 2,771,759</b>	<b>1.87%</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	\$ 8,481,452	\$ 11,526,034	\$ (3,044,582)	-26.41%
<b>LIABILITIES</b>				
Current and other liabilities	9,271,565	15,452,287	(6,180,722)	-40.00%
Long-term liabilities	32,328,411	43,644,410	(11,315,999)	-25.93%
<b>Total Liabilities</b>	<b>\$ 41,599,976</b>	<b>\$ 59,096,697</b>	<b>\$ (17,496,721)</b>	<b>-29.61%</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	\$ 25,342,567	\$ 17,745,353	\$ 7,597,214	42.81%
<b>NET POSITION</b>				
Net Investment in Capital Assets	128,161,027	126,960,246	1,200,781	0.95%
Restricted	11,446,550	9,150,512	2,296,038	25.09%
Unrestricted (Deficit)	(47,461,507)	(53,591,372)	6,129,865	-11.44%
<b>Total Net Position</b>	<b>\$ 92,146,070</b>	<b>\$ 82,519,386</b>	<b>\$ 9,626,684</b>	<b>11.67%</b>

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

**Figure A-4**  
**Change in Net Position for the Year Ended June 30,**

	<b>Governmental Activities</b>		<b>Amount</b>	<b>%</b>
	<b>2022</b>	<b>2021</b>	<b>Difference</b>	<b>Increase (Decrease)</b>
<b>Revenues:</b>				
<b>Program Revenue</b>				
Operating Grants and Contributions	\$ 34,241,777	\$ 24,710,789	\$ 9,530,988	38.57%
Capital Grants and Contributions	658,934	1,095,715	(436,781)	-39.86%
Charges for Services	59,625	1,642	57,983	3531.24%
<b>General Revenues</b>				
Property Taxes	70,451,920	69,754,379	697,541	1.00%
Federal and State Aid not Restricted	111,914,318	114,546,616	(2,632,298)	-2.30%
Other General Revenues	1,072,255	507,488	564,767	111.29%
<b>Total Revenues</b>	<b>\$ 218,398,829</b>	<b>\$ 210,616,629</b>	<b>\$ 7,782,200</b>	<b>3.69%</b>
<b>Function/program expense:</b>				
Instruction	125,438,766	133,398,176	(7,959,410)	-5.97%
Support Services:				
Attendance/Social Work	559,249	562,228	(2,979)	100.00%
Speech, OT, PT and Related Services	5,473,021	3,963,611	1,509,410	38.08%
Health Services	89,171	2,834,312	(2,745,141)	-96.85%
Other Support Services	32,290,633	20,044,912	12,245,721	61.09%
Improvement of Instruction	3,186,998	3,238,090	(51,092)	-1.58%
Other Support: Instructional Staff	19,727	13,424	6,303	46.95%
School Library	2,206,169	1,493,235	712,934	47.74%
General Administration	3,992,602	3,916,928	75,674	1.93%
School Administration	10,062,920	9,339,889	723,031	7.74%
Central Services	2,933,634	3,387,804	(454,170)	-13.41%
Administrative Information Technology	270,274	904,160	(633,886)	-70.11%
Plant Operation and Maintenance	15,994,564	20,501,351	(4,506,787)	-21.98%
Student Transportation	5,331,692	4,371,402	960,290	21.97%
Special Schools	898,466	848,441	50,025	5.90%
Interest on Long-Term Debt	24,259	53,402	(29,143)	-54.57%
<b>Total Expenses</b>	<b>\$ 208,772,145</b>	<b>\$ 208,871,365</b>	<b>\$ (99,220)</b>	<b>-0.05%</b>
<b>Increase in Net Position</b>	<b>\$ 9,626,684</b>	<b>\$ 1,745,264</b>	<b>\$ 7,881,420</b>	<b>451.59%</b>

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

	<b>Business Type Activities</b>		<b>Amount Difference</b>	<b>% Increase (Decrease)</b>
	<b>2022</b>	<b>2021</b>		
<b>Revenues:</b>				
Charges for Services	\$ 1,378,316	\$ 81,359	\$ 1,296,957	1594.12%
Operating Grants and Contributions	6,958,771	1,986,360	4,972,411	250.33%
<b>Total Revenues</b>	<b>\$ 8,337,087</b>	<b>\$ 2,067,719</b>	<b>\$ 6,269,368</b>	<b>303.20%</b>
<b>Program Expenses</b>				
Food Service	\$ 4,647,211	\$ 1,962,523	\$ 2,684,688	136.80%
Community Education	1,373,080	163,198	1,209,882	741.36%
<b>Total Expenses</b>	<b>\$ 6,020,291</b>	<b>\$ 2,125,721</b>	<b>\$ 3,894,570</b>	<b>183.21%</b>
<b>Increase/(Decrease) in Net Position</b>	<b>\$ 2,316,796</b>	<b>\$ (58,002)</b>	<b>\$ 2,374,798</b>	<b>4094.34%</b>

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

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

	<b>2022</b>	<b>2021</b>	<b>Increase (Decrease)</b>	
			<b>\$</b>	<b>%</b>
Instruction	\$ 125,438,766	\$ 133,398,176	\$ (7,959,410)	-5.97%
<b>Support Services:</b>				
Attendance/Social Work	559,249	562,228	(2,979)	-0.53%
Speech, OT, PT and Related Services	5,473,021	3,963,611	1,509,410	38.08%
Health Services	89,171	2,834,312	(2,745,141)	-96.85%
Other Support Services	32,290,633	20,044,912	12,245,721	61.09%
Improvement of Instruction	3,186,998	3,238,090	(51,092)	-1.58%
Other Support: Instructional Staff	19,727	13,424	6,303	46.95%
School Library	2,206,169	1,493,235	712,934	47.74%
General Administration	3,992,602	3,916,928	75,674	1.93%
School Administration	10,062,920	9,339,889	723,031	7.74%
Central Services	2,933,634	3,387,804	(454,170)	-13.41%
Administrative Information Technology	270,274	904,160	(633,886)	-70.11%
Plant Operation and Maintenance	15,994,564	20,501,351	(4,506,787)	-21.98%
Student Transportation	5,331,692	4,371,402	960,290	21.97%
Special Schools	898,466	848,441	50,025	5.90%
Interest on Long-Term Debt	24,259	53,402	(29,143)	-54.57%
<b>Total Expenses</b>	<b>\$ 208,772,145</b>	<b>\$ 208,871,365</b>	<b>\$ (99,220)</b>	<b>-0.05%</b>

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

As the school district completed this year, our governmental funds reported a combined fund balance of \$10,137,005, which is an increase of \$2,884,362 from last year. This amount includes the general fund (increase of \$2,860,235), special revenue fund (increase of \$40,458), and capital projects fund (decrease of \$16,331).

### **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 \$37.31 million. This is due primarily to the State reimbursement/on behalf in the amount of \$36.41 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 \$30.92 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, 2022, the school district governmental activities reported \$201,443,158 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 \$6,864,628 from the prior year. Figure A-6 details the composition of capital assets at June 30<sup>th</sup> of the current and prior year and the net changes for the current year.

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

	<u>FY 2022</u>	<u>FY 2021</u>	<u>Increase (Decrease )</u>
Land	\$ 2,596,562	\$ 1,520,207	\$ 1,076,355
Construction in Progress	9,134,690	9,134,690	-
Buildings and Improvements	173,522,181	168,277,252	5,244,929
Machinery and Equipment	13,204,236	12,792,071	412,165
Vehicles	2,985,489	2,854,310	131,179
<b>Total</b>	<b><u>\$ 201,443,158</u></b>	<b><u>\$ 194,578,530</u></b>	<b><u>\$ 6,864,628</u></b>

**Long-Term Liabilities**

At the end of this year, the school district had \$32,328,411 in long term liabilities outstanding versus \$43,942,053 last year – a decrease of 26.43%. The summary of year-end long-term liabilities and changes for the 2021-2022 school years are as follows:

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

	<u>Governmental Activities 2022</u>	<u>2021</u>
Finance Purchase Payables	\$ 609,166	\$ 1,507,826
Compensated Absences Payable	968,370	1,035,470
Net Pension Liability (PERS)	30,750,875	41,398,757
<b>Total Liabilities</b>	<b><u>\$ 32,328,411</u></b>	<b><u>\$ 43,942,053</u></b>

**FACTORS AFFECTING THE DISTRICT'S FUTURE**

- The District has been and continues to utilize sound accounting practices in the state of declining economy and uncertainty in state funding.
- The Business Office, through collaboration with district and building administrators, will be responsible for updating the internal controls to meet the demands of updated DOE regulations and the applicable OMB circulars. Currently underway is a concerted effort to develop plans for expending funds to the maximum benefit of the schools for the current and upcoming year.
- Accountability and internal controls will continue to guide the operations of the district.

## **CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

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

## **Basic Financial Statements**



## **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, 2022.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 17,764,307	\$ 1,564,913	\$ 19,329,220
Accounts Receivable	4,317,672	1,708,144	6,025,816
Internal Balances	(245,011)	245,011	-
Inventory		60,220	60,220
Capital Assets, Net	128,770,193	833,822	129,604,015
<b>Total Assets</b>	<b><u>150,607,161</u></b>	<b><u>4,412,110</u></b>	<b><u>155,019,271</u></b>
<b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>			
Pension Deferrals	8,481,452		8,481,452
<b>Total Deferred Outflow of Resources</b>	<b><u>8,481,452</u></b>	<b><u>-</u></b>	<b><u>8,481,452</u></b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	5,776,694		5,776,694
Accrued Liabilities	248,356		248,356
Unearned Revenue	1,782,393		1,782,393
Payable to Other Governments	188,541	607,170	795,711
Payroll Deductions and Withholdings Payable	959,591		959,591
Unemployment Compensation Claims Payable	315,990		315,990
Noncurrent Liabilities:			
Due Within One Year	386,864		386,864
Due Beyond One Year	1,190,672		1,190,672
Net Pension Liability	30,750,875		30,750,875
<b>Total Liabilities</b>	<b><u>41,599,976</u></b>	<b><u>607,170</u></b>	<b><u>42,207,146</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension Deferrals	19,354,154		19,354,154
Deferred Tax Revenues	5,988,413		5,988,413
<b>Total Deferred Inflows of Resources</b>	<b><u>25,342,567</u></b>	<b><u>-</u></b>	<b><u>25,342,567</u></b>
<b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	128,161,027	833,822	128,994,849
Restricted for:			
Other Purposes	11,446,550		11,446,550
Unrestricted (Deficit)	(47,461,507)	2,971,118	(44,490,389)
<b>Total Net Position</b>	<b><u>\$ 92,146,070</u></b>	<b><u>\$ 3,804,940</u></b>	<b><u>\$ 95,951,010</u></b>

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, 2022

Functions/Programs	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction	\$ 125,438,766	\$ 59,625	\$ 14,437,387		\$ (110,941,754)		\$ (110,941,754)
Support Services:							
Attendance/social work	559,249				(559,249)		(559,249)
Speech, OT, PT and Related Services	5,473,021				(5,473,021)		(5,473,021)
Health Services	89,171				(89,171)		(89,171)
Other Support Services	32,290,633		19,780,690		(12,509,943)		(12,509,943)
Improvement of Instruction	3,186,998				(3,186,998)		(3,186,998)
Other Support: Instructional Staff	19,727				(19,727)		(19,727)
School Library	2,206,169				(2,206,169)		(2,206,169)
General Administration	3,992,602				(3,992,602)		(3,992,602)
School Administration	10,062,920				(10,062,920)		(10,062,920)
Central Services	2,933,634				(2,933,634)		(2,933,634)
Administrative Information Technology	270,274				(270,274)		(270,274)
Plant Operation and Maintenance	15,994,564				(15,994,564)		(15,994,564)
Student Transportation	5,331,692				(5,331,692)		(5,331,692)
Special Schools	898,466				(898,466)		(898,466)
Interest on Long-Term Debt	24,259				(24,259)		(24,259)
Capital Outlay			23,700	658,934	682,634		682,634
<b>Total Governmental Activities</b>	<b>208,772,145</b>	<b>59,625</b>	<b>34,241,777</b>	<b>658,934</b>	<b>(173,811,809)</b>	<b>-</b>	<b>(173,811,809)</b>
Business-Type Activities:							
Food Service	4,647,211	369,577	6,283,407			2,005,773	2,005,773
Community Education	1,373,080	1,008,739	675,364			311,023	311,023
Total Business-Type Activities	6,020,291	1,378,316	6,958,771	-		2,316,796	2,316,796
<b>Total Primary Government</b>	<b>\$ 214,792,436</b>	<b>\$ 1,437,941</b>	<b>\$ 41,200,548</b>	<b>\$ 658,934</b>	<b>(173,811,809)</b>	<b>2,316,796</b>	<b>(171,495,013)</b>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 70,451,920		\$ 70,451,920
Federal and State Aid Not Restricted					111,914,318		111,914,318
Miscellaneous Income					1,072,255		1,072,255
<b>Total General Revenues</b>					<b>183,438,493</b>	<b>-</b>	<b>183,438,493</b>
<b>Change in Net Position</b>					<b>9,626,684</b>	<b>2,316,796</b>	<b>11,943,480</b>
Net Position—Beginning					82,519,386	1,488,144	84,007,530
<b>Net Position—Ending</b>					<b>\$ 92,146,070</b>	<b>\$ 3,804,940</b>	<b>\$ 95,951,010</b>

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, 2022

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 17,265,823	\$ 498,484	\$ -	\$ 17,764,307
Interfund Accounts Receivable	529,079			529,079
Receivables from Other Governments	1,508,283	2,750,176		4,258,459
Other Receivables		59,213		59,213
<b>Total Assets</b>	<b>\$ 19,303,185</b>	<b>\$ 3,307,873</b>	<b>\$ -</b>	<b>\$ 22,611,058</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
Liabilities:				
Interfund Accounts Payable	\$ 245,011	\$ 529,079	\$ -	\$ 774,090
Accounts Payable	1,796,130	420,549		2,216,679
Intergovernmental Accounts Payable:				
- State		173,427		173,427
- Federal		15,114		15,114
Accrued Liabilities	248,356			248,356
Payroll Deductions and Withholdings Payable	959,591			959,591
Unemployment Compensation Claims Payable	315,990			315,990
Unearned Revenue		1,782,393		1,782,393
Total Liabilities	<u>3,565,078</u>	<u>2,920,562</u>	<u>-</u>	<u>6,485,640</u>
Deferred Inflow of Resources:				
Deferred Tax Revenues	5,988,413			5,988,413
Total Deferred Inflow of Resources	<u>5,988,413</u>	<u>-</u>	<u>-</u>	<u>5,988,413</u>
Fund Balances:				
Restricted for:				
Excess Surplus - Current Year	4,136,562			4,136,562
Excess Surplus - Designated for Subsequent Year Expenditures	3,927,942			3,927,942
Capital Reserve Account	2,647,173			2,647,173
Maintenance Reserve	250,000			250,000
Unemployment Compensation	97,562			97,562
Student Activities		387,311		387,311
Assigned to:				
Designated for Subsequent Years Expenditures	1,029,109			1,029,109
Year End Encumbrances	272,414			272,414
Unassigned:				
General Fund	(2,611,068)			(2,611,068)
Total Fund Balances	<u>9,749,694</u>	<u>387,311</u>	<u>-</u>	<u>10,137,005</u>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 19,303,185</b>	<b>\$ 3,307,873</b>	<b>\$ -</b>	<b>\$ 22,611,058</b>

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

**CITY OF BAYONNE SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022**

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Total fund balances - Governmental Funds	\$	10,137,005
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$201,443,158, and the accumulated depreciation is \$72,672,965.		128,770,193
Long-term liabilities, including financed purchase payable commitments and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(1,577,536)
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	\$ 8,481,452	
Accounts Payable for Pension Expense	(3,560,015)	
Net Pension Liability	(30,750,875)	
Deferred Inflows of Resources - Pension Deferrals	<u>(19,354,154)</u>	
		<u>(45,183,592)</u>
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u><u>92,146,070</u></u></b>

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, 2022**

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	
<b>REVENUES</b>				
Local Tax Levy	\$ 70,451,920	\$	\$	\$ 70,451,920
Tuition-LEAs Within State	59,625			59,625
Other Local Sources	1,072,255	578,363		1,650,618
State Sources	116,473,535	12,755,283	658,934	129,887,752
Federal Sources	306,899	19,693,253		20,000,152
Total Revenues	<u>188,364,234</u>	<u>33,026,899</u>	<u>658,934</u>	<u>222,050,067</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	71,931,775	13,394,379		85,326,154
Undistributed-Current:				
Instruction	2,003,444			2,003,444
Attendance/social work	354,008			354,008
Speech, OT, PT, and Related Services	4,695,070			4,695,070
Health Services	85,646			85,646
Other Support Services	7,669,020	19,740,232		27,409,252
Improvement of Instruction	2,040,629			2,040,629
Education Media Library	1,778,119			1,778,119
Other Support: Instructional Staff	18,947			18,947
General Administration	3,508,666			3,508,666
School Administration	6,401,593			6,401,593
Central Services	1,950,090			1,950,090
Administrative Information Technology	184,298			184,298
Required Maintenance of Plant Services	4,398,491			4,398,491
Operation of Plant	7,704,760			7,704,760
Student Transportation	4,364,695			4,364,695
Unallocated Benefits	22,944,517			22,944,517
On-behalf TPAF Social Security and Pension Contributions	36,405,285			36,405,285
Transfer to Charter Schools	898,466			898,466
Capital Outlay	6,669,875	23,700		6,693,575
Total Expenditures	<u>186,007,394</u>	<u>33,158,311</u>	<u>-</u>	<u>219,165,705</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,356,840</u>	<u>(131,412)</u>	<u>658,934</u>	<u>2,884,362</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	503,395	171,870	(675,265)	-
Total Other Financing Sources and Uses	<u>503,395</u>	<u>171,870</u>	<u>(675,265)</u>	<u>-</u>
Net Change in Fund Balances	2,860,235	40,458	(16,331)	2,884,362
Fund Balance—July 1	6,889,459	346,853	16,331	7,252,643
<b>Fund Balance—June 30</b>	<b><u>\$ 9,749,694</u></b>	<b><u>\$ 387,311</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 10,137,005</u></b>

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, 2022**

<b>Total Net Change in Fund Balances - Governmental Funds (from B-2)</b>	<b>\$</b>	<b>2,884,362</b>
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
	Depreciation expense \$ (6,264,864) Capital outlays <u>6,864,628</u>	599,764
<p>Repayment of financed purchase 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.</p>		601,017
<p>Pension expenditures in the governmental funds are recognized when paid or payable from expendable available financial resources. In the statement of activities, pension costs are recognized on a full accrual basis utilizing actuarial valuations. The net amount by which actuarially calculated pension expense exceeds the expenditure reported in the funds (expense less "on-behalf" revenue) is a deduction.</p>		5,474,441
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		<u>67,100</u>
<b>Change in net position of governmental activities (A-2)</b>	<b>\$</b>	<b><u>9,626,684</u></b>

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, 2022**

	<b>Major Enterprise Funds</b>		
	<b>Food Service</b>	<b>Community Education</b>	<b>Totals</b>
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 704,106	\$ 860,807	\$ 1,564,913
Receivables from Other Governments	1,708,144		1,708,144
Interfund Receivable	245,011		245,011
Inventories	60,220		60,220
Total Current Assets	<u>2,717,481</u>	<u>860,807</u>	<u>3,578,288</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	1,498,980		1,498,980
Less Accumulated Depreciation	(665,158)		(665,158)
Total Noncurrent Assets	<u>833,822</u>	<u>-</u>	<u>833,822</u>
Total Assets	<u>\$ 3,551,303</u>	<u>\$ 860,807</u>	<u>\$ 4,412,110</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Due to Grantor	\$ 158,900	\$ 448,270	\$ 607,170
Total Current Liabilities	<u>158,900</u>	<u>448,270</u>	<u>607,170</u>
<b>NET POSITION</b>			
Investment in Capital Assets	833,822		833,822
Unrestricted	2,558,581	412,537	2,971,118
Total Net Position	<u>3,392,403</u>	<u>412,537</u>	<u>3,804,940</u>
Total Liabilities and Net Position	<u>\$ 3,551,303</u>	<u>\$ 860,807</u>	<u>\$ 4,412,110</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, 2022**

	<b>Major Enterprise Funds</b>		
	<b>Food Service</b>	<b>Community Education</b>	<b>Total</b>
<b><u>OPERATING REVENUES</u></b>			
Charges for Services:			
Program Sales	\$ 367,155		\$ 367,155
Non-Program Sales	2,422		2,422
Education Programs		\$ 538,303	538,303
Facility Rentals		470,436	470,436
Total Operating Revenues	<u>369,577</u>	<u>1,008,739</u>	<u>1,378,316</u>
<b><u>OPERATING EXPENSES</u></b>			
Cost of Sales:			
Program Food Costs	2,142,493		2,142,493
USDA Commodities	261,167		261,167
Subtotal-Cost of Sales	2,403,660		2,403,660
Supplies and Materials	242,754	21,884	264,638
Salaries and Wages	1,875,673	1,351,196	3,226,869
Insurance	495		495
Cleaning & Maintenance	18,418		18,418
Depreciation	106,211		106,211
Total Operating Expenses	<u>4,647,211</u>	<u>1,373,080</u>	<u>6,020,291</u>
Operating Loss	<u>(4,277,634)</u>	<u>(364,341)</u>	<u>(4,641,975)</u>
<b><u>NON-OPERATING REVENUES</u></b>			
State Sources:			
State School Lunch Program	104,492		104,492
Federal Sources:			
Child Care Program	-	675,364	675,364
School Breakfast Program	1,435,073		1,435,073
National School Lunch Program	4,241,693		4,241,693
Special Milk Program	63,354		63,354
COVID-19 Emergency Operational Cost Program	165,864		165,864
COVID-19 P-EBT Administrative Cost Reimbursement	11,764		11,764
USDA Commodities Program	261,167		261,167
Total Non-Operating Revenues	<u>6,283,407</u>	<u>675,364</u>	<u>6,958,771</u>
Change in Net Position	2,005,773	311,023	2,316,796
Total Net Position - Beginning	<u>1,386,630</u>	<u>101,514</u>	<u>1,488,144</u>
Total Net Position - Ending	<u>\$ 3,392,403</u>	<u>\$ 412,537</u>	<u>\$ 3,804,940</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, 2022**

	<b>Major Enterprise Funds</b>		
	<b>Food Service</b>	<b>Community Education</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Customers	\$ 369,577	\$ 1,008,739	\$ 1,378,316
Cash Payments for Goods & Supplies	(2,458,858)	(21,884)	(2,480,742)
Cash Payments for Employee Expenses	(1,875,673)	(1,351,196)	(3,226,869)
Net Cash Flows from Operating Activities	<u>(3,964,954)</u>	<u>(364,341)</u>	<u>(4,329,295)</u>
<b>Cash Flows from Non-Capital Financing Activities</b>			
State Sources	81,141		81,141
Federal Sources	4,437,256	675,364	5,112,620
Interfund Loan Paid	(4,795)		(4,795)
Net Cash Flows from Non-Capital Financing Activities	<u>4,513,602</u>	<u>675,364</u>	<u>5,188,966</u>
Net Increase in Cash and Cash Equivalents	548,648	311,023	859,671
Cash and Cash Equivalents, July 1	155,458	549,784	705,242
Cash and Cash Equivalents, June 30	<u>\$ 704,106</u>	<u>\$ 860,807</u>	<u>\$ 1,564,913</u>
<b>Reconciliation of Operating Loss to Net Cash (Used)/Provided by Operating Activities:</b>			
Operating Loss	\$ (4,277,634)	\$ (364,341)	\$ (4,641,975)
Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities:			
Depreciation	106,211		106,211
USDA Commodities	261,167		261,167
(Increase) in Inventory	(54,698)		(54,698)
Net Cash Flows from Operating Activities	<u>\$ (3,964,954)</u>	<u>\$ (364,341)</u>	<u>\$ (4,329,295)</u>

**Noncash noncapital financing activities:**

The District received and expended \$261,167 of food commodities from the Department of Agriculture for the year ended June 30, 2022.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**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, 2022 of 9,826 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 criteria defined by the 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.

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 criteria defined by 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.

**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 financed purchases payable 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.

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 2021-2022 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

#### **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 assets 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 assets that applies to a future period(s) and will not be recorded as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category, deferred amounts related to pensions and deferred tax revenues.

## 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:

<b>Total Governmental Fund Balance (B-1)</b>	<b>\$ 10,137,005</b>
<u>Adjustments to District-Wide Net Position:</u>	
Capital Assets (see Note 3)	128,770,193
Long-Term Liabilities (see Note 4)	(1,577,536)
Net Pension Liability	(30,750,875)
Other Items not recognized in Fund Financial Statements:	
Deferred Outflows of Financial Resources	8,481,452
Deferred Inflows of Financial Resources	(19,354,154)
Payment Subsequent to Measurement Date	<u>(3,560,015)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 92,146,070</u></b>

## 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:

<b>Total Net Change Governmental Fund Balance (B-2)</b>	<b>\$ 2,884,362</b>
<u>Adjustments to District-Wide Net Position:</u>	
Capital Outlays, net of depreciation	599,764
Repayment of Long-Term Liabilities (see Note 4)	601,017
Decrease in Value of Compensated Absences	67,100
Net Decrease in Pension Expense	<u>5,474,441</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 9,626,684</u></b>

#### **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 2021-2022 fiscal year in the amount of \$7,916,417. Of this amount, \$3,927,942 has been appropriated in the 2022-2023 budget and the remaining \$3,988,475 will be appropriated in the 2023-2024 budget.

#### **Y. Recently Issued Accounting Pronouncements**

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 June 15, 2021. Management has appropriately implemented this Statement and the impact on the financial statements was deemed not material.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* in May 2020. This Statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has not determined the impact of the Statement on the financial statements.



## 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. 99, *Omnibus 2022* in April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 101, *Compensated Absences* in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. 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.

## NOTES TO FINANCIAL STATEMENTS

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

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. 17:9-41)	13,740,030
Uninsured	11,371,134
Total	<u>\$ 25,611,164</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the board's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2022, the carrying amount of the District's deposits was \$19,329,220 and the bank balance was \$25,611,164. Of the bank balance, \$500,000 of the District's cash deposits on June 30, 2022 was covered by federal depository insurance. The New Jersey Governmental Unit Depository Protection Act Covered the bank balance of \$13,740,030. \$11,371,134 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 \$9,837,305 on deposit with the New Jersey Cash Management Fund at June 30, 2022. 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, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Governmental Activities:			
Capital Assets not being depreciated:			
Land	\$ 1,520,207	\$ 1,076,355	\$ 2,596,562
Construction in Progress	9,134,690	-	9,134,690
Total Capital Assets not being depreciated	<u>10,654,897</u>	<u>1,076,355</u>	<u>11,731,252</u>
Building & Building Improvements	168,277,252	5,244,929	173,522,181
Machinery and Equipment	12,792,071	412,165	13,204,236
Vehicles	2,854,310	131,179	2,985,489
Totals at Historical Cost	<u>183,923,633</u>	<u>5,788,273</u>	<u>189,711,906</u>
Less Accumulated Depreciation For:			
Building & Building Improvements	60,079,597	4,472,151	64,551,748
Machinery and Equipment	4,587,415	1,600,443	6,187,858
Vehicles	1,741,089	192,270	1,933,359
Total Accumulated Depreciation	<u>66,408,101</u>	<u>6,264,864</u>	<u>72,672,965</u>
Total Capital Assets being depreciated (Net of Accumulated Depreciation)	<u>117,515,532</u>	<u>(476,591)</u>	<u>117,038,941</u>
Governmental Activities Capital Assets, Net	<u>\$ 128,170,429</u>	<u>\$ (476,591)</u>	<u>\$ 128,770,193</u>

Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2022 as follows:

Instruction	\$ 3,594,099
Attendance/social work	14,569
Speech, OT, PT and related services	193,228
Health services	3,525
Other support services	1,128,044
Improvement of instruction	83,986
Education media library	73,180
Other support: instruction staff	780
General administration	144,401
School administration	263,461
Central services	80,257
Administration information technology	7,585
Required maintenance of plant services	181,023
Operation of plant	317,094
Student transportation	179,632
Total depreciation expense	<u>\$ 6,264,864</u>

## 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, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
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	405,047	92,711	497,758
Vehicles	153,900	13,500	167,400
Total Accumulated Depreciation	<u>558,947</u>	<u>106,211</u>	<u>665,158</u>
Business-type Activities Capital Assets, Net	<u>\$ 940,033</u>	<u>\$ (106,211)</u>	<u>\$ 833,822</u>

### **NOTE 4. LONG-TERM LIABILITIES**

During the year ended June 30, 2022, the following changes occurred in governmental activities long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions/ Adjustments</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Liabilities:					
Financed Purchases Payable	\$ 1,210,183	\$ -	\$ 601,017	\$ 609,166	\$ 290,027
Compensated Absences					
Payable	1,035,470	135,515	202,615	968,370	96,837
Subtotal - Liabilities	<u>2,245,653</u>	<u>135,515</u>	<u>803,632</u>	<u>1,577,536</u>	<u>386,864</u>
Net Pension Liability (PERS)	41,398,757	-	10,647,882	30,750,875	-
Total Liabilities	<u>\$ 43,644,410</u>	<u>\$ 135,515</u>	<u>\$ 11,451,514</u>	<u>\$ 32,328,411</u>	<u>\$ 386,864</u>

**A. Bonds Authorized But Not Issued** -- As of June 30, 2022, the District had no bonds authorized but not issued.

## NOTES TO FINANCIAL STATEMENTS

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

#### **B. Financed Purchases Payables –**

##### *Governmental Funds*

The District has financed purchases payable outstanding for various purposes (School buses and office equipment-copiers) with rates ranging approximately from 2.20% to 3.50%. The following is a schedule of the future minimum payments under these financed purchases payables and the present value of the net future minimum lease payments at June 30, 2022:

Year ending June 30,	<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
2023	\$ 279,779	\$ 25,890	\$ 305,669
2024	152,352	25,890	178,242
2025	152,352	-	152,352
Total Minimum Lease Payments	584,483	51,780	636,263
Less: Amount Representing Interest	(25,436)	(1,661)	(27,097)
Present Value of Net Minimum Lease Payments	<u>\$ 559,047</u>	<u>\$ 50,119</u>	<u>\$ 609,166</u>

### **NOTE 5. PENSION PLANS**

#### **Description of Systems**

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

#### **Teachers' Pension and Annuity Fund**

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60<sup>th</sup> of the

## NOTES TO FINANCIAL STATEMENTS

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

average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

#### **Public Employees' Retirement System**

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, and 62, respectively with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

#### **Funding Policy**

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contribution rates for TPAF and PERS are 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2022, the State of New Jersey contributed \$30,893,913 to the TPAF for on-behalf medical, non-contributory insurance and pension and post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$5,511,372 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2022, 2021 and 2020 were \$3,039,957, \$2,777,158, and \$2,407,105, respectively.

## NOTES TO FINANCIAL STATEMENTS

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

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the 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.

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

##### *Public Employees' Retirement System (PERS)*

At June 30, 2022, the District reported a liability of \$30,750,875 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2020, which was rolled forward to June 30, 2021. 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 school districts, actuarially determined. At June 30, 2021, the District's proportion was 0.2595777375 percent, which was an increase of 0.0057126514 from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized full accrual pension (benefit) of (\$5,474,441) in the government-wide financial statements. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 160,150	\$ 10,947,511
Net difference between projected and actual experience	484,981	220,140
Net difference between projected and actual earnings on plan investments		8,100,588
Changes in proportion and differences between District contributions and proportionate share of contributions	4,276,306	85,915
District contributions subsequent to the measurement date	3,560,015	
	3,560,015	
Total	\$ 8,481,452	\$ 19,354,154

## NOTES TO FINANCIAL STATEMENTS

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

\$3,560,014 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2023	\$ (5,660,708)
2024	(3,894,501)
2025	(3,068,241)
2026	(1,838,494)
2027	29,227
	<u>\$ (14,432,717)</u>

*Actuarial Assumptions* - The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
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%

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

#### *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



## NOTES TO FINANCIAL STATEMENTS

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

females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

#### *Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expecting future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 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%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	9.15%
Real Estate	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

#### *Discount rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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 all 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.

## NOTES TO FINANCIAL STATEMENTS

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

*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, 2021 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	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	\$ 41,876,456	\$ 30,750,875	\$ 21,309,243

#### *Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

#### *Additional Information*

Collective balances of the Local Group at June 30, 2021 are as follows:

Deferred outflows of resources	\$	1,164,738,169
Deferred inflows of resources	\$	8,339,123,762
Net pension liability	\$	11,972,782,878
 District's Proportion		 0.2595777375%

Collective pension (benefit) for the Local Group for the measurement period ended June 30, 2021 is (\$1,599,674,464).

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 July 1, 2021, 2020, 2019, 2018, 2017 and 2016 is 5.13, 5.16, 5.21, 5.63, 5.48, and 5.57 years, respectively.

#### **Teachers Pensions and Annuity Fund (TPAF) – Special Funding Situation**

The 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, these 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total

## NOTES TO FINANCIAL STATEMENTS

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

proportionate share of the net pension liability that is associated with the local participating employer.

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2022 was \$274,523,723. The District's proportionate share was \$0. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2021, the State's proportionate share of the TPAF net pension liability associated with the District was 0.5710299435 percent, which was an increase of 0.0168852054 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$6,459,664 for contributions incurred by the State.

#### *Actuarial assumptions*

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	1.55 - 4.45%
	based on years of service
Thereafter	2.75 - 5.65%
	based on years of service
Investment rate of return	7.00%

#### *Mortality Rates*

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 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 Teachers Above-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-2021.

## NOTES TO FINANCIAL STATEMENTS

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

#### *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, 2021) 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 the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 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%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	9.15%
Real Estate	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

#### *Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% 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 all 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 in determining the total pension liability.

**NOTES TO FINANCIAL STATEMENTS**

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

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% Decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
State's proportionate share of the District's net pension liability	\$ 324,807,420	\$ 274,523,723	\$ 232,288,577

*Pension plan fiduciary net position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

**Additional Information**

Collective balances of the Local Group at June 30, 2021 are as follows:

Deferred outflows of resources	\$ 6,356,228,800
Deferred inflows of resources	27,175,330,929
Net pension liability	48,075,188,642
 District's Proportion	 0.5710299435%

Collective pension expense of the Local Group for the plan for the measurement period ended June 30, 2021 is \$1,159,039,411.

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 July 1, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 is 7.93, 8.04, 8.29, 8.30, 8.30 and 8.30 years, respectively.

**NOTE 6. POST-EMPLOYMENT BENEFITS:**

**General Information about the OPEB Plan:**

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a "pay-as-you-go" basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate

## NOTES TO FINANCIAL STATEMENTS

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

Park Commission, and the New Jersey Building Authority (referred to collectively as “the employers”) for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen’s Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L.1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan is administered on a “pay-as-you-go” basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

## NOTES TO FINANCIAL STATEMENTS

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

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,650,970 for this special funding situation.

The State's contributions to the SHBP Fund for TPAF retirees' post-retirement medical benefits on behalf of the District for the years ended June 30, 2022, 2021 and 2020 were \$5,848,954, \$5,300,888, and \$4,589,924, respectively, which equaled the required contributions for each year.

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.

Additional information on Pensions and OPEB can be accessed at [state.nj.us/treasury/pensions/financial-reports.shtml](http://state.nj.us/treasury/pensions/financial-reports.shtml).

The State's proportionate share of the net OPEB liability associated with the District as of June 30, 2022 was, \$321,100,759, or 0.54%. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

#### *Total Nonemployer OPEB Liability*

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. 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	2.75 - 5.65%	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-2021. 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-2021.

## NOTES TO FINANCIAL STATEMENTS

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

Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 “General (PERS, and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018 and July 1, 2014 – June 30, 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 2022 through 2023 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%.

#### *Discount Rate:*

The discount rate for June 30, 2021 was 2.16%. 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, 2022 were as follows:

	<u>State Totals</u>	<u>District Allocation</u>
Non-employer OPEB Liability Balance-June 30, 2020:	\$67,809,962,608	\$362,219,405
Changes During the Current Year:		
Service Cost	3,217,184,264	19,120,368
Interest on the Total OPEB Liability	1,556,661,679	8,329,692
Changes of Benefit Terms	(63,870,842)	(341,773)
Differences Between Expected and		
Actual Experience	(11,385,071,658)	(62,195,208)
Changes in Assumptions	59,202,105	316,790
Gross Benefit Payments	(1,226,213,382)	(6,561,464)
Employee Contributions	<u>39,796,196</u>	<u>212,949</u>
Net Changes	(7,802,311,638)	(41,118,646)
Non-employer OPEB Liability Balance-June 30, 2021:	<u>\$60,007,650,970</u>	<u>\$321,100,759</u>

The State’s proportionate share of deferred outflows and inflows of resources associated with the District at June 30, 2021 was \$109,199,092 and \$132,052,143, 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:



**NOTES TO FINANCIAL STATEMENTS**

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

	At 1% decrease <u>(1.16%)</u>	At discount rate <u>(2.16%)</u>	At 1% increase <u>(3.16%)</u>
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 384,628,301	\$ 321,100,759	\$ 271,076,633

*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, 2021, calculated using the healthcare trend rates rate as disclosed above, as well as what the State’s Total Non-employer OPEB Liability would be if it was calculated using a healthcare trend rate that is one percentage point (1%) higher and lower than the actual healthcare trend rate that was utilized in the current period:

	<u>1% decrease</u>	Healthcare cost <u>trend rate</u>	<u>1% increase</u>
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 259,932,108	\$ 321,100,759	\$ 403,245,737

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

For the year ended June 30, 2022, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$20,772,050 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2021 are as follows:

Deferred outflows of resources	\$ 21,546,947,255
Deferred inflows of resources	\$ 26,769,148,209
Collective OPEB expense	\$ 3,527,672,060

**NOTE 7. COMPENSATED ABSENCES**

The District accounts for compensated absences (e.g. unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB16), “*Accounting for Compensated Absences*”. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted vacation and sick leave in varying amounts under the District’s personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and accumulate for use in future years. Upon the attainment of specified years of service or upon reaching normal retirement age, employees become eligible to receive compensation for unused accumulated sick leave. The specific terms for eligibility and compensation are governed by the various collective bargaining agreements and employment contract. Generally, payments are based upon a set amount per day of earned and unused sick pay, with a cap on the maximum number of days subject to reimbursement.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 7. COMPENSATED ABSENCES (CONT'D)**

In the 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.

### **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 Annual Comprehensive 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, 2022, the Board has incurred cost totaling \$4,994,640 for prescription benefits for all employees. In addition, the Board has an accrued liability related to the self-insurance program in the amount of \$248,356 for the year ended June 30, 2022.

**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, 2022:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 529,079	\$ 245,011
Special Revenue Fund	-	529,079
Food Service Fund	245,011	-
Total	<u>\$ 774,090</u>	<u>\$ 774,090</u>

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, 2022 consisted of the following:

Food	\$ 10,009
Supplies	50,211
Total Inventory	<u>\$ 60,220</u>

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 11. FUND BALANCES**

**General Fund** - Of the \$9,749,694 General Fund balance at June 30, 2022, \$272,414 is assigned for encumbrances; \$1,029,109 is designated for subsequent expenditures; \$4,136,562 is restricted as excess surplus – current year in accordance with N.J.S.A. 18A:7F-7; \$3,927,942 is restricted as excess surplus designated for subsequent year expenditures; \$2,647,173 is restricted for Capital Reserve; \$250,000 is restricted for Maintenance Reserve; \$97,562 is restricted for unemployment compensation; and \$(2,611,068) is unassigned.

**Special Revenue Fund** – The \$387,311 Special Revenue Fund fund balance is restricted for student activities.

### **NOTE 12. DEFICIT FUND BALANCES**

The District has a deficit unassigned fund balance of \$2,611,068 in the General Fund at June 30, 2022 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, 2022 in the amount of \$4,136,562. This amount will be utilized as tax relief in the 2023-2024 school budget. There is another \$3,927,942 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 2022 Budget for City of Bayonne recognized revenue of \$9,031,812 from the annual service charge in lieu of payment of taxes in 2021 and taxes in 2021 that otherwise would have been due on these long-term tax exemptions amounted to \$33,111,475, 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 \$1,508,283 are comprised of \$1,488,485 from state sources and \$19,798 from federal sources.

Receivables from other governments as reported on the Special Revenue Fund balance sheet amounting to \$2,750,176 are comprised from federal sources.

Receivables from other governments as reported on the Food Service Enterprise Fund balance sheet amounting to \$1,708,145 are comprised of \$1,679,450 from federal sources and \$28,695 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, 2022, 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.

### **NOTE 18. SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions from June 30, 2022 through June 1, 2023, 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.

### **NOTE 19. TRANSFERS – RECONCILIATION**

The following presents a reconciliation of transfers during the 2022 fiscal year:

<b><u>Fund</u></b>	<b><u>In</u></b>	<b><u>Out</u></b>
General Fund	\$ 675,265	\$ 171,870
Special Revenue Fund	171,870	-
Capital Projects Fund	-	675,265
Total	<u>\$ 847,135</u>	<u>\$ 847,135</u>

The transfer from capital projects fund to the general fund represents the close out of completed capital projects. The District transferred \$675,265 of unspent capital projects funds back to the capital reserve account in the general fund, which was the original funding source for the projects.

The District transferred \$171,870 from general fund to the special revenue fund which represents the budgeted general fund contribution to the state preschool education aid program.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 20. 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, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$ 1,971,908
Deposit:	
Return of unspent funds after completion of Capital Projects	<u>675,265</u>
Ending Balance, June 30, 2022	<u>\$ 2,647,173</u>

### **NOTE 21. 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, 2022 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>	<u>2022</u>
District's Proportion of the Net Pension Liability	0.2000565%	0.2112561%	0.2250583%	0.2205595%	0.2290078%	0.2458923%	0.2538651%	0.2595777%
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	\$30,750,875
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	\$21,893,808
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%	140.45%
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%	70.33%

\* 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>	<u>2022</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	\$ 3,039,957
Contribution in Relation to Contractually Required Contribution	<u>(1,636,220)</u>	<u>(1,816,236)</u>	<u>(2,013,206)</u>	<u>(2,078,720)</u>	<u>(2,291,309)</u>	<u>(2,407,105)</u>	<u>(2,777,158)</u>	<u>(3,039,957)</u>
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	\$ 21,893,808
Contributions as a Percentage of Covered Employee Payroll	10.82%	11.97%	12.88%	12.32%	12.88%	12.66%	14.01%	13.89%

\* 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>	<u>2022</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%	0.5710299%
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	\$274,523,723
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>	<u>\$274,523,723</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%	35.52%

\* 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, 2022**

**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, 2021, dated July 21, 2022. 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:

None. The discount rate remained 7.00% for 2021 and 2020.

**TPAF**

Changes in benefit terms: None

Changes in assumptions:

For 2021, the discount rate was changed to 7.00%. There were no changes to the long-term expected rate of return and no changes to demographic 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.

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	Year Ended June 30, 2022
State's Proportion of the OPEB Liability Associated with the District	0.5256019%	0.5220542%	0.5296619%	0.5341684%	0.5350997%
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	\$ 321,100,759
District's Covered Employee Payroll	\$ 76,313,001	\$ 80,035,538	\$ 85,400,048	\$ 89,835,234	\$ 98,005,771
Total OPEB Liability as a Percentage of Covered Employee Payroll	369.44%	300.77%	258.81%	403.20%	327.63%

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, 2022**

**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 2021, the discount rate changed to 2.16% from 2.21% in 2020. For pre-Medicare PPO and HMO medical benefits, the initial trend rate changed to 5.65% from 5.60%. For prescription drug benefits, the initial trend rate changed to 6.75% from 7.00%. Demographic assumptions remained unchanged and are consistent with the assumptions used in the pension plan valuations.

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 5.60% from 5.70%. For prescription drug benefits, the initial trend rate changed to 7.0% from 7.50%. 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, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 70,451,920		\$ 70,451,920	\$ 70,451,920	
Tuition-LEAs Within State	45,000		45,000	59,625	\$ 14,625
Miscellaneous Restricted Income				561	561
Miscellaneous	650,000		650,000	1,071,694	421,694
Total - Local Sources	<u>71,146,920</u>	<u>-</u>	<u>71,146,920</u>	<u>71,583,800</u>	<u>436,880</u>
<b>State Sources:</b>					
Categorical Transportation Aid	403,763		403,763	403,763	
Extraordinary Aid	688,925		688,925	1,214,878	525,953
Special Education Categorical Aid	6,370,555		6,370,555	6,370,555	
Equalization Aid	69,891,132		69,891,132	69,891,132	
Security Aid	3,438,877		3,438,877	3,438,877	
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)				25,033,998	25,033,998
TPAF - Post Retirement Medical (On-Behalf - Non-Budgeted)				5,848,954	5,848,954
TPAF Non-Contributory Insurance Contribution (On-behalf-Non-Budgeted)				10,961	10,961
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				5,511,372	5,511,372
Total State Sources	<u>80,793,252</u>	<u>-</u>	<u>80,793,252</u>	<u>117,724,490</u>	<u>36,931,238</u>
<b>Federal Sources:</b>					
Medical Reimbursement	358,352		358,352	306,899	(51,453)
Total - Federal Sources	<u>358,352</u>	<u>-</u>	<u>358,352</u>	<u>306,899</u>	<u>(51,453)</u>
<b>Total Revenues</b>	<u>152,298,524</u>	<u>-</u>	<u>152,298,524</u>	<u>189,615,189</u>	<u>37,316,665</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction:</b>					
Kindergarten - Salaries of Teachers	\$ 2,111,469	\$ 170,480	\$ 2,281,949	\$ 2,281,949	
Grades 1-5 - Salaries of Teachers	12,530,257	(23,275)	12,506,982	12,506,932	\$ 50
Grades 6-8 - Salaries of Teachers	12,676,776	(592,471)	12,084,305	11,903,356	180,949
Grades 9-12 - Salaries of Teachers	12,376,997	60,043	12,437,040	12,224,162	212,878
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	218,761	114,970	333,731	333,731	
Purchased Professional-Educational Services	110,000	70,254	180,254	164,112	16,142
General Supplies	1,000	(254)	746		746
<b>Regular Programs - Undistributed Instruction:</b>					
Salaries of Teachers	56,000	(16,057)	39,943	39,943	
Other Salaries for Instruction	1,279,365	156,759	1,436,124	1,436,124	
Unused Vaca. Pay to Retired/Terminated Staff	100,000	102,616	202,616	202,616	
Purchased Professional-Educational Services	3,982,187	850,000	4,832,187	4,619,576	212,611
Other Purchased Services (400-500 series)	1,189,156		1,189,156	617,919	571,237
General Supplies	846,134	(12,522)	833,612	586,647	246,965
Textbooks	1,307,239	128,534	1,435,773	1,396,076	39,697
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>48,785,341</u>	<u>1,009,077</u>	<u>49,794,418</u>	<u>48,313,143</u>	<u>1,481,275</u>
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	2,391,873	(99,267)	2,292,606	2,232,871	59,735
Other Salaries for Instruction	1,322,419	25,891	1,348,310	1,278,218	70,092
General Supplies	29,300	(24,015)	5,285	1,159	4,126
<b>Total Learning and/or Language Disabilities</b>	<u>3,743,592</u>	<u>(97,391)</u>	<u>3,646,201</u>	<u>3,512,248</u>	<u>133,953</u>



**CITY OF BAYONNE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Behavioral Disabilities:</b>					
Salaries of Teachers	\$ 491,198	\$ 11,676	\$ 502,874	\$ 465,504	\$ 37,370
Other Salaries for Instruction	364,266	62,758	427,024	427,024	
General Supplies	3,000	1,700	4,700	1,413	3,287
<b>Total Behavioral Disabilities</b>	<u>858,464</u>	<u>76,134</u>	<u>934,598</u>	<u>893,941</u>	<u>40,657</u>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	748,611	2,366	750,977	740,720	10,257
Other Salaries for Instruction	1,260,112	10,595	1,270,707	1,178,395	92,312
General Supplies	42,200	(14,314)	27,886	18,595	9,291
<b>Total Multiple Disabilities</b>	<u>2,050,923</u>	<u>(1,353)</u>	<u>2,049,570</u>	<u>1,937,710</u>	<u>111,860</u>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	8,689,556	(89,868)	8,599,688	8,548,601	51,087
Other Salaries for Instruction	1,198,061	404,787	1,602,848	1,586,763	16,085
General Supplies	6,050	400	6,450	5,914	536
<b>Total Resource Room/Resource Center</b>	<u>9,893,667</u>	<u>315,319</u>	<u>10,208,986</u>	<u>10,141,278</u>	<u>67,708</u>
<b>Autism:</b>					
Salaries of Teachers	1,252,506	(180,890)	1,071,616	1,071,616	
Other Salaries for Instruction	968,759	(78,276)	890,483	884,234	6,249
General Supplies	43,500	(7,079)	36,421	3,197	33,224
<b>Total Autism</b>	<u>2,264,765</u>	<u>(266,245)</u>	<u>1,998,520</u>	<u>1,959,047</u>	<u>39,473</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Preschool Disabilities - Full-Time:</b>					
Other Salaries for Instruction	\$ 96,951		\$ 96,951	\$ 48,728	\$ 48,223
<b>Total Preschool Disabilities - Full-Time</b>	96,951	-	96,951	48,728	48,223
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	18,908,362	\$ 26,464	18,934,826	18,492,952	441,874
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	329,777		329,777	327,034	2,743
<b>Total Basic Skills/Remedial - Instruction</b>	329,777	-	329,777	327,034	2,743
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	2,303,149	3,000	2,306,149	2,254,491	51,658
Other Salaries for Instruction	459,521		459,521	388,467	71,054
Other Objects	2,500		2,500	2,484	16
<b>Total Bilingual Education - Instruction</b>	2,765,170	3,000	2,768,170	2,645,442	122,728
<b>Vocational Programs - Local - Instruction</b>					
Salaries of Teachers	178,062		178,062	177,222	840
General Supplies	61,500	17,452	78,952	73,400	5,552
Other Objects	2,000	(150)	1,850	1,768	82
<b>Total Vocational Programs - Local - Instruction</b>	241,562	17,302	258,864	252,390	6,474
<b>School-Spon. Cocurricular Actvts. - Inst.</b>					
Salaries	258,406	118,132	376,538	363,538	13,000
Purchased Services (300-500 series)	81,100	(70,300)	10,800	10,656	144
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>	339,506	47,832	387,338	374,194	13,144
<b>School-Spon. Cocurricular Athletics - Inst.</b>					
Salaries	433,778	80,704	514,482	494,929	19,553
Purchased Services (300-500 series)	392,240	28,166	420,406	414,164	6,242
Supplies and Materials	30,000	236,264	266,264	152,264	114,000
<b>Total School-Spon. Cocurricular Athletics - Inst.</b>	856,018	345,134	1,201,152	1,061,357	139,795
<b>Summer School - Instruction</b>					
Salaries of Teachers	3,400		3,400	2,850	550
<b>Total Summer School - Instruction</b>	3,400	-	3,400	2,850	550
<b>Summer School - Support</b>					
Salaries	83,000	9,926	92,926	89,135	3,791
Purchased Services (400-500 series)	-	34,000	34,000	34,000	-
<b>Total Summer School - Support</b>	83,000	43,926	126,926	123,135	3,791

**CITY OF BAYONNE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Alternative Education Program - Instruction</b>					
Salaries of Teachers	\$ 250,000	\$ 88,630	\$ 338,630	\$ 338,630	
General Supplies	2,000		2,000	648	\$ 1,352
<b>Total Alternative Education Program - Instruction</b>	<u>252,000</u>	<u>88,630</u>	<u>340,630</u>	<u>339,278</u>	<u>1,352</u>
<b>TOTAL INSTRUCTION AND AT-RISK PROGRAMS</b>	<u>72,564,136</u>	<u>1,581,365</u>	<u>74,145,501</u>	<u>71,931,775</u>	<u>2,213,726</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Regular	1,239,363	(121,323)	1,118,040	979,968	138,072
Tuition to CSSDs & Reg. Day Schools	193,101	15,000	208,101	174,590	33,511
Tuition to Pvt. Schools for the Disabled/Other LEA - Within State	1,542,314	(1,063,993)	478,321	418,981	59,340
Tuition - State Facilities	79,997		79,997	79,997	
Tuition - Other	38,676	311,233	349,909	349,908	1
<b>Total Undistributed Expenditures - Instruction:</b>	<u>3,093,451</u>	<u>(859,083)</u>	<u>2,234,368</u>	<u>2,003,444</u>	<u>230,924</u>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	311,426	41,009	352,435	352,435	
Supplies and Materials	1,500	76	1,576	1,573	3
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<u>312,926</u>	<u>41,085</u>	<u>354,011</u>	<u>354,008</u>	<u>3</u>
<b>Undist. Expend. - Health Services</b>					
Salaries	1,579,111	(1,579,111)			
Purchased Professional and Technical Services	31,400	6,000	37,400	35,527	1,873
Other Purchased Services (400-500 series)	2,000	19,027	21,027	19,478	1,549
Supplies and Materials	59,000	(26,096)	32,904	30,641	2,263
<b>Total Undistributed Expenditures - Health Services</b>	<u>1,671,511</u>	<u>(1,580,180)</u>	<u>91,331</u>	<u>85,646</u>	<u>5,685</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Speech/Occupational Therapy, Physical Therapy &amp; Related Serv.</b>					
Salaries	\$ 1,316,166	\$ (235,374)	\$ 1,080,792	\$ 1,080,792	
Purchased Professional - Educational Services	1,718,669	1,944,687	3,663,356	3,605,557	\$ 57,799
Supplies and Materials	4,500	9,009	13,509	8,138	5,371
Other Objects	1,250	-	1,250	583	667
<b>Total Undist. Expend. - Speech/OT, PT &amp; Related Serv.</b>	<u>3,040,585</u>	<u>1,718,322</u>	<u>4,758,907</u>	<u>4,695,070</u>	<u>63,837</u>
<b>Other Support Services - Students - Extraordinary</b>					
Salaries	128,500	19,157	147,657	147,657	
<b>Total Support Services - Students - Extraordinary</b>	<u>128,500</u>	<u>19,157</u>	<u>147,657</u>	<u>147,657</u>	<u>-</u>
<b>Undist. Expend. - Guidance Services</b>					
Salaries of Other Professional Staff	2,866,034	155,401	3,021,435	3,021,435	
Salaries of Secretarial and Clerical Assistants	167,762	23,507	191,269	191,269	
Purchased Professional - Educational Services	-	4,980	4,980	4,980	
Supplies and Materials	118,812	(4,979)	113,833	107,950	5,883
<b>Total Undist. Expend. - Guidance Services</b>	<u>3,152,608</u>	<u>178,909</u>	<u>3,331,517</u>	<u>3,325,634</u>	<u>5,883</u>
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of Other Professional Staff	2,535,243	485,082	3,020,325	3,020,325	
Salaries of Secretarial and Clerical Assistants	509,419	47,497	556,916	556,916	
Purchased Professional - Educational Services	606,560	16,167	622,727	567,959	54,768
Supplies and Materials	7,000	45,468	52,468	49,665	2,803
Other Objects	750	150	900	864	36
<b>Total Undist. Expend. - Child Study Teams</b>	<u>3,658,972</u>	<u>594,364</u>	<u>4,253,336</u>	<u>4,195,729</u>	<u>57,607</u>
<b>Undist. Expend. - Improvement of Inst. Serv.</b>					
Salaries of Supervisor of Instruction	1,323,092	205,745	1,528,837	1,528,836	1
Salaries of Other Professional Staff	82,000	(21,962)	60,038	60,038	
Salaries of Sec and Clerical Assist.	533,268	(158,446)	374,822	374,821	1
Other Objects		80,526	80,526	76,934	3,592
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	<u>1,938,360</u>	<u>105,863</u>	<u>2,044,223</u>	<u>2,040,629</u>	<u>3,594</u>
<b>Undist. Expend. - Edu. Media Serv./Sch. Library</b>					
Salaries	683,764	(27,829)	655,935	655,935	
Purchased Professional and Technical Services	300,034	470,888	770,922	768,820	2,102
Other Purchased Services (400-500 series)	300,026	51,767	351,793	343,295	8,498
Supplies and Materials	7,820	2,377	10,197	10,069	128
Other Objects	1,000	(1,000)			
<b>Total Undist. Expend. - Edu. Media Serv./Sch. Library</b>	<u>1,292,644</u>	<u>496,203</u>	<u>1,788,847</u>	<u>1,778,119</u>	<u>10,728</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Purchased Professional - Educational Service	\$ 5,000	\$ 5,950	\$ 10,950	\$ 9,435	\$ 1,515
Other Purchased Services (400-500 series)	2,500	6,150	8,650	8,012	638
Other Objects	1,500		1,500	1,500	
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<u>9,000</u>	<u>12,100</u>	<u>21,100</u>	<u>18,947</u>	<u>2,153</u>
<b>Undist. Expend. - Supp. Serv. - General Admin.</b>					
Salaries	559,112	68,477	627,589	627,589	
Unused Vacation Pay to Terminated/Retired Staff	100,000	(90,988)	9,012	9,012	
Legal Services	425,000	(48,410)	376,590	363,406	13,184
Audit Fees	77,500	-	77,500	77,500	-
Other Purchased Professional Services	210,000	29,610	239,610	229,507	10,103
Communications/Telephone	976,808	(245,500)	731,308	718,869	12,439
BOE Other Purchased Services	1,250	(300)	950	600	350
Miscellaneous Purchased Services (400-500 series other than 530/585)	1,013,306	371,351	1,384,657	1,373,908	10,749
General Supplies	40,000	28,011	68,011	65,544	2,467
BOE Membership Dues and Fees	40,000	2,974	42,974	42,731	243
<b>Total Undist. Expend. - Supp. Serv. - General Admin.</b>	<u>3,442,976</u>	<u>115,225</u>	<u>3,558,201</u>	<u>3,508,666</u>	<u>49,535</u>
<b>Undist. Expend. - Support Serv. - School Admin.</b>					
Salaries of Principals/Assistant Principals/Program Directors	4,049,204	684,929	4,734,133	4,734,133	
Salaries of Secretarial and Clerical Assistants	1,486,830	59,594	1,546,424	1,546,424	
Supplies and Materials	66,725	57,773	124,498	121,036	3,462
<b>Total Undist. Expend. - Support Serv. - School Admin.</b>	<u>5,602,759</u>	<u>802,296</u>	<u>6,405,055</u>	<u>6,401,593</u>	<u>3,462</u>
<b>Undistributed Expenditures - Central Services</b>					
Salaries	1,846,061	(176,442)	1,669,619	1,669,619	
Misc. Purch. Services (400-500 Series)	417,352	(51,891)	365,461	257,553	107,908
Supplies and Materials	1,500	25,436	26,936	22,918	4,018
<b>Total Undistributed Expenditures - Central Services</b>	<u>2,264,913</u>	<u>(202,897)</u>	<u>2,062,016</u>	<u>1,950,090</u>	<u>111,926</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND**

Exhibit C-1  
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**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undistributed Expenditures - Admin. Info. Tech.</b>					
Salaries	\$ 75,000	\$ 69,898	\$ 144,898	\$ 144,898	
Supplies and Materials		39,400	39,400	39,400	
<b>Total Undistributed Expenditures - Admin. Info. Tech.</b>	<u>75,000</u>	<u>109,298</u>	<u>184,298</u>	<u>184,298</u>	-
<b>Undist. Expend. -Required Maintenance for School Facilities</b>					
Salaries	4,376,995	(14,360)	4,362,635	4,362,635	
General Supplies	400,000	(68,803)	331,197	35,856	\$ 295,341
<b>Total Undist. Expend. -Required Maintenance for School Facilities</b>	<u>4,776,995</u>	<u>(83,163)</u>	<u>4,693,832</u>	<u>4,398,491</u>	<u>295,341</u>
<b>Undist. Expend. - Custodial Services</b>					
Salaries	3,167,872	216,096	3,383,968	3,381,210	2,758
Cleaning, Repair and Maintenance Services	3,500,000	(343,882)	3,156,118	1,131,183	2,024,935
Other Purchased Property Services	317,049	115,000	432,049	390,069	41,980
Insurance	375,550		375,550	375,549	1
General Supplies	244,000	(15,197)	228,803	222,731	6,072
Energy - Natural Gas	340,000	51,853	391,853	378,528	13,325
Energy - Electricity	1,707,933	25,000	1,732,933	1,729,153	3,780
<b>Total Undist. Expend. - Custodial Services</b>	<u>9,652,404</u>	<u>48,870</u>	<u>9,701,274</u>	<u>7,608,423</u>	<u>2,092,851</u>
<b>Undistributed Expenditures - Security</b>					
Salaries	833,754	(833,014)	740		740
Purchased Professional & Technical Services		15,000	15,000	11,484	3,516
General Supplies	42,000	42,853	84,853	84,853	
<b>Total Undistributed Expenditures - Security</b>	<u>875,754</u>	<u>(775,161)</u>	<u>100,593</u>	<u>96,337</u>	<u>4,256</u>
<b>Total Undist. Expend. - Oper. &amp; Maint. Of Plant</b>	<u>15,305,153</u>	<u>(809,454)</u>	<u>14,495,699</u>	<u>12,103,251</u>	<u>2,392,448</u>
<b>Undist. Expend. - Student Transportation Serv.</b>					
Salaries of Non-instructional Aides	497,049	(13,323)	483,726	483,726	
Sal. For Pup.Trans. (Bet. Home and School) - Special	1,053,295	(85,057)	968,238	942,855	25,383
Sal. For Pup. Trans. (Other than Bet. Home and School)	64,500	(5,281)	59,219	28,767	30,452
Lease Purchase Payments - School Buses	120,107	(94,000)	26,107	25,890	217
Contr Serv (Spl. Ed. Students) - Vendors	1,526,731	1,320,936	2,847,667	2,724,506	123,161
Misc. Purchased Serv. - Transportation	130,410	33,462	163,872	158,951	4,921
<b>Total Undist. Expend. - Student Transportation Serv.</b>	<u>3,392,092</u>	<u>1,156,737</u>	<u>4,548,829</u>	<u>4,364,695</u>	<u>184,134</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	\$ 2,801,358	\$ 702,468	\$ 3,503,826	\$ 3,500,570	\$ 3,256
Other Retirement Contributions - PERS	2,777,158	262,799	3,039,957	3,039,957	
Unemployment Compensation	20,000		20,000		20,000
Workmen's Compensation	1,282,823	(408,935)	873,888	873,888	
Health Benefits	19,248,557	(3,820,835)	15,427,722	15,427,722	
Tuition Reimbursement	50,000	42,750	92,750	68,330	24,420
Other Employee Benefits	60,000	(25,000)	35,000	34,050	950
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>26,239,896</u>	<u>(3,246,753)</u>	<u>22,993,143</u>	<u>22,944,517</u>	<u>48,626</u>
On-behalf TPAF Pension Contributions (non-budgeted)				25,033,998	(25,033,998)
On-behalf TPAF Post Retire. Medical Contrib.(non-budgeted)				5,848,954	(5,848,954)
On-behalf TPAF Non-contributory Ins. Contrib. (non-budgeted)				10,961	(10,961)
Reimbursed TPAF Social Security Contributions (non-budgeted)				5,511,372	(5,511,372)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,405,285</u>	<u>(36,405,285)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>26,239,896</u>	<u>(3,246,753)</u>	<u>22,993,143</u>	<u>59,349,802</u>	<u>(36,356,659)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>74,621,346</u>	<u>(1,348,808)</u>	<u>73,272,538</u>	<u>106,507,278</u>	<u>(33,234,740)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>147,185,482</u>	<u>232,557</u>	<u>147,418,039</u>	<u>178,439,053</u>	<u>(31,021,014)</u>
<b>CAPITAL OUTLAY</b>					
<b>Facilities Acquisition and Construction Services</b>					
Equipment - Grounds		85,611	85,611	85,611	-
Construction Services	6,398,596	(83,612)	6,314,984	6,314,984	-
Assessment for Debt Service on SDA Funding	269,280		269,280	269,280	
<b>Total Facilities Acquisition and Construction Services</b>	<u>6,667,876</u>	<u>1,999</u>	<u>6,669,875</u>	<u>6,669,875</u>	<u>-</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>6,667,876</u>	<u>1,999</u>	<u>6,669,875</u>	<u>6,669,875</u>	<u>-</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>TRANSFER OF FUNDS TO CHARTER SCHOOLS</b>					
Transfer of Funds to Charter Schools	\$ 813,773	\$ 189,351	\$ 1,003,124	\$ 898,466	\$ 104,658
<b>TOTAL TRANSFER OF FUNDS TO CHARTER SCHOOLS</b>	<u>813,773</u>	<u>189,351</u>	<u>1,003,124</u>	<u>898,466</u>	<u>104,658</u>
<b>TOTAL EXPENDITURES</b>	<u>154,667,131</u>	<u>423,907</u>	<u>155,091,038</u>	<u>186,007,394</u>	<u>(30,916,356)</u>
<b>Other Financing Sources/(Uses):</b>					
Local Contribution-Transfer to Special Revenue Regular	(171,870)	-	(171,870)	(171,870)	-
Transfer from Capital Projects Fund				675,265	675,265
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<u>(171,870)</u>	<u>-</u>	<u>(171,870)</u>	<u>503,395</u>	<u>675,265</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<u>(2,540,477)</u>	<u>(423,907)</u>	<u>(2,964,384)</u>	<u>4,111,190</u>	<u>7,075,574</u>
<b>Net Change in Fund Balance</b>	(2,540,477)	(423,907)	(2,964,384)	4,111,190	7,075,574
<b>Fund Balance - July 1</b>	14,759,609		14,759,609	14,759,609	
<b>Fund Balance - June 30</b>	<u>\$ 12,219,132</u>	<u>\$ (423,907)</u>	<u>\$ 11,795,225</u>	<u>\$ 18,870,799</u>	<u>\$ 7,075,574</u>
<b>Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)</b>					
Budgeted fund balance	\$ (2,540,477)		\$ (2,540,477)	\$ 4,535,097	\$ 7,075,574
Adjustment for prior year encumbrances		\$ (423,907)	(423,907)	(423,907)	
Total	<u>\$ (2,540,477)</u>	<u>\$ (423,907)</u>	<u>\$ (2,964,384)</u>	<u>\$ 4,111,190</u>	<u>\$ 7,075,574</u>
<b>Recapitulation of Fund Balance:</b>					
<b>Assigned to:</b>					
Year-End Encumbrances				\$ 272,414	
Designated For Subsequent Year's Expenditures				1,029,109	
<b>Restricted for:</b>					
Capital Reserve				2,647,173	
Maintenance Reserve				250,000	
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures				3,927,942	
Reserve for Excess Surplus				4,136,562	
Unemployment Compensation				97,562	
<b>Unassigned: Unrestricted Fund Balance</b>				<u>6,510,037</u>	
				18,870,799	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
State Aid Payments not recognized on GAAP basis				(9,121,105)	
<b>Fund Balance per Governmental Funds (GAAP)</b>				<u>\$ 9,749,694</u>	



**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
<b>REVENUES:</b>					
<b>Local Sources</b>					
Revenues from Local Sources	\$ 57,170	\$ 664,003	\$ 721,173	\$ 578,363	\$ (142,810)
Total Local Revenues	<u>57,170</u>	<u>664,003</u>	<u>721,173</u>	<u>578,363</u>	<u>(142,810)</u>
<b>State Sources</b>					
Preschool Education Aid	5,247,874	6,957,701	12,205,575	11,880,089	(325,486)
School Based Youth Services	97,518	224,887	322,405	306,313	(16,092)
Municipal Alliance Program		19,921	19,921	19,921	
Nonpublic Textbooks		21,487	21,487	17,161	(4,326)
Nonpublic Auxiliary Services		78,217	78,217	78,217	
Nonpublic Handicapped Services		50,979	50,979	50,979	
Nonpublic Security Aid		65,100	65,100	57,596	(7,504)
Nonpublic Nursing Services		41,664	41,664	41,664	
Nonpublic Technology Initiative		15,036	15,036	15,032	(4)
SDA Grant		219,781	219,781	219,781	
Total State Revenues	<u>5,345,392</u>	<u>7,694,773</u>	<u>13,040,165</u>	<u>12,686,753</u>	<u>(353,412)</u>
<b>Federal Sources</b>					
Title I	2,034,041	1,738,618	3,772,659	3,605,987	(166,672)
Title I - Nat'l Program		15,000	15,000	8,970	(6,030)
Title I SIA		51,238	51,238	49,509	(1,729)
Title II, Part A	165,847	351,962	517,809	467,627	(50,182)
Title III		118,252	118,252	112,481	(5,771)
Title IV		233,124	233,124	220,271	(12,853)
IDEA Part B		2,757,288	2,757,288	2,470,144	(287,144)
IDEA Basic - ARP	541,385		541,385	385,265	(156,120)
IDEA Preschool		63,417	63,417	63,417	
IDEA Preschool - ARP	45,953		45,953	45,953	
CARES Act - ESSER I		331,476	331,476	325,656	(5,820)
CRRSA - ESSER II		4,401,410	4,401,410	3,942,301	(459,109)
ESSER II - Mental Health		45,000	45,000	43,409	(1,591)
ESSER II - Learning Acceleration		1,076,723	1,076,723	307,623	(769,100)
ESSER III	1,279,709	21,812,347	23,092,056	7,621,720	(15,470,336)
Total Federal Revenues	<u>4,066,935</u>	<u>32,995,855</u>	<u>37,062,790</u>	<u>19,670,333</u>	<u>(17,392,457)</u>
<b>Total Revenues</b>	<u>9,469,497</u>	<u>41,354,631</u>	<u>50,824,128</u>	<u>32,935,449</u>	<u>(17,888,679)</u>

CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
(BUDGETARY BASIS)  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	\$ 4,733,098	\$ 5,174,495	\$ 9,907,593	\$ 5,705,504	\$ 4,202,089
Other Salaries for Instruction	1,018,437	19,400	1,037,837	1,024,892	12,945
Purchased Professional and Technical Services	71,733	279,532	351,265	295,559	55,706
Other Purchased Sevices (Incl. Tuition)	443,133	2,766,813	3,209,946	2,950,377	259,569
General Supplies	169,182	3,312,465	3,481,647	3,309,436	172,211
Textbooks		21,487	21,487	17,161	4,326
<b>Total Instruction</b>	<b>6,435,583</b>	<b>11,574,192</b>	<b>18,009,775</b>	<b>13,302,929</b>	<b>4,706,846</b>
<b>Support Services</b>					
Salaries of Supervisor of Instruction	1,302,139	6,391,679	7,693,818	6,388,529	1,305,289
Salaries of Program Directors	488,076	42,181	530,257	509,926	20,331
Salaries of Secretaries & Clerical Assistants	146,010	39,414	185,424	181,101	4,323
Other Salaries	724,562	237,110	961,672	954,003	7,669
Personal Services - Employee Benefits	312,827	6,077,812	6,390,639	3,823,942	2,566,697
Purchased Professional - Educational Services	-	4,025,294	4,025,294	3,840,499	184,795
Other Purchased Professional Services		41,664	41,664	41,664	
Cleaning, Repair and Maintenance Services		1,597,055	1,597,055	1,597,055	
Purchased Professional and Technical Services	45,000	215,919	260,919	168,610	92,309
Rentals		6,000	6,000	6,000	
Contr. Serv.-Trans. (Bet. Home & Sch.)		284,816	284,816	284,816	
Purchased Property Services		52,150	52,150	51,573	577
Travel		136,042	136,042	135,389	653
Other Purchased Services (400-500 series)		189,153	189,153	59,709	129,444
Supplies & Materials	15,000	1,330,614	1,345,614	1,295,808	49,806
Other Objects	56,670	6,158	62,828	35,037	27,791
Student Activities	115,500	284,500	400,000	366,571	33,429
<b>Total Support Services</b>	<b>3,205,784</b>	<b>20,957,561</b>	<b>24,163,345</b>	<b>19,740,232</b>	<b>4,423,113</b>
<b>Facilities Acquisition and Construction Services:</b>					
Construction Services		8,749,878	8,749,878	23,700	8,726,178
Instructional Equipment		73,000	73,000		73,000
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>8,822,878</b>	<b>8,822,878</b>	<b>23,700</b>	<b>8,799,178</b>
<b>Total Expenditures</b>	<b>9,641,367</b>	<b>41,354,631</b>	<b>50,995,998</b>	<b>33,066,861</b>	<b>17,929,137</b>
<b>Other Financing Sources (Uses)</b>					
Transfer from Operating Budget - PreK	171,870	-	171,870	171,870	-
Total Other Financing Sources (Uses)	171,870	-	171,870	171,870	-
<b>Total Outflows</b>	<b>9,469,497</b>	<b>41,354,631</b>	<b>50,824,128</b>	<b>32,894,991</b>	<b>17,929,137</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>40,458</b>	<b>\$ 40,458</b>
<b>Fund Balance, July 1</b>				<b>346,853</b>	
<b>Fund Balance, June 30</b>				<b>\$ 387,311</b>	
Recapitulation:					
Restricted:					
Student Activities				\$ 387,311	
<b>Total Fund Balance</b>				<b>\$ 387,311</b>	

**CITY OF BAYONNE SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE YEAR ENDED JUNE 30, 2022**

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

		<b>General Fund</b>		<b>Special Revenue Fund</b>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	\$ 189,615,189	(C-2)	\$ 32,935,449
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).				91,450
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.				
Prior year		7,870,150		
Current year		<u>(9,121,105)</u>		
 Total revenues as reported on the statement of revenues, expenditures and change in fund balances - governmental funds	 (B-2)	 <u>\$ 188,364,234</u>	 (B-2)	 <u>\$ 33,026,899</u>
 Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	\$ 186,007,394	(C-2)	\$ 33,066,861
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).				91,450
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	 (B-2)	 <u>\$ 186,007,394</u>	 (B-2)	 <u>\$ 33,158,311</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, 2022**

	TOTAL BROUGHT FORWARD (Ex. E-1a)	TOTAL BROUGHT FORWARD (PAGE 2)	TITLE I	TITLE I - NATIONAL AWARD	TITLE I SIA	TITLE II PART A	TOTALS
<b>REVENUES:</b>							
State Sources	\$ 12,686,753						\$ 12,686,753
Federal Sources	-	\$ 15,538,240	\$ 3,605,987	\$ 8,970	\$ 49,509	\$ 467,627	19,670,333
Local Sources	578,363						578,363
<b>Total Revenues</b>	<b>13,265,116</b>	<b>15,538,240</b>	<b>3,605,987</b>	<b>8,970</b>	<b>49,509</b>	<b>467,627</b>	<b>32,935,449</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	3,073,642	533,923	2,063,476			34,463	5,705,504
Other Salaries for Instruc.	1,024,892						1,024,892
Purch. Prof. & Tech. Services	78,217	208,198					286,415
Purch. Prof. - Educ. Services	-		9,144				9,144
Other Purchased Services (Incl. Tuition)	-	2,950,377					2,950,377
General Supplies	66,259	3,141,965	54,238		46,974		3,309,436
Textbooks	17,161						17,161
<b>Total Instruction</b>	<b>4,260,171</b>	<b>6,834,463</b>	<b>2,126,858</b>	<b>-</b>	<b>46,974</b>	<b>34,463</b>	<b>13,302,929</b>
<b>Support Services:</b>							
Salaries of Supervisors of Instruction	122,003	5,861,581	178,134		2,306	224,505	6,388,529
Salaries of Program Directors	509,926						509,926
Salaries of Community Parent Involvement Spec.	278,005						278,005
Salaries of Other Prof. Staff	8,257						8,257
Salaries of Sec. & Clerical Asst.	89,862		91,239				181,101
Other Salaries	224,786						224,786
Salaries of Master Teachers	442,955						442,955
Personal Services - Empl. Benefits	735,852	1,945,856	1,033,476		229	108,529	3,823,942
Purch. Prof. - Educ. Services	13,198	29,625					42,823
Other Purch. Prof. Services	41,664						41,664
Purchased Prof. and Technical Services	4,378	84,825				79,407	168,610
Purchased Educational Services - Contracted Pre-K	3,402,891						3,402,891
Purchased Educational Services - Head Start	394,785						394,785
Cleaning, Repair & Maintenance Services	1,597,055						1,597,055
Purchased Property Services	51,573						51,573
Rentals	6,000						6,000
Contracted Services	284,816						284,816
Travel	-	135,038				351	135,389
Supplies and Materials	502,531	615,997	176,280			1,000	1,295,808
Other Purchased Services	29,249	6,944		8,970		14,546	59,709
Other Objects	30,000	211				4,826	35,037
Student Activities	366,571						366,571
<b>Total Support Services</b>	<b>9,136,357</b>	<b>8,680,077</b>	<b>1,479,129</b>	<b>8,970</b>	<b>2,535</b>	<b>433,164</b>	<b>19,740,232</b>
<b>Facilities Acquis. &amp; Const. Serv.:</b>							
Construction Services	-	23,700					23,700
Noninstructional Equipment	-						-
Instructional Equipment	-						-
<b>Total Facil. Acquis. &amp; Const. Serv.</b>	<b>-</b>	<b>23,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,700</b>
<b>Total Expenditures</b>	<b>13,396,528</b>	<b>15,538,240</b>	<b>3,605,987</b>	<b>8,970</b>	<b>49,509</b>	<b>467,627</b>	<b>33,066,861</b>
Excess/(Deficiency) of Revenues Over/(under) Expenditures	(131,412)	-	-	-	-	-	(131,412)
Other Financing Sources/(Uses):							
Transfer from Operating Budget - PreK	171,870						171,870
<b>Total Other Financing Sources/(Uses)</b>	<b>171,870</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>171,870</b>
Net change in fund balance	40,458	-	-	-	-	-	40,458
Fund Balance, July 1	346,853	-	-	-	-	-	346,853
Fund Balance, June 30	\$ 387,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 387,311

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	TITLE III	TITLE IV	IDEA PART B	IDEA PRESCHOOL	ARP		STABILIZATION FUND	MENTAL HEALTH	CARES ACT			TOTAL CARRIED FORWARD
					IDEA PART B	IDEA PRESCHOOL			LEARNING ACCELERATION	ESSER II	ESSER III	
<b>REVENUES:</b>												
State Sources												\$ -
Federal Sources	\$ 112,481	\$ 220,271	\$ 2,470,144	\$ 63,417	\$ 385,265	\$ 45,953	\$ 325,656	\$ 43,409	\$ 307,623	\$ 3,942,301	\$ 7,621,720	15,538,240
Local Sources												-
<b>Total Revenues</b>	<b>112,481</b>	<b>220,271</b>	<b>2,470,144</b>	<b>63,417</b>	<b>385,265</b>	<b>45,953</b>	<b>325,656</b>	<b>43,409</b>	<b>307,623</b>	<b>3,942,301</b>	<b>7,621,720</b>	<b>15,538,240</b>
<b>EXPENDITURES:</b>												
<b>Instruction:</b>												
Salaries of Teachers	3,654								269,373	260,896		533,923
Other Salaries for Instruc.					28,236		52,167			127,795		208,198
Purch. Prof. & Tech. Services												-
Purch. Prof. - Educ. Services			2,470,144	63,417	307,918	45,953					62,945	2,950,377
Other Purchased Services (Incl. Tuition)					3,025						24,451	3,141,965
General Supplies	96,812	9,649					249,681			2,758,347		-
Textbooks												-
<b>Total Instruction</b>	<b>100,466</b>	<b>9,649</b>	<b>2,470,144</b>	<b>63,417</b>	<b>339,179</b>	<b>45,953</b>	<b>301,848</b>	<b>-</b>	<b>269,373</b>	<b>3,147,038</b>	<b>87,396</b>	<b>6,834,463</b>
<b>Support Services:</b>												
Salaries of Supervisors of Instruction		38,385					15,519	40,204		87,079	5,680,394	5,861,581
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	3,918						3,205	38,250	100,123	1,800,000	1,945,856
Purch. Prof. - Educ. Services					29,625							29,625
Other Purch. Prof. Services												-
Purchased Prof. and Technical Services	4,500	32,295								17,800	30,230	84,825
Purchased Educational Services - Contracted Pre-K												-
Purchased Educational Services - Head Start												-
Cleaning, Repair & Maintenance Services												-
Purchased Property Services												-
Rentals												-
Contracted Services												-
Travel		135,038										135,038
Supplies and Materials		986										615,997
Other Purchased Services	6,944				16,461		8,289			590,261		6,944
Other Objects	211											211
Student Activities												-
<b>Total Support Services</b>	<b>12,015</b>	<b>210,622</b>	<b>-</b>	<b>-</b>	<b>46,086</b>	<b>-</b>	<b>23,808</b>	<b>43,409</b>	<b>38,250</b>	<b>795,263</b>	<b>7,510,624</b>	<b>8,680,077</b>
<b>Facilities Acquis. &amp; Const. Serv.:</b>												
Construction Services											23,700	23,700
Noninstructional Equipment												-
Instructional Equipment												-
<b>Total Facil. Acquis. &amp; Const. Serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,700</b>	<b>23,700</b>
<b>Total Expenditures</b>	<b>112,481</b>	<b>220,271</b>	<b>2,470,144</b>	<b>63,417</b>	<b>385,265</b>	<b>45,953</b>	<b>325,656</b>	<b>43,409</b>	<b>307,623</b>	<b>3,942,301</b>	<b>7,621,720</b>	<b>15,538,240</b>
Excess/(Deficiency) of Revenues Over/(under Expenditures)	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Sources/(Uses):												
Transfer from Operating Budget - PreK												
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balance	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-
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, 2022**

	TOTAL BROUGHT FORWARD <u>(Ex. E-1b)</u>	PRESCHOOL EDUCATION AID <u>(Ex. E-2)</u>	N.J. NONPUBLIC TECHNOLOGY INITIATIVE	N.J. NONPUBLIC NURSING SERVICES	N.J. NONPUBLIC TEXTBOOK AID	N.J. NONPUBLIC SECURITY AID	TOTAL CARRIED FORWARD
<b>REVENUES:</b>							
State Sources	\$ 675,211	\$ 11,880,089	\$ 15,032	\$ 41,664	\$ 17,161	\$ 57,596	\$ 12,686,753
Federal Sources	-	-	-	-	-	-	-
Local Sources	<u>578,363</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>578,363</u>
Total Revenues	<u>1,253,574</u>	<u>11,880,089</u>	<u>15,032</u>	<u>41,664</u>	<u>17,161</u>	<u>57,596</u>	<u>13,265,116</u>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	247,805	2,825,837	-	-	-	-	3,073,642
Other Salaries for Instruc.	88,465	936,427	-	-	-	-	1,024,892
Purch. Prof. & Tech. Services	78,217	-	-	-	-	-	78,217
Purch. Prof. - Educ. Services	-	-	-	-	-	-	-
Other Purchased Services (Incl. Tuition)	-	-	-	-	-	-	-
General Supplies	13,562	37,665	15,032	-	-	-	66,259
Textbooks	-	-	-	-	17,161	-	17,161
Total Instruction	<u>428,049</u>	<u>3,799,929</u>	<u>15,032</u>	<u>-</u>	<u>17,161</u>	<u>-</u>	<u>4,260,171</u>
Support Services:							
Salaries of Supervisors of Instruction	6,723	115,280	-	-	-	-	122,003
Salaries of Program Directors	1,868	508,058	-	-	-	-	509,926
Salaries of Community Parent Involvement Spec.	-	278,005	-	-	-	-	278,005
Salaries of Other Prof. Staff	-	8,257	-	-	-	-	8,257
Salaries of Sec. & Clerical Asst.	-	89,862	-	-	-	-	89,862
Other Salaries	-	224,786	-	-	-	-	224,786
Salaries of Master Teachers	-	442,955	-	-	-	-	442,955
Personal Services - Empl. Benefits	-	735,852	-	-	-	-	735,852
Purch. Prof. - Educ. Services	13,198	-	-	-	-	-	13,198
Other Purch. Prof. Services	-	-	-	41,664	-	-	41,664
Purchased Prof. and Technical Services	4,378	-	-	-	-	-	4,378
Purchased Educational Services - Contracted Pre-K	-	3,402,891	-	-	-	-	3,402,891
Purchased Educational Services - Head Start	-	394,785	-	-	-	-	394,785
Cleaning, Repair & Maintenance Services	-	1,597,055	-	-	-	-	1,597,055
Purchased Property Services	-	-	-	-	-	51,573	51,573
Rentals	6,000	-	-	-	-	-	6,000
Contracted Services	284,816	-	-	-	-	-	284,816
Travel	-	-	-	-	-	-	-
Supplies and Materials	42,264	454,244	-	-	-	6,023	502,531
Other Purchased Services	29,249	-	-	-	-	-	29,249
Other Objects	30,000	-	-	-	-	-	30,000
Student Activities	<u>366,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>366,571</u>
Total Support Services	<u>785,067</u>	<u>8,252,030</u>	<u>-</u>	<u>41,664</u>	<u>-</u>	<u>57,596</u>	<u>9,136,357</u>
Facilities Acquis. & Const. Serv.:							
Construction Services	-	-	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-	-
Total Facil. Acquis. & Const. Serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,213,116</u>	<u>12,051,959</u>	<u>15,032</u>	<u>41,664</u>	<u>17,161</u>	<u>57,596</u>	<u>13,396,528</u>
Excess/(Deficiency) of Revenues Over/(under Expenditures)	<u>40,458</u>	<u>(171,870)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(131,412)</u>
Other Financing Sources/(Uses):							
Transfer from Operating Budget - PreK	-	171,870	-	-	-	-	171,870
Total Other Financing Sources/(Uses)	<u>-</u>	<u>171,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,870</u>
Net change in fund balance	<u>40,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,458</u>
Fund Balance, July 1	<u>346,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>346,853</u>
Fund Balance, June 30	<u>\$ 387,311</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 387,311</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, 2022**

TOTAL BROUGHT FORWARD (Ex. E-1c)	NJ NONPUBLIC SERVICES						TOTAL CARRIED FORWARD	
	AUXILIARY CH. 192			HANDICAPPED SERVICES CH. 193				
	TRANSPORT- ATION	COMP. EDUCATION	ESL	SUPPL. INSTR.	EXAM. & CLASS.	CORRECTIVE SPEECH		
<b>REVENUES:</b>								
State Sources	\$ 546,015	\$ 13,935	\$ 61,541	\$ 2,741	\$ 23,477	\$ 18,202	\$ 9,300	\$ 675,211
Federal Sources	-	-	-	-	-	-	-	-
Local Sources	578,363	-	-	-	-	-	-	578,363
<b>Total Revenues</b>	<b>1,124,378</b>	<b>13,935</b>	<b>61,541</b>	<b>2,741</b>	<b>23,477</b>	<b>18,202</b>	<b>9,300</b>	<b>1,253,574</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	247,805	-	-	-	-	-	-	247,805
Other Salaries for Instruc.	88,465	-	-	-	-	-	-	88,465
Purch. Prof. & Tech. Services	-	13,935	61,541	2,741	-	-	-	78,217
Purch. Prof. - Educ. Services	-	-	-	-	-	-	-	-
Other Purchased Services (Incl. Tuition)	-	-	-	-	-	-	-	-
General Supplies	13,562	-	-	-	-	-	-	13,562
Textbooks	-	-	-	-	-	-	-	-
<b>Total Instruction</b>	<b>349,832</b>	<b>13,935</b>	<b>61,541</b>	<b>2,741</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>428,049</b>
Support Services:								
Salaries of Supervisors of Instruction	6,723	-	-	-	-	-	-	6,723
Salaries of Program Directors	1,868	-	-	-	-	-	-	1,868
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	13,198	-	-	-	-	-	-	13,198
Other Purch. Prof. Services	-	-	-	-	-	-	-	-
Purchased Prof. and Technical Services	4,378	-	-	-	-	-	-	4,378
Purchased Educational Services - Contracted Pre-K	-	-	-	-	-	-	-	-
Purchased Educational Services - Head Start	-	-	-	-	-	-	-	-
Cleaning, Repair & Maintenance Services	-	-	-	-	-	-	-	-
Purchased Property Services	-	-	-	-	-	-	-	-
Rentals	6,000	-	-	-	-	-	-	6,000
Contracted Services	233,837	-	-	-	23,477	18,202	9,300	284,816
Travel	-	-	-	-	-	-	-	-
Supplies and Materials	42,264	-	-	-	-	-	-	42,264
Other Purchased Services	29,249	-	-	-	-	-	-	29,249
Other Objects	30,000	-	-	-	-	-	-	30,000
Student Activities	366,571	-	-	-	-	-	-	366,571
<b>Total Support Services</b>	<b>734,088</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,477</b>	<b>18,202</b>	<b>9,300</b>	<b>785,067</b>
Facilities Acquis. & Const. Serv.:								
Construction Services	-	-	-	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-	-	-
<b>Total Facil. Acquis. &amp; Const. Serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>1,083,920</b>	<b>13,935</b>	<b>61,541</b>	<b>2,741</b>	<b>23,477</b>	<b>18,202</b>	<b>9,300</b>	<b>1,213,116</b>
Excess/(Deficiency) of Revenues Over/(under Expenditures)	40,458	-	-	-	-	-	-	40,458
Other Financing Sources/(Uses):								
Transfer from Operating Budget - PreK	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balance	40,458	-	-	-	-	-	-	40,458
Fund Balance, July 1	346,853	-	-	-	-	-	-	346,853
Fund Balance, June 30	\$ 387,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 387,311

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	LOCAL PROGRAMS	SDA GRANT	SCHOOL BASED YOUTH SERVICES	MUNICIPAL ALLIANCE PROGRAM	STUDENT ACTIVITIES	TOTAL CARRIED FORWARD
<b>REVENUES:</b>						
State Sources		\$ 219,781	\$ 306,313	\$ 19,921	\$ -	\$ 546,015
Federal Sources						-
Local Sources	\$ 171,334				407,029	578,363
<b>Total Revenues</b>	<u>171,334</u>	<u>219,781</u>	<u>306,313</u>	<u>19,921</u>	<u>407,029</u>	<u>1,124,378</u>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers			247,805			247,805
Other Salaries for Instruc.	88,465					88,465
Purch. Prof. & Tech. Services						-
Purch. Prof. - Educ. Services						-
Other Purchased Services (Incl. Tuition)						-
General Supplies	13,562					13,562
Textbooks						-
<b>Total Instruction</b>	<u>102,027</u>	<u>-</u>	<u>247,805</u>	<u>-</u>	<u>-</u>	<u>349,832</u>
Support Services:						
Salaries of Supervisors of Instruction				6,723		6,723
Salaries of Program Directors	1,868					1,868
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				13,198		13,198
Other Purch. Prof. Services						-
Purchased Prof. and Technical Services			4,378			4,378
Purchased Educational Services - Contracted Pre-K						-
Purchased Educational Services - Head Start						-
Cleaning, Repair & Maintenance Services						-
Purchased Property Services						-
Rentals			6,000			6,000
Contracted Services	8,190	219,781	5,866			233,837
Travel						-
Supplies and Materials			42,264			42,264
Other Purchased Services	29,249					29,249
Other Objects	30,000					30,000
Student Activities					366,571	366,571
<b>Total Support Services</b>	<u>69,307</u>	<u>219,781</u>	<u>58,508</u>	<u>19,921</u>	<u>366,571</u>	<u>734,088</u>
Facilities Acquis. & Const. Serv.:						
Construction Services						-
Noninstructional Equipment						-
Instructional Equipment						-
<b>Total Facil. Acquis. &amp; Const. Serv.</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>171,334</u>	<u>219,781</u>	<u>306,313</u>	<u>19,921</u>	<u>366,571</u>	<u>1,083,920</u>
Excess/(Deficiency) of Revenues Over/(under Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,458</u>	<u>40,458</u>
Other Financing Sources/(Uses):						
Transfer from Operating Budget - PreK	-	-	-	-	-	-
<b>Total Other Financing Sources/(Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,458</u>	<u>40,458</u>
<b>Fund Balance, July 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>346,853</u>	<u>346,853</u>
<b>Fund Balance, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 387,311</u>	<u>\$ 387,311</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of Teachers	\$ 2,825,837	\$ 2,825,837	
Other Salaries for Instr.	936,427	936,427	
Supplies and Materials	39,286	37,665	\$ 1,621
	<u>3,801,550</u>	<u>3,799,929</u>	<u>1,621</u>
Total Instruction			
Support Services:			
Salaries of Supervisors of Instruction	115,280	115,280	
Salaries of Program Directors	528,160	508,058	20,102
Salaries of Community Parent Involvement Spec.	278,005	278,005	
Salaries of Other Professional Staff	8,257	8,257	
Salaries of Secr. And Clerical Asst.	89,862	89,862	
Other Salaries	230,358	224,786	5,572
Salaries of Master Teachers	442,955	442,955	
Personal Serv.-Employee Benefits	735,852	735,852	
Purchased Educational Services - Contracted Pre-K	3,498,350	3,402,891	95,459
Purchased Educational Services - Head Start	394,785	394,785	
Other Purchased Professional Services	5,795		5,795
Cleaning, Repair & Maintenance Services	1,597,055	1,597,055	
Supplies and Materials	479,310	454,244	25,066
	<u>8,404,024</u>	<u>8,252,030</u>	<u>151,994</u>
Total Support Services			
Total Expenditures	<u>\$ 12,205,574</u>	<u>\$ 12,051,959</u>	<u>\$ 153,615</u>

**CALCULATION OF BUDGET AND CARRYOVER:**

Total revised 2021-22 Preschool Education Aid Allocation	\$ 11,244,939
Add: Actual Carryover (June 30, 2021)	2,360,177
Add: General Fund Contribution to Preschool Education	171,870
Add: Prior Year Encumbrances Cancelled	<u>30,951</u>
Total Preschool Education Aid Available for 2021-22 Budget	13,807,937
Less: 2021-22 Budgeted Preschool Education Aid	<u>(12,205,574)</u>
Available and Unbudgeted PEA Funds at June 30, 2022	1,602,363
Add: June 30, 2022 Unexpended PEA	<u>153,615</u>
2021-22 Carryover - Preschool Aid Programs	<u>\$ 1,755,978</u>
2021-22 PEA Carryover Budgeted for 2022-23 Preschool Programs	<u>\$ -</u>

## **Capital Projects Fund**

CITY OF BAYONNE SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
 YEAR ENDED JUNE 30, 2022

<u>ISSUE/PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>ORIGINAL APPROPRIATIONS</u>	<u>PRIOR YEARS ADJUSTMENTS/ TRANSFERS</u>	<u>CURRENT YEAR ADJUSTMENTS/ TRANSFERS</u>	<u>REVISED APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>			<u>UNEXPENDED BALANCE</u>
						<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	
14-1001 Renovations at Bayonne High School	05/01/10	\$ 6,341,960		\$ (1,379,550)	\$ 4,962,410	\$ 4,962,410	\$	4,962,410	
		<u>\$ 6,341,960</u>	<u>\$ -</u>	<u>\$ (1,379,550)</u>	<u>\$ 4,962,410</u>	<u>\$ 4,962,410</u>	<u>\$ -</u>	<u>\$ 4,962,410</u>	<u>\$ -</u>

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

Unexpended Project balances (from above):	\$ -
Fund Balance-Exhibit F-2	<u>\$ -</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, 2022

	<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	\$ (704,285)	\$ 3,033,089	\$ 3,033,089
Transfer from Capital Reserve Fund	<u>2,604,586</u>	<u>(675,265)</u>	<u>1,929,321</u>	<u>1,929,321</u>
Total Revenues	<u>6,341,960</u>	<u>(1,379,550)</u>	<u>4,962,410</u>	<u>4,962,410</u>
Expenditures and Other Financing Uses:				
Construction	<u>4,962,410</u>	<u></u>	<u>4,962,410</u>	<u>4,962,410</u>
Total Expenditures	<u>4,962,410</u>	<u>-</u>	<u>4,962,410</u>	<u>4,962,410</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 1,379,550</u>	<u>\$ (1,379,550)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project information:

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	(1,379,550)
Revised Authorized Cost	\$ 4,962,410

Percentage Change from Original Authorized Cost	-21.75%
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, 2022**

**Revenues and Other Financing Sources**

State Sources	\$	-
Total Revenues and Other Financing Sources		-

**Expenditures and Other Financing Uses**

Construction		-
Total Expenditures		-
Transfers and Cancellations (Net)		1,379,550
Total Other Financing Uses		1,379,550
Excess (Deficiency) of Revenues over (under) Expenditures		(1,379,550)
Fund Balance - Beginning		1,379,550
Fund Balance - Ending	\$	-

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

Fund Balance - June 30, 2022 (Budgetary Basis)	\$	-
Less: Uncollected State SDA Grants Recognized as Revenue on the Budgetary Basis but not Recognized on a GAAP Basis		-
Fund Balance - June 30, 2022 (GAAP Basis-Exhibit B-1)	\$	-

## **Long-Term Debt**



CITY OF BAYONNE SCHOOL DISTRICT  
 LONG-TERM DEBT  
 SCHEDULE OF FINANCED PURCHASES PAYABLE  
FOR THE YEAR ENDED JUNE 30, 2022

<u>DESCRIPTION</u>	<u>DATE OF LEASE</u>	<u>TERM OF LEASE</u>	<u>AMOUNT OF ORIGINAL LEASE</u>		<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2021</u>	<u>CURRENT YEAR RETIRED</u>	<u>BALANCE JUNE 30, 2022</u>
			<u>PRINCIPAL</u>	<u>INTEREST</u>				
Digital Copy Machines	5/31/2018	5 years	\$ 628,800	\$ 42,937	2.630%	\$ 254,214	\$ 128,396	\$ 125,818
Buses	8/15/2019	5 years	123,878	5,571	4.500%	74,372	24,253	50,119
Digital Copy Machines	3/10/2020	5 years	697,890	63,870	3.501%	567,869	134,640	433,229
Chromebooks	3/24/2020	3 years	940,500	20,331	2.087%	<u>313,728</u>	<u>313,728</u>	
						<u>\$ 1,210,183</u>	<u>\$ 601,017</u>	<u>\$ 609,166</u>

## **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>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>	<u>2022</u>
GOVERNMENTAL ACTIVITIES										
NET INVESTMENT IN CAPITAL ASSETS	\$ 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	\$ 128,161,027
RESTRICTED	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	11,446,550
UNRESTRICTED	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)	(47,461,507)
TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS/POSITION	<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>	<u>\$ 92,146,070</u>
BUSINESS-TYPE ACTIVITIES										
NET INVESTMENT IN CAPITAL ASSETS	\$ 437,305	\$ 430,070	\$ 789,374	\$ 749,752	\$ 1,192,738	\$ 1,109,588	\$ 1,077,134	\$ 1,046,236	\$ 940,033	\$ 833,822
UNRESTRICTED	1,325,760	1,829,269	2,159,494	1,646,812	631,871	526,052	834,121	499,910	548,111	2,971,118
TOTAL BUSINESS-TYPE ACTIVITIES NET ASSETS/POSITION	<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>	<u>\$ 3,804,940</u>
DISTRICT- WIDE										
NET INVESTMENT IN CAPITAL ASSETS	\$ 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	\$ 128,994,849
RESTRICTED	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	11,446,550
UNRESTRICTED	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)	(44,490,389)
TOTAL DISTRICT NET ASSETS/POSITION	<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>	<u>\$ 95,951,010</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,

	2013	2014	2015	2016	2017	2018	2019	2020	2021*	2022
<b>EXPENSES</b>										
GOVERNMENTAL ACTIVITIES:										
INSTRUCTION:										
REGULAR	\$ 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	\$ 125,438,766
SPECIAL EDUCATION	20,174,541	18,385,407	23,848,242	21,223,351	27,764,427	23,280,445				
OTHER SPECIAL INSTRUCTION	1,948,500	1,862,584	3,165,132	2,348,059	2,346,897	2,028,717				
OTHER INSTRUCTION	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	559,249
SPEECH, OT, PT AND RELATED SERVICES							3,169,296	3,577,923	3,963,611	5,473,021
TUITION	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	89,171
IMPROVEMENT OF INSTRUCTION							2,385,952	2,601,477	3,238,090	3,186,998
OTHER SUPPORT INSTRUCTIONAL STAFF							45,961	32,530	13,424	19,727
SCHOOL LIBRARY							323,446	241,279	1,493,235	2,206,169
STUDENT & INST. RELATED SERVICES	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	2,933,634
SCHOOL ADMINISTRATION SERVICES	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	10,062,920
GENERAL & BUSINESS ADMIN. SERVICES	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	3,992,602
ADMINISTRATIVE INFORMATION TECHNOLOGY								1,400,596	904,160	270,274
PLANT OPERATION AND MAINTENANCE	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	15,994,564
PUPIL TRANSPORTATION	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	5,331,692
OTHER SUPPORT SERVICES								14,715,518	20,044,912	32,290,633
UNALLOCATED BENEFITS							75,223,568			
SPECIAL SCHOOLS	497,811	485,483	504,322	596,200	687,376			774,205	848,441	898,466
TRANSFER TO CHARTER SCHOOL	123,714	140,251	203,546	312,481	423,561	385,706	477,856			
INTEREST ON LONG TERM DEBT									53,402	24,259
UNALLOCATED DEPRECIATION							1,528,690			
CAPITAL OUTLAYS							269,280	269,280	2,143,741	
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	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	208,772,145
BUSINESS - TYPE ACTIVITIES:										
FOOD SERVICE	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	4,647,211
COMMUNITY EDUCATION									163,198	1,373,080
TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES	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	6,020,291
TOTAL DISTRICT EXPENSES	\$ 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	\$ 214,792,436
PROGRAM REVENUE										
GOVERNMENTAL ACTIVITIES:										
CHARGES FOR SERVICES	\$ 77,704	\$ 189,949	\$ 87,707	\$ 64,792	\$ 101,842		\$ 779,815	\$ 72,711	\$ 83,001	\$ 1,437,941
OPERATING GRANTS AND CONTRIBUTIONS	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	41,200,548
CAPITAL GRANTS AND CONTRIBUTIONS		8,264,617	(1,732,099)	(230,764)	41,604		779,797	1,593,908	1,095,715	658,934
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUE	\$ 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	\$ 43,297,423

\* 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,

	2013	2014	2015	2016	2017	2018	2019	2020	2021*	2022
<b>BUSINESS-TYPE ACTIVITIES</b>										
CHARGE FOR SERVICES										
FOOD SERVICES	\$ 995,347	\$ 1,356,699	\$ 1,013,658	\$ 1,038,210	\$ 1,047,445	\$ 988,445	\$ 1,112,361	\$ 1,622,848	\$ 1,928	\$ 369,577
COMMUNITY EDUCATION									79,431	1,008,739
OPERATING GRANTS AND CONTRIBUTIONS	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	6,958,771
TOTAL BUSINESS TYPE ACTIVITY PROG. REVENUE	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	8,337,087
TOTAL DISTRICT PROGRAM REVENUE	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	8,337,087
<b>NET (EXPENSE)/ REVENUE:</b>										
GOVERNMENTAL ACTIVITIES	(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)	(173,811,809)
BUSINESS - TYPE ACTIVITIES	(369,341)	(76,176)	128,565	8,660	(304,618)	(30,359)	288,464	(458,455)	(58,002)	2,316,796
TOTAL DISTRICT - WIDE NET EXPENSE	(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)	(171,495,013)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS/POSITION</b>										
GOVERNMENTAL ACTIVITIES:										
PROPERTY TAXES LEVIED FOR GEN. PURPOSES, NET	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	70,451,920
UNRESTRICTED GRANTS AND CONTRIBUTIONS	126,586	35,943	162,262			64,468,987	61,704,888	97,970,529	114,546,616	111,914,318
RESTRICTED GRANTS AND CONTRIBUTIONS						9,748,223	9,456,674			
TUITION RECEIVED						655,515	779,815			
INVESTMENT EARNINGS	18,564	25,340	21,621	49,953	57,191					
MISCELLANEOUS INCOME	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	1,072,255
EXTRAORDINARY ITEMS	(17,751)	(16,722)	(67,306)	(23,425)	(269,617)	(5,233,608)				
TRANSFERS	(698,952)	(572,450)	(560,964)	560,964		(112,796)				
TOTAL GOVERNMENTAL ACTIVITIES	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	183,438,493
BUSINESS-TYPE ACTIVITIES:										
TRANSFERS	698,952	572,450	560,964	(560,964)						
TOTAL BUSINESS-TYPE ACTIVITIES	698,952	572,450	560,964	(560,964)	-	-	-	-	-	-
TOTAL DISTRICT WIDE	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	183,438,493
<b>CHANGE IN NET ASSETS/POSITION</b>										
GOVERNMENTAL ACTIVITIES	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	9,626,684
BUSINESS-TYPE ACTIVITIES	329,611	496,274	689,529	(552,304)	(304,618)	(30,359)	288,464	(458,455)	(58,002)	2,316,796
TOTAL DISTRICT	\$ 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	\$ 11,943,480

\* 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>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>	<u>2022</u>
<u>GOVERNMENTAL FUNDS:</u>										
GENERAL FUND:										
RESTRICTED	\$ 7,036,151	\$ 4,744,715	\$ 1,523,324	\$ 1,523,324		\$ 181,511	\$ 3,565,474	\$ 6,924,439	\$ 8,787,328	\$ 11,059,239
COMMITTED	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	1,301,523
UNASSIGNED	(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)	(2,611,068)
TOTAL GENERAL FUND	<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>	<u>\$ 9,749,694</u>
OTHER GOVERNMENTAL FUNDS										
RESTRICTED									\$ 363,184	\$ 387,311
COMMITTED	\$ 124,758	\$ 1,557,834	\$ 1,557,834	\$ 1,316,204	\$ 122,300					
ASSIGNED	4,310,360	16,510,906	10,529,913	8,584,147	8,682,488	\$ 3,359,793	\$ 795,693	\$ 564,695		
UNASSIGNED	(197,519)	(222,301)	(215,446)	(201,736)	(241,887)					
TOTAL OTHER GOVERNMENTAL FUNDS	<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>	<u>\$ 387,311</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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>REVENUES</b>										
TAX LEVY	\$ 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	\$ 70,451,920
TUITION CHARGES	77,704	189,949	87,707	64,792	101,842	655,515	779,815	72,711	1,642	59,625
INTEREST EARNINGS	18,564	25,340	21,621	49,953	57,191					
MISCELLANEOUS	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	1,650,618
STATE SOURCES	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	129,887,752
FEDERAL SOURCES	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	20,000,152
TOTAL REVENUES	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	222,050,067
<b>EXPENDITURES</b>										
<b>INSTRUCTION</b>										
REGULAR INSTRUCTION	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	85,326,154
SPECIAL EDUCATION INSTRUCTION	13,493,605	12,971,067	15,644,626	12,266,080	14,420,155	22,106,562				
OTHER SPECIAL INSTRUCTION	2,074,322	2,061,721	4,190,784	2,147,197	1,928,527	1,926,422				
OTHER INSTRUCTION	1,230,920	1,210,243	1,199,784	1,076,115	1,817,721	2,361,724				
<b>SUPPORT SERVICES</b>										
<b>INSTRUCTION</b>										
ATTENDANCE/SOCIAL WORK							2,394,192	2,691,903	3,155,574	2,003,444
SPEECH, OT, PT, AND RELATED SERVICES							2,076,665	2,688,725	3,087,702	4,695,070
HEALTH SERVICES							1,552,563	1,568,122	1,547,514	85,646
OTHER SUPPORT SERVICES							9,124,879	10,832,647	15,810,447	27,409,252
IMPROVEMENT OF INSTRUCTION							1,490,804	1,505,875	1,738,586	2,040,629
EDUCATION MEDIA LIBRARY							182,947	143,368	998,859	1,778,119
OTHER SUPPORT INSTRUCTIONAL STAFF							44,024	31,293	12,873	18,947
TUITION	2,076,043	2,287,469	3,000,977	3,517,867	3,822,028	2,056,505				
STUDENT & INST. RELATED SERVICES	10,006,231	11,857,149	14,751,454	11,552,060	13,395,325	14,925,463				
GENERAL ADMINISTRATION	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	3,508,666
SCHOOL ADMINISTRATIVE SERVICES	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	6,401,593
<b>CENTRAL SERVICES</b>										
ADMINISTRATIVE INFORMATION TECHNOLOGY							1,637,641	1,835,350	1,971,379	1,950,090
PLANT OPERATIONS AND MAINTENANCE	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	12,103,251
PUPIL TRANSPORTATION	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	4,364,695
EMPLOYEE BENEFITS	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	59,349,802
TRANSFER TO CHARTER SCHOOLS	123,714	140,251	203,546	312,481	423,561	385,706	477,856	774,205	848,441	898,466
SPECIAL SCHOOLS	361,916	359,031	348,535	381,366	379,149					
CAPITAL OUTLAY	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	6,693,575
TOTAL EXPENDITURES	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	219,165,705
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	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	2,884,362
<b>OTHER FINANCING SOURCES (USES)</b>										
FINANCED PURCHASES PAYABLE (NON-BUDGETED)	4,731,049	4,095,129	122,103	1,230,747	2,480,106			1,762,268		
LOAN INTEREST	(17,751)			(23,425)						
TRANSFERS IN				560,964			608,962	879,592	412,014	675,265
TRANSFERS OUT	(698,952)	(572,450)	(560,964)			(1,541,456)	(59,894)		(412,014)	(675,265)
EXTRAORDINARY ITEMS	(243,363)	(16,722)	(67,306)			(5,233,608)				
TOTAL OTHER FINANCING SOURCES (USES)	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	\$ 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	\$ 2,884,362
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>										
	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>
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
2022			59,625			1,072,255	1,131,880

Source: ACFR 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
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
2022	674,147,900	4,484,120,400	-	-	986,181,100	957,352,500	425,124,700	7,526,926,600	2,483,361,300	7,497,277	7,534,423,877	8,407,148,725	0.940

\* Note - The City of Bayonne 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 <u>TAX RATE</u>
	<u>BASIC RATE</u>	<u>GENERAL OBLIGATION DEBT SERVICE</u>	<u>TOTAL DIRECT SCHOOL TAX RATE</u>	<u>BAYONNE CITY</u>	<u>HUDSON COUNTY</u>	
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
2022	0.940	0.120	1.060	1.149	0.424	2.633

\* 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)

	2022			2013		
	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>% OF TOTAL DIRECT NET ASSESSED VALUE</u>	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>% OF TOTAL DIRECT NET ASSESSED VALUE</u>
Bayonne Industries Inc/IMTT	\$ 653,705,800	1	8.68%	\$ 116,103,000	1	5.16%
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%	14,312,000	4	0.64%
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	0.67%
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	1.03%
Texaco, Inc.				13,085,800	5	0.58%
Hess Corp				10,379,000	6	0.46%
Morris Bayonne Assoc., LLC, et als				9,813,700	7	0.44%
South Cove Development, LLC				8,519,700	8	0.38%
MPT of Bayonne, LLC				8,000,000	9	0.38%
51-53 Hook Road, LLC				7,796,900	10	0.36%
<b>TOTAL</b>	<b>\$ 1,101,085,700</b>		<b>14.62%</b>	<b>\$ 226,132,900</b>		<b>10.10%</b>

Source: Municipal Tax Assessor

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

<u>FISCAL YEAR ENDED JUNE 30</u>	<u>TAXES LEVIED FOR THE YEAR</u>	<u>COLLECTED FOR THE YEAR</u>	<u>PERCENTAGE OF LEVY</u>	<u>COLLECTION IN SUBSEQUENT YEARS*</u>
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
2022	70,451,920	70,451,920	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	GOVERNMENTAL ACTIVITIES		BOND ANTICIPATION NOTES	BUSINESS TYPE ACTIVITIES		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
		CERTIFICATES OF PARTICIPATION	FINANCED PURCHASES PAYABLE		CAPITAL LEASES				
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	N/A	
2018	-	-	1,504,603	-	-	1,504,603	N/A	N/A	
2019	-	-	805,554	-	-	805,554	N/A	N/A	
2020	-	-	1,865,809	-	-	1,865,809	N/A	N/A	
2021	-	-	1,210,183	-	-	1,210,183	N/A	N/A	
2022	-	-	609,166	-	-	609,166	N/A	N/A	

Source: City of Bayonne Finance Office

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

<u>FISCAL YEAR</u> <u>ENDING JUNE 30,</u>	<u>GENERAL</u> <u>OBLIGATION</u> <u>BONDS</u>	<u>DEDUCTIONS</u>	<u>NET GENERAL</u> <u>BONDED DEBT</u> <u>OUTSTANDING</u>	<u>PERCENTAGE OF</u> <u>ACTUAL TAXABLE</u> <u>VALUE OF</u> <u>PROPERTY</u>	<u>PER</u> <u>CAPITA</u>
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%	-
2022	-	-	-	0.000%	-

Source: City of Bayonne Finance Office

CITY OF BAYONNE SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2022 (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	\$ 180,416,922	100.00%	\$ 180,416,922
COUNTY OF HUDSON	500,953,360	7.67%	<u>38,423,123</u>
SUBTOTAL OVERLAPPING DEBT			218,840,045
SCHOOL DISTRICT DIRECT DEBT			<u>-</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 218,840,045</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 2022 (As of December 31, 2021 per statute)

EQUALIZED VALUATION BASIS

2022	\$ 9,054,404,667
2021	8,255,768,961
2020	7,911,272,547
	<u>\$ 25,221,446,175</u>

AVERAGE EQUALIZED VALUATION OF TAXABLE PROPERTY \$ 8,407,148,725

DEBT LIMIT (4% X ) \$ 336,285,949  
TOTAL DEBT APPLICABLE TO LIMIT -

LEGAL DEBT MARGIN \$ 336,285,949

<u>YEAR</u>	<u>DEBT</u> <u>LIMIT</u>	<u>TOTAL DEBT</u> <u>APPLICABLE</u> <u>TO LIMIT</u>	<u>LEGAL</u> <u>DEBT</u> <u>MARGIN</u>	<u>PERCENTAGE</u> <u>OF DEBT</u> <u>LIMIT</u>
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	271,482,816	-	271,482,816	0.000%
2022	336,285,949	-	336,285,949	0.000%

Source: Abstract of Ratables and District Records ACFR 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>
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	69,211	2,485,020,955	35,905	10.5%
2022	*	*	*	5.1%

## 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)

EMPLOYERS	2022			2013		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL MUNICIPAL EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL MUNICIPAL EMPLOYMENT
Bayonne Hospital	1,867	1	5.73%	1,867	1	6.77%
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%	150	8	0.54%
Bayonne Community Bank	327	7	1.00%			
European American Food Group Co. Ii	325	8	1.00%			
Ideal Window Manufacturing Inc.	287	9	0.88%	127	10	0.46%
Muralo Company, Inc.	250	10	0.77%	180	6	0.65%
Royal Wine Corporation				220	3	0.80%
Inserra Inc				220	4	0.80%
Haddad Aooarel Group Ltd.				155	7	0.56%
Season Contracting Corp				150	9	0.54%
Bookazine Co Inc.				180	5	0.65%
	<u>7,355</u>		<u>22.56%</u>	<u>3,749</u>		<u>13.58%</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>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>	<u>2022</u>
Instruction										
Regular	568	587	584	701	608	572	533	557	564	573
Special Education	315	317	315	272	387	372	343	366	376	351
Other Special Education	18	32	33	39	40	42	35	40	44	48
Vocational	6	6	6	3	5	2	2	2	2	5
Other Instruction	1	1	1	2	60	0	0	0	0	0
Support Services										
Student & Instruction Related Services	96	104	99	125	50	49	50	47	54	56
General Administration	10	11	11	10	23	23	24	21	23	27
School Administrative Services	62	62	67	65	82	70	63	54	56	58
Central Services	11	12	12	12	8	18	16	16	17	19
Administrative Information Technology	1	1	1	0	9	9	10	7	10	11
Plant Operations and Maintenance	127	125	125	152	159	128	138	149	152	155
Pupil Transportation	33	35	35.0	22.0	39	44.0	42	43	39	41
Other Support Services				2						
<b>Total</b>	<b>1,248</b>	<b>1,293</b>	<b>1,289</b>	<b>1,405</b>	<b>1,470</b>	<b>1,329</b>	<b>1,256</b>	<b>1,302</b>	<b>1,337</b>	<b>1,344</b>

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				
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	-0.47%	93.46%
2018	9,562	148,545,143	15,535	-3.31%	988	14.2-1	13.1-1	9,274	8,654	-0.44%	93.31%
2019	9,474	142,433,757	15,034	-4.11%	1,108	12.67-1	11.45-1	9,189	8,963	-0.92%	97.54%
2020	9,878	146,744,541	14,856	3.03%	965	10.37-1	9.16-1	9,352	8,979	1.77%	96.01%
2021	9,842	183,753,112	18,670	25.22%	986	10.04-1	8.94-1	9,312	9,218	-0.43%	98.99%
2022	9,826	212,644,000	21,641	15.72%	977	9.86-1	8.71-1	8,929	8,183	-4.11%	91.65%

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

\* Operating expenditures equal total expenditures less debt service and capital outlay.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Elementary</b>										
<b>HENRY E. HARRIS (1921)</b>										
Square Feet	82,320	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	664	689	699	699	685	710	707	697	697	645
<b>PHILIP VROOM (1914)</b>										
Square Feet	66,746	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	454	485	491	491	473	479	485	476	476	470
<b>WALTER F. ROBINSON (1903)</b>										
Square Feet	119,979	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	778	766	744	744	710	757	792	843	843	767
<b>MARY J. DONOHUE (1920)</b>										
Square Feet	61,450	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	496	485	498	498	496	464	444	478	478	464
<b>LINCOLN (1919)</b>										
Square Feet	76,614	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	430	463	45	453	470	434	428	471	471	459
<b>HORACE MANN (1914)</b>										
Square Feet	85,353	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	602	602	614	614	627	576	572	629	629	605
<b>WASHINGTON (1917)</b>										
Square Feet	113,755	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	677	661	678	678	684	721	723	694	694	647
<b>NICHOLAS ORESKO (2008)</b>										
Square Feet	80,006	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	455	455	444	444	467	452	432	445	445	394
<b>JOHN M. BAILEY (1909)</b>										
Square Feet	84,884	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	620	640	652	652	679	659	688	707	707	636
<b>WOODROW WILSON (1931)</b>										
Square Feet	114,998	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	635	675	635	655	672	716	735	755	755	732
<b>MIDTOWN COMMUNITY (1992)</b>										
Square Feet	160,876	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	1,110	1,121	1,155	1,155	1,151	1,198	1,193	1,248	1,248	1,194
<b>High School</b>										
<b>BAYONNE (1926)</b>										
Square Feet	535,570	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	2,417	2,437	2,574	2,574	2,605	2,400	2,438	2,401	2,401	2,166

Number of Schools at June 30, 2022:

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>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>	<u>2022</u>
HENRY E. HARRIS SCHOOL	N/A	\$ 247,981	\$ 271,507	\$ 257,635	\$ 295,994	\$ 308,481	\$ 304,690	\$ 203,325	\$ 263,808	\$ 118,906	\$ 224,319
PHILIP VROOM SCHOOL	N/A	201,068	220,141	208,894	239,996	250,120	287,613	219,804	213,898	43,334	148,094
WALTER F. ROBINSON SCHOOL	N/A	385,586	395,718	375,499	431,407	449,607	483,568	198,098	384,492	128,425	222,779
MARY J. DONOHUE SCHOOL	N/A	185,112	202,677	192,321	220,956	230,277	261,720	172,278	196,927	92,187	157,505
LINCOLN SCHOOL	N/A	230,794	252,691	239,780	275,481	287,102	346,302	305,911	245,522	160,285	236,112
HORACE MANN SCHOOL	N/A	257,118	281,513	267,130	306,903	319,850	293,809	208,833	273,528	96,410	207,785
WASHINGTON SCHOOL	N/A	342,674	375,189	356,020	409,027	426,282	432,895	219,930	364,547	74,464	224,526
NICHOLAS ORESKO SCHOOL	N/A	241,009	263,876	250,394	287,675	299,811	333,796	228,006	256,392	83,711	170,929
JOHN M. BAILEY SCHOOL	N/A	255,704	279,963	265,659	305,213	318,088	334,781	197,531	272,025	81,913	222,443
WOODROW WILSON SCHOOL	N/A	346,421	379,287	359,908	413,494	430,938	417,430	218,290	368,530	87,269	185,803
MIDTOWN COMMUNITY SCHOOL	N/A	484,620	530,603	503,492	578,457	602,860	560,508	283,272	515,554	216,086	545,675
BAYONNE HIGH SCHOOL	N/A	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	1,852,521
TOTAL		<u>\$ 4,791,433</u>	<u>\$ 5,219,589</u>	<u>\$ 4,952,902</u>	<u>\$ 5,690,339</u>	<u>\$ 5,930,391</u>	<u>\$ 5,791,838</u>	<u>\$ 4,528,938</u>	<u>\$ 5,071,545</u>	<u>\$ 4,193,302</u>	<u>\$ 4,398,491</u>

Source: ACFR C-1

CITY OF BAYONNE SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2022

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 2021-2022 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 the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (“*Government Auditing Standards*”), 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, New Jersey (the “District”) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated June 1, 2023.

**Report on 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 District’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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

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 June 1, 2023.

## **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

June 1, 2023



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**

**Opinion on Each Major Federal and State Program**

We have audited City of Bayonne School District's, in the County of Hudson, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

**Basis for Opinion on Each Major Federal and State Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the audit requirements of *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*. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

### **Auditors' Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

### 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  
June 1, 2023



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, 2022

Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount*	Grant Period		Balance June 30, 2021		Cash Received	Budgetary Expenditures	Adjustments	Provided to Subrecipients	Repayment of Prior Years' Balances	Balance June 30, 2022			
					From	To	Unearned Revenue (Accounts Receivable)	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor	
<b>General Fund:</b>																	
<b>U.S. Department of Health and Human Services</b>																	
<b>Passed-through State Department of Education</b>																	
Special Education Medical Initiative	93.778	2105NJSMAP	7540-100-211	\$ 296,384	7/1/2020	6/30/2021	\$ (19,799)	\$	\$ 19,799	\$ (306,899)	\$	\$	\$	\$ -	\$	\$	
Special Education Medical Initiative	93.778	2005NJSMAP	7540-100-211	306,899	7/1/2021	6/30/2022			287,101					(19,798)			
<b>Total U.S. Department of Health and Human Services</b>							<b>(19,799)</b>	<b>-</b>	<b>306,900</b>	<b>(306,899)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,798)</b>	<b>-</b>	<b>-</b>	
<b>Total General Fund</b>							<b>(19,799)</b>	<b>-</b>	<b>306,900</b>	<b>(306,899)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,798)</b>	<b>-</b>	<b>-</b>	
<b>Special Revenue Fund:</b>																	
<b>U.S. Department of Education</b>																	
<b>Passed-through State Department of Education:</b>																	
Title I	84.010	S010A200030	5064-100-194	3,383,793	7/1/2020	9/30/2021	(427,389)		426,314		1,075			(517,264)			
Title I	84.010	S010A190030	5064-100-194	3,772,659	7/1/2021	9/30/2022			3,088,723	(3,605,987)							
Title I - ESEA National Award	84.010	S010A190030	5064-100-194	15,000	7/1/2021	9/30/2022			15,000	(8,970)					6,030		
Title I SIA	84.010	S010A200030	5064-100-132	51,238	7/1/2021	9/30/2022			46,713	(49,509)				(2,796)			
Title I SIA	84.010	S010A200030	5064-100-132	65,015	7/1/2020	9/30/2021	(8,431)	714	8,431							714	
<b>Subtotal Title I Cluster</b>							<b>(435,820)</b>	<b>714</b>	<b>3,585,181</b>	<b>(3,664,466)</b>	<b>1,075</b>	<b>-</b>	<b>-</b>	<b>(520,060)</b>	<b>6,030</b>	<b>714</b>	
Title II, Part A	84.367	S367A200029	5063-100-290	713,868	7/1/2020	9/30/2021	(57,542)		57,542								
Title II, Part A	84.367	S367A190029	5063-100-290	517,809	7/1/2021	9/30/2022			398,771	(467,627)				(68,856)			
Title III	84.365	S365A200030	5064-100-187	119,252	7/1/2021	9/30/2022			97,001	(112,481)				(15,480)			
Title III	84.365	S365A200030	5064-100-187	107,862	7/1/2020	9/30/2021	(178)		178								
Title III	84.365	S365A190030	5064-100-187	105,308	7/1/2019	9/30/2020		7,244				7,244					
Title III Immigrant	84.365	S365A200030	5064-100-187	48,430	7/1/2020	9/30/2021	(5,872)		5,872								
Title IV - Student Support & Academic Enrichment Program	84.424	S424A200031	5063-100-348	232,133	7/1/2020	9/30/2021	(187,586)		187,586								
Title IV - Student Support & Academic Enrichment Program	84.424	S424A190031	5063-100-348	233,124	7/1/2021	9/30/2022			213,903	(220,271)				(6,368)			
IDEA Cluster:																	
IDEA, Part B	84.027	H027A210100	5065-100-016	2,583,849	7/1/2019	9/30/2020		277,794				277,794					
IDEA, Part B	84.027	H027A210100	5065-100-016	2,830,294	7/1/2020	9/30/2021	(570,752)		570,752								
IDEA, Part B	84.027	H027A200100	5065-100-016	2,595,181	7/1/2021	9/30/2022			2,024,557	(2,470,144)				(445,587)			
IDEA, Preschool	84.173	H173A200114	5065-100-020	63,417	7/1/2021	9/30/2022			63,417	(63,417)							
ARP IDEA, Basic	84.027X	H027A200100	5065-100-016	541,385	7/1/2021	9/30/2022			383,536	(385,265)				(1,729)			
ARP IDEA, Preschool	84.173X	H173A200114	5065-100-020	45,953	7/1/2021	9/30/2022			-	(45,953)				(45,953)			
<b>Subtotal IDEA Cluster</b>							<b>(570,752)</b>	<b>277,794</b>	<b>3,042,262</b>	<b>(2,964,779)</b>	<b>-</b>	<b>-</b>	<b>277,794</b>	<b>(583,973)</b>	<b>-</b>	<b>-</b>	
Coronavirus Relief Fund (CRF) Cluster:																	
COVID-19 CRF Program	21.019	S377A130031	N/A	883,887	3/1/2020	12/31/2021			1,044							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						
<b>Subtotal CRF Cluster</b>							<b>(18,287)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,331</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,044</b>	<b>-</b>	
Elementary and Secondary School Emergency Relief Fund (ESSER) Cluster:																	
COVID-19 CARES Act - Stabilization Fund (ESSER)	84.425D	S425D200027	N/A	2,574,215	3/13/2020	9/30/2022	(493,004)	14,400	536,034	(325,656)				(282,626)		14,400	
COVID-19 CARES Act - ESSER II CRRS	84.425D	S425D210027	N/A	9,706,439	3/13/2020	9/30/2023	(4,856,752)		8,506,920	(3,942,301)				(292,133)			
COVID-19 CARES Act - ESSER II Learning Accelerated	84.425D	S425D200027	N/A	622,846	3/13/2020	9/30/2023			307,623	(307,623)							
COVID-19 CARES Act - ESSER II Mental Health	84.425D	S425D200027	N/A	51,599	3/13/2020	9/30/2023			43,409	(43,409)							
COVID-19 ARP - ESSER III	84.425U	S425U210027	N/A	21,812,347	3/13/2020	9/30/2024			6,550,331	(7,504,094)				(953,763)			
COVID-19 ARP - ESSER III Summer	84.425U	S425U210027	N/A	68,724	3/13/2020	9/30/2024				(24,451)				(24,451)			
COVID-19 ARP - ESSER III Mental Health	84.425U	S425U210027	N/A	45,000	3/13/2020	9/30/2024				(30,230)				(30,230)			
COVID-19 ARP - ESSER III Homeless	84.425U	S425U210027	N/A	89,262	3/13/2020	9/30/2024				(62,945)				(62,945)			
<b>Subtotal ESSER Cluster</b>							<b>(5,349,756)</b>	<b>14,400</b>	<b>15,944,317</b>	<b>(12,240,709)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,646,148)</b>	<b>-</b>	<b>14,400</b>	
<b>Total U.S. Dept. of Education</b>							<b>(6,625,793)</b>	<b>300,152</b>	<b>23,532,613</b>	<b>(19,670,333)</b>	<b>20,406</b>	<b>-</b>	<b>285,038</b>	<b>(2,750,181)</b>	<b>7,074</b>	<b>15,114</b>	
<b>Total Special Revenue Fund</b>							<b>(6,625,793)</b>	<b>300,152</b>	<b>23,532,613</b>	<b>(19,670,333)</b>	<b>20,406</b>	<b>-</b>	<b>285,038</b>	<b>(2,750,181)</b>	<b>7,074</b>	<b>15,114</b>	

**CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount*	Grant Period		Balance June 30, 2021		Cash Received	Budgetary Expenditures	Adjustments	Provided to Subrecipients	Repayment of Prior Years' Balances	Balance June 30, 2022		
					From	To	Unearned Revenue (Accounts Receivable)	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor
<b>Enterprise Funds:</b>																
<b>U.S. Department of Agriculture</b>																
<b>Passed-through State Department of Education</b>																
Child Nutrition Cluster:																
National School Lunch Program-After School Snack	10.555	221NJ304N1099	N/A	\$ 63,354	7/1/2021	6/30/2022	\$	\$	\$ 44,222	\$ (63,354)	\$	\$	\$	(19,132)	\$	
Food Distribution Program (NC)	10.555	221NJ304N1099	N/A	261,167	7/1/2021	6/30/2022			261,167	(261,167)						
National School Lunch Program	10.555	221NJ304N1099	N/A	4,241,693	7/1/2021	6/30/2022			2,994,849	(4,241,693)				(1,246,844)		
National School Lunch Program	10.555	211NJ304N1099	N/A	715,317	7/1/2020	6/30/2021		(150,128)	94,829	150,128					94,829	
Healthy Hunger-Free Kids Act	10.555	211NJ304N1099	N/A	20,721	7/1/2020	6/30/2021		(1,467)	1,881	1,467					1,881	
COVID-19 Emergency Operational Cost Program	10.555	222121H170341	N/A	165,864	7/1/2021	6/30/2022			165,864	(165,864)						
School Breakfast Program	10.553	221NJ304N1099	N/A	1,435,073	7/1/2021	6/30/2022			1,021,600	(1,435,073)				(413,473)		
School Breakfast Program	10.553	211NJ304N1099	N/A	449,059	7/1/2020	6/30/2021		(47,362)	60,713	47,362					60,713	
Subtotal Child Nutrition Cluster								(198,957)	157,423	4,686,659	(6,167,151)	-	-	(1,679,449)	-	
COVID-19 P-EBT Administrative Cost Reimbursements	10.649	222121S900941	N/A	11,764	7/1/2021	6/30/2022			11,764	(11,764)					157,423	
<b>Total U.S. Department of Agriculture</b>								<b>(198,957)</b>	<b>157,423</b>	<b>4,698,423</b>	<b>(6,178,915)</b>	<b>-</b>	<b>-</b>	<b>(1,679,449)</b>	<b>-</b>	
<b>U.S. Department of Health and Human Services</b>																
<b>Passed-through Urban League of Hudson County</b>																
Child Care and Development Block Grant	93.575	Not Applicable	N/A		7/1/2021	6/30/2022			675,364	(675,364)					448,270	
Child Care and Development Block Grant	93.575	Not Applicable	N/A	456,643	7/1/2020	6/30/2021			448,270						448,270	
<b>Total Enterprise Funds</b>								<b>(198,957)</b>	<b>605,693</b>	<b>5,373,787</b>	<b>(6,854,279)</b>	<b>-</b>	<b>-</b>	<b>(1,679,449)</b>	<b>-</b>	
<b>Total Federal Financial Awards</b>								<b>\$ (6,844,549)</b>	<b>\$ 905,845</b>	<b>\$ 29,213,300</b>	<b>\$ (26,831,511)</b>	<b>\$ 20,406</b>	<b>\$ -</b>	<b>\$ 285,038</b>	<b>\$ (4,449,428)</b>	<b>\$ 7,074</b>
															<b>\$ 620,807</b>	

**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, 2022

Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2021				Balance at June 30, 2022				Cumulative Total Expenditures					
				MEMO				MEMO									
				Intergovernmental Revenue (Accounts Receivable)	Due to Grantor	Budgetary Receivable	Transfers	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments		Intergovernmental Revenue (Accounts Receivable)	Due to Grantor	Budgetary Receivable		
<b>General Fund</b>																	
State Department of Education																	
Equalization Aid	495-034-5120-078	\$ 57,567,114	7/1/2020	6/30/2021	\$			\$ (6,684,269)	\$		\$	\$ (57,567,114)					
Equalization Aid	495-034-5120-078	69,891,132	7/1/2021	6/30/2022													
Special Education Categorical Aid	495-034-5120-089	6,370,555	7/1/2020	6/30/2021			(739,702)					(6,370,555)					
Special Education Categorical Aid	495-034-5120-089	6,370,555	7/1/2021	6/30/2022													
Security Aid	495-034-5120-084	3,438,877	7/1/2020	6/30/2021			(399,297)					(3,438,877)					
Security Aid	495-034-5120-084	3,438,877	7/1/2021	6/30/2022													
Transportation Aid	495-034-5120-014	403,763	7/1/2020	6/30/2021			(46,882)					(403,763)					
Transportation Aid	495-034-5120-014	403,763	7/1/2021	6/30/2022													
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	1,214,878	7/1/2021	6/30/2022													
T.P.A.F. Social Security Aid	495-034-5094-003	5,032,291	7/1/2020	6/30/2021			(252,504)					(5,032,291)					
T.P.A.F. Social Security Aid	495-034-5094-003	5,111,372	7/1/2021	6/30/2022													
T.P.A.F. On-Behalf Pension	495-034-5094-001	25,033,998	7/1/2021	6/30/2022								(25,033,998)					
T.P.A.F. On-Behalf Post Retirement Medical	495-034-5094-002	5,848,954	7/1/2021	6/30/2022								(5,848,954)					
T.P.A.F. On-Behalf Long-Term Disability Ins.	495-034-5094-004	10,961	7/1/2021	6/30/2022								(10,961)					
<b>Total General Fund</b>																	
						(922,057)	-	(7,870,150)	-	115,907,108	(117,724,490)	-	(1,488,484)	-	(9,121,105)	(104,376,066)	
<b>Special Revenue Fund</b>																	
State Department of Education																	
Preschool Education Aid	495-034-5120-086	11,689,202	7/1/2020	6/30/2021			2,391,128										
Preschool Education Aid	495-034-5120-086	11,244,939	7/1/2021	6/30/2022				171,870	11,244,939	(2,391,128)							
School Development Authority - Emergent Needs	N/A	266,643	7/1/2021	6/30/2022					226,643	(219,781)			6,862		(219,781)		
NJ Nonpublic Aid:																	
Textbook Aid	100-034-5120-064	27,307	7/1/2020	6/30/2021			612				612				(26,695)		
Textbook Aid	100-034-5120-064	21,487	7/1/2021	6/30/2022					21,487	(17,161)			4,326		(17,161)		
Auxiliary Services:																	
Compensatory Education	100-034-5120-067	61,541	7/1/2021	6/30/2022					61,541	(61,541)					(61,541)		
ESL	100-034-5120-067	2,741	7/1/2021	6/30/2022					2,741	(2,741)					(2,741)		
Handicapped Transportation	100-034-5120-068	13,935	7/1/2021	6/30/2022					13,935	(13,935)					(13,935)		
Handicapped Services:																	
Supplemental Instruction	100-034-5120-066	18,172	7/1/2021	6/30/2022					18,172	(18,172)					(18,172)		
Examination & Classification	100-034-5120-066	23,964	7/1/2020	6/30/2021			365					365			23,599		
Examination & Classification	100-034-5120-066	23,507	7/1/2021	6/30/2022					23,507	(23,507)					(23,507)		
Corrective Speech	100-034-5120-066	9,300	7/1/2021	6/30/2022					9,300	(9,300)					(9,300)		
Technology Initiative	100-034-5120-373	26,640	7/1/2019	6/30/2020			6,734						6,734		(23,273)		
Technology Initiative	100-034-5120-373	15,036	7/1/2021	6/30/2022					15,036	(15,032)			4		(23,273)		
Security Aid	100-034-5120-509	81,550	7/1/2020	6/30/2021			22,413				22,413				(59,137)		
Security Aid	100-034-5120-509	111,300	7/1/2019	6/30/2020			6,290						6,290		(52,138)		
Security Aid	100-034-5120-509	65,100	7/1/2021	6/30/2022					65,100	(57,596)			7,504		(57,596)		
Nursing Services	100-034-5120-070	41,664	7/1/2021	6/30/2022					41,664	(41,664)					(41,664)		
State Department of Children and Families																	
School Based Youth Services	100-054-7500-068	322,405	7/1/2021	9/30/2022					322,405	(306,313)		16,092			322,405		
School Based Youth Services	100-054-7500-068	273,216	7/1/2020	9/30/2021			1,300						1,300		271,916		
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					
State Department of Treasury																	
Passed through City of Bayonne																	
Municipal Alliance Program	100-082-C001-004	19,921	7/1/2021	6/30/2022					19,921	(19,921)					19,921		
Municipal Alliance Program	100-082-C001-004	54,448	7/1/2020	6/30/2021			(14,299)				14,299				40,149		
Municipal Alliance Program	100-082-C001-004	40,750	7/1/2019	6/30/2020			(40,750)								-		
Municipal Alliance Program	100-082-C001-004	33,277	7/1/2018	6/30/2019			(33,276)						33,276		-		
<b>Total Special Revenue Fund</b>																	
						2,519,983	36,414	-	171,870	12,086,391	(12,858,623)	98,863	88,325	1,772,070	173,427	-	(19,063,638)
<b>Capital Projects Fund</b>																	
Direct Aid:																	
School Development Authority:																	
Various SDA Projects	0220-020-14-1001	3,737,374	Indefinite						658,934				(106,938)			(2,475,788)	
Securing our Children's Future Bond Act	N/A	470,826	7/1/2020	6/30/2022			(470,826)		470,826							(470,826)	
<b>Total Capital Projects Fund</b>																	
						(1,022,822)	-	-	-	1,129,760	-	-	(106,938)	-	-	-	(6,336,708)
<b>Enterprise Fund</b>																	
State Department of Agriculture																	
State School Lunch Program	21-100-010-3350-023	50,432	7/1/2020	6/30/2021			(5,344)		5,344					1,477		(50,432)	
State School Lunch Program	22-100-010-3350-023	104,492	7/1/2021	6/30/2022					75,797	(104,492)			(28,695)			(104,492)	
<b>Total Enterprise Fund</b>																	
						(5,344)	1,477	-	-	81,141	(104,492)	-	-	(28,695)	1,477	-	(154,924)
<b>Total State Financial Assistance</b>						\$ 569,760	\$ 37,891	\$ (7,870,150)	\$ 171,870	\$ 129,204,400	\$ (130,687,605)	\$ 98,863	\$ (18,613)	\$ 254,891	\$ 174,904	\$ (9,121,105)	\$ (129,931,336)
Less: State Financial Assistance Not Subject to Single Audit Determination																	
T.P.A.F. On-Behalf Pension																	25,033,998
T.P.A.F. On-Behalf Post Retirement Medical																	5,848,954
T.P.A.F. On-Behalf Long-Term Disability Ins.																	10,961
<b>Total State Financial Assistance Subject to State Single Audit.</b>																	\$ (99,793,692)

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, 2022

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 \$(1,250,955) for the General Fund and \$(91,450) 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, 2022

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	\$ 306,899	\$116,473,535	\$ 116,780,434
Special Revenue Fund	19,693,253	12,755,283	32,448,536
Capital Projects Fund	-	658,934	658,934
Food Service Fund	6,178,915	104,492	6,283,407
Community Ed Fund	<u>675,364</u>	<u>-</u>	<u>675,364</u>
Total Awards and Financial Assistance	<u>\$ 26,854,431</u>	<u>\$129,992,244</u>	<u>\$156,846,675</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, 2022.

The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2022 amount to \$30,893,913. 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.

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.

CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL  
AWARDS AND STATE FINANCIAL ASSISTANCE  
JUNE 30, 2022

NOTE 7. ADJUSTMENTS

During the year ended June 30, 2022, the District recorded adjustments for uncollectable accounts receivables that were improperly accrued as of June 30, 2021. These adjustments resulted in the cancellation of \$88,325 and \$20,406 of state and federal accounts receivables, respectively. Additionally, it was noted the accounts receivable as of June 30, 2021 was understated for the School Development Authority projects and an adjustment of \$106,938 was recorded on the schedule of expenditures of state financial assistance to correct the balance.

NOTE 8. FEDERAL AND STATE LOANS OUTSTANDING

The District had no loan balances outstanding at June 30, 2022.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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 2 CFR 200.516(a)? \_\_\_\_\_ 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	<u>Special Education IDEA Cluster:</u> IDEA, Part B IDEA, Preschool
84.173	H173A200114	
84.425D	S425D200027	Elementary and Secondary School Emergency Relief Funds (ESSER)
10.553	21NJ304N1099	<u>Child Nutrition Cluster:</u> School Breakfast Program National School Lunch Program
10.555	21NJ304N1099	

Dollar threshold used to distinguish between Type A and Type B Programs: \$804,945

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, 2022**

**Section I - Summary of Auditors' Results (continued)**

**State Financial Assistance**

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

\$2,993,810

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

**CITY OF BAYONNE SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Section II - Financial Statement Findings**

NONE

**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, 2022**

**Section IV:**

**Status of Prior Year Findings**

**Financial Statement Finding 2021-001:**

**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.

**Current Status:**

This condition has been corrected.

**Financial Statement Finding 2021-002:**

**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 been corrected.