

The Youth of Today. The Leaders of Tomorrow.



CITY OF BAYONNE SCHOOL DISTRICT

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025



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Introductory Section



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

Daniel M. Castles
School Business Administrator

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March 6, 2026

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, 2025, 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 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 2024-2025 fiscal year with an average daily enrollment of 10,104 students, which is 103 or 1% higher than the previous year's enrollment.

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

Fiscal Year	Student Enrollment	Percent Change
2024-2025	10,104	1.00%
2023-2024	10,001	7.72%
2022-2023	9,284	3.98%
2021-2022	8,929	-4.11%
2020-2021	9,312	-0.43%

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 continues to perform competitively relative to 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 administered 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 built-in checkpoints and teachers will continue to monitor progress on our abbreviated professional days. The District has begun full scope external review of its curriculum, which includes a review of Math, Language Arts, Social Studies and next generation science standards.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). 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, 2025.

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,



John J. Niesz
Superintendent of Schools



Daniel M. Castles
School Business Administrator

Policy 1110

Bayonne Board of Education

Organizational Chart

Page 1 of 1

**Business Administrator/
Board Education Secretary**
Asst Business Administrator

Superintendent

Deputy Superintendent

Assistant to Superintendent(s)

Asst. Sup. Special Services

Special Education
Guidance
Project Support
SPED Director/Supervisors
SPED Teachers
SPED T/A's
I&RS
504's/IEP
Home Instruction
Principal Climate Culture
Principal Alternative HS
Professional Staff

Asst. Sup. Personnel

School Safety/Security
Human Resources
Student Registration
Employee Health
Equity & Inclusion
Professional Staff
Processing

Business Office

Facilities/Custodial
Transportation
Technology
Pensions Benefits
Accounts Payable
Foodservice
Payroll
Professional Staff
Community Education

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

Directors/Supervisors Curriculum
Grants/Title 1
New Jersey Smart
QSAC/Retention/promotion
Early Childhood
Non-Public
Academic Competitions
Data/ScIP/G&T
Professional Staff

Principals of Community Schools and High School

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

School Safety/Security

Emergency Response Coordinator/School Safety Specialist
Coordinator of Safety/Security
Assistant Coordinators of Safety/Security
Attendance Office
Professional Staff

Chief Academic Officer

Principals
NJTSS & I&RS
Hudson County Vocational
Field Trips
Annual School Plans
ASP/Assessments(NJSLA)
Data Teams
Professional Development
Professional Staff

CITY OF BAYONNE SCHOOL DISTRICT
HUDSON COUNTY, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2025

Members of the Board of Education

Term Expires

Mary Jane Desmond, President	December 2025
Sam Maggio, Vice President	December 2025
Miriam Bechay	December 2026
Lisa Burke	December 2026
Jodi Casais	December 2027
Melissa Godesky-Rodriguez	December 2027
Hector Gonzalez, Jr.	December 2025
Angela Sanniola	December 2026
Pamela Sclafane	December 2027

Other Officials

John J. Niesz, Superintendent of Schools
Dr. Dennis Degnan, Ed.D, Assistant Superintendent of Schools
Kenneth Kopacz, Deputy Superintendent of Schools
Jennifer Vecchiarelli, Assistant Superintendent of Special Services
Daniel M. Castles, School Business Administrator/School Board Secretary
Thomas J. Fogu, Jr. Assistant Superintendent of Personnel
Dr. Wachera Ragland-Brown, Chief Academic Officer
Dr. Gary R. Maita, Assistant to the Superintendent

CITY OF BAYONNE SCHOOL DISTRICT
Independent Auditors and Advisors

Architects

DMR Architects
777 Terrace Avenue
Hasbrouck Heights, New Jersey 07604

Audit Firm

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Cranford, NJ 07016

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Lyndhurst, New Jersey 07071

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Little Falls, New Jersey 07424

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Parsippany, New Jersey 07054

Schenck Price Smith & King LLP
220 Park Avenue - P.O. Box 991
Florham Park, New Jersey 07932

McManimon Scotland Baumann LLC
75 Livingston Avenue - 2nd Floor
Roseland, New Jersey 07068

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

Official Depositories

BCB Community Bank
591-595 Avenue C
Bayonne, New Jersey 07002

The Provident Bank
464-472 Avenue C
Bayonne, New Jersey 07002

State of New Jersey Cash Management Fund
P.O. Box 290
Trenton, New Jersey 08625-0290

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, 2025, 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, 2025, 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.

Change in Accounting Policy

We draw attention to Note 20 in the notes to financial statements which disclose the effects of the District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 101, "*Compensated Absences*". Our opinion is not modified with respect to this matter.

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

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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.

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.

**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, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2025. 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.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2026 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
March 6, 2026

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, 2025

This section of the District's Annual Comprehensive Financial Report presents an overview and analysis of the District's financial performance for the fiscal year ended June 30, 2025. It should be read in conjunction with the transmittal letter at the front of this report and the accompanying financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is Required Supplementary Information prescribed by the Governmental Accounting Standards Board (GASB) under Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999 and subsequently amended by GASB Statement No. 37. The MD&A includes certain comparative information between the current and prior fiscal years.

FINANCIAL HIGHLIGHTS

The key financial highlights for the 2024-2025 fiscal year include the following:

- Governmental activities reported total net position of \$64,585,368 at June 30, 2025, a decrease of \$26,787,832, or 29.32%, from the previous fiscal year.
- The District reported a decrease in net position from current year operations of \$6,861,352, as shown in Figure A-4, Changes in Net Position. In addition, the District recorded a change in accounting policy of \$16,940,589 related to the implementation of GASB Statement No. 101, *Compensated Absences*, and a prior period adjustment of \$2,985,891 to recognize unearned Preschool Aid revenues in the Special Revenue Fund that had not been recorded in the prior year.

The decrease in net position from current year operations is primarily attributable to depreciation expense exceeding capital outlays and the accrual of compensated absences liabilities exceeding amounts paid and utilized by employees during the year.

- Business-type activities experienced a decrease in net position of \$2,021,231 during the fiscal year, as total revenues were not sufficient to cover program expenses. Within the Food Service Fund, meal sales and federal and state reimbursements did not fully offset operating costs, including food, salaries, benefits, and other expenses. Community Education programs also generated revenues that were inadequate to support their related costs. Additional detail is provided in Schedule A-2 of the Government-wide Financial Statements.

- Governmental funds reported total fund balance of \$16,015,606, an increase of \$12,292,607 from the prior year's restated balance. This increase was primarily attributable to the issuance of Energy Savings Improvement Program bonds, which generated proceeds of \$16,195,519 in the Capital Projects Fund. Fund balance was also positively impacted by the cancellation of \$278,069 in payables within the General Fund. These increases were partially offset by an operating deficit of \$4,180,981, representing revenues falling short of expenditures for the year. Additional detail regarding revenues, expenditures, and changes in fund balances is presented in Exhibit B-2 of the financial statements.
- The General Fund (operating fund) reported a GAAP fund balance of \$2,140,203 at June 30, 2025, a decrease of \$2,569,597 from the prior year's restated balance of \$4,709,800. The decrease was primarily attributable to an operating deficit of \$1,347,192 and transfers of \$1,500,474 to the Special Revenue Fund to support Preschool Education Aid activities. These reductions were partially offset by the cancellation of \$278,069 in payables, which increased fund balance.

Of the total fund balance, \$2,766,709 of prior-year excess surplus was appropriated in the current year's budget, and \$2,985,891 has been assigned for use in the 2025–2026 budget. Amounts restricted at year-end include \$556,337 for Unemployment Compensation, \$2,647,173 in Capital Reserve, and \$250,000 in Maintenance Reserve. In addition, \$198,260 has been assigned to cover open purchase orders.

Due to the limitation imposed by P.L. 2007, c. 62 (S-1701) on the calculation of maximum allowable restricted fund balance, \$909,323 has been classified as excess surplus at June 30, 2025. In accordance with statutory requirements, this amount must be appropriated in a subsequent budget for tax relief or otherwise applied in compliance with applicable regulations.

- The General Fund reports an unassigned fund balance of (\$8,173,490) at June 30, 2025. This deficit is primarily the result of the GAAP requirement to defer recognition of \$12,864,474 in State Aid payments that were due at year-end but not received from the State of New Jersey until July 2025.

For fiscal year 2024–2025, total governmental fund expenditures were \$282,548,362, while total revenues were \$278,367,381, resulting in a deficiency of revenues under expenditures of \$4,180,981. Governmental funds also reported total other financing sources of \$16,473,588, consisting of \$16,195,519 in Energy Savings Improvement Program bond proceeds and \$278,069 from the cancellation of payables.

After considering other financing sources, governmental funds experienced a net increase in fund balance of \$12,292,607 for the year.

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

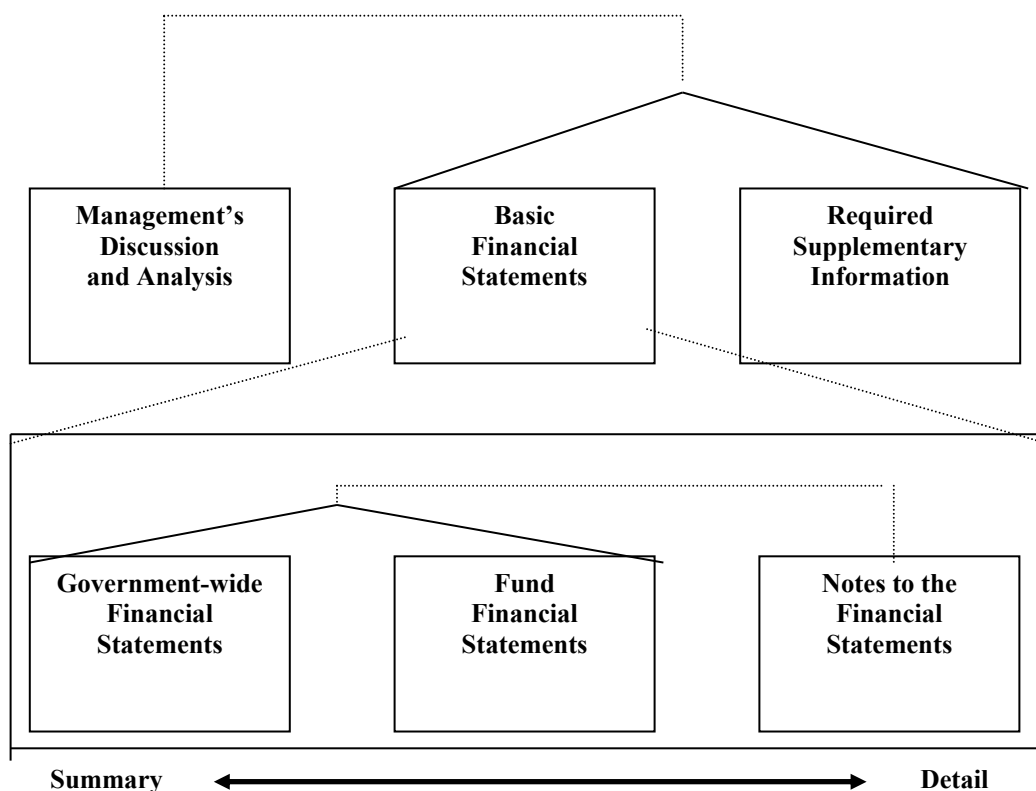


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents 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	• Statement of net position • Statement of activities	• Balance Sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of net position • Statement of revenues, expenses and changes in net position • Statement of cash flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset / liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/out-flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Statements

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

The two government-wide statements report the District's net position and how they have changed. Net position - the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources - is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider that the School District's goal is to provide services to students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the 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 reported net position of \$64,585,368 at June 30, 2025. Included in this total is an unrestricted net position deficit of (\$64,809,952). This deficit is largely attributable to the accounting requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires recognition of the District's proportionate share of the net pension liability for the Public Employees' Retirement System (PERS), as well as GASB Statement No. 101, *Compensated Absences*, which requires recognition of liabilities for certain earned but unpaid leave benefits.

Restricted net position is reported separately to reflect resources subject to legal constraints, such as debt covenants, enabling legislation, or other external requirements that limit the District's ability to use those funds for general operations.

The District's business-type activities reported net position of \$3,935,273 at June 30, 2025. Of this amount, \$3,189,342 is classified as unrestricted net position, while \$745,931 represents the District's net investment in capital assets.

The discussion that follows focuses on the net position (Figure A-3) and changes in net position (Figure A-4) of the District's governmental activities.

Figure A-3
Net Position at June 30,

	Governmental Activities		Amount	%
	2025	2024	Difference	Increase (Decrease)
ASSETS				
Current and Other Assets	\$ 23,223,918	\$ 16,262,469	\$ 6,961,449	42.81%
Capital Assets	123,391,666	125,770,115	(2,378,449)	-1.89%
Total Assets	\$ 146,615,584	\$ 142,032,584	\$ 4,583,000	3.23%
DEFERRED OUTFLOWS OF RESOURCES	\$ 8,308,518	\$ 10,127,516	\$ (1,818,998)	-17.96%
LIABILITIES				
Current and other liabilities	13,459,648	13,843,657	(384,009)	-2.77%
Long-term liabilities	73,745,484	44,171,722	29,573,762	66.95%
Total Liabilities	\$ 87,205,132	\$ 58,015,379	\$ 29,189,753	50.31%
DEFERRED INFLOWS OF RESOURCES	\$ 3,133,602	\$ 2,771,521	\$ 362,081	13.06%
NET POSITION				
Net Investment in Capital Assets	121,931,594	125,103,880	(3,172,286)	-2.54%
Restricted	7,463,726	14,559,166	(7,095,440)	-48.74%
Unrestricted (Deficit)	(64,809,952)	(48,289,846)	(16,520,106)	34.21%
Total Net Position	\$ 64,585,368	\$ 91,373,200	\$ (26,787,832)	-29.32%

The June 30, 2024 net position presented above has not been adjusted to reflect the restatements recorded in fiscal year 2025. Beginning net position was reduced by \$16,940,589 to implement GASB Statement No. 101, *Compensated Absences*. In addition, beginning net position was further reduced by \$2,985,891 to correct an error related to the understatement of unearned revenue for the Preschool Education Aid program in the Special Revenue Fund, which had resulted in an overstatement of restricted net position in the prior year.

See Note 21 to the financial statements for additional details regarding these restatements.

The results of this year's operations for the 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 slightly so you can see the District's total revenues and expenses for the year.

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

	Governmental Activities		Amount	%
	2025	2024	Difference	Increase (Decrease)
Revenues:				
Program Revenue				
Operating Grants and Contributions	\$ 28,288,325	\$ 40,376,568	\$ (12,088,243)	-29.94%
Charges for Services	483,769	16,212	467,557	2884.02%
General Revenues				
Property Taxes	74,764,141	73,298,177	1,465,964	2.00%
Federal and State Aid not Restricted	150,709,145	128,825,992	21,883,153	16.99%
Other General Revenues	1,938,374	5,838,401	(3,900,027)	-66.80%
Total Revenues	<u>\$ 256,183,754</u>	<u>\$ 248,355,350</u>	<u>\$ 7,828,404</u>	3.15%
Function/program expense:				
Instruction	148,422,152	134,224,004	14,198,148	10.58%
Support Services:				
Attendance/Social Work	787,804	747,871	39,933	5.34%
Speech, OT, PT and Related Services	7,733,479	7,054,699	678,780	9.62%
Health Services	4,527,066	3,187,898	1,339,168	42.01%
Other Support Services	35,366,380	36,131,414	(765,034)	-2.12%
Improvement of Instruction	4,219,746	3,392,156	827,590	24.40%
Other Support: Instructional Staff	52,044	332,350	(280,306)	-84.34%
School Library	6,467,524	7,700,158	(1,232,634)	-16.01%
General Administration	3,871,417	4,111,038	(239,621)	-5.83%
School Administration	12,641,548	12,258,211	383,337	3.13%
Central Services	3,492,203	3,501,259	(9,056)	-0.26%
Plant Operation and Maintenance	25,890,666	26,210,091	(319,425)	-1.22%
Student Transportation	7,620,964	7,852,788	(231,824)	-2.95%
Special Schools	1,863,746	1,150,854	712,892	61.94%
Interest on Long-Term Debt	88,367		88,367	100.00%
Total Expenses	<u>263,045,106</u>	<u>247,854,791</u>	<u>15,190,315</u>	6.13%
Change in Net Position	<u>(6,861,352)</u>	<u>500,559</u>	<u>(7,361,911)</u>	-1470.74%
Beginning of Year, Net Position, As Reported	91,373,200	90,872,641		
Change in Accounting Policy	(16,940,589)			
Prior Period Adjustment	<u>(2,985,891)</u>			
Beginning of Year, Net Position, As Restated	<u>71,446,720</u>	<u>90,872,641</u>		
End of Year, Net Position	<u>\$ 64,585,368</u>	<u>\$ 91,373,200</u>		

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

	Business Type Activities		Amount	%
	2025	2024	Difference	Increase (Decrease)
<u>Revenues:</u>				
Charges for Services	\$ 1,925,410	\$ 2,018,484	\$ (93,074)	-4.61%
Operating Grants and Contributions	6,816,471	6,662,175	154,296	2.32%
Total Revenues	\$ 8,741,881	\$ 8,680,659	\$ 61,222	0.71%
<u>Program Expenses</u>				
Food Service	\$ 7,904,137	\$ 6,104,112	\$ 1,800,025	29.49%
Community Education	2,858,975	1,591,545	1,267,430	79.64%
Total Expenses	\$ 10,763,112	\$ 7,695,657	\$ 3,067,455	39.86%
Increase/(Decrease) in Net Position	\$ (2,021,231)	\$ 985,002	\$ (3,006,233)	-305.20%

As noted earlier, the District uses funds to account for and manage resources designated for specific purposes. Analyzing these funds provides insight into how effectively the District is stewarding the resources entrusted to it and offers a clearer understanding of the District's overall financial position.

As of June 30, 2025, governmental funds reported a combined fund balance of \$16,015,606, an increase of \$12,292,607 from the prior year's restated balance. This net change reflects a decrease of \$2,569,597 in the General Fund, a decrease of \$287,063 in the Special Revenue Fund, and an increase of \$15,149,267 in the Capital Projects Fund.

The overall increase in fund balance is primarily attributable to bond proceeds of \$16,195,519 received in the Capital Projects Fund for the Energy Savings Improvement Program. These proceeds were partially offset by related capital expenditures of \$1,046,252, resulting in a net increase of \$15,149,267 in that fund.

The General Fund reported a deficiency of revenues under expenditures of \$1,347,192, reflecting unfavorable budget variances and expenditure increases that were not offset by corresponding increases in the tax levy or state aid. In addition, the District transferred \$1,500,474 to the Special Revenue Fund to support Preschool Education Aid activities. These decreases were partially offset by \$278,069 in canceled payables, resulting in a net decrease in General Fund balance of \$2,569,597 for the year.

The Special Revenue Fund reported a deficiency of revenues under expenditures of \$1,787,537, as Preschool Education Aid program expenditures exceeded related revenues. However, transfers from the General Fund totaling \$1,500,474 partially offset this deficit, resulting in a net decrease in fund balance of \$287,063 for the year.

General Fund Budgetary Highlights

Throughout the year, the District amends its budget to address unanticipated changes in revenues and expenditures. Budget transfers and revisions are approved by the Board of Education as needed.

Although the General Fund budget was originally projected to reflect approximately equal revenues and expenditures, actual results for the year resulted in a deficit. Actual revenues exceeded the final budget by \$46.145 million. This favorable variance is primarily attributable to \$44.443 million of non-budgeted, employer on-behalf TPAF pension, post-retirement medical, and social security contributions made by the State of New Jersey.

Excluding these on-behalf TPAF contributions, revenues exceeded budgeted amounts by \$1.701 million. This variance was largely driven by higher-than-anticipated Extraordinary Aid, tuition revenue from other school districts, and unrestricted miscellaneous revenues, partially offset by Medicaid reimbursements that were below budgeted expectations.

Actual expenditures exceeded the final budget by \$41.453 million, resulting in an overall unfavorable variance. While most budgeted line items reflect favorable variances, the overall variance is largely attributable to \$44.443 million in non-budgeted employer on-behalf TPAF pension, post-retirement medical, and social security contributions made by the State of New Jersey. These amounts are required to be recorded as expenditures for financial reporting purposes, even though they are not included in the District's adopted budget.

Excluding these State on-behalf TPAF contributions, actual expenditures would have been approximately \$2.990 million below the final budget, resulting in a favorable variance.

Exhibit C-1 provides a detailed comparison of the District's approved 2024–2025 budget to actual results, including variances in both revenues and expenditures. Governmental fund revenues increased in fiscal year 2024–2025 compared to 2023–2024. A reconciliation from the budgetary basis of accounting to the GAAP basis is presented immediately following the budgetary comparison schedules.

As shown in Figure A-4 (GAAP basis), the property tax levy required to support the District's budget increased by 2.00% for fiscal year 2024–2025. The District's largest source of non-tax revenue was unrestricted Federal and State aid, which totaled \$150.709 million, representing an increase of 16.99% over the prior year. This growth was primarily driven by higher General State Aid allocations from the State of New Jersey, particularly in Equalization Aid and Special Education Aid.

Figure A-5 compares governmental fund revenues and expenditures for the current and prior fiscal years.

Figure A-5
Governmental Fund Type Revenues and Expenditures

	Year Ended June 30		Increase (Decrease)	Increase (Decrease)
	2025	2024	\$	%
Revenue by Source:				
Local Tax Levy	\$ 74,764,141	\$ 73,298,177	\$ 1,465,964	2.00%
Tuition Charges	13,750	16,212	(2,462)	-15.19%
Other Local Sources	2,399,041	5,933,687	(3,534,646)	-59.57%
State Sources	190,832,674	164,653,189	26,179,485	15.90%
Federal Sources	10,357,775	23,136,770	(12,778,995)	-55.23%
Total Revenues	\$ 278,367,381	\$ 267,038,035	\$ 11,329,346	4.24%
Function/Program Expenditures:				
Current:				
Instruction	\$ 102,197,624	\$ 92,253,724	\$ 9,943,900	10.78%
Undistributed- Current				
Instruction	3,749,139	3,697,059	52,080	1.41%
Attendance/social work	506,332	477,097	29,235	6.13%
Speech, OT, PT, and Related Services	5,612,441	5,095,401	517,040	10.15%
Health Services	3,301,745	2,055,525	1,246,220	60.63%
Other Support Services	28,622,918	29,142,647	(519,729)	-1.78%
Improvement of Instruction	2,707,479	2,160,898	546,581	25.29%
Education Media Library	5,734,315	6,913,993	(1,179,678)	-17.06%
Other Support: Instructional Staff	50,442	321,477	(271,035)	-84.31%
General Administration	3,134,088	3,486,475	(352,387)	-10.11%
School Administration	8,134,706	7,843,722	290,984	3.71%
Central Services	2,367,087	2,339,188	27,899	1.19%
Administrative Information Technology		414	(414)	-100.00%
Required Maintenance of Plant Services	4,335,859	4,085,225	250,634	6.14%
Operation of Plant	14,652,333	14,408,081	244,252	1.70%
Student Transportation	6,506,500	6,774,229	(267,729)	-3.95%
Unallocated Benefits	85,073,606	79,010,422	6,063,184	7.67%
Transfer to Charter Schools	1,863,746	1,150,854	712,892	61.94%
Capital Outlay	3,998,002	9,216,146	(5,218,144)	-56.62%
Total	\$ 282,548,362	\$ 270,432,577	\$ 12,115,785	4.48%

The cost of governmental activities (see Figure A-5) totaled \$282.548 million for the year, representing an increase of 4.48% over the prior year. The primary contributors to this increase were Instruction, which rose by \$9,943,900; Unallocated Benefits, which increased by \$6,063,184; and Health Services, which increased by \$1,246,220.

The increase in Instruction costs reflects both growth in the number of teachers employed by the District and higher salary levels resulting from the recently amended Memorandum of Agreement with the Bayonne Education Association. The increase in Unallocated Benefits is largely attributable to rising health insurance costs, as well as higher State on-behalf contributions to the Teachers' Pension and Annuity Fund (TPAF) and the State Health Benefits Fund for post-retirement medical benefits, as required by State statute. These State on-behalf contributions are also reflected in the corresponding increase in State aid revenues. The increase in Health Services expenditures is primarily related to expanded use of contracted nursing services to ensure adequate medical support for students requiring additional care.

These increased costs were funded through higher property tax and State aid revenues. As reflected in the Statement of Activities (Exhibit A-2), property taxes financed \$74.764 million of governmental activities, representing a 2.00% increase over the prior year. In addition, \$190.832 million of revenues supporting governmental activities was received from the State of New Jersey. Of that amount, \$44.443 million represents State on-behalf contributions for the District's employer share of TPAF pension, retiree health benefits, and employer Social Security and Medicare contributions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2025, governmental activities reported \$123,391,666 invested in capital assets, including land, buildings, building improvements, other improvements, vehicles, furniture, and equipment. This represents a net decrease of \$2,378,449 from the prior year, after accounting for additions, disposals, and retirements.

The decrease is primarily attributable to depreciation expense exceeding capital asset additions during the current year. Figure A-6 presents the composition of capital assets at June 30 of both the current and prior year, as well as the net changes for the year.

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

	FY 2025	FY 2024	Increase (Decrease)
Land	\$ 2,596,562	\$ 2,596,562	\$ -
Construction in Progress	1,046,252	8,227,700	(7,181,448)
Buildings and Improvements	115,608,941	109,403,294	6,205,647
Machinery and Equipment	3,359,688	4,558,053	(1,198,365)
Vehicles	780,223	984,506	(204,283)
Total	\$ 123,391,666	\$ 125,770,115	\$ (2,378,449)

Long-Term Liabilities

At June 30, 2025, the District reported \$75,874,444 in long-term liabilities, compared to \$44,521,460 at June 30, 2024, representing an increase of 70.42%.

During the year, the District issued \$15,515,000 in Energy Savings Obligation Refunding Bonds. A related premium of \$680,519 was recorded in connection with the issuance, of which \$4,019 was amortized during the current year.

The District also implemented GASB Statement No. 101, *Compensated Absences*, which establishes revised recognition and measurement requirements for compensated absences. Under this standard, liabilities for certain earned but unpaid leave benefits must be recognized as the leave is earned, rather than when it is paid. As a result of implementation, the District recorded a cumulative effect adjustment of \$16,940,589 to beginning net position. In addition, compensated absences increased by \$1,963,592 during the year, as employee accruals exceeded amounts used and paid upon retirement.

Financed purchases payable totaled \$417,839 at year-end, compared to \$666,235 in the prior year, representing a decrease of 37.28%. The District did not enter into any new financed purchase agreements during the year and reduced existing obligations by \$248,396.

A summary of year-end long-term liabilities and changes for fiscal year 2024–2025 is presented below.

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

	Governmental Activities	
	2025	2024
Serial Bonds Payable	\$ 15,515,000	\$ -
Financed Purchases Payable	417,839	666,235
Compensated Absences Payable	19,917,604	1,013,423
Unamortized Premium on Bonds	676,500	
Net Pension Liability (PERS)	39,347,501	42,841,802
Total Liabilities	\$ 75,874,444	\$ 44,521,460

FACTORS AFFECTING THE DISTRICT'S FUTURE

- The District remains committed to maintaining sound fiscal management practices amid economic challenges and uncertainty in State funding.
- The Business Office, in collaboration with District and building administrators, will continue to strengthen and update internal controls to ensure compliance with revised Department of Education regulations and applicable OMB requirements. Efforts are currently underway

to develop strategic spending plans that maximize the benefit of available resources for both the current and upcoming fiscal years.

- Accountability and strong internal controls will continue to serve as the foundation for the District's financial operations.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2025.

CITY OF BAYONNE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 19,980,946	\$ 3,206,620	\$ 23,187,566
Accounts Receivable	3,242,972	298,497	3,541,469
Inventory		166,702	166,702
Capital Assets, Net	123,391,666	745,931	124,137,597
Total Assets	146,615,584	4,417,750	151,033,334
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension Deferrals	8,308,518		8,308,518
Total Deferred Outflows of Resources	8,308,518		8,308,518
<u>LIABILITIES</u>			
Accounts Payable	7,396,470		7,396,470
Accrued Interest Payable	92,386		92,386.00
Claims Payable	644,091		644,091
Unearned Revenue	1,528,664	32,841	1,561,505
Payable to Other Governments	235,031	449,636	684,667
Payroll Deductions and Withholdings Payable	1,326,548		1,326,548
Unemployment Compensation Claims Payable	107,498		107,498
Noncurrent Liabilities:			
Due Within One Year	2,128,960		2,128,960
Due Beyond One Year	34,397,983		34,397,983
Net Pension Liability	39,347,501		39,347,501
Total Liabilities	87,205,132	482,477	87,687,609
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension Deferrals	3,133,602		3,133,602
Total Deferred Inflows of Resources	3,133,602		3,133,602
<u>NET POSITION</u>			
Net Investment in Capital Assets	121,931,594	745,931	122,677,525
Restricted for:			
Excess Surplus - Current Year	909,323		909,323
Excess Surplus - Designated for			
Subsequent Year Expenditures	2,766,709		2,766,709
Capital Reserve Account	2,647,173		2,647,173
Maintenance Reserve	250,000		250,000
Unemployment Compensation	556,337		556,337
Student Activities	334,184		334,184
Unrestricted (Deficit)	(64,809,952)	3,189,342	(61,620,610)
Total Net Position	\$ 64,585,368	\$ 3,935,273	\$ 68,520,641

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, 2025**

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	\$ 148,422,152	\$ 13,750	\$ 13,365,431	\$ (135,042,971)		\$ (135,042,971)
Support Services:						
Attendance/social work	787,804			(787,804)		(787,804)
Speech, OT, PT and Related Services	7,733,479			(7,733,479)		(7,733,479)
Health Services	4,527,066			(4,527,066)		(4,527,066)
Other Support Services	35,366,380	470,019	14,919,228	(19,977,133)		(19,977,133)
Improvement of Instruction	4,219,746			(4,219,746)		(4,219,746)
Other Support: Instructional Staff	52,044			(52,044)		(52,044)
School Library	6,467,524			(6,467,524)		(6,467,524)
General Administration	3,871,417			(3,871,417)		(3,871,417)
School Administration	12,641,548			(12,641,548)		(12,641,548)
Central Services	3,492,203			(3,492,203)		(3,492,203)
Plant Operation and Maintenance	25,890,666			(25,890,666)		(25,890,666)
Student Transportation	7,620,964			(7,620,964)		(7,620,964)
Charter Schools	1,863,746			(1,863,746)		(1,863,746)
Interest on Long-Term Debt	88,367			(88,367)		(88,367)
Capital Outlay			3,666	3,666		3,666
Total Governmental Activities	263,045,106	483,769	28,288,325	(234,273,012)	-	(234,273,012)
Business-Type Activities:						
Food Service	7,904,137	799,168	5,634,358		(1,470,611)	(1,470,611)
Community Education	2,858,975	1,126,242	1,182,113		(550,620)	(550,620)
Total Business-Type Activities	10,763,112	1,925,410	6,816,471		(2,021,231)	(2,021,231)
Total Primary Government	\$ 273,808,218	\$ 2,409,179	\$ 35,104,796	(234,273,012)	(2,021,231)	(236,294,243)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				74,764,141		74,764,141
Federal and State Aid Not Restricted				150,709,145		150,709,145
Miscellaneous Income				1,938,374		1,938,374
Total General Revenues				227,411,660	-	227,411,660
Change in Net Position				(6,861,352)	(2,021,231)	(8,882,583)
Net Position—Beginning of Year, as Reported				91,373,200	5,956,504	97,329,704
Change in accounting policy				(16,940,589)		(16,940,589)
Prior period adjustment				(2,985,891)		(2,985,891)
Net Position—Beginning of Year, as Restated				71,446,720	5,956,504	77,403,224
Net Position—Ending				\$ 64,585,368	\$ 3,935,273	\$ 68,520,641

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, 2025

	Major Funds			Total
	General Fund	Special Revenue Fund	Capital Projects Fund	Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 4,171,019	\$ 660,660	\$ 15,149,267	\$ 19,980,946
Accounts Receivable:				
Federal	95,721	1,546,806		1,642,527
State	1,526,238	74,207		1,600,445
Interfund	2,813,277			2,813,277
Total Assets	\$ 8,606,255	\$ 2,281,673	\$ 15,149,267	\$ 26,037,195
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 2,950,696	\$ 415,784		\$ 3,366,480
Intergovernmental Accounts Payable:				
- State		235,031		235,031
Claims Payable	644,091			644,091
Interfund Payable		2,813,277		2,813,277
Payroll Deductions and Withholdings Payable	1,326,548			1,326,548
Unemployment Compensation Claims Payable	107,498			107,498
Unearned Revenue	1,437,219	91,445		1,528,664
Total Liabilities	<u>6,466,052</u>	<u>3,555,537</u>		<u>10,021,589</u>
Fund Balances:				
Restricted for:				
Excess Surplus - Current Year	909,323			909,323
Excess Surplus - Designated for				
Subsequent Year Expenditures	2,766,709			2,766,709
Capital Reserve Account	2,647,173			2,647,173
Maintenance Reserve	250,000			250,000
Unemployment Compensation	556,337			556,337
Student Activities		334,184		334,184
Capital Projects			\$ 15,149,267	15,149,267
Assigned to:				
Designated for Subsequent Years Expenditures	2,985,891			2,985,891
Year End Encumbrances	198,260			198,260
Unassigned (deficit)				
General Fund	(8,173,490)			(8,173,490)
Special Revenue Fund		(1,608,048)		(1,608,048)
Total Fund Balances	<u>2,140,203</u>	<u>(1,273,864)</u>	<u>15,149,267</u>	<u>16,015,606</u>
Total Liabilities, Deferred Inflows and Fund Balances	\$ 8,606,255	\$ 2,281,673	\$ 15,149,267	\$ 26,037,195

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

**CITY OF BAYONNE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

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

Total fund balances - Governmental Funds	\$ 16,015,606
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$214,862,199, and the accumulated depreciation is \$91,470,533.	123,391,666
Long-term liabilities, including energy savings obligation refunding bonds, 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.	(36,526,943)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(92,386)
The Net Pension Liability, and associated Deferred Inflows and Outflows of Resources of the District relating to its participation in the PERS system are not recognized in the funds using the current financial resources measurement focus, but are recognized in the statement of net position using the economic resources measurement focus.	
The carrying amounts of the individual components are as follows:	
Deferred Outflows of Resources - Pension Deferrals	\$ 8,308,518
Accounts Payable for Pension Expense	(4,029,990)
Net Pension Liability	(39,347,501)
Deferred Inflows of Resources - Pension Deferrals	(3,133,602)
	<u>(38,202,575)</u>
Net Position of Governmental Activities	\$ <u>64,585,368</u>

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

CITY OF BAYONNE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Major Funds			Total
	General Fund	Special Revenue Fund	Capital Projects Fund	Governmental Funds
REVENUES				
Local Tax Levy	\$ 74,764,141	\$	\$	\$ 74,764,141
Tuition-LEAs Within State	13,750			13,750
Other Local Sources	1,660,303	738,738		2,399,041
State Sources	172,724,530	18,108,144		190,832,674
Federal Sources	446,313	9,911,462		10,357,775
Total Revenues	249,609,037	28,758,344	-	278,367,381
EXPENDITURES				
Current:				
Instruction	88,832,193	13,365,431		102,197,624
Undistributed-Current:				
Instruction	3,749,139			3,749,139
Attendance/social work	506,332			506,332
Speech, OT, PT, and Related Services	5,612,441			5,612,441
Health Services	3,301,745			3,301,745
Other Support Services	11,446,134	17,176,784		28,622,918
Improvement of Instruction	2,707,479			2,707,479
Education Media Library	5,734,315			5,734,315
Other Support: Instructional Staff	50,442			50,442
General Administration	3,134,088			3,134,088
School Administration	8,134,706			8,134,706
Central Services	2,367,087			2,367,087
Required Maintenance of Plant Services	4,335,859			4,335,859
Operation of Plant	14,652,333			14,652,333
Student Transportation	6,506,500			6,506,500
Unallocated Benefits	40,629,972			40,629,972
On-behalf TPAF Social Security and Pension Contributions	44,443,634			44,443,634
Transfer to Charter Schools	1,863,746			1,863,746
Capital Outlay	2,948,084	3,666	1,046,252	3,998,002
Total Expenditures	250,956,229	30,545,881	1,046,252	282,548,362
Excess (Deficiency) of Revenues over (under) Expenditures	(1,347,192)	(1,787,537)	(1,046,252)	(4,180,981)
OTHER FINANCING SOURCES (USES)				
Bond Proceeds			16,195,519	16,195,519
Transfers	(1,500,474)	1,500,474		
Cancellations of Payables	278,069			278,069
Total Other Financing Sources and (Uses)	(1,222,405)	1,500,474	16,195,519	16,473,588
Net Change in Fund Balances	(2,569,597)	(287,063)	15,149,267	12,292,607
Fund Balance—July 1, as reported	7,695,691	(986,801)		6,708,890
Prior Period Adjustment	(2,985,891)			(2,985,891)
Fund Balance—July 1, as restated	4,709,800	(986,801)		3,722,999
Fund Balance—June 30	\$ 2,140,203	\$ (1,273,864)	\$ 15,149,267	\$ 16,015,606

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, 2025**

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$ 12,292,607
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	\$ (6,087,124)
Capital outlays	3,708,675
	(2,378,449)
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.	
	248,396
The premium received on the sale of bonds is recorded in the governmental funds as an addition to fund balance in the year of issuance, but is carried on the statement of net position and amortized in the statement of activities over the life of the bonds.	
Amortization of Bond Premium	4,019
Interest on Long Term debt is accrued in the statement of activities. In the governmental funds, interest expenditures are recorded when due. The difference between interest accrued and interest paid is as follows:	
Interest Accrued	(92,386)
Proceeds from refunding debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.	
Proceeds of Long-Term Debt -Face Value	(15,515,000)
Premium Received	(680,519)
	(16,195,519)
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.	
	1,223,572
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 (+).	
	(1,963,592)
Change in net position of governmental activities (A-2)	\$ (6,861,352)

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, 2025

	Major Enterprise Funds		
	Food Service	Community Education	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 1,037,006	\$ 2,169,614	\$ 3,206,620
Accounts Receivable:			
Federal	283,639		283,639
State	14,858		14,858
Inventories	166,702		166,702
Total Current Assets	<u>1,502,205</u>	<u>2,169,614</u>	<u>3,671,819</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	1,741,630		1,741,630
Less Accumulated Depreciation	<u>(995,699)</u>		<u>(995,699)</u>
Total Noncurrent Assets	<u>745,931</u>		<u>745,931</u>
Total Assets	<u>\$ 2,248,136</u>	<u>\$ 2,169,614</u>	<u>\$ 4,417,750</u>
LIABILITIES			
Due to Grantor	\$ 1,477	\$ 448,159	\$ 449,636
Unearned Revenues	<u>32,841</u>		<u>32,841</u>
Total liabilities	<u>34,318</u>	<u>448,159</u>	<u>482,477</u>
NET POSITION			
Investment in Capital Assets	745,931		745,931
Unrestricted	<u>1,467,887</u>	<u>1,721,455</u>	<u>3,189,342</u>
Total Net Position	<u>2,213,818</u>	<u>1,721,455</u>	<u>3,935,273</u>
Total Liabilities and Net Position	<u>\$ 2,248,136</u>	<u>\$ 2,169,614</u>	<u>\$ 4,417,750</u>

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

**CITY OF BAYONNE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

	Major Enterprise Funds		
	Food Service	Community Education	Total
<u>OPERATING REVENUES</u>			
Charges for Services:			
Program Sales	\$ 729,649		\$ 729,649
Non-Program Sales	69,519		69,519
Education Programs		\$ 645,575	645,575
Facility Rentals		480,667	480,667
Total Operating Revenues	799,168	1,126,242	1,925,410
<u>OPERATING EXPENSES</u>			
Cost of Sales:			
Program Food Costs	3,055,044		3,055,044
Non-Program Food Costs	27,004		27,004
USDA Commodities	405,902		405,902
Subtotal-Cost of Sales	3,487,950		3,487,950
Supplies and Materials	8,460	93,795	102,255
Salaries and Wages	3,892,771	2,002,643	5,895,414
Employee Benefits	386,181	385,165	771,346
Utilities		333,460	333,460
Purchased Professional Services	15,645	16,183	31,828
Other Objects		27,729	27,729
Depreciation	113,130		113,130
Total Operating Expenses	7,904,137	2,858,975	10,763,112
Operating Loss	(7,104,969)	(1,732,733)	(8,837,702)
<u>NON-OPERATING REVENUES</u>			
State Sources:			
State School Lunch Program	142,762		142,762
Breakfast After the Bell	62,671		62,671
Reduced Breakfast and Lunch State Aid	26,960		26,960
Summer Supplement for Food	10,722		10,722
Federal Sources:			
Child Care Program		1,182,113	1,182,113
Local Food for Schools	1,077		1,077
School Breakfast Program	1,425,389		1,425,389
National School Lunch Program	3,060,687		3,060,687
After School Snacks Program	134,949		134,949
Summer Sponsor Administration	29,657		29,657
Summer Food Service Program for Children	289,821		289,821
Healthy Hunger-Free Kids Act (HHFKA)	73,650		73,650
P-EBT SNAP Benefits	2,952		2,952
USDA Commodities Program	373,061		373,061
Total Non-Operating Revenues	5,634,358	1,182,113	6,816,471
Change in Net Position	(1,470,611)	(550,620)	(2,021,231)
Total Net Position - Beginning	3,684,429	2,272,075	5,956,504
Total Net Position - Ending	\$ 2,213,818	\$ 1,721,455	\$ 3,935,273

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, 2025**

	Major Enterprise Funds		
	Food Service	Community Education	Totals
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 799,168	\$ 1,126,242	\$ 1,925,410
Cash Payments for Goods & Supplies	(3,136,734)	(471,167)	(3,607,901)
Cash Payments for Employee Expenses	(4,278,952)	(2,387,808)	(6,666,760)
Net Cash Flows from Operating Activities	(6,616,518)	(1,732,733)	(8,349,251)
Cash Flows from Non-Capital Financing Activities			
State Sources	237,966		237,966
Federal Sources	5,043,376	1,182,002	6,225,378
Interfund Loan Received	245,010		245,010
Net Cash Flows from Non-Capital Financing Activities	5,526,352	1,182,002	6,708,354
Cash Flows from Capital and Related Financing Activities			
Purchase of Equipment	(61,363)		(61,363)
Net Cash Flows from Capital and Related Financing Activities	(61,363)	-	(61,363)
Net Decrease in Cash and Cash Equivalents	(1,151,529)	(550,731)	(1,702,260)
Cash and Cash Equivalents, July 1	2,188,535	2,720,345	4,908,880
Cash and Cash Equivalents, June 30	\$ 1,037,006	\$ 2,169,614	\$ 3,206,620
Reconciliation of Operating Loss to Net Cash (Used)/Provided by Operating Activities:			
Operating Loss	\$ (7,104,969)	\$ (1,732,733)	\$ (8,837,702)
Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities:			
Depreciation	113,130		113,130
USDA Commodities	405,902		405,902
Change in assets and liabilities: (Increase) in Inventory	(30,581)		(30,581)
Net Cash Flows from Operating Activities	\$ (6,616,518)	\$ (1,732,733)	\$ (8,349,251)
Noncash noncapital financing activities:			
The District received and expended \$373,061 of food commodities from the Department of Agriculture for the year ended June 30, 2025.			

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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".

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.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 government-wide 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.

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.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 New Jersey Department of Education 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.

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.

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.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2024-25 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. 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

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Compensated Absences

The liability for compensated absences represents the vacation, and sick time ("leave"/"leave days") and salary related payments which have been earned for services previously rendered by employees in accordance with the District's various collective bargaining agreements, accumulates, is allowed to be carried over to subsequent year(s) and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employees' rate of pay and the number of unused leave days accumulated as of year-end, management's assumption that the likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary-related payments that are directly and incrementally associated with payments for the leave. The District utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability for compensated absences is reflected in the government-wide financial statements as current and long-term liabilities. In the fund financial statements, only the compensated absences liability that has matured through employee resignation or retirement and is expected to be payable from expendable available financial resources is reported.

As of June 30, 2025, a liability existed for compensated absences in the government-wide financial statements in the amount of \$19,917,604 and no liability existed for compensated absences in the proprietary fund types.

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 position that applies to a future period(s) and will not be recorded as an outflow of resources (expenditure/expense) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

In addition to liabilities, the statement of net position may report a separate section for *deferred inflows of resources*. This separate financial statement element represents the acquisition of net position that applies to a future period(s) and will not be recorded as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.
- 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.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Fund Balances (continued)

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.

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 2024-2025 fiscal year in the amount of \$3,676,032. Of this amount, \$2,766,709 has been appropriated in the 2025-2026 budget and the remaining \$909,323 will be appropriated in the 2026-2027 budget.

CITY OF BAYONNE SCHOOL DISTRICT
COUNTY OF HUDSON, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. District-Wide Financial Statement Classifications (continued)

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.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Total Governmental Fund Balance (B-1)	\$ 16,015,606
<u>Adjustments to District-Wide Net Position:</u>	
Capital Assets (see Note 3)	123,391,666
Long-Term Liabilities (see Note 4)	(36,526,943)
Accrued Interest	(92,386)
Net Pension Liability	(39,347,501)
<u>Other Items not recognized in Fund Financial Statements:</u>	
Deferred Outflows of Financial Resources	8,308,518
Deferred Inflows of Financial Resources	(3,133,602)
Payment Subsequent to Measurement Date - PERS	(4,029,990)
Net Position of Governmental Activities	<u>\$ 64,585,368</u>

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

Total Net Change in Governmental Fund Balance (B-2)	\$ 12,292,607
<u>Adjustments to District-Wide Net Position:</u>	
Capital Outlays, Net of Depreciation	(2,378,449)
Proceeds from Issuance of Long-Term Debt	(16,195,519)
Repayment of Long-Term Liabilities	252,415
Increase in Value of Compensated Absences	(1,963,592)
Increase in Value of Accrued Interest	(92,386)
Net Decrease in Pension Expense	1,223,572
Change in Net Position of Governmental Activities	<u>\$ (6,861,352)</u>

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

W. Recently Issued and Adopted Accounting Principles

The District adopted GASB Statement No. 100, “*Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*”. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

During the fiscal year, the District recorded a restatement of beginning net position to correct an error identified in the prior period. The correction was accounted for in accordance with the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections*. See Note 21 for additional information regarding the nature and impact of the restatement.

The District adopted GASB Statement No. 101, “*Compensated Absences*”. 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. See Note 21.

The District adopted GASB Statement No. 102 “*Certain Risk Disclosures*”. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority. Concentrations and constraints may limit a government’s ability to acquire resources or control spending. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management has reviewed the Statement and determined it did not have an impact on the financial statements.

The GASB issued Statement No. 103 “*Financial Reporting Model Improvements*” in April 2024. This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

The GASB issued Statement No. 104 “*Disclosure of Certain Capital Assets*” in September 2024. This objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

CITY OF BAYONNE SCHOOL DISTRICT
COUNTY OF HUDSON, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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. 17:9-41 et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums. Based upon GASB criteria, the District considers cash and cash equivalents to include petty cash, change funds, demand deposits, money market accounts and short-term investments and are either any direct and general obligation of the United States of America or certificates of deposit issued by any bank, savings and bank or national banking association if qualified to serve as a depository for public funds under the provisions of the Governmental Unit Depository Protection Act.

The District had the following depository accounts. All deposits are carried at cost plus accrued interest.

<u>Depository Account</u>	<u>Bank Balance</u>
Insured—FDIC	\$ 500,000
Insured—NJGUDPA (N.J.S.A. 17:9-41)	24,199,856
Uninsured	1,984,161
Total	<u>\$ 26,684,017</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, 2025, the carrying amount of the District's deposits was \$23,187,566 and the bank balance was \$26,684,017. Of the bank balance, \$500,000 of the District's cash deposits on June 30, 2025 was covered by federal depository insurance. The New Jersey Government Unit Depository Protection Act covered the bank balance of \$24,199,856. \$1,984,161 of cash equivalents are not covered by GUDPA.

CITY OF BAYONNE SCHOOL DISTRICT
COUNTY OF HUDSON, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

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 \$64,500 on deposit with the New Jersey Cash Management Fund at June 30, 2025. 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.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3. CAPITAL ASSETS

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2025:

	<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	8,227,700	\$ 1,046,252	\$ (8,227,700)	1,046,252
Total Capital Assets not being depreciated	<u>10,824,262</u>	<u>1,046,252</u>	<u>(8,227,700)</u>	<u>3,642,814</u>
Building & Building Improvements	183,397,084	2,662,423	8,227,700	194,287,207
Machinery and Equipment	13,575,220			13,575,220
Vehicles	3,356,958			3,356,958
Totals at Historical Cost	<u>200,329,262</u>	<u>2,662,423</u>	<u>8,227,700</u>	<u>211,219,385</u>
Less Accumulated Depreciation For:				
Building & Building Improvements	73,993,790	4,684,476		78,678,266
Machinery and Equipment	9,017,167	1,198,365		10,215,532
Vehicles	2,372,452	204,283		2,576,735
Total Accumulated Depreciation	<u>85,383,409</u>	<u>6,087,124</u>		<u>91,470,533</u>
Total Capital Assets being depreciated (Net of Accumulated Depreciation)	<u>117,038,941</u>	<u>(3,424,701)</u>	<u>8,227,700</u>	<u>119,748,852</u>
Governmental Activities Capital Assets, Net	<u>\$ 125,770,115</u>	<u>\$ (2,378,449)</u>	<u>\$ -</u>	<u>\$ 123,391,666</u>

Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2025 as follows:

Instruction	\$ 3,365,696
Attendance/Social Work	16,085
Speech, OT, PT and Related Services	178,295
Health Services	104,889
Other Support Services	909,287
Improvement of Instruction	86,011
Education Media Library	182,167
Other Support: Instruction Staff	1,602
General Administration	99,563
School Administration	258,422
Central Services	75,197
Plant Operation and Maintenance	603,213
Student Transportation	206,697
Total Depreciation Expense	<u>\$ 6,087,124</u>

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3. CAPITAL ASSETS (continued)

The following schedule is a summarization of business-type activities changes in capital assets for the year ended June 30, 2025:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Business-type Activities:			
Machinery and Equipment	\$ 1,458,267	\$ 61,363	\$ 1,519,630
Vehicles	222,000		222,000
Totals at Historical Cost	1,680,267	61,363	1,741,630
Less Accumulated Depreciation for:			
Machinery and Equipment	688,169	103,930	792,099
Vehicles	194,400	9,200	203,600
Total Accumulated Depreciation	882,569	113,130	995,699
Business-type Activities Capital Assets, Net	<u>\$ 797,698</u>	<u>\$ (51,767)</u>	<u>\$ 745,931</u>

NOTE 4. LONG-TERM LIABILITIES

During the year ended June 30, 2025, the following changes occurred in governmental activities long-term liabilities:

	Balance Reported as of <u>July 1, 2024</u>	Change in Accounting Policy*	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:						
Liabilities:						
General Obligation Debt			\$ 15,515,000		\$ 15,515,000	
Financed Purchases Payable	\$ 666,235			\$ 248,396	417,839	\$ 105,050
Compensated Absences Payable	1,013,423	\$ 16,940,589	1,963,592		19,917,604	1,991,760
Unamortized Premium on Bonds			680,519	4,019	676,500	32,150
Subtotal - Liabilities	1,679,658	16,940,589	18,159,111	252,415	36,526,943	2,128,960
Net Pension Liability (PERS)	42,841,802			3,494,301	39,347,501	
Total Liabilities	<u>\$ 44,521,460</u>	<u>\$ 16,940,589</u>	<u>\$ 18,159,111</u>	<u>\$ 3,746,716</u>	<u>\$ 75,874,444</u>	<u>\$ 2,128,960</u>

The change in compensated absences is reported as a net change.

*See Note 20: Change in Accounting Principle and Restatement of Net Position

The District expects to liquidate the compensated absences, financed purchase obligations and net pension liabilities with payments made from the District's general fund and the bonds payable from the general fund.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4. LONG-TERM LIABILITIES (continued)

A. Bonds Payable - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. Bonds payable at June 30, 2025 consist of the following issues and amounts:

On May 15, 2025, the District issued \$15,515,000 in School Energy Savings Obligation Refunding Bonds. The outstanding balance of this issue at June 30, 2025 was \$15,515,000, which is payable in annual installments ranging from \$365,000 to \$1,385,000 commencing on July 15, 2027 through July 15, 2046 at interest rates ranging from 4.25% to 5.00%.

Principal and interest due on bonds outstanding as at June 30, 2025 is as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ -	\$ 489,025	\$ 489,025
2027	-	733,538	733,538
2028	840,000	712,538	1,552,538
2029	505,000	678,913	1,183,913
2030	365,000	657,163	1,022,163
2031-2035	2,320,000	2,964,188	5,284,188
2036-2040	3,525,000	2,250,063	5,775,063
2041-2045	5,280,000	1,193,969	6,473,969
2046-2047	2,680,000	119,219	2,799,219
	<u>\$ 15,515,000</u>	<u>\$ 9,798,613</u>	<u>\$ 25,313,613</u>

B. Bonds Authorized But Not Issued -- As of June 30, 2025, the District had no bonds authorized but not issued.

C. Financed Purchases Payables –

Governmental Funds

The District has financed purchases payable outstanding for office equipment-copiers with rates ranging approximately from 3.50% to 5.98%. 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, 2025:

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4. LONG-TERM LIABILITIES (continued)

Year ending June 30,	<u>Copiers</u>	<u>Total</u>
2026	\$ 127,188	\$ 127,188
2027	127,188	127,188
2028	127,188	127,188
2029	<u>84,792</u>	<u>84,792</u>
Total Minimum Lease Payments	466,356	466,356
Less: Amount Representing Interest	<u>(48,517)</u>	<u>(48,517)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 417,839</u>	<u>\$ 417,839</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 defined benefit 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 District and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer defined benefit 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 1/55th 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 1/60th 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

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5. PENSION PLANS (continued)

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 or other state pension fund or local jurisdiction's pension fund. Members are classified into one of five tiers dependent upon the date of their enrollment. Service retirement benefits of 1/55th of final average salary for each year of service credit are available to Tiers 1 and 2 members upon reaching the age of 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit are available to Tier 4 members upon reaching the age of 62 and Tier 5 members upon reaching the age of 65. Early retirement benefits are available to Tiers 1 and 2 members with 25 years or more of service credit before reaching age 60, Tiers 3 and 4 members with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to 60 if they have at least 25 years of service.

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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' pensionable 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.

CITY OF BAYONNE SCHOOL DISTRICT
COUNTY OF HUDSON, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5. PENSION PLANS (continued)

During the year ended June 30, 2025, the State of New Jersey contributed \$37,537,751 to the TPAF for on-behalf 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 \$6,905,883 during the year ended June 30, 2025 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, 2025, 2024, and 2023 were \$3,940,340, \$3,953,176, and \$3,560,014, respectively.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Public Employees' Retirement System (PERS)

At June 30, 2025, the District reported a liability of \$39,347,501 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2023, which was rolled forward to June 30, 2024. 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, 2024, the District's proportion was 0.2895743897 percent, which was a decrease of .0062050621 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized full accrual pension expense of \$2,716,726 in the government-wide financial statements. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5. PENSION PLANS (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 48,882	\$ 447,684
Net difference between projected and actual experience	788,203	104,754
Net difference between projected and actual earnings on plan investments		1,824,436
Changes in proportion	3,441,443	756,728
District contributions subsequent to the measurement date	<u>4,029,990</u>	
Total	<u><u>\$ 8,308,518</u></u>	<u><u>\$ 3,133,602</u></u>

\$4,029,990 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,	
2026	\$ 207,782
2027	2,075,508
2028	(520,380)
2029	(616,154)
2030	<u>(1,830)</u>
	<u><u>\$ 1,144,926</u></u>

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5. PENSION PLANS (continued)

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, 2022 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 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, 2024) 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 PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5. PENSION PLANS (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	<u>100.00%</u>	

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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 non-employer 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.

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, 2024, 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:

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5. PENSION PLANS (continued)

	At 1% Decrease (<u>6.00%</u>)	At current discount rate (<u>7.00%</u>)	At 1% Increase (<u>8.00%</u>)
District's proportionate share of the net pension liability	\$ 52,283,154	\$ 39,347,501	\$ 28,339,331

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, 2024 are as follows:

Deferred outflows of resources	\$ 1,079,580,780
Deferred inflows of resources	\$ 1,611,322,898
Net pension liability	\$ 13,702,423,985
 District's Proportion	 0.2895743897%

Collective pension expense for the Local Group for the measurement period ended June 30, 2024 is \$372,160,096.

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, 2024, 2023, 2022, 2021, 2020, and 2019 is 5.08, 5.08, 5.04, 5.13, 5.16, and 5.21 years, respectively.

Special Funding Situation

A special funding situation exists for certain Local employers of the PERS. The State of New Jersey, a non-employer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The June 30, 2024 State special funding situation net pension liability amount of \$114.4 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2024, there was no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5. PENSION PLANS (continued)

The State special funding situation pension expense of \$53.7 million, for the fiscal year ending June 30, 2024, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2024. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The District's expense related to the special funding situation is \$126,857.

Teacher's Pension 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 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, 2024 was \$324,365,475. The District's proportionate share was \$0. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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, 2024, the State's proportionate share of the TPAF net pension liability associated with the District was 0.6562767333 percent, which was an increase of 0.0315797722 percent from its proportion measured as of June 30, 2023. For the year ended June 30, 2025, the District recognized on-behalf pension benefit and revenue in the government-wide financial statements of (\$1,183,236) for contributions incurred by the State.

Actuarial assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5. PENSION PLANS (continued)

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.

The actuarial assumptions used in the July 1, 2023 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, 2024) 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, 2024 are summarized in the following table:

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5. PENSION PLANS (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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 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 determining the total pension liability.

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, 2024 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:

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5. PENSION PLANS (continued)

	At 1% Decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
State's proportionate share of the District's net pension liability	\$ 385,554,286	\$ 324,365,475	\$ 272,832,929

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, 2024 are as follows:

Collective Deferred Outflows of Resources	\$ 1,176,934,477
Collective Deferred Inflows of Resources	10,530,833,639
State's Total Non-employer Net Pension Liability	49,425,106,602
 District's Proportion	 0.6562767333%

Collective pension expense of the Local Group for the plan for the measurement period ended June 30, 2024 is \$148,167,647.

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, 2024, 2023, 2022, 2021, 2020, and 2019 is 7.84, 7.93, 7.83, 7.93, 8.04, and 8.29 years, respectively.

NOTE 6. POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan:

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan is administered on a "pay-as-you-go" basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

CITY OF BAYONNE SCHOOL DISTRICT
COUNTY OF HUDSON, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6. POST-EMPLOYMENT BENEFITS (continued)

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. Accordingly, 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 or more years 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) and the Public Employees' Retirement System (PERS). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for post medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage 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 2024 total OPEB liability of \$59,650,630,530 for this special funding situation. The State's contributions to the SHBP for post-retirement benefits on behalf of the District for the years ended June 30, 2025, 2024, and 2023 were \$8,484,721, \$7,698,163, and \$6,801,845, 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 nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Employees covered by benefit terms

The following employees were covered by the benefit terms:

Local Education	June 30, 2024
Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	153,556
Total Plan Members	372,741

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6. POST-EMPLOYMENT BENEFITS (continued)

Actuarial assumptions and other inputs

The total non-employer OPEB liability of \$59,650,630,530 as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024 and included in the June 30, 2024 audited financial statements of the State Health Benefit Local Education Retired Employees Plan. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:	2.75 - 5.65%	2.75 - 6.55%
	based on years of service	based on years of service

Mortality Rates

Preretirement mortality rates were based on the Pub-2010 Healthy "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.

Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the TPAF and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. 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.

CITY OF BAYONNE SCHOOL DISTRICT
COUNTY OF HUDSON, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6. POST-EMPLOYMENT BENEFITS (continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Changes in Total Non-employer OPEB Liability

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2024:

Balance at June 30, 2023	\$ 287,316,818
Changes during the Current Year:	
Service Cost	14,983,264
Interest on the Total OPEB Liability	10,883,488
Differences Between Expected and Actual Experience	736,283
Changes in Assumptions	24,735,367
Gross Benefit Payments	(8,311,896)
Employee Contributions	<u>284,608</u>
Net Changes	43,311,114
Balance at June 30, 2024	<u><u>\$ 330,627,932</u></u>

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6. POST-EMPLOYMENT BENEFITS (continued)

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, 2024 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 (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	At 1% decrease (2.93%)	At discount rate (3.93%)	At 1% increase (4.93%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 387,236,118	\$ 330,627,932	\$ 285,103,201

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2024 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:

	1% decrease	Healthcare cost trend rate	1% increase
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 275,415,474	\$ 330,627,932	\$ 402,545,802

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

For the year ended June 30, 2024, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$16,243,553 for OPEB expenses incurred by the State. Collective balances of the Local Education Group at June 30, 2024 are as follows:

Deferred Outflows of Resources	\$18,640,445,786
Deferred Inflows of Resources	25,058,850,175
Collective OPEB Expense	1,999,742,665
District's Proportion	0.554273994%

CITY OF BAYONNE SCHOOL DISTRICT
COUNTY OF HUDSON, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6. POST-EMPLOYMENT BENEFITS (continued)

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

NOTE 7. 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, 2025, the Board has incurred cost totaling \$7,920,015 for prescription benefits for all employees.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

NOTE 8. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2025:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,813,277	
Special Revenue Fund		\$ 2,813,277
Total	<u>\$ 2,813,277</u>	<u>\$ 2,813,277</u>

The interfund payable in the Special Revenue Fund consists of \$2,813,277 of deficit cash balances related to grant expenditures that have yet to be reimbursed to the District from the federal and state government as of June 30, 2025. All interfunds are expected to be liquidated during the next fiscal year.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9. INVENTORY

Inventory in the Food Service Fund at June 30, 2025 consisted of the following:

Food	\$	156,870
Supplies		9,832
Total Inventory	\$	<u>166,702</u>

NOTE 10. FUND BALANCES

General Fund - Of the \$2,140,203 of fund balance in the General Fund, \$2,647,173 has been restricted in the capital reserve account, \$556,337 has been restricted for the unemployment reserve account, \$250,000 has been restricted in the maintenance reserve account, \$909,323 is restricted for current year excess surplus, \$2,766,709 is restricted for prior year excess surplus, \$2,985,891 is designated for subsequent year expenditures, \$198,260 is assigned as year end encumbrances, and \$(8,173,490) is unassigned.

Special Revenue Fund – Of the \$(1,273,864) of fund balance in the Special Revenue Fund, \$334,184 has been restricted for student activities and \$(1,608,048) is unassigned.

Capital Projects Fund – At June 30, 2025, the Capital Projects Fund reported a fund balance of \$15,149,267, all of which are restricted to funding authorized capital project costs.

NOTE 11. DEFICIT FUND BALANCES

The District has a deficit unassigned fund balance of \$8,173,490 in the General Fund and \$1,608,048 in the Special Revenue Fund at June 30, 2025 that was reported in the governmental fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. Similarly, Extraordinary Special Education Aid is both received by the District and budgeted by the State in the fiscal period subsequent to the year that budget revenue must be recorded. The bill provides legal authority for school districts to recognize these revenues in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the District is not recording the last state aid payments on the GAAP financial statements until the year the State records the payable, it is possible that a positive fund balance could be reported on a mandated budgetary basis while a deficit is reported on a GAAP basis based upon non-recognition of revenue on the GAAP basis for the final state aid payment and any Extraordinary Special Education Aid awards.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12. 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, 2025 in the amount of \$909,323. This amount will be utilized as tax relief in the 2026-2027 school budget. An additional \$2,766,709 of excess surplus designated for subsequent year's expenditures will be used in the 2025-2026 school budget.

NOTE 13. 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.

NOTE 14. 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 15. PENDING LITIGATION AND CONTINGENT LIABILITIES

PENDING LITIGATION - At June 30, 2025, 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.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 15. PENDING LITIGATION AND CONTINGENT LIABILITIES (continued)

CONTINGENT LIABILITIES - The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government.

NOTE 16. TRANSFERS – RECONCILIATION

The following presents a reconciliation of transfers during the 2025 fiscal year:

<u>Fund</u>	<u>In</u>	<u>Out</u>
General Fund		\$ 1,500,474
Special Revenue Fund	\$ 1,500,474	
Total	<u>\$ 1,500,474</u>	<u>\$ 1,500,474</u>

During the year, the District recorded interfund transfers from the General Fund to the Special Revenue Fund to provide cash necessary to support Preschool Education Aid Expenditures incurred in accordance with program requirements.

NOTE 17. 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, 2025 and there was no activity in the capital reserve account during the fiscal year.

NOTE 18. 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, 2025 and there was no activity in the maintenance reserve account during the fiscal year.

CITY OF BAYONNE SCHOOL DISTRICT
COUNTY OF HUDSON, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 19. NET POSITION – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets, Governmental Activities, 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. The net investment in capital assets of \$121,931,594 indicated as part of the Governmental Activities net position is calculated as follows:

Capital assets, net of depreciation	\$ 123,391,666
Unexpended Bond Proceeds	15,149,267
Bonds Payable	(15,515,000)
Unamortized Premium on Bonds	(676,500)
Financed purchases payable	(417,839)
Total net investment in capital assets	<u>\$ 121,931,594</u>

NOTE 20. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

Effective for the year ended June 30, 2025, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*. GASB 101 establishes updated recognition and measurement guidance for compensated absences by requiring governments to recognize a liability for leave benefits as they are earned, to the extent the leave is attributable to services already rendered and is more likely than not to be used or otherwise paid. This represents a change from prior guidance under which certain compensated absences were recognized when paid or when due.

In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, the District adopted the provisions of GASB Statement No. 101, *Compensated Absences*, effective July 1, 2024. As required by GASB 100, the adoption has been applied retroactively by restating beginning net position of governmental activities as of July 1, 2024 (June 30, 2024 balance) to recognize the cumulative effect of the change in accounting principle. The implementation resulted in a decrease to beginning net position of \$16,940,589 to record the compensated absences liability in accordance with GASB Statement No. 101.

NOTE 21. CORRECTION OF AN ERROR AND RESTATEMENT OF NET POSITION

During the fiscal year ended June 30, 2025, errors were identified in the previously issued financial statements. In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, these errors have been corrected by restating beginning net position as of July 1, 2024.

As a result of errors identified in the prior year related to the application of cash receipts and the recognition of unearned revenue, certain amounts were recognized in the incorrect reporting period. Specifically, unearned revenue was understated, which resulted in an overstatement of revenue and fund balance in the prior year. In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, these errors have been corrected through a restatement of beginning net position and fund balance as of July 1, 2024. The effects of the restatement are as follows:

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

**NOTE 21. CORRECTION OF AN ERROR AND RESTATEMENT OF NET POSITION
(continued)**

	<u>June 30, 2024 As Reported</u>	<u>Restatement Amount</u>	<u>June 30, 2024 As Restated</u>
<u>District-wide Financial Statements:</u>			
<u>Governmental Activities:</u>			
Liabilities:			
Unearned Revenue	\$ 1,451,150	\$ 2,985,891	\$ 4,437,041
Total Liabilities	<u>\$ 58,015,379</u>	<u>\$ 2,985,891</u>	<u>\$ 61,001,270</u>
Net Position:			
Restricted for Excess Surplus- Current Year	\$ 5,752,600	\$ (2,985,891)	\$ 2,766,709
Total Net Position	<u>\$ 91,373,200</u>	<u>\$ (2,985,891)</u>	<u>\$ 88,387,309</u>
<u>Governmental Funds Financial Statements:</u>			
<u>General Fund:</u>			
Assets:			
Cash and Cash Equivalents	\$ 9,502,700	\$ (2,985,891)	\$ 6,516,809
Total Assets	<u>\$ 13,711,838</u>	<u>\$ (2,985,891)</u>	<u>\$ 10,725,947</u>
Fund Balances:			
Restricted for Excess Surplus- Current Year	\$ 5,752,600	\$ (2,985,891)	\$ 2,766,709
Total Fund Balances	<u>\$ 7,695,691</u>	<u>\$ (2,985,891)</u>	<u>\$ 4,709,800</u>
<u>Special Revenue Fund:</u>			
Assets:			
Cash and Cash Equivalents	\$ 408,335	\$ 2,985,891	\$ 3,394,226
Total Assets	<u>\$ 5,895,550</u>	<u>\$ 2,985,891</u>	<u>\$ 8,881,441</u>
Liabilities:			
Unearned Revenue	\$ 13,931	\$ 2,985,891	\$ 2,999,822
Total Liabilities	<u>\$ 6,882,351</u>	<u>\$ 2,985,891</u>	<u>\$ 9,868,242</u>

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 22. SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions from June 30, 2025 through March 6, 2026, 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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
District's Proportion of the Net Pension Liability	0.2112561%	0.2250583%	0.2205595%	0.2290078%	0.2458923%	0.2538651%	0.2595777%	0.2823060%	0.2957795%	0.2895744%
District's Proportionate Share of the Net Pension Liability	\$47,422,764	\$66,655,820	\$51,342,721	\$45,090,500	\$44,306,066	\$41,398,757	\$30,750,875	\$42,603,859	\$42,841,802	\$39,347,501
District's Covered-Employee Payroll	\$15,122,699	\$15,172,232	\$15,634,992	\$16,878,549	\$17,790,316	\$19,816,002	\$21,893,808	\$22,546,371	\$24,210,754	\$25,039,157
District's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	313.59%	439.33%	328.38%	267.15%	249.05%	208.92%	140.45%	188.96%	176.95%	157.14%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%	68.22%

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

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually Required Contribution	\$ 1,816,236	\$ 2,013,206	\$ 2,078,720	\$ 2,291,309	\$ 2,407,105	\$ 2,777,158	\$ 3,039,957	\$ 3,560,014	\$ 3,953,176	\$ 3,940,340
Contribution in Relation to Contractually Required Contribution	<u>(1,816,236)</u>	<u>(2,013,206)</u>	<u>(2,078,720)</u>	<u>(2,291,309)</u>	<u>(2,407,105)</u>	<u>(2,777,158)</u>	<u>(3,039,957)</u>	<u>(3,560,014)</u>	<u>(3,953,176)</u>	<u>(3,940,340)</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 15,172,232	\$ 15,634,992	\$ 16,878,549	\$ 17,790,316	\$ 19,007,992	\$ 19,816,002	\$ 21,893,808	\$ 22,546,371	\$ 24,210,754	\$ 25,039,157
Contributions as a Percentage of Covered Employee Payroll	11.97%	12.88%	12.32%	12.88%	12.66%	14.01%	13.89%	15.79%	16.33%	15.74%

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

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
State's Proportion of the Net Pension Liability (asset) associated with the District-Local Group	0.5625895%	0.5380858%	0.6005273%	0.5593333%	0.5997827%	0.5541447%	0.5710299%	0.5996546%	0.6246970%	0.6562767%
District's Proportionate Share of the Net Pension Liability	-	-	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability (asset) associated with the District	\$355,580,617	\$423,292,585	\$404,897,178	\$377,122,661	\$368,092,317	\$364,897,642	\$274,523,723	\$309,388,280	\$318,799,536	\$324,365,475
Total Proportionate Share of the Net Pension Liability (asset) associated with the District	<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>	<u>\$318,799,536</u>	<u>\$324,365,475</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%	37.99%

* 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, 2025**

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, 2024, dated June 11, 2025. This information pertains to the RSI schedules of changes in net pension liability contained in that report.

PERS

Changes in benefit terms:

There were none

Changes in assumptions:

The discount rate has not changed from 7.00% as of June 30, 2023 and remains at 7.00% as of June 30, 2024.

TPAF

Changes in benefit terms:

There were none

Changes in assumptions:

The discount rate has not changed from 7.00% as of June 30, 2023 and remains at 7.00% as of June 30, 2024.

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	Year Ended June 30, 2024	Year Ended June 30, 2025
State's Proportion of the OPEB Liability Associated with the District	0.5256019%	0.5220542%	0.5296619%	0.5341684%	0.5350997%	0.5431592%	0.5487159%	0.5542740%
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	\$ 287,316,818	\$ 330,627,932
District's Covered Employee Payroll	\$ 76,313,001	\$ 80,035,538	\$ 85,400,048	\$ 89,835,234	\$ 98,005,771	\$ 104,062,102	\$ 110,936,672	\$ 119,887,599
Total OPEB Liability as a Percentage of Covered Employee Payroll	369.44%	300.77%	258.81%	403.20%	327.63%	264.35%	258.99%	275.78%

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, 2025

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 2024, the discount rate changed to 3.93% from 3.65% in 2023. For pre-Medicare PPO and HMO medical benefits, the initial trend rate changed to 7.50% from 6.50%. For prescription drug benefits, the initial trend rate changed to 12.25% from 12.50%. Demographic assumptions remained unchanged and are consistent with the assumptions used in the pension plan valuations.

Required Supplementary Information – Part III
Budgetary Comparison Schedules

CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 74,764,141	\$ -	\$ 74,764,141	\$ 74,764,141	\$ -
Tuition-LEAs Within State				13,750	13,750
Miscellaneous	500,000		500,000	1,660,303	1,160,303
Total - Local Sources	75,264,141	-	75,264,141	76,438,194	1,174,053
State Sources:					
Categorical Transportation Aid	569,721		569,721	569,721	
Special Education Categorical Aid	11,623,441		11,623,441	11,623,441	
Equalization Aid	112,373,923		112,373,923	112,373,923	
Security Aid	4,541,031		4,541,031	4,541,031	
Extraordinary Aid	650,000		650,000	1,180,723	530,723
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)				29,037,294	29,037,294
TPAF - Post Retirement Medical (On-Behalf - Non-Budgeted)				8,484,721	8,484,721
TPAF Non-Contributory Insurance Contribution (On-behalf-Non-Budgeted)				15,736	15,736
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				6,905,883	6,905,883
Total State Sources	129,758,116	-	129,758,116	174,732,473	44,974,357
Federal Sources:					
Medicaid Reimbursement	449,147		449,147	446,313	(2,834)
Total - Federal Sources	449,147	-	449,147	446,313	(2,834)
Total Revenues	205,471,404	-	205,471,404	251,616,980	46,145,576

**CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 2,489,489	\$ (212,539)	\$ 2,276,950	\$ 2,276,950	\$ -
Grades 1-5 - Salaries of Teachers	14,919,318	(1,161,506)	13,757,812	13,693,418	64,394
Grades 6-8 - Salaries of Teachers	15,927,115	(249,984)	15,677,131	15,635,467	41,664
Grades 9-12 - Salaries of Teachers	14,557,894	448,970	15,006,864	15,006,864	
Regular Programs - Home Instruction:					
Salaries of Teachers	300,000	80,574	380,574	380,574	
Purchased Professional-Educational Services	200,000	196,085	396,085	366,264	29,821
General Supplies	1,000	(90)	910	143	767
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	1,360,108	(262,622)	1,097,486	1,097,486	
Unused Vacation Pay to Retired/Terminated Staff	125,000	127,213	252,213	151,328	100,885
Purchased Professional-Educational Services	8,495,830	2,261,505	10,757,335	10,614,802	142,533
Other Purchased Services (400-500 series)	245,569	(245,569)			
General Supplies	1,027,500	(285,308)	742,192	661,017	81,175
Textbooks	1,250,000	362,126	1,612,126	1,611,996	130
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>60,898,823</u>	<u>1,058,855</u>	<u>61,957,678</u>	<u>61,496,309</u>	<u>461,369</u>
Learning and/or Language Disabilities:					
Salaries of Teachers	2,769,467	66,089	2,835,556	2,831,758	3,798
Other Salaries for Instruction	1,166,264	(68,478)	1,097,786	1,097,786	
Total Learning and/or Language Disabilities	<u>3,935,731</u>	<u>(2,389)</u>	<u>3,933,342</u>	<u>3,929,544</u>	<u>3,798</u>

CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Emotional Regulation Impairment:					
Salaries of Teachers	\$ 501,750	\$ (118,796)	\$ 382,954	\$ 382,954	\$ -
Other Salaries for Instruction	436,176	(115,993)	320,183	320,183	
Total Emotional Regulation Impairment	<u>937,926</u>	<u>(234,789)</u>	<u>703,137</u>	<u>703,137</u>	<u>-</u>
Multiple Disabilities:					
Salaries of Teachers	804,299	(147,716)	656,583	656,583	
Other Salaries for Instruction	1,088,360	(87,390)	1,000,970	1,000,177	793
General Supplies	12,500	11,402	23,902	22,143	1,759
Total Multiple Disabilities	<u>1,905,159</u>	<u>(223,704)</u>	<u>1,681,455</u>	<u>1,678,903</u>	<u>2,552</u>
Resource Room/Resource Center:					
Salaries of Teachers	9,837,927	(768,068)	9,069,859	9,066,073	3,786
Other Salaries for Instruction	1,508,086	(70,837)	1,437,249	1,437,249	
General Supplies	13,500	1,050	14,550	10,257	4,293
Total Resource Room/Resource Center	<u>11,359,513</u>	<u>(837,855)</u>	<u>10,521,658</u>	<u>10,513,579</u>	<u>8,079</u>
Autism:					
Salaries of Teachers	1,254,939	(321,984)	932,955	932,955	
Other Salaries for Instruction	872,352	(125,855)	746,497	746,497	
General Supplies	10,000	2,750	12,750	10,347	2,403
Total Autism	<u>2,137,291</u>	<u>(445,089)</u>	<u>1,692,202</u>	<u>1,689,799</u>	<u>2,403</u>

**CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2025**

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	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Full-Time:					
Other Salaries for Instruction	\$ 82,056	\$ (29,856)	\$ 52,200	\$ 52,200	\$ -
Total Preschool Disabilities - Full-Time	<u>82,056</u>	<u>(29,856)</u>	<u>52,200</u>	<u>52,200</u>	<u>-</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>20,357,676</u>	<u>(1,773,682)</u>	<u>18,583,994</u>	<u>18,567,162</u>	<u>16,832</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	703,293	214,717	918,010	918,010	-
Total Basic Skills/Remedial - Instruction	<u>703,293</u>	<u>214,717</u>	<u>918,010</u>	<u>918,010</u>	<u>-</u>
Bilingual Education - Instruction					
Salaries of Teachers	3,201,036	(113,158)	3,087,878	3,087,580	298
Other Salaries for Instruction	337,272	26,649	363,921	363,921	-
Other Objects	3,000	1,000	4,000	3,711	289
Total Bilingual Education - Instruction	<u>3,541,308</u>	<u>(85,509)</u>	<u>3,455,799</u>	<u>3,455,212</u>	<u>587</u>
Vocational Programs - Local - Instruction					
Salaries of Teachers	516,494	73,200	589,694	589,694	-
General Supplies	49,000	(9,000)	40,000	28,091	11,909
Total Vocational Programs - Local - Instruction	<u>565,494</u>	<u>64,200</u>	<u>629,694</u>	<u>617,785</u>	<u>11,909</u>
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	325,695	590,605	916,300	916,300	-
Purchased Services (300-500 series)	40,000	6,399	46,399	46,039	360
Total School-Spon. Cocurricular Actvts. - Inst.	<u>365,695</u>	<u>597,004</u>	<u>962,699</u>	<u>962,339</u>	<u>360</u>
School-Spon. Cocurricular Athletics - Inst.					
Salaries	746,486	161,015	907,501	907,501	-
Purchased Services (300-500 series)	495,000	50,706	545,706	521,479	24,227
Supplies and Materials	500,000	35,956	535,956	534,325	1,631
Total School-Spon. Cocurricular Athletics - Inst.	<u>1,741,486</u>	<u>247,677</u>	<u>1,989,163</u>	<u>1,963,305</u>	<u>25,858</u>
Summer School - Instruction					
Salaries of Teachers	140,000	(36,988)	103,012	102,941	71
Total Summer School - Instruction	<u>140,000</u>	<u>(36,988)</u>	<u>103,012</u>	<u>102,941</u>	<u>71</u>

CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Alternative Education Program - Instruction					
Salaries of Teachers	\$ 475,000	\$ 266,270	\$ 741,270	\$ 741,270	\$ -
General Supplies	3,000	4,998	7,998	7,860	138
Total Alternative Education Program - Instruction	<u>478,000</u>	<u>271,268</u>	<u>749,268</u>	<u>749,130</u>	<u>138</u>
TOTAL INSTRUCTION AND AT-RISK PROGRAMS	<u>88,791,775</u>	<u>557,542</u>	<u>89,349,317</u>	<u>88,832,193</u>	<u>517,124</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	251,828	(185,001)	66,827	66,826	1
Tuition to CSSDs & Reg. Day Schools	890,321	(136,268)	754,053	736,995	17,058
Tuition to Pvt. Schools for the Disabled/Other LEA - Within State	3,290,442	(625,000)	2,665,442	2,664,687	755
Tuition - State Facilities	55,397	-	55,397	55,397	
Tuition - Other	70,000	155,234	225,234	225,234	
Total Undistributed Expenditures - Instruction:	<u>4,557,988</u>	<u>(791,035)</u>	<u>3,766,953</u>	<u>3,749,139</u>	<u>17,814</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	539,463	(35,676)	503,787	503,787	
Supplies and Materials	2,000	1,050	3,050	2,545	505
Total Undistributed Expend. - Attend. & Social Work	<u>541,463</u>	<u>(34,626)</u>	<u>506,837</u>	<u>506,332</u>	<u>505</u>
Undist. Expend. - Health Services					
Salaries	2,459,159	(332,229)	2,126,930	2,126,929	1
Purchased Professional and Technical Services	41,500	1,092,094	1,133,594	1,132,124	1,470
Other Purchased Services (400-500 series)	2,000	9,850	11,850	11,791	59
Supplies and Materials	42,350	(10,746)	31,604	30,901	703
Total Undistributed Expenditures - Health Services	<u>2,545,009</u>	<u>758,969</u>	<u>3,303,978</u>	<u>3,301,745</u>	<u>2,233</u>

**CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2025**

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	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Speech/Occupational Therapy, Physical Therapy & Related Serv.					
Salaries	\$ 3,957,997	\$ (270,064)	\$ 3,687,933	\$ 3,687,933	\$ -
Purchased Professional - Educational Services	2,050,000	(133,006)	1,916,994	1,916,556	438
Supplies and Materials	8,000		8,000	7,029	971
Other Objects	1,000		1,000	923	77
Total Undist. Expend. - Speech/OT, PT & Related Serv.	6,016,997	(403,070)	5,613,927	5,612,441	1,486
Other Support Services - Students - Extraordinary					
Salaries	1,472,500	(736,750)	735,750	735,750	-
Total Support Services - Students - Extraordinary	1,472,500	(736,750)	735,750	735,750	-
Undist. Expend. - Guidance Services					
Salaries of Other Professional Staff	4,532,593	282,858	4,815,451	4,815,451	
Salaries of Secretarial and Clerical Assistants	271,590	168,364	439,954	439,954	
Supplies and Materials	67,200	(39,800)	27,400	26,704	696
Total Undist. Expend. - Guidance Services	4,871,383	411,422	5,282,805	5,282,109	696
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	4,975,139	(619,261)	4,355,878	4,355,878	
Salaries of Secretarial and Clerical Assistants	736,620	(8,570)	728,050	728,050	
Purchased Professional - Educational Services	1,130,000	(822,389)	307,611	263,468	44,143
Supplies and Materials	50,000	32,170	82,170	80,239	1,931
Other Objects	1,000	-	1,000	640	360
Total Undist. Expend. - Child Study Teams	6,892,759	(1,418,050)	5,474,709	5,428,275	46,434
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	1,730,507	520,457	2,250,964	2,250,860	104
Salaries of Other Professional Staff	105,000	(49,033)	55,967	55,967	
Salaries of Secr and Clerical Assist.	520,209	(119,557)	400,652	400,652	
Total Undist. Expend. - Improvement of Inst. Serv.	2,355,716	351,867	2,707,583	2,707,479	104
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	1,457,687	(411,638)	1,046,049	1,046,049	
Purchased Professional and Technical Services	1,058,147	1,049,103	2,107,250	2,106,868	382
Other Purchased Services (400-500 series)	1,743,899	819,793	2,563,692	2,561,091	2,601
Supplies and Materials	20,000	1,000	21,000	20,307	693
Total Undist. Expend. - Edu. Media Serv./Sch. Library	4,279,733	1,458,258	5,737,991	5,734,315	3,676

**CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2025**

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	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Service	\$ 193,295	\$ (153,607)	\$ 39,688	\$ 38,726	\$ 962
Other Purchased Services (400-500 series)	90,000	(71,549)	18,451	5,431	13,020
Other Objects	3,000	3,300	6,300	6,285	15
Total Undist. Expend. - Instructional Staff Training Serv.	<u>286,295</u>	<u>(221,856)</u>	<u>64,439</u>	<u>50,442</u>	<u>13,997</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	895,519	315,261	1,210,780	1,210,679	101
Unused Vacation Pay to Terminated/Retired Staff	150,000	(138,852)	11,148	11,148	
Legal Services	350,000	(62,425)	287,575	268,822	18,753
Audit Fees	95,500	30,000	125,500	120,000	5,500
Other Purchased Professional Services	450,000	(377,586)	72,414	67,977	4,437
Communications/Telephone	719,127	154,038	873,165	872,843	322
BOE Other Purchased Services	5,000		5,000	2,150	2,850
Miscellaneous Purchased Services (400-500 series other than 530/585)	225,789	262,766	488,555	478,225	10,330
General Supplies	40,000	(3,723)	36,277	33,691	2,586
BOE Membership Dues and Fees	50,000	18,900	68,900	68,553	347
Total Undist. Expend. - Supp. Serv. - General Admin.	<u>2,980,935</u>	<u>198,379</u>	<u>3,179,314</u>	<u>3,134,088</u>	<u>45,226</u>
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals/Program Directors	5,802,715	(24,895)	5,777,820	5,774,889	2,931
Salaries of Secretarial and Clerical Assistants	2,230,392	71,226	2,301,618	2,289,936	11,682
Supplies and Materials	78,000	(1,759)	76,241	69,881	6,360
Total Undist. Expend. - Support Serv. - School Admin.	<u>8,111,107</u>	<u>44,572</u>	<u>8,155,679</u>	<u>8,134,706</u>	<u>20,973</u>
Undistributed Expenditures - Central Services					
Salaries	2,098,435	(85,010)	2,013,425	1,993,073	20,352
Misc. Purch. Services (400-500 Series)	309,418	81,033	390,451	367,911	22,540
Supplies and Materials	15,500	(4,050)	11,450	6,103	5,347
Total Undistributed Expenditures - Central Services	<u>2,423,353</u>	<u>(8,027)</u>	<u>2,415,326</u>	<u>2,367,087</u>	<u>48,239</u>

**CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2025**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. -Required Maintenance for School Facilities					
Salaries	\$ 4,567,531	\$ (176,755)	\$ 4,390,776	\$ 4,320,680	\$ 70,096
General Supplies	15,000	250	15,250	15,179	71
Total Undist. Expend. -Required Maintenance for School Facilities	4,582,531	(176,505)	4,406,026	4,335,859	70,167
Undist. Expend. - Custodial Services					
Salaries	5,136,915	15,744	5,152,659	5,131,414	21,245
Cleaning, Repair and Maintenance Services	5,750,000	(1,921,819)	3,828,181	3,763,721	64,460
Other Purchased Property Services	415,000	44,710	459,710	459,710	
Insurance	470,877		470,877	470,877	
General Supplies	170,000	(26,224)	143,776	130,587	13,189
Energy - Natural Gas	402,604	(274,712)	127,892		127,892
Energy - Electricity	3,149,200	(557,607)	2,591,593	2,214,735	376,858
Total Undist. Expend. - Custodial Services	15,494,596	(2,719,908)	12,774,688	12,171,044	603,644
Undistributed Expenditures - Security					
Salaries	1,947,990	500,538	2,448,528	2,428,167	20,361
General Supplies	75,000	(21,545)	53,455	53,122	333
Total Undistributed Expenditures - Security	2,022,990	478,993	2,501,983	2,481,289	20,694
Total Undist. Expend. - Oper. & Maint. Of Plant	22,100,117	(2,417,420)	19,682,697	18,988,192	694,505
Undist. Expend. - Student Transportation Serv.					
Salaries of Non-instructional Aides	619,946	83,898	703,844	700,000	3,844
Sal. For Pup.Trans. (Bet. Home and School) - Special	1,093,411	(157,044)	936,367	936,367	
Sal. For Pup. Trans. (Other than Bet. Home and School)	55,000	33,278	88,278	86,854	1,424
Lease Purchase Payments - School Buses	25,890		25,890		25,890
Contr Serv (Spl. Ed. Students) - Vendors	5,972,405	(1,287,000)	4,685,405	4,661,738	23,667
Misc. Purchased Serv. - Transportation	230,000	(105,309)	124,691	121,541	3,150
Total Undist. Expend. - Student Transportation Serv.	7,996,652	(1,432,177)	6,564,475	6,506,500	57,975

**CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2025**

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	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 4,285,335	\$ 1,753,814	\$ 6,039,149	\$ 4,708,417	\$ 1,330,732
Other Retirement Contributions - PERS	4,117,388	(177,048)	3,940,340	3,940,340	
Workmen's Compensation	1,019,177	368,723	1,387,900	1,387,660	240
Health Benefits	25,347,075	5,254,384	30,601,459	30,501,459	100,000
Tuition Reimbursement	50,000	37,250	87,250	60,125	27,125
Other Employee Benefits	43,000	50,491	93,491	31,971	61,520
TOTAL UNALLOCATED BENEFITS	<u>34,861,975</u>	<u>7,287,614</u>	<u>42,149,589</u>	<u>40,629,972</u>	<u>1,519,617</u>
On-behalf TPAF Pension Contributions (non-budgeted)				29,037,294	(29,037,294)
On-behalf TPAF Post Retire. Medical Contrib.(non-budgeted)				8,484,721	(8,484,721)
On-behalf TPAF Non-contributory Ins. Contrib. (non-budgeted)				15,736	(15,736)
Reimbursed TPAF Social Security Contributions (non-budgeted)				6,905,883	(6,905,883)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,443,634</u>	<u>(44,443,634)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>34,861,975</u>	<u>7,287,614</u>	<u>42,149,589</u>	<u>85,073,606</u>	<u>(42,924,017)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>112,293,982</u>	<u>3,048,070</u>	<u>115,342,052</u>	<u>157,312,206</u>	<u>(41,970,154)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>201,085,757</u>	<u>3,605,612</u>	<u>204,691,369</u>	<u>246,144,399</u>	<u>(41,453,030)</u>
CAPITAL OUTLAY					
Equipment					
Special Education - Instruction:					
School Buses - Special	725,580	(725,580)			
Total Equipment	<u>725,580</u>	<u>(725,580)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities Acquisition and Construction Services					
Construction Services	4,658,341	(1,937,341)	2,721,000	2,678,804	42,196
Assessment for Debt Service on SDA Funding	269,280		269,280	269,280	
Total Facilities Acquisition and Construction Services	<u>4,927,621</u>	<u>(1,937,341)</u>	<u>2,990,280</u>	<u>2,948,084</u>	<u>42,196</u>
TOTAL CAPITAL OUTLAY	<u>5,653,201</u>	<u>(2,662,921)</u>	<u>2,990,280</u>	<u>2,948,084</u>	<u>42,196</u>

CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TRANSFER OF FUNDS TO CHARTER SCHOOLS					
Transfer of Funds to Charter Schools	\$ 1,432,451	\$ 431,302	\$ 1,863,753	\$ 1,863,746	\$ 7
TOTAL TRANSFER OF FUNDS TO CHARTER SCHOOLS	<u>1,432,451</u>	<u>431,302</u>	<u>1,863,753</u>	<u>1,863,746</u>	<u>7</u>
TOTAL EXPENDITURES	<u>208,171,409</u>	<u>1,373,993</u>	<u>209,545,402</u>	<u>250,956,229</u>	<u>(41,410,827)</u>
Other Financing Sources/(Uses):					
Local Contribution-Transfer to Special Revenue Inclusion	(2,437,670)	937,196	(1,500,474)	(1,500,474)	
Cancellation of Payables				278,069	278,069
TOTAL OTHER FINANCING SOURCES/(USES)	<u>(2,437,670)</u>	<u>937,196</u>	<u>(1,500,474)</u>	<u>(1,222,405)</u>	<u>278,069</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(5,137,675)</u>	<u>(436,797)</u>	<u>(5,574,472)</u>	<u>(561,654)</u>	<u>5,012,818</u>
Net Change in Fund Balance	<u>(5,137,675)</u>	<u>(436,797)</u>	<u>(5,574,472)</u>	<u>(561,654)</u>	<u>5,012,818</u>
Fund Balance - July 1, as reported	<u>18,552,222</u>		<u>18,552,222</u>	<u>18,552,222</u>	
Prior Period Adjustment	<u>(2,985,891)</u>		<u>(2,985,891)</u>	<u>(2,985,891)</u>	
Fund Balance - July 1, as restated	<u>15,566,331</u>		<u>15,566,331</u>	<u>15,566,331</u>	
Fund Balance - June 30	<u>\$ 10,428,656</u>	<u>\$ (436,797)</u>	<u>\$ 9,991,859</u>	<u>\$ 15,004,677</u>	<u>\$ 5,012,818</u>
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)					
Budgeted fund balance	\$ (5,137,675)	\$ -	\$ (5,137,675)	\$ (124,857)	\$ 5,012,818
Adjustment for prior year encumbrances		(436,797)	(436,797)	(436,797)	
Total	<u>\$ (5,137,675)</u>	<u>\$ (436,797)</u>	<u>\$ (5,574,472)</u>	<u>\$ (561,654)</u>	<u>\$ 5,012,818</u>
Recapitulation of Fund Balance:					
Assigned to:					
Year-End Encumbrances				\$ 198,260	
Restricted for:					
Capital Reserve				2,647,173	
Maintenance Reserve				250,000	
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures				2,766,709	
Reserve for Excess Surplus				909,323	
Unemployment Compensation				556,337	
Assigned:					
Designated for Subsequent Year's Expenditures				2,985,891	
Unassigned				4,690,984	
				<u>15,004,677</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not recognized on GAAP basis				(12,864,474)	
Fund Balance per Governmental Funds (GAAP) (B-2)				<u>\$ 2,140,203</u>	

**CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
YEAR ENDED JUNE 30, 2025**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Local Sources					
Revenues from Local Sources	\$ 200,000	\$ (41,142)	\$ 158,858	\$ 738,738	\$ 579,880
Total Local Revenues	200,000	(41,142)	158,858	738,738	579,880
State Sources					
Preschool Education Aid	17,836,458	2,437,670	20,274,128	17,800,206	(2,473,922)
School Based Youth Services		302,427	302,427	301,602	(825)
Municipal Alliance Program		19,921	19,921	19,921	
Nonpublic Textbooks		19,024	19,024	18,322	(702)
Nonpublic Auxiliary Services		62,508	62,508	62,508	
Nonpublic Handicapped Services		17,098	17,098	17,098	
Nonpublic Speech		8,091	8,091	8,091	
Nonpublic Examination and Classification		28,810	28,810	28,810	
Nonpublic Security Aid		81,590	81,590		(81,590)
Nonpublic Nursing Services		51,740	51,740	46,280	(5,460)
Nonpublic Technology Initiative		18,228	18,228	18,218	(10)
Total State Revenues	17,836,458	3,047,107	20,883,565	18,321,056	(2,562,509)
Federal Sources					
Title I	3,148,560	2,545,529	5,694,089	5,120,788	(573,301)
Title I SIA		240,800	240,800	165,899	(74,901)
Title II, Part A	416,580	82,522	499,102	468,561	(30,541)
Title III	98,935	167,091	266,026	256,737	(9,289)
Title IV	183,713	291,031	474,744	396,037	(78,707)
IDEA Part B, Basic	2,205,904	825,866	3,031,770	3,024,047	(7,723)
IDEA Part B, Preschool		73,644	73,644		
ESSER III	22,889,070	(22,718,721)	170,349	153,968	(16,381)
ESSER III- Evidence-Based Summer Learning & Enrichment	68,724	(68,447)	277		(277)
ESSER III- Mental Health Support Staffing	45,000	131,580	176,580		(176,580)
High Impact Tutoring		256,823	256,823	251,781	(5,042)
Total Federal Revenues	29,056,486	(18,172,282)	10,884,204	9,911,462	(972,742)
Total Revenues	47,092,944	(15,166,317)	31,926,627	28,971,256	(2,955,371)
EXPENDITURES:					
Instruction					
Salaries of Teachers	31,963,970	(24,317,469)	7,646,501	7,287,943	358,558
Other Salaries for Instruction	589,881	310,742	900,623	778,645	121,978
Purchased Professional and Technical Services		382,215	382,215	324,371	57,844
Other Purchased Services (Incl. Tuition)		3,058,011	3,058,011	3,058,011	
General Supplies	1,550,000	456,594	2,006,594	1,896,870	109,724
Textbooks		19,024	19,024	18,322	702
Other Objects		6,500	6,500	1,269	5,231
Total Instruction	34,103,851	(20,084,383)	14,019,468	13,365,431	654,037
Support Services					
Salaries of Teachers		285,599	285,599	260,351	25,248
Salaries of Supervisor of Instruction	454,156	186,881	641,037	265,197	375,840
Salaries of Program Directors	690,034	37,450	727,484	517,419	210,065
Salaries of Community Parent Involvement Spec.	61,164	127,019	188,183	188,183	
Salaries of Other Professional Staff	140,843	255,204	396,047	395,818	229
Salaries of Secretaries & Clerical Assistants	179,347	90,877	270,224	214,277	55,947
Other Salaries	499,031	(77,522)	421,509	189,466	232,043
Salaries of Facilitators, Math Coaches, Literacy Coaches and Master Teachers	448,893	(241,668)	207,225	207,225	
Personal Services - Employee Benefits	952,573	1,878,550	2,831,123	2,831,123	
Purchased Professional - Educational Services		16,933	16,933	16,933	
Purchased Professional and Technical Services		449,608	449,608	390,551	59,057
Purchased Educational Services - Contracted Pre-K	7,708,500	447,750	8,156,250	8,156,250	
Purchased Educational Services - Head Start	425,925	24,750	450,675	450,675	
Other Purchased Professional - Education Services	250,000	(195,000)	55,000	54,645	355
Other Purchased Professional and Technical Services	250,000	(198,193)	51,807	46,280	5,527
Cleaning, Repair and Maintenance Services	1,621,297	(222,690)	1,398,607	1,398,607	
Rentals		6,000	6,000	6,000	
Other Purchased Services		53,999	53,999	53,999	
Travel		58,476	58,476	40,210	18,266
Miscellaneous Purchased Services		148,825	148,825	115,033	33,792
Supplies & Materials	750,000	243,628	993,628	812,974	180,654
Contracted Services (Other Than Between Home and School)	45,000	(24,151)	20,849	12,730	8,119
Other Objects		57,930	57,930	8,668	49,262
Student Activities	200,000	(200,000)		544,170	(544,170)
Total Support Services	14,676,763	3,210,255	17,887,018	17,176,784	710,234
Facilities Acquisition and Construction Services:					
Construction Services		16,381	16,381		16,381
Noninstructional Equipment	750,000	(746,240)	3,760	3,666	94
Total Facilities Acquisition and Construction Services	750,000	(729,859)	20,141	3,666	16,475
Total Expenditures	49,530,614	(17,603,987)	31,926,627	30,545,881	1,380,746
Other Financing Sources (Uses)					
Transfer from Operating Budget - PreK	2,437,670	(937,196)	1,500,474	1,500,474	
Total Other Financing Sources (Uses)	2,437,670	(937,196)	1,500,474	1,500,474	-
Total Outflows	47,092,944	(16,666,791)	30,426,153	29,045,407	1,380,746
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ 1,500,474	\$ 1,500,474	(74,151)	\$ (1,574,625)
Fund Balance, July 1				408,335	
Fund Balance, June 30				\$ 334,184	
Recapitulation:					
Restricted:					
Student Activities				\$ 334,184	
Total Fund Balance				334,184	
Reconciliation to Governmental Funds Statements GAAP:					
Last two state aid payments not recognized on GAAP basis				(1,608,048)	
Fund balance per Governmental Funds (GAAP) (B-1)				\$ (1,273,864)	

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

**BUDGET TO GAAP RECONCILIATION
YEAR ENDED JUNE 30, 2025**

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	\$ 251,616,980	(C-2)	\$ 28,971,256
Difference - budget to GAAP:				
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.				
Prior year		10,856,531		1,395,136
Current year		<u>(12,864,474)</u>		<u>(1,608,048)</u>
Total revenues as reported on the statement of revenues, expenditures and change in fund balances - governmental funds	(B-2)	<u>\$ 249,609,037</u>	(B-2)	<u>\$ 28,758,344</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	\$ 250,956,229	(C-2)	\$ 30,545,881
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	(B-2)	<u>\$ 250,956,229</u>	(B-2)	<u>\$ 30,545,881</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, 2025**

	TOTAL BROUGHT FORWARD (E-1a)	TOTAL BROUGHT FORWARD (PAGE 2)	TITLE I	TITLE I SIA	TITLE II PART A	TITLE III	TITLE III IMMIGRANT	TITLE IV	TOTALS
REVENUES:									
State Sources	\$ 18,321,056								\$ 18,321,056
Federal Sources		\$ 3,503,440	\$ 5,120,788	\$ 165,899	\$ 468,561	\$ 174,318	\$ 82,419	\$ 396,037	9,911,462
Local Sources	738,738								738,738
Total Revenues	19,059,794	3,503,440	5,120,788	165,899	468,561	174,318	82,419	396,037	28,971,256
EXPENDITURES:									
Instruction:									
Salaries of Teachers	4,182,147	176,661	2,887,705		40,500	930			7,287,943
Other Salaries for Instruc.	643,165	135,480							778,645
Purchased Professional and Technical Services	62,508	212,175	49,688						324,371
Other Purchased Services (Incl. Tuition)		3,058,011							3,058,011
General Supplies	1,389,119	10,284	104,296	30,204		154,324	82,419	126,224	1,896,870
Textbooks	18,322								18,322
Other Objects		1,269							1,269
Total Instruction	6,295,261	3,593,880	3,041,689	30,204	40,500	155,254	82,419	126,224	13,365,431
Support Services:									
Salaries of Teachers		12,682	8,348	16,164	125,517	4,140		95,500	260,351
Salaries of Supervisors of Instruction	111,154		154,043						265,197
Salaries of Program Directors	517,419								517,419
Salaries of Community Parent Involvement Spec.	188,183								188,183
Salaries of Other Professional Staff	395,818								395,818
Salaries of Seretarial and Clerical Assistants	127,400		86,877						214,277
Other Salaries	189,466								189,466
Salaries of Master Teachers	207,225								207,225
Personnel Services - Employee Benefits	952,573	4,231	1,724,593	3,081	84,592	933		61,120	2,831,123
Purchased Professional - Educational Services	16,933								16,933
Purchased Professional and Technical Services	9,210	39,680		116,450	182,577	5,000		37,634	390,551
Purchased Educational Services - Contracted Pre-K	8,156,250								8,156,250
Purchased Educational Services - Head Start	450,675								450,675
Other Purchased Educational Services - Education Services	54,645								54,645
Other Purchased Professional and Technical Services	46,280								46,280
Cleaning, Repair & Maintenance Services	1,398,607								1,398,607
Rentals	6,000								6,000
Other Purchased Services	53,999								53,999
Travel					25,400			14,810	40,210
Miscellaneous Purchased Services	105,078				1,955	8,000			115,033
Supplies and Materials	640,766		107,238		4,965	991		59,014	812,974
Contracted Services (Other Than Between Home and School)		12,730							12,730
Other Objects	3,878				3,055			1,735	8,668
Student Activities	544,170								544,170
Total Support Services	14,175,729	69,323	2,079,099	135,695	428,061	19,064	-	269,813	17,176,784
Facilities Acquis. & Const. Serv.:									
Noninstructional Equipment	3,666								3,666
Total Facil. Acquis. & Const. Serv.	3,666								3,666
Total Expenditures	20,474,656	3,663,203	5,120,788	165,899	468,561	174,318	82,419	396,037	30,545,881
Excess/(Deficiency) of Revenues Over/(under)									
Expenditures	(1,414,862)	(159,763)	-	-	-	-	-	-	(1,574,625)
Other Financing Sources/(Uses):									
Transfer from Operating Budget - PreK	1,500,474								1,500,474
Total Other Financing Sources/(Uses)	1,500,474								1,500,474
Net Change in Fund Balance	85,612	(159,763)	-	-	-	-	-	-	(74,151)
Fund Balance, July 1	408,335	-	-	-	-	-	-	-	408,335
Fund Balance, June 30	\$ 493,947	\$ (159,763)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 334,184

CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025

	IDEA PART B	IDEA PRESCHOOL	ARP ESSER III	HIGH IMPACT TUTORING GRANT	TOTAL CARRIED FORWARD
REVENUES:					
State Sources	\$ 3,024,047	\$ 73,644	\$ 153,968	\$ 251,781	\$ 3,503,440
Federal Sources					
Local Sources					
Total Revenues	<u>3,024,047</u>	<u>73,644</u>	<u>153,968</u>	<u>251,781</u>	<u>3,503,440</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers			146,698	29,963	176,661
Other Salaries for Instruc.					135,480
Purchased Professional and Technical Services				212,175	212,175
Other Purchased Services (Incl. Tuition)	2,984,367	73,644			3,058,011
General Supplies					10,284
Textbooks					1,269
Other Objects					
Total Instruction	<u>2,984,367</u>	<u>73,644</u>	<u>146,698</u>	<u>242,138</u>	<u>3,593,880</u>
Support Services:					
Salaries of Teachers			7,270	5,412	12,682
Salaries of Supervisors of Instruction					
Salaries of Program Directors					
Salaries of Community Parent Involvement Spec.					
Salaries of Other Professional Staff					
Salaries of Seretarial and Clerical Assistants					
Other Salaries					
Salaries of Master Teachers					
Personnel Services - Employee Benefits				4,231	4,231
Purchased Professional - Educational Services					
Purchased Professional and Technical Services	39,680				39,680
Purchased Educational Services - Contracted Pre-K					
Purchased Educational Services - Head Start					
Other Purchased Educational Services - Education Services					
Other Purchased Professional and Technical Services					
Cleaning, Repair & Maintenance Services					
Rentals					
Other Purchased Services					
Travel					
Miscellaneous Purchased Services					
Supplies and Materials					
Contracted Services (Other Than Between Home and School)					12,730
Other Objects					
Student Activities					
Total Support Services	<u>39,680</u>		<u>7,270</u>	<u>9,643</u>	<u>69,323</u>
Facilities Acquis. & Const. Serv.:					
Noninstructional Equipment					
Total Facil. Acquis. & Const. Serv.			-		
Total Expenditures	<u>3,024,047</u>	<u>73,644</u>	<u>153,968</u>	<u>251,781</u>	<u>3,663,203</u>
Excess/(Deficiency) of Revenues Over/(under)					
Expenditures	-	-	-	-	(159,763)
Other Financing Sources/(Uses):					
Transfer from Operating Budget - PreK					
Total Other Financing Sources/(Uses)					
Net Change in Fund Balance	-	-	-	-	(159,763)
Fund Balance, July 1	-	-	-	-	-
Fund Balance, J Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (159,763)</u>

CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025

	TOTAL BROUGHT FORWARD (E-1b)	PRESCHOOL EDUCATION AID (E-2)	N.J. NONPUBLIC TECHNOLOGY INITIATIVE	N.J. NONPUBLIC NURSING SERVICES	N.J. NONPUBLIC TEXTBOOK AID	TOTAL CARRIED FORWARD
REVENUES:						
State Sources	\$ 438,030	\$ 17,800,206	\$ 18,218	\$ 46,280	\$ 18,322	\$ 18,321,056
Federal Sources						
Local Sources	738,738					738,738
Total Revenues	1,176,768	17,800,206	18,218	46,280	18,322	19,059,794
EXPENDITURES:						
Instruction:						
Salaries of Teachers	263,376	3,918,771				4,182,147
Other Salaries for Instruc.		643,165				643,165
Purchased Professional and Technical Services	62,508					62,508
Other Purchased Services (Incl. Tuition)						
General Supplies		1,370,901	18,218			1,389,119
Textbooks					18,322	18,322
Other Objects						
Total Instruction	472,917	5,932,837	18,218		18,322	6,295,261
Support Services:						
Salaries of Teachers						
Salaries of Supervisors of Instruction	2,988	108,166				111,154
Salaries of Program Directors		517,419				517,419
Salaries of Community Parent Involvement Spec.		188,183				188,183
Salaries of Other Professional Staff		395,818				395,818
Salaries of Seretarial and Clerical Assistants		127,400				127,400
Other Salaries		189,466				189,466
Salaries of Master Teachers		207,225				207,225
Personnel Services - Employee Benefits		952,573				952,573
Purchased Professional - Educational Services	16,933					16,933
Purchased Professional and Technical Services	9,210					9,210
Purchased Educational Services - Contracted Pre-K		8,156,250				8,156,250
Purchased Educational Services - Head Start		450,675				450,675
Other Purchased Educational Services - Education Services		54,645				54,645
Other Purchased Professional and Technical Services				46,280		46,280
Cleaning, Repair & Maintenance Services		1,398,607				1,398,607
Rentals	6,000					6,000
Other Purchased Services	53,999					53,999
Travel						
Miscellaneous Purchased Services	105,078					105,078
Supplies and Materials	23,016	617,750				640,766
Contracted Services (Other Than Between Home and School)						
Other Objects	3,878					3,878
Student Activities	544,170					544,170
Total Support Services	778,002	13,364,177		46,280		14,175,729
Facilities Acquis. & Const. Serv.:						
Noninstructional Equipment		3,666				3,666
Total Facil. Acquis. & Const. Serv.		3,666				3,666
Total Expenditures	1,250,919	19,300,680	18,218	46,280	18,322	20,474,656
Excess/(Deficiency) of Revenues Over/(under Expenditures)	(74,151)	(1,500,474)	-	-	-	(1,414,862)
Other Financing Sources/(Uses):						
Transfer from Operating Budget - PreK		1,500,474				1,500,474
Total Other Financing Sources/(Uses)		1,500,474				1,500,474
Net Change in Fund Balance	(74,151)	-	-	-	-	85,612
Fund Balance, July 1	408,335	-	-	-	-	408,335
Fund Balance, June 30	\$ 334,184	\$ -	\$ -	\$ -	\$ -	\$ 493,947

CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025

	TOTAL BROUGHT FORWARD (E-1c)	NJ NONPUBLIC SERVICES				TOTAL CARRIED FORWARD
		AUXILIARY Ch. 192	HANDICAPPED SERVICES CH. 193			
		BASIC SKILLS/ REMEDIAL	SUPPL. INSTR.	EXAM. & CLASS.	CORRECTIVE SPEECH	
REVENUES:						
State Sources	\$ 321,523	\$ 62,508	\$ 17,098	\$ 28,810	\$ 8,091	\$ 438,030
Federal Sources						
Local Sources	738,738					738,738
Total Revenues	1,060,261	62,508	17,098	28,810	8,091	1,176,768
EXPENDITURES:						
Instruction:						
Salaries of Teachers	263,376					263,376
Other Salaries for Instruc.	135,480					135,480
Purchased Professional and Technical Services		62,508				62,508
Other Purchased Services (Incl. Tuition)						
General Supplies	10,284					10,284
Textbooks						
Other Objects	1,269					1,269
Total Instruction	410,409	62,508				472,917
Support Services:						
Salaries of Teachers						
Salaries of Supervisors of Instruction	2,988					2,988
Salaries of Program Directors						
Salaries of Community Parent Involvement Spec.						
Salaries of Other Professional Staff						
Salaries of Seretarial and Clerical Assistants						
Other Salaries						
Salaries of Master Teachers						
Personnel Services - Employee Benefits						
Purchased Professional - Educational Services	16,933					16,933
Purchased Professional and Technical Services	9,210					9,210
Purchased Educational Services - Contracted Pre-K						
Purchased Educational Services - Head Start						
Other Purchased Educational Services - Education Services						
Other Purchased Professional and Technical Services						
Cleaning, Repair & Maintenance Services						
Rentals	6,000					6,000
Other Purchased Services			17,098	28,810	8,091	53,999
Travel						
Miscellaneous Purchased Services	105,078					105,078
Supplies and Materials	23,016					23,016
Contracted Services (Other Than Between Home and School)	12,730					12,730
Other Objects	3,878					3,878
Student Activities	544,170					544,170
Total Support Services	724,003		17,098	28,810	8,091	778,002
Facilities Acquis. & Const. Serv.:						
Noninstructional Equipment						
Total Facil. Acquis. & Const. Serv.						
Total Expenditures	1,134,412	62,508	17,098	28,810	8,091	1,250,919
Excess/(Deficiency) of Revenues Over/(under Expenditures	(74,151)	-	-	-	-	(74,151)
Other Financing Sources/(Uses):						
Transfer from Operating Budget - PreK						
Total Other Financing Sources/(Uses)						
Net Change in Fund Balance	(74,151)	-	-	-	-	(74,151)
Fund Balance, July 1	408,335	-	-	-	-	408,335
Fund Balance, June 30	\$ 334,184	\$ -	\$ -	\$ -	\$ -	\$ 334,184

CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025

	LOCAL PROGRAMS	BAYONNE HOUSING AUTHORITY HOMEWORK ASSISTANCE	NJSIG SAFETY GRANT	SCHOOL BASED YOUTH SERVICES	MUNICIPAL ALLIANCE PROGRAM	STUDENT ACTIVITIES	TOTAL CARRIED FORWARD
REVENUES:							
State Sources				\$ 301,602	\$ 19,921		\$ 321,523
Federal Sources							
Local Sources	\$ 105,078	\$ 159,763	\$ 3,878			\$ 470,019	738,738
Total Revenues	105,078	159,763	3,878	301,602	19,921	470,019	1,060,261
EXPENDITURES:							
Instruction:							
Salaries of Teachers				263,376			263,376
Other Salaries for Instruc.		135,480					135,480
Purchased Professional and Technical Services							
Other Purchased Services (Incl. Tuition)							
General Supplies		10,284					10,284
Textbooks							
Other Objects		1,269					1,269
Total Instruction		147,033		263,376			410,409
Support Services:							
Salaries of Teachers							
Salaries of Supervisors of Instruction					2,988		2,988
Salaries of Program Directors							
Salaries of Community Parent Involvement Spec.							
Salaries of Other Professional Staff							
Salaries of Seretarial and Clerical Assistants							
Other Salaries							
Salaries of Master Teachers							
Personnel Services - Employee Benefits							
Purchased Professional - Educational Services					16,933		16,933
Purchased Professional and Technical Services				9,210			9,210
Purchased Educational Services - Contracted Pre-K							
Purchased Educational Services - Head Start							
Other Purchased Educational Services - Education Services							
Other Purchased Professional and Technical Services							
Cleaning, Repair & Maintenance Services							
Rentals				6,000			6,000
Other Purchased Services							
Travel							
Miscellaneous Purchased Services	105,078						105,078
Supplies and Materials				23,016			23,016
Contracted Services (Other Than Between Home and School)		12,730					12,730
Other Objects			3,878				3,878
Student Activities						544,170	544,170
Total Support Services	105,078	12,730	3,878	38,226	19,921	544,170	724,003
Facilities Acquis. & Const. Serv.:							
Noninstructional Equipment							
Total Facil. Acquis. & Const. Serv.							
Total Expenditures	105,078	159,763	3,878	301,602	19,921	544,170	1,134,412
Excess/(Deficiency) of Revenues Over/(under Expenditures	-	-	-	-	-	(74,151)	(74,151)
Other Financing Sources/(Uses):							
Transfer from Operating Budget - PreK							
Total Other Financing Sources/(Uses)							
Net Change in Fund Balance	-	-	-	-	-	(74,151)	(74,151)
Fund Balance, July 1	-	-	-	-	-	408,335	408,335
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 334,184	\$ 334,184

**CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
PRESCHOOL - ALL PROGRAMS
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025**

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 2,907,484	\$ 3,918,771	\$ (1,011,287)
Other Salaries for Instruc.	589,881	643,165	(53,284)
General Supplies	<u>1,550,000</u>	<u>1,370,901</u>	<u>179,099</u>
Total Instruction	<u>5,047,365</u>	<u>5,932,837</u>	<u>(885,472)</u>
Support Services:			
Salaries of Supervisors of Instruction	454,156	108,166	345,990
Salaries of Program Directors	690,034	517,419	172,615
Salaries of Other Professional Staff	140,843	395,818	(254,975)
Salaries of Secr. And Clerical Asst.	179,347	127,400	51,947
Other Salaries	499,031	189,466	309,565
Salaries of Community Parent Involvement Spec.	61,164	188,183	(127,019)
Salaries of Master Teachers	448,893	207,225	241,668
Personal Serv.-Employee Benefits	952,573	952,573	
Purchased Educational Services - Contracted Pre-K	7,708,500	8,156,250	(447,750)
Purchased Educational Services - Head Start	425,925	450,675	(24,750)
Other Purchased Professional - Ed. Services	250,000	54,645	195,355
Other Purchased Professional Services	250,000		250,000
Cleaning, Repair & Maintenance Services	1,621,297	1,398,607	222,690
Contracted Services - Transportation	45,000		45,000
Supplies and Materials	<u>750,000</u>	<u>617,750</u>	<u>132,250</u>
Total Support Services	<u>14,476,763</u>	<u>13,364,177</u>	<u>1,112,586</u>
Capital Outlays:			
Non-Instructional Equipment	<u>750,000</u>	<u>3,666</u>	<u>746,334</u>
Total Capital Outlays	<u>750,000</u>	<u>3,666</u>	<u>746,334</u>
Total Expenditures	<u>\$ 20,274,128</u>	<u>\$ 19,300,680</u>	<u>\$ 973,448</u>

CALCULATION OF BUDGET AND CARRYOVER:

Total revised 2024-25 Preschool Education Aid Allocation	\$ 16,080,480
Add: Actual Carryover (June 30, 2024)	1,755,978
Add: General Fund Contribution to Preschool Education	<u>1,500,474</u>
Total Preschool Education Aid Available for 2024-25 Budget	19,336,932
Less: 2024-25 Budgeted Preschool Education Aid	<u>(20,274,128)</u>
Available and Unbudgeted PEA Funds at June 30, 2025	(937,196)
Add: June 30, 2025 Unexpended PEA	<u>973,448</u>
2024-25 Carryover - Preschool Aid Programs	<u>\$ 36,252</u>
2024-25 PEA Carryover Budgeted for 2025-26 Preschool Programs	<u>\$ 36,252</u>

Capital Projects Fund

**CITY OF BAYONNE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2025**

<u>PROJECT TITLE/ISSUE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE CURRENT YEAR</u>	<u>UNEXPENDED BALANCE</u>
Energy Savings Improvement Program	\$ <u>16,195,519</u>	\$ <u>1,046,252</u>	\$ <u>15,149,267</u>
	\$ <u><u>16,195,519</u></u>	\$ <u><u>1,046,252</u></u>	\$ <u><u>15,149,267</u></u>

CITY OF BAYONNE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2025

Revenues and Other Financing Sources

Proceeds from Sale of Bonds	\$ <u>16,195,519</u>
Total Revenues and Other Financing Sources	<u>16,195,519</u>

Expenditures and Other Financing Uses

Construction	<u>1,046,252</u>
Total Expenditures	<u>1,046,252</u>
Excess (Deficiency) of Revenues over (under) Expenditures	15,149,267
Fund Balance - Beginning	<u>-</u>
Fund Balance - Ending	<u><u>\$ 15,149,267</u></u>

CITY OF BAYONNE SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
ENERGY SAVINGS IMPROVEMENT PROGRAM
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2025

	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:			
Bond Proceeds	<u>\$ 16,195,519</u>	<u>\$ 16,195,519</u>	<u>\$ 16,195,519</u>
Total Revenues	<u>16,195,519</u>	<u>16,195,519</u>	<u>16,195,519</u>
Expenditures and Other Financing Uses:			
Construction	<u>1,046,252</u>	<u>1,046,252</u>	<u>16,195,519</u>
Total Expenditures	<u>1,046,252</u>	<u>1,046,252</u>	<u>16,195,519</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u><u>\$ 15,149,267</u></u>	<u><u>\$ 15,149,267</u></u>	<u><u>\$ -</u></u>

Additional Project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	3/18/2025
Bonds Authorized	\$ 16,195,519
Bonds Issued	\$ 16,195,519
Original Authorized Cost	\$ 16,195,519
Adjustment to Authorized Cost	N/A
Revised Authorized Cost	N/A
Percentage Change from Original Authorized Cost	N/A
Percentage of Completion	6.46%
Original Target Completion	6/30/2027
Revised Target Completion	N/A

Long-Term Debt

**CITY OF BAYONNE SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
YEAR ENDED JUNE 30, 2025**

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2024</u>	<u>ISSUED</u>	<u>BALANCE JUNE 30, 2025</u>
2025 School Energy Savings Obligation Refunding Bonds	5/15/2025	\$ 15,515,000	7/15/2027	\$ 840,000	5.000%		\$ 15,515,000	\$ 15,515,000
			7/15/2028	505,000	5.000%			
			7/15/2029	365,000	5.000%			
			7/15/2030	410,000	5.000%			
			7/15/2031	455,000	5.000%			
			7/15/2032	435,000	5.000%			
			7/15/2033	485,000	5.000%			
			7/15/2034	535,000	5.000%			
			7/15/2035	585,000	5.000%			
			7/15/2036	645,000	5.000%			
			7/15/2037	700,000	5.000%			
			7/15/2038	765,000	5.000%			
			7/15/2039	830,000	5.000%			
			7/15/2040	905,000	5.000%			
			7/15/2041	980,000	5.000%			
			7/15/2042	1,055,000	4.250%			
			7/15/2043	1,130,000	4.250%			
			7/15/2044	1,210,000	4.250%			
			7/15/2045	1,295,000	4.375%			
			7/15/2046	1,385,000	4.375%			
Totals						<u>\$ -</u>	<u>\$ 15,515,000</u>	<u>\$ 15,515,000</u>

**CITY OF BAYONNE SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF FINANCED PURCHASES PAYABLE
YEAR ENDED JUNE 30, 2025**

<u>DESCRIPTION</u>	<u>DATE OF LEASE</u>	<u>TERM OF LEASE</u>	<u>AMOUNT OF ORIGINAL LEASE</u>		<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2024</u>	<u>RETIRE</u>	<u>BALANCE JUNE 30, 2025</u>
			<u>PRINCIPAL</u>	<u>INTEREST</u>				
Digital Copy Machines	3/10/2020	5 years	\$ 697,890	\$ 63,870	3.501%	\$ 149,430	\$ 149,430	
Digital Copy Machines	10/31/2023	5 years	548,503	87,437	5.980%	516,805	98,966	\$ 417,839
						<u>\$ 666,235</u>	<u>\$ 248,396</u>	<u>\$ 417,839</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 Report (ACFR) for the relevant year.*

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

	2016	2017	2018	2019	2020*	2021*	2022	2023	2024	2025
GOVERNMENTAL ACTIVITIES										
NET INVESTMENT IN CAPITAL ASSETS	\$ 70,252,999	\$ 64,822,684	\$ 62,089,615	\$ 61,477,554	\$ 125,169,182	\$ 126,960,246	\$ 128,161,027	\$ 123,244,442	\$ 125,103,880	\$ 121,931,594
RESTRICTED	11,423,675	8,804,788	3,359,793	4,179,656	7,962,728	9,150,512	11,446,550	12,709,073	14,559,166	7,463,726
UNRESTRICTED	(42,947,006)	(53,981,342)	(51,087,710)	(51,361,979)	(52,357,788)	(53,591,372)	(47,461,507)	(45,080,874)	(48,289,846)	(64,809,952)
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	<u>\$ 38,729,668</u>	<u>\$ 19,646,130</u>	<u>\$ 14,361,698</u>	<u>\$ 14,295,231</u>	<u>\$ 80,774,122</u>	<u>\$ 82,519,386</u>	<u>\$ 92,146,070</u>	<u>\$ 90,872,641</u>	<u>\$ 91,373,200</u>	<u>\$ 64,585,368</u>
BUSINESS-TYPE ACTIVITIES										
NET INVESTMENT IN CAPITAL ASSETS	\$ 749,752	\$ 1,192,738	\$ 1,109,588	\$ 1,077,134	\$ 1,046,236	\$ 940,033	\$ 833,822	\$ 727,620	\$ 797,698	\$ 745,931
UNRESTRICTED	1,646,812	631,871	526,052	834,121	499,910	548,111	2,971,118	4,243,882	5,158,806	3,189,342
TOTAL BUSINESS-TYPE ACTIVITIES POSITION	<u>\$ 2,396,564</u>	<u>\$ 1,824,609</u>	<u>\$ 1,635,640</u>	<u>\$ 1,911,255</u>	<u>\$ 1,546,146</u>	<u>\$ 1,488,144</u>	<u>\$ 3,804,940</u>	<u>\$ 4,971,502</u>	<u>\$ 5,956,504</u>	<u>\$ 3,935,273</u>
DISTRICT- WIDE										
NET INVESTMENT IN CAPITAL ASSETS	\$ 71,002,751	\$ 66,015,422	\$ 63,199,203	\$ 62,554,689	\$ 126,215,418	\$ 127,900,279	\$ 128,994,849	\$ 123,972,062	\$ 125,901,578	\$ 122,677,525
RESTRICTED	11,423,675	8,804,788	3,359,793	4,179,656	7,962,728	9,150,512	11,446,550	12,709,073	14,559,166	7,463,726
UNRESTRICTED	(41,300,194)	(53,349,471)	(50,561,658)	(50,527,858)	(51,857,878)	(53,043,261)	(44,490,389)	(40,836,992)	(43,131,040)	(61,620,610)
TOTAL DISTRICT NET POSITION	<u>\$ 41,126,232</u>	<u>\$ 21,470,739</u>	<u>\$ 15,997,338</u>	<u>\$ 16,206,486</u>	<u>\$ 82,320,268</u>	<u>\$ 84,007,530</u>	<u>\$ 95,951,010</u>	<u>\$ 95,844,143</u>	<u>\$ 97,329,704</u>	<u>\$ 68,520,641</u>

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

Note: The increase in the governmental activities unrestricted deficit in 2025 is the result of the implementation of GASB Statement No. 101. The 2024 fiscal year column was not restated as a result of the implementation.

Source: ACFR A-1

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

	2016	2017	YEAR ENDED JUNE 30,		2020	2021*	2022	2023	2024	2025
			2018	2019						
EXPENSES										
GOVERNMENTAL ACTIVITIES:										
INSTRUCTION:										
REGULAR	\$ 87,223,327	\$ 91,817,468	\$ 39,601,036	\$ 188,715,394	\$ 121,480,304	\$ 133,398,176	\$ 125,438,766	\$ 123,871,330	\$ 134,224,004	\$ 148,422,152
SPECIAL EDUCATION	21,223,351	27,764,427	23,280,445							
OTHER SPECIAL INSTRUCTION	2,348,059	2,346,897	2,028,717							
OTHER INSTRUCTION	2,974,368	4,344,136	2,487,134							
SUPPORT SERVICES:										
ATTENDANCE/SOCIAL WORK						562,228	559,249	605,451	747,871	787,804
SPEECH, OT, PT AND RELATED SERVICES				3,169,296	3,577,923	3,963,611	5,473,021	6,437,422	7,054,699	7,733,479
TUITION	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	3,187,898	4,527,066
IMPROVEMENT OF INSTRUCTION				2,385,952	2,601,477	3,238,090	3,186,998	3,241,950	3,392,156	4,219,746
OTHER SUPPORT INSTRUCTIONAL STAFF				45,961	32,530	13,424	19,727	252,576	332,350	52,044
SCHOOL LIBRARY				323,446	241,279	1,493,235	2,206,169	3,787,171	7,700,158	6,467,524
STUDENT & INST. RELATED SERVICES	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	3,501,259	3,492,203
SCHOOL ADMINISTRATION SERVICES	8,669,898	10,415,044	4,797,816	8,151,708	8,074,525	9,339,889	10,062,920	10,075,497	12,258,211	12,641,548
GENERAL & BUSINESS ADMIN. SERVICES	6,246,216	6,390,416	5,484,197	3,890,030	3,588,977	3,916,928	3,992,602	2,762,452	4,111,038	3,871,417
ADMINISTRATIVE INFORMATION TECHNOLOGY					1,400,596	904,160	270,274			
PLANT OPERATION AND MAINTENANCE	15,225,585	16,645,578	11,096,656	19,377,759	19,459,335	20,501,351	15,994,564	24,136,346	26,210,091	25,890,666
PUPIL TRANSPORTATION	4,100,159	4,737,682	2,879,309	4,306,583	4,162,568	4,371,402	5,331,692	6,972,823	7,852,788	7,620,964
OTHER SUPPORT SERVICES					14,715,518	20,044,912	32,290,633	29,614,894	36,131,414	35,366,380
UNALLOCATED BENEFITS			75,223,568							
SPECIAL SCHOOLS	596,200	687,376			774,205	848,441	898,466	957,498	1,150,854	1,863,746
TRANSFER TO CHARTER SCHOOL	312,481	423,561	385,706	477,856						
INTEREST ON LONG TERM DEBT						53,402	24,259	25,090		88,367
UNALLOCATED DEPRECIATION			1,528,690							
CAPITAL OUTLAYS			269,280	269,280	2,143,741					
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	\$ 168,811,641	\$ 189,537,652	\$ 186,044,523	\$ 181,065,121	\$ 187,764,354	\$ 208,871,365	\$ 208,772,145	\$ 218,730,410	\$ 247,854,791	\$ 263,045,106
BUSINESS - TYPE ACTIVITIES:										
FOOD SERVICE	\$ 4,663,524	\$ 5,114,856	\$ 4,847,519	\$ 4,688,908	\$ 5,838,930	\$ 1,962,523	\$ 4,647,211	\$ 5,577,850	\$ 6,104,112	\$ 7,904,137
COMMUNITY EDUCATION						163,198	1,373,080	1,390,605	1,591,545	2,858,975
TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES	4,663,524	5,114,856	4,847,519	4,688,908	5,838,930	2,125,721	6,020,291	6,968,455	7,695,657	10,763,112
TOTAL DISTRICT EXPENSES	\$ 173,475,165	\$ 194,652,508	\$ 190,892,042	\$ 185,754,029	\$ 193,603,284	\$ 210,997,086	\$ 214,792,436	\$ 225,698,865	\$ 255,550,448	\$ 273,808,218
PROGRAM REVENUE										
GOVERNMENTAL ACTIVITIES:										
CHARGES FOR SERVICES	\$ 64,792	\$ 101,842	\$	\$ 779,815	\$ 72,711	\$ 83,001	\$ 1,437,941	\$ 2,032,395	\$ 2,034,696	\$ 2,409,179
OPERATING GRANTS AND CONTRIBUTIONS	95,653,695	108,866,343	43,609,221	10,360,976	16,586,115	26,697,149	41,200,548	32,353,422	47,038,743	35,104,796
CAPITAL GRANTS AND CONTRIBUTIONS	(230,764)	41,604		779,797	1,593,908	1,095,715	658,934			
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUE	\$ 95,487,723	\$ 109,009,789	\$ 43,609,221	\$ 11,920,588	\$ 18,252,734	\$ 27,875,865	\$ 43,297,423	\$ 34,385,817	\$ 49,073,439	\$ 37,513,975

* 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)

	2016	2017	YEAR ENDED JUNE 30,		2020	2021*	2022	2023	2024	2025
			2018	2019						
BUSINESS-TYPE ACTIVITIES										
CHARGE FOR SERVICES										
FOOD SERVICES	\$ 1,038,210	\$ 1,047,445	\$ 988,445	\$ 1,112,361	\$ 1,622,848	\$ 1,928	\$ 369,577	\$ 868,256	\$ 946,085	\$ 799,168
COMMUNITY EDUCATION						79,431	1,008,739	1,049,157	1,072,399	1,126,242
OPERATING GRANTS AND CONTRIBUTIONS	3,633,974	3,495,456	3,670,104	3,865,012	3,757,627	1,986,360	6,958,771	6,217,604	6,662,175	6,816,471
TOTAL BUSINESS TYPE ACTIVITY PROG. REVENUE	4,672,184	4,542,901	4,658,549	4,977,373	5,380,475	2,067,719	8,337,087	8,135,017	8,680,659	8,741,881
TOTAL DISTRICT PROGRAM REVENUE	4,672,184	4,542,901	4,658,549	4,977,373	5,380,475	2,067,719	8,337,087	8,135,017	8,680,659	8,741,881
NET (EXPENSE)/ REVENUE:										
GOVERNMENTAL ACTIVITIES	(73,323,918)	(80,527,863)	(142,435,302)	(168,878,255)	(169,511,620)	(183,063,219)	(173,811,809)	(192,479,610)	(207,462,011)	(234,273,012)
BUSINESS - TYPE ACTIVITIES	8,660	(304,618)	(30,359)	288,464	(458,455)	(58,002)	2,316,796	1,166,562	985,002	(2,021,231)
TOTAL DISTRICT - WIDE NET EXPENSE	(73,315,258)	(80,832,481)	(142,465,661)	(168,589,791)	(169,970,075)	(183,121,221)	(171,495,013)	(191,313,048)	(206,477,009)	(236,294,243)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
GOVERNMENTAL ACTIVITIES:										
PROPERTY TAXES LEVIED FOR GEN. PURPOSES, NET	61,174,248	62,876,035	66,407,653	68,312,303	69,063,735	69,754,379	70,451,920	71,860,958	73,298,177	74,764,141
UNRESTRICTED GRANTS AND CONTRIUTIONS			64,468,987	61,704,888	97,970,529	114,546,616	111,914,318	118,407,752	128,825,992	150,709,145
RESTRICTED GRANTS AND CONTRIBUTIONS			9,748,223	9,456,674						
TUITION RECEIVED			655,515	779,815						
INVESTMENT EARNINGS	49,953	57,191								
MISCELLANEOUS INCOME	2,430,481	2,757,070	1,216,891	1,284,141	1,792,534	507,488	1,072,255	937,471	5,838,401	1,938,374
EXTRAORDINARY ITEMS	(23,425)	(269,617)	(5,233,608)							
TRANSFERS	560,964		(112,796)							
TOTAL GOVERNMENTAL ACTIVITIES	64,192,221	65,420,679	137,150,865	141,537,822	168,826,798	184,808,483	183,438,493	191,206,181	207,962,570	227,411,660
BUSINESS-TYPE ACTIVITIES:										
TRANSFERS	(560,964)									
TOTAL BUSINESS-TYPE ACTIVITIES	(560,964)	-	-	-	-	-	-	-	-	-
TOTAL DISTRICT WIDE	\$ 63,631,257	\$ 65,420,679	\$ 137,150,865	\$ 141,537,822	\$ 168,826,798	\$ 184,808,483	\$ 183,438,493	\$ 191,206,181	\$ 207,962,570	\$ 227,411,660
CHANGE IN NET POSITION										
GOVERNMENTAL ACTIVITIES	\$ (9,131,697)	\$ (15,107,184)	\$ (5,284,437)	\$ (66,468)	\$ (684,822)	\$ 1,745,264	\$ 9,626,684	\$ (1,273,429)	\$ 500,559	\$ (6,861,352)
BUSINESS-TYPE ACTIVITIES	(552,304)	(304,618)	(30,359)	288,464	(458,455)	(58,002)	2,316,796	1,166,562	985,002	(2,021,231)
TOTAL DISTRICT	\$ (9,684,001)	\$ (15,411,802)	\$ (5,314,796)	\$ 221,996	\$ (1,143,277)	\$ 1,687,262	\$ 11,943,480	\$ (106,867)	\$ 1,485,561	\$ (8,882,583)

* 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>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>2024</u>	<u>2025</u>
<u>GOVERNMENTAL FUNDS:</u>										
GENERAL FUND:										
RESTRICTED	\$ 1,523,324		\$ 181,511	\$ 3,565,474	\$ 6,924,439	\$ 8,787,328	\$ 11,059,239	\$ 12,269,598	\$ 14,150,831	\$ 7,129,542
COMMITTED	5,940,338	\$ 144,899	188,706	1,067,964						
ASSIGNED				220,187	3,699,369	451,609	1,301,523	3,772,344	436,274	3,184,151
UNASSIGNED	(7,321,329)	(7,397,711)	(4,034,443)	(3,712,911)	(4,516,492)	(2,349,478)	(2,611,068)	(5,790,589)	(6,891,414)	(8,173,490)
TOTAL GENERAL FUND	<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>	<u>\$ 7,695,691</u>	<u>\$ 2,140,203</u>
OTHER GOVERNMENTAL FUNDS										
RESTRICTED						\$ 363,184	\$ 387,311	\$ 439,475	\$ 408,335	\$ 15,483,451
COMMITTED	\$ 1,316,204	\$ 122,300								
ASSIGNED	8,584,147	8,682,488	\$ 3,359,793	\$ 795,693	\$ 564,695					
UNASSIGNED	(201,736)	(241,887)						(1,135,899)	(1,395,136)	(1,608,048)
TOTAL OTHER GOVERNMENTAL FUNDS	<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>	<u>\$ (986,801)</u>	<u>\$ 13,875,403</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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
REVENUES										
TAX LEVY	\$ 61,174,248	\$ 62,876,035	\$ 66,407,653	\$ 68,312,303	\$ 69,063,735	\$ 69,754,379	\$ 70,451,920	\$ 71,860,958	\$ 73,298,177	\$ 74,764,141
TUITION CHARGES	64,792	101,842	655,515	779,815	72,711	1,642	59,625	62,818	16,212	13,750
INTEREST EARNINGS	49,953	57,191								
MISCELLANEOUS	2,430,481	2,757,070	1,216,894	1,452,745	2,005,061	575,261	1,650,618	1,677,966	5,933,687	2,399,041
STATE SOURCES	70,353,660	74,637,595	78,529,144	87,605,167	95,922,791	106,683,446	129,887,752	142,293,036	164,653,189	190,832,674
FEDERAL SOURCES	6,195,298	6,569,508	6,896,478	6,345,394	8,327,637	13,671,397	20,000,152	13,720,424	23,136,770	10,357,775
TOTAL REVENUES	140,268,432	146,999,241	153,705,683	164,495,425	175,391,935	190,686,125	222,050,067	229,615,202	267,038,035	278,367,381
EXPENDITURES										
INSTRUCTION										
REGULAR INSTRUCTION	53,608,866	52,479,475	38,598,789	69,668,607	75,970,064	76,803,777	85,326,154	85,770,748	92,253,724	102,197,624
SPECIAL EDUCATION INSTRUCTION	12,266,080	14,420,155	22,106,562							
OTHER SPECIAL INSTRUCTION	2,147,197	1,928,527	1,926,422							
OTHER INSTRUCTION	1,076,115	1,817,721	2,361,724							
SUPPORT SERVICES										
INSTRUCTION				2,394,192	2,691,903	3,155,574	2,003,444	3,211,520	3,697,059	3,749,139
ATTENDANCE/SOCIAL WORK						302,390	354,008	398,241	477,097	506,332
SPEECH, OT, PT, AND RELATED SERVICES				2,076,665	2,688,725	3,087,702	4,695,070	4,680,689	5,095,401	5,612,441
HEALTH SERVICES				1,552,563	1,568,122	1,547,514	85,646	2,016,210	2,055,525	3,301,745
OTHER SUPPORT SERVICES				9,124,879	10,832,647	15,810,447	27,409,252	24,759,527	29,142,647	28,622,918
IMPROVEMENT OF INSTRUCTION				1,490,804	1,505,875	1,738,586	2,040,629	2,131,025	2,160,898	2,707,479
EDUCATION MEDIA LIBRARY				182,947	143,368	998,859	1,778,119	3,245,343	6,913,993	5,734,315
OTHER SUPPORT INSTRUCTIONAL STAFF				44,024	31,293	12,873	18,947	242,724	321,477	50,442
TUITION	3,517,867	3,822,028	2,056,505							
STUDENT & INST. RELATED SERVICES	11,552,060	13,395,325	14,925,463							
GENERAL ADMINISTRATION	4,818,459	4,637,991	4,797,816	3,367,204	3,098,180	3,383,099	3,508,666	2,294,835	3,486,475	3,134,088
SCHOOL ADMINISTRATIVE SERVICES	5,035,674	5,445,056	6,222,028	4,558,634	4,739,139	5,114,944	6,401,593	6,654,105	7,843,722	8,134,706
CENTRAL SERVICES				1,637,641	1,835,350	1,971,379	1,950,090	2,030,958	2,339,188	2,367,087
ADMINISTRATIVE INFORMATION TECHNOLOGY				897,416	1,039,811	821,751	184,298			
PLANT OPERATIONS AND MAINTENANCE	12,290,975	11,744,829	11,120,881	13,588,354	14,270,825	14,287,574	12,103,251	18,868,135	18,493,306	18,988,192
PUPIL TRANSPORTATION	2,996,766	3,250,093	2,963,100	3,113,897	3,052,978	3,172,620	4,364,695	5,985,088	6,774,229	6,506,500
EMPLOYEE BENEFITS	34,957,175	39,535,897	40,453,293	44,667,895	43,976,908	50,695,582	59,349,802	65,300,969	79,010,422	85,073,606
TRANSFER TO CHARTER SCHOOLS	312,481	423,561	385,706	477,856	774,205	848,441	898,466	957,498	1,150,854	1,863,746
SPECIAL SCHOOLS	381,366	379,149								
CAPITAL OUTLAY	3,191,323	4,730,399	626,853	3,960,078	5,078,797	6,825,975	6,693,575	1,649,663	9,216,146	3,998,002
TOTAL EXPENDITURES	148,152,404	158,010,206	148,545,143	162,803,655	173,298,190	190,579,087	219,165,705	230,197,278	270,432,163	282,548,362
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,883,972)	(11,010,965)	5,160,541	1,691,770	2,093,745	107,038	2,884,362	(582,076)	(3,394,128)	(4,180,981)
OTHER FINANCING SOURCES (USES)										
BOND PROCEEDS										16,195,519
FINANCED PURCHASES PAYABLE (NON-BUDGETED)	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	1,849,992	1,500,474
TRANSFERS OUT			(1,541,456)	(59,894)		(412,014)	(675,265)	(349,656)	(1,849,992)	(1,500,474)
EXTRAORDINARY ITEMS			(5,233,608)							
CANCELLATION OF PAYABLES										278,069
TOTAL OTHER FINANCING SOURCES (USES)	1,768,286	2,480,106	(6,775,065)	549,069	2,641,860	-	-	-	-	16,473,588
NET CHANGE IN FUND BALANCES	\$ (6,115,686)	\$ (8,530,859)	\$ (1,614,524)	\$ 2,240,838	\$ 4,735,605	\$ 107,038	\$ 2,884,362	\$ (582,076)	\$ (3,394,128)	\$ 12,292,607
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>PHYSICAL ED.</u> <u>CTR. FEES</u>	<u>COMMUNITY</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>
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
2024			16,212			5,289,898	5,306,110
2025			13,750			1,660,303	1,674,053

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
2016	\$ 88,432,300	\$ 1,393,888,890	\$ -	\$ -	\$ 300,200,200	\$ 286,467,100	\$ 104,014,900	\$ 2,173,003,390	\$ -	\$ 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	-	2,665,905	3,851,597,393	4,935,015,894	3.194
2018	131,538,000	1,381,593,664	-	-	292,234,200	256,621,000	104,480,400	2,166,467,264	933,118,175	2,657,878	2,169,125,142	5,969,390,487	3.105
2019	145,152,400	1,380,846,164	-	-	291,908,000	255,317,600	106,660,200	2,179,884,364	916,967,375	2,611,677	2,182,496,041	6,486,311,451	3.147
2020 *	645,967,400	4,483,207,000	-	-	979,883,800	1,007,781,200	453,457,300	7,570,296,700	2,095,670,600	7,803,624	7,578,100,324	6,436,775,677	0.916
2021	661,237,500	4,478,244,400	-	-	986,559,800	987,330,100	419,191,800	7,532,563,600	2,394,594,700	7,725,706	7,540,289,306	7,756,651,898	0.935
2022	674,147,900	4,484,120,400	-	-	986,181,100	957,352,500	425,124,700	7,526,926,600	2,483,361,300	7,497,277	7,534,423,877	8,407,148,725	0.940
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
2024	801,963,500	4,503,262,900	-	-	942,508,700	889,944,200	426,237,200	7,563,916,500	3,015,387,900	6,787,476	7,570,703,976	10,001,207,298	1.059
2025	827,351,000	4,507,142,600	-	-	917,270,100	890,141,800	428,110,900	7,570,016,400	3,183,884,600	9,049,986	7,579,066,386	10,025,627,064	1.078

* 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>	<u>BAYONNE SCHOOL DISTRICT</u>			<u>OVERLAPPING RATES</u>		TOTAL DIRECT AND OVERLAPPING TAX RATE
	<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>	
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
2024	0.988	0.071	1.059	1.249	0.488	2.796
2025	1.007	0.071	1.078	1.309	0.493	2.880

* Note - The City of Bayonne conducted 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)

	2025			2016		
	<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	\$ 503,974,200	1	6.65%	\$ 118,102,000	1	5.44%
PR Bayonne Industrial Urb Ren	70,609,100	2	0.93%			
Togus Urban Renewal	62,997,900	3	0.83%			
NJIND Hook Road, LLC	61,947,500	4	0.82%	9,500,000	6	0.41%
Duke Realty Bayonne Development	52,528,500	5	0.69%			
Gordan Terminal Serv Co of NJ Inc.	38,829,600	6	0.51%	13,383,500	3	0.62%
Bayview JV LLC	38,152,400	7	0.50%			
Centerpoint Pulaski, LLC	35,367,400	8	0.47%			
51-53 Hook Road, LLC	34,323,200	9	0.45%			
Buckeye Bayonne Terminal LLC	32,814,300	10	0.43%	7,800,000	8	0.37%
Bayonne Auto Terminal Inc.				23,095,700	2	1.06%
Texaco, Inc.				13,085,800	4	0.60%
Exxon Corporation				12,440,000	5	0.57%
MPT of Bayonne, LLC				8,000,000	7	0.37%
South Cove Development, LLC				7,294,100	9	0.36%
ALD Realty				7,148,050	10	0.36%
<u>TOTAL</u>	<u>\$ 931,544,100</u>		<u>12.29%</u>	<u>\$ 219,849,150</u>		<u>10.16%</u>

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>
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
2024	73,298,177	73,298,177	100.00%	N/A
2025	74,764,141	74,764,141	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			
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	70,300	4.54
2024	-	-	666,235	-	-	666,235	74,532	8.94
2025	15,515,000	-	417,839	-	-	15,932,839	74,532 (A)	213.77

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>
2016	\$ -	\$ -	\$ -	0.000%	\$ -
2017	-	-	-	0.000%	-
2018	-	-	-	0.000%	-
2019	-	-	-	0.000%	-
2020	-	-	-	0.000%	-
2021	-	-	-	0.000%	-
2022	-	-	-	0.000%	-
2023	-	-	-	0.000%	-
2024	-	-	-	0.000%	-
2025	15,515,000	-	15,515,000	0.205%	208

Source: City of Bayonne Finance Office

CITY OF BAYONNE SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2025 (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	\$ 200,349,488	100.00%	\$ 200,349,488
COUNTY OF HUDSON	569,119,078	8.36%	<u>47,578,355</u>
SUBTOTAL OVERLAPPING DEBT			247,927,843
SCHOOL DISTRICT DIRECT DEBT			<u>15,515,000</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$ 263,442,843</u></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 2025 (As of December 31, 2024 per statute)

EQUALIZED VALUATION BASIS

2024	\$ 10,833,452,449
2023	10,189,024,075
2022	9,054,404,667
	<u>\$ 30,076,881,191</u>
AVERAGE EQUALIZED VALUATION OF TAXABLE PROPERTY	<u>\$ 10,025,627,064</u>
DEBT LIMIT (4% X)	\$ 401,025,083
TOTAL DEBT APPLICABLE TO LIMIT	<u>15,515,000</u>
LEGAL DEBT MARGIN	<u>\$ 385,510,083</u>

<u>YEAR</u>	<u>DEBT</u>	<u>TOTAL DEBT</u>	<u>LEGAL</u>	<u>PERCENTAGE</u>
	<u>LIMIT</u>	<u>APPLICABLE</u>	<u>DEBT</u>	<u>OF DEBT</u>
		<u>TO LIMIT</u>	<u>MARGIN</u>	<u>LIMIT</u>
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%
2023	366,655,969	-	366,655,969	0.000%
2024	401,025,083	15,515,000.00	385,510,083	3.869%

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>
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	5,056,698,710	72,730	4.4%
2023	70,300	5,622,734,600	79,982	5.1%
2024	74,532	5,961,218,424 (A)	79,982	4.2%
2025	74,532 (A)	5,961,218,424 (A)	79,982	4.2%

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.

(A) -Estimated

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

<u>EMPLOYERS</u>	<u>2025</u>			<u>2016</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%
Bookazine Co Inc.				180	5	0.64%
Haddad Aooarel Group Ltd.				155	7	0.56%
Season Contracting Corp				150	9	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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Instruction										
Regular	701	608	572	533	557	564	573	583	592	627
Special Education	272	387	372	343	366	376	351	376	339	372
Other Special Education	39	40	42	35	40	44	48	48	47	47
Vocational	3	5	2	2	2	2	5	5	6	6
Other Instruction	2	60								
Support Services										
Student & Instruction Related Services	125	50	49	50	47	54	56	63	66	65
General Administration	10	23	23	24	21	23	27	29	31	32
School Administrative Services	65	82	70	63	54	56	58	58	57	58
Central Services	12	8	18	16	16	17	19	22	22	22
Administrative Information Technology	0	9	9	10	7	10	11	15	16	16
Plant Operations and Maintenance	152	159	128	138	149	152	155	164	139	144
Pupil Transportation	22.0	39	44.0	42	43	39	41	40	41	40
Other Support Services	2									
Total	1,405	1,470	1,329	1,256	1,302	1,337	1,344	1,403	1,356	1,429

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				
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%
2024	9,793	258,426,944	26,389	11.50%	978	8.89-1	8.42-1	10,001	9,195	7.72%	91.94%
2025	9,931	278,550,360	28,049	6.29%	1,052	9.2-1	10.21-1	10,104	9,199	1.03%	91.04%

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 (includes "on-behalf" payments by State of New Jersey for T.P.A.F. pension and social security)

(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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Elementary										
HENRY E. HARRIS (1921)										
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	699	685	710	707	697	697	645	656	656	685
PHILIP VROOM (1914)										
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	491	473	479	485	476	476	470	452	432	409
WALTER F. ROBINSON (1903)										
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	744	710	757	792	843	843	767	906	920	801
MARY J. DONOHUE (1920)										
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	498	496	464	444	478	478	464	461	502	489
LINCOLN (1919)										
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	453	470	434	428	471	471	459	480	497	482
HORACE MANN (1914)										
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	614	627	576	572	629	629	605	648	712	687
WASHINGTON (1917)										
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	678	684	721	723	694	694	647	652	689	685
NICHOLAS ORESKO (2008)										
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	444	467	452	432	445	445	394	394	388	397
JOHN M. BAILEY (1909)										
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	652	679	659	688	707	707	636	657	639	661
WOODROW WILSON (1931)										
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	655	672	716	735	755	755	732	725	742	755
MIDTOWN COMMUNITY (1992)										
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	1,155	1,151	1,198	1,193	1,248	1,248	1,194	1,214	1,201	1,196
High School										
BAYONNE (1926)										
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	2,574	2,605	2,400	2,438	2,401	2,401	2,166	2,303	2,559	2,627

Number of Schools at June 30, 2025:

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)

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

<u>SCHOOL FACILITIES:</u>	<u>PROJECT #</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>	<u>2024</u>	<u>2025</u>
HENRY E. HARRIS SCHOOL	N/A	\$ 295,994	\$ 308,481	\$ 304,690	\$ 203,325	\$ 263,808	\$ 118,906	\$ 224,319	\$ 166,641	\$ 154,885	\$ 164,387
PHILIP VROOM SCHOOL	N/A	239,996	250,120	287,613	219,804	213,898	43,334	148,094	197,742	154,128	163,584
WALTER F. ROBINSON SCHOOL	N/A	431,407	449,607	483,568	198,098	384,492	128,425	222,779	330,916	151,957	161,280
MARY J. DONOHUE SCHOOL	N/A	220,956	230,277	261,720	172,278	196,927	92,187	157,505	276,505	228,597	242,622
LINCOLN SCHOOL	N/A	275,481	287,102	346,302	305,911	245,522	160,285	236,112	276,216	205,734	218,356
HORACE MANN SCHOOL	N/A	306,903	319,850	293,809	208,833	273,528	96,410	207,785	218,535	259,094	274,990
WASHINGTON SCHOOL	N/A	409,027	426,282	432,895	219,930	364,547	74,464	224,526	330,025	198,714	210,905
NICHOLAS ORESKO SCHOOL	N/A	287,675	299,811	333,796	228,006	256,392	83,711	170,929	295,168	158,238	167,946
JOHN M. BAILEY SCHOOL	N/A	305,213	318,088	334,781	197,531	272,025	81,913	222,443	263,293	195,328	207,312
WOODROW WILSON SCHOOL	N/A	413,494	430,938	417,430	218,290	368,530	87,269	185,803	237,588	155,615	165,162
MIDTOWN COMMUNITY SCHOOL	N/A	578,457	602,860	560,508	283,272	515,554	216,086	545,675	510,987	242,112	256,966
BAYONNE HIGH SCHOOL	N/A	1,925,736	2,006,975	1,734,726	2,073,660	1,716,322	3,010,312	1,852,521	1,912,610	1,980,823	2,102,349
TOTAL		\$ 5,690,339	\$ 5,930,391	\$ 5,791,838	\$ 4,528,938	\$ 5,071,545	\$ 4,193,302	\$ 4,398,491	\$ 5,016,226	\$ 4,085,225	\$ 4,335,859

Source: ACFR C-1

CITY OF BAYONNE SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025

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 2024-2025 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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 6, 2026.

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.

PKF O'CONNOR DAVIES, LLP
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**Honorable President and Members
of the Board of Education
City of Bayonne School District**

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001, 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

March 6, 2026

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 the 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, 2025. 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, 2025.

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

March 6, 2026

Anthony Branco

Anthony Branco, CPA

Licensed Public School Accountant, No. 2515

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**CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount*	Grant Period		Balance June 30, 2024		Cash Received	Budgetary Expenditures	Adjustments	Provided to Subrecipients	Repayment of Prior Years' Balances	Balance June 30, 2025		
					From	To	Unearned Revenue (Accounts Receivable)	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor
Enterprise Funds:																
U.S. Department of Agriculture																
Passed-through State Department of Education																
Child Nutrition Cluster																
National School Lunch Program-After School Snack	10.555	231NJ304N1099	N/A	134,949	7/1/2024	6/30/2025			127,717	\$ (134,949)				\$ (7,232)		
National School Lunch Program-After School Snack	10.555	241NJ304N1099	N/A	103,253	7/1/2023	6/30/2024	\$ (6,084)		6,084							
Food Distribution Program (NC)	10.555	251NJ304N1099	N/A	373,061	7/1/2024	6/30/2025			394,277	(361,436)					\$ 32,841	
Food Distribution Program (NC)	10.555	241NJ304N1099	N/A	408,882	7/1/2023	6/30/2024	11,625			(11,625)						
National School Lunch Program	10.555	251NJ304N1099	N/A	3,060,687	7/1/2024	6/30/2025			2,889,920	(3,060,687)				(170,767)		
National School Lunch Program	10.555	241NJ304N1099	N/A	2,907,734	7/1/2023	6/30/2024	(207,364)		207,364							
Healthy Hunger-Free Kids Act	10.555	251NJ304N1099	N/A	73,650	7/1/2024	6/30/2025			69,519	(73,650)					(4,131)	
Healthy Hunger-Free Kids Act	10.555	241NJ304N1099	N/A	67,700	7/1/2023	6/30/2024	(4,750)		4,750							
School Breakfast Program	10.553	251NJ304N1099	N/A	1,425,389	7/1/2024	6/30/2025			1,323,880	(1,425,389)				(101,509)		
School Breakfast Program	10.553	241NJ304N1099	N/A	1,378,670	7/1/2023	6/30/2024	(102,260)		102,260							
Summer Food Service Program for Children	10.559	N/A	N/A	319,478	7/1/2024	6/30/2025			319,478	(319,478)						
Subtotal Child Nutrition Cluster							(308,833)		5,445,249	(5,387,214)				(283,639)	32,841	
Summer Electronic Benefit Transfer Program for Children	10.646	N/A	N/A	2,952	7/1/2024	6/30/2025			2,952	(2,952)						
Local Food for Schools Cooperative Agreement Program	10.185	N/A	N/A	1,077	7/1/2024	6/30/2025			1,077	(1,077)						
Total U.S. Department of Agriculture							(308,833)		5,449,278	(5,391,243)				(283,639)	32,841	
U.S. Department of Health and Human Services																
Passed-through Urban League of Hudson County																
Trio Cluster:																
Child Care and Development Block Grant	93.575	N/A	N/A	1,182,113	7/1/2024	6/30/2025		\$ 448,270	1,182,113	(1,182,113)			\$ (111)			\$ 448,159
Child Care and Development Block Grant	93.575	N/A	N/A	456,643	7/1/2020	6/30/2021										
Total U.S. Department of Health and Human Services/ Trio Cluster							-	448,270	1,182,113	(1,182,113)			(111)			448,159
Total Enterprise Funds							(308,833)	448,270	6,631,391	(6,573,356)			(111)	(283,639)	32,841	448,159
Total Federal Financial Awards							\$ (4,358,870)	\$ 448,270	\$ 19,396,827	\$ (16,931,131)	\$ -	\$ -	\$ (111)	\$ (1,926,166)	\$ 32,992	\$ 448,159

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, 2025

Balance at June 30, 2024												Balance at June 30, 2025					
Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Unearned Revenue (Accounts Receivable)	Due to Grantor	Prior Period Adjustment	Transfers	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable)	Unearned Revenue	Due to Grantor	MEMO		
			From	To											Budgetary Receivable	Cumulative Total Expenditures	
General Fund																	
State Department of Education																	
Equalization Aid	495-034-5120-078	\$ 112,373.923	7/1/2024	6/30/2025				\$ 101,176,862	\$ (112,373,923)					\$ (11,197,061)	\$ (112,373,923)		
Equalization Aid	495-034-5120-078	98,802,074	7/1/2023	6/30/2024	\$ (9,839,427)			9,839,427									
Special Education Categorical Aid	495-034-5120-089	11,623,441	7/1/2024	6/30/2025				10,465,269	(11,623,441)					(1,158,172)	(11,623,441)		
Special Education Categorical Aid	495-034-5120-089	6,370,555	7/1/2023	6/30/2024	(634,426)			634,426						(452,473)	(4,541,031)		
Security Aid	495-034-5120-084	4,541,031	7/1/2024	6/30/2025				4,088,558	(4,541,031)								
Security Aid	495-034-5120-084	3,438,877	7/1/2023	6/30/2024	(342,468)			342,468									
Transportation Aid	495-034-5120-014	569,721	7/1/2024	6/30/2025				512,953	(569,721)					(56,768)	(569,721)		
Transportation Aid	495-034-5120-014	403,763	7/1/2023	6/30/2024	(40,210)			40,210									
Extraordinary Aid (Spec Ed)	495-034-5120-044	1,179,330	7/1/2024	6/30/2025					(1,180,723)		\$ (1,180,723)				(1,180,723)		
Extraordinary Aid (Spec Ed)	495-034-5120-044	769,885	7/1/2023	6/30/2024	(769,885)			769,885									
T.P.A.F. Social Security Aid	495-034-5094-003	6,905,883	7/1/2024	6/30/2025				6,560,368	(6,905,883)			(345,515)			(6,905,883)		
T.P.A.F. Social Security Aid	495-034-5095-003	6,295,605	7/1/2023	6/30/2024	(315,124)			315,124									
T.P.A.F. On-Behalf Pension	495-034-5094-001	29,037,294	7/1/2024	6/30/2025				29,037,294	(29,037,294)						(29,037,294)		
T.P.A.F. On-Behalf Post Retirement Medical	495-034-5094-002	8,484,721	7/1/2024	6/30/2025				8,484,721	(8,484,721)						(8,484,721)		
T.P.A.F. On-Behalf Long-Term Disability Ins.	495-034-5094-004	15,736	7/1/2024	6/30/2025				15,736	(15,736)						(15,736)		
Total General Fund					(11,941,540)			172,283,301	(174,732,473)		(1,526,238)			(12,864,474)	(174,732,473)		
Special Revenue Fund																	
State Department of Education																	
Preschool Education Aid	495-034-5120-086	13,951,360	7/1/2023	6/30/2024	(1,395,136)			1,395,136									
Preschool Education Aid	495-034-5120-086	16,080,480	7/1/2024	6/30/2025	(1,229,913)			14,472,432	(19,300,680)		\$ 36,252		\$ 6,862	(1,608,048)	(19,300,680)		
School Development Authority - Emergent Needs	Not Available	266,643	7/1/2021	6/30/2022		\$ 6,862	\$ 2,985,891	\$ 1,500,474									
NJ Nonpublic Aid:																	
Textbook Aid	100-034-5120-064	19,024	7/1/2024	6/30/2025				19,024	(18,322)					702		(18,322)	
Textbook Aid	100-034-5120-064	21,332	7/1/2023	6/30/2024		8,002				\$ (8,002)							
Auxiliary Services:																	
Compensatory Education	100-034-5120-067	62,508	7/1/2024	6/30/2025				62,508	(62,508)						(62,508)		
Compensatory Education	100-034-5120-067	80,019	7/1/2023	6/30/2024		8,706				(8,706)							
Handicapped Transportation	100-034-5120-068	8,350	7/1/2023	6/30/2024		8,350				(8,350)							
Handicapped Services:																	
Supplemental Instruction	100-034-5120-066	17,098	7/1/2024	6/30/2025				17,098	(17,098)						(17,098)		
Supplemental Instruction	100-034-5120-066	17,346	7/1/2023	6/30/2024		2,478				(2,478)							
Examination & Classification	100-034-5120-066	28,810	7/1/2024	6/30/2025				28,810	(28,810)						(28,810)		
Examination & Classification	100-034-5120-066	23,126	7/1/2023	6/30/2024		5,118				(5,118)							
Corrective Speech	100-034-5120-066	8,091	7/1/2024	6/30/2025				8,091	(8,091)						(8,091)		
Technology Initiative	100-034-5120-373	18,228	7/1/2024	6/30/2025				18,228	(18,218)				10		(18,218)		
Technology Initiative	100-034-5120-373	18,081	7/1/2023	6/30/2024		1				(1)							
Security Aid	100-034-5120-509	81,590	7/1/2024	6/30/2025				81,590			(11,174)		81,590				
Security Aid	100-034-5120-509	79,745	7/1/2023	6/30/2024		11,174											
Nursing Services	100-034-5120-070	51,740	7/1/2024	6/30/2025				51,740	(46,280)				5,460		(46,280)		
State Department of Children and Families																	
School Based Youth Services	100-054-7500-068	302,427	7/1/2024	6/30/2025				302,427	(301,602)				825		(301,602)		
School Based Youth Services	100-054-7500-068	283,164	7/1/2022	9/30/2023	106								106				
School Based Youth Services	100-054-7500-068	132,809	7/1/2019	6/30/2020		140,407								140,407			
State Department of Treasury																	
Passed through City of Bayonne																	
Municipal Alliance Program	100-082-C001-004	19,921	7/1/2024	6/30/2025					(19,921)			(19,921)			(19,921)		
Municipal Alliance Program	100-082-C001-004	27,143	7/1/2023	6/30/2024	(27,143)							(27,143)					
Municipal Alliance Program	100-082-C001-004	27,143	7/1/2022	6/30/2023	(27,143)							(27,143)					
Total Special Revenue Fund					(2,679,229)	191,098	2,985,891	1,500,474	16,457,084	(19,821,530)	(43,829)	(74,207)	37,183	235,031	(1,608,048)	(19,821,530)	
Enterprise Fund																	
State Department of Agriculture																	
State School Lunch Program	24-100-010-3350-023	55,870	7/1/2024	6/30/2025				52,737	(55,870)			(3,133)			(55,870)		
State School Lunch Program	23-100-010-3350-023	57,465	7/1/2023	6/30/2024	(4,041)			4,041									
State School Lunch Program	21-100-010-3350-023	50,432	7/1/2020	6/30/2021		1,477							1,477				
Breakfast After the Bell	Not Available	62,671	7/1/2024	6/30/2025				58,053	(62,671)			(4,618)			(62,671)		
Breakfast After the Bell	Not Available	70,107	7/1/2023	6/30/2024	(4,926)			4,926									
Reduced Breakfast and Lunch State Aid	Not Available	26,960	7/1/2024	6/30/2025				25,244	(26,960)			(1,716)			(26,960)		
Reduced Breakfast and Lunch State Aid	Not Available	34,757	7/1/2023	6/30/2024	(2,366)			2,366									
NJIEI- Lunch	Not Available	61,529	7/1/2024	6/30/2025				58,037	(61,529)			(3,492)			(61,529)		
NJIEI- Lunch	Not Available	16,755	7/1/2023	6/30/2024	(1,967)			1,967									
NJIEI- Breakfast	Not Available	25,363	7/1/2024	6/30/2025				23,464	(25,363)			(1,899)			(25,363)		
NJIEI- Breakfast	Not Available	8,512	7/1/2023	6/30/2024	(858)			858									
Summer Supplement for Food	Not Available	7,770	7/1/2024	6/30/2025				7,770	(7,770)						(7,770)		
SEBT Management and Administrative Services	Not Available	2,952	7/1/2024	6/30/2025				2,952	(2,952)						(2,952)		
Total Enterprise Fund					(14,158)	1,477	-	-	242,415	(243,115)	-	(14,858)	-	1,477	-	(243,115)	
Total State Financial Assistance					\$ (14,634,927)	\$ 192,575	\$ 2,985,891	\$ 1,500,474	\$ 188,982,800	\$ (194,797,118)	\$ (43,829)	\$ (1,615,303)	\$ 37,183	\$ 236,508	\$ (14,472,522)	\$ (194,797,118)	
Less: State Financial Assistance Not Subject to Single Audit Determination																	
T.P.A.F. On-Behalf Pension	495-034-5094-001	29,037,294	7/1/2024	6/30/2025						29,037,294							
T.P.A.F. On-Behalf Post Retirement Medical	495-034-5094-002	8,484,721	7/1/2024	6/30/2025						8,484,721							
T.P.A.F. On-Behalf Long-Term Disability Ins.	495-034-5094-004	15,736	7/1/2024	6/30/2025						15,736							
Total State financial Assistance Subject to State Single Audit.									\$ (157,259,367)								

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, 2025

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 \$(2,007,943) for the General Fund and \$(212,912) 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, 2025

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	\$ 446,313	\$172,724,530	\$ 173,170,843
Special Revenue Fund	9,911,462	18,108,144	28,019,606
Food Service Fund	5,391,243	243,115	5,634,358
Community Ed Fund	<u>1,182,113</u>	<u>-</u>	<u>1,182,113</u>
Total Awards and Financial Assistance	\$ <u>16,931,131</u>	\$ <u>191,075,789</u>	\$ <u>208,006,920</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, 2025.

NOTE 7. ADJUSTMENTS

In the Special Revenue Fund, adjustments primarily reflect the prior period adjustment related to deferred revenue balances.

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, 2025.

CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2025

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, 2025 amount to \$37,537,751. Since on-behalf post-retirement pension, medical and disability insurance benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditors' Results

Financial Statements Section

Type of report the auditors issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Are any material weaknesses identified?

 Yes X No

Are any significant deficiencies identified?

 X Yes None Reported

Is any noncompliance material to financial statements noted?

 Yes X No

Federal Awards

Internal control over major federal programs:

Are any material weaknesses identified?

 Yes X No

Are any significant deficiencies identified?

 Yes X None Reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 Yes X No

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
84.027	H027A240100	<u>Special Education Cluster:</u>
84.173	H173A240114	I.D.E.A. Part B, Basic Regular
		I.D.E.A. Part B, Preschool
10.553	251NJ304N1099	<u>Child Nutrition Cluster:</u>
10.555	251NJ304N1099	School Breakfast Program
10.559	N/A	National School Lunch Program
		Summer Food Service Program for Children

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

\$ 750,000.00

Auditee qualified as low-risk auditee?

 Yes X No

CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditors' Results (continued)

State Financial Assistance

Internal control over major state programs:

Are any material weaknesses identified? _____ Yes _____ X No

Are any significant deficiencies identified? _____ Yes _____ X None Reported

Type of auditors' report issued on compliance for
major state programs:

_____ Unmodified

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

_____ Yes _____ X No

Identification of major state programs:

<u>GMIS/Program Number</u>	<u>Name of State Program or Cluster</u>
495-034-5120-089	<u>State Aid Cluster:</u>
495-034-5120-078	Special Education Categorical Aid
495-034-5120-084	Equalization Aid
	Security Aid

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

\$ 3,000,000.00

Auditee qualified as low-risk auditee?

_____ Yes _____ X No

CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section II - 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 2025-001 – General Ledger Maintenance and Reconciliation Controls

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

Criteria:

Management is responsible for establishing and maintaining effective internal control over financial reporting to ensure the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Effective internal controls include the timely and accurate reconciliation of general ledger accounts, proper posting of adjusting entries, verification of opening balances, and review procedures to ensure account balances agree to supporting documentation and subsidiary ledgers.

Condition:

The District did not maintain effective controls over general ledger maintenance and reconciliation procedures. Certain balance sheet account reconciliations were not performed or were incomplete, and errors were identified in bank reconciliations that resulted in misstated balances. Adjusting journal entries from the prior year's audit were not posted, and interfund balances were not in agreement due to mispostings of related activity.

In addition, general ledger balances were not consistently reviewed and reconciled to supporting subsidiary records and schedules on a timely basis, and opening balances were not adequately verified to the prior year's audited financial statements. These deficiencies affected multiple accounts and required audit adjustments to properly state year-end balances.

Cause and Effect:

These deficiencies resulted from weaknesses in the design and operating effectiveness of internal controls over financial reporting, including insufficient oversight of the financial statement close process, inadequate review of account reconciliations, and inconsistent monitoring of general ledger activity.

As a result, errors in the accounting records were not detected and corrected through the District's normal review procedures and required adjustment during the audit. These conditions increase the risk that material misstatements could occur and not be identified in a timely manner.

Recommendation:

The District should strengthen its internal control procedures over general ledger maintenance and financial reporting by implementing formal monthly and year-end closing procedures; ensuring all balance sheet accounts are reconciled and independently reviewed on a timely basis; verifying beginning balances to prior-year audited amounts; posting audit adjustments promptly; and reconciling interfund balances to supporting documentation.

Management should also establish ongoing monitoring procedures to ensure these controls operate consistently throughout the fiscal year.

Views of Responsible Officials and Planned Corrective Action:

The District agrees with this finding and has indicated that it will implement corrective actions to enhance reconciliation procedures, strengthen oversight of the financial statement close process, and improve monitoring of general ledger maintenance.

CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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.