

# BAYONNE



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## **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, 2023

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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**

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May 8, 2024

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, 2023, 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 2022-2023 fiscal year with an average daily enrollment of 9,284 students, which is 355 or 3.98% higher 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
2022-2023	9,284	3.98%
2021-2022	8,929	-4.11%
2020-2021	9,312	-0.43%
2019-2020	9,352	1.77%
2018-2019	9,189	-0.92%

## 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:

The entire District staff is committed to testing data analysis followed by appropriate teaching strategies and support materials to meet the needs of our students. State and local assessments, student achievement gaps, dropout and attendance data are analyzed to improve student performance. Additionally, training is conducted to support staff members with the creation of Student Growth Objectives (SGOs). Student Growth Objectives (SGOs) are academic goals for groups of students that are aligned to state standards and can be tracked using objective measures. As part of the student achievement component of evaluation under Achieve NJ, each teacher sets SGOs with input and approval from his or her principal at the start of the year. Specifically, teachers and principals are expected to collaborate around the instructional content that will be covered and the skills and knowledge that will be measured. Principals are held accountable in their own evaluations for how well they help teachers with this process and for the degree to which the teachers in their school meet SGOs. Curriculum writers create diagnostic assessments administrated in September. Teachers review student's baseline data and set attainment scores with guidance from their building level administrators and District directors. Conversations continue regarding SGOs as there are build-in checkpoints and teachers will continue to monitor progress on our abbreviated professional days. The District has begun full scope external review of its curriculum, which including a review of Math, Language Arts, Social Studies and next generation science standards.

## 4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse

and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (G.A.A.P.). An internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

As part of the District single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

#### 5. BUDGETARY CONTROLS:

In addition to internal controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education of the City of Bayonne. In addition, the School district certifies on a monthly basis that major accounts/funds balances have not been over-expended and that sufficient funds are available to meet the 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, 2023.

#### 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. 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.

**8. 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.

**9. 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.

**10. 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

Bayonne Board of Education

Superintendent

Business Administrator  
Asst Business Administrator

Board Secretary  
Asst Board Secretary

Asst. Sup. Special Services

- Special Education
- Guidance
- Project Support
- Special Education Director/Supervisors
- Special Education Teachers
- Special Education T/A's
- I&RS
- 504's
- Professional Staff

Asst. Sup. Personnel

- School Safety
- Human Resources
- Attendance Office
- Student Registration
- Employee Health
- Equity & Inclusion
- Professional Staff

Asst. Sup. Curriculum/Inst./Funding/Gov. Programs

- Directors/Supervisors Curriculum
- Grants/Title 1
- New Jersey Smart
- Testing
- Early Childhood
- Early Childhood Teachers
- Early Childhood T/A's
- Professional Staff

- Accountant
- Business Office
- Facilities/Custodial
- Transportation
- Technology
- Pensions Benefits
- Foodservice
- Payroll
- Professional Staff

Principals of Community Schools and High School

- Athletic Director
- Supervisors/Directors
- Asst. Supervisors
- Teachers
- Office Assistants /Professional Staff
- Teacher Assistant/Paraprofessional

CITY OF BAYONNE SCHOOL DISTRICT  
HUDSON COUNTY, NEW JERSEY

ROSTER OF OFFICIALS  
JUNE 30<sup>th</sup>, 2023

Members of the Board of Education

Term Expires

Jodi Casais, President	December 2024
Hector Gonzalez, Jr., Vice President	December 2025
Miriam Bechay	December 2023
Mary Jane Desmond	December 2025
Melissa Godesky-Rodriguez	December 2024
Sam Maggio	December 2025
Christopher Munoz	December 2023
Pamela Sclafane	December 2024
Maria Valado	December 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. Wachera Ragland-Brown, Chief Academic Officer  
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

**Attorneys**

Weiner Law Group  
629 Parsipanny Road - P.O Box 0438  
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, Hudson County, New Jersey (the "District"), as of and for the year ended June 30, 2023, 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, the business-type activities and each major fund of the District as of June 30, 2023, 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 for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

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.

**Honorable President and Members  
of the Board of Education  
City of Bayonne School District**

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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.

***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.

**Honorable President and Members  
of the Board of Education  
City of Bayonne School District**

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***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, 2023. 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.

**Honorable President and Members  
of the Board of Education  
City of Bayonne School District**

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
May 8, 2024

*Anthony Branco*

Anthony Branco, CPA  
Licensed Public School Accountant, No. 2515

## **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, 2023**

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, 2023. 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 2022-2023 fiscal year include the following:

Total government-wide net position is reported at \$95,844,143 at June 30, 2023. This represents a decrease of \$106,867 or 0.11% over the prior year reported government-wide net position. Governmental funds reported a positive fund balance of \$9,554,929, which is a \$582,076 decrease from last year's total governmental fund balance. The general or operating fund balance was reported for GAAP purposes at \$10,251,353, which represents an increase of \$501,659 over the prior year. Of this total, \$900,918 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 2023-2024 budget is \$4,136,562. The District's 2023-2024 budget also utilizes \$2,871,426 of fund balance for tax relief. The unassigned general fund balance is reported at negative \$5,790,589. \$5,137,675 is reserved for tax relief in the 2024-2025 budget. Total expenditures for all governmental funds were \$230,197,278. Total revenues were \$229,615,202 resulting in an excess of expenditures over revenues of \$582,076 for the year. Revenues included \$156,013,460 in state and federal aid and \$71,860,958 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*

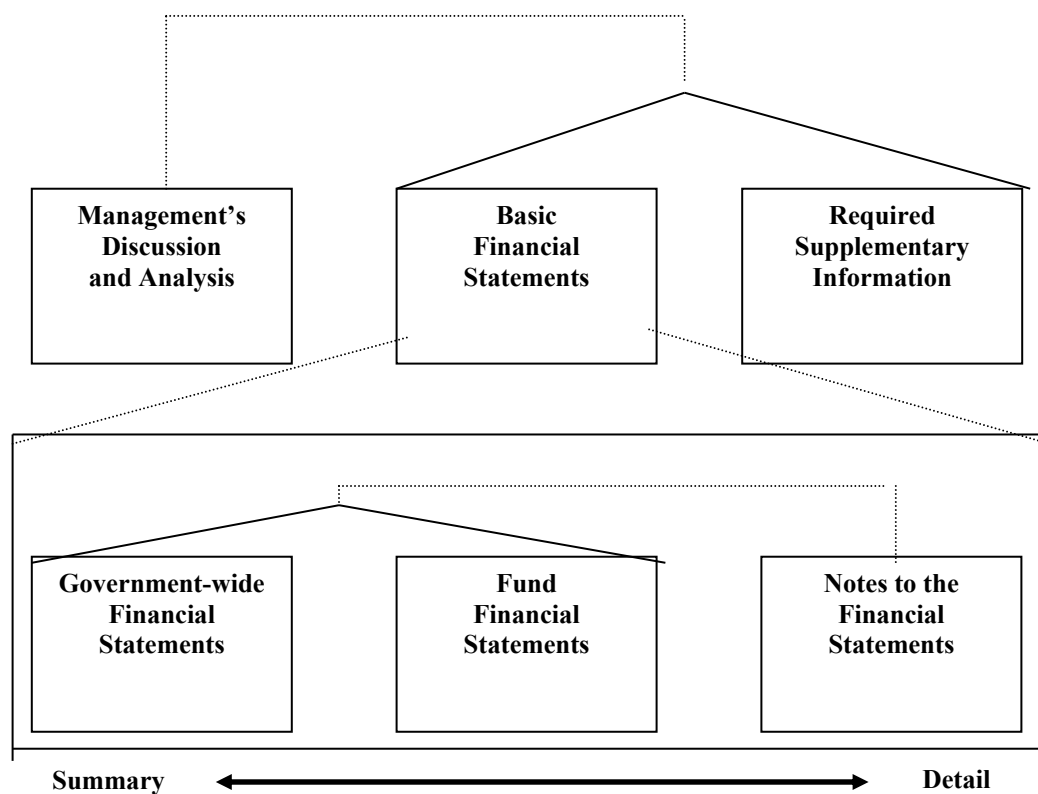


Figure A-2 summarizes the major features of the district’s financial statements, including the portion of the district’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents 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 \$90,872,641 at June 30, 2023. Of this amount, a deficit amount of \$45,080,874 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,**

	<b>Governmental Activities</b>		<b>Amount Difference</b>	<b>% Increase (Decrease)</b>
	<b>2023</b>	<b>2022</b>		
<b>ASSETS</b>				
Current and Other Assets	\$ 15,425,755	\$ 21,836,968	\$ (6,411,213)	-29.36%
Capital Assets	123,563,581	128,770,193	(5,206,612)	-4.04%
<b>Total Assets</b>	<b>\$ 138,989,336</b>	<b>\$ 150,607,161</b>	<b>\$ (11,617,825)</b>	<b>-7.71%</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	\$ 12,234,394	\$ 8,481,452	\$ 3,752,942	44.25%
<b>LIABILITIES</b>				
Current and other liabilities	10,089,055	9,271,565	817,490	8.82%
Long-term liabilities	43,611,383	32,328,411	11,282,972	34.90%
<b>Total Liabilities</b>	<b>\$ 53,700,438</b>	<b>\$ 41,599,976</b>	<b>\$ 12,100,462</b>	<b>29.09%</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	\$ 6,650,651	\$ 25,342,567	\$ (18,691,916)	-73.76%
<b>NET POSITION</b>				
Net Investment in Capital Assets	123,244,442	128,161,027	(4,916,585)	-3.84%
Restricted	12,709,073	11,446,550	1,262,523	11.03%
Unrestricted (Deficit)	(45,080,874)	(47,461,507)	2,380,633	-5.02%
<b>Total Net Position</b>	<b>\$ 90,872,641</b>	<b>\$ 92,146,070</b>	<b>\$ (1,273,429)</b>	<b>-1.38%</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,**

	<u>Governmental Activities</u>		<u>Amount</u>	<u>%</u>
	<u>2023</u>	<u>2022</u>	<u>Difference</u>	<u>Increase (Decrease)</u>
<b>Revenues:</b>				
<b>Program Revenue</b>				
Operating Grants and Contributions	\$ 26,135,818	\$ 34,241,777	-\$ 8,105,959	-23.67%
Capital Grants and Contributions		658,934	(658,934)	-100.00%
Charges for Services	114,982	59,625	55,357	92.84%
<b>General Revenues</b>				
Property Taxes	71,860,958	70,451,920	1,409,038	2.00%
Federal and State Aid not Restricted	118,407,752	111,914,318	6,493,434	5.80%
Other General Revenues	937,471	1,072,255	(134,784)	-12.57%
<b>Total Revenues</b>	<u>\$ 217,456,981</u>	<u>\$ 218,398,829</u>	<u>-\$ 941,848</u>	<u>-0.43%</u>
<b>Function/program expense:</b>				
Instruction	123,871,330	125,438,766	(1,567,436)	-1.25%
Support Services:				
Attendance/Social Work	605,451	559,249	46,202	100.00%
Speech, OT, PT and Related Services	6,437,422	5,473,021	964,401	17.62%
Health Services	3,013,032	89,171	2,923,861	3278.94%
Other Support Services	29,614,894	32,290,633	(2,675,739)	-8.29%
Improvement of Instruction	3,241,950	3,186,998	54,952	1.72%
Other Support: Instructional Staff	252,576	19,727	232,849	1180.36%
School Library	3,787,171	2,206,169	1,581,002	71.66%
General Administration	2,762,452	3,992,602	(1,230,150)	-30.81%
School Administration	10,075,497	10,062,920	12,577	0.12%
Central Services	2,976,878	2,933,634	43,244	1.47%
Administrative Information Technology		270,274	(270,274)	-100.00%
Plant Operation and Maintenance	24,136,346	15,994,564	8,141,782	50.90%
Student Transportation	6,972,823	5,331,692	1,641,131	30.78%
Special Schools	957,498	898,466	59,032	6.57%
Interest on Long-Term Debt	25,090	24,259	831	3.43%
<b>Total Expenses</b>	<u>\$ 218,730,410</u>	<u>\$ 208,772,145</u>	<u>\$ 9,958,265</u>	<u>4.77%</u>
<b>(Decrease)/Increase in Net Position</b>	<u><b>\$ (1,273,429)</b></u>	<u><b>\$ 9,626,684</b></u>	<u><b>\$ (10,900,113)</b></u>	<u><b>-113.23%</b></u>

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

	<b>Business Type Activities</b>		<b>Amount Difference</b>	<b>%</b>
	<b>2023</b>	<b>2022</b>		<b>Increase (Decrease)</b>
<b>Revenues:</b>				
Charges for Services	\$ 1,917,413	\$ 1,378,316	\$ 539,097	39.11%
Operating Grants and Contributions	6,217,604	6,958,771	(741,167)	-10.65%
<b>Total Revenues</b>	<b>\$ 8,135,017</b>	<b>\$ 8,337,087</b>	<b>\$ (202,070)</b>	<b>-2.42%</b>
<b>Program Expenses</b>				
Food Service	\$ 5,577,850	\$ 4,647,211	\$ 930,639	20.03%
Community Education	1,390,605	1,373,080	17,525	1.28%
<b>Total Expenses</b>	<b>\$ 6,968,455</b>	<b>\$ 6,020,291</b>	<b>\$ 948,164</b>	<b>15.75%</b>
<b>Increase/(Decrease) in Net Position</b>	<b>\$ 1,166,562</b>	<b>\$ 2,316,796</b>	<b>\$ (1,150,234)</b>	<b>49.65%</b>

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

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

	<b>2023</b>	<b>2022</b>	<b>Increase (Decrease)</b>	
			<b>\$</b>	<b>%</b>
Instruction	\$ 123,871,330	\$ 125,438,766	\$ (1,567,436)	-1.25%
<b>Support Services:</b>				
Attendance/Social Work	605,451	559,249	46,202	8.26%
Speech, OT, PT and Related Services	6,437,422	5,473,021	964,401	17.62%
Health Services	3,013,032	89,171	2,923,861	3278.94%
Other Support Services	29,614,894	32,290,633	(2,675,739)	-8.29%
Improvement of Instruction	3,241,950	3,186,998	54,952	1.72%
Other Support: Instructional Staff	252,576	19,727	232,849	1180.36%
School Library	3,787,171	2,206,169	1,581,002	71.66%
General Administration	2,762,452	3,992,602	(1,230,150)	-30.81%
School Administration	10,075,497	10,062,920	12,577	0.12%
Central Services	2,976,878	2,933,634	43,244	1.47%
Administrative Information Technology		270,274	(270,274)	-100.00%
Plant Operation and Maintenance	24,136,346	15,994,564	8,141,782	50.90%
Student Transportation	6,972,823	5,331,692	1,641,131	30.78%
Special Schools	957,498	898,466	59,032	6.57%
Interest on Long-Term Debt	25,090	24,259	831	3.43%
<b>Total Expenses</b>	<b>\$ 218,730,410</b>	<b>\$ 208,772,145</b>	<b>\$ 9,958,265</b>	<b>4.77%</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 \$9,554,929, which is a decrease of \$582,076 from last year. This amount includes the general fund (increase of \$501,659) and special revenue fund (decrease of \$1,083,735).

### **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 \$39.43 million. This is due primarily to the State reimbursement/on behalf in the amount of \$38.57 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.

Actual expenditures reflect a negative variance of \$34.41 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.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At June 30, 2023, the school district governmental activities reported \$123,563,581 invested in a broad range of capital assets, including land, buildings, building improvements, other improvements, vehicles, furniture and equipment. This amount represents a net decrease (including additions, trade-ins and retirements) of \$5,206,612 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, Net at Year-End June 30,**

	<u>FY 2023</u>	<u>FY 2022</u>	<u>Increase (Decrease)</u>
Land	\$ 2,596,562	\$ 2,596,562	
Construction in Progress	685,429	9,134,690	\$ (8,449,261)
Buildings and Improvements	113,153,719	108,970,433	4,183,286
Machinery and Equipment	5,914,532	7,016,378	(1,101,846)
Vehicles	1,213,339	1,052,130	161,209
<b>Total</b>	<b><u>\$ 123,563,581</u></b>	<b><u>\$ 128,770,193</u></b>	<b><u>\$ (5,206,612)</u></b>

**Long-Term Liabilities**

At the end of this year, the school district had \$43,876,436 in long term liabilities outstanding versus \$32,328,411 last year – an increase of 35.72%. The summary of year-end long-term liabilities and changes for the 2022-2023 school year are as follows:

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

	<b>Governmental Activities</b>	
	<u>2023</u>	<u>2022</u>
Finance Purchase Payables	\$ 319,139	\$ 609,166
Compensated Absences Payable	953,438	968,370
Net Pension Liability (PERS)	42,603,859	30,750,875
<b>Total Liabilities</b>	<b><u>\$ 43,876,436</u></b>	<b><u>\$ 32,328,411</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, 2023.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 11,798,867	\$ 3,451,698	\$ 15,250,565
Accounts Receivable	3,871,898	892,972	4,764,870
Internal Balances	(245,010)	245,010	-
Inventory		103,949	103,949
Capital Assets, Net	123,563,581	727,620	124,291,201
	<b>138,989,336</b>	<b>5,421,249</b>	<b>144,410,585</b>
<b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>			
Pension Deferrals	12,234,394		12,234,394
	<b>12,234,394</b>		<b>12,234,394</b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	6,349,791		6,349,791
Claims Payable	278,069		278,069
Unearned Revenue	1,780,138		1,780,138
Payable to Other Governments	170,427	449,747	620,174
Payroll Deductions and Withholdings Payable	1,127,608		1,127,608
Unemployment Compensation Claims Payable	117,969		117,969
Noncurrent Liabilities:			
Due Within One Year	265,053		265,053
Due Beyond One Year	1,007,524		1,007,524
Net Pension Liability	42,603,859		42,603,859
	<b>53,700,438</b>	<b>449,747</b>	<b>54,150,185</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension Deferrals	6,650,651		6,650,651
	<b>6,650,651</b>		<b>6,650,651</b>
<b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	123,244,442	727,620	123,972,062
Restricted for:			
Other Purposes	12,709,073		12,709,073
Unrestricted (Deficit)	(45,080,874)	4,243,882	(40,836,992)
	<b>\$ 90,872,641</b>	<b>\$ 4,971,502</b>	<b>\$ 95,844,143</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, 2023**

Functions/Programs	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction	\$ 123,871,330	\$ 62,818	\$ 10,940,228	\$ (112,868,284)		\$ (112,868,284)
Support Services:						
Attendance/social work	605,451			(605,451)		(605,451)
Speech, OT, PT and Related Services	6,437,422			(6,437,422)		(6,437,422)
Health Services	3,013,032			(3,013,032)		(3,013,032)
Other Support Services	29,614,894	52,164	14,510,160	(15,052,570)		(15,052,570)
Improvement of Instruction	3,241,950			(3,241,950)		(3,241,950)
Other Support: Instructional Staff	252,576			(252,576)		(252,576)
School Library	3,787,171			(3,787,171)		(3,787,171)
General Administration	2,762,452			(2,762,452)		(2,762,452)
School Administration	10,075,497			(10,075,497)		(10,075,497)
Central Services	2,976,878			(2,976,878)		(2,976,878)
Plant Operation and Maintenance	24,136,346			(24,136,346)		(24,136,346)
Student Transportation	6,972,823			(6,972,823)		(6,972,823)
Special Schools	957,498			(957,498)		(957,498)
Interest on Long-Term Debt	25,090			(25,090)		(25,090)
Capital Outlay			685,430	685,430		685,430
<b>Total Governmental Activities</b>	<b>218,730,410</b>	<b>114,982</b>	<b>26,135,818</b>	<b>(192,479,610)</b>	<b>-</b>	<b>(192,479,610)</b>
Business-Type Activities:						
Food Service	5,577,850	868,256	5,015,166		305,572	305,572
Community Education	1,390,605	1,049,157	1,202,438		860,990	860,990
<b>Total Business-Type Activities</b>	<b>6,968,455</b>	<b>1,917,413</b>	<b>6,217,604</b>		<b>1,166,562</b>	<b>1,166,562</b>
<b>Total Primary Government</b>	<b>\$ 225,698,865</b>	<b>\$ 2,032,395</b>	<b>\$ 32,353,422</b>	<b>(192,479,610)</b>	<b>1,166,562</b>	<b>(191,313,048)</b>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				71,860,958		71,860,958
Federal and State Aid Not Restricted				118,407,752		118,407,752
Miscellaneous Income				937,471		937,471
<b>Total General Revenues</b>				<b>191,206,181</b>	<b>-</b>	<b>191,206,181</b>
<b>Change in Net Position</b>				<b>(1,273,429)</b>	<b>1,166,562</b>	<b>(106,867)</b>
Net Position—Beginning				92,146,070	3,804,940	95,951,010
<b>Net Position—Ending</b>				<b>\$ 90,872,641</b>	<b>\$ 4,971,502</b>	<b>\$ 95,844,143</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, 2023

	Major Funds		Total Governmental Funds
	General Fund	Special Revenue Fund	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 11,359,392	\$ 439,475	\$ 11,798,867
Accounts Receivable:			
Federal	24,220	2,803,746	2,827,966
State	931,370	28,217	959,587
Interfund	1,855,352		1,855,352
Other		84,345	84,345
<b>Total Assets</b>	<b>\$ 14,170,334</b>	<b>\$ 3,355,783</b>	<b>\$ 17,526,117</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
Liabilities:			
Interfund Accounts Payable	\$ 245,010	\$ 1,855,352	\$ 2,100,362
Accounts Payable	2,150,325	246,290	2,396,615
Intergovernmental Accounts Payable:			
- State		170,427	170,427
Claims Payable	278,069		278,069
Payroll Deductions and Withholdings Payable	1,127,608		1,127,608
Unemployment Compensation Claims Payable	117,969		117,969
Unearned Revenue		1,780,138	1,780,138
Total Liabilities	<u>3,918,981</u>	<u>4,052,207</u>	<u>7,971,188</u>
Fund Balances:			
Restricted for:			
Excess Surplus - Current Year	5,137,675		5,137,675
Excess Surplus - Designated for Subsequent Year Expenditures	4,136,562		4,136,562
Capital Reserve Account	2,647,173		2,647,173
Maintenance Reserve	250,000		250,000
Unemployment Compensation	98,188		98,188
Student Activities		439,475	439,475
Unassigned	(2,018,245)	(1,135,899)	(3,154,144)
Total Fund Balances	<u>10,251,353</u>	<u>(696,424)</u>	<u>9,554,929</u>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 14,170,334</b>	<b>\$ 3,355,783</b>	<b>\$ 17,526,117</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, 2023**

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

Total fund balances - Governmental Funds	\$	9,554,929
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$202,823,541, and the accumulated depreciation is \$79,259,960.		123,563,581
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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.		(1,272,577)
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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	\$ 12,234,394	
Accounts Payable for Pension Expense	(3,953,176)	
Net Pension Liability	(42,603,859)	
Deferred Inflows of Resources - Pension Deferrals	<u>(6,650,651)</u>	
		<u>(40,973,292)</u>

<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>90,872,641</u></b>
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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, 2023**

	<b>Major Funds</b>		<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Special Revenue Fund</b>	
<b>REVENUES</b>			
Local Tax Levy	\$ 71,860,958	\$	\$ 71,860,958
Tuition-LEAs Within State	62,818		62,818
Other Local Sources	937,471	740,495	1,677,966
State Sources	131,472,512	10,820,524	142,293,036
Federal Sources	860,424	12,860,000	13,720,424
Total Revenues	<u>205,194,183</u>	<u>24,421,019</u>	<u>229,615,202</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	75,111,928	10,658,820	85,770,748
Undistributed-Current:			
Instruction	3,211,520		3,211,520
Attendance/social work	398,241		398,241
Speech, OT, PT, and Related Services	4,680,689		4,680,689
Health Services	2,016,210		2,016,210
Other Support Services	10,249,367	14,510,160	24,759,527
Improvement of Instruction	2,131,025		2,131,025
Education Media Library	3,245,343		3,245,343
Other Support: Instructional Staff	242,724		242,724
General Administration	2,294,835		2,294,835
School Administration	6,654,105		6,654,105
Central Services	2,030,958		2,030,958
Required Maintenance of Plant Services	5,016,226		5,016,226
Operation of Plant	13,851,909		13,851,909
Student Transportation	5,985,088		5,985,088
Unallocated Benefits	26,714,200		26,714,200
On-behalf TPAF Social Security and Pension Contributions	38,586,769		38,586,769
Transfer to Charter Schools	957,498		957,498
Capital Outlay	964,233	685,430	1,649,663
Total Expenditures	<u>204,342,868</u>	<u>25,854,410</u>	<u>230,197,278</u>
Excess (Deficiency) of Revenues over Expenditures	<u>851,315</u>	<u>(1,433,391)</u>	<u>(582,076)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers	(349,656)	349,656	-
Total Other Financing Sources and Uses	<u>(349,656)</u>	<u>349,656</u>	<u>-</u>
Net Change in Fund Balances	501,659	(1,083,735)	(582,076)
Fund Balance—July 1	9,749,694	387,311	10,137,005
<b>Fund Balance—June 30</b>	<u><u>\$ 10,251,353</u></u>	<u><u>\$ (696,424)</u></u>	<u><u>\$ 9,554,929</u></u>

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, 2023**

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** **\$ (582,076)**

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

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

Depreciation expense	\$ (6,586,995)	
Capital outlays	<u>1,380,383</u>	(5,206,612)

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. 290,027

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. 4,210,300

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 (+). 14,932

**Change in net position of governmental activities (A-2)** **\$ (1,273,429)**

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, 2023**

	<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	\$ 1,729,901	\$ 1,721,797	\$ 3,451,698
Accounts Receivable:			
Federal	842,842		842,842
State	31,004		31,004
Other	19,126		19,126
Interfund	245,010		245,010
Inventories	103,949		103,949
Total Current Assets	2,971,832	1,721,797	4,693,629
Noncurrent Assets:			
Furniture, Machinery & Equipment	1,498,980		1,498,980
Less Accumulated Depreciation	(771,360)		(771,360)
Total Noncurrent Assets	727,620		727,620
Total Assets	\$ 3,699,452	\$ 1,721,797	\$ 5,421,249
<b>LIABILITIES</b>			
Current Liabilities:			
Due to Grantor	\$ 1,477	\$ 448,270	\$ 449,747
Total Current Liabilities	1,477	448,270	449,747
<b>NET POSITION</b>			
Investment in Capital Assets	727,620		727,620
Unrestricted	2,970,355	1,273,527	4,243,882
Total Net Position	3,697,975	1,273,527	4,971,502
Total Liabilities and Net Position	\$ 3,699,452	\$ 1,721,797	\$ 5,421,249

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, 2023**

	<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:			
Non-Program Sales	\$ 868,256		\$ 868,256
Education Programs		\$ 633,443	633,443
Facility Rentals		415,714	415,714
Total Operating Revenues	<u>868,256</u>	<u>1,049,157</u>	<u>1,917,413</u>
<b><u>OPERATING EXPENSES</u></b>			
Cost of Sales:			
Program Food Costs	2,680,697		2,680,697
USDA Commodities	396,275		396,275
Subtotal-Cost of Sales	<u>3,076,972</u>		<u>3,076,972</u>
Supplies and Materials	300,699	9,695	310,394
Salaries and Wages	2,034,803	1,380,910	3,415,713
Purchased Professional Services	14,589		14,589
Cleaning & Maintenance	44,585		44,585
Depreciation	106,202		106,202
Total Operating Expenses	<u>5,577,850</u>	<u>1,390,605</u>	<u>6,968,455</u>
Operating Loss	<u>(4,709,594)</u>	<u>(341,448)</u>	<u>(5,051,042)</u>
<b><u>NON-OPERATING REVENUES</u></b>			
State Sources:			
State School Lunch Program	57,572		57,572
Breakfast After the Bell	61,106		61,106
Reduced Breakfast and Lunch State Aid	38,391		38,391
Summer Supplement for Food	3,253		3,253
Federal Sources:			
Child Care Program		1,202,438	1,202,438
School Breakfast Program	1,206,116		1,206,116
National School Lunch Program	2,967,540		2,967,540
After School Snacks Program	81,323		81,323
Summer Sponsor Administration	10,947		10,947
Summer Food Service Program for Children	124,575		124,575
Healthy Hunger-Free Kids Act (HHFKA)	68,068		68,068
USDA Commodities Program	396,275		396,275
Total Non-Operating Revenues	<u>5,015,166</u>	<u>1,202,438</u>	<u>6,217,604</u>
Change in Net Position	305,572	860,990	1,166,562
Total Net Position - Beginning	<u>3,392,403</u>	<u>412,537</u>	<u>3,804,940</u>
Total Net Position - Ending	<u>\$ 3,697,975</u>	<u>\$ 1,273,527</u>	<u>\$ 4,971,502</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, 2023**

	<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	\$ 868,256	\$ 1,049,157	\$ 1,917,413
Cash Payments for Goods & Supplies	(3,084,299)	(9,695)	(3,093,994)
Cash Payments for Employee Expenses	(2,034,803)	(1,380,910)	(3,415,713)
	(4,250,846)	(341,448)	(4,592,294)
<b>Net Cash Flows from Operating Activities</b>			
<b>Cash Flows from Non-Capital Financing Activities</b>			
State Sources	158,013		158,013
Federal Sources	5,118,627	1,202,438	6,321,065
Interfund Loan Received	1		1
	5,276,641	1,202,438	6,479,079
<b>Net Cash Flows from Non-Capital Financing Activities</b>			
	5,276,641	1,202,438	6,479,079
Net Increase in Cash and Cash Equivalents	1,025,795	860,990	1,886,785
Cash and Cash Equivalents, July 1	704,106	860,807	1,564,913
Cash and Cash Equivalents, June 30	\$ 1,729,901	\$ 1,721,797	\$ 3,451,698
<b>Reconciliation of Operating Loss to Net Cash (Used)/Provided by Operating Activities:</b>			
Operating Loss	\$ (4,709,594)	\$ (341,448)	\$ (5,051,042)
Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities:			
Depreciation	106,202		106,202
USDA Commodities	396,275		396,275
Change in assets and liabilities: (Increase) in Inventory	(43,729)		(43,729)
Net Cash Flows from Operating Activities	\$ (4,250,846)	\$ (341,448)	\$ (4,592,294)
<b>Noncash noncapital financing activities:</b>			
The District received and expended \$396,275 of food commodities from the Department of Agriculture for the year ended June 30, 2023.			

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

The financial statements of the City of Bayonne School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

**A. Reporting Entity:**

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the City of Bayonne School District in the City of Bayonne, New Jersey. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

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)**

#### **B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. The New Jersey Department of Education (NJDOE) has elected to require New Jersey school districts to treat each governmental and enterprise fund as a major fund with the exception of the internal service fund, which is presented in the financial statements as a non-major fund. Each major and non-major individual funds are reported as separate columns in the fund financial statements.

#### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when it becomes both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A one year availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures are generally recorded when a liability is incurred, as under accrual basis accounting. However, debt service expenditures, as well as expenditures related to certain claims, compensated absences, net pension liabilities and other postemployment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under financed purchases or leases are reported as "other financing sources".

## NOTES TO FINANCIAL STATEMENTS

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

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The District has reported the following major governmental funds:

**General Fund** - The general fund is the general operating fund of the District and 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 unemployment and payroll agency funds do not meet the criteria defined by the Government Accounting Standards Board Statement No. 84, the unemployment compensation fund which is used to account for contributions from the District and employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims and the payroll agency fund which is 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.

**Special Revenue Fund** - The District maintains one special revenue fund, which includes the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed 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 scholarship and student activity funds do not meet the criteria defined by the of Governmental Accounting Standards Board Statement No. 84, the private purpose scholarship fund which is utilized to provide scholarships to students and to account for the related transactions and student activities which is 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.

The District reports the following major proprietary funds:

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

As a general rule the effect of interfund activity has been eliminated from the governmentwide financial statements, however, interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

## NOTES TO FINANCIAL STATEMENTS

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

#### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District enterprise funds are charges for sales of food, charges to other funds and tuition. Operating expenses for proprietary funds include the cost of sales, administrative expenses, expenses for the payment of insurance claims and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable."

The County Board of Taxation is responsible for the assessment of properties and the Township Tax Collector is responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

#### **D. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the Hudson County office of the DOE for approval. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referred to in N.J.A.C. 6A:23A. All budget amendments must be approved by School Board resolution. Budgetary transfers were made during the current year in accordance with statutory guidelines. The amendments made by the District were part of the normal course of operations. The over-expenditures in the General Fund is due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures as well as a tuition over-expenditure related to unforeseen tuition costs. The on-behalf amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last two state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

## NOTES TO FINANCIAL STATEMENTS

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

#### **D. Budgets/Budgetary Control (continued)**

Except for the student activity funds, the accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of the GAAP basis financial reports. Open encumbrances in governmental funds, other than the special revenue fund, are reported as assigned fund balance at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored subsequently.

#### **Excess Expenditures Over Appropriations**

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriation resulted in an unfavorable variance.

<u>General Fund</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance</u>
Undistributed Expenditures - Instruction			
Tuition - Other	\$ 60,550	\$ 274,574	\$ (214,024)

#### **E. Interfund Receivables/Payables**

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.

#### **F. 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.

#### **G. Tuition**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. Tuition charges for the 2022-23 fiscal year were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

#### **H. 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### **H. Capital Assets (continued)**

The system for accumulation of fixed assets cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated cost.

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

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

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

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

#### **I. Compensated Absences**

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 employer and employee is accrued as employees earn the rights to the benefits. The District uses the "vesting method" for estimating its accrued sick and vacation leave liability.

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies and collective bargaining agreements. In the event of termination, an employee is reimbursed for accumulated vacation time. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the district is recorded in the government-wide financial statements and includes salary related payments.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, a liability existed for compensated absences in the government-wide financial statements in the amount of \$953,438 and no liability existed for compensated absences in the enterprise funds.

## NOTES TO FINANCIAL STATEMENTS

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

#### **J. Unearned Revenue**

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned, and outstanding encumbrances.

#### **K. 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 one item that qualifies for reporting in this category, deferred amounts related to pensions.

#### **L. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

#### **M. Fund Balances**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories.

- 1) Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
- 2) Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- 3) Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.

## NOTES TO FINANCIAL STATEMENTS

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

#### **M. Fund Balances (continued)**

- 4) Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- 5) Unassigned - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

#### **N. Net Position and Fund Balance / Restricted Assets**

Net Position represents the difference between assets, deferred outflows, deferred inflows, and liabilities in the government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets.

Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

#### **O. 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.

#### **P. On-Behalf Payments**

Revenues and expenditures of the general fund include payments made by the State of New Jersey for social security contributions and pension contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

## NOTES TO FINANCIAL STATEMENTS

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

#### **Q. 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 2022-2023 fiscal year in the amount of \$9,274,237. Of this amount, \$4,136,562 has been appropriated in the 2023-2024 budget and the remaining \$5,137,675 will be appropriated in the 2024-2025 budget.

#### **R. Cash, Cash Equivalents and Investments:**

Cash and cash equivalents include petty cash, amounts on deposit and short-term investments with original maturities of three months or less.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, "*Fair Value Measurement and Application.*" The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

#### **S. 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 are authorized to enter into tax abatement agreements. Furthermore 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. There have been no tax abatement agreements entered into by the City that will affect the District.

## NOTES TO FINANCIAL STATEMENTS

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

#### **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.
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.

## NOTES TO FINANCIAL STATEMENTS

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

#### 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>\$ 9,554,929</b>
<u>Adjustments to District-Wide Net Position:</u>	
Capital Assets (see Note 3)	123,563,581
Long-Term Liabilities (see Note 4)	(1,272,577)
Net Pension Liability	(42,603,859)
Other Items not recognized in Fund Financial Statements:	
Deferred Outflows of Financial Resources	12,234,394
Deferred Inflows of Financial Resources	(6,650,651)
Payment Subsequent to Measurement Date	<u>(3,953,176)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 90,872,641</u></b>

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

<b>Total Net Change Governmental Fund Balance (B-2)</b>	<b>\$ (582,076)</b>
<u>Adjustments to District-Wide Net Position:</u>	
Capital Outlays, net of depreciation	(5,206,612)
Repayment of Long-Term Liabilities (see Note 4)	290,027
Decrease in Value of Compensated Absences	14,932
Net Decrease in Pension Expense	<u>4,210,300</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ (1,273,429)</u></b>

#### Y. Recently Issued Accounting Pronouncements

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 of the District have reviewed the GASB Statement No. 96 and have determined that it did not have an impact on the District.

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 of the District have reviewed the GASB Statement No. 99 and have determined that it did not have an impact on the District.

## NOTES TO FINANCIAL STATEMENTS

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

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)	17,402,669
Uninsured	<u>3,672,995</u>
Total	<u>\$ 21,575,664</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, 2023, the carrying amount of the District’s deposits was \$15,250,565 and the bank balance was \$21,575,664. Of the bank balance, \$500,000 of the District’s cash deposits on June 30, 2023 was covered by federal depository insurance. The New Jersey Government Unit Depository Protection Act covered the bank balance of \$17,402,669. \$3,672,995 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 \$2,098,097 on deposit with the New Jersey Cash Management Fund at June 30, 2023. 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, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 2,596,562			\$ 2,596,562
Construction in Progress	9,134,690	\$ 685,430	\$ (9,134,691)	685,429
Total Capital Assets not being depreciated	<u>11,731,252</u>	<u>685,430</u>	<u>(9,134,691)</u>	<u>3,281,991</u>
Building & Building Improvements	173,522,181		9,134,691	182,656,872
Machinery and Equipment	13,204,236	323,484		13,527,720
Vehicles	2,985,489	371,469		3,356,958
Totals at Historical Cost	<u>189,711,906</u>	<u>694,953</u>	<u>9,134,691</u>	<u>199,541,550</u>
Less Accumulated Depreciation For:				
Building & Building Improvements	64,551,748	4,951,405		69,503,153
Machinery and Equipment	6,187,858	1,425,330		7,613,188
Vehicles	1,933,359	210,260		2,143,619
Total Accumulated Depreciation	<u>72,672,965</u>	<u>6,586,995</u>	<u>-</u>	<u>79,259,960</u>
Total Capital Assets being depreciated (Net of Accumulated Depreciation)	<u>117,038,941</u>	<u>(5,892,042)</u>	<u>9,134,691</u>	<u>120,281,590</u>
Governmental Activities Capital Assets, Net	<u>\$ 128,770,193</u>	<u>\$ (5,206,612)</u>	<u>\$ -</u>	<u>\$ 123,563,581</u>

Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2023 as follows:

Instruction	\$ 3,611,612
Attendance/social work	16,164
Speech, OT, PT and related services	189,980
Health services	81,834
Other support services	1,004,940
Improvement of instruction	86,494
Education media library	131,722
Other support: instruction staff	9,852
General administration	93,143
School administration	270,077
Central services	82,433
Required maintenance of plant services	203,599
Operation of plant	562,222
Student transportation	242,923
Total depreciation expense	<u>\$ 6,586,995</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, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Business-type Activities			
Machinery and Equipment	\$ 1,276,980		\$ 1,276,980
Vehicles	<u>222,000</u>		<u>222,000</u>
Totals at Historical Cost	<u>1,498,980</u>		<u>1,498,980</u>
Less Accumulated Depreciation for:			
Machinery and Equipment	497,758	\$ 92,702	590,460
Vehicles	<u>167,400</u>	<u>13,500</u>	<u>180,900</u>
Total Accumulated Depreciation	<u>665,158</u>	<u>106,202</u>	<u>771,360</u>
Business-type Activities Capital Assets, Net	<u>\$ 833,822</u>	<u>\$ (106,202)</u>	<u>\$ 727,620</u>

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

During the year ended June 30, 2023, 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	\$ 609,166		\$ 290,027	\$ 319,139	\$ 169,709
Compensated Absences Payable	<u>968,370</u>	\$ 78,994	93,926	<u>953,438</u>	<u>95,344</u>
Subtotal - Liabilities	<u>1,577,536</u>	<u>78,994</u>	<u>383,953</u>	<u>1,272,577</u>	<u>265,053</u>
Net Pension Liability (PERS)	<u>30,750,875</u>	<u>11,852,984</u>		<u>42,603,859</u>	-
Total Liabilities	<u>\$ 32,328,411</u>	<u>\$11,931,978</u>	<u>\$ 383,953</u>	<u>\$ 43,876,436</u>	<u>\$ 265,053</u>

**A. Bonds Authorized But Not Issued** -- As of June 30, 2023, 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, 2023:

Year ending June 30,	<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
2024	\$ 152,352	\$ 25,890	\$ 178,242
2025	152,352	-	152,352
Total Minimum Lease Payments	304,704	25,890	330,594
Less: Amount Representing Interest	(10,897)	(558)	(11,455)
Present Value of Net Minimum Lease Payments	<u>\$ 293,807</u>	<u>\$ 25,332</u>	<u>\$ 319,139</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, 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, 2023, the State of New Jersey contributed \$32,705,771 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 \$5,880,998 during the year ended June 30, 2023 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, 2023, 2022 and 2021 were \$3,560,014, \$3,039,957, and \$2,777,158, 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 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.

#### **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, 2023, the District reported a liability of \$42,603,859 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2021, which was rolled forward to June 30, 2022. 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, 2022, the District's proportion was 0.2823059818 percent, which was an increase of 0.0227282443% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized full accrual pension (benefit) of (\$4,210,300) in the government-wide financial statements. At June 30, 2023, 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	\$ 132,000	\$ 6,379,484
Net difference between projected and actual experience	307,495	271,167
Net difference between projected and actual earnings on plan investments	1,763,335	
Changes in proportion and differences between District contributions and proportionate share of contributions	6,078,388	
District contributions subsequent to the measurement date	3,953,176	
	<hr/>	<hr/>
Total	<u>\$ 12,234,394</u>	<u>\$ 6,650,651</u>

## NOTES TO FINANCIAL STATEMENTS

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

\$3,953,176 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,	
2024	\$ (1,300,657)
2025	(474,394)
2026	755,352
2027	2,623,078
2028	<u>27,188</u>
	<u>\$ 1,630,567</u>

*Actuarial Assumptions* - The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
	2.75 - 6.55%
	based on years of service
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. 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, 2022) 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

#### *Discount rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2023 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	\$ 54,733,479	\$ 42,603,859	\$ 32,281,064

#### *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, 2022 are as follows:

Deferred outflows of resources	\$	1,660,772,008
Deferred inflows of resources	\$	3,236,303,935
Net pension liability	\$	15,219,184,920
 District's Proportion		 0.2823059818%

Collective pension (benefit) for the Local Group for the measurement period ended June 30, 2022 is (\$1,032,778,934).

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, 2022, 2021, 2020, 2019, 2018, 2017 and 2016 is 5.04, 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 \$309,388,280. The District's proportionate share was \$0. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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, 2022, the State's proportionate share of the TPAF net pension liability associated with the District was 0.5996545856 percent, which was an increase of 0.0286246421 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$8,326,503 for contributions incurred by the State.

#### *Actuarial assumptions*

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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:	
	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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

#### *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, 2022) 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, 2022 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%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

#### *Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2023 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 <u>(6.00%)</u>	At current discount rate <u>(7.00%)</u>	At 1% increase <u>(8.00%)</u>
State's proportionate share of the District's net pension liability	\$ 362,764,333	\$ 309,388,280	\$ 264,425,662

#### *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	\$ 4,996,491,160
Deferred inflows of resources	19,532,696,776
Net pension liability	51,594,415,806
District's Proportion	0.5996545856%

Collective pension expense of the Local Group for the plan for the measurement period ended June 30, 2022 is \$1,424,884,581.

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, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015 is 7.83, 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 Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

## NOTES TO FINANCIAL STATEMENTS

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

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, 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: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (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.

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 non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2022 total OPEB liability of \$50,646,462,966 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, 2023, 2022 and 2021 were \$6,801,845, \$5,848,954, and \$5,300,888, 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.

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

The State's proportionate share of the net OPEB liability associated with the District as of June 30, 2022 was, \$275,090,943, or 0.54%. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

Additional information on pensions and OPEB can be assessed at [state.nj.us/treasury/pensions/financialreports.shtml](http://state.nj.us/treasury/pensions/financialreports.shtml).

## NOTES TO FINANCIAL STATEMENTS

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

#### *Actuarial assumptions and other inputs*

The total non-employer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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%	2.75 - 6.55%
	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

#### *Mortality Rates*

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. 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, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 to June 30, 2021

#### *Healthcare Trend Assumptions:*

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially (1.99%) in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially (3.54%) in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

## NOTES TO FINANCIAL STATEMENTS

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

*Discount Rate:*

The discount rate for June 30, 2022 was 3.54%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

*The following represents sensitivity of total non-employer OPEB liability to changes in the discount rate and health care cost rate:*

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2022 calculated using a discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

	<u>At 1% decrease</u> <u>(2.54%)</u>	<u>At discount rate</u> <u>(3.54%)</u>	<u>At 1% increase</u> <u>(4.54%)</u>
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 323,340,467	\$ 275,090,943	\$ 236,421,362

*The following represents sensitivity of the Total Non-employer OPEB liability associated with the District to changes in the discount rate and healthcare cost trend rate:*

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2022 calculated using a healthcare cost trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<u>1% decrease</u>	<u>Healthcare cost</u> <u>trend rate</u>	<u>1% increase</u>
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 227,379,479	\$ 275,090,943	\$ 337,762,849

*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:

**NOTES TO FINANCIAL STATEMENTS**

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

	<u>State Totals</u>	<u>District Allocation</u>
Balance at June 30, 2021	\$ 60,007,650,970	\$ 321,100,759
Changes during the Current Year:		
Service Cost	2,770,618,025	17,268,679
Interest on the Total OPEB Liability	1,342,187,139	7,290,213
Differences Between Expected and Actual Experience	1,399,200,736	10,216,419
Changes in Assumptions	(13,586,368,097)	(73,795,614)
Gross Benefit Payments	(1,329,476,059)	(7,221,172)
Employee Contributions	42,650,252	231,659
Net Changes	(9,361,188,004)	(46,009,816)
Balance at June 30, 2022	\$ 50,646,462,966	\$ 275,090,943

*Employees covered by benefit terms:*

The following employees were covered by the benefit terms:

<u>Local Education</u>	<u>June 30, 2022</u>
Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
Total Plan Members	364,817

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective total OPEB liability on the Statement of Net Position. The State's proportionate share of the total OPEB liability associated with the District as of June 30, 2022 was \$226,459,720. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

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

For the year ended June 30, 2023, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$12,209,420 for OPEB expenses incurred by the State. Collective balances of the Education Group at June 30, 2022 are as follows:

Deferred Outflows of Resources	\$20,104,625,333
Deferred Inflows of Resources	34,996,842,046
State's Total Non-employer OPEB Liability	50,646,462,966
District's Proportion	0.543159239%

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 7. COMPENSATED ABSENCES**

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

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

In the government-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

### **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, 2023, the Board has incurred cost totaling \$5,994,521 for prescription benefits for all employees. In addition, the Board has an accrued liability related to the self-insurance program in the amount of \$278,069 for the year ended June 30, 2023.

**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.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 9. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2023:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,855,352	\$ 245,010
Special Revenue Fund		1,855,352
Food Service Fund	245,010	
<b>Total</b>	<b><u>\$ 2,100,362</u></b>	<b><u>\$ 2,100,362</u></b>

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, 2023 consisted of the following:

Food	\$ 96,146
Supplies	7,803
<b>Total Inventory</b>	<b><u>\$ 103,949</u></b>

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

**General Fund** - Of the \$10,251,353 of fund balance in the General Fund, \$2,647,173 has been restricted in the capital reserve account, \$98,188 has been restricted for the unemployment reserve account, \$250,000 has been restricted in the maintenance reserve account, \$5,137,675 is restricted for current year excess surplus, \$4,136,562 is restricted for prior year excess surplus and \$(2,018,245) is unassigned.

**Special Revenue Fund** – Of the \$(696,424) of fund balance in the Special Revenue Fund, \$439,475 has been restricted for student activities and \$(1,135,899) is unassigned.

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

The District has a deficit unassigned fund balance of \$2,018,245 in the General Fund at June 30, 2023 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.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 12. DEFICIT FUND BALANCES (CONT'D)**

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, 2023 in the amount of \$5,137,675. This amount will be utilized as tax relief in the 2024-2025 school budget. There is another \$4,136,562 of excess surplus designated for subsequent year's expenditures which will be used in the 2023-2024 school budget.

### **NOTE 14. TAX ABATEMENTS**

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

For Bayonne School District, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 15. ECONOMIC DEPENDENCY**

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have a significant effect on the District's programs and activities.

### **NOTE 16. PENDING LITIGATION AND CONTINGENT LIABILITIES**

**PENDING LITIGATION** - At June 30, 2023, 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.

Additionally, during fiscal year 2021 through 2023, the New Jersey Department of Labor has been delayed in issuing bills to New Jersey governmental units. This was the result of the State verifying the school districts are being properly charged for qualifying claims. During fiscal year 2023, the District has received the unemployment bills for the third quarter of 2020, fourth quarter of 2020, and the first quarter of 2021. The unemployment bills that were received contained an amount that was forgiven through the American Rescue Plan Act (ARPA). This amount is recorded on the schedule of federal awards as payments made on behalf of the school district. Since the amount of the unemployment bills not yet received is not known, the liability in the District's financial statement general fund balance sheet will represent the unemployment withholdings made by the employees.

## NOTES TO FINANCIAL STATEMENTS

### **NOTE 17. TRANSFERS – RECONCILIATION**

The following presents a reconciliation of transfers during the 2023 fiscal year:

<b><u>Fund</u></b>	<b><u>In</u></b>	<b><u>Out</u></b>
General Fund		\$ 349,656
Special Revenue Fund	\$ 349,656	
Total	<u>\$ 349,656</u>	<u>\$ 349,656</u>

The District transferred \$349,656 from the general fund to the special revenue fund which represents the budgeted general fund contribution to the state preschool education aid program.

### **NOTE 18. 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 District had a balance of \$2,647,173 in the capital reserve account at June 30, 2023 and there was no activity in the capital reserve account during the fiscal year.

### **NOTE 19. 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, 2023 and there was no activity in the maintenance reserve account during the fiscal year.

### **NOTE 20. SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions from June 30, 2023 through May 8, 2024, 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.

**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>	<u>2023</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%	0.2823060%
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	\$42,603,859
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	\$22,546,371
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%	188.96%
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%	62.91%

\* 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>	<u>2023</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	\$ 3,560,014
Contribution in Relation to Contractually Required Contribution	(1,636,220)	(1,816,236)	(2,013,206)	(2,078,720)	(2,291,309)	(2,407,105)	(2,777,158)	(3,039,957)	(3,560,014)
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	\$ 22,546,371
Contributions as a Percentage of Covered Employee Payroll	10.82%	11.97%	12.88%	12.32%	12.88%	12.66%	14.01%	13.89%	15.79%

\* 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>	<u>2023</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%	0.5996546%
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	\$309,388,280
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>	<u>\$309,388,280</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%	32.29%

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

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

See Notes to Required Supplementary Information.

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

**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION  
JUNE 30, 2023**

**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, 2022, dated May 18, 2023. 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 2022 and 2021.

**TPAF**

Changes in benefit terms: None

Changes in assumptions:

For 2022, the discount rate remained at 7.00%. There were no changes to the long-term expected rate of return and no changes to demographic 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.

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	Year Ended June 30, 2023
State's Proportion of the OPEB Liability Associated with the District	0.5256019%	0.5220542%	0.5296619%	0.5341684%	0.5350997%	0.5431592%
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	\$ 275,090,943
District's Covered Employee Payroll	\$ 76,313,001	\$ 80,035,538	\$ 85,400,048	\$ 89,835,234	\$ 98,005,771	\$ 104,062,102
Total OPEB Liability as a Percentage of Covered Employee Payroll	369.44%	300.77%	258.81%	403.20%	327.63%	264.35%

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, 2023**

**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 2022, the discount rate changed to 3.54% from 2.16% in 2021. For pre-Medicare PPO and HMO medical benefits, the initial trend rate changed to 6.25% from 5.65%. For prescription drug benefits, the initial trend rate changed to 8.00% from 6.75%. Demographic assumptions remained unchanged and are consistent with the assumptions used in the pension plan valuations.

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.

**Required Supplementary Information – Part III**

**Budgetary Comparison Schedules**

**CITY OF BAYONNE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023**

	<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>					
Local Tax Levy	\$ 71,860,958		\$ 71,860,958	\$ 71,860,958	
Tuition-LEAs Within State	45,000		45,000	62,818	\$ 17,818
Miscellaneous Restricted Income				628	628
Miscellaneous	650,000		650,000	936,843	286,843
<b>Total - Local Sources</b>	<u>72,555,958</u>		<u>72,555,958</u>	<u>72,861,247</u>	<u>305,289</u>
<b>State Sources:</b>					
Categorical Transportation Aid	403,763		403,763	403,763	
Extraordinary Aid	600,000		600,000	631,064	31,064
Special Education Categorical Aid	6,370,555		6,370,555	6,370,555	
Equalization Aid	82,064,147		82,064,147	82,064,147	
Security Aid	3,438,877		3,438,877	3,438,877	
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)				25,892,299	25,892,299
TPAF - Post Retirement Medical (On-Behalf - Non-Budgeted)				6,801,845	6,801,845
TPAF Non-Contributory Insurance Contribution (On-behalf-Non-Budgeted)				11,627	11,627
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				5,880,998	5,880,998
<b>Total State Sources</b>	<u>92,877,342</u>		<u>92,877,342</u>	<u>131,495,175</u>	<u>38,617,833</u>
<b>Federal Sources:</b>					
Medicaid Reimbursement	354,721		354,721	831,246	476,525
Medicaid Reimbursement (FFCRA/SEMI)				29,178	29,178
<b>Total - Federal Sources</b>	<u>354,721</u>		<u>354,721</u>	<u>860,424</u>	<u>505,703</u>
<b>Total Revenues</b>	<u>165,788,021</u>		<u>165,788,021</u>	<u>205,216,846</u>	<u>39,428,825</u>

CITY OF BAYONNE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023

	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	\$ 2,417,188	\$ (292,737)	\$ 2,124,451	\$ 2,120,549	\$ 3,902
Grades 1-5 - Salaries of Teachers	13,185,316	(514,035)	12,671,281	12,661,782	9,499
Grades 6-8 - Salaries of Teachers	12,851,379	(541,598)	12,309,781	12,282,414	27,367
Grades 9-12 - Salaries of Teachers	13,318,082	(643,490)	12,674,592	12,674,590	2
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	220,859	123,157	344,016	344,016	
Purchased Professional-Educational Services	95,000	120,590	215,590	204,969	10,621
<b>Regular Programs - Undistributed Instruction:</b>					
Other Salaries for Instruction	1,602,324	(208,107)	1,394,217	1,394,214	3
Unused Vaca. Pay to Retired/Terminated Staff	110,000		110,000	84,791	25,209
Purchased Professional-Educational Services	4,211,310	2,314,620	6,525,930	6,525,851	79
Other Purchased Services (400-500 series)	1,189,156	(1,189,156)			
General Supplies	1,194,000	(181,093)	1,012,907	851,569	161,338
Textbooks	1,370,461	(13,544)	1,356,917	1,276,385	80,532
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>51,765,075</u>	<u>(1,025,393)</u>	<u>50,739,682</u>	<u>50,421,130</u>	<u>318,552</u>
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	2,456,073	(4,784)	2,451,289	2,450,641	648
Other Salaries for Instruction	1,373,852	(195,207)	1,178,645	1,176,747	1,898
<b>Total Learning and/or Language Disabilities</b>	<u>3,829,925</u>	<u>(199,991)</u>	<u>3,629,934</u>	<u>3,627,388</u>	<u>2,546</u>

CITY OF BAYONNE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Emotional Regulation Impairment:</b>					
Salaries of Teachers	\$ 522,025	\$ (22,271)	\$ 499,754	\$ 499,318	\$ 436
Other Salaries for Instruction	493,272	(52,819)	440,453	440,452	1
General Supplies	3,200	4,048	7,248	6,986	262
<b>Total Emotional Regulation Impairment</b>	<u>1,018,497</u>	<u>(71,042)</u>	<u>947,455</u>	<u>946,756</u>	<u>699</u>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	770,348	(9,915)	760,433	760,372	61
Other Salaries for Instruction	1,426,464	(392,485)	1,033,979	1,033,977	2
General Supplies	15,000	23,416	38,416	36,277	2,139
<b>Total Multiple Disabilities</b>	<u>2,211,812</u>	<u>(378,984)</u>	<u>1,832,828</u>	<u>1,830,626</u>	<u>2,202</u>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	9,348,448	(827,834)	8,520,614	8,513,467	7,147
Other Salaries for Instruction	1,681,004	(263,163)	1,417,841	1,416,758	1,083
General Supplies	11,000	(3,210)	7,790	7,354	436
<b>Total Resource Room/Resource Center</b>	<u>11,040,452</u>	<u>(1,094,207)</u>	<u>9,946,245</u>	<u>9,937,579</u>	<u>8,666</u>
<b>Autism:</b>					
Salaries of Teachers	1,162,325	(125,637)	1,036,688	1,036,688	
Other Salaries for Instruction	1,010,464	(106,155)	904,309	904,308	1
General Supplies	15,000	2,957	17,957	17,947	10
<b>Total Autism</b>	<u>2,187,789</u>	<u>(228,835)</u>	<u>1,958,954</u>	<u>1,958,943</u>	<u>11</u>

CITY OF BAYONNE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Preschool Disabilities - Full-Time:</b>					
Other Salaries for Instruction	\$ 77,688	\$ 834	\$ 78,522	\$ 78,520	\$ 2
<b>Total Preschool Disabilities - Full-Time</b>	<u>77,688</u>	<u>834</u>	<u>78,522</u>	<u>78,520</u>	<u>2</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>20,366,163</u>	<u>(1,972,225)</u>	<u>18,393,938</u>	<u>18,379,812</u>	<u>14,126</u>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	349,455	117,746	467,201	466,340	861
<b>Total Basic Skills/Remedial - Instruction</b>	<u>349,455</u>	<u>117,746</u>	<u>467,201</u>	<u>466,340</u>	<u>861</u>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	2,440,151	(83,794)	2,356,357	2,355,233	1,124
Other Salaries for Instruction	440,544	(60,740)	379,804	378,616	1,188
Other Objects	2,500	766	3,266	2,845	421
<b>Total Bilingual Education - Instruction</b>	<u>2,883,195</u>	<u>(143,768)</u>	<u>2,739,427</u>	<u>2,736,694</u>	<u>2,733</u>
<b>Vocational Programs - Local - Instruction</b>					
Salaries of Teachers	284,311	39,834	324,145	324,145	
General Supplies	60,600	(500)	60,100	51,941	8,159
Other Objects	2,000	(2,000)			
<b>Total Vocational Programs - Local - Instruction</b>	<u>346,911</u>	<u>37,334</u>	<u>384,245</u>	<u>376,086</u>	<u>8,159</u>
<b>School-Spon. Cocurricular Actvts. - Inst.</b>					
Salaries	256,599	309,833	566,432	566,432	
Purchased Services (300-500 series)	81,100		81,100	50,171	30,929
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>	<u>337,699</u>	<u>309,833</u>	<u>647,532</u>	<u>616,603</u>	<u>30,929</u>
<b>School-Spon. Cocurricular Athletics - Inst.</b>					
Salaries	526,418	86,581	612,999	612,999	
Purchased Services (300-500 series)	402,240	34,464	436,704	421,724	14,980
Supplies and Materials	450,000	103,058	553,058	508,501	44,557
<b>Total School-Spon. Cocurricular Athletics - Inst.</b>	<u>1,378,658</u>	<u>224,103</u>	<u>1,602,761</u>	<u>1,543,224</u>	<u>59,537</u>
<b>Summer School - Instruction</b>					
Salaries of Teachers	135,000		135,000	115,366	19,634
<b>Total Summer School - Instruction</b>	<u>135,000</u>		<u>135,000</u>	<u>115,366</u>	<u>19,634</u>

CITY OF BAYONNE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023

	<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	\$ 205,475	\$ 455,475	\$ 455,475	
General Supplies	2,000	930	2,930	1,198	\$ 1,732
<b>Total Alternative Education Program - Instruction</b>	<u>252,000</u>	<u>206,405</u>	<u>458,405</u>	<u>456,673</u>	<u>1,732</u>
<b>TOTAL INSTRUCTION AND AT-RISK PROGRAMS</b>	<u>77,814,156</u>	<u>(2,245,965)</u>	<u>75,568,191</u>	<u>75,111,928</u>	<u>456,263</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Special	1,136,039	(598,293)	537,746	536,864	882
Tuition to CSSDs & Reg. Day Schools	163,972		163,972	71,955	92,017
Tuition to Pvt. Schools for the Disabled/Other LEA - Within State	1,961,226	263,808	2,225,034	2,225,034	
Tuition - State Facilities	103,093		103,093	103,093	
Tuition - Other	42,550	18,000	60,550	274,574	(214,024)
<b>Total Undistributed Expenditures - Instruction:</b>	<u>3,406,880</u>	<u>(316,485)</u>	<u>3,090,395</u>	<u>3,211,520</u>	<u>(121,125)</u>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	389,969	7,444	397,413	397,413	
Supplies and Materials	2,000	(1,000)	1,000	828	172
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<u>391,969</u>	<u>6,444</u>	<u>398,413</u>	<u>398,241</u>	<u>172</u>
<b>Undist. Expend. - Health Services</b>					
Salaries	1,860,325	52,748	1,913,073	1,903,359	9,714
Purchased Professional and Technical Services	38,900	16,608	55,508	54,976	532
Other Purchased Services (400-500 series)	2,000	8,660	10,660	10,660	
Supplies and Materials	45,500	4,388	49,888	47,215	2,673
<b>Total Undistributed Expenditures - Health Services</b>	<u>1,946,725</u>	<u>82,404</u>	<u>2,029,129</u>	<u>2,016,210</u>	<u>12,919</u>

CITY OF BAYONNE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Speech/Occupational Therapy, Physical Therapy &amp; Related Serv.</b>					
Salaries	\$ 1,539,957	\$ 1,728,890	\$ 3,268,847	\$ 3,259,163	\$ 9,684
Purchased Professional - Educational Services	4,000,000	(2,586,318)	1,413,682	1,413,669	13
Supplies and Materials	7,500	513	8,013	7,737	276
Other Objects	1,250	(758)	492	120	372
<b>Total Undist. Expend. - Speech/OT, PT &amp; Related Serv.</b>	<u>5,548,707</u>	<u>(857,673)</u>	<u>4,691,034</u>	<u>4,680,689</u>	<u>10,345</u>
<b>Other Support Services - Students - Extraordinary</b>					
Salaries	238,500	804,759	1,043,259	1,029,738	13,521
<b>Total Support Services - Students - Extraordinary</b>	<u>238,500</u>	<u>804,759</u>	<u>1,043,259</u>	<u>1,029,738</u>	<u>13,521</u>
<b>Undist. Expend. - Guidance Services</b>					
Salaries of Other Professional Staff	3,272,883	427,586	3,700,469	3,681,764	18,705
Salaries of Secretarial and Clerical Assistants	198,920	1,580	200,500	200,500	
Purchased Professional - Educational Services		4,980	4,980	4,980	
Supplies and Materials	117,212	(21,507)	95,705	75,801	19,904
<b>Total Undist. Expend. - Guidance Services</b>	<u>3,589,015</u>	<u>412,639</u>	<u>4,001,654</u>	<u>3,963,045</u>	<u>38,609</u>
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of Other Professional Staff	3,756,775	(203,322)	3,553,453	3,535,846	17,607
Salaries of Secretarial and Clerical Assistants	615,780	(20,621)	595,159	591,557	3,602
Purchased Professional - Educational Services	680,000	392,160	1,072,160	1,071,624	536
Supplies and Materials	50,350	14,206	64,556	56,988	7,568
Other Objects	900		900	569	331
<b>Total Undist. Expend. - Child Study Teams</b>	<u>5,103,805</u>	<u>182,423</u>	<u>5,286,228</u>	<u>5,256,584</u>	<u>29,644</u>
<b>Undist. Expend. - Improvement of Inst. Serv.</b>					
Salaries of Supervisor of Instruction	1,661,457	(30,610)	1,630,847	1,612,577	18,270
Salaries of Other Professional Staff	82,000	6,961	88,961	80,236	8,725
Salaries of Secr and Clerical Assist.	377,223	60,989	438,212	438,212	
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	<u>2,120,680</u>	<u>37,340</u>	<u>2,158,020</u>	<u>2,131,025</u>	<u>26,995</u>
<b>Undist. Expend. - Edu. Media Serv./Sch. Library</b>					
Salaries	897,963	(44,000)	853,963	853,102	861
Purchased Professional and Technical Services	1,055,939	(214,700)	841,239	785,585	55,654
Other Purchased Services (400-500 series)	1,736,864	(246,808)	1,490,056	1,488,451	1,605
Supplies and Materials	7,820	110,672	118,492	118,205	287
<b>Total Undist. Expend. - Edu. Media Serv./Sch. Library</b>	<u>3,698,586</u>	<u>(394,836)</u>	<u>3,303,750</u>	<u>3,245,343</u>	<u>58,407</u>

CITY OF BAYONNE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Purchased Professional - Educational Service	\$ 181,000	\$ 4,800	\$ 185,800	\$ 184,555	\$ 1,245
Other Purchased Services (400-500 series)	6,500	50,045	56,545	55,537	1,008
Other Objects	1,500	1,200	2,700	2,632	68
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<u>189,000</u>	<u>56,045</u>	<u>245,045</u>	<u>242,724</u>	<u>2,321</u>
<b>Undist. Expend. - Supp. Serv. - General Admin.</b>					
Salaries	753,846	47,547	801,393	778,982	22,411
Unused Vacation Pay to Terminated/Retired Staff	100,000	(90,146)	9,854	9,135	719
Legal Services	500,000	(362,988)	137,012	135,488	1,524
Audit Fees	82,550	5,186	87,736	87,736	
Other Purchased Professional Services	425,000	(256,518)	168,482	167,530	952
Communications/Telephone	466,127	27,375	493,502	477,036	16,466
BOE Other Purchased Services	1,250	1,000	2,250	1,473	777
Miscellaneous Purchased Services (400-500 series other than 530/585)		547,701	547,701	547,171	530
General Supplies	70,000	(13,918)	56,082	42,239	13,843
BOE Membership Dues and Fees	40,000	8,470	48,470	48,045	425
<b>Total Undist. Expend. - Supp. Serv. - General Admin.</b>	<u>2,438,773</u>	<u>(86,291)</u>	<u>2,352,482</u>	<u>2,294,835</u>	<u>57,647</u>
<b>Undist. Expend. - Support Serv. - School Admin.</b>					
Salaries of Principals/Assistant Principals/Program Directors	4,887,432	(1,817)	4,885,615	4,853,104	32,511
Salaries of Secretarial and Clerical Assistants	1,628,857	95,115	1,723,972	1,702,270	21,702
Supplies and Materials	65,000	38,016	103,016	98,731	4,285
<b>Total Undist. Expend. - Support Serv. - School Admin.</b>	<u>6,581,289</u>	<u>131,314</u>	<u>6,712,603</u>	<u>6,654,105</u>	<u>58,498</u>
<b>Undistributed Expenditures - Central Services</b>					
Salaries	1,738,732	63,442	1,802,174	1,796,228	5,946
Misc. Purch. Services (400-500 Series)	270,844	(24,495)	246,349	234,122	12,227
Supplies and Materials	25,550	(23,000)	2,550	608	1,942
<b>Total Undistributed Expenditures - Central Services</b>	<u>2,035,126</u>	<u>15,947</u>	<u>2,051,073</u>	<u>2,030,958</u>	<u>20,115</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. -Required Maintenance for School Facilities</b>					
Salaries	\$ 4,490,838	\$ 132,483	\$ 4,623,321	\$ 4,396,421	\$ 226,900
General Supplies	950,000	(292,450)	657,550	619,805	37,745
<b>Total Undist. Expend. -Required Maintenance for School Facilities</b>	<u>5,440,838</u>	<u>(159,967)</u>	<u>5,280,871</u>	<u>5,016,226</u>	<u>264,645</u>
<b>Undist. Expend. - Custodial Services</b>					
Salaries	3,780,408	(247,607)	3,532,801	3,400,985	131,816
Cleaning, Repair and Maintenance Services	3,750,000	2,197,307	5,947,307	5,209,142	738,165
Other Purchased Property Services	324,290	75,710	400,000	360,385	39,615
Insurance	375,550	16,848	392,398	392,398	
General Supplies	224,000	(161,548)	62,452	61,693	759
Energy - Natural Gas	320,000	200,000	520,000	520,000	
Energy - Electricity	1,770,800	434,000	2,204,800	2,185,235	19,565
<b>Total Undist. Expend. - Custodial Services</b>	<u>10,545,048</u>	<u>2,514,710</u>	<u>13,059,758</u>	<u>12,129,838</u>	<u>929,920</u>
<b>Undistributed Expenditures - Security</b>					
Salaries	1,243,612	478,705	1,722,317	1,663,832	58,485
General Supplies	54,500	6,970	61,470	58,239	3,231
<b>Total Undistributed Expenditures - Security</b>	<u>1,298,112</u>	<u>485,675</u>	<u>1,783,787</u>	<u>1,722,071</u>	<u>61,716</u>
<b>Total Undist. Expend. - Oper. &amp; Maint. Of Plant</b>	<u>17,283,998</u>	<u>2,840,418</u>	<u>20,124,416</u>	<u>18,868,135</u>	<u>1,256,281</u>
<b>Undist. Expend. - Student Transportation Serv.</b>					
Salaries of Non-instructional Aides	562,146		562,146	491,294	70,852
Sal. For Pup.Trans. (Bet. Home and School) - Special	1,218,533	(99,582)	1,118,951	1,007,798	111,153
Sal. For Pup. Trans. (Other than Bet. Home and School)	65,000	2,149	67,149	50,263	16,886
Lease Purchase Payments - School Buses	25,890		25,890	25,890	
Contr Serv (Spl. Ed. Students) - Vendors	2,336,731	1,956,781	4,293,512	4,220,739	72,773
Misc. Purchased Serv. - Transportation	130,410	151,700	282,110	189,104	93,006
<b>Total Undist. Expend. - Student Transportation Serv.</b>	<u>4,338,710</u>	<u>2,011,048</u>	<u>6,349,758</u>	<u>5,985,088</u>	<u>364,670</u>

CITY OF BAYONNE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	\$ 3,136,358	\$ 1,175,779	\$ 4,312,137	\$ 2,833,152	\$ 1,478,985
Other Retirement Contributions - PERS	3,219,854	364,301	3,584,155	3,584,155	
Workmen's Compensation	1,166,203	(518,097)	648,106	647,705	401
Health Benefits	20,032,801	(467,301)	19,565,500	19,565,500	
Tuition Reimbursement	50,000	41,300	91,300	58,131	33,169
Other Employee Benefits	25,000	6,900	31,900	25,557	6,343
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>27,630,216</u>	<u>602,882</u>	<u>28,233,098</u>	<u>26,714,200</u>	<u>1,518,898</u>
On-behalf TPAF Pension Contributions (non-budgeted)				25,892,299	(25,892,299)
On-behalf TPAF Post Retire. Medical Contrib.(non-budgeted)				6,801,845	(6,801,845)
On-behalf TPAF Non-contributory Ins. Contrib. (non-budgeted)				11,627	(11,627)
Reimbursed TPAF Social Security Contributions (non-budgeted)				5,880,998	(5,880,998)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<u>38,586,769</u>	<u>(38,586,769)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>27,630,216</u>	<u>602,882</u>	<u>28,233,098</u>	<u>65,300,969</u>	<u>(37,067,871)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>86,541,979</u>	<u>5,528,378</u>	<u>92,070,357</u>	<u>127,309,209</u>	<u>(35,238,852)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>164,356,135</u>	<u>3,282,413</u>	<u>167,638,548</u>	<u>202,421,137</u>	<u>(34,782,589)</u>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
Undist. Expend. - Support Serv. - Students - Reg.		373,884	373,884	323,484	50,400
Undist. Expend. - Care and Upkeep of Grounds		65,529	65,529	65,529	
School Buses - Special	607,417	(301,477)	305,940	305,940	
<b>Total Equipment</b>	<u>607,417</u>	<u>137,936</u>	<u>745,353</u>	<u>694,953</u>	<u>50,400</u>
<b>Facilities Acquisition and Construction Services</b>					
Construction Services	3,331,382	(3,137,935)	193,447		193,447
Assessment for Debt Service on SDA Funding	269,280		269,280	269,280	
<b>Total Facilities Acquisition and Construction Services</b>	<u>3,600,662</u>	<u>(3,137,935)</u>	<u>462,727</u>	<u>269,280</u>	<u>193,447</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>4,208,079</u>	<u>(2,999,999)</u>	<u>1,208,080</u>	<u>964,233</u>	<u>243,847</u>

CITY OF BAYONNE SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023

	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	\$ 1,101,083	\$ (10,000)	\$ 1,091,083	\$ 957,498	\$ 133,585
<b>TOTAL TRANSFER OF FUNDS TO CHARTER SCHOOLS</b>	<u>1,101,083</u>	<u>(10,000)</u>	<u>1,091,083</u>	<u>957,498</u>	<u>133,585</u>
<b>TOTAL EXPENDITURES</b>	<u>169,665,297</u>	<u>272,414</u>	<u>169,937,711</u>	<u>204,342,868</u>	<u>(34,405,157)</u>
<b>Other Financing Sources/(Uses):</b>					
Local Contribution-Transfer to Special Revenue Regular	(1,079,775)		(1,079,775)	(349,656)	730,119
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<u>(1,079,775)</u>		<u>(1,079,775)</u>	<u>(349,656)</u>	<u>730,119</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<u>(4,957,051)</u>	<u>(272,414)</u>	<u>(5,229,465)</u>	<u>524,322</u>	<u>5,753,787</u>
<b>Net Change in Fund Balance</b>	(4,957,051)	(272,414)	(5,229,465)	524,322	5,753,787
<b>Fund Balance - July 1</b>	18,870,799		18,870,799	18,870,799	
<b>Fund Balance - June 30</b>	<u>\$ 13,913,748</u>	<u>\$ (272,414)</u>	<u>\$ 13,641,334</u>	<u>\$ 19,395,121</u>	<u>\$ 5,753,787</u>
<b>Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)</b>					
Budgeted fund balance	\$ (4,957,051)		\$ (4,957,051)	\$ 796,736	\$ 5,753,787
Adjustment for prior year encumbrances		\$ (272,414)	(272,414)	(272,414)	
Total	<u>\$ (4,957,051)</u>	<u>\$ (272,414)</u>	<u>\$ (5,229,465)</u>	<u>\$ 524,322</u>	<u>\$ 5,753,787</u>
<b>Recapitulation of Fund Balance:</b>					
<b>Assigned to:</b>					
Year-End Encumbrances				\$ 900,918	
Designated For Subsequent Year's Expenditures				2,871,426	
<b>Restricted for:</b>					
Capital Reserve				2,647,173	
Maintenance Reserve				250,000	
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures				4,136,562	
Reserve for Excess Surplus				5,137,675	
Unemployment Compensation				98,188	
<b>Unassigned</b>				<u>3,353,179</u>	
				19,395,121	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Last State Aid Payments not recognized on GAAP basis				(9,143,768)	
<b>Fund Balance per Governmental Funds (GAAP) (B-2)</b>				<u>\$ 10,251,353</u>	

CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>REVENUES:</b>					
<b>Local Sources</b>					
Revenues from Local Sources	\$ 100,000	\$ 107,289	\$ 207,289	\$ 740,495	\$ 533,206
Total Local Revenues	100,000	107,289	207,289	740,495	533,206
<b>State Sources</b>					
Preschool Education Aid	11,358,990	1,079,775	12,438,765	11,358,990	(1,079,775)
School Based Youth Services		299,362	299,362	299,256	(106)
Municipal Alliance Program		27,143	27,143	27,143	
Nonpublic Textbooks		25,542	25,542	25,203	(339)
Nonpublic Auxiliary Services		95,429	95,429	65,829	(29,600)
Nonpublic Handicapped Services		74,987	74,987	35,774	(39,213)
Nonpublic Security Aid		83,640	83,640	81,379	(2,261)
Nonpublic Nursing Services		45,696	45,696	45,696	
Nonpublic Technology Initiative		16,254	16,254	16,079	(175)
Nonpublic Home Instruction		1,074	1,074	1,074	
Total State Revenues	11,358,990	1,748,902	13,107,892	11,956,423	(1,151,469)
<b>Federal Sources</b>					
Title I	3,148,560	1,037,121	4,185,681	4,035,435	(150,246)
Title I - National Award Program				5,879	5,879
Title I SIA		174,929	174,929	80,184	(94,745)
Title II, Part A	416,580	115,221	531,801	458,645	(73,156)
Title III	98,935	22,751	121,686	117,843	(3,843)
Title III Immigrant		83,327	83,327	76,090	(7,237)
Title IV	183,713	146,859	330,572	293,886	(36,686)
IDEA Part B, Basic	2,205,904	816,015	3,021,919	2,866,541	(155,378)
IDEA Basic - ARP		156,120	156,120	148,546	(7,574)
IDEA Part B, Preschool		76,287	76,287	76,287	
CRRSA - ESSER II		906,385	906,385	411,935	(494,450)
ESSER II - Mental Health		8,190	8,190		(8,190)
ESSER II - Learning Acceleration		315,223	315,223	71,627	(243,596)
ESSER III	21,812,347	(7,504,094)	14,308,253	3,024,242	(11,284,011)
ESSER III- Accelerated Learning	1,007,999		1,007,999	1,007,999	
ESSER III- Evidence-Based Summer Learning & Enrichment	68,724	(24,452)	44,272	2,777	(41,495)
ESSER III- Evidence Based Comprehensive Beyond the School Day	68,724		68,724		(68,724)
ESSER III- Mental Health Support Staffing	45,000	(30,229)	14,771		(14,771)
ESSER III- Homeless Transportation		26,317	26,317	26,317	
HUD- CDBG		610,100	610,100	155,767	(454,333)
Total Federal Revenues	29,056,486	(3,063,930)	25,992,556	12,860,000	(13,132,556)
<b>Total Revenues</b>	<b>40,515,476</b>	<b>(1,207,739)</b>	<b>39,307,737</b>	<b>25,556,918</b>	<b>(13,750,819)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	9,408,599	32,575	9,441,174	6,066,559	3,374,615
Other Salaries for Instruction	475,000	631,484	1,106,484	933,815	172,669
Purchased Professional and Technical Services	200,074	6,388	206,462	164,728	41,734
Other Purchased Services (Incl. Tuition)	3,326,317	(276,742)	3,049,575	2,952,295	97,280
General Supplies	807,117	22,256	829,373	516,220	313,153
Textbooks		25,542	25,542	25,203	339
Total Instruction	14,217,107	441,503	14,658,610	10,658,820	3,999,790

CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE  
(BUDGETARY BASIS)  
YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>Support Services</b>					
Salaries of Personnel Services	\$ 3,014,778	\$ (124,460)	\$ 2,890,318	\$ 1,842,802	\$ 1,047,516
Salaries of Teachers	425,085	(208,400)	216,685	178,738	37,947
Salaries of Supervisor of Instruction	450,803	(130,004)	320,799	320,799	
Salaries of Program Directors	826,000	(187,998)	638,002	623,814	14,188
Salaries of Community Parent Involvement Spec.	452,000	(111,046)	340,954	324,968	15,986
Salaries of Other Professional Staff	497,234	(217,229)	280,005	254,828	25,177
Salaries of Secretaries & Clerical Assistants	498,762	(266,218)	232,544	154,482	78,062
Other Salaries	1,062,456	(296,467)	765,989	682,808	83,181
Salaries of Master Teachers	589,102	(234,483)	354,619	335,739	18,880
Personal Services - Employee Benefits	5,342,827	(429,505)	4,913,322	4,004,452	908,870
Purchased Professional - Educational Services	51,458	(8,905)	42,553	24,155	18,398
Purchased Educational Services - Contracted Pre-K	3,399,000	(780)	3,398,220	3,365,856	32,364
Purchased Educational Services - Head Start	523,000	(120,655)	402,345	402,345	
Other Purchased Professional - Education Services	100,000		100,000	43,112	56,888
Purchased Professional and Technical Services	14,771	276,722	291,493	178,827	112,666
Other Purchased Professional Services	246,910	(97,310)	149,600	48,760	100,840
Other Purchased Professional and Technical Services	68,234	(22,538)	45,696	45,696	
Cleaning, Repair and Maintenance Services	510,212	(69,146)	441,066	441,066	
Rentals	8,000	(2,000)	6,000	6,000	
Other Purchased Services	97,526	(51,569)	45,957	35,774	10,183
Purchased Property Services	112,458	(28,818)	83,640	81,379	2,261
Travel	73,269	(12,788)	60,481	48,737	11,744
Miscellaneous Purchased Services	187,403	(19,734)	167,669	65,156	102,513
Supplies & Materials	389,128	187,216	576,344	445,150	131,194
Contracted Services (Other Than Between Home and School)	25,000	11,500	36,500	10,797	25,703
Other Objects		70,148	70,148	62,972	7,176
Student Activities	115,500	445,225	560,725	480,948	79,777
<b>Total Support Services</b>	<b>19,080,916</b>	<b>(1,649,242)</b>	<b>17,431,674</b>	<b>14,510,160</b>	<b>2,921,514</b>
<b>Facilities Acquisition and Construction Services:</b>					
Construction Services	8,245,228		8,245,228	685,430	7,559,798
Instructional Equipment	52,000		52,000		52,000
<b>Total Facilities Acquisition and Construction Services</b>	<b>8,297,228</b>		<b>8,297,228</b>	<b>685,430</b>	<b>7,611,798</b>
<b>Total Expenditures</b>	<b>41,595,251</b>	<b>(1,207,739)</b>	<b>40,387,512</b>	<b>25,854,410</b>	<b>14,533,102</b>
<b>Other Financing Sources (Uses)</b>					
Transfer from Operating Budget - PreK	1,079,775		1,079,775	349,656	(730,119)
Total Other Financing Sources (Uses)	1,079,775		1,079,775	349,656	(730,119.00)
<b>Total Outflows</b>	<b>40,515,476</b>	<b>(1,207,739)</b>	<b>39,307,737</b>	<b>25,504,754</b>	<b>13,802,983</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>52,164</b>	<b>\$ 52,164</b>
<b>Fund Balance, July 1</b>				<b>387,311</b>	
<b>Fund Balance, June 30</b>				<b>\$ 439,475</b>	
Recapitulation:					
Restricted:					
Student Activities				\$ 439,475	
Total Fund Balance				\$ 439,475	

**CITY OF BAYONNE SCHOOL DISTRICT  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGET TO GAAP RECONCILIATION  
YEAR ENDED JUNE 30, 2023**

		<u>General Fund</u>		<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	\$ 205,216,846	(C-2)	\$ 25,556,918
Difference - budget to GAAP:				
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.				
Prior year		9,121,105		
Current year		<u>(9,143,768)</u>		<u>(1,135,899)</u>
Total revenues as reported on the statement of revenues, expenditures and change in fund balances - governmental funds	(B-2)	<u>\$ 205,194,183</u>	(B-2)	<u>\$ 24,421,019</u>
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	<u>\$ 204,342,868</u>	(C-2)	<u>\$ 25,854,410</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	(B-2)	<u>\$ 204,342,868</u>	(B-2)	<u>\$ 25,854,410</u>

## **Supplementary Information**

## **Special Revenue Fund**

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2023**

	TOTAL BROUGHT FORWARD (E-1a)	TOTAL BROUGHT FORWARD (PAGE 2)	HUD CDBG	TITLE I	TITLE I - NATIONAL AWARD	TITLE I SIA	TITLE II PART A	TITLE III	TITLE III IMMIGRANT	TITLE IV	TOTALS
<b>REVENUES:</b>											
State Sources	\$ 11,956,423										\$ 11,956,423
Federal Sources		\$ 7,636,271	\$ 155,767	\$ 4,035,435	\$ 5,879	\$ 80,184	\$ 458,645	\$ 117,843	\$ 76,090	\$ 293,886	\$ 12,860,000
Local Sources	740,495										740,495
<b>Total Revenues</b>	<b>12,696,918</b>	<b>7,636,271</b>	<b>155,767</b>	<b>4,035,435</b>	<b>5,879</b>	<b>80,184</b>	<b>458,645</b>	<b>117,843</b>	<b>76,090</b>	<b>293,886</b>	<b>25,556,918</b>
<b>EXPENDITURES:</b>											
Instruction:											
Salaries of Teachers	3,325,293	293,499	155,767	2,240,798			44,668	6,534			6,066,559
Other Salaries for Instruc.	933,815										933,815
Purch. Prof. & Tech. Services	65,829	77,597									143,426
Purch. Prof. - Educ. Services	1,074			20,228							21,302
Other Purchased Services (Incl. Tuition)	52,139	2,952,295									2,952,295
General Supplies	25,203	139,921		52,238		76,342		97,693	76,090	21,797	516,220
Textbooks											25,203
<b>Total Instruction</b>	<b>4,403,353</b>	<b>3,463,312</b>	<b>155,767</b>	<b>2,313,264</b>		<b>76,342</b>	<b>44,668</b>	<b>104,227</b>	<b>76,090</b>	<b>21,797</b>	<b>10,658,820</b>
Support Services:											
Salaries of Personnel Services		1,763,715				3,524		1,122		74,441	1,842,802
Salaries of Teachers				8,030			170,708				178,738
Salaries of Supervisors of Instruction	141,648			179,151							320,799
Salaries of Program Directors	623,814										623,814
Salaries of Community Parent Involvement Spec.	324,968										324,968
Salaries of Other Prof. Staff	254,828										254,828
Salaries of Sec. & Clerical Asst.	76,377			78,105							154,482
Other Salaries	682,808										682,808
Salaries of Master Teachers	335,739										335,739
Personal Services - Empl. Benefits	960,319	1,657,827		1,242,189		318	110,729	767		32,303	4,004,452
Purch. Prof. - Educ. Services	24,155										24,155
Purchased Prof. and Technical Services	9,900	16,850					93,750	4,377		53,950	178,827
Purchased Educational Services - Contracted Pre-K	3,365,856										3,365,856
Purchased Educational Services - Head Start	402,345										402,345
Other Purchased Educational Services - Education Services	43,112										43,112
Other Purch. Prof. Services		48,760									48,760
Other Purchased Professional and Technical Services	45,696										45,696
Cleaning, Repair & Maintenance Services	441,066										441,066
Purchased Property Services	81,379										81,379
Rentals	6,000										6,000
Other Purchased Services	35,774										35,774
Travel							11,195			37,542	48,737
Miscellaneous Purchased Services	34,432				5,879		17,845	7,000			65,156
Supplies and Materials	150,018	377		214,696			6,206			73,853	445,150
Contracted Services (Other Than Between Home and School)	10,797										10,797
Other Objects	59,078						3,544	350			62,972
Student Activities	480,948										480,948
<b>Total Support Services</b>	<b>8,591,057</b>	<b>1,723,814</b>		<b>1,722,171</b>	<b>5,879</b>	<b>3,842</b>	<b>413,977</b>	<b>13,616</b>		<b>272,089</b>	<b>14,510,160</b>
Facilities Acquis. & Const. Serv.: Construction Services		685,430									685,430
<b>Total Facil. Acquis. &amp; Const. Serv.</b>		<b>685,430</b>									<b>685,430</b>
<b>Total Expenditures</b>	<b>12,994,410</b>	<b>5,872,556</b>	<b>155,767</b>	<b>4,035,435</b>	<b>5,879</b>	<b>80,184</b>	<b>458,645</b>	<b>117,843</b>	<b>76,090</b>	<b>293,886</b>	<b>25,854,410</b>
Excess/(Deficiency) of Revenues Over/(under) Expenditures	(297,492)	1,763,715	-	-	-	-	-	-	-	-	(297,492)
Other Financing Sources/(Uses): Transfer from Operating Budget - PreK	349,656										349,656
<b>Total Other Financing Sources/(Uses)</b>	<b>349,656</b>										<b>349,656</b>
<b>Net change in fund balance</b>	<b>52,164</b>	<b>1,763,715</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,164</b>
Fund Balance, July 1	387,311	-	-	-	-	-	-	-	-	-	387,311
Fund Balance, June 30	\$ 439,475	\$ 1,763,715	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 439,475

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2023**

	IDEA PART B	IDEA PRESCHOOL	ARP IDEA PART B	ESSER II	ESSER II LEARNING ACCELERATION	ARP ESSER III	ARP ESSER III LEARNING ACCELERATION	ARP ESSER III SUMMER LEARNING	ARP ESSER III HOMELESS TRANSPORTATION	TOTAL CARRIED FORWARD
<b>REVENUES:</b>										
Slate Sources										
Federal Sources	\$ 2,866,541	\$ 76,287	\$ 148,546	\$ 411,935	\$ 71,627	\$ 3,024,242	\$ 1,007,999	\$ 2,777	\$ 26,317	\$ 7,636,271
Local Sources										
Total Revenues	<u>2,866,541</u>	<u>76,287</u>	<u>148,546</u>	<u>411,935</u>	<u>71,627</u>	<u>3,024,242</u>	<u>1,007,999</u>	<u>2,777</u>	<u>26,317</u>	<u>7,636,271</u>
<b>EXPENDITURES:</b>										
Instruction:										
Salaries of Teachers				293,499						293,499
Other Salaries for Instruc.										
Purch. Prof. & Tech. Services			77,597							77,597
Purch. Prof. - Educ. Services										
Other Purchased Services (Incl. Tuition)	2,849,691	76,287							26,317	2,952,295
General Supplies			22,189	43,328	71,627			2,777		139,921
Textbooks										
Total Instruction	<u>2,849,691</u>	<u>76,287</u>	<u>99,786</u>	<u>336,827</u>	<u>71,627</u>			<u>2,777</u>	<u>26,317</u>	<u>3,463,312</u>
Support Services:										
Salaries of Personnel Services				74,731		993,812	695,172			1,763,715
Salaries of Teachers										
Salaries of Supervisors of Instruction										
Salaries of 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						1,345,000	312,827			1,657,827
Purch. Prof. - Educ. Services										
Purchased Prof. and Technical Services	16,850									16,850
Purchased Educational Services - Contracted Pre-K										
Purchased Educational Services - Head Start										
Other Purchased Professional Services - Education Services										
Other Purch. Prof. Services			48,760							48,760
Other Purchased Professional and Technical Services										
Cleaning, Repair & Maintenance Services										
Purchased Property Services										
Rentals										
Other Purchased Services										
Travel										
Miscellaneous Purchased Services										
Supplies and Materials				377						377
Contracted Services (Other Than Between Home and School)										
Other Objects										
Student Activities										
Total Support Services	<u>16,850</u>		<u>48,760</u>	<u>75,108</u>		<u>2,338,812</u>	<u>1,007,999</u>			<u>3,487,529</u>
Facilities Acquis. & Const. Serv.:										
Construction Services						685,430				685,430
Total Facil. Acquis. & Const. Serv.						<u>685,430</u>				<u>685,430</u>
Total Expenditures	<u>2,866,541</u>	<u>76,287</u>	<u>148,546</u>	<u>411,935</u>	<u>71,627</u>	<u>3,024,242</u>	<u>1,007,999</u>	<u>2,777</u>	<u>26,317</u>	<u>7,636,271</u>
Excess/(Deficiency) of Revenues Over/(under Expenditures										
	-	-	-	-	-	-	-	-	-	-
Other Financing Sources/(Uses):										
Transfer from Operating Budget - PreK										
Total Other Financing Sources/(Uses)										
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**  
**YEAR ENDED JUNE 30, 2023**

	TOTAL BROUGHT FORWARD (E-1b)	PRESCHOOL EDUCATION AID (E-2)	N.J. NONPUBLIC TECHNOLOGY INITIATIVE	N.J. NONPUBLIC NURSING SERVICES	N.J. NONPUBLIC HOME INSTRUCTION	N.J. NONPUBLIC TEXTBOOK AID	N.J. NONPUBLIC SECURITY AID	TOTAL CARRIED FORWARD
<b>REVENUES:</b>								
State Sources	\$ 428,002	\$ 11,358,990	\$ 16,079	\$ 45,696	\$ 1,074	\$ 25,203	\$ 81,379	\$ 11,956,423
Federal Sources	740,495							740,495
Local Sources								
Total Revenues	<u>1,168,497</u>	<u>11,358,990</u>	<u>16,079</u>	<u>45,696</u>	<u>1,074</u>	<u>25,203</u>	<u>81,379</u>	<u>12,696,918</u>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	265,730	3,059,563						3,325,293
Other Salaries for Instruc.	92,860	840,955						933,815
Purch. Prof. & Tech. Services	65,829							65,829
Purch. Prof. - Educ. Services					1,074			1,074
Other Purchased Services (Incl. Tuition)								
General Supplies	10,216	25,844	16,079					52,139
Textbooks						25,203		25,203
Total Instruction	<u>434,635</u>	<u>3,926,362</u>	<u>16,079</u>		<u>1,074</u>	<u>25,203</u>		<u>4,403,353</u>
Support Services:								
Salaries of Personnel Services								
Salaries of Teachers								
Salaries of Supervisors of Instruction	2,988	138,660						141,648
Salaries of of Program Directors		623,814						623,814
Salaries of Community Parent Involvement Spec.		324,968						324,968
Salaries of Other Prof. Staff		254,828						254,828
Salaries of Sec. & Clerical Asst.		76,377						76,377
Other Salaries		682,808						682,808
Salaries of Master Teachers		335,739						335,739
Personal Services - Empl. Benefits		960,319						960,319
Purch. Prof. - Educ. Services	24,155							24,155
Purchased Prof. and Technical Services	9,900							9,900
Purchased Educational Services - Contracted Pre-K		3,365,856						3,365,856
Purchased Educational Services - Head Start		402,345						402,345
Other Purchased Professional - Education Services		43,112						43,112
Other Purch. Prof. Services								
Other Purchased Professional and Technical Services				45,696				45,696
Cleaning, Repair & Maintenance Services		441,066						441,066
Purchased Property Services							81,379	81,379
Rentals	6,000							6,000
Other Purchased Services	35,774							35,774
Travel								
Miscellaneous Purchased Services	34,432							34,432
Supplies and Materials	17,626	132,392						150,018
Contracted Services (Other Than Between Home and Sch)	10,797							10,797
Other Objects	59,078							59,078
Student Activities	480,948							480,948
Total Support Services	<u>681,698</u>	<u>7,782,284</u>		<u>45,696</u>			<u>81,379</u>	<u>8,591,057</u>
Facilities Acquis. & Const. Serv.:								
Construction Services								
Total Facil. Acquis. & Const. Serv.								
Total Expenditures	<u>1,116,333</u>	<u>11,708,646</u>	<u>16,079</u>	<u>45,696</u>	<u>1,074</u>	<u>25,203</u>	<u>81,379</u>	<u>12,994,410</u>
Excess/(Deficiency) of Revenues Over/(under Expenditures	<u>52,164</u>	<u>(349,656)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(297,492)</u>
Other Financing Sources/(Uses):								
Transfer from Operating Budget - PreK		349,656						349,656
Total Other Financing Sources/(Uses)		<u>349,656</u>						<u>349,656</u>
Net change in fund balance	<u>52,164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,164</u>
Fund Balance, July 1	387,311	-	-	-	-	-	-	387,311
Fund Balance, June 30	<u>\$ 439,475</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 439,475</u>

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2023**

	NJ NONPUBLIC SERVICES						TOTAL CARRIED FORWARD
	TOTAL BROUGHT FORWARD (E-1c)	AUXILIARY CH. 192		HANDICAPPED SERVICES CH. 193			
		TRANSPORT- ATION	COMP. EDUCATION	SUPPL. INSTR.	EXAM. & CLASS.	CORRECTIVE SPEECH	
<b>REVENUES:</b>							
State Sources	\$ 326,399	\$ 9,200	\$ 56,629	\$ 14,042	\$ 13,269	\$ 8,463	\$ 428,002
Federal Sources							
Local Sources	740,495						740,495
<b>Total Revenues</b>	<b>1,066,894</b>	<b>9,200</b>	<b>56,629</b>	<b>14,042</b>	<b>13,269</b>	<b>8,463</b>	<b>1,168,497</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	265,730						265,730
Other Salaries for Instruc.	92,860						92,860
Purch. Prof. & Tech. Services		9,200	56,629				65,829
Purch. Prof. - Educ. Services							
Other Purchased Services (Incl. Tuition)							
General Supplies	10,216						10,216
Textbooks							
<b>Total Instruction</b>	<b>368,806</b>	<b>9,200</b>	<b>56,629</b>				<b>434,635</b>
Support Services:							
Salaries of Personnel Services							
Salaries of Teachers							
Salaries of Supervisors of Instruction	2,988						2,988
Salaries of of Program Directors							
Salaries of Community Parent Involvement Spec.							
Salaries of Other Prof. Staff							
Salaries of Sec. & Clerical Asst.							
Other Salaries							
Salaries of Master Teachers							
Personal Services - Empl. Benefits							
Purch. Prof. - Educ. Services	24,155						24,155
Purchased Prof. and Technical Services	9,900						9,900
Purchased Educational Services - Contracted Pre-K							
Purchased Educational Services - Head Start							
Other Purchased Professional - Education Services							
Other Purch. Prof. Services							
Other Purchased Professional and Technical Services							
Cleaning, Repair & Maintenance Services							
Purchased Property Services							
Rentals	6,000						6,000
Other Purchased Services				14,042	13,269	8,463	35,774
Travel							
Miscellaneous Purchased Services	34,432						34,432
Supplies and Materials	17,626						17,626
Contracted Services (Other Than Between Home and Scho	10,797						10,797
Other Objects	59,078						59,078
Student Activities	480,948						480,948
<b>Total Support Services</b>	<b>645,924</b>			<b>14,042</b>	<b>13,269</b>	<b>8,463</b>	<b>681,698</b>
Facilities Acquis. & Const. Serv.:							
Construction Services							
<b>Total Facil. Acquis. &amp; Const. Serv.</b>							
<b>Total Expenditures</b>	<b>1,014,730</b>	<b>9,200</b>	<b>56,629</b>	<b>14,042</b>	<b>13,269</b>	<b>8,463</b>	<b>1,116,333</b>
Excess/(Deficiency) of Revenues Over/(under Expenditures	52,164	-	-	-	-	-	52,164
Other Financing Sources/(Uses):							
Transfer from Operating Budget - PreK							
<b>Total Other Financing Sources/(Uses)</b>							
<b>Net change in fund balance</b>	<b>52,164</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,164</b>
Fund Balance, July 1	387,311	-	-	-	-	-	387,311
Fund Balance, June 30	\$ 439,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 439,475

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2023**

	LOCAL PROGRAMS	NJSIG SAFETY GRANT	SCHOOL BASED YOUTH SERVICES	MUNICIPAL ALLIANCE PROGRAM	STUDENT ACTIVITIES	TOTAL CARRIED FORWARD
<b>REVENUES:</b>						
State Sources			\$ 299,256	\$ 27,143		\$ 326,399
Federal Sources						
Local Sources	\$ 148,305	\$ 59,078			\$ 533,112	740,495
<b>Total Revenues</b>	<u>148,305</u>	<u>59,078</u>	<u>299,256</u>	<u>27,143</u>	<u>533,112</u>	<u>1,066,894</u>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers			265,730			265,730
Other Salaries for Instruc.	92,860					92,860
Purch. Prof. & Tech. Services						
Purch. Prof. - Educ. Services						
Other Purchased Services (Incl. Tuition)	10,216					10,216
General Supplies						
Textbooks						
<b>Total Instruction</b>	<u>103,076</u>		<u>265,730</u>			<u>368,806</u>
Support Services:						
Salaries of Personnel Services						
Salaries of Teachers						
Salaries of Supervisors of Instruction				2,988		2,988
Salaries of of Program Directors						
Salaries of Community Parent Involvement Spec.						
Salaries of Other Prof. Staff						
Salaries of Sec. & Clerical Asst.						
Other Salaries						
Salaries of Master Teachers						
Personal Services - Empl. Benefits						
Purch. Prof. - Educ. Services				24,155		24,155
Purchased Prof. and Technical Services			9,900			9,900
Purchased Educational Services - Contracted Pre-K						
Purchased Educational Services - Head Start						
Other Purchased Professional - Education Services						
Other Purch. Prof. Services						
Other Purchased Professional and Technical Services						
Cleaning, Repair & Maintenance Services						
Purchased Property Services						
Rentals			6,000			6,000
Other Purchased Services						
Travel						
Miscellaneous Purchased Services	34,432					34,432
Supplies and Materials			17,626			17,626
Contracted Services (Other Than Between Home and School)	10,797					10,797
Other Objects		59,078				59,078
Student Activities					480,948	480,948
<b>Total Support Services</b>	<u>45,229</u>	<u>59,078</u>	<u>33,526</u>	<u>27,143</u>	<u>480,948</u>	<u>645,924</u>
Facilities Acquis. & Const. Serv.:						
Construction Services						
<b>Total Facil. Acquis. &amp; Const. Serv.</b>						
<b>Total Expenditures</b>	<u>148,305</u>	<u>59,078</u>	<u>299,256</u>	<u>27,143</u>	<u>480,948</u>	<u>1,014,730</u>
Excess/(Deficiency) of Revenues Over/(under Expenditures	-	-	-	-	52,164	52,164
Other Financing Sources/(Uses):						
Transfer from Operating Budget - PreK						
<b>Total Other Financing Sources/(Uses)</b>						
<b>Net change in fund balance</b>	-	-	-	-	52,164	52,164
<b>Fund Balance, July 1</b>	-	-	-	-	387,311	387,311
<b>Fund Balance, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ 439,475	\$ 439,475

**CITY OF BAYONNE SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES  
PRESCHOOL - ALL PROGRAMS  
BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2023**

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of Teachers	\$ 3,059,652	\$ 3,059,563	\$ 89
Other Salaries for Instruc.	998,884	840,955	157,929
Supplies and Materials	<u>49,536</u>	<u>25,844</u>	<u>23,692</u>
Total Instruction	<u>4,108,072</u>	<u>3,926,362</u>	<u>181,710</u>
Support Services:			
Salaries of Supervisors of Instruction	138,660	138,660	
Salaries of Program Directors	629,632	623,814	5,818
Salaries of Community Parent Involvement Spec.	340,954	324,968	15,986
Salaries of Other Professional Staff	279,776	254,828	24,948
Salaries of Secr. And Clerical Asst.	154,439	76,377	78,062
Other Salaries	765,989	682,808	83,181
Salaries of Master Teachers	354,618	335,739	18,879
Personal Serv.-Employee Benefits	960,319	960,319	
Purchased Educational Services - Contracted Pre-K	3,398,220	3,365,856	32,364
Purchased Educational Services - Head Start	402,345	402,345	
Other Purchased Professional - Ed. Services	100,000	43,112	56,888
Other Purchased Professional Services	100,000		100,000
Cleaning, Repair & Maintenance Services	441,066	441,066	
Contracted Services - Transportation	25,000		25,000
Supplies and Materials	<u>239,675</u>	<u>132,392</u>	<u>107,283</u>
Total Support Services	<u>8,330,693</u>	<u>7,782,284</u>	<u>548,409</u>
Total Expenditures	<u>\$ 12,438,765</u>	<u>\$ 11,708,646</u>	<u>\$ 730,119</u>

**CALCULATION OF BUDGET AND CARRYOVER:**

Total revised 2022-23 Preschool Education Aid Allocation	\$ 11,358,990
Add: Actual Carryover (June 30, 2022)	1,755,978
Add: General Fund Contribution to Preschool Education	<u>349,656</u>
Total Preschool Education Aid Available for 2022-23 Budget	13,464,624
Less: 2022-23 Budgeted Preschool Education Aid	<u>(12,438,765)</u>
Available and Unbudgeted PEA Funds at June 30, 2023	1,025,859
Add: June 30, 2023 Unexpended PEA	<u>730,119</u>
2022-23 Carryover - Preschool Aid Programs	<u>\$ 1,755,978</u>
2022-23 PEA Carryover Budgeted for 2023-24 Preschool Programs	<u>\$ 1,755,978</u>

## **Long-Term Debt**

CITY OF BAYONNE SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF FINANCED PURCHASES PAYABLE  
YEAR ENDED JUNE 30, 2023

<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</u>	<u>RETIRED</u>	<u>BALANCE</u>
			<u>PRINCIPAL</u>	<u>INTEREST</u>		<u>JUNE 30, 2022</u>		<u>JUNE 30, 2023</u>
Digital Copy Machines	5/31/2018	5 years	\$ 628,800	\$ 42,937	2.630%	\$ 125,818	\$ 125,818	
Buses	8/15/2019	5 years	123,878	5,571	4.500%	50,119	24,787	\$ 25,332
Digital Copy Machines	3/10/2020	5 years	697,890	63,870	3.501%	433,229	139,422	293,807
						<u>\$ 609,166</u>	<u>\$ 290,027</u>	<u>\$ 319,139</u>

## **Statistical Section (Unaudited)**

Other Information

**Statistical Section  
Unaudited**

**Contents**

**Financial Trends**

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

**Revenue Capacity**

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

**Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

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

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

	2014	2015	2016	JUNE 30,		2018	2019	2020*	2021*	2022	2023
				2017							
GOVERNMENTAL ACTIVITIES											
NET INVESTMENT IN CAPITAL ASSETS	\$ 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	\$ 123,244,442	
RESTRICTED	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	12,709,073	
UNRESTRICTED	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)	(45,080,874)	
TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS/POSITION	\$ 103,114,252	\$ 47,861,365	\$ 38,729,668	\$ 19,646,130	\$ 14,361,698	\$ 14,295,231	\$ 80,774,122	\$ 82,519,386	\$ 92,146,070	\$ 90,872,641	
BUSINESS-TYPE ACTIVITIES											
NET INVESTMENT IN CAPITAL ASSETS	\$ 430,070	\$ 789,374	\$ 749,752	\$ 1,192,738	\$ 1,109,588	\$ 1,077,134	\$ 1,046,236	\$ 940,033	\$ 833,822	\$ 727,620	
UNRESTRICTED	1,829,269	2,159,494	1,646,812	631,871	526,052	834,121	499,910	548,111	2,971,118	4,243,882	
TOTAL BUSINESS-TYPE ACTIVITIES NET ASSETS/POSITION	\$ 2,259,339	\$ 2,948,868	\$ 2,396,564	\$ 1,824,609	\$ 1,635,640	\$ 1,911,255	\$ 1,546,146	\$ 1,488,144	\$ 3,804,940	\$ 4,971,502	
DISTRICT- WIDE											
NET INVESTMENT IN CAPITAL ASSETS	\$ 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	\$ 123,972,062	
RESTRICTED	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	12,709,073	
UNRESTRICTED	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)	(40,836,992)	
TOTAL DISTRICT NET ASSETS/POSITION	\$ 105,373,591	\$ 50,810,233	\$ 41,126,232	\$ 21,470,739	\$ 15,997,338	\$ 16,206,486	\$ 82,320,268	\$ 84,007,530	\$ 95,951,010	\$ 95,844,143	

\* 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 POSITION  
 LAST TEN FISCAL YEARS (UNAUDITED)  
 (ACCRUAL BASIS OF ACCOUNTING)

	YEAR ENDED JUNE 30,									
	2014	2015	2016	2017	2018	2019	2020	2021*	2022	2023
<b>EXPENSES</b>										
GOVERNMENTAL ACTIVITIES:										
INSTRUCTION:										
REGULAR	\$ 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	\$ 123,871,330
SPECIAL EDUCATION	18,385,407	23,848,242	21,223,351	27,764,427	23,280,445					
OTHER SPECIAL INSTRUCTION	1,862,584	3,165,132	2,348,059	2,346,897	2,028,717					
OTHER INSTRUCTION	2,728,706	4,242,405	2,974,368	4,344,136	2,487,134					
SUPPORT SERVICES:										
ATTENDANCE/SOCIAL WORK								562,228	559,249	605,451
SPEECH, OT, PT AND RELATED SERVICES						3,169,296	3,577,923	3,963,611	5,473,021	6,437,422
TUITION	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	3,013,032
IMPROVEMENT OF INSTRUCTION						2,385,952	2,601,477	3,238,090	3,186,998	3,241,950
OTHER SUPPORT INSTRUCTIONAL STAFF						45,961	32,530	13,424	19,727	252,576
SCHOOL LIBRARY						323,446	241,279	1,493,235	2,206,169	3,787,171
STUDENT & INST. RELATED SERVICES	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	2,976,878
SCHOOL ADMINISTRATION SERVICES	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	10,075,497
GENERAL & BUSINESS ADMIN. SERVICES	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	2,762,452
ADMINISTRATIVE INFORMATION TECHNOLOGY							1,400,596	904,160	270,274	-
PLANT OPERATION AND MAINTENANCE	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	24,136,346
PUPIL TRANSPORTATION	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	6,972,823
OTHER SUPPORT SERVICES							14,715,518	20,044,912	32,290,633	29,614,894
UNALLOCATED BENEFITS					75,223,568					
SPECIAL SCHOOLS	485,483	504,322	596,200	687,376			774,205	848,441	898,466	957,498
TRANSFER TO CHARTER SCHOOL	140,251	203,546	312,481	423,561	385,706	477,856				
INTEREST ON LONG TERM DEBT								53,402	24,259	25,090
UNALLOCATED DEPRECIATION					1,528,690					
CAPITAL OUTLAYS					269,280	269,280	2,143,741			
<b>TOTAL GOVERNMENTAL ACTIVITIES EXPENSES</b>	<b>\$ 130,508,879</b>	<b>\$ 166,538,490</b>	<b>\$ 168,811,641</b>	<b>\$ 189,537,652</b>	<b>\$ 186,044,523</b>	<b>\$ 181,065,121</b>	<b>\$ 187,764,354</b>	<b>\$ 208,871,365</b>	<b>\$ 208,772,145</b>	<b>\$ 218,730,410</b>
BUSINESS - TYPE ACTIVITIES:										
FOOD SERVICE	\$ 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	\$ 5,577,850
COMMUNITY EDUCATION								163,198	1,373,080	1,390,605
<b>TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES</b>	<b>5,142,617</b>	<b>4,557,667</b>	<b>4,663,524</b>	<b>5,114,856</b>	<b>4,847,519</b>	<b>4,688,908</b>	<b>5,838,930</b>	<b>2,125,721</b>	<b>6,020,291</b>	<b>6,968,455</b>
<b>TOTAL DISTRICT EXPENSES</b>	<b>\$ 135,651,496</b>	<b>\$ 171,096,157</b>	<b>\$ 173,475,165</b>	<b>\$ 194,652,508</b>	<b>\$ 190,892,042</b>	<b>\$ 185,754,029</b>	<b>\$ 193,603,284</b>	<b>\$ 210,997,086</b>	<b>\$ 214,792,436</b>	<b>\$ 225,698,865</b>
PROGRAM REVENUE										
GOVERNMENTAL ACTIVITIES:										
CHARGES FOR SERVICES	\$ 189,949	\$ 87,707	\$ 64,792	\$ 101,842		\$ 779,815	\$ 72,711	\$ 83,001	\$ 1,437,941	\$ 2,032,395
OPERATING GRANTS AND CONTRIBUTIONS	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	32,353,422
CAPITAL GRANTS AND CONTRIBUTIONS	8,264,617	(1,732,099)	(230,764)	41,604		779,797	1,593,908	1,095,715	658,934	-
<b>TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUE</b>	<b>\$ 81,481,257</b>	<b>\$ 88,770,893</b>	<b>\$ 95,487,723</b>	<b>\$ 109,009,789</b>	<b>\$ 43,609,221</b>	<b>\$ 11,920,588</b>	<b>\$ 18,252,734</b>	<b>\$ 27,875,865</b>	<b>\$ 43,297,423</b>	<b>\$ 34,385,817</b>

\* Reflects implementation of GASB Statement No. 84.

Source: ACFR A-2

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

	<u>YEAR ENDED JUNE 30,</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>2023</u>
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>										
CHARGE FOR SERVICES										
FOOD SERVICES	\$ 1,356,699	\$ 1,013,658	\$ 1,038,210	\$ 1,047,445	\$ 988,445	\$ 1,112,361	\$ 1,622,848	\$ 1,928	\$ 369,577	\$ 868,256
COMMUNITY EDUCATION								79,431	1,008,739	1,049,157
OPERATING GRANTS AND CONTRIBUTIONS	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	6,217,604
TOTAL BUSINESS TYPE ACTIVITY PROG. REVENUE	<u>5,066,441</u>	<u>4,686,232</u>	<u>4,672,184</u>	<u>4,542,901</u>	<u>4,658,549</u>	<u>4,977,373</u>	<u>5,380,475</u>	<u>2,067,719</u>	<u>8,337,087</u>	<u>8,135,017</u>
TOTAL DISTRICT PROGRAM REVENUE	<u>5,066,441</u>	<u>4,686,232</u>	<u>4,672,184</u>	<u>4,542,901</u>	<u>4,658,549</u>	<u>4,977,373</u>	<u>5,380,475</u>	<u>2,067,719</u>	<u>8,337,087</u>	<u>8,135,017</u>
<b><u>NET (EXPENSE)/ REVENUE:</u></b>										
GOVERNMENTAL ACTIVITIES	(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)	(192,479,610)
BUSINESS - TYPE ACTIVITIES	(76,176)	128,565	8,660	(304,618)	(30,359)	288,464	(458,455)	(58,002)	2,316,796	1,166,562
TOTAL DISTRICT - WIDE NET EXPENSE	<u>(49,103,798)</u>	<u>(77,639,032)</u>	<u>(73,315,258)</u>	<u>(80,832,481)</u>	<u>(142,465,661)</u>	<u>(168,589,791)</u>	<u>(169,970,075)</u>	<u>(183,121,221)</u>	<u>(171,495,013)</u>	<u>(191,313,048)</u>
<b><u>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS/POSITION</u></b>										
GOVERNMENTAL ACTIVITIES:										
PROPERTY TAXES LEVIED FOR GEN. PURPOSES, NET	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	71,860,958
UNRESTRICTED GRANTS AND CONTRIUTIONS	35,943	162,262			64,468,987	61,704,888	97,970,529	114,546,616	111,914,318	118,407,752
RESTRICTED GRANTS AND CONTRIBUTIONS					9,748,223	9,456,674				
TUITION RECEIVED					655,515	779,815				
INVESTMENT EARNINGS	25,340	21,621	49,953	57,191						
MISCELLANEOUS INCOME	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	937,471
EXTRAORDINARY ITEMS	(16,722)	(67,306)	(23,425)	(269,617)	(5,233,608)					
TRANSFERS	(572,450)	(560,964)	560,964		(112,796)					
TOTAL GOVERNMENTAL ACTIVITIES	<u>60,697,381</u>	<u>60,625,020</u>	<u>64,192,221</u>	<u>65,420,679</u>	<u>137,150,865</u>	<u>141,537,822</u>	<u>168,826,798</u>	<u>184,808,483</u>	<u>183,438,493</u>	<u>191,206,181</u>
BUSINESS-TYPE ACTIVITIES:										
TRANSFERS	572,450	560,964	(560,964)							
TOTAL BUSINESS-TYPE ACTIVITIES	<u>572,450</u>	<u>560,964</u>	<u>(560,964)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL DISTRICT WIDE	<u>\$ 61,269,831</u>	<u>\$ 61,185,984</u>	<u>\$ 63,631,257</u>	<u>\$ 65,420,679</u>	<u>\$ 137,150,865</u>	<u>\$ 141,537,822</u>	<u>\$ 168,826,798</u>	<u>\$ 184,808,483</u>	<u>\$ 183,438,493</u>	<u>\$ 191,206,181</u>
<b><u>CHANGE IN NET ASSETS/POSITION</u></b>										
GOVERNMENTAL ACTIVITIES	\$ 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	\$ (1,273,429)
BUSINESS-TYPE ACTIVITIES	496,274	689,529	(552,304)	(304,618)	(30,359)	288,464	(458,455)	(58,002)	2,316,796	1,166,562
TOTAL DISTRICT	<u>\$ 12,166,033</u>	<u>\$ (16,453,048)</u>	<u>\$ (9,684,001)</u>	<u>\$ (15,411,802)</u>	<u>\$ (5,314,796)</u>	<u>\$ 221,996</u>	<u>\$ (1,143,277)</u>	<u>\$ 1,687,262</u>	<u>\$ 11,943,480</u>	<u>\$ (106,867)</u>

\* 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)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>JUNE 30,</u> <u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>GOVERNMENTAL FUNDS:</u>										
GENERAL FUND:										
RESTRICTED	\$ 4,744,715	\$ 1,523,324	\$ 1,523,324		\$ 181,511	\$ 3,565,474	\$ 6,924,439	\$ 8,787,328	\$ 11,059,239	\$ 12,269,598
COMMITTED	12,299,220	4,040,304	5,940,338	\$ 144,899	188,706	1,067,964				
ASSIGNED	366,944	651,077				220,187	3,699,369	451,609	1,301,523	
UNASSIGNED	(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)	(2,018,245)
TOTAL GENERAL FUND	<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>	<u>\$ 10,251,353</u>
OTHER GOVERNMENTAL FUNDS										
RESTRICTED								\$ 363,184	\$ 387,311	\$ 439,475
COMMITTED	\$ 1,557,834	\$ 1,557,834	\$ 1,316,204	\$ 122,300						
ASSIGNED	16,510,906	10,529,913	8,584,147	8,682,488	\$ 3,359,793	\$ 795,693	\$ 564,695			
UNASSIGNED	(222,301)	(215,446)	(201,736)	(241,887)						(1,135,899)
TOTAL OTHER GOVERNMENTAL FUNDS	<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>	<u>\$ (696,424)</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)

	YEAR ENDED JUNE 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>REVENUES</b>										
TAX LEVY	\$ 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	\$ 71,860,958
TUITION CHARGES	189,949	87,707	64,792	101,842	655,515	779,815	72,711	1,642	59,625	62,818
INTEREST EARNINGS	25,340	21,621	49,953	57,191						
MISCELLANEOUS	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	1,677,966
STATE SOURCES	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	142,293,036
FEDERAL SOURCES	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	13,720,424
TOTAL REVENUES	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	229,615,202
<b>EXPENDITURES</b>										
<b>INSTRUCTION</b>										
REGULAR INSTRUCTION	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	85,770,748
SPECIAL EDUCATION INSTRUCTION	12,971,067	15,644,626	12,266,080	14,420,155	22,106,562					
OTHER SPECIAL INSTRUCTION	2,061,721	4,190,784	2,147,197	1,928,527	1,926,422					
OTHER INSTRUCTION	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	3,211,520
SPEECH, OT, PT, AND RELATED SERVICES						2,076,665	2,688,725	3,087,702	4,695,070	4,680,689
HEALTH SERVICES						1,552,563	1,568,122	1,547,514	85,646	2,016,210
OTHER SUPPORT SERVICES						9,124,879	10,832,647	15,810,447	27,409,252	24,759,527
IMPROVEMENT OF INSTRUCTION						1,490,804	1,505,875	1,738,586	2,040,629	2,131,025
EDUCATION MEDIA LIBRARY						182,947	143,368	998,859	1,778,119	3,245,343
OTHER SUPPORT INSTRUCTIONAL STAFF						44,024	31,293	12,873	18,947	242,724
TUITION	2,287,469	3,000,977	3,517,867	3,822,028	2,056,505					
STUDENT & INST. RELATED SERVICES	11,857,149	14,751,454	11,552,060	13,395,325	14,925,463					
GENERAL ADMINISTRATION	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	2,294,835
SCHOOL ADMINISTRATIVE SERVICES	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	6,654,105
CENTRAL SERVICES						1,637,641	1,835,350	1,971,379	1,950,090	2,030,958
ADMINISTRATIVE INFORMATION TECHNOLOGY						897,416	1,039,811	821,751	184,298	
PLANT OPERATIONS AND MAINTENANCE	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	18,868,135
PUPIL TRANSPORTATION	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	5,985,088
EMPLOYEE BENEFITS	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	65,300,969
TRANSFER TO CHARTER SCHOOLS	140,251	203,546	312,481	423,561	385,706	477,856	774,205	848,441	898,466	957,498
SPECIAL SCHOOLS	359,031	348,535	381,366	379,149						
CAPITAL OUTLAY	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	1,649,663
TOTAL EXPENDITURES	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	230,197,278
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	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	(582,076)
<b>OTHER FINANCING SOURCES (USES)</b>										
FINANCED PURCHASES PAYABLE (NON-BUDGETED)	4,095,129	122,103	1,230,747	2,480,106			1,762,268			
LOAN INTEREST			(23,425)							
TRANSFERS IN			560,964			608,962	879,592	412,014	675,265	349,656
TRANSFERS OUT	(572,450)	(560,964)			(1,541,456)	(59,894)		(412,014)	(675,265)	(349,656)
EXTRAORDINARY ITEMS	(16,722)	(67,306)			(5,233,608)					
TOTAL OTHER FINANCING SOURCES (USES)	3,505,957	(506,167)	1,768,286	2,480,106	(6,775,065)	549,069	2,641,860	-	-	-
NET CHANGE IN FUND BALANCES	\$ 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	\$ (582,076)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: ACFR B-2

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

<u>FISCAL YEAR</u> <u>ENDING JUNE 30.</u>	<u>PHYS. ED</u> <u>CTR. FEES</u>	<u>COMM.</u> <u>ED. FEES</u>	<u>TUITION</u>	<u>INTEREST ON</u> <u>INVESTMENTS</u>	<u>SPECIAL PROJ.</u> <u>DONATIONS</u>	<u>MISC.</u>	<u>TOTAL</u>
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
2023			62,818			937,471	1,000,289

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
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	2,225,892,638	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	651,237,500	4,478,244,400	-	-	986,559,800	987,330,100	419,191,800	7,532,583,600	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
2023	743,772,300	4,504,141,150	-	-	955,270,000	958,628,700	435,124,200	7,596,936,350	2,681,100,950	7,219,086	7,604,155,436	9,263,095,586	1.074

\* 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>	
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
2023	0.964	0.110	1.074	1.171	0.438	2.683

\* 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)

	2023			2014		
	<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	\$ 509,690,800	1	6.70%	\$ 116,103,000	1	5.23%
PR Bayonne Industrial Urb Ren	70,609,100	2	0.93%			
Togus Urban Renewal	70,000,000	3	0.92%			
NJIND Hook Road, LLC	61,947,500	4	0.81%			
Duke Realty Bayonne Development	52,528,500	5	0.69%			
Gordan Terminal Serv Co of NJ Inc.	38,829,600	6	0.51%	15,027,100	3	0.68%
29 E 29th St Holdings LLC	36,072,000	7	0.47%			
Centerpoint Pulaski, LLC	35,367,400	8	0.47%			
Howard Warehouse Inc.	35,277,700	9	0.46%			
Millions Inc.	31,900,000	10	0.42%			
Bayonne Auto Terminal Inc.				23,095,700	2	1.04%
Exxon Corporation				14,312,000	4	0.64%
Texaco, Inc.				13,085,800	5	0.59%
Hess Corp				10,379,000	6	0.47%
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>\$ 942,222,600</b>		<b>12.39%</b>	<b>\$ 226,132,900</b>		<b>10.21%</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>
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
2023	71,860,958	71,860,958	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,	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES	TOTAL DISTRICT	POPULATION	PER CAPITA
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	FINANCED PURCHASES PAYABLE	BOND ANTICIPATION NOTES	FINANCED PURCHASE PAYABLES			
2014	\$ -	\$ -	\$ 6,181,693	\$ -	\$ -	\$ 6,181,693	65,377	\$ 94.55
2015	-	-	3,887,373	-	-	3,887,373	65,301	59.53
2016	-	-	2,544,327	-	-	2,544,327	65,323	38.95
2017	-	-	2,765,078	-	-	2,765,078	65,338	42.32
2018	-	-	1,504,603	-	-	1,504,603	64,725	23.25
2019	-	-	805,554	-	-	805,554	65,060	12.38
2020	-	-	1,865,809	-	-	1,865,809	65,165	28.63
2021	-	-	1,210,183	-	-	1,210,183	69,211	17.49
2022	-	-	609,166	-	-	609,166	69,527	8.76
2023	-	-	319,139	-	-	319,139	69,527 (A)	4.59

Source: City of Bayonne Finance Office  
 (A) -Estimated

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>
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%	-
2023	-	-	-	0.000%	-

Source: City of Bayonne Finance Office

CITY OF BAYONNE SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2023 (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 2023 (As of December 31, 2022 per statute)

EQUALIZED VALUATION BASIS

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

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>
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>COUNTY PER CAPITA PERSONAL INCOME</u>	<u>UNEMPLOYMENT RATE</u>
2014	65,377	\$ 4,096,849,705	\$ 62,665	7.3%
2015	65,301	4,615,148,175	70,675	6.5%
2016	65,323	6,006,188,558	91,946	6.0%
2017	65,338	4,414,888,660	67,570	4.4%
2018	64,725	3,679,810,425	56,853	3.7%
2019	65,060	4,396,104,200	67,570	3.9%
2020	65,165	4,671,157,530	71,682	10.5%
2021	69,211	4,986,375,706	72,046	5.1%
2022	69,527	5,009,142,242 (A)	72,046	4.4%
2023	69,527 (A)	5,009,142,242 (A)	72,046	Not available

## Sources:

Population data provided by NJ Dept. of Labor and Workforce Development.  
Per Capita Income data provided by US Bureau of Census  
Personal Income derived from Population and Per Capita Personal Income data.  
Unemployment data provided by NJ Dept. of Labor and Workforce Development.

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

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

<u>EMPLOYERS</u>	<u>2023</u>			<u>2014</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL MUNICIPAL EMPLOYMENT</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL MUNICIPAL EMPLOYMENT</u>
Bayonne Hospital	1,867	1	5.73%	1,867	1	6.69%
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	1.79%
Vertellus	350	6	1.07%	150	8	0.54%
Bayonne Community Bank	327	7	1.00%			
European American Food Group Co. Inc.	325	8	1.00%			
Ideal Window Manufacturing Inc.	287	9	0.88%	127	10	0.45%
Muralo Company, Inc.	250	10	0.77%	180	6	0.64%
Royal Wine Corporation				220	3	0.79%
Inserra Inc				220	4	0.79%
Haddad Aooarel Group Ltd.				180	7	0.64%
Season Contracting Corp				155	9	0.56%
Bookazine Co Inc.				150	5	0.54%
	<u>7,355</u>		<u>22.56%</u>	<u>3,749</u>		<u>13.43%</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>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>2023</u>
Instruction										
Regular	587	584	701	608	572	533	557	564	573	583
Special Education	317	315	272	387	372	343	366	376	351	376
Other Special Education	32	33	39	40	42	35	40	44	48	48
Vocational	6	6	3	5	2	2	2	2	5	5
Other Instruction	1	1	2	60						
Support Services										
Student & Instruction Related Services	104	99	125	50	49	50	47	54	56	63
General Administration	11	11	10	23	23	24	21	23	27	29
School Administrative Services	62	67	65	82	70	63	54	56	58	58
Central Services	12	12	12	8	18	16	16	17	19	22
Administrative Information Technology	1	1	0	9	9	10	7	10	11	15
Plant Operations and Maintenance	125	125	152	159	128	138	149	152	155	164
Pupil Transportation	35	35.0	22.0	39	44.0	42	43	39	41	40
Other Support Services			2							
<b>Total</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>	<b>1,403</b>

Source: District Personnel Records

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

FISCAL YEAR ENDING JUNE 30,	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT(c)	AVERAGE DAILY ATTENDANCE(c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	SENIOR HIGH SCHOOL				
2014	9,178	\$ 131,747,676	\$ 14,355	-1.41%	943	14.4-1	13-1	8,967	8,523	1.66%	95.05%
2015	9,341	149,064,121	15,958	11.17%	939	13.8-1	13-1	9,341	8,925	4.17%	95.55%
2016	9,359	146,539,905	15,658	-1.88%	1,017	13.2-1	12.4-1	9,359	8,944	0.19%	95.57%
2017	9,631	153,629,124	15,952	1.88%	1,101	13-1	12.3-1	9,315	8,706	-0.47%	93.46%
2018	9,562	148,545,143	15,535	-2.61%	988	14.2-1	13.1-1	9,274	8,654	-0.44%	93.31%
2019	9,474	142,433,757	15,034	-3.22%	1,108	12.67-1	11.45-1	9,189	8,963	-0.92%	97.54%
2020	9,878	146,744,541	14,856	-1.19%	965	10.37-1	9.16-1	9,352	8,979	1.77%	96.01%
2021	9,842	183,753,112	18,670	25.68%	986	10.04-1	8.94-1	9,312	9,218	-0.43%	98.99%
2022	9,826	212,644,000	21,641	15.91%	977	9.86-1	8.71-1	8,929	8,183	-4.11%	91.65%
2023	9,657	228,547,615	23,667	9.36%	986	9.27-1	8.18-1	9,284	9,011	3.98%	97.06%

Sources: District records and ASSA

Note: Enrollment based on annual October district count.

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

(b) Teaching staff includes only full-time equivalents of certificated staff.

(c) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

	<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>2023</u>
<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	689	699	699	685	710	707	697	697	645	656
<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	485	491	491	473	479	485	476	476	470	452
<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	766	744	744	710	757	792	843	843	767	906
<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	485	498	498	496	464	444	478	478	464	461
<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	463	45	453	470	434	428	471	471	459	480
<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	614	614	627	576	572	629	629	605	648
<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	661	678	678	684	721	723	694	694	647	652
<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	444	444	467	452	432	445	445	394	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	640	652	652	679	659	688	707	707	636	657
<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	675	635	655	672	716	735	755	755	732	725
<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	1,121	1,155	1,155	1,151	1,198	1,193	1,248	1,248	1,194	1,214
<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	2,437	2,574	2,574	2,605	2,400	2,438	2,401	2,401	2,166	2,303

Number of Schools at June 30, 2023:

- 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 Facilities Office

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>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>2023</u>
HENRY E. HARRIS SCHOOL	N/A	\$ 271,507	\$ 257,635	\$ 295,994	\$ 308,481	\$ 304,690	\$ 203,325	\$ 263,808	\$ 118,906	\$ 224,319	\$ 166,641
PHILIP VROOM SCHOOL	N/A	220,141	208,894	239,996	250,120	287,613	219,804	213,898	43,334	148,094	197,742
WALTER F. ROBINSON SCHOOL	N/A	395,718	375,499	431,407	449,607	483,568	198,098	384,492	128,425	222,779	330,916
MARY J. DONOHUE SCHOOL	N/A	202,677	192,321	220,956	230,277	261,720	172,278	196,927	92,187	157,505	276,505
LINCOLN SCHOOL	N/A	252,691	239,780	275,481	287,102	346,302	305,911	245,522	160,285	236,112	276,216
HORACE MANN SCHOOL	N/A	281,513	267,130	306,903	319,850	293,809	208,833	273,528	96,410	207,785	218,535
WASHINGTON SCHOOL	N/A	375,189	356,020	409,027	426,282	432,895	219,930	364,547	74,464	224,526	330,025
NICHOLAS ORESKO SCHOOL	N/A	263,876	250,394	287,675	299,811	333,796	228,006	256,392	83,711	170,929	295,168
JOHN M. BAILEY SCHOOL	N/A	279,963	265,659	305,213	318,088	334,781	197,531	272,025	81,913	222,443	263,293
WOODROW WILSON SCHOOL	N/A	379,287	359,908	413,494	430,938	417,430	218,290	368,530	87,269	185,803	237,588
MIDTOWN COMMUNITY SCHOOL	N/A	530,603	503,492	578,457	602,860	560,508	283,272	515,554	216,086	545,675	510,987
BAYONNE HIGH SCHOOL	N/A	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	1,912,610
TOTAL		<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>	<u>\$ 5,016,226</u>

Source: ACFR C-1

CITY OF BAYONNE SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2023

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 2022-2023 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	575,000	N/A
Asst. Business Administrator	575,000	N/A
Board Secretary	575,000	N/A
Accountant	575,000	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  
County of Hudson  
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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 8, 2024.

**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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be a significant deficiency.

### **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.

### **District's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
May 8, 2024

*Anthony Branco*

Anthony Branco, CPA  
Licensed Public School Accountant, No. 2515

**Report on Compliance for Each Major Federal and State  
Program and Report on Internal Control Over Compliance Required  
by the Uniform Guidance and NJ OMB Circular 15-08**

**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 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, 2023. 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, 2023.

**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.

**Honorable President and Members  
of the Board of Education  
City of Bayonne School District**

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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.

**Honorable President and Members  
of the Board of Education  
City of Bayonne School District**

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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  
May 8, 2024

*Anthony Branco*

Anthony Branco, CPA  
Licensed Public School Accountant, No. 2515

CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount*	Grant Period		Balance June 30, 2022			Balance June 30, 2023						
					From	To	Unearned Revenue (Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Adjustments	Provided to Subrecipients	Repayment of Prior Years' Balances	(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>																
Medical Assistance Program	93.778	2205NJSMAP	7540-100-211	\$ 306,899	7/1/2021	6/30/2022	\$ (19,798)	\$	19,798							
Medical Assistance Program	93.778	2305NJSMAP	7540-100-211	831,246	7/1/2022	6/30/2023			807,026	\$ (831,246)			\$ (24,220)			
Medical Assistance Program (FFCRA/SEMI)	93.778	2305NJSMAP	7540-100-211	29,178	7/1/2022	6/30/2023			29,178	(29,178)						
<b>Total U.S. Department of Health and Human Services</b>							(19,798)		856,002	(860,424)			(24,220)			
<b>U.S. Department of Labor</b>																
<b>Passed-through State Department of Labor:</b>																
CARES Act and American Rescue Plan Act (ARP) of 2021	17.225	N/A	N/A	271,957	3/9/2020	3/31/2024			271,957	(271,957)						
<b>Total General Fund</b>							(19,798)		1,127,959	(1,132,381)			(24,220)			
<b>Special Revenue Fund:</b>																
<b>U.S. Department of Education</b>																
<b>Passed-through State Department of Education:</b>																
Title I	84.010	S010A190030	5064-100-194	3,772,659	7/1/2021	9/30/2022	(517,264)		517,264							
Title I	84.010	S010A220030	5064-100-194	4,185,681	7/1/2022	9/30/2023			3,375,096	(4,035,435)			(660,339)			
Title I - ESEA National Award	84.010	S010A210030	5064-100-194	15,000	7/1/2021	9/30/2022	6,030			(5,879)						
Title I ISIA	84.010	S010A200030	5064-100-132	65,015	7/1/2020	9/30/2021										
Title I ISIA	84.010	S010A210030	5064-100-132	51,238	7/1/2021	9/30/2022	(2,796)	\$ 714	2,796		\$ (714)		\$ 151			
Title I ISIA	84.010	S010A220030	5064-100-132	174,929	7/1/2022	9/30/2023			61,173	(80,184)			(19,011)			
<b>Subtotal Title I Cluster</b>							(514,030)	714	3,956,329	(4,121,498)		(714)	(679,350)	151		
Title II, Part A	84.367	S367A190029	5063-100-290	517,809	7/1/2021	9/30/2022	(68,856)		68,856							
Title II, Part A	84.367	S367A220029	5063-100-290	531,801	7/1/2022	9/30/2023			350,322	(458,645)			(108,323)			
Title III	84.365	S365A200030	5064-100-187	118,252	7/1/2021	9/30/2022	(15,480)		15,480							
Title III	84.365	S365A220030	5064-100-187	121,686	7/1/2022	9/30/2023			102,148	(117,843)			(15,703)			
Title III Immigrant	84.365	S365A190030	5064-100-187	83,327	7/1/2022	9/30/2023			75,113	(76,090)			(977)			
Title IV - Student Support & Academic Enrichment Program	84.424	S424A190031	5063-100-348	233,124	7/1/2021	9/30/2022	(6,368)		6,368							
Title IV - Student Support & Academic Enrichment Program	84.424	S424A220031	5063-100-348	330,572	7/1/2022	9/30/2023			215,151	(293,886)			(78,735)			
IDEA Cluster:																
IDEA, Part B	84.027	H027A200100	5065-100-016	2,595,181	7/1/2021	9/30/2022	(445,587)		445,587							
IDEA, Part B	84.027	H027A220100	5065-100-016	3,021,919	7/1/2022	9/30/2023			2,294,995	(2,866,541)			(571,546)			
IDEA, Preschool	84.173	H173A220114	5065-100-020	76,287	7/1/2022	9/30/2023			61,223	(76,287)			(15,064)			
COVID-19 ARP IDEA, Basic	84.027X	H027A200100	5065-100-016	541,385	7/1/2021	9/30/2022	(1,729)		150,275	(148,546)						
COVID-19 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>							(493,269)		2,998,033	(3,091,374)			(586,610)			
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)					
<b>Subtotal CRF Cluster</b>							1,044				(1,044)					
Elementary and Secondary School Emergency Relief Fund (ESSER):																
COVID-19 CARES Act - Stabilization Fund (ESSER)	84.425D	S425D200027	N/A	2,574,215	3/13/2020	9/30/2022	(282,626)	14,400	268,226							
COVID-19 CARES Act - ESSER II	84.425D	S425D210027	N/A	9,705,439	3/13/2020	9/30/2023	(292,133)		619,607	(411,935)			(84,461)			
COVID-19 CARES Act - ESSER II Learning Accelerated	84.425D	S425D200027	N/A	622,846	3/13/2020	9/30/2023			24,090	(71,627)			(47,537)			
COVID-19 ARP - ESSER III	84.425U	S425U210027	N/A	21,812,347	3/13/2020	9/30/2024	(953,763)		2,778,732	(3,024,242)			(1,199,273)			
COVID-19 ARP - ESSER III Learning Acceleration	84.425U	S425U210027	N/A	1,007,999	3/13/2020	9/30/2024			1,007,999	(1,007,999)						
COVID-19 ARP - ESSER III Summer	84.425U	S425U210027	N/A	68,724	3/13/2020	9/30/2024	(24,451)		24,451	(2,777)			(2,777)			
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)		89,262	(26,317)						
<b>Subtotal ESSER</b>							(1,646,148)	14,400	4,842,597	(4,544,897)			(1,334,048)			
<b>Total U.S. Department of Education</b>							(2,743,107)	15,114	12,630,389	(12,704,233)	(1,044)	(714)	(2,803,746)	151		
<b>U.S. Department of Housing and Urban Development</b>																
<b>Passed-through City of Bayonne:</b>																
Community Development Block Grant/Entitlement Grant	14.218	N/A	N/A	475,000	9/1/2021	8/31/2023			155,767	(155,767)						
<b>Total U.S. Department of Housing and Urban Development</b>									155,767	(155,767)						
<b>Total Special Revenue Fund</b>							(2,743,107)	15,114	12,786,156	(12,860,000)	(1,044)	(714)	(2,803,746)	151		

CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount*	Grant Period		Balance June 30, 2022		Cash Received	Budgetary Expenditures	Adjustments	Provided to Subrecipients	Repayment of Prior Years' Balances	Balance June 30, 2023		
					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	\$ (19,132)	\$	19,132							
National School Lunch Program-After School Snack	10.555	231NJ304N1099	N/A	63,354	7/1/2022	6/30/2023			65,399						\$ (15,924)	
Food Distribution Program (NC)	10.555	231NJ304N1099	N/A	396,275	7/1/2022	6/30/2023			396,275							
National School Lunch Program	10.555	211NJ304N1099	N/A	715,317	7/1/2020	6/30/2021		\$ 94,829					\$ (94,829)			
National School Lunch Program	10.555	221NJ304N1099	N/A	4,241,693	7/1/2021	6/30/2022	(1,246,844)		1,246,844							
National School Lunch Program	10.555	231NJ304N1099	N/A	4,241,693	7/1/2022	6/30/2023			2,389,762						(577,778)	
Healthy Hunger-Free Kids Act (HHFKA)	10.555	211NJ304N1099	N/A		7/1/2020	6/30/2021		1,881					(1,881)			
Healthy Hunger-Free Kids Act	10.555	201NJ304N1099	N/A		7/1/2022	6/30/2023			54,825						(13,243)	
School Breakfast Program	10.553	211NJ304N1099	N/A	449,059	7/1/2020	6/30/2021		60,713					(60,713)			
School Breakfast Program	10.553	221NJ304N1099	N/A	1,435,073	7/1/2021	6/30/2022	(413,473)		413,473						(235,897)	
School Breakfast Program	10.553	231NJ304N1099	N/A	1,435,073	7/1/2022	6/30/2023			970,219						(19,126)	
Summer Food Service Program for Children	10.559	N/A	N/A	11,764	7/1/2022	6/30/2023			116,396						(19,126)	
Subtotal Child Nutrition Cluster							(1,679,449)	157,423	5,672,325				(157,423)		(861,968)	
<b>Total U.S. Department of Agriculture</b>							(1,679,449)	157,423	5,672,325				(157,423)		(861,968)	
<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	N/A	N/A	456,643	7/1/2020	6/30/2021		448,270							\$ 448,270	
Child Care and Development Block Grant	93.575	N/A	N/A	456,643	7/1/2022	6/30/2023			1,202,438							
<b>Total Enterprise Funds</b>							(1,679,449)	605,693	6,874,763				(157,423)		448,270	
<b>Total Federal Financial Awards</b>							\$ (4,442,354)	\$ 620,807	\$ 20,788,878	\$ (20,049,663)	\$ (1,044)	\$ -	\$ (158,137)	\$ (3,689,934)	\$ 151	\$ 448,270

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, 2023**

Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022					Balance at June 30, 2023					Cumulative Total Expenditures	
			From	To	Unearned Revenue (Accounts Receivable)	Due to Grantor	Budgetary Receivable	Transfers	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable)	Unearned Revenue	Due to Grantor		Budgetary Receivable
<b>MEMO</b>																
<b>General Fund</b>																
State Department of Education																
Equalization Aid	495-034-5120-078	\$ 69,891,132	7/1/2021	6/30/2022	\$ (8,099,785)		\$ (8,099,785)		\$ 8,099,785							
Equalization Aid	495-034-5120-078	82,064,147	7/1/2022	6/30/2023					73,932,406	\$ (82,064,147)			\$ (8,131,741)	\$ (82,064,147)		
Special Education Categorical Aid	495-034-5120-089	6,370,555	7/1/2021	6/30/2022	(637,056)		(637,056)		637,056							
Special Education Categorical Aid	495-034-5120-089	6,370,555	7/1/2022	6/30/2023					5,739,296	(6,370,555)			(631,259)	(6,370,555)		
Security Aid	495-034-5120-084	3,438,877	7/1/2021	6/30/2022	(343,888)		(343,888)		3,438,888				(340,759)	(3,438,877)		
Security Aid	495-034-5120-084	3,438,877	7/1/2022	6/30/2023					3,098,118	(3,438,877)						
Transportation Aid	495-034-5120-014	403,763	7/1/2021	6/30/2022	(40,376)		(40,376)		40,376							
Transportation Aid	495-034-5120-014	403,763	7/1/2022	6/30/2023					363,754	(403,763)			(40,009)	(403,763)		
Extraordinary Aid (Spec Ed)	495-034-5120-044	1,214,878	7/1/2021	6/30/2022	(1,214,878)				1,214,878							
Extraordinary Aid (Spec Ed)	495-034-5120-044	631,064	7/1/2022	6/30/2023						(631,064)	\$ (631,064)		(631,064)	(631,064)		
T.P.A.F. Social Security Aid	495-034-5094-003	5,511,372	7/1/2021	6/30/2022	(273,606)				273,606							
T.P.A.F. Social Security Aid	495-034-5095-003	5,880,998	7/1/2022	6/30/2023					5,580,692	(5,880,998)		(300,306)	(300,306)	(5,880,998)		
T.P.A.F. On-Behalf Pension	495-034-5094-001	25,892,299	7/1/2022	6/30/2023					25,892,299	(25,892,299)				(25,892,299)		
T.P.A.F. On-Behalf Post Retirement Medical	495-034-5094-002	6,801,845	7/1/2022	6/30/2023					6,801,845	(6,801,845)				(6,801,845)		
T.P.A.F. On-Behalf Long-Term Disability Ins.	495-034-5094-004	5,880,998	7/1/2022	6/30/2023					11,627	(11,627)				(11,627)		
<b>Total General Fund</b>					<b>(10,609,589)</b>		<b>(9,121,105)</b>		<b>132,029,626</b>	<b>(131,495,175)</b>		<b>(931,370)</b>	<b>(10,075,138)</b>	<b>(131,495,175)</b>		
<b>Special Revenue Fund</b>																
State Department of Education																
Preschool Education Aid	495-034-5120-086	11,244,939	7/1/2021	6/30/2022	1,755,978					(1,755,978)				1,755,978		
Preschool Education Aid	495-034-5120-086	11,359,990	7/1/2022	6/30/2023						(9,952,668)			\$ 1,755,978	(9,952,668)		
School Development Authority - Emergent Needs	Not Available	266,643	7/1/2021	6/30/2022		\$ 6,862	\$ 349,656		10,223,091							
NJ Nonpublic Aid:																
Textbook Aid	100-034-5120-064	21,487	7/1/2021	6/30/2022		4,326					\$ (4,326)					
Textbook Aid	100-034-5120-064	25,542	7/1/2022	6/30/2023					25,542	(25,203)		339		(25,203)		
Auxiliary Services:																
Compensatory Education	100-034-5120-067	56,629	7/1/2022	6/30/2023					56,629	(56,629)				(56,629)		
ESL	100-034-5120-067	1,002	7/1/2022	6/30/2023					1,002			1,002				
Home Instruction	100-034-5120-067	1,074	7/1/2022	6/30/2023						(1,074)		(1,074)		(1,074)		
Handicapped Transportation	100-034-5120-068	18,398	7/1/2022	6/30/2023					18,398	(9,200)		9,198		(9,200)		
Handicapped Services:																
Supplemental Instruction	100-034-5120-066	15,694	7/1/2022	6/30/2023					15,694	(14,042)		1,652		(14,042)		
Examination & Classification	100-034-5120-066	21,800	7/1/2022	6/30/2023					21,800	(13,269)		8,531		(13,269)		
Corrective Speech	100-034-5120-066	8,463	7/1/2022	6/30/2023					8,463	(8,463)				(8,463)		
Technology Initiative	100-034-5120-373	26,640	7/1/2019	6/30/2020		6,734					(6,734)					
Technology Initiative	100-034-5120-373	15,036	7/1/2021	6/30/2022		4					(4)					
Technology Initiative	100-034-5120-373	16,254	7/1/2022	6/30/2023					16,254	(16,079)		175		(16,079)		
Security Aid	100-034-5120-509	111,300	7/1/2019	6/30/2020		6,290					(6,290)					
Security Aid	100-034-5120-509	81,550	7/1/2021	6/30/2022		7,504					(7,504)					
Security Aid	100-034-5120-509	83,640	7/1/2022	6/30/2023					83,640	(81,379)		2,261		(81,379)		
Nursing Services	100-034-5120-070	45,696	7/1/2022	6/30/2023					45,696	(45,696)				(45,696)		
State Department of Children and Families																
School Based Youth Services	100-054-7500-068	132,809	7/1/2019	6/30/2020		140,407										
School Based Youth Services	100-054-7500-068	273,216	7/1/2020	9/30/2021		1,300					(1,300)					
School Based Youth Services	100-054-7500-068	322,405	7/1/2021	9/30/2022	16,092					(16,092)						
School Based Youth Services	100-054-7500-068	283,164	7/1/2022	9/30/2023					283,270	(283,164)		106		(283,164)		
State Department of Treasury																
Passed through City of Bayonne																
Municipal Alliance Program	100-082-C001-004	27,143	7/1/2022	6/30/2023						(27,143)		(27,143)		(27,143)		
<b>Total Special Revenue Fund</b>					<b>1,772,070</b>	<b>173,427</b>	<b>349,656</b>		<b>10,799,479</b>	<b>(12,306,079)</b>	<b>(26,158)</b>	<b>(28,217)</b>	<b>1,756,084</b>	<b>170,427</b>	<b>(1,164,116)</b>	<b>(12,289,987)</b>
<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		1,477								1,477		
State School Lunch Program	22-100-010-3350-023	104,492	7/1/2021	6/30/2022	(28,695)				28,695							
State School Lunch Program	22-100-010-3350-023	57,572	7/1/2022	6/30/2023					46,369	(57,572)		(11,203)		(57,572)		
Breakfast After the Bell	Not Available	61,106	7/1/2022	6/30/2023					49,307	(61,106)		(11,799)		(61,106)		
Reduced Breakfast and Lunch State Aid	Not Available	38,391	7/1/2022	6/30/2023					30,780	(38,391)		(7,611)		(38,391)		
Summer Supplement for Food	Not Available	2,862	7/1/2022	6/30/2023					2,862	(3,253)		(391)		(3,253)		
<b>Total Enterprise Fund</b>					<b>(28,695)</b>	<b>1,477</b>			<b>158,013</b>	<b>(160,322)</b>		<b>(31,004)</b>	<b>1,477</b>	<b>(31,004)</b>	<b>(160,322)</b>	
<b>Total State Financial Assistance</b>					<b>\$ (8,866,214)</b>	<b>\$ 174,904</b>	<b>\$ (9,121,105)</b>	<b>\$ 349,656</b>	<b>\$ 142,987,118</b>	<b>\$ (143,961,576)</b>	<b>\$ (26,158)</b>	<b>\$ (990,591)</b>	<b>\$ 171,904</b>	<b>\$ (11,270,258)</b>	<b>\$ (147,335,578)</b>	
Less: State Financial Assistance Not Subject to Single Audit Determination																
T.P.A.F. On-Behalf Pension									25,892,299							
T.P.A.F. On-Behalf Post Retirement Medical									6,801,845							
T.P.A.F. On-Behalf Long-Term Disability Ins.									11,627							
<b>Total State financial Assistance Subject to State Single Audit.</b>									<b>\$ (111,255,805)</b>							

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, 2023

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 \$(22,663) for the General Fund and \$(1,135,899) 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, 2023

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	\$ 860,424	\$131,472,512	\$ 132,332,936
Special Revenue Fund	12,860,000	10,820,524	23,680,524
Food Service Fund	4,854,844	160,322	5,015,166
Community Ed Fund	<u>1,202,438</u>	<u>-</u>	<u>1,202,438</u>
Total Awards and Financial Assistance	<u>\$ 19,777,706</u>	<u>\$142,453,358</u>	<u>\$162,231,064</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. INDIRECT COST RATE

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

NOTE 6. FEDERAL AND STATE LOANS OUTSTANDING

The District had no loan balances outstanding at June 30, 2023.

NOTE 7. ADJUSTMENTS

The adjustments presented on schedule K-3 and K-4 are the result of the cancellation of prior year encumbrances and accounts receivable.

NOTE 8. 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, 2023.

CITY OF BAYONNE SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL  
AWARDS AND STATE FINANCIAL ASSISTANCE  
JUNE 30, 2023

NOTE 8. OTHER (CONT'D.):

The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2023 amount to \$32,705,771. 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.

During fiscal year 2023, the New Jersey Department of Labor notified the District that federal legislation under the CARES Act and the American Rescue Plan Act of 2021 provided for partial federal subsidies related to unemployment insurance benefits attributable to the District's account. The amount of federal subsidies received by the District during fiscal year 2023 amounted to \$271,957, which have been included on the schedule of expenditures of federal awards. These subsidies represent amounts paid on behalf of the District for time periods prior to the current fiscal year (third quarter of 2020 through the first quarter of 2021) and therefore have been excluded from the District's basic financial statements.

**CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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 Number</u>	<u>FAIN #</u>	<u>Name of Federal Program or Cluster</u>
		Elementary and Secondary School <u>Emergency Relief Fund:</u>
84.425D	S425D210027	Elementary and Secondary School Emergency Relief Fund
84.425U	S425D200027	Elementary and Secondary School Emergency Relief Fund
	S425U210027	American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)
84.010	S010A220030	Title I Part A - Grants to Local Education Agencies
	S010A210030	
93.778	2305NJ5MAP	Medicaid Cluster: Medical Assistance Program
93.575	Not Available	Trio Cluster: Child Care and Development Block Grant

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

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

**CITY OF BAYONNE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**State Financial Assistance**

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

\$3,000,000

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, 2023**

**Section II – Schedule of Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of Government Auditing Standards and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

**Finding 2023-001 – General Ledger Maintenance and Reconciliation Controls**

**Type of Finding:** Significant Deficiency in Internal Control over Financial Reporting

**Criteria:**

Management is responsible of the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. The District's financial statement close process operated ineffectively, resulting in general ledger balances that did not agree to the underlying accounting records of the District.

**Condition:**

The District has not designed and implemented controls to ensure the accuracy and completeness of its general ledger. Specifically, the following issues included, but were not limited to, the following:

- Balance sheet account reconciliations that were either not performed or were incomplete.
- There were errors noted on the bank reconciliations causing balances to be misstated.
- Budgets were not posted to the general ledger correctly.
- Adjusting journal entries from prior year's audit were not posted.
- Interfund balances were not in balance because of mis postings of related activity.

**Context:**

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

**Cause:**

Deficiencies in the design and effectiveness of the District's internal control over financial reporting, due to an operating ineffectiveness of preventative and detective controls over the oversight of account reconciliations and overall general ledger maintenance.

**Effect:**

Unaudited financial information provided to internal and external users was misstated. Financial posting errors were noted requiring journal entry to correct identified differences. In addition, the deficiencies resulted in delays in the filing of the District's audited financial statements.

**Recommendation:**

We recommend the District develop and strengthen existing formal monthly, quarterly and annual closing procedures to ensure that all general ledger accounts are complete and accurate. Controls and procedures should be monitored to ensure that reviews are performed on a timely basis over the posting of fiscal activity to detect differences between the underlying accounting records and the general ledger of the District.

**Views of Responsible Officials and Planned Corrective Action:**

The District agrees with this finding and will implement corrective action.

**CITY OF BAYONNE SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Section III – Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs**

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.