



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

BOARD OF EDUCATION

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

***COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR
ENDED JUNE 30, 2020***

HODULIK & MORRISON, P.A.

A division of  **PKF
O'CONNOR
DAVIES**
ACCOUNTANTS AND ADVISORS

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

Introductory Section



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

Daniel M. Castles
School Business Administrator

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

March 4, 2021
Honorable President and Members of the Board of Education Bayonne School District
Hudson County, New Jersey

Dear Members of the Board of Education:

The Comprehensive Annual Financial Report (C.A.F.R.) of the Bayonne School District (the "District") as of and for the fiscal year ended June 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Bayonne School District. To the best of our knowledge and belief, the data presented in the auditors' report are accurate in all material respects and are reported in a manner designed to fairly present the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The C.A.F.R. is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials and consultants, independent auditors and advisors. The financial section includes the general-purpose financial statements, management's discussion and analysis, and schedules, as well as the 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 2019-2020 fiscal year with an average daily enrollment of 9,352 students, which is 163 or 1.77% more than the previous year's enrollment.

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

Average Daily Enrollment		
Fiscal Year	Student Enrollment	Percent Change
2019-2020	9,352	1.77%
2018-2019	9,189	-0.92%
2017-2018	9,274	-0.44%
2016-2017	9,315	-0.47%
2015-2016	9,359	0.19%

2. ECONOMIC CONDITION AND OUTLOOK:

The Board of Education has maintained quality education programs during the recent expansion of student enrollment, with only a minor increase in school taxes. Community revitalization efforts are ongoing. A Hudson-Bergen NJ Light Rail system is in use. An 18-hole golf course is now open on the east side of the City in an area previously used for trash dumping. New housing in the form of multi-unit dwellings is nearing completion. The District's tax revenue has been steady over the last five years. The District's school buildings have been opened as early as 1903 and as recent as 2008. Many of these schools have undergone new construction and/or renovations utilizing New Jersey Development Authority grant funds. The student population is becoming increasingly diverse and score respectively with the state peers.

3. MAJOR INITIATIVES:

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

The entire District staff is committed to testing data analysis followed by appropriate teaching strategies and support materials to meet the needs of our students. State and local assessments, student achievement gaps, dropout and attendance data are analyzed to improve student performance. Additionally, training is conducted to support staff members with the creation of Student Growth Objectives (SGOs). Student Growth Objectives (SGOs) are academic goals for groups of students that are aligned to state standards and can be tracked using objective measures. As part of the student achievement component of evaluation under Achieve NJ, each teacher sets SGOs with input and approval from his or her principal at the start of the year. Specifically, teachers and principals are expected to collaborate around the instructional content that will be covered and the skills and knowledge that will be measured. Principals are held accountable in their own evaluations for how well they help teachers with this process and for the degree to which the teachers in their school meet SGOs. Curriculum writers create diagnostic assessments administrated in September. Teachers review student's baseline data and set attainment scores

with guidance from their building level administrators and District directors. Conversations continue regarding SGOs as there are build-in checkpoints and teachers will continue to monitor progress on our abbreviated professional days. The District has begun full scope external review of its curriculum, which including a review of Math, Language Arts, Social Studies and next generation science standards.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as a re-appropriation of fund balances in the subsequent year. Those amounts to be re-appropriated are reported as assigned fund balance at June 30, 2020.

6. ACCOUNTING SYSTEM AND REPORTS:

A District's accounting records must reflect generally accepted principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds and government-wide financial statements are explained in "Notes to the Financial Statements," Note 1.

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END:

As demonstrated by the various statements and schedules included in the financial section of this report, the district continues to meet its responsibilities for sound financial management. The following schedule presents a summary of the general fund and special revenue fund revenues for the fiscal year ended June 30, 2020, and the amount and percentage of increase/(decrease) in relation to the prior year.

<u>Revenue</u>	<u>2019-2020</u>	<u>Percent of Total</u>	<u>2018-2019</u>	<u>Increase/ (Decrease)</u>
Local Tax Levy	\$ 69,063,735	39.74%	\$ 68,312,303	\$ 751,432
Other Local Sources	2,077,772	1.20%	2,232,560	(154,788)
State Sources	94,328,883	54.28%	86,828,370	7,500,513
Federal Sources	8,327,637	4.78%	6,345,394	1,982,243
Total	<u>\$ 173,798,027</u>	<u>100.00%</u>	<u>\$ 163,718,627</u>	<u>\$ 10,079,400</u>

The following schedule presents a summary of the general fund and special revenue fund expenditures for the fiscal year ended June 30, 2020, and the amount and percentage of increase/(decrease) in relation to the prior year.

<u>Expenditures</u>	<u>2019-2020</u>	<u>Percent of Total</u>	<u>2018-2019</u>	<u>(Decrease)/ Increase</u>
Current Expenses:				
Instruction	\$ 65,405,920	38.14%	\$ 69,668,608	\$ (4,262,688)
Undistributed Expenditures	87,403,710	50.97%	79,548,991	7,854,719
Capital Outlay	2,758,700	1.61%	679,075	2,079,625
Special Revenues	15,904,954	9.28%	9,625,978	6,278,976
	<u>\$ 171,473,284</u>	<u>100.00%</u>	<u>\$ 159,522,652</u>	<u>\$ 11,950,632</u>

8. CASH MANAGEMENT:

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

9. RISK MANAGEMENT:

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

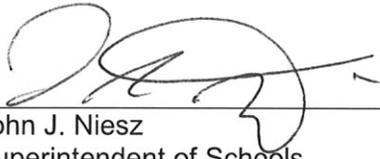
10. OTHER INFORMATION:

State statutes require an annual audit by independent certified public accountants. The accounting firm of PKF O'Connor Davies, LLP, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and *New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of the report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

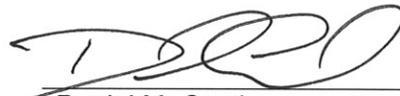
11. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Bayonne School District for taking initiative to provide fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. Further, the preparation of this report could not have been accomplished without the efficient and dedicated services of our business office staff members.

Respectfully Submitted,



John J. Niesz
Superintendent of Schools



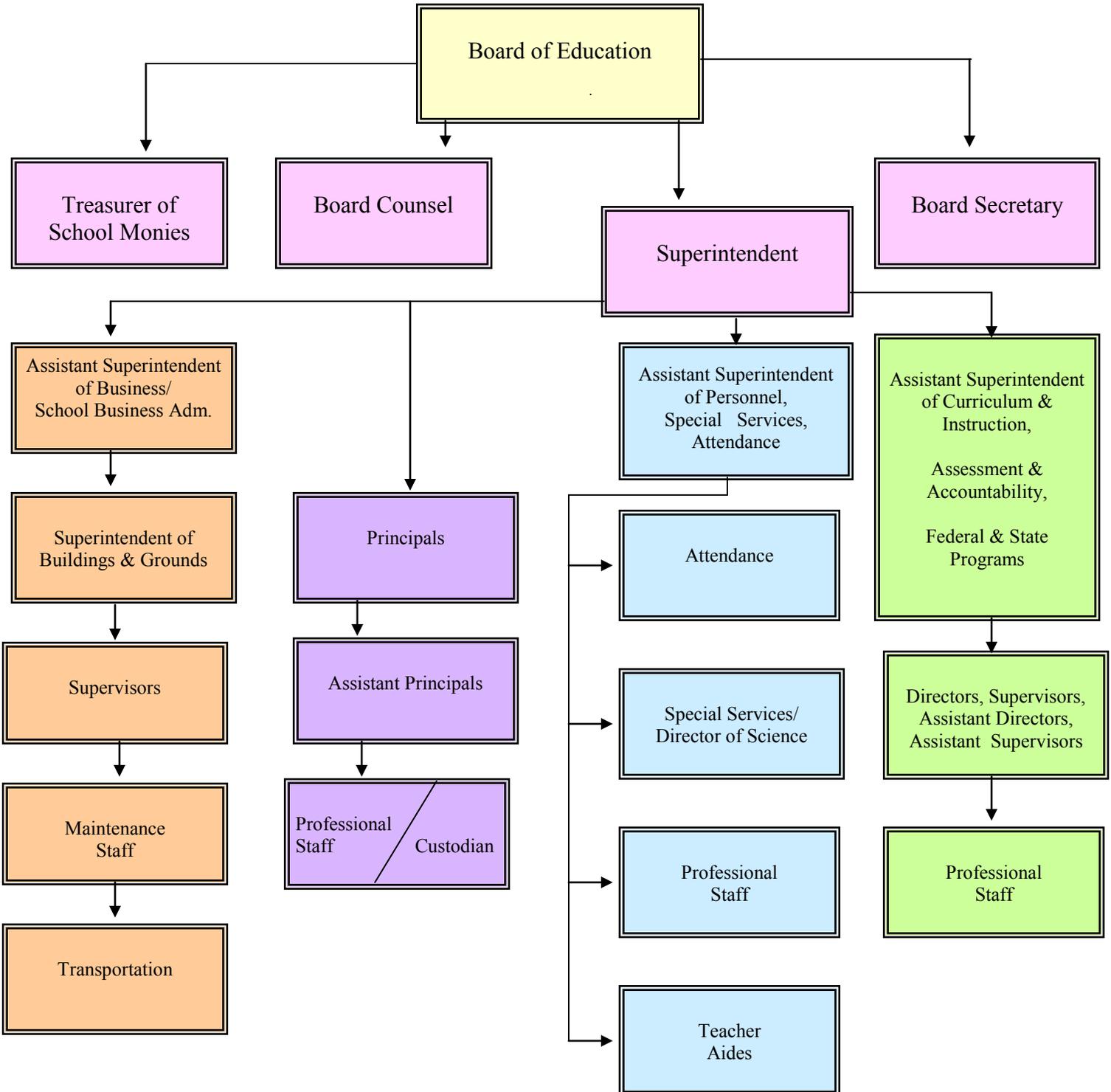
Daniel M. Castles
School Business Administrator

POLICY

BOARD OF EDUCATION BAYONNE

1110 ORGANIZATIONAL CHART

ADMINISTRATION
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ORGANIZATIONAL CHART



CITY OF BAYONNE SCHOOL DISTRICT
HUDSON COUNTY, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2020

Members of the Board of Education

Term Expires

Maria Valado, President	January 2021
Christopher Munoz, Vice President	January 2021
Denis Wilbeck	January 2023
Jodi Casais	January 2022
Michael Alonzo	January 2021
Ava Finnerty	January 2022
Joseph Broderick	January 2022
Jan Patrick Egan	January 2023
Lisa Burke	January 2023

Other Officials

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

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

Architects

DMR Architects
777 Terrace Avenue
Hasbrouck Heights, New Jersey 07604

Audit Firm

PKF O'Connor Davies
20 Commerce Drive, Suite 301
Cranford, NJ 07016

Attorneys

Appruzzese, McDermott, Mastro & Murphy, P.C.
Somerset Hills Corporate Center
25 Independence Boulevard
P.O.Box 112
Liberty Corner, New Jersey 07938

Chasan, Leyner & Lamparello, P.C.
300 Harmon Meadow Boulevard
Secaucus, New Jersey 07094-3621

Environmental Engineer/Consultants

T & M Associates
11 Tindall Road
Middletown, New Jersey 07748

Neglia Engineering Associates
34 Park Avenue -P.O.Box 426
Lyndhurst, New Jersey 07071

Official Depositories

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

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

Financial Section

INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bayonne School District, in the County of Hudson, State of New Jersey (the "District"), as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Bayonne School District, in the County of Hudson, State of New Jersey, as of June 30, 2020 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District pension contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF, schedule of the State's proportionate share of the net OPEB liability and changes in the total OPEB liability and related ratios - PERS and TPAF, and budgetary comparison information as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, consisting of the combining and individual fund financial statements and long-term debt schedules, the schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are also not a required part of the basic financial statements.

The combining and individual fund financial statements, long-term debt schedules, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and are derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund financial statements, long-term debt schedules, schedule of expenditures of federal awards and schedule of state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2021 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP



Michael Andriola, CPA
Licensed Public School Accountant
PSA # 2429

Cranford, New Jersey
March 4, 2021

Required Supplementary Information – Part I

Management's Discussion and Analysis

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

MANAGEMENT DISCUSSION & ANALYSIS (MD&A)
June 30, 2020

This section of the district's annual financial report presents a discussion and analysis of the district's financial performance during the fiscal year ending June 30, 2020. It should be read in conjunction with the transmittal letter at the front of this report and the district's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statement—and Management's Discussion and Analysis—for State and Local Governments* issued June 1999 and amended by GASB Statement No. 37. Certain comparative information between the current year and the prior year is presented in the MD&A.

FINANCIAL HIGHLIGHTS

The key financial highlights for the 2019-2020 fiscal year include the following:

Total net position for governmental activities is reported at \$13,610,409 at June 30, 2020. This represents a decrease of \$684,822 or 4.79% over the prior year reported net position. Governmental funds reported a positive fund balance of \$6,672,011, which is a \$4,735,605 increase from last year's total governmental fund balance. This favorable operating result reflects the more disciplined expenditure authorization and approval process that has been implemented by the District. The general or operating fund balance was reported for GAAP purposes at \$6,107,316, which represents an increase of \$4,966,603 over the prior year. Of this total, \$3,699,369 was assigned to cover open purchase orders at year-end. Based upon the reduction imposed by S1701 in the calculation of maximum restricted fund balance that the District is allowed to retain, the amount of general fund balance required to be reserved for tax relief in the 2021-2022 budget is \$2,540,477. The District's 2020-2021 budget also utilizes \$2,574,068 of fund balance for tax relief. The unassigned general fund balance is reported at negative \$4,516,492. Total expenditures for all governmental funds were \$173,298,190. Total revenues were \$175,391,935 resulting in an excess of revenues over expenditures of \$2,093,745 for the year. Revenues included \$104.25 million in state and federal aid and \$69.06 million in local taxes.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Figure A-1

Organization of the School District Annual Financial Report

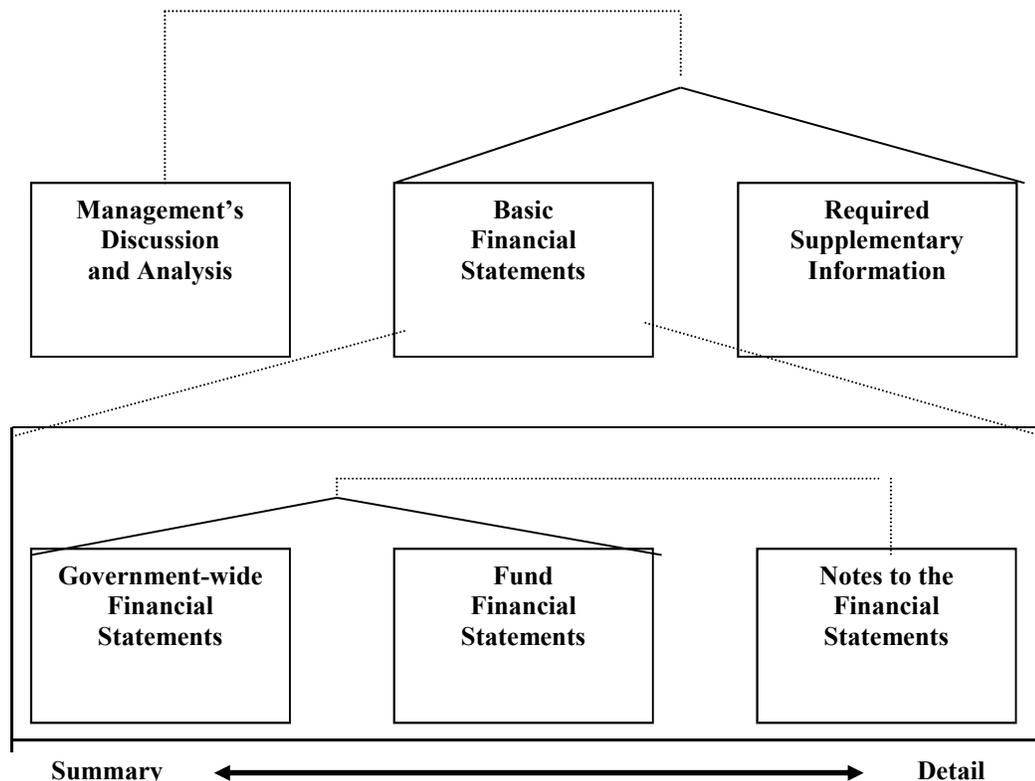


Figure A-2 summarizes the major features of the district's financial statements, including the portion of the district's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The district has three 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. The district uses internal service funds (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The district had one internal service fund, the health insurance fund, which was closed July 1, 2019.

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The school district's Governmental Activities net position was \$13,610,409 at June 30, 2020. Of this amount, a deficit amount of \$52,357,788 was reported as unrestricted net position, primarily due to GASB Statement No. 68 accounting and reporting requirements for the PERS and TPAF defined benefit pension systems. Restricted net positions are reported separately to show legal constraints from debt covenants and enabling legislation that limit the school district's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net position (Figure A-3) and change in net position (Figure A-4) of the school district's governmental activities.

Figure A-3
Net Position at June 30, 2020

	Governmental Activities		Amount	%
	2020	2019	Difference	Increase (Decrease)
ASSETS				
Current and Other Assets	\$ 12,942,901	\$ 9,447,345	\$ 3,495,556	37.00%
Capital Assets	60,344,872	62,283,108	(1,938,236)	-3.11%
Total Assets	\$ 73,287,773	\$ 71,730,454	\$ 1,557,319	2.17%
DEFERRED OUTFLOWS OF RESOURCES				
	\$ 13,368,200	\$ 14,205,221	\$ (837,021)	-5.89%
LIABILITIES				
Current and other liabilities	9,048,048	9,038,452	9,596	0.11%
Long-term liabilities	47,280,025	46,906,129	373,896	0.80%
Total Liabilities	\$ 56,328,073	\$ 55,944,581	\$ 383,492	0.69%
DEFERRED INFLOWS OF RESOURCES				
	\$ 16,717,491	\$ 15,695,863	\$ 1,021,628	6.51%
NET POSITION				
Net Investment in Capital Assets	58,479,063	61,477,554	(2,998,491)	-4.88%
Restricted	7,489,134	4,179,656	3,309,478	79.18%
Unrestricted (Deficit)	(52,357,788)	(51,361,979)	(995,809)	1.94%
Total Net Position	\$ 13,610,409	\$ 14,295,231	\$ (684,822)	-4.79%

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

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

	<u>Governmental Activities</u>		<u>Amount</u>	<u>%</u>
	<u>2020</u>	<u>2019</u>	<u>Difference</u>	<u>Increase</u> <u>(Decrease)</u>
Revenues:				
Program Revenue				
Operating Grants and Contributions	\$ 16,586,115	\$ 10,360,976	\$ 6,225,139	60.08%
Capital Grants and Contributions	1,593,908	776,797	817,111	105.19%
Charges for Services	72,711	779,815	(707,104)	-90.68%
General Revenues				
Property Taxes	69,063,735	68,312,303	751,432	1.10%
Federal and State Aid not Restricted	97,970,529	99,484,621	(1,514,092)	-1.52%
Other General Revenues	1,792,534	1,284,141	508,393	39.59%
Total Revenues	<u>\$ 187,079,532</u>	<u>\$ 180,998,653</u>	<u>\$ 6,080,879</u>	3.36%
Function/program expense:				
Instruction	121,480,304	118,715,394	2,764,910	2.33%
Support Services:				
Speech, OT, PT and Related Services	3,577,923	3,169,296	408,627	12.89%
Health Services	2,639,622	2,730,035	(90,413)	-3.31%
Other Support Services	14,715,518	13,040,434	1,675,084	12.85%
Improvement of Instruction	2,601,477	2,385,952	215,525	9.03%
Other Support: Instructional Staff	32,530	45,961	(13,431)	-29.22%
School Library	241,279	323,446	(82,167)	-25.40%
General Administration	3,588,977	3,890,030	(301,053)	-7.74%
School Administration	8,074,525	8,151,708	(77,183)	-0.95%
Central Services	2,871,754	2,605,262	266,492	10.23%
Administrative Information Technology	1,400,596	1,306,847	93,749	7.17%
Plant Operation and Maintenance	19,459,335	19,377,759	81,576	0.42%
Student Transportation	4,162,568	4,306,583	(144,015)	-3.34%
Special Schools	774,205	477,856	296,349	62.02%
Capital Outlay	2,121,883	269,280	1,852,603	100.00%
Interest of Long-Term Debt	21,858	269,278	(247,420)	-91.88%
Total Expenses	<u>\$ 187,764,354</u>	<u>\$ 181,065,121</u>	<u>\$ 6,699,233</u>	3.70%
Decrease in Net Position	<u>\$ (684,822)</u>	<u>\$ (66,468)</u>	<u>\$ (618,354)</u>	930.30%

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

	Business Type Activity		Amount Difference	% Increase (Decrease)
	2020	2019		
Revenues:				
Charges for Services	\$ 1,622,848	\$ 1,112,361	\$ 510,487	45.89%
Operating Grants and Contributions	3,757,627	3,865,012	(107,385)	-2.78%
Total Revenues	\$ 5,380,475	\$ 4,977,373	\$ 403,102	8.10%
Program Expenses				
Food Service	\$ 5,838,930	\$ 4,688,908	\$ 1,150,022	24.53%
Total Expenses	\$ 5,838,930	\$ 4,688,908	\$ 1,150,022	24.53%
Increase (Decrease) in Net Position	\$ (458,455)	\$ 288,465	\$ (746,920)	-258.93%

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

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

	2020	2019	Increase (Decrease)	
			\$	%
Instruction	\$ 121,480,304	\$ 118,715,394	\$ 2,764,910	2.33%
Support Services:				
Speech, OT, PT and Related Services	3,577,923	3,169,296	408,627	12.89%
Health Services	2,639,622	2,730,035	(90,413)	-3.31%
Other Support Services	14,715,518	13,040,434	1,675,084	12.85%
Improvement of Instruction	2,601,477	2,385,952	215,525	9.03%
Other Support: Instructional Staff	32,530	45,961	(13,431)	-29.22%
School Library	241,279	323,446	(82,167)	-25.40%
General Administration	3,588,977	3,890,030	(301,053)	-7.74%
School Administration	8,074,525	8,151,708	(77,183)	-0.95%
Central Services	2,871,754	2,605,262	266,492	10.23%
Administrative Information Technology	1,400,596	1,306,847	93,749	7.17%
Plant Operation and Maintenance	19,459,335	19,377,759	81,576	0.42%
Student Transportation	4,162,568	4,306,583	(144,015)	-3.34%
Special Schools	774,205	477,856	296,349	62.02%
Capital Outlay	2,121,883	-	2,121,883	100.00%
Interest on Long-Term Debt	21,858	269,278	(247,420)	-91.88%
Total Expenses	\$ 187,764,354	\$ 181,065,121	\$ 6,699,233	3.70%

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

As the school district completed this year, our governmental funds reported a combined fund balance of \$6,672,011, which is an increase of \$4,735,605 from last year. This amount includes the general fund (increase of \$4,966,603), capital projects fund (decrease of \$230,998) and special revenue fund (no change).

General Fund Budgetary Highlights

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

Actual revenues reflect a positive variance of \$22.68 million. This is due primarily to the State reimbursement/on behalf in the amount of \$21.71 million for TPAF pension and post retirement and social security contributions. This is always a non-budgeted item that the State requires to be included in the final audit.

Actual expenditures reflect a negative variance of \$18.03 million even though all budget categories show a positive variance. This again is due to the State requirement to include TPAF pension and post retirement and social security contributions in the audit.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2020, the school district reported \$197,462,359 invested in a broad range of capital assets, including land, buildings, building improvements, other improvements, vehicles, furniture and equipment. This amount represents a net increase (including additions, trade-ins and retirements) of \$2,870,699 from the prior year. Figure A-6 details the composition of capital assets at June 30th of the current and prior year and the net changes for the current year.

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

	<u>FY 2020</u>	<u>FY 2019</u>	<u>Increase (Decrease)</u>
Land	\$ 1,520,207	\$ 1,520,207	\$ -
Construction in Progress	5,925,820	3,492,390	2,433,430
Buildings and Improvements	159,905,802	159,905,802	-
Furniture, Equipment and Vehicles	<u>30,110,530</u>	<u>29,673,259</u>	<u>437,271</u>
Total	<u>\$ 197,462,359</u>	<u>\$ 194,591,658</u>	<u>\$ 2,870,701</u>

Long-Term Liabilities

At the end of this year, the school district had \$47,280,025 in long term liabilities outstanding versus \$46,906,129 last year - an increase of .80%. The summary of year-end long-term liabilities and changes for the 2019-2020 school years are as follows:

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

	Governmental Activities	
	2020	2019
Obligations Under Capital Lease	\$ 1,865,809	\$ 805,554
Compensated Absences Payable	1,108,150	1,010,075
Net Pension Liability (PERS)	44,306,066	45,090,500
Total Liabilities	\$ 47,280,025	\$ 46,906,129

FACTORS AFFECTING THE DISTRICT'S FUTURE

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

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2020.

CITY OF BAYONNE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 6,338,125	\$ -	\$ 6,338,125
Accounts Receivable	6,210,620	669,105	6,879,725
Internal Balances	201,412	(201,412)	-
Receivables from Other Funds	192,744		192,744
Inventory		57,953	57,953
Capital Assets, Net	60,344,872	952,890	61,297,762
Total Assets	<u>73,287,773</u>	<u>1,478,536</u>	<u>74,766,309</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Pension Deferrals	13,368,200		13,368,200
Total Deferred Outflow of Resources	<u>13,368,200</u>	<u>-</u>	<u>13,368,200</u>
<u>LIABILITIES</u>			
Accounts Payable	7,402,800		7,402,800
Accrued Liabilities	207,578		207,578
Unearned Revenue		25,736	25,736
Payable to Other Governments	86,944		86,944
Advances from Grantors	1,350,726		1,350,726
Noncurrent Liabilities:			
Due Within One Year	655,626		655,626
Due Beyond One Year	2,318,333		2,318,333
Net Pension Liability	44,306,066		44,306,066
Total Liabilities	<u>56,328,073</u>	<u>25,736</u>	<u>56,353,809</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Pension Deferrals	16,717,491		16,717,491
Total Deferred Inflow of Resources	<u>16,717,491</u>	<u>-</u>	<u>16,717,491</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	58,479,063	952,890	59,431,953
Restricted for:			
Capital Projects	564,695		564,695
Other Purposes	6,924,439		6,924,439
Unrestricted (Deficit)	(52,357,788)	499,910	(51,857,878)
Total Net Position	<u>\$ 13,610,409</u>	<u>\$ 1,452,800</u>	<u>\$ 15,063,209</u>

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, 2020**

Functions/Programs	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction	\$ 121,480,304	\$ 72,711	\$ 11,245,303		\$ (110,162,290)		\$ (110,162,290)
Support Services:							
Speech, OT, PT and Related Services	3,577,923				(3,577,923)		(3,577,923)
Health Services	2,639,622				(2,639,622)		(2,639,622)
Other Support Services	14,715,518		4,845,621		(9,869,897)		(9,869,897)
Improvement of Instruction	2,601,477				(2,601,477)		(2,601,477)
Other Support: Instructional Staff	32,530				(32,530)		(32,530)
School Library	241,279				(241,279)		(241,279)
General Administration	3,588,977				(3,588,977)		(3,588,977)
School Administration	8,074,525				(8,074,525)		(8,074,525)
Central Services	2,871,754				(2,871,754)		(2,871,754)
Administrative Information Technology	1,400,596				(1,400,596)		(1,400,596)
Plant Operation and Maintenance	19,459,335				(19,459,335)		(19,459,335)
Student Transportation	4,162,568				(4,162,568)		(4,162,568)
Special Schools	774,205				(774,205)		(774,205)
Interest on Long-Term Debt	21,858				(21,858)		(21,858)
Capital Outlay	2,121,883		495,191	1,593,908	(32,784)		(32,784)
Total Governmental Activities	187,764,354	72,711	16,586,115	1,593,908	(169,511,620)	-	(169,511,620)
Business-Type Activities:							
Food Service	5,838,930	1,622,848	3,757,627			(458,455)	(458,455)
Total Business-Type Activities	5,838,930	1,622,848	3,757,627	-	(458,455)	(458,455)	(458,455)
Total Primary Government	\$ 193,603,284	\$ 1,695,559	\$ 20,343,742	\$ 1,593,908	\$ (169,511,620)	\$ (458,455)	\$ (169,970,075)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 69,063,735	\$	\$ 69,063,735
Federal and State Aid Not Restricted					97,970,529		97,970,529
Miscellaneous Income					1,792,534		1,792,534
Total General Revenues					168,826,798	-	168,826,798
Change in Net Position					(684,822)	(458,455)	(1,143,277)
Net Position—Beginning					14,295,231	1,911,255	16,206,486
Net Position—Ending					\$ 13,610,409	\$ 1,452,800	\$ 15,063,209

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, 2020

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	
ASSETS				
Cash and Cash Equivalents	\$ 6,338,125	\$	\$	\$ 6,338,125
Interfund Accounts Receivable	3,276,870		564,695	3,841,565
Receivables from Other Governments	942,067	4,550,044		5,492,111
Other Receivables	450,000	268,509		718,509
Total Assets	\$ 11,007,062	\$ 4,818,553	\$ 564,695	\$ 16,390,310
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Accounts Payable	\$ 741,603	\$ 2,705,806	\$	\$ 3,447,409
Accounts Payable	3,950,565	675,077		4,625,642
Intergovernmental Accounts Payable:				
- State		86,944		86,944
Accrued Liabilities - IBNR	207,578			207,578
Advances from Grantors		1,350,726		1,350,726
Total Liabilities	<u>4,899,746</u>	<u>4,818,553</u>	<u>-</u>	<u>9,718,299</u>
Fund Balances:				
Restricted for:				
Excess Surplus - Current Year	2,540,477			2,540,477
Excess Surplus - Designated for Subsequent Year Expenditures	2,574,068			2,574,068
Capital Reserve Account	1,559,894			1,559,894
Maintenance Reserve	250,000			250,000
Assigned to:				
Year End Encumbrances	3,699,369			3,699,369
Assigned to:				
Capital Projects			564,695	564,695
Unassigned:				
General Fund	<u>(4,516,492)</u>			<u>(4,516,492)</u>
Total Fund Balances	<u>6,107,316</u>	<u>-</u>	<u>564,695</u>	<u>6,672,011</u>
Total Liabilities and Fund Balances	\$ 11,007,062	\$ 4,818,553	\$ 564,695	\$ 16,390,310

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

**CITY OF BAYONNE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:	\$	6,672,011
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$197,462,359, and the accumulated depreciation is \$137,117,487.		60,344,872
Long-term liabilities, including capital lease commitments and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.		(2,973,959)
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	\$ 13,368,200	
Accounts Payable for Pension Expense	(2,777,158)	
Net Pension Liability	(44,306,066)	
Deferred Inflows of Resources - Pension Deferrals	<u>(16,717,491)</u>	
		<u>(50,432,515)</u>
Net Position of Governmental Activities	\$	<u><u>13,610,409</u></u>

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

CITY OF BAYONNE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	
REVENUES				
Local Tax Levy	\$ 69,063,735	\$ -	\$ -	\$ 69,063,735
Tuition-LEAs Within State	72,711			72,711
Other Local Sources	1,792,534	212,527		2,005,061
State Sources	87,034,710	7,294,173	1,593,908	95,922,791
Federal Sources	315,554	8,012,083		8,327,637
Total Revenues	158,279,244	15,518,783	1,593,908	175,391,935
EXPENDITURES				
Current:				
Instruction	65,405,920	10,564,144		75,970,064
Undistributed-Current:				
Instruction	2,691,903			2,691,903
Speech, OT, PT, and Related Services	2,688,725			2,688,725
Health Services	1,568,122			1,568,122
Other Support Services	5,987,028	4,845,619		10,832,647
Improvement of Instruction	1,505,875			1,505,875
Education Media Library	143,368			143,368
Other Support: Instructional Staff	31,293			31,293
General Administration	3,098,180			3,098,180
School Administration	4,739,139			4,739,139
Central Services	1,835,350			1,835,350
Administrative Information Technology	1,039,811			1,039,811
Required Maintenance of Plant Services	5,071,545			5,071,545
Operation of Plant	9,199,280			9,199,280
Student Transportation	3,052,978			3,052,978
Unallocated Benefits	22,268,660			22,268,660
On-behalf TPAF Social Security and Pension Contributions	21,708,248			21,708,248
Transfer to Charter Schools	774,205			774,205
Capital Outlay	2,758,700	495,191	1,824,906	5,078,797
Total Expenditures	155,568,330	15,904,954	1,824,906	173,298,190
Excess (Deficiency) of Revenues over Expenditures	2,710,914	(386,171)	(230,998)	2,093,745
OTHER FINANCING SOURCES (USES)				
Transfers In - Internal Service Fund	879,592			879,592
Local Contribution - Transfer to Special Revenue Regular	(386,171)	386,171		-
Capital Lease (Non-Budgeted)	1,762,268			1,762,268
Total Other Financing Sources and Uses	2,255,689	386,171	-	2,641,860
Net Change in Fund Balances	4,966,603	-	(230,998)	4,735,605
Fund Balance—July 1	1,140,713	-	795,693	1,936,406
Fund Balance—June 30	\$ 6,107,316	\$ -	\$ 564,695	\$ 6,672,011

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, 2020**

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 4,735,605

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	\$ (4,895,150)	
Capital asset adjustment	(385,679)	
Capital outlays	<u>3,342,593</u>	(1,938,236)

Repayment of bond and lease obligation (long-term debt) principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 702,013

Proceeds from 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. (1,762,268)

Capital lease proceeds

Transfers to and from Internal Service Funds are recorded in the governmental funds as operating transfers when the transfers are made, but to the extent that transfers differ from the cost of services, expenses are adjusted in the statement of activities to reflect costs of service. (879,592)

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. (1,444,269)

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 (+). (98,075)

Change in net position of governmental activities (A-2) \$ (684,822)

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, 2020

	Major Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	Community Education	Totals	
ASSETS				
Current Assets:				
Receivables from Other Governments	\$ 669,105	\$	\$ 669,105	\$
Interfund Receivable		176,908	176,908	
Inventories	57,953		57,953	
Total Current Assets	<u>727,058</u>	<u>176,908</u>	<u>903,966</u>	<u>-</u>
Noncurrent Assets:				
Furniture, Machinery & Equipment	2,106,612		2,106,612	
Less Accumulated Depreciation	<u>(1,153,722)</u>		<u>(1,153,722)</u>	
Total Noncurrent Assets	<u>952,890</u>	<u>-</u>	<u>952,890</u>	<u>-</u>
Total Assets	<u>\$ 1,679,948</u>	<u>\$ 176,908</u>	<u>\$ 1,856,856</u>	<u>\$ -</u>
LIABILITIES				
Current liabilities:				
Interfund Payables	\$ 378,320	\$	\$ 378,320	\$
Unearned Revenues	25,736		25,736	
Total Current Liabilities	<u>404,056</u>	<u>-</u>	<u>404,056</u>	<u>-</u>
NET POSITION				
Investment in Capital Assets	952,890		952,890	-
Unrestricted	323,002	176,908	499,910	-
Total Net Position	<u>1,275,892</u>	<u>176,908</u>	<u>1,452,800</u>	<u>-</u>
Total Liabilities and Net Position	<u>\$ 1,679,948</u>	<u>\$ 176,908</u>	<u>\$ 1,856,856</u>	<u>\$ -</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, 2020

	Major Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	Community Education	Total	
<u>OPERATING REVENUES</u>				
Charges for Services:				
Program Sales	\$ 235,306	\$	\$ 235,306	\$
Non-Program Sales	398,178		398,178	
Education Programs		757,774	757,774	
Facility Rentals		231,590	231,590	
Total Operating Revenues	<u>633,484</u>	<u>989,364</u>	<u>1,622,848</u>	<u>-</u>
<u>OPERATING EXPENSES</u>				
Cost of Sales:				
Program Food Costs	1,519,209		1,519,209	
Non-Program Food Costs	132,208		132,208	
USDA Commodities	216,137		216,137	
Subtotal-Cost of Sales	1,867,554	-	1,867,554	
Supplies and Materials	257,131	52,784	309,915	
Salaries and Wages	2,582,925	749,470	3,332,395	
Employee Benefits	86,071		86,071	
Insurance	47,046		47,046	
Cleaning & Maintenance	24,691	10,202	34,893	
Depreciation	161,056		161,056	
Total Operating Expenses	<u>5,026,474</u>	<u>812,456</u>	<u>5,838,930</u>	<u>-</u>
Operating Income (Loss)	<u>(4,392,990)</u>	<u>176,908</u>	<u>(4,216,082)</u>	<u>-</u>
<u>Non-Operating Revenues:</u>				
State Sources:				
State School Lunch Program	40,333		40,333	
Federal Sources:				
School Breakfast Program	1,122,978		1,122,978	
National School Lunch Program	2,254,082		2,254,082	
Snack Program	39,856		39,856	
Summer Food Program	84,241		84,241	
USDA Commodities Program	216,137		216,137	
Total Non-Operating Revenues	<u>3,757,627</u>	<u>-</u>	<u>3,757,627</u>	<u>-</u>
Income (Loss) Before Operating Transfers	(635,363)	176,908	(458,455)	-
Transfer Out - General Fund	-	-	-	(879,592)
Change in Net Position	(635,363)	176,908	(458,455)	(879,592)
Total Net Position - Beginning	1,911,255	-	1,911,255	879,592
Total Net Position - Ending	<u>\$ 1,275,892</u>	<u>\$ 176,908</u>	<u>\$ 1,452,800</u>	<u>\$ -</u>

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

**CITY OF BAYONNE SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Major Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	Community Education	Totals	
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 659,220	\$ 989,364	\$ 1,648,584	\$ -
Cash Received from Employees			-	476,033
Cash Payments for Program Costs			-	(3,945,480)
Cash Payments for Goods & Supplies	(1,949,851)	(62,986)	(2,012,837)	
Cash Payments for Employee Expenses	(2,668,996)	(749,470)	(3,418,466)	
Net Cash Flows from Operating Activities	<u>(3,959,627)</u>	<u>176,908</u>	<u>(3,782,719)</u>	<u>(3,469,447)</u>
Cash Flows from Non-Capital Financing Activities				
State Sources	46,516		46,516	
Federal Sources	3,856,823		3,856,823	
Operating Transfer Out			-	(879,592)
Interfund Loan Paid	93,100	(176,908)	(83,808)	
Net Cash Flows from Non-Capital Financing Activities	<u>3,996,439</u>	<u>(176,908)</u>	<u>3,819,531</u>	<u>(879,592)</u>
Cash Flows from Capital and Related Financing Activities				
Purchase of Equipment	(36,812)		(36,812)	-
Net Cash Flows from Capital and Related Financing Activities	<u>(36,812)</u>	<u>-</u>	<u>(36,812)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-	(4,349,039)
Cash and Cash Equivalents, July 1	-	-	-	4,349,039
Cash and Cash Equivalents, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (4,392,990)	\$ 176,908	\$ (4,216,082)	\$ -
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:				
Depreciation	161,056		161,056	
USDA Commodities	216,137		216,137	
(Increase) Decrease in Accounts Receivable			-	476,033
(Increase) Decrease in Inventory	30,704		30,704	
Increase (Decrease) in Unearned Revenues	25,736		25,736	
Increase (Decrease) in Accounts Payable	(270)		(270)	(2,940,610)
Increase (Decrease) in Accrued Liabilities			-	(1,004,870)
Net Cash Flows from Operating Activities	<u>\$ (3,959,627)</u>	<u>\$ 176,908</u>	<u>\$ (3,782,719)</u>	<u>\$ (3,469,447)</u>

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

Fiduciary Funds

**CITY OF BAYONNE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020**

	Trust Funds	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 238,924	\$ 1,361,528
Accounts Receivable	58,685	
Total Assets	\$ 297,609	\$ 1,361,528
LIABILITIES		
Accounts Payable	\$ 105,064	\$
Payroll Deductions and Withholdings		873,539
Net Payroll		14,196
Interfund Loans Payable	95,905	96,839
Due to Student Groups		376,954
Total Liabilities	\$ 200,969	\$ 1,361,528
NET POSITION		
Held in Trust for Unemployment Claims	96,640	
TOTAL NET POSITION	\$ 96,640	\$ -

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

**CITY OF BAYONNE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	Trust Funds
ADDITIONS	
Contributions:	
Plan Member	\$ 275,997
CARES ACT Federal Contribution	58,685
Total Contributions	334,682
Investment Earnings:	
Interest	243
Net Investment Earnings	243
Total Additions	334,925
DEDUCTIONS	
Quarterly Contribution Reports	279,848
Total Deductions	279,848
Change in Net Position	55,077
Net Position—Beginning of the Year	41,563
Net Position—End of the Year	\$ 96,640

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

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

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

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

B. Reporting Entity:

The City of Bayonne School District is a Type II district located in the County of Hudson, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms and one sending district member appointed annually. The District converted from a Type I District (appointed school board) to a Type II District (elected school board) pursuant to a special question included in the general election held on November 3, 2015. The outstanding Type I District school debt remains the legal responsibility of the City of Bayonne and is not included in the financial statements of the City of Bayonne School District. The purpose of the District is to educate students in grades K-12. The City of Bayonne School District had an approximate enrollment at June 30, 2020 of 9,352 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

NOTES TO FINANCIAL STATEMENTS

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

C. Basis of Presentation – Government-Wide Financial Statements

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

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

D. Basis of Presentation - Fund Financial Statements

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

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

NOTES TO FINANCIAL STATEMENTS

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

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

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

The District reports the following proprietary funds:

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

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

Internal Service Fund – The Internal Service Fund is used to account for the District's various employee health insurance expenses and the funds reserved by the District to cover the self-insured limits of the various insurance policies of the District. The financial statement of the internal service fund is consolidated into the governmental activities column when presented in the government-wide financial statements. The District closed the Internal Service Fund during the year ended June 30, 2020.

The District also reports the following fiduciary fund types:

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

Expendable Trust Funds – An Expendable Trust Fund is accounted for in essentially the same manner as the Governmental Fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance trust fund.

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

NOTES TO FINANCIAL STATEMENTS

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

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

governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, any interfund balances between business-type (enterprise) funds are eliminated so that only the net amount is included as internal balances in the business-type activities columns.

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

E. Measurement Focus and Basis of Accounting

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

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

long-term debt for capital purposes and capital lease obligations incurred to acquire general capital assets are reported as "other financing sources".

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

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

F. Encumbrances:

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

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

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

G. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with maturities of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

NOTES TO FINANCIAL STATEMENTS

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

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

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with maturities of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. GUDPA was amended, effective July 1, 2010, by P.L. 2009, c. 326. The amendments provide a greater level of security protection for covered deposits by increasing collateralization requirements and revising the enforcement protocol to allow for timely response in the event that a member bank shows signs of stress.

Under the law, collateralization of GUDPA deposits up to 75% of New Jersey capital is based on a sliding scale that requires the minimum of 5% collateral for Well Capitalized institutions to a maximum of 120% collateral for Critically Undercapitalized institutions. All uninsured GUDPA deposits in excess of 75% of New Jersey capital require 100% collateral. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

H. Tuition Revenue

Tuition revenues for the fiscal year 2019-2020 were based on contractual per pupil rates established by and between the sending and receiving districts. These rates are not subject to change except through amendatory contracts.

I. Inventories:

Inventories, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

NOTES TO FINANCIAL STATEMENTS

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

J. Short-Term Interfund Receivables/Payables:

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

K. Capital Assets:

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

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

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

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 are as follows:

Food Service Fund:	
Equipment	5-20 Years

L. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued in the government-wide financial statements as the employees earn the rights to the benefits. Compensated absences that related to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. The School District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences".

NOTES TO FINANCIAL STATEMENTS

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

K. Compensated Absences (Cont'd):

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

M. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recorded as an outflow of resources (expenditure/expense) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

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

N. Pensions:

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

O. Other Post-Employment Benefits:

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

NOTES TO FINANCIAL STATEMENTS

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

P. Unearned Revenue/Advances from Grantors:

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

Q. Net Position Flow Assumption (Government-Wide and Proprietary Fund Financial Statements):

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

R. Fund Balance Flow Assumption (Governmental Fund Financial Statements):

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

S. Fund Balance Policies:

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

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

NOTES TO FINANCIAL STATEMENTS

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

S. Fund Balance Policies (Cont'd):

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

T. District-Wide Financial Statement Classifications:

1. Program Revenues – Amounts reported as program revenues include a) charges to customers or applicants who purchase, use or benefit from goods services or privileges provided by a given function or segment and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.
2. General Revenues – all taxes, including those designated for specific purposes such as debt service, are reported as general revenues. All other resources, including internally dedicated resources, unrestricted entitlements, and investment income are reported as general revenues.
3. Capital Assets – In the statement of net position, capital assets are reported, net of accumulated depreciation as assets of the governmental activities and business-type activities.
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, notwithstanding the limitations on the pricing of Type A student lunches that is required for program participation.

NOTES TO FINANCIAL STATEMENTS

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

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)	\$ 6,672,011
<u>Adjustments to District-Wide Net Position:</u>	
Capital Assets (see Note 3)	60,344,873
Long-Term Liabilities (see Note 4)	(2,973,959)
Net Pension Liability	(44,306,066)
<u>Other Items not recognized in Fund Financial Statements:</u>	
Deferred Outflows of Financial Resources	13,368,200
Deferred Inflows of Financial Resources	(16,717,491)
Payment Subsequent to Measurement Date	<u>(2,777,158)</u>
Net Position of Governmental Activities	<u>\$ 13,610,409</u>

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

Total Net Change Governmental Fund Balance (B-2)	\$ 4,735,605
<u>Adjustments to District-Wide Net Position:</u>	
Capital Outlays, net of depreciation	(1,938,236)
Repayment of Long-Term Liabilities (see Note 4)	702,013
Increase in Value of Compensated Absences	(98,075)
Transfers from Internal Service Funds	(879,592)
Capital Lease Proceeds	(1,762,268)
Net Increase in Pension Expense	<u>(1,444,269)</u>
Change in Net Position of Governmental Activities	<u>\$(684,822)</u>

W. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 ("Coronavirus") pandemic and the mitigation responses, and such differences may be material.

NOTES TO FINANCIAL STATEMENTS

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

X. Calculation of Excess Surplus

The designation for restricted fund balance-excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve fund balance in the general fund at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District has excess fund balance at the end of the 2019-2020 fiscal year in the amount of \$5,114,545. Of this amount, \$2,574,068 has been appropriated in the 2020-2021 budget and the remaining \$2,540,477 will be appropriated in the 2021-2022 budget.

Y. Recently Issued Accounting Pronouncements to be Implemented in Future Years

The GASB issued Statement No. 84, Fiduciary Activities in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2018. Due to the COVID-19 pandemic, the effective date has been postponed by one year. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 87, Leases in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2019. Due to the COVID-19 pandemic, the effective date has been postponed by eighteen months. Management has not determined the impact of the Statement on the financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Deposits

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

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

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

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

<u>Depository Account</u>	<u>Bank Balance</u>
Insured—FDIC	\$ 500,000
Insured—NJGUDPA (N.J.S.A. 17:941)	5,471,437
Uninsured	<u>8,655,505</u>
Total	<u>\$ 14,626,942</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, 2020, the carrying amount of the District's deposits was \$7,938,576 and the bank balance was \$14,626,942. Of the bank balance, \$500,000 of the District's cash deposits on June 30, 2020 was covered by federal depository insurance. The New Jersey Governmental Unit Depository Protection Act Covered the bank balance of \$5,471,437. \$8,655,505 of cash equivalents are not covered by GUDPA.

NOTES TO FINANCIAL STATEMENTS

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

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.

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 \$7,312,586 on deposit with the New Jersey Cash Management Fund at June 30, 2020. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CAPITAL ASSETS

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 1,520,207	\$ -	\$ -	\$ 1,520,207
Construction in Progress	3,492,390	2,433,430	-	5,925,820
Total Capital Assets not being depreciated	<u>5,012,597</u>	<u>2,433,430</u>	<u>-</u>	<u>7,446,027</u>
Building	83,239,013			83,239,013
Building Improvements	76,666,789			76,666,789
Machinery and Equipment	25,843,425	697,890	(92,097)	26,449,218
Vehicles	3,829,834	211,273	(379,795)	3,661,312
Totals at Historical Cost	<u>189,579,061</u>	<u>909,163</u>	<u>(471,892)</u>	<u>190,016,332</u>
Less Accumulated Depreciation For:				
Building	73,071,228	890,519		73,961,747
Building Improvements	36,154,022	2,560,709		38,714,731
Machinery and Equipment	20,387,321	1,268,632	(67,223)	21,588,730
Vehicles	2,695,979	175,290	(18,990)	2,852,279
Total Accumulated Depreciation*	<u>132,308,550</u>	<u>4,895,150</u>	<u>(86,213)</u>	<u>137,117,487</u>
Total Capital Assets being depreciated (Net of Accumulated Depreciation)	<u>57,270,511</u>	<u>(3,985,987)</u>	<u>(385,679)</u>	<u>52,898,845</u>
Government Activities Capital Assets, Net	<u>\$62,283,108</u>	<u>\$ (1,552,557)</u>	<u>\$ (385,679)</u>	<u>\$60,344,872</u>

Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2020 as follows:

Instruction	\$ 3,124,252
Speech, OT, PT and related services	106,268
Health services	61,978
Other support services	428,143
Improvement of instruction	59,517
Education media library	5,666
Other support: instruction staff	1,237
General administration	122,451
School administration	187,307
Central services	72,539
Administration information technology	41,097
Required maintenance of plant services	200,445
Operation of plant	363,587
Student transportation	120,663
Total depreciation expense	<u>\$ 4,895,150</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CAPITAL ASSETS (CONT'D)

The following schedule is a summarization of business-type activities changes in capital assets for the year ended June 30, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Business-type Activities				
Machinery and Equipment	\$ 1,789,797	\$ 36,812	\$ -	\$ 1,826,609
Vehicles	280,003			280,003
Totals at Historical Cost	<u>2,069,800</u>	<u>36,812</u>	<u>-</u>	<u>2,106,612</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	821,089	141,450		962,539
Vehicles	171,577	19,606		191,183
Total Accumulated Depreciation	<u>992,666</u>	<u>161,056</u>	<u>-</u>	<u>1,153,722</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,077,134</u>	<u>\$ (124,244)</u>	<u>\$ -</u>	<u>\$ 952,890</u>

NOTE 4. LONG-TERM LIABILITIES

During the year ended June 30, 2020, the following changes occurred in governmental activities long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions/ Adjustments</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Liabilities:					
Obligations Under Capital Lease	\$ 805,554	\$ 1,762,268	\$ 702,013	\$ 1,865,809	\$ 655,626
Compensated Absences Payable	1,010,075	133,107	35,032	1,108,150	
Subtotal - Liabilities	<u>1,815,629</u>	<u>1,895,375</u>	<u>737,045</u>	<u>2,973,959</u>	<u>655,626</u>
Net Pension Liability (PERS)	45,090,500	-	784,434	44,306,066	
Total Liabilities	<u>\$ 46,906,129</u>	<u>\$ 1,895,375</u>	<u>\$ 1,521,479</u>	<u>\$ 47,280,025</u>	<u>\$ 655,626</u>

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

B. Bonds Authorized But Not Issued -- As of June 30, 2020, the District had no bonds authorized but not issued.

NOTES TO FINANCIAL STATEMENTS

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

C. Capital Leases – The District is leasing various equipment and vehicles totaling \$3,090,680. The following is a schedule of the future minimum lease payments under this capital lease and the net minimum lease payments at June 30, 2020.

Year ending June 30,	<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
2021	\$ 625,559	\$ 78,094	\$ 703,653
2022	606,981	25,890	632,871
2023	279,587	25,890	305,477
2024	152,352	25,890	178,242
2025	152,352	-	152,352
	<hr/>	<hr/>	<hr/>
Total Minimum Lease Payments	1,816,831	155,764	1,972,595
Less: Amount Representing Interest	100,918	5,868	106,786
Present Value of Net Minimum Lease Payments	<u>\$ 1,715,913</u>	<u>\$ 149,896</u>	<u>\$ 1,865,809</u>

NOTE 5. PENSION PLANS

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

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

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

Plan Membership and Contributing Employers- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2020:

Inactive plan members or beneficiaries currently receiving benefits	178,748
Inactive plan members entitled to but not yet receiving benefits	609
Active plan members	<u>252,598</u>
Total	<u>431,955</u>

Significant Legislation

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

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

Payrolls and Covered Wages: For the year ended June 30, 2020 the Board's total payroll for all employees was \$85,400,048. Total PERS covered payroll was \$19,007,992. Covered payroll refers to pensionable compensation paid by the District to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate completed the phase-in period for State fiscal year 2019 and member contributions increased to 7.5% effective July 1, 2018. Employers' contribution amounts are based on an actuarially

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D)

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

determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The District's cash basis contributions to the Plan for the years ended June 30, 2020 and 2019 were \$1,444,269 and \$2,291,309, respectively equal to the required contributions. School Board Contributions are due and payable in the fiscal period subsequent to the plan year for which the contributions requirements were calculated.

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

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

A service retirement benefit of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 with 25 or more years of service credit and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with his/her respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2020, the District reported a liability of \$44,306,066 for its proportionate share of the net pension liability. The net pension liability was determined by actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At the June 30, 2019 valuation date, the District's proportion was 0.24589238%, which was an increase of 0.0120433070% from its proportion measure as of June 30, 2018.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D)

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

For the year ended June 30, 2020, the District recognized PERS pension expenses of \$1,444,269 in its governmental activities. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 4,424,123	\$ 15,378,495
Net difference between projected and actual experience	795,236	195,725
Net difference between projected and actual earnings on plan investments		699,388
Changes in proportion and differences between District contributions and proportionate share of contributions	5,371,683	443,883
District contributions subsequent to the measurement date	<u>2,777,158</u>	
 Total	 <u>\$ 13,368,200</u>	 <u>\$ 16,717,491</u>

The \$2,777,158 of deferred outflows of resources resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense by PERS as follows:

Year ending June 30,	
2021	\$ 265,800
2022	(2,822,741)
2023	(2,642,727)
2024	(876,514)
2025	<u>(50,267)</u>
	 <u>\$ (6,126,449)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D)

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

Actuarial Assumptions - The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

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

Mortality Rates:

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

Long-Term Rate of Return:

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

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2019 are summarized in the following table:

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private Equity	<u>12.00%</u>	10.85%
Total	<u>100.00%</u>	

Discount Rate – The discount rate used to measure the pension liabilities of PERS was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of Collective Net Pension Liability to Changes in the Discount Rate – the following presents the collective net pension liability of PERS participating employers, as well as the District's attributed share of that liability, as of June 30, 2019, calculated using the discount rates as disclosed above as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D)

	At 1% Decrease (5.28%)	At current discount rate (6.28%)	At 1% Increase (7.28%)
PERS			
State of New Jersey	\$ 26,475,719,181	\$ 23,012,420,340	\$ 20,102,167,445
Local Units	<u>22,918,608,260</u>	<u>18,143,832,135</u>	<u>14,120,406,763</u>
	<u>\$ 49,394,327,441</u>	<u>\$ 41,156,252,475</u>	<u>\$ 34,222,574,208</u>
District's proportionate share of the net pension liability	<u>\$ 55,965,761</u>	<u>\$ 44,306,066</u>	<u>\$ 34,481,121</u>

Components of Net Pension Liability – The components of the collective net pension liability for PERS, including the State of New Jersey, at June 30, 2019 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 29,512,766,255	\$ 41,491,463,886	\$ 71,004,230,141
Plan Fiduciary Net Position	<u>6,500,345,915</u>	<u>23,347,631,751</u>	<u>29,847,977,666</u>
Net Pension Liability	<u>\$ 23,012,420,340</u>	<u>\$ 18,143,832,135</u>	<u>\$ 41,156,252,475</u>

B. TEACHERS PENSION AND ANNUITY FUND

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

Plan Membership and Contributing Employers- Substantially all teachers or members of the professional staff of Local Education Agencies that are certified by the State Board of Examiners, and Employees of the Department of Education who have titles that are unclassified, professional and certified are enrolled in the TPAF. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2019:

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D)

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

Inactive plan members or beneficiaries currently receiving benefits	104,703
Inactive plan members entitled to but not yet receiving benefits	219
Active plan members	<u>155,496</u>
Total	<u>260,418</u>

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

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

Covered Payroll - For the year ended June 30, 2020 the Board's total payroll for all employees was \$85,400,048. Total TPAF covered payroll was \$66,392,056. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate completed the phase-in period for State fiscal year 2019 and member contributions increased to 7.5% effective July 1, 2018. The State of New Jersey contribution amount is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2019, the State's pension contribution was less than the actuarially determined amount.

Vesting Provisions - The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D)

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

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65.

Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D):

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

At June 30, 2019, the TPAF reported a net pension liability of \$61,370,943,870 for its Non-State Employer Member Group. The proportionate share of the State of New Jersey's net pension liability for the Non-State Employer Member Group that is attributable to the District was \$368,092,317, or 0.5927937668%.

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019.

Actuarial Assumptions - The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Price/Wage	2.75%/3.25%
Salary Increases (2011-2026)	1.55 – 4.45%
Thereafter	2.75 – 5.65%
Investment rate of return	7.00%

Mortality Rates - Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 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-2019. The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Discount Rate – The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D):

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

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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, 2019) 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High Yield	2.00%	6.82%
Private Credit	6.00%	7.10%
Real Assets	2.50%	6.60%
Real Estate	7.50%	10.63%
U.S. equity	28.00%	6.61%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging markets equity	6.50%	11.64%
Private Equity	<u>8.25%</u>	13.08%
Total	<u>100.00%</u>	

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

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D):

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

	<u>At 1% Decrease (4.60%)</u>	<u>At current Discount rate (5.60%)</u>	<u>At 1% Increase (6.60%)</u>
TPAF	\$72,544,649,801	\$61,519,112,443	\$52,371,397,951

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

Total pension liability	\$ 84,215,846,719
Plan fiduciary net position	<u>22,696,734,276</u>
Net pension liability	<u>\$ 61,519,112,443</u>
Plan fiduciary net position as a percentage of the total pension liability	26.95%

Pension Expense – The components of allocable pension expense, which exclude pension expense related to specific liabilities of individual employers, for the year ending June 30, 2019 are as follows:

Service Cost	\$ 1,882,081,572
Interest of total pension liability	4,201,672,382
Member Contributions	(846,166,328)
Administrative Expense	13,922,385
Expected Investment return – Net of Investment Expense	(1,542,884,759)
Pension Expense related to specific Liabilities of Individual Employers	(300,112)
Recognition (amortization) of Deferred Inflows/Outflows of resources:	
Recognition of economic/demographic gains/losses	178,228,412
Recognition of assumption changes or inputs	(596,671,173)
Recognition of investment gains or losses	<u>338,679,314</u>
Total Pension Expense	\$ <u>3,628,561,693</u>

Additional Information – Collective balances at June 30, 2019 were as follows:

Collective Deferred Outflows of Resources	\$ 10,129,162,237
Collective Deferred Inflows of Resources	17,736,240,054
State's Total Non-employer Net Pension Liability	61,519,112,443
District's Proportion	0.5997827204%

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D):

C: DEFINED CONTRIBUTION RETIREMENT PLAN

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

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

Contribution Requirement and Benefit Provisions - State and local government employers contribute 3% of the employee's base salary. Active members contribute 5.5% of base salary. Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

For the year ended June 30, 2020, the Boards total payroll for all employees was \$85,400,048. The Board had no DCRP covered payroll for the year ended June 30, 2020.

NOTE 6. POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan:

Plan Description and Benefits Provided:

P.L. 1987, c.384 and P.L. 1990, c.6. required the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees Retirement System (PERS), respectively, to fund post-retirement medical benefits for those members who retire after accumulating a minimum of 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994. The State's contributions to the SHBP for post-retirement benefits on behalf of the District for the years ended June 30, 2020, 2019, and 2018

NOTES TO FINANCIAL STATEMENTS

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

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

were \$4,589,924, \$5,462,777, and \$5,775,195, respectively, which equaled the required contributions for each year.

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

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

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State provides OPEB benefits through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Total OPEB Liability

The nonemployer OPEB liability from New Jersey's plan is \$46,110,832,982.

The following employees were covered by the benefit terms:

<u>Local Education</u>	<u>June 30, 2019</u>
Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	<u>-</u>
Total Plan Members	364,943

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

The State's proportionate share of the net OPEB liability associated with the District as of June 30, 2019 was, \$221,023,057, or 0.53%. Additional information can be obtained from the State of New Jersey's comprehensive annual financial report.

NOTES TO FINANCIAL STATEMENTS

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

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The total nonemployer OPEB liability as of June 30, 2018 was determined by actuarial valuation as of June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55-3.05%	2.00-6.00%
	Based on Years of Service	Based on years of service
Thereafter	1.55-3.05%	3.00-7.00%
	Based on Years of Service	Based on years of service

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF/ABP) and, “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. 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-2019.

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

Healthcare Trend Assumptions:

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2002 are reflected. The assumed post-65 medical trend is 4.5% for all future years.

For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate:

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

NOTES TO FINANCIAL STATEMENTS

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

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

Changes in the Total Non-employer OPEB Liability reported by the State of New Jersey:
Changes to the State's Total Non-employer OPEB Liability and the portion of those amounts allocated to the District during the fiscal year ended June 30, 2020 were as follows:

	<u>State Totals</u>	<u>District Allocation</u>
Non-employer OPEB Liability Balance-June 30, 2019:	\$46,110,832,982	\$240,723,538
Changes During the Current Year:		
Service Cost	1,734,404,850	9,970,507
Interest on the Total OPEB Liability	1,827,787,206	9,575,676
Differences Between Expected and Actual Experience	(7,323,140,818)	(35,958,506)
Changes in Assumptions	622,184,027	3,295,472
Gross Benefit Payments	(1,280,958,373)	(6,784,749)
Employee Contributions	<u>37,971,171</u>	<u>201,119</u>
Net Changes	(4,381,751,937)	(19,700,481)
Non-employer OPEB Liability Balance-June 30, 2020	<u>\$41,729,081,045</u>	<u>\$221,023,057</u>

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

	1% Decrease <u>(2.50%)</u>	At Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
Total Non-employer OPEB Liability (New Jersey LEA Retirees)	\$49,298,534,898	\$41,729,081,045	\$35,716,321,820

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

NOTES TO FINANCIAL STATEMENTS

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

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

	<u>1% Decrease</u>	Healthcare Cost <u>Trend Rate</u>	<u>1% Increase</u>
Total Non-employer OPEB Liability			
(New Jersey LEA Retirees)	\$34,382,902,820	\$41,729,081,045	\$51,453,912,586

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2020, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$6,552,653 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2019 are as follows:

Deferred Outflows of Resources	\$ 1,921,145,183
Deferred Inflows of Resources	20,887,639,826
State's Total Non-employer OPEB Liability	41,729,081,045
Collective OPEB Expense	1,015,664,874

NOTE 7. COMPENSATED ABSENCES

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Employee Health Benefit/Prescription – Beginning on July 1, 2017, the District implemented a self-insurance program for prescription coverage. As a result, the District has changed their accounting relating to the prescription benefits to the Internal Service Fund. Billings for the cost of health benefits are charged to the General Fund, Special Revenue Fund for personnel within the various grant programs, and the Food Service Enterprise Fund for personnel in the food service program. On July 1, 2019, the District closed the Internal Service Fund and began accounting for the self-insurance program in the governmental fund financial statements.

For the year ended June 30, 2020, the Board has incurred cost totaling \$4,981,861 for prescription benefits for all employees. In addition, the Board has provided for IBNR as calculated in the amount of \$207,578 for the year ended June 30, 2020.

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

Due to legal restrictions imposed by the State of New Jersey on the accumulated balance in the District's Unemployment Compensation Insurance Fund, the District has elected to treat this fund as an expendable trust fund for the purpose of financial reporting. Information relating to this fund for the years ended June 30, 2020 and the previous two years is as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Other Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ 41,563	\$ -	\$ 275,997	\$ 58,685	\$ 243	\$ 279,848	\$ 96,640
2018-2019	-	-	239,851	-	140	198,428	41,563
2017-2018	(21,340)	225,000	242,799	112,796	221	559,476	-

NOTES TO FINANCIAL STATEMENTS

NOTE 9. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2020:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 3,276,870	\$ 741,603
Special Revenue Fund		2,705,806
Capital Projects Fund	564,695	
Food Service Fund		378,320
Community Education Fund	176,908	
Trust and Agency Fund		192,744
Total	<u>\$ 4,018,473</u>	<u>\$ 4,018,473</u>

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

NOTE 10. INVENTORY

Inventory in the Food Service Fund at June 30, 2020 consisted of the following:

Food	\$ 48,849
Supplies	<u>9,104</u>
	<u>\$ 57,953</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

NOTE 11. FUND BALANCE APPROPRIATED

General Fund - Of the \$6,107,316 General Fund balance at June 30, 2020, \$3,699,369 is assigned for encumbrances; \$2,540,477 is restricted as excess surplus – current year in accordance with N.J.S.A. 18A:7F-7; \$2,574,068 is restricted as excess surplus designated for subsequent year expenditures; \$1,559,894 is restricted for Capital Reserve; \$250,000 is restricted for Maintenance Reserve; and \$(4,516,492) is unassigned.

Capital Projects Fund – At June 30, 2020, the Capital Projects Fund reported a fund balance of \$564,695. This amount is restricted to funding authorized capital project costs.

The total Governmental Funds fund balance on the GAAP financial statements is \$6,672,011.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$4,516,492 in the General Fund at June 30, 2020 that was reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. Similarly, Extraordinary Special Education Aid is both received by the District and budgeted by the State in the fiscal period subsequent to the year that budget revenue must be recorded. The bill provides legal authority for school districts to recognize these revenues in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the District is not recording the last state aid payment on the GAAP financial statements until the year the State records the payable, it is possible that a positive fund balance could be reported on a mandated budgetary basis while a deficit is reported on a GAAP basis based upon non-recognition of revenue on the GAAP basis for the final state aid payment and any Extraordinary Special Education Aid awards.

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

NOTE 13. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance -- Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. Based upon the reduction in the maximum undesignated surplus permitted as a result of the enactment of S1701, the District had excess surplus at June 30, 2020 in the amount of \$2,540,477. This amount will be utilized as tax relief in the 2021-2022 school budget. There is another \$2,574,068 of excess surplus designated for subsequent year's expenditures.

NOTE 14. TAX ABATEMENTS

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

NOTES TO FINANCIAL STATEMENTS

NOTE 14. TAX ABATEMENTS (Cont'd)

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

The Division of Local Government Services, in the Department of Community Affairs, State of New Jersey, requires each municipality to submit annually a "User Friendly Budget", which, among other disclosures, includes a listing of all properties which have been granted tax abatements, including assessed values and any In-Lieu-Of-Tax-Payments made to the municipality. The 2020 Budget for City of Bayonne recognized revenue of \$7,191,814 from the annual service charge in lieu of payment of taxes in 2019 and taxes in 2019 that otherwise would have been due on these long-term tax exemptions amounted to \$21,039,852, based upon the assessed valuations of the long-term tax exemptions properties.

NOTE 15. RECEIVABLES FROM OTHER GOVERNMENTS

Receivables from other governments as reported on the General Fund balance sheet amounting to \$942,067 are comprised of \$922,527 from state sources and \$19,540 from federal sources.

Receivables from other governments as reported on the Special Revenue Fund balance sheet amounting to \$4,550,044 are comprised of \$4,467,970 from federal sources and \$82,074 from state sources.

Receivables from other governments as reported on the Food Service Enterprise Fund balance sheet amounting to \$669,105 are comprised of \$662,710 from federal sources and \$6,395 from state sources.

NOTE 16. ECONOMIC DEPENDENCY

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

NOTE 17. PENDING LITIGATION AND CONTINGENT LIABILITIES

PENDING LITIGATION - At June 30, 2020, the District had litigation pending or threatened. Excluding litigation relating to individualized education programs, which seek specific actions and/or tuition reimbursements, and for which no material adverse financial consequence is anticipated, the majority of the litigation is covered, and defended by, the District's insurance providers. There was no litigation pending for which an unfavorable outcome with a material adverse impact on the net position of the District was anticipated.

NOTES TO FINANCIAL STATEMENTS

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

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

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the District's Attorney, the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District nor would they be material to the financial statements.

NOTE 18. SUBSEQUENT EVENTS

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

Required Supplementary Information – Part II

**Schedules Related to Accounting and Reporting for Pensions
and OPEBs
(GASB 68 and GASB 75)**

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

Last 10 Fiscal Years*

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

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

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

See Notes to Required Supplementary Information.

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

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually Required Contribution	\$ 1,636,220	\$ 1,816,236	\$ 2,013,206	\$ 2,078,720	\$ 2,291,309	\$ 1,444,269
Contribution in Relation to Contractually Required Contribution	<u>\$ (1,636,220)</u>	<u>\$ (1,816,236)</u>	<u>\$ (2,013,206)</u>	<u>\$ (2,078,720)</u>	<u>\$ (2,291,309)</u>	<u>\$ (1,444,269)</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 15,122,699	\$ 15,172,232	\$ 15,634,992	\$ 16,878,549	\$ 17,790,316	\$ 19,007,992
Contributions as a Percentage of Covered Employee Payroll	10.82%	11.97%	12.88%	12.32%	12.88%	7.60%

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

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

See Notes to Required Supplementary Information.

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

Last 10 Fiscal Years*

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

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

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

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

See Notes to Required Supplementary Information.

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

**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
JUNE 30, 2020**

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, 2019, dated March 27, 2020. This information pertains to the RSI schedules of changes in net pension liability contained in that report.

PERS

Changes in benefit terms: None

Changes in assumptions:

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

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

TPAF

Changes in benefit terms: None

Changes in assumptions:

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

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

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
State's Proportion of the OPEB Liability Associated with the District	0.5256019%	0.5220542%	0.5296619%
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
District's Covered Employee Payroll	\$ 76,313,001	\$ 80,035,538	\$ 85,400,048
Total OPEB Liability as a Percentage of Covered Employee Payroll	369.44%	300.77%	258.81%

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, 2020

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

For 2018, the discount rate changed to 3.87% from 3.58%. Demographic assumptions remained unchanged and are consistent with the assumptions used in the pension plan valuations.

Required Supplementary Information – Part III
Budgetary Comparison Schedules

**CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 69,063,738	\$ -	\$ 69,063,738	\$ 69,063,735	\$ (3)
Tuition-Individuals	634,000	(634,000)	-	-	-
Tuition-LEAs Within State	45,000		45,000	72,711	27,711
Rents and Royalties	300,000	(300,000)	-	-	-
Miscellaneous	813,750	-	813,750	1,792,534	978,784
Total - Local Sources	<u>70,856,488</u>	<u>(934,000)</u>	<u>69,922,488</u>	<u>70,928,980</u>	<u>1,006,492</u>
State Sources:					
Categorical Transportation Aid	403,763		403,763	403,763	-
Extraordinary Aid	688,925		688,925	681,161	(7,764)
Special Education Categorical Aid	6,370,555		6,370,555	6,370,555	-
Equalization Aid	55,286,768		55,286,768	55,286,768	-
Security Aid	3,438,877		3,438,877	3,438,877	-
TPAF - Post Retirement Medical (On-Behalf - Non-Budgeted)				4,589,924	4,589,924
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)				12,372,372	12,372,372
TPAF Non-Contributory Insurance Contribution (On-behalf-Non-Budgeted)				11,381	11,381
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				4,734,571	4,734,571
Total State Sources	<u>66,188,888</u>	<u>-</u>	<u>66,188,888</u>	<u>87,889,372</u>	<u>21,700,484</u>
Federal Sources:					
Medical Reimbursement	342,047		342,047	315,554	(26,493)
Total - Federal Sources	<u>342,047</u>	<u>-</u>	<u>342,047</u>	<u>315,554</u>	<u>(26,493)</u>
Total Revenues	<u>137,387,423</u>	<u>(934,000)</u>	<u>136,453,423</u>	<u>159,133,906</u>	<u>22,680,483</u>

**CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 2,311,111	\$ (235,339)	\$ 2,075,772	\$ 2,068,861	\$ 6,911
Grades 1-5 - Salaries of Teachers	11,517,514	(151,458)	11,366,056	11,353,658	12,398
Grades 6-8 - Salaries of Teachers	11,720,947	124,982	11,845,929	11,832,292	13,637
Grades 9-12 - Salaries of Teachers	11,321,999	(246,258)	11,075,741	11,072,469	3,272
Regular Programs - Home Instruction:					
Salaries of Teachers	180,000	36,072	216,072	216,072	-
Purchased Professional-Educational Services	75,000	16,062	91,062	90,832	230
General Supplies	1,500		1,500	299	1,201
Other Objects	1,000		1,000		1,000
Regular Programs - Undistributed Instruction:					
Salaries of Teachers		42,350	42,350	41,863	487
Other Salaries for Instruction	1,147,513	7,051	1,154,564	1,143,584	10,980
Unused Vaca. Pay to Retired/Terminated Staff	125,000	(112,575)	12,425	12,063	362
Purchased Professional-Educational Services	3,442,051	429,645	3,871,696	3,871,696	-
Other Purchased Services (400-500 series)	1,067,656	120,815	1,188,471	1,187,984	487
General Supplies	953,009	34,398	987,407	880,858	106,549
Textbooks	1,401,767	(80,815)	1,320,952	1,273,370	47,582
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>45,266,067</u>	<u>(15,070)</u>	<u>45,250,997</u>	<u>45,045,901</u>	<u>205,096</u>
Learning and/or Language Disabilities:					
Salaries of Teachers	2,321,526	(154,414)	2,167,112	2,165,833	1,279
Other Salaries for Instruction	1,046,954	(5,831)	1,041,123	1,036,223	4,900
General Supplies	34,027	(10,064)	23,963	23,842	121
Textbooks	6,290	(4,984)	1,306		1,306
Total Learning and/or Language Disabilities	<u>3,408,797</u>	<u>(175,293)</u>	<u>3,233,504</u>	<u>3,225,898</u>	<u>7,606</u>

CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Behavioral Disabilities:					
Salaries of Teachers	\$ 635,347	\$ (206,588)	\$ 428,759	\$ 428,759	\$ -
Other Salaries for Instruction	328,550	(45,000)	283,550	283,046	504
General Supplies	2,900	(269)	2,631	1,797	834
Total Behavioral Disabilities	<u>966,797</u>	<u>(251,857)</u>	<u>714,940</u>	<u>713,602</u>	<u>1,338</u>
Multiple Disabilities:					
Salaries of Teachers	817,488	(9,001)	808,487	804,537	3,950
Other Salaries for Instruction	1,121,000	(88,628)	1,032,372	1,029,143	3,229
General Supplies	25,002	18,537	43,539	43,356	183
Textbooks	500	(500)	-	-	-
Other Objects	-	550	550	-	550
Total Multiple Disabilities	<u>1,963,990</u>	<u>(79,042)</u>	<u>1,884,948</u>	<u>1,877,036</u>	<u>7,912</u>
Resource Room/Resource Center:					
Salaries of Teachers	7,371,680	(8,458)	7,363,222	7,351,228	11,994
Other Salaries for Instruction	1,303,389	(268,387)	1,035,002	1,029,730	5,272
Purchased Professional-Educational Services	305,239	-	305,239	305,239	-
General Supplies	750	4,292	5,042	4,767	275
Textbooks	5,708	(3,370)	2,338	655	1,683
Total Resource Room/Resource Center	<u>8,986,766</u>	<u>(275,923)</u>	<u>8,710,843</u>	<u>8,691,619</u>	<u>19,224</u>
Autism:					
Salaries of Teachers	854,188	101,665	955,853	955,853	-
Other Salaries for Instruction	841,041	(57,090)	783,951	783,727	224
General Supplies	54,508	(12,429)	42,079	39,794	2,285
Textbooks	4,000	(4,000)	-	-	-
Total Autism	<u>1,753,737</u>	<u>28,146</u>	<u>1,781,883</u>	<u>1,779,374</u>	<u>2,509</u>

**CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 58,689	\$ (58,689)	\$ -	\$ -	\$ -
Other Salaries for Instruction	93,950	-	93,950	93,950	-
General Supplies	-	250	250	-	250
Total Preschool Disabilities - Full-Time	<u>152,639</u>	<u>(58,439)</u>	<u>94,200</u>	<u>93,950</u>	<u>250</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>17,232,726</u>	<u>(812,408)</u>	<u>16,420,318</u>	<u>16,381,479</u>	<u>38,839</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	164,563	124,529	289,092	288,799	293
Purchased Technical Services	30,000	(30,000)	-	-	-
Total Basic Skills/Remedial - Instruction	<u>194,563</u>	<u>94,529</u>	<u>289,092</u>	<u>288,799</u>	<u>293</u>
Bilingual Education - Instruction					
Salaries of Teachers	1,629,200	219,249	1,848,449	1,844,311	4,138
Other Salaries for Instruction	353,200	(8,800)	344,400	343,520	880
Textbooks	2,000	(2,000)	-	-	-
Other Objects	7,012	(5,747)	1,265	1,257	8
Total Bilingual Education - Instruction	<u>1,991,412</u>	<u>202,702</u>	<u>2,194,114</u>	<u>2,189,088</u>	<u>5,026</u>
Vocational Programs - Local - Instruction					
Salaries of Teachers	112,378	54,389	166,767	166,767	-
General Supplies	63,800	(1,800)	62,000	59,596	2,404
Textbooks	11,200	(11,200)	-	-	-
Other Objects	3,500	(3,000)	500	51	449
Total Vocational Programs - Local - Instruction	<u>190,878</u>	<u>38,389</u>	<u>229,267</u>	<u>226,414</u>	<u>2,853</u>
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	268,095	(12,851)	255,244	255,244	-
Purchased Services (300-500 series)	81,100	(59,835)	21,265	19,465	1,800
Total School-Spon. Cocurricular Actvts. - Inst.	<u>349,195</u>	<u>(72,686)</u>	<u>276,509</u>	<u>274,709</u>	<u>1,800</u>
School-Spon. Cocurricular Athletics - Inst.					
Salaries	422,260	(61,039)	361,221	355,041	6,180
Purchased Services (300-500 series)	359,301	63,720	423,021	365,321	57,700
Supplies and Materials	-	87,755	87,755	86,144	1,611
Total School-Spon. Cocurricular Athletics - Inst.	<u>781,561</u>	<u>90,436</u>	<u>871,997</u>	<u>806,506</u>	<u>65,491</u>
Before/After School Programs - Instruction					
Salaries of Teachers	2,500	-	2,500	-	2,500
Total Before/After School Programs - Instruction	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Summer School - Instruction					
Salaries of Teachers	50,000	(12,873)	37,127	35,646	1,481
Purchased Professional & Technical Services	53,000	(53,000)	-	-	-
Total Summer School - Instruction	<u>103,000</u>	<u>(65,873)</u>	<u>37,127</u>	<u>35,646</u>	<u>1,481</u>

CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Alternative Education Program - Instruction					
Salaries of Teachers	\$ 249,805	\$ (98,579)	\$ 151,226	\$ 151,024	\$ 202
General Supplies	2,650	555	3,205	555	2,650
Textbooks	1,000	-	1,000	-	1,000
Total Alternative Education Program - Instruction	253,455	(98,024)	155,431	151,579	3,852
Community Services Programs/Operations					
Salaries	1,231,766	(552,665)	679,101	-	679,101
Supplies and Materials	10,025	(7,939)	2,086	2,045	41
Other Objects	76,800	(72,950)	3,850	3,754	96
Total Community Services Programs/Operations	1,318,591	(633,554)	685,037	5,799	679,238
TOTAL INSTRUCTION AND AT-RISK PROGRAMS	67,683,948	(1,271,559)	66,412,389	65,405,920	1,006,469
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	287,102	(50,283)	236,819	236,786	33
Tuition to CSSDs & Reg. Day Schools	300,000	(25,988)	274,012	273,339	673
Tuition to Pvt. Schools for the Disabled/Other LEA - Within State	1,926,030	(48,582)	1,877,448	1,877,001	447
Tuition - State Facilities	36,247	(15,000)	21,247	21,065	182
Tuition - Other	125,376	158,336	283,712	283,712	-
Total Undistributed Expenditures - Instruction:	2,674,755	18,483	2,693,238	2,691,903	1,335
Undistributed Expend. - Attend. & Social Work					
Salaries	283,128	(14,945)	268,183	268,182	1
Supplies and Materials	2,500	(1,873)	627	627	-
Total Undistributed Expend. - Attend. & Social Work	285,628	(16,818)	268,810	268,809	1
Undist. Expend. - Health Services					
Salaries	1,533,007	(60,659)	1,472,348	1,467,267	5,081
Purchased Professional and Technical Services	85,957	(14,901)	71,056	70,231	825
Other Purchased Services (400-500 series)	8,175	(1,722)	6,453	5,897	556
Supplies and Materials	56,075	(17,832)	38,243	24,727	13,516
Total Undistributed Expenditures - Health Services	1,683,214	(95,114)	1,588,100	1,568,122	19,978

**CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Speech/Occupational Therapy, Physical Therapy & Related Serv.					
Salaries	\$ 964,257	\$ (166,211)	\$ 798,046	\$ 797,632	\$ 414
Purchased Professional - Educational Services	1,257,913	606,266	1,864,179	1,860,979	3,200
Supplies and Materials	27,600	(5,910)	21,690	21,287	403
Other Objects	9,000	750	9,750	8,827	923
Total Undist. Expend. - Speech/OT, PT & Related Serv.	2,258,770	434,895	2,693,665	2,688,725	4,940
Other Support Services - Students - Extraordinary					
Salaries	301,089	60,575	361,664	340,300	21,364
Total Support Services - Students - Extraordinary	301,089	60,575	361,664	340,300	21,364
Undist. Expend. - Guidance Services					
Salaries of Other Professional Staff	2,187,901	189,895	2,377,796	2,377,479	317
Salaries of Secretarial and Clerical Assistants	105,846	50,312	156,158	156,158	-
Purchased Professional - Educational Services	5,000	(4,500)	500	205	295
Supplies and Materials	121,903	(16,205)	105,698	101,977	3,721
Total Undist. Expend. - Guidance Services	2,420,650	219,502	2,640,152	2,635,819	4,333
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	1,840,201	(97,220)	1,742,981	1,737,602	5,379
Salaries of Secretarial and Clerical Assistants	484,254	3,794	488,048	481,770	6,278
Purchased Professional - Educational Services	500,292	18,071	518,363	511,874	6,489
Misc. Purchased Services (400-500 series Other Than Residential)		750	750	212	538
Supplies and Materials	10,000	1,165	11,165	9,948	1,217
Other Objects	1,000	-	1,000	694	306
Total Undist. Expend. - Child Study Teams	2,835,747	(73,440)	2,762,307	2,742,100	20,207
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	1,144,727	(50,667)	1,094,060	1,094,060	-
Salaries of Other Professional Staff	92,000	(31,469)	60,531	59,068	1,463
Salaries of Secr and Clerical Assist.	383,596	(28,999)	354,597	352,747	1,850
Other Purch Services (400-500 Series)		480	480	-	480
Total Undist. Expend. - Improvement of Inst. Serv.	1,620,323	(110,655)	1,509,668	1,505,875	3,793
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	187,199	(52,842)	134,357	134,071	286
Supplies and Materials	10,147	(770)	9,377	9,297	80
Total Undist. Expend. - Edu. Media Serv./Sch. Library	197,346	(53,612)	143,734	143,368	366

CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Service	\$ 18,000	\$ (10,002)	\$ 7,998	\$ 6,605	\$ 1,393
Other Purchased Services (400-500 series)	25,000	1,250	26,250	23,188	3,062
Other Objects	2,000	-	2,000	1,500	500
Total Undist. Expend. - Instructional Staff Training Serv.	45,000	(8,752)	36,248	31,293	4,955
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	544,188	(3,395)	540,793	535,364	5,429
Unused Vacation Pay to Terminated/Retired Staff	140,000	(116,500)	23,500	22,969	531
Legal Services	375,000	88,737	463,737	456,026	7,711
Audit Fees	118,339	(47,000)	71,339	71,000	339
Other Purchased Professional Services	45,000	22,552	67,552	61,758	5,794
Communications/Telephone	700,000	276,812	976,812	593,715	383,097
BOE Other Purchased Services	9,775	-	9,775	3,964	5,811
Miscellaneous Purchased Services (400-500 series other than 530/585)	1,460,000	(194,060)	1,265,940	1,265,291	649
General Supplies	107,500	(55,509)	51,991	50,158	1,833
BOE In-House Training/Meeting Supplies	10,000	(10,000)	-	-	-
BOE Membership Dues and Fees	40,000	(436)	39,564	37,935	1,629
Total Undist. Expend. - Supp. Serv. - General Admin.	3,549,802	(38,799)	3,511,003	3,098,180	412,823
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals/Program Directors	3,092,817	125,102	3,217,919	3,215,208	2,711
Salaries of Secretarial and Clerical Assistants	1,381,968	(20,357)	1,361,611	1,360,293	1,318
Purchased Professional and Technical Services	19,527	-	19,527	19,527	-
Supplies and Materials	203,100	(54,346)	148,754	144,111	4,643
Total Undist. Expend. - Support Serv. - School Admin.	4,697,412	50,399	4,747,811	4,739,139	8,672
Undistributed Expenditures - Central Services					
Salaries	1,297,459	103,447	1,400,906	1,400,906	-
Misc. Purch. Services (400-500 Series)	479,026	(41,836)	437,190	434,444	2,746
Supplies and Materials	-	1,540	1,540	-	1,540
Total Undistributed Expenditures - Central Services	1,776,485	63,151	1,839,636	1,835,350	4,286

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

Exhibit C-1
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FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Admin. Info. Tech.					
Salaries	\$ 662,777	\$ (197,000)	\$ 465,777	\$ 464,643	\$ 1,134
Purchased Professional Services	303,100	(26,885)	276,215	276,214	1
Other Purchased Services (400-500 series)	274,026	15,852	289,878	229,333	60,545
Supplies and Materials	73,700	648,211	721,911	69,621	652,290
Total Undistributed Expenditures - Admin. Info. Tech.	<u>1,313,603</u>	<u>440,178</u>	<u>1,753,781</u>	<u>1,039,811</u>	<u>713,970</u>
Undist. Expend. -Required Maintenance for School Facilities					
Salaries	4,177,935	29,214	4,207,149	4,192,679	14,470
General Supplies	303,926	575,879	879,805	878,866	939
Total Undist. Expend. -Required Maintenance for School Facilities	<u>4,481,861</u>	<u>605,093</u>	<u>5,086,954</u>	<u>5,071,545</u>	<u>15,409</u>
Undist. Expend. - Custodial Services					
Salaries	3,008,568	52,893	3,061,461	3,058,033	3,428
Cleaning, Repair and Maintenance Services	1,622,275	1,146,340	2,768,615	2,588,723	179,892
Other Purchased Property Services	291,074	51,000	342,074	336,178	5,896
Insurance	339,000	-	339,000	339,000	-
General Supplies	196,188	79,894	276,082	175,650	100,432
Energy - Natural Gas	345,000	(38,450)	306,550	306,499	51
Energy - Electricity	1,650,000	(128,000)	1,522,000	1,521,486	514
Total Undist. Expend. - Custodial Services	<u>7,452,105</u>	<u>1,163,677</u>	<u>8,615,782</u>	<u>8,325,569</u>	<u>290,213</u>
Undistributed Expenditures - Security					
Salaries	708,401	(171,042)	537,359	522,727	14,632
Purchased Professional & Technical Services		313,582	313,582	313,582	-
General Supplies	50,000	(7,090)	42,910	37,402	5,508
Total Undistributed Expenditures - Security	<u>758,401</u>	<u>135,450</u>	<u>893,851</u>	<u>873,711</u>	<u>20,140</u>
Total Undist. Expend. - Oper. & Maint. Of Plant	<u>12,692,367</u>	<u>1,904,220</u>	<u>14,596,587</u>	<u>14,270,825</u>	<u>325,762</u>
Undist. Expend. - Student Transportation Serv.					
Salaries of Non-instructional Aides	488,160	(28,510)	459,650	458,909	741
Sal. For Pup.Trans. (Bet. Home and School) - Special	964,188	(23,493)	940,695	939,711	984
Sal. For Pup. Trans. (Other than Bet. Home and School)	63,780	(15,504)	48,276	38,710	9,566
Lease Purchase Payments - School Buses	94,217	25,936	120,153	120,107	46
Contr Serv (Spl. Ed. Students) - Vendors	1,400,000	283,363	1,683,363	1,339,263	344,100
Misc. Purchased Serv. - Transportation	135,000	25,888	160,888	155,428	5,460
Other Objects	12,898	(9,298)	3,600	850	2,750
Total Undist. Expend. - Student Transportation Serv.	<u>3,158,243</u>	<u>258,382</u>	<u>3,416,625</u>	<u>3,052,978</u>	<u>363,647</u>

CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 1,980,000	\$ 772,537	\$ 2,752,537	\$ 2,751,991	\$ 546
Other Retirement Contributions - PERS	2,520,440	(75,000)	2,445,440	2,325,390	120,050
Unemployment Compensation	40,000	(40,000)	-	-	-
Workmen's Compensation	1,353,789	(444,269)	909,520	909,519	1
Health Benefits	20,734,598	(4,551,177)	16,183,421	16,183,421	-
Tuition Reimbursement	75,000	(15,080)	59,920	59,772	148
Other Employee Benefits	100,000	(60,950)	39,050	38,567	483
TOTAL UNALLOCATED BENEFITS	26,803,827	(4,413,939)	22,389,888	22,268,660	121,228
On-behalf TPAF Pension Contributions (non-budgeted)				12,372,372	(12,372,372)
On-behalf TPAF Post Retire. Medical Contrib.(non-budgeted)				4,589,924	(4,589,924)
On-behalf TPAF Non-contributory Ins. Contrib. (non-budgeted)				11,381	(11,381)
Reimbursed TPAF Social Security Contributions (non-budgeted)				4,734,571	(4,734,571)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	21,708,248	(21,708,248)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	26,803,827	(4,413,939)	22,389,888	43,976,908	(21,587,020)
TOTAL UNDISTRIBUTED EXPENDITURES	68,314,261	(1,361,344)	66,952,917	86,629,505	(19,676,588)
TOTAL GENERAL CURRENT EXPENSE	135,998,209	(2,632,903)	133,365,306	152,035,425	(18,670,119)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Grades 1-5	20,000	(20,000)	-	-	-
Grades 6-8	50,000	(23,603)	26,397	17,713	8,684
Grades 9-12	50,000	(50,000)	-	-	-
Administrative Information Technology	-	10,790	10,790	10,790	-
Undistributed Expenditures- Care and Upkeep of Grounds	-	51,201	51,201	51,201	-
Undistributed Expenditures- Non-Instructional Services					
School Buses- Special	-	39,305	39,305	38,924	381
Total Equipment	120,000	7,693	127,693	118,628	9,065
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	-	262,000	262,000	203,800	58,200
Construction Services	-	2,738,000	2,738,000	404,724	2,333,276
Assessment for Debt Service on SDA Funding	269,280	-	269,280	269,280	-
Total Facilities Acquisition and Construction Services	269,280	3,000,000	3,269,280	877,804	2,391,476
Assets Acquired Under Capital Leases (non-budgeted)					
Capital Leases (Non-Budgeted)	-	-	-	1,762,268	(1,762,268)
TOTAL CAPITAL OUTLAY	389,280	3,007,693	3,396,973	2,758,700	638,273

**CITY OF BAYONNE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL EXPENDITURES	\$ 136,387,489	\$ 374,790	\$ 136,762,279	\$ 154,794,125	\$ (18,031,846)
Other Financing Sources/(Uses):					
Transfer of Funds to Charter Schools	(484,032)	(290,174)	(774,206)	(774,205)	1
Local Contribution-Transfer to Special Revenue Regular	(917,600)	531,000	(386,600)	(386,171)	429
Transfer from Internal Service Fund	-	-	-	879,592	879,592
Capital Leases (Non-Budgeted)	-	-	-	1,762,268	1,762,268
TOTAL OTHER FINANCING SOURCES/(USES)	<u>(1,401,632)</u>	<u>240,826</u>	<u>(1,160,806)</u>	<u>1,481,484</u>	<u>2,642,290</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(401,698)</u>	<u>(1,067,964)</u>	<u>(1,469,662)</u>	<u>5,821,265</u>	<u>7,290,927</u>
Net Change in Fund Balance	(401,698)	(1,067,964)	(1,469,662)	5,821,265	7,290,927
Fund Balance, July 1	7,436,740		7,436,740	7,436,740	-
Fund Balance, June 30	<u>\$ 7,035,042</u>	<u>\$ (1,067,964)</u>	<u>\$ 5,967,078</u>	<u>\$ 13,258,005</u>	<u>\$ 7,290,927</u>
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)					
Budgeted fund balance	\$ (401,698)	\$ -	\$ (401,698)	\$ 6,889,229	\$ 7,290,927
Adjustment for prior year encumbrances		(1,067,964)	(1,067,964)	(1,067,964)	-
Total	<u>\$ (401,698)</u>	<u>\$ (1,067,964)</u>	<u>\$ (1,469,662)</u>	<u>\$ 5,821,265</u>	<u>\$ 7,290,927</u>
Recapitulation of Fund Balance:					
Assigned: Year-End Encumbrances				\$ 3,699,369	
Restricted: Reserve for Excess Surplus					
Capital Reserve				1,559,894	
Maintenance Reserve				250,000	
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures				2,574,068	
Reserve for Excess Surplus				2,540,477	
Unassigned: Unrestricted Fund Balance				<u>2,634,197</u>	
				13,258,005	
Reconciliation to Governmental Funds Statements (GAAP):					
State Aid Payments not recognized on GAAP basis				<u>(7,150,689)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 6,107,316</u>	

CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Local Sources					
Revenues from Local Sources	\$ 144,482	\$ 262,569	\$ 407,051	\$ 208,927	\$ (198,124)
Total Local Revenues	144,482	262,569	407,051	208,927	(198,124)
State Sources					
Preschool Education Aid	5,803,354	1,636,222	7,439,576	6,745,719	(693,857)
School Based Youth Services	170,684	178,004	348,688	132,809	(215,879)
Municipal Alliance Program	-	54,448	54,448	40,750	(13,698)
Nonpublic Textbooks	34,042	5,069	39,111	34,374	(4,737)
Nonpublic Auxiliary Services	49,251	28,040	77,291	62,965	(14,326)
Nonpublic Handicapped Services	79,715	94,847	174,562	87,515	(87,047)
Nonpublic Security Aid	49,407	61,893	111,300	58,428	(52,872)
Nonpublic Nursing Services	63,899	8,075	71,974	71,974	-
Nonpublic Technology Initiative	22,951	3,817	26,768	23,273	(3,495)
Total State Revenues	6,273,303	2,070,415	8,343,718	7,257,807	(1,085,911)
Federal Sources					
Title I	3,049,846	(37,857)	3,011,989	2,886,576	(125,413)
Title I - Reallocated	-	141,823	141,823	141,342	(481)
Title I SIA	-	78,374	78,374	75,759	(2,615)
Title II, Part A	403,599	180,869	584,468	322,705	(261,763)
Title III	87,499	17,809	105,308	103,228	(2,080)
Title III Immigrant	40,757	7,006	47,763	46,574	(1,189)
Title IV	158,779	34,567	193,346	176,260	(17,086)
IDEA Part B	2,184,177	399,672	2,583,849	2,231,058	(352,791)
IDEA Preschool	49,589	12,302	61,891	61,891	-
COVID CARES Emergency Relief	-	2,341,336	2,341,336	1,802,998	(538,338)
Emergency Impact Aid		51,500	51,500	-	(51,500)
Total Federal Revenues	5,974,246	3,227,401	9,201,647	7,848,391	(1,353,256)
Total Revenues	12,392,031	5,560,385	17,952,416	15,315,125	(2,637,291)

CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
(BUDGETARY BASIS)
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
EXPENDITURES:					
Instruction					
Salaries of Teachers	\$ 4,563,923	\$ 508,064	\$ 5,071,987	\$ 4,530,601	\$ 541,386
Other Salaries for Instruction	848,352	109,168	957,520	688,364	269,156
Purchased Professional and Technical Services	66,450	172,454	238,904	72,456	166,448
Other Purchased Sevices (Incl. Tuition)	1,600,839	1,041,944	2,642,783	2,415,673	227,110
General Supplies	320,811	2,395,053	2,715,864	2,615,148	100,716
Textbooks	34,042	5,069	39,111	34,374	4,737
Other Objects	-	3,870	3,870	3,870	-
Total Instruction	7,434,417	4,235,622	11,670,039	10,360,486	1,309,553
Support Services					
Salaries of Supervisor of Instruction	510,840	51,436	562,276	485,469	76,807
Salaries of Program Directors	498,689	3,216	501,905	412,113	89,792
Salaries of Other Professional Staff	149,346	(18,731)	130,615	112,873	17,742
Salaries of Secretaries & Clerical Assistants	213,822	(43,456)	170,366	128,171	42,195
Other Salaries	269,629	-	269,629	249,221	20,408
Salaries of Master Teachers	447,113	46,729	493,842	418,348	75,494
Personal Services - Employee Benefits	1,710,957	182,602	1,893,559	1,883,131	10,428
Purchased Professional - Educational Services	665,968	(494,720)	171,248	115,811	55,437
Other Purchased Professional Services	63,899	22,028	85,927	85,856	71
Purchased Professional and Technical Services	410,685	117,999	528,684	337,211	191,473
Rentals	-	21,000	21,000	21,000	-
Contr. Serv.-Trans. (Other than Bet. Home & Sch.)	50,069	66,337	116,406	44,336	72,070
Purchased Property Services	36,444	36,456	72,900	37,231	35,669
Other Purchased Services (400-500 series)	56,800	170,854	227,654	112,833	114,821
Supplies & Materials	212,444	626,089	838,533	323,952	514,581
Other Objects	5,014	84,124	89,138	78,063	11,075
Total Support Services	5,301,719	871,963	6,173,682	4,845,619	1,328,063
Facilities Acquisition and Construction Services:					
Instructional Equipment	122,415	(87,028)	35,387	35,283	104
Noninstructional Equipment	451,080	8,828	459,908	459,908	-
Total Facilities Acquisition and Construction Services	573,495	(78,200)	495,295	495,191	104
Total Expenditures	13,309,631	5,029,385	18,339,016	15,701,296	2,637,720
Other Financing Sources (Uses)					
Transfer from Operating Budget - PreK	917,600	(531,000)	386,600	386,171	(429)
Total Outflows	12,392,031	5,560,385	17,952,416	15,315,125	2,637,291
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

Supplementary Information

Special Revenue Fund

**CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	TOTAL BROUGHT FORWARD (Ex. E-1a)	TOTAL BROUGHT FORWARD (PAGE 2)	TITLE I	TITLE I - REALLOCATED	TITLE I SIA	TITLE II PART A	TOTALS
REVENUES:							
State Sources	\$ 7,257,807	\$ -	\$ -	\$ 141,342	\$ -	\$ 322,705	\$ 7,257,807
Federal Sources	-	4,422,009	2,886,576	-	75,759	-	7,848,391
Local Sources	208,927	-	-	-	-	-	208,927
Total Revenues	7,466,734	4,422,009	2,886,576	141,342	75,759	322,705	15,315,125
EXPENDITURES:							
Instruction:							
Salaries of Teachers	2,753,418	118,778	1,634,882	-	-	23,523	4,530,601
Other Salaries for Instruc.	688,364	-	-	-	-	-	688,364
Purch. Prof. & Tech. Services	62,965	411	9,080	-	-	-	72,456
Other Purchased Services (Incl. Tuition)	698,172	1,717,501	-	-	-	-	2,415,673
General Supplies	241,612	2,189,284	12,182	106,059	66,011	-	2,615,148
Textbooks	34,374	-	-	-	-	-	34,374
Other Objects	3,870	-	-	-	-	-	3,870
Total Instruction	4,482,775	4,025,974	1,656,144	106,059	66,011	23,523	10,360,486
Support Services:							
Salaries of Supervisors of Instruction	215,904	10,310	165,465	-	748	93,042	485,469
Salaries of Program Directors	412,113	-	-	-	-	-	412,113
Salaries of Other Prof. Staff	112,873	-	-	-	-	-	112,873
Salaries of Sec. & Clerical Asst.	84,515	-	43,656	-	-	-	128,171
Other Salaries	249,221	-	-	-	-	-	249,221
Salaries of Master Teachers	418,348	-	-	-	-	-	418,348
Personal Services - Empl. Benefits	845,734	-	978,105	-	-	59,292	1,883,131
Purch. Prof. - Educ. Services	111,311	4,500	-	-	-	-	115,811
Other Purch. Prof. Services	85,856	-	-	-	-	-	85,856
Purchased Prof. and Technical Services	-	228,976	-	-	9,000	99,235	337,211
Contracted Services - Trans. (Other Than Between Home and School)	44,336	-	-	-	-	-	44,336
Purchased Property Services	37,231	-	-	-	-	-	37,231
Rentals	21,000	-	-	-	-	-	21,000
Supplies and Materials	130,584	139,606	43,206	-	-	10,556	323,952
Other Purchased Services	68,946	11,643	-	-	-	32,244	112,833
Other Objects	72,250	1,000	-	-	-	4,813	78,063
Total Support Services	2,910,222	396,035	1,230,432	-	9,748	299,182	4,845,619
Facilities Acquis. & Const. Serv.:							
Noninstructional Equipment	459,908	-	-	-	-	-	459,908
Instructional Equipment	-	-	-	35,283	-	-	35,283
Total Facil. Acquis. & Const. Serv.	459,908	-	-	35,283	-	-	495,191
Total Expenditures	7,852,905	4,422,009	2,886,576	141,342	75,759	322,705	15,701,296
Excess/(Deficiency) of Revenues Over/(under) Expenditures	(386,171)	-	-	-	-	-	(386,171)
Other Financing Sources/(Uses):							
Transfer from Operating Budget - PreK	386,171	-	-	-	-	-	386,171
Total Other Financing Sources/(Uses)	386,171	-	-	-	-	-	386,171
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-	-	-

**CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	TITLE III	TITLE III IMMIGRANT	TITLE IV	IDEA PART B	IDEA PRESCHOOL	CARES EMERGENCY RELIEF	TOTAL CARRIED FORWARD
REVENUES:							
State Sources	-	-	-	-	-	-	-
Federal Sources	103,228	46,574	176,260	2,231,058	61,891	1,802,998	4,422,009
Local Sources	-	-	-	-	-	-	-
Total Revenues	103,228	46,574	176,260	2,231,058	61,891	1,802,998	4,422,009
EXPENDITURES:							
Instruction:							
Salaries of Teachers	2,980	-	-	115,798	-	-	118,778
Other Salaries for Instruc.	-	-	-	-	-	-	-
Purch. Prof. & Tech. Services	411	-	-	-	-	-	411
Other Purchased Services (Incl. Tuition)	-	-	-	1,655,610	61,891	-	1,717,501
General Supplies	86,667	46,574	142,709	149,200	-	1,764,134	2,189,284
Textbooks	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-
Total Instruction	90,058	46,574	142,709	1,920,608	61,891	1,764,134	4,025,974
Support Services:							
Salaries of Supervisors of Instruction	670	-	9,640	-	-	-	10,310
Salaries of Program Directors	-	-	-	-	-	-	-
Salaries of Other Prof. Staff	-	-	-	-	-	-	-
Salaries of Sec. & Clerical Asst.	-	-	-	-	-	-	-
Other Salaries	-	-	-	-	-	-	-
Salaries of Master Teachers	-	-	-	-	-	-	-
Personal Services - Empl. Benefits	-	-	-	-	-	-	-
Purch. Prof. - Educ. Services	4,500	-	-	-	-	-	4,500
Other Purch. Prof. Services	-	-	-	-	-	-	-
Purchased Prof. and Technical Services	-	-	7,000	221,976	-	-	228,976
Contracted Services - Trans. (Other Than Between Home and School)	-	-	-	-	-	-	-
Purchased Property Services	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Supplies and Materials	-	-	12,268	88,474	-	38,864	139,606
Other Purchased Services	7,000	-	4,643	-	-	-	11,643
Other Objects	1,000	-	-	-	-	-	1,000
Total Support Services	13,170	-	33,551	310,450	-	38,864	396,035
Facilities Acquis. & Const. Serv.:							
Noninstructional Equipment	-	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-	-
Total Facil. Acquis. & Const. Serv.	-	-	-	-	-	-	-
Total Expenditures	103,228	46,574	176,260	2,231,058	61,891	1,802,998	4,422,009
Excess/(Deficiency) of Revenues Over/(under Expenditures	-	-	-	-	-	-	-
Other Financing Sources/(Uses):							
Transfer from Operating Budget - PreK	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	-	-	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-	-	-

**CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	TOTAL BROUGHT FORWARD <u>(Ex. E-1b)</u>	PRESCHOOL EDUCATION AID <u>(Ex. E-2)</u>	N.J. NONPUBLIC TECHNOLOGY INITIATIVE	N.J. NONPUBLIC NURSING SERVICES	N.J. NONPUBLIC TEXTBOOK AID	N.J. NONPUBLIC SECURITY AID	TOTAL CARRIED FORWARD
REVENUES:							
State Sources	\$ 324,039	\$ 6,745,719	\$ 23,273	\$ 71,974	\$ 34,374	\$ 58,428	\$ 7,257,807
Federal Sources	-	-	-	-	-	-	-
Local Sources	<u>208,927</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>208,927</u>
Total Revenues	<u>532,966</u>	<u>6,745,719</u>	<u>23,273</u>	<u>71,974</u>	<u>34,374</u>	<u>58,428</u>	<u>7,466,734</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers	95,718	2,657,700	-	-	-	-	2,753,418
Other Salaries for Instruc.	54,667	633,697	-	-	-	-	688,364
Purch. Prof. & Tech. Services	62,965	-	-	-	-	-	62,965
Other Purchased Services (Incl. Tuition)	-	698,172	-	-	-	-	698,172
General Supplies	2,593	194,549	23,273	-	-	21,197	241,612
Textbooks	-	-	-	-	34,374	-	34,374
Other Objects	<u>3,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,870</u>
Total Instruction	<u>219,813</u>	<u>4,184,118</u>	<u>23,273</u>	<u>-</u>	<u>34,374</u>	<u>21,197</u>	<u>4,482,775</u>
Support Services:							
Salaries of Supervisors of Instruction	-	215,904	-	-	-	-	215,904
Salaries of Program Directors	-	412,113	-	-	-	-	412,113
Salaries of Other Prof. Staff	-	112,873	-	-	-	-	112,873
Salaries of Sec. & Clerical Asst.	-	84,515	-	-	-	-	84,515
Other Salaries	-	249,221	-	-	-	-	249,221
Salaries of Master Teachers	-	418,348	-	-	-	-	418,348
Personal Services - Empl. Benefits	10,000	835,734	-	-	-	-	845,734
Purch. Prof. - Educ. Services	81,500	29,811	-	-	-	-	111,311
Other Purch. Prof. Services	-	13,882	-	71,974	-	-	85,856
Purchased Prof. and Technical Services	-	-	-	-	-	-	-
Contracted Services - Trans. (Other Than Between Home and School)	44,336	-	-	-	-	-	44,336
Purchased Property Services	-	-	-	-	-	37,231	37,231
Rentals	21,000	-	-	-	-	-	21,000
Supplies and Materials	15,121	115,463	-	-	-	-	130,584
Other Purchased Services	68,946	-	-	-	-	-	68,946
Other Objects	<u>72,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,250</u>
Total Support Services	<u>313,153</u>	<u>2,487,864</u>	<u>-</u>	<u>71,974</u>	<u>-</u>	<u>37,231</u>	<u>2,910,222</u>
Facilities Acquis. & Const. Serv.:							
Noninstructional Equipment	-	459,908	-	-	-	-	459,908
Instructional Equipment	-	-	-	-	-	-	-
Total Facil. Acquis. & Const. Serv.	<u>-</u>	<u>459,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>459,908</u>
Total Expenditures	<u>532,966</u>	<u>7,131,890</u>	<u>23,273</u>	<u>71,974</u>	<u>34,374</u>	<u>58,428</u>	<u>7,852,905</u>
Excess/(Deficiency) of Revenues Over/(under Expenditures	<u>-</u>	<u>(386,171)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(386,171)</u>
Other Financing Sources/(Uses):							
Transfer from Operating Budget - PreK	<u>-</u>	<u>386,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>386,171</u>
Total Other Financing Sources/(Uses)	<u>-</u>	<u>386,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>386,171</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	NJ NONPUBLIC SERVICES						TOTAL CARRIED FORWARD
	TOTAL BROUGHT FORWARD (Ex. E-1c)	AUXILIARY CH. 192		HANDICAPPED SERVICES CH. 193			
		TRANSPORT- ATION	COMP. EDUCATION	SUPPL. INSTR.	EXAM. & CLASS.	CORRECTIVE SPEECH	
REVENUES:							
State Sources	\$ 173,559	\$ 10,522	\$ 52,443	\$ 40,393	\$ 37,735	\$ 9,387	\$ 324,039
Federal Sources	-	-	-	-	-	-	-
Local Sources	208,927	-	-	-	-	-	208,927
Total Revenues	382,486	10,522	52,443	40,393	37,735	9,387	532,966
EXPENDITURES:							
Instruction:							
Salaries of Teachers	95,718	-	-	-	-	-	95,718
Other Salaries for Instruc.	54,667	-	-	-	-	-	54,667
Purch. Prof. & Tech. Services	-	10,522	52,443	-	-	-	62,965
Other Purchased Services (Incl. Tuition)	-	-	-	-	-	-	-
General Supplies	2,593	-	-	-	-	-	2,593
Textbooks	-	-	-	-	-	-	-
Other Objects	3,870	-	-	-	-	-	3,870
Total Instruction	156,848	10,522	52,443	-	-	-	219,813
Support Services:							
Salaries of Supervisors of Instruction	-	-	-	-	-	-	-
Salaries of Program Directors	-	-	-	-	-	-	-
Salaries of Other Prof. Staff	-	-	-	-	-	-	-
Salaries of Sec. & Clerical Asst.	-	-	-	-	-	-	-
Other Salaries	-	-	-	-	-	-	-
Salaries of Master Teachers	-	-	-	-	-	-	-
Personal Services - Empl. Benefits	10,000	-	-	-	-	-	10,000
Purch. Prof. - Educ. Services	31,720	-	-	40,393	-	9,387	81,500
Other Purch. Prof. Services	-	-	-	-	-	-	-
Purchased Prof. and Technical Services	-	-	-	-	-	-	-
Contracted Services - Trans. (Other Than Between Home and School)	6,601	-	-	-	37,735	-	44,336
Purchased Property Services	-	-	-	-	-	-	-
Rentals	21,000	-	-	-	-	-	21,000
Supplies and Materials	15,121	-	-	-	-	-	15,121
Other Purchased Services	68,946	-	-	-	-	-	68,946
Other Objects	72,250	-	-	-	-	-	72,250
Total Support Services	225,638	-	-	40,393	37,735	9,387	313,153
Facilities Acquis. & Const. Serv.:							
Noninstructional Equipment	-	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-	-
Total Facil. Acquis. & Const. Serv.	-	-	-	-	-	-	-
Total Expenditures	382,486	10,522	52,443	40,393	37,735	9,387	532,966
Excess/(Deficiency) of Revenues Over/(under Expenditures	-	-	-	-	-	-	-
Other Financing Sources/(Uses):							
Transfer from Operating Budget - PreK	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	-	-	-
Excess/(Deficiency) of Revenues Over/(Under Expenditures & Other Financing Sources/(Use	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ADOPT-A- SCHOOL PROGRAM	NJSIG SAFETY GRANT	BAYONNE HOURSING AUTHORITY HOMEWORK ASSISTANCE	SCHOOL BASED YOUTH SERVICES	MUNICIPAL ALLIANCE PROGRAM	TOTAL CARRIED FORWARD
REVENUES:						
State Sources	\$ -	\$ -	\$ -	\$ 132,809	\$ 40,750	\$ 173,559
Federal Sources	-	-	-	-	-	-
Local Sources	68,946	72,250	67,731	-	-	208,927
Total Revenues	68,946	72,250	67,731	132,809	40,750	382,486
EXPENDITURES:						
Instruction:						
Salaries of Teachers	-	-	-	95,718	-	95,718
Other Salaries for Instruc.	-	-	54,667	-	-	54,667
Purch. Prof. & Tech. Services	-	-	-	-	-	-
Other Purchased Services (Incl. Tuition)	-	-	-	-	-	-
General Supplies	-	-	2,593	-	-	2,593
Textbooks	-	-	-	-	-	-
Other Objects	-	-	3,870	-	-	3,870
Total Instruction	-	-	61,130	95,718	-	156,848
Support Services:						
Salaries of Supervisors of Instruction	-	-	-	-	-	-
Salaries of Program Directors	-	-	-	-	-	-
Salaries of Other Prof. Staff	-	-	-	-	-	-
Salaries of Sec. & Clerical Asst.	-	-	-	-	-	-
Other Salaries	-	-	-	-	-	-
Salaries of Master Teachers	-	-	-	-	10,000	10,000
Personal Services - Empl. Benefits	-	-	-	-	27,750	31,720
Purch. Prof. - Educ. Services	-	-	-	3,970	-	-
Other Purch. Prof. Services	-	-	-	-	-	-
Purchased Prof. and Technical Services	-	-	-	-	-	-
Contracted Services - Trans. (Other Than Between Home and School)	-	-	6,601	-	-	6,601
Purchased Property Services	-	-	-	-	-	-
Rentals	-	-	-	21,000	-	21,000
Supplies and Materials	-	-	-	12,121	3,000	15,121
Other Purchased Services	68,946	-	-	-	-	68,946
Other Objects	-	72,250	-	-	-	72,250
Total Support Services	68,946	72,250	6,601	37,091	40,750	225,638
Facilities Acquis. & Const. Serv.:						
Noninstructional Equipment	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-
Total Facil. Acquis. & Const. Serv.	-	-	-	-	-	-
Total Expenditures	68,946	72,250	67,731	132,809	40,750	382,486
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-
Other Financing Sources/(Uses):						
Transfer from Operating Budget - PreK	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	-	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF BAYONNE SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 2,748,907	\$ 2,657,700	\$ 91,207
Other Salaries for Instr.	819,740	633,697	186,043
Unused Vacation payout	33,000	-	33,000
Tuition	698,172	698,172	-
Supplies and Materials	196,287	194,549	1,738
	<hr/>	<hr/>	<hr/>
Total Instruction	4,496,106	4,184,118	311,988
Support Services:			
Salaries of Supervisors of Instruction	223,767	215,904	7,863
Salaries of Program Directors	501,905	412,113	89,792
Salaries of Other Professional Staff	130,615	112,873	17,742
Salaries of Secr. And Clerical Asst.	84,515	84,515	-
Other Salaries	269,629	249,221	20,408
Salaries of Master Teachers	493,842	418,348	75,494
Personal Serv.-Employee Benefits	835,734	835,734	-
Purch. Prof. - Educ. Services	58,646	29,811	28,835
Other Purch. Prof. Services	13,953	13,882	71
Supplies and Materials	257,556	115,463	142,093
	<hr/>	<hr/>	<hr/>
Total Support Services	2,870,162	2,487,864	382,298
Capital Outlays:			
Non-Instructional Equipment	459,908	459,908	-
	<hr/>	<hr/>	<hr/>
Total Capital Outlays	459,908	459,908	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 7,826,176	\$ 7,131,890	\$ 694,286

CALCULATION OF BUDGET AND CARRYOVER:

Total revised 2019-20 Preschool Education Aid Allocation	\$ 6,745,719
Add: Actual Carryover (June 30, 2019)	788,766
Add: General Fund Contribution to Preschool Education	<hr/> 386,171
Total Preschool Education Aid Available for 2019-20 Budget	7,920,656
Less: 2019-20 Budgeted Preschool Education Aid	<hr/> (7,826,176)
Available and Unbudgeted PEA Funds at June 30, 2019	94,480
Add: June 30, 2020 Unexpended PEA	<hr/> 694,286
2019-20 Carryover - Preschool Aid Programs	<hr/> \$ 788,766
2019-20 PEA Carryover Budgeted for 2020-21 Preschool Programs	<hr/> \$ -

Capital Projects Fund

**CITY OF BAYONNE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2020**

ISSUE/PROJECT TITLE	ORIGINAL DATE	ORIGINAL APPROPRIATIONS	ADJUSTMENTS/ TRANSFERS	REVISED APPROPRIATIONS	EXPENDITURES TO DATE			UNEXPENDED BALANCE
					PRIOR YEARS	CURRENT YEAR	TOTAL	
14-1001 Renovations at Bayonne High School	05/02/14	\$ 6,341,960	\$	\$ 6,341,960	\$ 3,279,368	\$ 921,804	\$ 4,201,172	\$ 2,140,788
14-1002 Renovations at Walter F. Robinson School	05/16/14	827,375	-	827,375	447,329	46,137	493,466	333,909
14-1003 Renovations at John M. Bailey School	05/16/14	347,500	(183,170)	164,330	164,330	-	164,330	-
14-1004 Renovations at Henry Harris School	05/16/14	113,750	(63,816)	49,934	49,934	-	49,934	-
14-1005 Renovations at Horace Mann School	05/16/14	1,100,793	(63,793)	1,037,000	1,003,800	-	1,003,800	33,200
14-1006 Renovations at Lincoln School	2013-14	1,367,500	(220,647)	1,146,853	940,485	-	940,485	206,368
14-1007 Renovations at Mary J. Donohoe School	2013-14	198,125	(148,191)	49,934	49,934	-	49,934	-
14-1008 Renovations at Midtown Community School	2013-14	1,275,369	-	1,275,369	241,765	844,000	1,085,765	189,604
14-1009 Renovations at Phillip G. Vroom School	2013-14	855,000	(230,819)	624,181	624,181	-	624,181	-
14-1010 Renovations at Washington School	2013-14	1,077,500	313,827	1,391,327	1,369,327	-	1,369,327	22,000
14-1011 Renovations at Woodrow Wilson School	2013-14	495,250	-	495,250	267,380	12,965	280,345	214,905
		\$ 14,000,122	\$ (596,609)	\$ 13,403,513	\$ 8,437,833	\$ 1,824,906	\$ 10,262,739	\$ 3,140,774

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

Unexpended Project balances (from above):	\$ 3,140,774
Less: Unearned/Unrecognized State Aid Revenues:	
14-1001 Renovations at Bayonne High School	(1,363,219)
14-1002 Renovations at Walter F. Robinson School	(297,086)
14-1003 Renovations at John M. Bailey School	(24,652)
14-1004 Renovations at Henry Harris School	(11,011)
14-1005 Renovations at Horace Mann School	(17,839)
14-1006 Renovations at Lincoln School	(119,890)
14-1007 Renovations at Mary J. Donohoe School	(11,012)
14-1008 Renovations at Midtown Community School	(608,371)
14-1009 Renovations at Phillip G. Vroom School	
14-1010 Renovations at Washington School	-
14-1011 Renovations at Woodrow Wilson School	(123,000)
Fund Balance-Exhibit F-2	<u>\$ 564,694</u>

CITY OF BAYONNE SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT BAYONNE HIGH SCHOOL
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 3,737,374	\$ -	\$ 3,737,374	\$ 3,737,374
Transfer from Capital Reserve Fund	<u>2,604,586</u>	<u>-</u>	<u>2,604,586</u>	<u>2,604,586</u>
Total Revenues	<u>6,341,960</u>	<u>-</u>	<u>6,341,960</u>	<u>6,341,960</u>
Expenditures and Other Financing Uses:				
Construction	<u>3,279,368</u>	<u>921,804</u>	<u>4,201,172</u>	<u>6,341,960</u>
Total Expenditures	<u>3,279,368</u>	<u>921,804</u>	<u>4,201,172</u>	<u>6,341,960</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 3,062,592</u>	<u>\$ (921,804)</u>	<u>\$ 2,140,788</u>	<u>\$ -</u>

Additional Project information:

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

Percentage Change from Original Authorized Cost	0.00%
Percentage of Completion	66.24%
Original Target Completion	
Revised Target Completion	

CITY OF BAYONNE SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT WALTER F. ROBINSON SCHOOL
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 487,580	\$ -	\$ 487,580	\$ 487,580
Transfer from Capital Reserve Fund	339,795	-	339,795	339,795
Total Revenues	827,375	-	827,375	827,375
Expenditures and Other Financing Uses:				
Construction	447,329	46,137	493,466	827,375
Total Expenditures	447,329	46,137	493,466	827,375
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$ 380,046	\$ (46,137)	\$ 333,909	\$ -
<u>Additional Project information:</u>				
Project Number	0220-030-14-1002			
Grant Date	5/17/2018			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 827,375			
Adjustment to Authorized Cost	-			
Revised Authorized Cost	\$ 827,375			
Percentage Change from Original Authorized Cost	0.00%			
Percentage of Completion	59.64%			
Original Target Completion				
Revised Target Completion				

CITY OF BAYONNE SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT JOHN M. BAILEY SCHOOL
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2020

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

Additional Project information:

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

CITY OF BAYONNE SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT HENRY HARRIS SCHOOL
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2020

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

Additional Project information:

Project Number	0220-050-14-1004
Grant Date	5/17/2018
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 113,750
Adjustment to Authorized Cost	(63,816)
Revised Authorized Cost	\$ 49,934

Percentage Change from Original Authorized Cost	-56.10%
Percentage of Completion	100.00%
Original Target Completion	
Revised Target Completion	

CITY OF BAYONNE SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT HORACE MANN SCHOOL
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 611,114	\$ -	\$ 611,114	\$ 611,114
Transfer from Capital Reserve Fund	<u>425,886</u>	<u>-</u>	<u>425,886</u>	<u>425,886</u>
Total Revenues	<u>1,037,000</u>	<u>-</u>	<u>1,037,000</u>	<u>1,037,000</u>
Expenditures and Other Financing Uses:				
Construction	<u>1,003,800</u>	<u>-</u>	<u>1,003,800</u>	<u>1,037,000</u>
Total Expenditures	<u>1,003,800</u>	<u>-</u>	<u>1,003,800</u>	<u>1,037,000</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 33,200</u>	<u>\$ -</u>	<u>\$ 33,200</u>	<u>\$ -</u>

Additional Project information:

Project Number	0220-060-14-1005
Grant Date	5/17/2018
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,100,793
Adjustment to Authorized Cost	(63,793)
Revised Authorized Cost	\$ 1,037,000

Percentage Change from Original Authorized Cost	(5.80)
Percentage of Completion	96.80%
Original Target Completion	
Revised Target Completion	

CITY OF BAYONNE SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT LINCOLN SCHOOL
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 675,853	\$ -	\$ 675,853	\$ 675,853
Transfer from Capital Reserve Fund	<u>471,000</u>	<u>-</u>	<u>471,000</u>	<u>471,000</u>
Total Revenues	<u>1,146,853</u>	<u>-</u>	<u>1,146,853</u>	<u>1,146,853</u>
Expenditures and Other Financing Uses:				
Construction	<u>940,485</u>	<u>-</u>	<u>940,485</u>	<u>1,146,853</u>
Total Expenditures	<u>940,485</u>	<u>-</u>	<u>940,485</u>	<u>1,146,853</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 206,368</u>	<u>\$ -</u>	<u>\$ 206,368</u>	<u>\$ -</u>

Additional Project information:

Project Number	0220-070-14-1006
Grant Date	2013-2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,367,500
Adjustment to Authorized Cost	(220,647)
Revised Authorized Cost	\$ 1,146,853

Percentage Change from Original Authorized Cost	-16.14%
Percentage of Completion	82.01%
Original Target Completion	
Revised Target Completion	

CITY OF BAYONNE SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT MARY J. DONOHOE SCHOOL
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2020

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

Additional Project information:

Project Number	0220-080-14-1007
Grant Date	2013-2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 198,125
Adjustment to Authorized Cost	(148,191)
Revised Authorized Cost	\$ 49,934

Percentage Change from Original Authorized Cost	-74.80%
Percentage of Completion	100.00%
Original Target Completion	
Revised Target Completion	

CITY OF BAYONNE SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT MIDTOWN COMMUNITY SCHOOL
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 751,369	\$ -	\$ 751,369	\$ 751,369
Transfer from Capital Reserve Fund	524,000	-	524,000	524,000
	<u>1,275,369</u>	<u>-</u>	<u>1,275,369</u>	<u>1,275,369</u>
Total Revenues				
Expenditures and Other Financing Uses:				
Construction	241,765	844,000	1,085,765	1,275,369
	<u>241,765</u>	<u>844,000</u>	<u>1,085,765</u>	<u>1,275,369</u>
	<u>241,765</u>	<u>844,000</u>	<u>1,085,765</u>	<u>1,275,369</u>
Total Expenditures				
Excess (Deficiency) of Revenue				
Over (Under) Expenditures	<u>\$ 1,033,604</u>	<u>\$ (844,000)</u>	<u>\$ 189,604</u>	<u>\$ -</u>

Additional Project information:

Project Number	0220-085-14-1008
Grant Date	2013-2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,275,369
Adjustment to Authorized Cost	-
Revised Authorized Cost	\$ 1,275,369

Percentage Change from Original Authorized Cost	0.00%
Percentage of Completion Original Target Completion	85.13%
Revised Target Completion	

CITY OF BAYONNE SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT PHILLIP G. VROOM SCHOOL
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2020

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

Additional Project information:

Project Number	0220-090-14-1009
Grant Date	2013-2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 855,000
Adjustment to Authorized Cost	(230,819)
Revised Authorized Cost	\$ 624,181
Percentage Change from Original Authorized Cost	-27.00%
Percentage of Completion	100.00%
Original Target Completion	
Revised Target Completion	

CITY OF BAYONNE SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT WASHINGTON SCHOOL
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2020

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

Additional Project information:

Project Number	0220-120-14-1010
Grant Date	2013-2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,077,500
Adjustment to Authorized Cost	313,827
Revised Authorized Cost	\$ 1,391,327
Percentage Change from Original Authorized Cost	29.13%
Percentage of Completion	98.42%
Original Target Completion	
Revised Target Completion	

CITY OF BAYONNE SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT WOODROW WILSON SCHOOL
FROM INCEPTION TO AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>REVISED AUTHORIZED COST</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 291,855	\$ -	\$ 291,855	\$ 291,855
Transfer from Capital Reserve Fund	<u>203,395</u>	<u>-</u>	<u>203,395</u>	<u>203,395</u>
Total Revenues	<u>495,250</u>	<u>-</u>	<u>495,250</u>	<u>495,250</u>
Expenditures and Other Financing Uses:				
Construction	<u>267,380</u>	<u>12,965</u>	<u>280,345</u>	<u>495,250</u>
Total Expenditures	<u>267,380</u>	<u>12,965</u>	<u>280,345</u>	<u>495,250</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ 227,870</u>	<u>\$ (12,965)</u>	<u>\$ 214,905</u>	<u>\$ -</u>
<u>Additional Project information:</u>				
Project Number	0220-130-14-1011			
Grant Date	2013-2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 495,250			
Adjustment to Authorized Cost	-			
Revised Authorized Cost	\$ 495,250			
Percentage Change from Original Authorized Cost	0.00%			
Percentage of Completion	56.61%			
Original Target Completion				
Revised Target Completion				

**CITY OF BAYONNE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2020**

Expenditures and Other Financing Uses

Construction	\$	<u>1,824,906</u>
Total Expenditures		<u>1,824,906</u>
Excess (Deficiency) of Revenues over (under) Expenditures		(1,824,906)
Fund Balance - Beginning		<u>4,965,681</u>
Fund Balance - Ending	\$	<u><u>3,140,775</u></u>

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

Fund Balance - June 30, 2020 (Budgetary Basis)	\$	3,140,775
Less: Uncollected State SDA Grants Recognized as Revenue on the Budgetary Basis but not Recognized on a GAAP Basis		<u>(2,576,080)</u>
Fund Balance - June 30, 2020 (GAAP Basis-Exhibit B-1)	\$	<u><u>564,695</u></u>

Enterprise Funds

**CITY OF BAYONNE SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
ENTERPRISE FUND
AS OF JUNE 30, 2020**

	MAJOR FUND		TOTAL ENTERPRISE FUND
	<u>FOOD SERVICE</u>	<u>COMMUNITY EDUCATION</u>	
<u>ASSETS</u>			
Current Assets:			
Accounts Receivable:			
State	\$ 6,395	\$	\$ 6,395
Federal	662,710		662,710
Interfund Receivable		176,908	176,908
Inventories	57,953		57,953
Total Current Assets	<u>727,058</u>	<u>176,908</u>	<u>903,966</u>
Noncurrent Assets:			
Capital Assets:			
Equipment	2,106,612		2,106,612
Accumulated Depreciation	<u>(1,153,722)</u>		<u>(1,153,722)</u>
Total Noncurrent Assets	<u>952,890</u>	<u>-</u>	<u>952,890</u>
Total Assets	<u>\$ 1,679,948</u>	<u>\$ 176,908</u>	<u>\$ 1,856,856</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Interfund Payables	\$ 378,320	\$	\$ 378,320
Unearned Revenue	25,736		25,736
Total Current Liabilities	<u>404,056</u>	<u>-</u>	<u>404,056</u>
<u>NET POSITION</u>			
Investment in Capital Assets	\$ 952,890	\$ -	\$ 952,890
Unrestricted	<u>323,002</u>	<u>176,908</u>	<u>499,910</u>
Total Net Position	<u>\$ 1,275,892</u>	<u>\$ 176,908</u>	<u>\$ 1,452,800</u>

CITY OF BAYONNE SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	MAJOR FUNDS		TOTAL ENTERPRISE FUND
	FOOD SERVICE	COMMUNITY EDUCATION	
<u>OPERATING REVENUES</u>			
Charges for Services:			
Program Sales	\$ 235,306	\$	\$ 235,306
Non-Program Sales	398,178		398,178
Education Programs		757,774	757,774
Facility Rentals		231,590	231,590
Total Operating Revenues	<u>633,484</u>	<u>989,364</u>	<u>1,622,848</u>
<u>OPERATING EXPENSES</u>			
Cost of Sales:			
Program Food Costs	1,519,209		1,519,209
Non-Program Food Costs	132,208		132,208
USDA Commodities	216,137		216,137
Subtotal-Cost of Sales	1,867,554	-	1,867,554
Supplies and Materials	257,131	52,784	309,915
Salaries and Wages	2,582,925	749,470	3,332,395
Employee Benefits	86,071		86,071
Insurance	47,046		47,046
Cleaning & Maintenance	24,691	10,202	34,893
Depreciation	161,056		161,056
Total Operating Expenses	<u>5,026,474</u>	<u>812,456</u>	<u>5,838,930</u>
Operating Income (Loss)	<u>(4,392,990)</u>	<u>176,908</u>	<u>(4,216,082)</u>
Non-Operating Revenues (Expenses):			
State Sources:			
State School Lunch Program	40,333		40,333
Federal Sources:			
School Breakfast Program	1,122,978		1,122,978
National School Lunch Program	2,254,082		2,254,082
Snack Program	39,856		39,856
Summer Food Program	84,241		84,241
USDA Commodities Program	216,137		216,137
Total Non-Operating Revenues	<u>3,757,627</u>	-	<u>3,757,627</u>
Income (Loss) Before Operating Transfers	<u>(635,363)</u>	<u>176,908</u>	<u>(458,455)</u>
Change in Net Position	(635,363)	176,908	(458,455)
Total Net Position - Beginning	<u>1,911,255</u>	-	<u>1,911,255</u>
Total Net Position - Ending	<u>\$ 1,275,892</u>	<u>\$ 176,908</u>	<u>\$ 1,452,800</u>

**CITY OF BAYONNE SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	MAJOR FUND		TOTAL ENTERPRISE FUND
	FOOD SERVICE	COMMUNITY EDUCATION	
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 659,220	\$ 989,364	\$ 1,648,584
Cash Payments for Goods & Supplies	(1,949,851)		(1,949,851)
Cash Payments for Employee Expenses	(2,668,996)	(812,456)	(3,481,452)
Net Cash Flows from Operating Activities	<u>(3,959,627)</u>	<u>176,908</u>	<u>(3,782,719)</u>
Cash Flows from Non-Capital Financing Activities			
State Sources	46,516		46,516
Federal Sources	3,856,823		3,856,823
Interfund Loan Paid	93,100	(176,908)	(83,808)
Net Cash Flows from Non-Capital Financing Activities	<u>3,996,439</u>	<u>(176,908)</u>	<u>3,819,531</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Equipment	(36,812)		(36,812)
Net Cash Provided from Capital and Related Financing Activities	<u>(36,812)</u>	<u>-</u>	<u>(36,812)</u>
Change in Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents, July 1	-	-	-
Cash and Cash Equivalents, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (4,392,990)	\$ 176,908	\$ (4,216,082)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:			
Depreciation	161,056		161,056
USDA Commodities	216,137		216,137
Change in Operating Assets and Liabilities:			
(Increase) Decrease in Inventory	30,704		30,704
Increase (Decrease) in Unearned Revenues	25,736		25,736
Increase (Decrease) in Accounts Payable	(270)		(270)
Net Cash Flows from Operating Activities	<u>\$ (3,959,627)</u>	<u>\$ 176,908</u>	<u>\$ (3,782,719)</u>

Internal Service Funds

**CITY OF BAYONNE SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020**

	<u>HEALTH BENEFITS</u>	<u>TOTAL INTERNAL SERVICE FUND</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ -	\$ -
Accounts Receivable:		
Interfund	-	-
Other	-	-
	<hr/>	<hr/>
Total Current Assets	-	-
	<hr/>	<hr/>
Total Assets	\$ -	\$ -
	<hr/>	<hr/>
<u>LIABILITIES</u>		
Current Liabilities:		
Insurance Premiums Payable	\$ -	\$ -
Accrued Expenses (IBNR)	-	-
	<hr/>	<hr/>
Total Current Liabilities	-	-
	<hr/>	<hr/>
<u>NET POSITION</u>		
Unrestricted	-	-
	<hr/>	<hr/>
Total Net Position	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>

CITY OF BAYONNE SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

	<u>HEALTH BENEFITS</u>	<u>TOTAL INTERNAL SERVICE FUND</u>
<u>OPERATING REVENUES</u>		
Charges for Services:		
Employee Share of Estimated Program Costs	\$ -	\$ -
Services Provided to Other Funds	-	-
	<hr/>	<hr/>
Total Operating Revenues	-	-
<u>OPERATING EXPENSES</u>		
Operating Expenses:		
Health/Major Medical Program	-	-
Prescription Drug Program	-	-
Dental Program	-	-
Retiree Medical Reimbursements	-	-
	<hr/>	<hr/>
Total Operating Expenses	-	-
Income (Loss) Before Operating Transfers	-	-
Operating Transfers In/(Out)	<u>(879,592)</u>	<u>(879,592)</u>
Change in Net Position	(879,592)	(879,592)
Total Net Position - Beginning	<u>879,592</u>	<u>879,592</u>
Total Net Position - Ending	<u>\$ -</u>	<u>\$ -</u>

**CITY OF BAYONNE SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	HEALTH BENEFITS	TOTAL INTERNAL SERVICE FUND
Cash Flows from Operating Activities:		
Cash Received from Employees	\$ 476,033	\$ 476,033
Cash Payments for Program Costs	(3,945,480)	(3,945,480)
Net Cash Flows from Operating Activities	(3,469,447)	(3,469,447)
Cash Flows from Non-Capital Financing Activities		
Operating Transfer Out	(879,592)	(879,592)
Net Cash Flows from Non-Capital Financing Activities	(879,592)	(879,592)
Change in Cash and Cash Equivalents	(4,349,039)	(4,349,039)
Cash and Cash Equivalents, July 1	4,349,039	4,349,039
Cash and Cash Equivalents, June 30	\$ -	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ -	\$ -
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:		
Decrease in Accounts Receivable	476,033	476,033
Decrease in Accounts Payable	(2,940,610)	(2,940,610)
Decrease in Accrued Liabilities	(1,004,870)	(1,004,870)
Net Cash Flows from Operating Activities	\$ (3,469,447)	\$ (3,469,447)

Fiduciary Funds

**CITY OF BAYONNE SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2020**

	<u>TRUST FUND</u>		<u>AGENCY FUND</u>		<u>TOTALS</u>
	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>STUDENT ACTIVITY</u>	<u>PAYROLL</u>	<u>2020</u>	
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 238,924	\$ 376,954	\$ 984,574		\$ 1,361,528
Accounts Receivable	58,685				
Total Assets	\$ 297,609	\$ 376,954	\$ 984,574		\$ 1,361,528
<u>LIABILITIES AND NET POSITION</u>					
Liabilities:					
Accounts Payable	\$ 105,064	\$	\$		\$
Payroll Deductions and Withholdings			873,539		873,539
Net Payroll			14,196		14,196
Due to General Fund	95,905		96,839		96,839
Due to Student Groups		376,954			376,954
Total Liabilities	200,969	376,954	984,574		1,361,528
Net Position:					
Held in Trust for Unemployment Claims and Other Purposes	96,640	-	-		
Total Fund Balances	96,640	-	-		
Total Liabilities and Net Position	\$ 297,609	\$ 376,954	\$ 984,574		\$ 1,361,528

**CITY OF BAYONNE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

		UNEMPLOYMENT COMPENSATION TRUST
<hr/>		
ADDITIONS:		
Contributions:		
Plan Member	\$	275,997
CARES ACT federal contribution		58,685
Total Contributions		<u>334,682</u>
Investment Earnings:		
Interest		243
Total investment earnings		<u>243</u>
Total Additions		<u>334,925</u>
DEDUCTIONS:		
Quarterly Contributions Reports		<u>279,848</u>
Total Deductions		<u>279,848</u>
Change in Net Position		<u>55,077</u>
Net Position (Deficit) - Beginning of the Year		<u>41,563</u>
Net Position - End of the Year	\$	<u><u>96,640</u></u>

**CITY OF BAYONNE SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	BALANCE JULY 1, <u>2019</u>	CASH <u>RECEIPTS</u>	CASH <u>DISBURSEMENTS</u>	BALANCE JUNE 30, <u>2020</u>
<u>ELEMENTARY SCHOOLS</u>				
Henry E. Harris	\$ 5,083	\$ 2,247	\$ 1,958	\$ 5,372
Philip G. Vroom	3,260	1,848	3,527	1,581
Dr. Walter F. Robinson	1,624	15,968	13,347	4,245
Mary J. Donohoe	2,129	16,095	11,216	7,008
Lincoln Community	16,600	9,599	12,808	13,391
Horace Mann	9,449	28,605	18,655	19,399
Midtown Community	284	24,267	20,891	3,660
Washington Community	16,871	13,062	20,675	9,258
Woodrow Wilson	2,695	10,496	6,694	6,497
John M. Bailey	3,656	13,717	11,054	6,319
Nicholas Oresko	9,816	20,330	6,937	23,209
	<hr/>	<hr/>	<hr/>	<hr/>
Total Elementary Schools	\$ 71,467	\$ 156,234	\$ 127,762	\$ 99,939
	<hr/>	<hr/>	<hr/>	<hr/>
<u>HIGH SCHOOL</u>				
Bayonne High School	\$ 255,268	\$ 219,341	\$ 197,594	\$ 277,015
	<hr/>	<hr/>	<hr/>	<hr/>
Total High School	\$ 255,268	\$ 219,341	\$ 197,594	\$ 277,015
	<hr/>	<hr/>	<hr/>	<hr/>
Total All Schools	\$ 326,735	\$ 375,575	\$ 325,356	\$ 376,954
	<hr/>	<hr/>	<hr/>	<hr/>

**CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
PAYROLL AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>BALANCE JUNE 30, 2019</u>	<u>RECEIPTS/ INCREASES</u>	<u>DISBURSEMENTS/ DECREASES</u>	<u>BALANCE JUNE 30, 2020</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 925,074	\$ 189,764,368	\$ 189,704,868	\$ 984,574
Total Assets	\$ 925,074	\$ 189,764,368	\$ 189,704,868	\$ 984,574
<u>LIABILITIES</u>				
Payroll Deductions and Withholdings	\$ 925,074	\$ 137,898,932	\$ 137,950,467	\$ 873,539
Net Payroll	-	51,768,597	51,754,401	14,196
Interfunds Payable	-	96,839	-	96,839
Total Liabilities	\$ 925,074	\$ 189,764,368	\$ 189,704,868	\$ 984,574

Long-Term Debt

CITY OF BAYONNE SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF OBLIGATION UNDER CAPITAL LEASES
 FOR THE YEAR ENDED JUNE 30, 2020

DESCRIPTION	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE		INTEREST RATE	BALANCE JUNE 30, 2019	CURRENT YEAR ISSUED	CURRENT YEAR RETIRED	BALANCE JUNE 30, 2020
			PRINCIPAL	INTEREST					
Digital Copy Machine	2/15/2015	5 years	\$ 6,025	\$ 1,068	6.620%	\$ 861	\$ -	\$ 861	\$ -
Digital Copy Machine	1/7/2015	5 years	6,078	1,082	7.260%	760		760	
New Badging Station	6/30/2015	5 years	110,000	10,960	4.730%	9,950		9,950	
Digital Copy Machine	11/19/2015	5 years	165,247	18,952	4.800%	54,405		36,223	18,182
Digital Copy Machine	11/25/2014	67 Months	549,834	45,129	2.640%	96,988		96,988	
Three School Buses	12/15/2016	4 years	354,285	22,124	3.000%	143,110		91,317	51,793
Digital Copy Machines	5/31/2018	5 years	628,800	42,937	2.630%	499,480		120,679	378,801
Buses	8/15/2019	5 years	123,878	5,571	4.500%		123,878	25,776	98,102
Digital Copy Machines	3/10/2020	5 years	697,890	63,870	3.501%		697,890		697,890
Chromebooks	3/24/2020	3 years	940,500	20,331	2.087%		940,500	319,459	621,041
						\$ 805,554	\$ 1,762,268	\$ 702,013	\$ 1,865,809

Statistical Section (Unaudited)

Other Information

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

	<u>FISCAL YEAR ENDING JUNE 30,</u>									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018**</u>	<u>2019**</u>	<u>2020**</u>
GOVERNMENTAL ACTIVITIES										
NET INVESTMENT IN CAPITAL ASSETS	\$ 83,095,750	\$ 78,869,802	\$ 74,101,180	\$ 71,751,033	\$ 71,534,738	\$ 70,252,999	\$ 64,822,684	\$ 62,089,615	\$ 61,477,554	\$ 58,479,063
RESTRICTED	11,854,337	7,945,377	13,221,269	22,813,455	13,611,071	11,423,675	8,804,788	3,359,793	4,179,656	7,489,134
UNRESTRICTED	(5,127,067)	2,080,273	4,122,044	8,549,764	(37,284,444)	(42,947,006)	(53,981,342)	(51,087,710)	(51,361,979)	(52,357,788)
TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS/POSITION	<u>\$ 89,823,020</u>	<u>\$ 88,895,452</u>	<u>\$ 91,444,493</u>	<u>\$ 103,114,252</u>	<u>\$ 47,861,365</u>	<u>\$ 38,729,668</u>	<u>\$ 19,646,130</u>	<u>\$ 14,361,698</u>	<u>\$ 14,295,231</u>	<u>\$ 13,610,409</u>
BUSINESS-TYPE ACTIVITIES										
NET INVESTMENT IN CAPITAL ASSETS	\$ 778,455	\$ 529,431	\$ 437,305	\$ 430,070	\$ 789,374	\$ 749,752	\$ 1,192,738	\$ 1,109,588	\$ 1,077,134	\$ 952,890
RESTRICTED										
UNRESTRICTED	436,408	904,023	1,325,760	1,829,269	2,159,494	1,646,812	631,871	526,052	834,121	499,910
TOTAL BUSINESS-TYPE ACTIVITIES NET ASSETS/POSITION	<u>\$ 1,214,863</u>	<u>\$ 1,433,454</u>	<u>\$ 1,763,065</u>	<u>\$ 2,259,339</u>	<u>\$ 2,948,868</u>	<u>\$ 2,396,564</u>	<u>\$ 1,824,609</u>	<u>\$ 1,635,640</u>	<u>\$ 1,911,255</u>	<u>\$ 1,452,800</u>
DISTRICT- WIDE										
NET INVESTMENT IN CAPITAL ASSETS	\$ 83,874,205	\$ 79,399,233	\$ 74,538,485	\$ 72,181,103	\$ 72,324,112	\$ 71,002,751	\$ 66,015,422	\$ 63,199,203	\$ 62,554,689	\$ 59,431,953
RESTRICTED	11,854,337	7,945,377	13,221,269	22,813,455	13,611,071	11,423,675	8,804,788	3,359,793	4,179,656	7,489,134
UNRESTRICTED	(4,690,659)	2,984,296	5,447,804	10,379,033	(35,124,950)	(41,300,194)	(53,349,471)	(50,561,658)	(50,527,858)	(51,857,878)
TOTAL DISTRICT NET ASSETS/POSITION	<u>\$ 91,037,883</u>	<u>\$ 90,328,906</u>	<u>\$ 93,207,558</u>	<u>\$ 105,373,591</u>	<u>\$ 50,810,233</u>	<u>\$ 41,126,232</u>	<u>\$ 21,470,739</u>	<u>\$ 15,997,338</u>	<u>\$ 16,206,486</u>	<u>\$ 15,063,209</u>

* Reflects implementation of GASB Statement No. 68.

** Reflects implementation of GASB Statement No.75

Source: CAFR A-1

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

FISCAL YEAR ENDING JUNE 30,

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018**</u>	<u>2019**</u>	<u>2020**</u>
EXPENSES										
GOVERNMENTAL ACTIVITIES:										
INSTRUCTION:										
REGULAR	\$ 50,380,194	\$ 51,836,599	\$ 61,231,007	\$ 60,973,103	\$ 79,378,908	\$ 87,223,327	\$ 91,817,468	\$ 39,601,036	\$ 188,715,394	\$ 121,480,304
SPECIAL EDUCATION	16,901,786	19,788,428	20,174,541	18,385,407	23,848,242	21,223,351	27,764,427	23,280,445		
OTHER SPECIAL INSTRUCTION	7,045,043	4,363,299	1,948,500	1,862,584	3,165,132	2,348,059	2,346,897	2,028,717		
OTHER INSTRUCTION	3,077,962	2,690,410	2,788,971	2,728,706	4,242,405	2,974,368	4,344,136	2,487,134		
SUPPORT SERVICES:										
SPEECH, OT, PT AND RELATED SERVICES									3,169,296	3,577,923
TUITION	2,697,354	2,968,094	2,197,596	2,423,347	3,154,142	3,704,564	4,013,916	2,056,505		
HEALTH SERVICES									2,730,035	2,639,622
IMPROVEMENT OF INSTRUCTION									2,385,952	2,601,477
OTHER SUPPORT INSTRUCTIONAL STAFF									45,961	32,530
SCHOOL LIBRARY									323,446	241,279
STUDENT & INST. RELATED SERVICES	16,985,146	16,156,066	13,337,135	14,915,093	20,523,983	16,187,433	19,951,151	14,925,463		
CENTRAL SERVICES									2,605,262	2,871,754
SCHOOL ADMINISTRATION SERVICES	2,053,053	6,824,481	6,169,133	6,607,782	8,001,097	8,669,898	10,415,044	4,797,816	8,151,708	8,074,525
GENERAL & BUSINESS ADMIN. SERVICES	8,545,663	3,877,563	4,284,615	5,043,712	6,419,764	6,246,216	6,390,416	5,484,197	3,890,030	3,588,977
ADMINISTRATIVE INFORMATION TECHNOLOGY										1,400,596
PLANT OPERATION AND MAINTENANCE	13,821,246	13,495,867	13,906,560	13,512,958	13,897,008	15,225,585	16,645,578	11,096,656	19,377,759	19,459,335
PUPIL TRANSPORTATION	2,720,508	2,886,768	3,425,396	3,430,453	3,199,941	4,100,159	4,737,682	2,879,309	4,306,583	4,162,568
OTHER SUPPORT SERVICES	-	-	-	-	-	-	-	-	-	14,715,518
UNALLOCATED BENEFITS	-	-	-	-	-	-	-	75,223,568		
SPECIAL SCHOOLS	353,064	372,643	497,811	485,483	504,322	596,200	687,376			774,205
TRANSFER TO CHARTER SCHOOL	160,327	123,894	123,714	140,251	203,546	312,481	423,561	385,706	477,856	
UNALLOCATED DEPRECIATION	-	-	-	-	-	-	-	1,528,690		
CAPITAL OUTLAYS	-	-	-	-	-	-	-	269,280	269,280	2,143,741
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	124,741,346	125,384,112	130,084,979	130,508,879	166,538,490	168,811,641	189,537,652	186,044,523	181,065,121	187,764,354
BUSINESS - TYPE ACTIVITIES:										
FOOD SERVICE	3,698,276	3,954,203	4,778,534	5,142,617	4,557,667	4,663,524	5,114,856	4,847,519	4,688,908	5,838,930
TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES	3,698,276	3,954,203	4,778,534	5,142,617	4,557,667	4,663,524	5,114,856	4,847,519	4,688,908	5,838,930
TOTAL DISTRICT EXPENSES	128,439,622	129,338,315	134,863,513	135,651,496	171,096,157	173,475,165	194,652,508	190,892,042	185,754,029	193,603,284
PROGRAM REVENUE										
GOVERNMENTAL ACTIVITIES:										
CHARGES FOR SERVICES	123,024	63,644	77,704	189,949	87,707	64,792	101,842		779,815	72,711
OPERATING GRANTS AND CONTRIBUTIONS	59,327,766	69,840,019	73,719,820	73,026,691	90,415,285	95,653,695	108,866,343	43,609,221	10,360,976	16,586,115
CAPITAL GRANTS AND CONTRIBUTIONS				8,264,617	(1,732,099)	(230,764)	41,604		779,797	1,593,908
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUE	59,450,790	69,903,663	73,797,524	81,481,257	88,770,893	95,487,723	109,009,789	43,609,221	11,920,588	18,252,734

* Reflects implementation of GASB Statement No. 68.

** Reflects implementation of GASB Statement No.75

Source: CAFR A-2

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

FISCAL YEAR ENDING JUNE 30,

	2011	2012	2013	2014	2015*	2016*	2017*	2018**	2019**	2020**
BUSINESS-TYPE ACTIVITIES										
CHARGE FOR SERVICES										
FOOD SERVICES	\$ 990,125	\$ 953,627	\$ 995,347	\$ 1,356,699	\$ 1,013,658	\$ 1,038,210	\$ 1,047,445	\$ 988,445	\$ 1,112,361	\$ 1,622,848
OPERATING GRANTS AND CONTRIBUTIONS	2,337,451	2,675,390	3,413,846	3,709,742	3,672,574	3,633,974	3,495,456	3,670,104	3,865,012	3,757,627
TOTAL BUSINESS TYPE ACTIVITY PROG. REVENUE	3,327,576	3,629,017	4,409,193	5,066,441	4,686,232	4,672,184	4,542,901	4,658,549	4,977,373	5,380,475
TOTAL DISTRICT PROGRAM REVENUE	3,327,576	3,629,017	4,409,193	5,066,441	4,686,232	4,672,184	4,542,901	4,658,549	4,977,373	5,380,475
NET (EXPENSE)/REVENUE:										
GOVERNMENTAL ACTIVITIES	(65,290,556)	(55,480,449)	(56,287,455)	(49,027,622)	(77,767,597)	(73,323,918)	(80,527,863)	(142,435,302)	(168,878,255)	(169,511,620)
BUSINESS - TYPE ACTIVITIES	(370,700)	(325,186)	(369,341)	(76,176)	128,565	8,660	(304,618)	(30,359)	288,464	(458,455)
TOTAL DISTRICT - WIDE NET EXPENSE	(65,661,256)	(55,805,635)	(56,656,796)	(49,103,798)	(77,639,032)	(73,315,258)	(80,832,481)	(142,465,661)	(168,589,791)	(169,970,075)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS/POSITION										
GOVERNMENTAL ACTIVITIES:										
PROPERTY TAXES LEVIED FOR GEN. PURPOSES, NET	57,086,193	57,086,193	58,227,916	59,392,474	59,392,474	61,174,248	62,876,035	66,407,653	68,312,303	69,063,735
UNRESTRICTED GRANTS AND CONTRIBUTIONS	8,483,553	1,917,569	126,586	35,943	162,262	-	-	64,468,987	61,704,888	97,970,529
RESTRICTED GRANTS AND CONTRIBUTIONS								9,748,223	9,456,674	
TUITION RECEIVED								655,515	779,815	
INVESTMENT EARNINGS	31,769	29,726	18,564	25,340	21,621	49,953	57,191			
MISCELLANEOUS INCOME	3,942,979	1,962,020	1,423,496	1,832,796	1,676,933	2,430,481	2,757,070	1,216,891	1,284,141	1,792,534
EXTRAORDINARY ITEMS	(7,319,840)	(5,898,849)	(17,751)	(16,722)	(67,306)	(23,425)	(269,617)	(5,233,608)	-	-
TRANSFERS	(533,115)	(543,777)	(698,952)	(572,450)	(560,964)	560,964	-	(112,796)	-	-
TOTAL GOVERNMENTAL ACTIVITIES	61,691,539	54,552,882	59,079,859	60,697,381	60,625,020	64,192,221	65,420,679	137,150,865	141,537,822	168,826,798
BUSINESS-TYPE ACTIVITIES:										
INVESTMENT INCOME	-	-	-	-	-	-	-	-	-	-
TRANSFERS	628,115	543,777	698,952	572,450	560,964	(560,964)	-	-	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	628,115	543,777	698,952	572,450	560,964	(560,964)	-	-	-	-
TOTAL DISTRICT WIDE	62,319,654	55,096,659	59,778,811	61,269,831	61,185,984	63,631,257	65,420,679	137,150,865	141,537,822	168,826,798
CHANGE IN NET ASSETS/POSITION										
GOVERNMENTAL ACTIVITIES	(3,599,017)	(927,567)	2,792,404	11,669,759	(17,142,577)	(9,131,697)	(15,107,184)	(5,284,437)	(66,468)	(684,822)
BUSINESS-TYPE ACTIVITIES	257,415	218,591	329,611	496,274	689,529	(552,304)	(304,618)	(30,359)	288,464	(458,455)
TOTAL DISTRICT	\$ (3,341,602)	\$ (708,976)	\$ 3,122,015	\$ 12,166,033	\$ (16,453,048)	\$ (9,684,001)	\$ (15,411,802)	\$ (5,314,796)	\$ 221,996	\$ (1,143,277)

* Reflects implementation of GASB Statement No. 68.

** Reflects implementation of GASB Statement No. 75

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>GOVERNMENTAL FUND</u>										
RESERVED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UNRESERVED	-	-	-	-	-	-	-	-	-	-
TOTAL GENERAL FUND	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 <u>GOVERNMENTAL FUNDS:</u>										
GENERAL FUND:										
RESTRICTED	\$ 4,400,787	\$ 7,945,377	\$ 7,036,151	\$ 4,744,715	\$ 1,523,324	\$ 1,523,324	\$ -	\$ 181,511	\$ 3,565,474	\$ 6,924,439
COMMITTED	2,208,127	1,544,341	11,318,101	12,299,220	4,040,304	5,940,338	144,899	188,706	1,067,964	-
ASSIGNED	-	-	885,693	366,944	651,077	-	-	-	220,187	3,699,369
UNASSIGNED	(2,660,246)	(1,798,664)	(4,385,349)	(2,329,538)	(2,130,372)	(7,321,329)	(7,397,711)	(4,034,443)	(3,712,911)	(4,516,492)
TOTAL GENERAL FUND	<u>3,948,668</u>	<u>7,691,054</u>	<u>14,854,596</u>	<u>15,081,341</u>	<u>4,084,333</u>	<u>142,333</u>	<u>(7,252,812)</u>	<u>(3,664,226)</u>	<u>1,140,713</u>	<u>6,107,316</u>
 OTHER GOVERNMENTAL FUNDS										
RESTRICTED	-	-	-	-	-	-	-	-	-	-
COMMITTED	279,403	428,834	124,758	1,557,834	1,557,834	1,316,204	122,300	-	-	-
ASSIGNED	4,966,020	4,366,428	4,310,360	16,510,906	10,529,913	8,584,147	8,682,488	3,359,793	795,693	564,695
UNASSIGNED	(194,792)	(186,364)	(197,519)	(222,301)	(215,446)	(201,736)	(241,887)	-	-	-
TOTAL OTHER GOVERNMENTAL FUNDS	<u>\$ 5,050,631</u>	<u>\$ 4,608,898</u>	<u>\$ 4,237,599</u>	<u>\$ 17,846,439</u>	<u>\$ 11,872,301</u>	<u>\$ 9,698,615</u>	<u>\$ 8,562,901</u>	<u>\$ 3,359,793</u>	<u>\$ 795,693</u>	<u>\$ 564,695</u>

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

Source: CAFR B-1

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

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 YEARS ENDING JUNE 30

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
TAX LEVY	\$ 57,086,193	\$ 57,086,193	\$ 58,227,916	\$ 59,392,474	\$ 59,392,474	\$ 61,174,248	\$ 62,876,035	\$ 66,407,653	\$ 68,312,303	\$ 69,063,735
TUITION CHARGES	123,024	63,644	77,704	189,949	87,707	64,792	101,842	655,515	779,815	72,711
INTEREST EARNINGS	31,769	29,726	18,564	25,340	21,621	49,953	57,191	-	-	-
MISCELLANEOUS	3,988,543	1,962,020	1,423,496	1,832,796	1,676,933	2,430,481	2,757,070	1,216,894	1,452,745	2,005,061
OTHER LOCAL SOURCES	-	-	-	-	-	-	-	-	-	-
STATE SOURCES	59,915,070	63,884,671	68,761,082	75,661,327	68,247,696	70,353,660	74,637,595	78,529,144	87,605,167	95,922,791
FEDERAL SOURCES	7,850,685	7,872,917	5,085,324	5,665,924	6,102,408	6,195,298	6,569,508	6,896,478	6,345,394	8,327,637
TOTAL REVENUES	128,995,284	130,899,171	133,594,086	142,767,810	135,528,839	140,268,432	146,999,241	153,705,683	164,495,425	175,391,935
EXPENDITURES										
INSTRUCTION										
REGULAR INSTRUCTION	36,956,782	37,421,198	42,574,952	43,844,980	52,795,612	53,608,866	52,479,475	38,598,789	69,668,607	75,970,064
SPECIAL EDUCATION INSTRUCTION	11,920,222	14,155,289	13,493,605	12,971,067	15,644,626	12,266,080	14,420,155	22,106,562	-	-
OTHER SPECIAL INSTRUCTION	6,193,182	4,074,490	2,074,322	2,061,721	4,190,784	2,147,197	1,928,527	1,926,422	-	-
OTHER INSTRUCTION	1,051,753	1,089,439	1,230,920	1,210,243	1,199,784	1,076,115	1,817,721	2,361,724	-	-
SUPPORT SERVICES										
INSTRUCTION										
SPEECH, OT, PT, AND RELATED SERVICES	-	-	-	-	-	-	-	-	2,394,192	2,691,903
HEALTH SERVICES	-	-	-	-	-	-	-	-	2,076,665	2,688,725
OTHER SUPPORT SERVICES	-	-	-	-	-	-	-	-	1,552,563	1,568,122
IMPROVEMENT OF INSTRUCTION	-	-	-	-	-	-	-	-	9,124,879	10,832,647
EDUCATION MEDIA LIBRARY	-	-	-	-	-	-	-	-	1,490,804	1,505,875
OTHER SUPPORT INSTRUCTIONAL STAFF	-	-	-	-	-	-	-	-	182,947	143,368
TUITION	2,652,503	2,815,865	2,076,043	2,287,469	3,000,977	3,517,867	3,822,028	2,056,505	44,024	31,293
STUDENT & INST. RELATED SERVICES	13,423,840	12,260,749	10,006,231	11,857,149	14,751,454	11,552,060	13,395,325	14,925,463	-	-
GENERAL ADMINISTRATION	3,377,303	3,134,556	3,379,817	4,188,803	5,067,051	4,818,459	4,637,991	4,797,816	3,367,204	3,098,180
SCHOOL ADMINISTRATIVE SERVICES	4,887,112	4,905,520	4,134,307	4,570,978	5,088,842	5,035,674	5,445,056	6,222,028	4,558,634	4,739,139
CENTRAL SERVICES	-	-	-	-	-	-	-	-	1,637,641	1,835,350
ADMINISTRATIVE INFORMATION TECHNOLOGY	-	-	-	-	-	-	-	-	897,416	1,039,811
PLANT OPERATIONS AND MAINTENANCE	11,017,813	11,276,718	11,075,919	12,716,655	12,223,980	12,290,975	11,744,829	11,120,881	13,588,354	14,270,825
PUPIL TRANSPORTATION	2,243,914	2,357,400	2,703,686	2,719,766	2,510,985	2,996,766	3,250,093	2,963,100	3,113,897	3,052,978
EMPLOYEE BENEFITS	26,568,842	26,797,951	32,369,266	28,662,290	31,518,548	34,957,175	39,535,897	40,453,293	44,667,895	43,976,908
TRANSFER TO CHARTER SCHOOLS	160,327	123,894	123,714	140,251	203,546	312,481	423,561	385,706	477,856	774,205
SPECIAL SCHOOLS	330,748	282,379	361,916	359,031	348,535	381,366	379,149	-	-	-
CAPITAL OUTLAY	1,302,456	599,491	4,968,128	4,847,779	3,449,094	3,191,323	4,730,399	626,853	3,960,078	5,078,797
TOTAL EXPENDITURES	122,086,797	121,294,939	130,572,826	132,438,182	151,993,818	148,152,404	158,010,206	148,545,143	162,803,655	173,298,190
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,908,487	9,604,232	3,021,260	10,329,628	(16,464,979)	(7,883,972)	(11,010,965)	5,160,541	1,691,770	2,093,745
OTHER FINANCING SOURCES (USES)										
CAPITAL LEASES (NON-BUDGETED)	120,760	139,048	4,731,049	4,095,129	122,103	1,230,747	2,480,106	-	-	1,762,268
NON-BOARD EXPENDITURES	-	-	-	-	-	-	-	-	-	-
LOAN INTEREST	(320,035)	(531,831)	(17,751)	-	-	(23,425)	-	-	-	-
TRANSFERS IN	-	-	-	-	-	560,964	-	-	608,962	879,592
TRANSFERS OUT	(533,115)	(543,777)	(698,952)	(572,450)	(560,964)	-	-	(1,541,456)	(59,894)	-
EXTRAORDINARY ITEMS	(6,999,805)	(5,367,018)	(243,363)	(16,722)	(67,306)	-	-	(5,233,608)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(7,732,195)	(6,303,578)	3,770,983	3,505,957	(506,167)	1,768,286	2,480,106	(6,775,065)	549,069	2,641,860
NET CHANGE IN FUND BALANCES	\$ (823,708)	\$ 3,300,654	\$ 6,792,243	\$ 13,835,585	\$ (16,971,146)	\$ (6,115,686)	\$ (8,530,859)	\$ (1,614,524)	\$ 2,240,838	\$ 4,735,605
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: CAFR B-2

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

<u>FISCAL YEAR</u> <u>ENDING JUNE 30,</u>	<u>PHYS. ED</u> <u>CTR. FEES</u>	<u>COMM.</u> <u>ED. FEES</u>	<u>TUITION</u>	<u>INTEREST ON</u> <u>INVESTMENTS</u>	<u>SPECIAL PROJ.</u> <u>DONATIONS</u>	<u>MISC.</u>	<u>TOTAL</u>
2011	\$ 275,456	\$ 370,304	\$ 123,024	\$ 31,769	\$ 45,564	\$ 124,111	\$ 970,228
2012	229,608	361,308	63,644	29,726	85,171	118,212	887,669
2013	305,973	391,471	77,704	18,564	102,909	143,309	1,039,930
2014	265,560	371,777	189,949	23,340	99,310	438,055	1,387,991
2015	163,601	319,891	87,707	21,621	140,966	150,776	884,562
2016	124,725	291,147	64,792	49,953	276,147	489,467	1,296,231
2017	638,241	318,454	101,842	57,191	172,064	570,791	1,858,583
2018	305,259	635,984	42,215		149,391	84,045	1,216,894
2019	314,690	570,548	209,267			1,138,056	2,232,561
2020			72,711			1,792,534	1,865,245

Source: CAFR B-2

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

YEAR ENDING DECEMBER 31	VACANT LAND	RESIDENT.	FARM REG	Q FARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	MEMO TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	ESTIMATED ACTUAL EQUALIZED VALUE	TOTAL SCHOOL DISTRICT TAX RATE
2010	\$ 97,098,600	\$ 1,498,604,900	\$ -	\$ -	\$ 342,821,060	\$ 333,375,800	\$ 108,041,800	\$ 2,379,942,160	N/A	\$ 2,098,999	\$ 2,382,041,159	\$ 6,287,209,458	\$ 2.551
2011	93,035,900	1,489,152,874	-	-	333,018,000	301,330,700	105,076,200	2,321,613,674	N/A	2,405,200	2,324,018,874	5,647,653,602	2.828
2012	90,028,800	1,473,131,349	-	-	322,272,200	302,193,500	102,495,900	2,290,121,749	N/A	2,707,920	2,292,829,669	5,476,572,060	3.015
2013	88,482,500	1,438,954,449	-	-	320,284,300	301,265,000	102,078,700	2,251,064,949	N/A	2,405,981	2,253,470,930	5,121,641,906	3.065
2014	88,498,400	1,418,703,549	-	-	312,518,800	299,784,600	104,642,700	2,224,148,049	N/A	1,744,987	2,225,893,036	5,047,764,454	3.138
2015	88,498,000	1,418,703,549	-	-	312,518,800	299,784,600	104,642,700	2,224,147,649	N/A	1,744,987	2,225,892,636	5,047,763,545	3.168
2016	88,432,300	1,393,888,890	-	-	300,200,200	286,467,100	104,014,900	2,173,003,390	N/A	2,665,905	2,175,669,295	4,935,015,894	3.194
2017	88,432,300	1,393,888,890	-	-	300,200,200	286,467,100	104,014,900	2,173,003,390	N/A	2,665,905	3,851,597,393	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	2,162,496,041	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

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

Source: Municipal Tax Assessor

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

ASSESSMENT YEAR END <u>DEC. 31</u>	BAYONNE SCHOOL DISTRICT			OVERLAPPING RATES		TOTAL DIRECT AND OVERLAPPING <u>TAX RATE</u>
	<u>BASIC RATE</u>	<u>GENERAL OBLIGATION DEBT SERVICE</u>	<u>TOTAL DIRECT SCHOOL TAX RATE</u>	<u>BAYONNE CITY</u>	<u>HUDSON COUNTY</u>	
2011	\$ 2.781	\$ 0.470	\$ 3.251	\$ 2.877	\$ 1.144	\$ 7.272
2012	2.968	0.470	3.438	2.852	1.247	7.537
2013	3.017	0.480	3.497	3.034	1.240	7.771
2014	2.674	0.464	3.138	3.064	1.243	7.445
2015	2.728	0.440	3.168	3.206	1.300	7.674
2016	2.856	0.338	3.194	3.472	1.269	7.935
2017	2.988	0.473	3.461	3.536	1.242	8.239
2018	3.105	0.490	3.595	3.624	1.210	8.429
2019	3.226	0.482	3.708	3.723	1.247	8.679
2020 *	0.916	0.140	1.056	1.127	0.383	2.566

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

Source: Municipal Tax Collector

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

	2020			2011		
	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>% OF TOTAL DIRECT NET ASSESSED VALUE</u>	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>% OF TOTAL DIRECT NET ASSESSED VALUE</u>
Bayonne Industries-IMTT	\$ 663,995,400	1	8.77%	\$ 116,349,400	1	5.02%
LEG - BP Bayonne Owner LLC	96,013,200	2	1.27%			
NJIND Hook Road, LLC	61,947,500	3	0.82%			
190 W 54th St. Urban Renewal LLC	58,216,900	4	0.77%			
Exxon Corporation	52,017,900	5	0.69%	17,023,500	4	0.73%
Texaco Downstream Properties Inc.	50,837,300	6	0.67%			
WTFK Bayonne Prpco, LLC	43,392,300	7	0.57%			
Gordan Terminal Serv Co of NJ Inc.	38,829,600	8	0.51%			
Centerpoint Pulaski LLC	35,367,400	9	0.47%			
Howard Warehouse Inc.	35,006,600	10	0.46%			
Bayonne Auto Terminal Inc.				23,085,700	2	1.00%
Global Terminal and Container Services, Inc.				20,000,000	3	0.86%
IJKP Prpco LLC				15,863,100	5	0.68%
Global Terminals Service Co. of NJ				15,027,100	6	0.65%
Texaco, Inc.				13,085,800	7	0.56%
Amerada Hess Corp				12,579,000	8	0.54%
Morris Bayonne Assoc. LLC				9,813,700	9	0.42%
99 Hook Road LLC				9,500,000	10	0.41%
TOTAL	\$ 1,135,624,100		15.00%	\$ 252,327,300		10.88%
ASSESSED VALUATION	\$ 7,570,296,700			\$ 2,318,926,569		

Source: Municipal Tax Assessor

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

FISCAL YEAR ENDED <u>JUNE 30</u>	TAXES LEVIED FOR THE <u>YEAR</u>	COLLECTED FOR THE <u>YEAR</u>	PERCENTAGE <u>OF LEVY</u>	COLLECTION IN SUBSEQUENT <u>YEARS*</u>
2011	\$ 57,086,193	\$ 57,086,193	100.00%	N/A
2012	57,086,193	57,086,193	100.00%	N/A
2013	58,227,916	58,227,916	100.00%	N/A
2014	59,392,474	59,392,474	100.00%	N/A
2015	59,392,474	59,392,474	100.00%	N/A
2016	61,174,248	61,174,248	100.00%	N/A
2017	62,876,035	62,876,035	100.00%	N/A
2018	66,407,653	66,407,653	100.00%	N/A
2019	68,312,303	68,312,303	100.00%	N/A
2020	69,063,735	69,063,735	100.00%	N/A

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

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

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

FISCAL YEAR ENDING JUNE 30.	GENERAL OBLIGATION BONDS	<u>GOVERNMENTAL ACTIVITIES</u>		BOND ANTICIPATION NOTES	<u>BUSINESS TYPE ACTIVITIES</u>		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
		<u>CERTIFICATES OF PARTICIPATION</u>	<u>CAPITAL LEASES</u>		<u>CAPITAL LEASES</u>				
2011	\$ -	\$ -	\$ 803,501	\$ -	\$ -	\$ 803,501	0.040%	\$ 13	
2012	-	-	554,643	-	-	554,643	0.030%	9	
2013	-	-	4,840,568	-	-	4,840,568	0.250%	75	
2014	-	-	6,181,693	-	-	6,181,693	3.300%	94	
2015	-	-	3,887,373	-	-	3,887,373	0.021%	59	
2016	-	-	2,544,327	-	-	2,544,327	0.014%	38	
2017	-	-	2,765,078	-	-	2,765,078	N/A		
2018	-	-	1,504,603	-	-	1,504,603	N/A		
2019	-	-	805,554	-	-	805,554	N/A		
2020	-	-	1,865,809	-	-	1,865,809	N/A		

Source: City of Bayonne Finance Office

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

<u>FISCAL YEAR</u> <u>ENDING JUNE 30,</u>	<u>GENERAL</u> <u>OBLIGATION</u> <u>BONDS</u>	<u>DEDUCTIONS</u>	<u>NET GENERAL</u> <u>BONDED DEBT</u> <u>OUTSTANDING</u>	<u>PERCENTAGE OF</u> <u>ACTUAL TAXABLE</u> <u>VALUE OF</u> <u>PROPERTY</u>	<u>PER</u> <u>CAPITA</u>
2010	\$ -	\$ -	\$ -	0.000%	\$ -
2011	-	-	-	0.000%	-
2012	-	-	-	0.000%	-
2013	-	-	-	0.000%	-
2014	-	-	-	0.000%	-
2015	-	-	-	0.000%	-
2016	-	-	-	0.000%	-
2017	-	-	-	0.000%	-
2018	-	-	-	0.000%	-
2019	-	-	-	0.000%	-
2020	-	-	-	0.000%	-

Source: City of Bayonne Finance Office

CITY OF BAYONNE SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020 (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	\$ 160,654,916	100.00%	\$ 160,654,916
COUNTY OF HUDSON	536,451,543	7.27%	<u>39,000,027</u>
SUBTOTAL OVERLAPPING DEBT			199,654,943
SCHOOL DISTRICT DIRECT DEBT			<u>-</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 199,654,943</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 2020 (As of December 31, 2019 per statute)

EQUALIZED VALUATION BASIS

2019	\$ 6,436,775,677
2018	6,347,691,954
2017	5,859,720,889
	\$ 18,644,188,520

AVERAGE EQUALIZED VALUATION OF TAXABLE PROPERTY \$ 6,214,729,507

DEBT LIMIT (4% X) \$ 248,589,180
 TOTAL DEBT APPLICABLE TO LIMIT -

LEGAL DEBT MARGIN \$ 248,589,180

<u>YEAR</u>	<u>DEBT</u> <u>LIMIT</u>	<u>TOTAL DEBT</u> <u>APPLICABLE</u> <u>TO LIMIT</u>	<u>LEGAL</u> <u>DEBT</u> <u>MARGIN</u>	<u>PERCENTAGE</u> <u>OF DEBT</u> <u>LIMIT</u>
2011	\$ 248,589,180	\$ -	\$ 248,589,180	0.000%
2012	235,400,041	-	235,400,041	0.000%
2013	220,494,587	-	220,494,587	0.000%
2014	214,404,298	-	214,404,298	0.000%
2015	208,627,750	-	208,627,750	0.000%
2016	209,233,720	-	209,233,720	0.000%
2017	213,574,147	-	213,574,147	0.000%
2018	220,914,437	-	220,914,437	0.000%
2019	235,181,949	-	235,181,949	0.000%
2020	162,765,505	-	162,765,505	0.000%

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

CITY OF BAYONNE SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS (UNAUDITED)

<u>YEAR</u>	<u>POPULATION</u>	<u>PERSONAL INCOME</u>	<u>PER CAPITA PERSONAL INCOME</u>	<u>UNEMPLOYMENT RATE</u>
2011	63,125	\$ 1,855,748,750	\$ 29,398	0.115
2012	64,250	1,890,749,000	29,428	11.1%
2013	64,911	1,898,906,394	29,254	12.2%
2014	65,737	1,992,948,629	30,317	10.8%
2015	66,727	1,878,698,685	28,155	7.3%
2016	66,825	1,910,860,875	28,595	6.5%
2017	67,076	1,901,336,296	28,346	6.0%
2018	67,186	2,023,306,390	30,115	4.4%
2019	65,083	2,038,985,307	31,329	3.7%
2020	64,897	2,156,073,031	33,223	3.9%

Sources:

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

Per Capita Income data provided by US Bureau of Census

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

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

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

<u>EMPLOYERS</u>	<u>2020</u>			<u>2011</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 Medical Center	1,867	1	5.73%	1,164	1	4.22%
City of Bayonne	1,627	2	4.99%			
Bayonne School District	1,322	3	4.06%			
Gel Spice Company Inc.	500	4	1.53%			
Jerhel Plastics Inc.	500	5	1.53%	500	2	1.81%
Vertellus	350	6	1.07%	135	9	0.49%
Bayonne Community Bank	327	7	1.00%			
European American Food Group	325	8	1.00%			
Ideal Window Manufacturing Inc	287	8	0.88%	127	10	0.46%
Muralo Company, Inc	250	10	0.77%	180	7	0.65%
Royal Wine Corporation				220	3	0.80%
Inserra Inc				220	4	0.80%
Haddad Aooarel Group Ltd.				200	5	0.73%
GTK Duplication				200	6	0.73%
Bookazine Co Inc.				180	8	0.65%
	<u>7,355</u>		<u>22.56%</u>	<u>3,126</u>		<u>11.34%</u>

Source: City of Bayonne

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

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction										
Regular	541	563	568	587	584	701	608	572	533	557
Special Education	315	315	315	317	315	272	387	372	343	366
Other Special Education	43	23	18	32	33	39	40	42	35	40
Vocational	10	7	6	6	6	3	5	2	2	2
Other Instruction	1	1	1	1	1	2	60	0	0	0
Support Services										
Student & Instruction Related Services	102	98	96	104	99	125	50	49	50	47
General Administration	13	12	10	11	11	10	23	23	24	21
School Administrative Services	59	60	62	62	67	65	82	70	63	54
Central Services	11	11	11	12	12	12	8	18	16	16
Administrative Information Technology	1	1	1	1	1	0	9	9	10	7
Plant Operations and Maintenance	121	124	127	125	125	152	159	128	138	149
Pupil Transportation	29	34	33	35	35.0	22.0	39	44.0	42	43
Other Support Services	-	-	-	-	-	2	-	-	-	-
Total	1,246	1,249	1,248	1,293	1,289	1,405	1,470	1,329	1,256	1,302

Source: District Budget Records

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

FISCAL YEAR ENDING JUNE 30,	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT	AVERAGE DAILY ATTENDANCE	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	SENIOR HIGH SCHOOL				
2011	8,954	\$ 124,858,905	\$ 13,944	1.71%	910	12.67-1	12-1	8,753	8,163	-3.76%	93.26%
2012	9,078	130,367,279	14,361	2.99%	909	13.8-1	11.9-1	8,773	8,243	0.23%	93.96%
2013	9,031	131,494,337	14,560	1.39%	908	14.85-1	11.8-1	8,821	8,306	0.55%	94.16%
2014	9,178	131,747,676	14,355	-141.00%	943	14.4-1	13-1	8,967	8,523	1.66%	95.05%
2015	9,341	149,064,121	15,958	11.17%	939	13.8-1	13-1	9,341	8,925	4.17%	95.55%
2016	9,359	146,539,905	15,658	-188.00%	1,017	13.2-1	12.4-1	9,359	8,944	0.19%	95.57%
2017	9,631	153,629,124	15,952	11.13%	1,101	13-1	12.3-1	9,315	8,706	-3.42%	93.46%
2018	9,562	148,545,143	15,535	-3.31%	988	14.2-1	13.1-1	9,274	8,654	-3.42%	93.31%
2019	9,474	142,433,757	15,034	-4.11%	1,108	12.67-1	11.45-1	9,189	8,963	96.58%	97.54%
2020	9,878	146,744,541	14,856	3.03%	965	10.37-1	9.16-1	9,352	8,979	0.18%	96.01%

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Elementary										
HENRY E. HARRIS (1921)										
Square Feet	110,000	110,000	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	606	598	664	689	699	699	685	710	707	697
PHILIP VROOM (1914)										
Square Feet	72,500	72,500	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	380	387	454	485	491	491	473	479	485	476
WALTER F. ROBINSON (1903)										
Square Feet	128,000	128,000	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	796	755	778	766	744	744	710	757	792	843
MARY J. DONOHUE (1920)										
Square Feet	81,000	81,000	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	484	451	496	485	498	498	496	464	444	478
LINCOLN (1919)										
Square Feet	51,588	51,588	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	426	417	430	463	45	453	470	434	428	471
HORACE MANN (1914)										
Square Feet	94,000	94,000	85,353	85,353	85,353	85,353	85,353	85,353	85,353	85,353
Capacity	636	636	636	636	636	636	636	636	636	636
Enrollment	563	563	602	602	614	614	627	576	572	629
WASHINGTON (1917)										
Square Feet	135,413	135,413	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	620	634	677	661	678	678	684	721	723	694
NICHOLAS ORESKO (2008)										
Square Feet	90,000	90,000	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	400	413	455	455	444	444	467	452	432	445
JOHN M. BAILEY (1909)										
Square Feet	123,500	123,500	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	634	598	620	640	652	652	679	659	688	707
WOODROW WILSON (1931)										
Square Feet	127,000	127,000	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	656	590	635	675	635	655	672	716	735	755
MIDTOWN COMMUNITY (1992)										
Square Feet	170,000	170,000	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	1,050	1,013	1,110	1,121	1,155	1,155	1,151	1,198	1,193	1,248
High School										
BAYONNE (1926)										
Square Feet	505,000	505,000	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	2,381	2,617	2,417	2,437	2,574	2,574	2,605	2,400	2,438	2,401

Number of Schools at June 30, 2020:

Elementary - 11
Senior High School - 1

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

Source: District Records

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

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

<u>SCHOOL FACILITIES:</u>	<u>PROJECT #</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
HENRY E. HARRIS SCHOOL	N/A	\$ 378,853	\$ 287,352	\$ 247,981	\$ 271,507	\$ 257,635	\$ 295,994	\$ 308,481	\$ 304,690	\$ 203,325	\$ 263,808
PHILIP VROOM SCHOOL	N/A	222,071	189,391	201,068	220,141	208,894	239,996	250,120	287,613	219,804	213,898
WALTER F. ROBINSON SCHOOL	N/A	297,852	334,373	385,586	395,718	375,499	431,407	449,607	483,568	198,098	384,492
MARY J. DONOHUE SCHOOL	N/A	248,208	211,596	185,112	202,677	192,321	220,956	230,277	261,720	172,278	196,927
LINCOLN SCHOOL	N/A	293,932	134,763	230,794	252,691	239,780	275,481	287,102	346,302	305,911	245,522
HORACE MANN SCHOOL	N/A	274,339	245,555	257,118	281,513	267,130	306,903	319,850	293,809	208,833	273,528
WASHINGTON SCHOOL	N/A	489,895	235,106	342,674	375,189	356,020	409,027	426,282	432,895	219,930	364,547
NICHOLAS ORESKO SCHOOL	N/A	587,870	444,089	241,009	263,876	250,394	287,675	299,811	333,796	228,006	256,392
JOHN M. BAILEY SCHOOL	N/A	330,516	331,761	255,704	279,963	265,659	305,213	318,088	334,781	197,531	272,025
WOODROW WILSON SCHOOL	N/A	356,061	322,618	346,421	379,287	359,908	413,494	430,938	417,430	218,290	368,530
MIDTOWN COMMUNITY SCHOOL	N/A	130,635	353,738	484,620	530,603	503,492	578,457	602,860	560,508	283,272	515,554
BAYONNE HIGH SCHOOL	N/A	849,156	1,319,207	1,613,346	1,766,424	1,676,170	1,925,736	2,006,975	1,734,726	2,073,660	1,716,322
TOTAL		\$ 4,459,388	\$ 4,409,549	\$ 4,791,433	\$ 5,219,589	\$ 4,952,902	\$ 5,690,339	\$ 5,930,391	\$ 5,791,838	\$ 4,528,938	\$ 5,071,545

Source: CAFR C-1

CITY OF BAYONNE SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2020

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 2019-2020 fiscal year:

	<u>Coverage</u>	<u>Deductible</u>
Property - Blanket Building And Contents	\$419,214,371	\$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	30,000,000	10,000
Coverage B	300,000	10,000
The Hartford Fire Insurance Co.		
Public Officials Bond:		
Business Administrator	510,000	N/A
Asst. Business Administrator	510,000	N/A
Board Secretary	510,000	N/A
Accountant	510,000	N/A

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

Source: School Business Administrator

Single Audit Section

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bayonne School District, in the County of Hudson, State of New Jersey, (the "District") as of and for the year ended June 30, 2020, 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 4, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged

with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-001 to be a significant deficiency.

Compliance and Other Matters

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

We noted other matters that we reported to the Board of Education of the City of Bayonne School District in a separate report entitled, Auditors Management Report on Administrative Findings dated March 4, 2021.

Purpose of this Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Certified Public Accountants
Registered Municipal Accountants
Public School Accountants



Michael Andriola, CPA
Licensed Public School Accountant
PSA # 2429

Cranford, New Jersey
March 4, 2021

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
AND NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the City of Bayonne School District's, County of Hudson, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the New Jersey Compliance Manual "State 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, 2020. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirement of laws, regulations, contracts and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred.

An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Bayonne School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and NJ OMB Circular 15-08. Accordingly, this report is not suitable for any other purposes.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Certified Public Accountants
Registered Municipal Accountants
Public School Accountants



Michael Andriola
Licensed Public School Accountant
PSA # 2429

Cranford, New Jersey
March 4, 2021

**CITY OF BAYONNE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount*	Grant Period		Balance June 30, 2019				Balance June 30, 2020	
					From	To	Deferred Rev. (Accounts Receivable)	Cash Received	Budgetary Expenditures	Adjustments	(Accounts Receivable)	Deferred Revenue
U.S. Department of Health and Human services												
Passed-through State Department of Education												
General Fund:												
Special Education Medical Initiative	93.778	2005NJ5MAP	7540-100-211	\$ 315,555	7/1/2019	6/30/2020	\$ -	\$ 296,014	\$ (315,554)	\$ -	\$ (19,540)	\$ -
Special Education Medical Initiative	93.778	1905NJ5MAP	7540-100-211	300,051	7/1/2018	6/30/2019	(14,434)	14,434	-	-	-	-
Total Dept. of HHS							(14,434)	310,448	(315,554)	-	(19,540)	-
Total General Fund							(14,434)	310,448	(315,554)	-	(19,540)	-
U.S. Department of Education												
Passed-through State Department of Education												
Special Revenue Fund:												
Title I	84.010	S010A190030	5064-100-194	3,153,812	7/1/2019	9/30/2020	-	1,833,692	(3,027,918)	-	(1,194,226)	-
Title I	84.010	S010A180030	5064-100-194	3,106,051	7/1/2018	6/30/2019	(1,577,562)	1,577,562	-	-	-	-
Title I SIA	84.010	S010A190030	5064-100-132	78,374	7/1/2019	9/30/2020	-	33,495	(75,759)	-	(42,264)	-
Title III	84.365	S365A190030	5064-100-187	105,308	7/1/2019	9/30/2020	-	72,663	(103,228)	-	(30,565)	-
Title III	84.365	S365A180030	5064-100-187	118,109	7/1/2018	6/30/2019	(38,319)	44,056	-	(5,737)	-	-
Title III Immigrant	84.365	S365A190030	5064-100-187	47,763	7/1/2019	9/30/2020	-	-	(46,574)	-	(46,574)	-
Title III Immigrant	84.365	S365A180030	5064-100-187	49,544	7/1/2018	6/30/2019	(48,491)	48,491	-	-	-	-
Title II, Part A	84.367	S367A190029	5063-100-290	584,468	7/1/2019	9/30/2020	-	32,466	(322,705)	-	(290,239)	-
Title II, Part A	84.367	S367A180029	5063-100-290	462,739	7/1/2018	6/30/2019	(124,611)	124,611	-	-	-	-
Title IV - Student Support & Academic Enrichment Program	84.424	S424A190031	5063-100-348	193,346	7/1/2019	9/30/2020	-	11,686	(176,260)	-	(164,574)	-
Title IV - Student Support & Academic Enrichment Program	84.424	S424A180031	5063-100-348	186,799	7/1/2018	6/30/2019	(99,885)	99,885	-	-	-	-
IDEA Cluster:												
IDEA, Part B	84.027	H027A200100	5065-100-016	2,583,849	7/1/2019	9/30/2020	-	1,223,362	(2,231,058)	-	(1,007,696)	-
IDEA, Part B	84.027	H027A190100	5065-100-016	2,533,083	7/1/2018	6/30/2019	(764,111)	752,254	-	11,857	-	-
IDEA, ISCI	84.027	H027A170100	FT-17		9/1/2016	6/30/2017	(360)	-	-	360	-	-
IDEA, ISCI	84.027	H027A160100	FT-16		9/1/2015	6/30/2016	(1,135)	-	-	1,135	-	-
IDEA, Preschool	84.173	H173A200114	5065-100-020	61,891	7/1/2019	9/30/2020	-	61,891	(61,891)	-	-	-
IDEA, Preschool	84.173	H173A190114	5065-100-020	60,759	7/1/2018	6/30/2019	(19,589)	19,589	-	-	-	-
Subtotal IDEA Cluster							(785,195)	2,057,096	(2,292,949)	13,352	(1,007,696)	-
COVID CARES Emergency Relief	84.425D	S425D200027		2,574,215	3/13/2020	9/30/2022	-	-	(1,802,998)	-	(1,802,998)	-
Total U.S. Dept. of Education							(2,674,063)	5,935,703	(7,848,391)	7,615	(4,579,136)	-

**CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount*	Grant Period		Balance June 30, 2019	Cash Received	Budgetary Expenditures	Adjustments	Balance June 30, 2020	
					From	To					(Accounts Receivable)	Unearned Revenue
U.S. Department of Homeland Security												
Passed-through New Jersey State Police:												
Special Revenue Fund												
Public Assistance Grants - Hurricane Sandy	97.036	N/A	N/A		9/1/2012	6/30/2013	\$ (14,661)	\$ -	\$ -	\$ 14,661	\$ -	\$ -
Total U.S. Dept. of Homeland Security							<u>(14,661)</u>	<u>-</u>	<u>-</u>	<u>14,661</u>	<u>-</u>	<u>-</u>
Total Special Revenue Fund							<u>(2,688,724)</u>	<u>5,935,703</u>	<u>(7,848,391)</u>	<u>22,276</u>	<u>(4,579,136)</u>	<u>-</u>
U.S. Department of Agriculture												
Passed-through State Department of Education												
Enterprise Fund:												
Child Nutrition - Cluster												
National School Lunch Program	10.555	201NJ304N1099	N/A	1,756,613	7/1/2019	6/30/2020	-	1,756,612	(1,756,612)	-	-	-
National School Lunch Program	10.555	191NJ304N1099	N/A	2,293,812	7/1/2018	6/30/2019	(676,237)	676,237	-	-	-	-
National School Breakfast Program	10.553	201NJ304N1099	N/A	810,284	7/1/2019	6/30/2020	-	810,284	(810,284)	-	-	-
National School Breakfast Program	10.553	191NJ304N1099	N/A	1,100,213	7/1/2018	6/30/2019	(327,518)	327,518	-	-	-	-
After School Snack Program	10.555	201NJ304N1099	N/A	39,856	7/1/2019	6/30/2020	-	39,856	(39,856)	-	-	-
After School Snack Program	10.555	191NJ304N1099	N/A	48,284	7/1/2018	6/30/2019	(14,392)	14,392	-	-	-	-
Special Milk Program	10.556	191NJ304N1099	N/A	575	7/1/2018	6/30/2019	(229)	229	-	-	-	-
Summer Food Program	10.559	201NJ304N1099	N/A	84,241	7/1/2019	6/30/2020	-	84,241	(84,241)	-	-	-
Food Distribution Program	10.555	201NJ304N1099	N/A	218,744	7/1/2019	6/30/2020	-	218,744	(193,008)	-	-	25,736
Food Distribution Program	10.555	191NJ304N1099	N/A	269,537	7/1/2018	6/30/2019	23,129	-	(23,129)	-	-	-
COVID-19 Cares Act Lunch	10.555	201NJ304N1099	N/A	497,469	7/1/2019	6/30/2020	-	90,542	(497,469)	-	(406,927)	-
COVID-19 Cares Act Breakfast	10.553	201NJ304N1099	N/A	312,695	7/1/2019	6/30/2020	-	56,912	(312,695)	-	(255,783)	-
Total CN Cluster/Enterprise Fund							<u>(995,247)</u>	<u>4,075,567</u>	<u>(3,717,294)</u>	<u>-</u>	<u>(662,710)</u>	<u>25,736</u>
U.S. Department of Labor												
Passed-through State Department of Labor												
Agency Fund:												
Cares ACT DOL Unemployment Grant	17.000	Not Applicable	N/A	58,685	3/13/2020	6/30/2020	-	-	(58,685)	-	(58,685)	-
Total Federal Financial Awards							<u>\$ (3,698,405)</u>	<u>\$ 10,321,718</u>	<u>\$ (11,939,924)</u>	<u>\$ 22,276</u>	<u>\$ (5,320,071)</u>	<u>\$ 25,736</u>

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

CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2019		MEMO			Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2020		MEMO	Cumulative Total Expenditures	
					Deferred Revenue (Accounts Receivable)	Due to Grantor	Budgetary Receivable	Transfers	Cash Received		Budgetary Expenditures	Deferred Revenue (Accounts Receivable)			Due to Grantor
General Fund															
State Dept of Education															
Equalization Aid	495-034-5120-078	\$ 55,286,768	7/1/2019	6/30/2020	\$	\$	\$	\$	49,251,062	\$ (55,286,768)	\$	\$	(6,035,706)	\$ (55,286,768)	
Equalization Aid	495-034-5120-078	49,790,766	7/1/2018	6/30/2019			(5,224,388)		5,224,388				-		
Special Education Categorical Aid	495-034-5120-089	6,370,555	7/1/2019	6/30/2020					5,675,076	(6,370,555)			(695,479)	(6,370,555)	
Special Education Categorical Aid	495-034-5120-089	6,370,555	7/1/2018	6/30/2019			(668,442)		668,442				-		
Security Aid	495-034-5120-084	3,438,877	7/1/2019	6/30/2020					3,063,452	(3,438,877)			(375,425)	(3,438,877)	
Security Aid	495-034-5120-084	3,438,877	7/1/2018	6/30/2019			(360,831)		360,831				-		
Transportation Aid	495-034-5120-014	403,763	7/1/2019	6/30/2020					359,684				(44,079)	(403,763)	
Transportation Aid	495-034-5120-014	403,763	7/1/2018	6/30/2019			(42,366)		42,366				-		
Extraordinary Aid (Spec Ed)	495-034-5120-044	681,161	7/1/2019	6/30/2020								(681,161)		(681,161)	
Extraordinary Aid (Spec Ed)	495-034-5120-044	731,946	7/1/2018	6/30/2019			(731,946)		731,946					(681,161)	
T.P.A.F. Social Security Aid	495-034-5094-003	4,734,571	7/1/2019	6/30/2020					4,493,205	(4,734,571)		(241,366)		(4,734,571)	
T.P.A.F. Social Security Aid	495-034-5095-003	4,531,083	7/1/2018	6/30/2019			(222,448)		222,448						
T.P.A.F. Post Retirement Medical	495-034-5094-001	4,589,924	7/1/2019	6/30/2020					4,589,924	(4,589,924)				(4,589,924)	
T.P.A.F. Pension	495-034-5094-002	12,372,372	7/1/2019	6/30/2020					12,372,372	(12,372,372)				(12,372,372)	
T.P.A.F. Non-Contributory Ins. Premiums	495-034-5094-004	11,381	7/1/2019	6/30/2020					11,381	(11,381)				(11,381)	
Total General Fund							(954,394)	-	87,066,577	(87,889,372)	-	(922,527)	-	(7,150,689)	(87,889,372)
Special Revenue Fund															
State Dept of Education															
Preschool Education Aid	495-034-5120-086	6,745,719	7/1/2019	6/30/2020				386,171	6,745,719	(6,343,124)		788,766		(6,343,124)	
Preschool Education Aid	495-034-5120-086	3,443,256	7/1/2018	6/30/2019			612,041			(612,041)		-		(612,041)	
Preschool Education Aid	495-034-5120-086	2,739,375	7/1/2017	6/30/2018			176,725			(176,725)		-		(176,725)	
NJ Nonpublic Aid:															
Textbook Aid	100-034-5120-064	39,005	7/1/2019	9/30/2020					39,005	(34,374)			4,631	(34,374)	
Textbook Aid	100-034-5120-064	40,049	7/1/2018	6/30/2019				106			106				
Auxiliary Services:															
Compensatory Education	100-034-5120-067	51,185	7/1/2019	9/30/2020					45,450	(50,375)		(5,735)	810	(50,375)	
Compensatory Education	100-034-5120-067	42,302	7/1/2018	6/30/2019									580	(2,068)	
ESL	100-034-5120-067	2,648	7/1/2019	6/30/2020					2,648	(2,068)				(2,068)	
Home Instruction	100-034-5120-067	5,967	7/1/2018	6/30/2019			(5,967)		5,967					(5,967)	
Handicapped Transportation	100-034-5120-068	10,522	7/1/2019	6/30/2020					9,470	(10,522)		(1,052)		(10,522)	
Handicapped Services:															
Supplemental Instruction	100-034-5120-066	40,394	7/1/2019	9/30/2020					32,716	(40,393)			1	(40,393)	
Supplemental Instruction	100-034-5120-066	56,300	7/1/2018	6/30/2019				17,445			17,445		(7,678)		
Examination & Classification	100-034-5120-066	56,127	7/1/2019	9/30/2020					50,515	(37,735)		(5,612)	18,392	(37,735)	
Examination & Classification	100-034-5120-066	55,173	7/1/2018	6/30/2019				12,036			12,036		(939)		
Corrective Speech	100-034-5120-066	9,388	7/1/2019	9/30/2020					8,449	(9,387)			1	(9,387)	
Technology Initiative	100-034-5120-373	26,640	7/1/2019	9/30/2020					26,640	(23,273)			3,367	(23,273)	
Technology Initiative	100-034-5120-373	27,000	7/1/2018	6/30/2019				128			128				
Security Aid	100-034-5120-509	111,300	7/1/2019	9/30/2020					111,300	(58,428)			52,872	(58,428)	
Security Aid	100-034-5120-509	116,250	7/1/2018	6/30/2019				10,547			10,547				
Nursing Services	100-034-5120-070	71,974	7/1/2019	9/30/2020					71,974	(71,974)				(71,974)	
State Dept of Children and Families															
School Based Youth Services	100-054-7500-068	132,809	7/1/2019	9/30/2020					273,216	(132,809)			140,407	(132,809)	
School Based Youth Services	100-054-7500-068	132,809	7/1/2018	6/30/2019			75,473						75,473		

CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2019		MEMO		Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2020		Cumulative Total Expenditures		
				Deferred Revenue (Accounts Receivable)	Due to Grantor	Budgetary Receivable	Transfers				Deferred Revenue/ (Accounts Receivable)	Due to Grantor		Budgetary Receivable	
Special Revenue Fund (Cont'd.)															
Indirect Aid:															
State Department of Treasury Passed through County of Hudson Passed through City of Bayonne															
Municipal Alliance Program	100-082-C001-004	40,750	7/1/2019	6/30/2020	\$	\$	\$	\$	(40,750)	\$	(40,750)	\$	(40,750)		
Municipal Alliance Program	100-082-C001-004	54,448	7/1/2018	6/30/2019	(33,276)						(33,276)				
Total Special Revenue Fund					824,996	40,262	-	386,171	7,423,069	(7,643,978)	40,262	909,604	80,654	(7,643,978)	
Capital Projects Fund															
Direct Aid:															
School Development Authority:															
Renov. at Bayonne HS	0220-020-14-1001	3,737,374	Indefinite		(1,049,018)			1,490,613	(543,227)		(101,632)		(2,475,788)		
Renov. at Walter E. Robinson No. 3 ES	0220-030-14-1002	487,580	Indefinite		(73,121)				(27,189)		(100,310)		(290,804)		
Renov. at John M. Bailey No. 12 ES	0220-040-14-1003	204,785	Indefinite		(24,649)						(24,649)		(96,840)		
Renov. at Henry Harris No. 1 ES	0220-050-14-1004	67,034	Indefinite		(11,010)						(11,010)		(29,426)		
Renov. at Horace Mann No. 6 ES	0220-060-14-1005	648,707	Indefinite		1,735						1,735		(591,539)		
Renov. at Lincoln No. 5 ES	0220-070-14-1006	805,880	Indefinite		1,735						1,735		(554,228)		
Renov. at Mary J. Donohoe No. 4 ES	0220-080-14-1007	116,757	Indefinite		(11,010)				(497,377)		(11,010)		(29,426)		
Renov. at Midtown Community No. 8 ES	0220-085-14-1008	751,369	Indefinite		741						(496,636)		(639,851)		
Renov. at Phillip G. Vroom No. 2 ES	0220-090-14-1009	503,859	Indefinite		(188)						(188)		(367,830)		
Renov. at Washington School	0220-120-14-1010	634,980	Indefinite		10,040						10,040		(624,940)		
Renov. at Woodrow Wilson No. 10 ES	0220-130-14-1011	291,855	Indefinite		(92,009)			103,295	(7,640)		3,646		(165,210)		
Total Capital Projects Fund					(1,246,754)	-	-	1,593,908	(1,075,433)	-	(728,279)	-	-	(5,865,882)	
Enterprise Fund															
State School Lunch Program	20-100-010-3350-023	31,266	7/1/2019	6/30/2020	-	-	-	31,266	(31,266)	-	-	-	(31,266)		
State School Lunch Program	19-100-010-3350-023	42,739	7/1/2018	6/30/2019	(12,579)	-	-	12,579	-	-	-	-	-		
COVID CARES Act		9,067	7/1/2019	6/30/2020	-	-	-	2,671	(9,067)	-	(6,396)	-	(9,067)		
Total Enterprise Fund					(12,579)	-	-	46,516	(40,333)	-	(6,396)	-	-	(40,333)	
Total State Financial Assistance					\$ (1,388,731)	\$ 40,262	\$ (6,296,027)	\$ 386,171	\$ 96,130,070	\$ (96,649,116)	\$ 40,262	\$ (747,598)	\$ 80,654	\$ (7,150,689)	\$ (101,439,565)
Less: State Financial Assistance Not Subject to Single Audit Determination															
TPAF Post Retirement Medical															
TPAF Pension															
TPAF Non-Contributory Pension Ins.															
Total State financial Assistance Subject to State Single Audit.															
\$ (79,675,439)															

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

CITY OF BAYONNE SCHOOL DISTRICT
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL
 AWARDS AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2020

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

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payments in the current budget, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(854,662) for the General Fund and \$203,658 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, 2020

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

See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 315,554	\$87,034,710	\$ 87,350,264
Special Revenue Fund	8,012,083	7,294,173	15,306,256
Capital Projects Fund		1,593,908	1,593,908
Food Service Fund	3,717,294	40,333	3,757,627
Trust Fund	<u>58,685</u>	<u> </u>	<u>58,685</u>
Total Awards and Financial Assistance	<u>\$12,103,616</u>	<u>\$95,963,124</u>	<u>\$108,066,740</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2020. 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, 2020.

The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2020 amount to \$16,973,677. Since on-behalf post retirement pension, medical and disability insurance benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

CITY OF BAYONNE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2020

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

On-behalf expenditures for the District by the State or by the City of Bayonne are not subject to a State single audit and, therefore are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's basic financial statements and the amount subject to the State single audit and major program determination.

NOTE 7. INDIRECT COST RATE

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

**CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Part 1 - Summary of Auditors' Results

Financial Statements

Type of auditor report 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 None reported

Federal Awards

Internal Control over major federal programs:

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

2) Significant deficiencies identified that are not considered to be material weaknesses? _____ 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 Federal major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
93.778	2005NJ5MAP	Special Education Medical Initiative
84.010	S010A190030	Title I
84.425D	S425D200027	COVID CARES Emergency Relief

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

Auditee qualified as low-risk auditee? X Yes _____ No

**CITY OF BAYONNE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Part II - Schedule of Financial Statement Findings

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the general-purpose financial statements that are required to be reported in accordance with chapter 5.18 of *Government Auditing Standards*.

Significant Deficiency

Finding: 2020-001

Condition: Six out of twenty-three community education fund deposits selected for testing did not have the proper supporting documentation.

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

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

Effect: As a result, billing errors or revenue discrepancies could exist that would not be identified without the supporting documentation for the revenue transactions.

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

*Views of Responsible
Officials and Planned*

Corrective Actions: The District agrees with the finding and the recommended procedures are in the process of being implemented.

Part III - Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs

No compliance or internal control findings noted that are required to be reported in accordance with 2 CFR 200 Section 516(a) of the Uniform Guidance and New Jersey State OMB Circular 15-08.

CITY OF BAYONNE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

STATUS OF PRIOR YEAR AUDIT FINDINGS

No prior year audit findings were noted.