

**SCHOOL DISTRICT
OF THE BOROUGH OF
BRIELLE**



**BOROUGH OF BRIELLE BOARD OF EDUCATION
BRIELLE, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

BOROUGH OF BRIELLE BOARD OF EDUCATION

BRIELLE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

PREPARED BY

**BOROUGH OF BRIELLE BOARD OF EDUCATION
FINANCE DEPARTMENT**

BRIELLE SCHOOL DISTRICT

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*Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.

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BRIELLE ELEMENTARY SCHOOL
605 UNION LANE
BRIELLE, NEW JERSEY 08730
www.brielleschool.org

PHONE 732 / 528-6400

FAX 732 / 528-0810

CHRISTINE E. CARLSON
Superintendent/
Principal

COLIN SABIA
Vice Principal/
Director of Special Services

EILEEN GORGA
School Business Administrator/
Board Secretary

November 16, 2016

President and Members of the Brielle Board of Education
Brielle School District
Monmouth County, New Jersey

Dear Board Members:

Enclosed is the Comprehensive Annual Financial Report (CAFR) of the Brielle School District for the fiscal year ended June 30, 2016. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34 (GASB 34). Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. Disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- 1) The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials, and an Organization Chart of the School District.
- 2) The Financial Section begins with the independent Auditors Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information.
- 3) The statistical section includes selected economic and demographic information, financial trends, and the fiscal capacity of the school District, generally presented on a multi-year basis.
- 4) The Single Audit Section-The District is required to undergo an annual audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations, Part 200 and New Jersey Treasury Circular 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations,

contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES

Brielle School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds and account groups of the District are included in this report. The Brielle Board of Education and the Brielle Elementary School constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Kindergarten through Eight (8). The Brielle School District has a sending/receiving association with Manasquan High School in which Brielle sends students to Manasquan High on a per student tuition basis. Brielle community parents can also select to send students to private schools. The district curriculum has been aligned with the New Jersey Core Curriculum Contents Standards. Educational services include regular, vocational as well as special education for handicapped children. The district completed the 2015-2016 fiscal year with a decrease in enrollment in the elementary school and a slight decrease in enrollment of Brielle students attending Manasquan High School. The following details the changes in the student enrollment over recent years.

Fiscal Year	Brielle Elementary Student Enrollment	Manasquan High School Enrollment	Percentage Change
2015-2016	543	248	-4.6%
2014-2015	558	251	-2.4%
2013-2014	573	256	-4.1%
2012-2013	611	253	-0.2%
2011-2012	605	261	-4.5%
2010-2011	665	242	-4.7%
2009-2010	728	224	3.8%
2008-2009	713	204	-0.2%
2007-2008	712	207	1.0%
2006-2007	704	206	1.2%
2005-2006	697	202	3.9%
2004-2005	658	207	3.1%
2003-2004	638	201	1.8%
2002-2003	631	193	9.5%
2001-2002	574	177	7.1%
2000-2001	546	156	2.0%
1999-2000	516	173	6.5%
1998-1999	483	163	3.2%
1997-1998	455	171	2.1%
1996-1997	435	177	2.1%
1995-1996	432	163	3.2%
1994-1995	414	163	1.4%
1993-1994	393	176	5.2%
1992-1993	385	156	2.1%
1991-1992	374	155	2.0%

ECONOMIC CONDITION AND OUTLOOK

The rapid growth of students over the last 20 years that are educated by the Borough of Brielle School District has leveled out while the overall population of the Borough has remained constant. The district has experienced declining enrollment primarily in the Brielle Elementary School as the many of the students have moved on to the secondary school level. The current district demographic study forecasts that enrollment in the Elementary School will continue to decline as there have been fewer live births in the district overall the last five years due to an aging District population. It is also forecast that the number of students currently forecast to attend Manasquan High School on a tuition basis has peaked at the current level. This is not unusual as enrollment declines are being experienced in a majority of school districts throughout Monmouth County and throughout the State of New Jersey. Due to the declining enrollment in the Elementary School, one instructional staff member was reduced from the subsequent year budget. The district continues to main all programs and service with small class size. The Borough of Brielle School District continues to be an excellent place to educate a student in an outstanding community.

MAJOR INITIATIVES

The 2015-2016 year started in July with over 75 students participating in an enrichment program sponsored by the PTO with courses in art, music, and sports taught by our own Brielle teaching staff. In addition, Brielle Recreation hosted over 145 students in a variety of sports and activities.

During the year the building also received some attention with several classrooms, hallways and the gym being painted, over 200 new lockers were installed, and the gym and All Purpose Room floors were refinished. A joint project with Brielle Borough to redesign and repave the east parking lot was approved and begun. The APR stage lighting and sound system was upgraded in time for the play. Additional security cameras were installed in the school and cafeteria tables were replaced.

Brielle Elementary School ended June 30, 2016 with 560 students and in September 549 students started the new school year which included 31 new students. New to our staff in September 2015 was Ms. Anastacia McCloskey, Media Specialist, Ms. Sarah Hellman, Kindergarten teacher, Ms. Karen Cavan, Nurse's Aide, and Ms. Kelly Bugliaro, Instructional Aide.

Student involvement in the community continued during the school year with IC Hope winning the Governor's Cup. This is the fifth year in a row our school has received distinguished honors. Their dedication and hard work for the local food bank earned them top recognition. Students also participated in preparing 25 food baskets for their Thanksgiving food drive and 8th graders collected over 5,600 pounds of food.

Choral and instrumental concerts were the highlights of the music program during the year and a culmination of talents was the presentation of *Peter Pan*. Parents, students and community members were enthralled with the talent and enthusiasm of the students.

Our 21st Century classroom, for which Brielle Elementary received a \$10,000 grant from Ocean First Foundation for technology upgrades (Chrome Books, 3-D printer, etc.) also had the ceiling replaced, LED lighting, new cabinets with additional upgrades also planned.

The Superintendents of the sending districts to Manasquan High School worked on curriculum alignment and technology issues during the year. These meetings help to ensure that students from each of the elementary districts arrive well prepared to be successful in their high school experience.

The annual reorganization meeting of the Board of Education welcomed reelected Board of Education members, Mr. Dennis Ingoglia, and new board members Ms. Karen Dettlinger and Mr. Joseph Milancewich.

The school year ended with a very successful fundraiser sponsored by the Brielle Education Foundation in which the community not only had an enjoyable social event but also raised funds for additional technology upgrades in the school.

INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure 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 and state financial assistance, the District 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's management.

As part of the District's 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.

BUDGETARY CONTROLS

In addition to internal accounting 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 voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project length budgets are approved for the capital improvements accounted for in the capital project fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles as required by the Governmental Accounting Standard Board (GASB). The accounting system of the District is organized on the basis of funds and account groups.

FINANCIAL INFORMATION AT FISCAL YEAR-END

The District has met its responsibility for sound financial management as demonstrated by the various statements and schedules included in the financial section of this report.

DEBT ADMINISTRATION

At June 30, 2016 the District had outstanding debt of \$2,000,000 as a result of a Bond Sale that took place in February, 2001.

CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements". The District had adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Government 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.

RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, and theft insurance on property and contents, and fidelity bonds.

ADDITIONAL INFORMATION

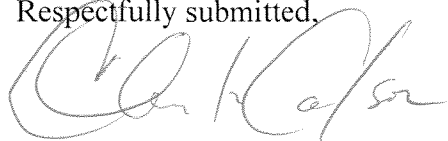
State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart & Company, CPAs was selected by the Board at its January 6, 2016 Reorganization Meeting. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the Single Audit Act of 1984 and the Title 2 U.S. Code of Federal Regulations, Part 200 and New

Jersey Treasury Circular 15-08 OMB. The auditor's reports on the general purpose financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the Brielle School Board of Education for your concern in providing fiscal responsibility to the citizens and taxpayers of the school district and thereby contributing your support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our staff. A note of thanks goes out to Mrs. Mary Beth Westrol, Payroll and Accounts Payable Manager, who continues to be an essential staff member in the Business Office.

Respectfully submitted,



Christine E. Carlson
Superintendent



Eileen Gorga
Business Administrator/Board Secretary

Brielle Board of Education
Roster of Officials 2015-2016

Members of the Board of Education	Term Expires
Eliot Colon	2017
Karen Dettlinger	2018
Edward Hendricks	2016
Dennis Ingoglia	2018
Madaly Jones	2017
Joseph Milancewich	2018
Karen Myszka-Ostberg	2016
John Pierciey	2016
Tedd Vitale	2017
Other Officials	
Christine E. Carlson	Superintendent
Eileen Gorga	Business Administrator/ Board Secretary
Wayne S. Oppito	Board Attorney
David Tonzola	Treasurer

Brielle Board of Education

Consultants and Advisors 2015- 2016

Auditor-Robert A. Hulsart & Company, PO Box 1409, Hurley Pond Road, Wall, NJ 07719

Board Attorney-Wayne S. Oppito, Esq., 6 William Lane, Wayside, NJ 07712

Negotiations Attorney-Andrew Brown, Schwartz Simon Edelstein Celso & Kessler LLP, Morristown, NJ 07960

Financial Attorney-Ronald Ianoale, McManimon & Scotland, Newark, NJ

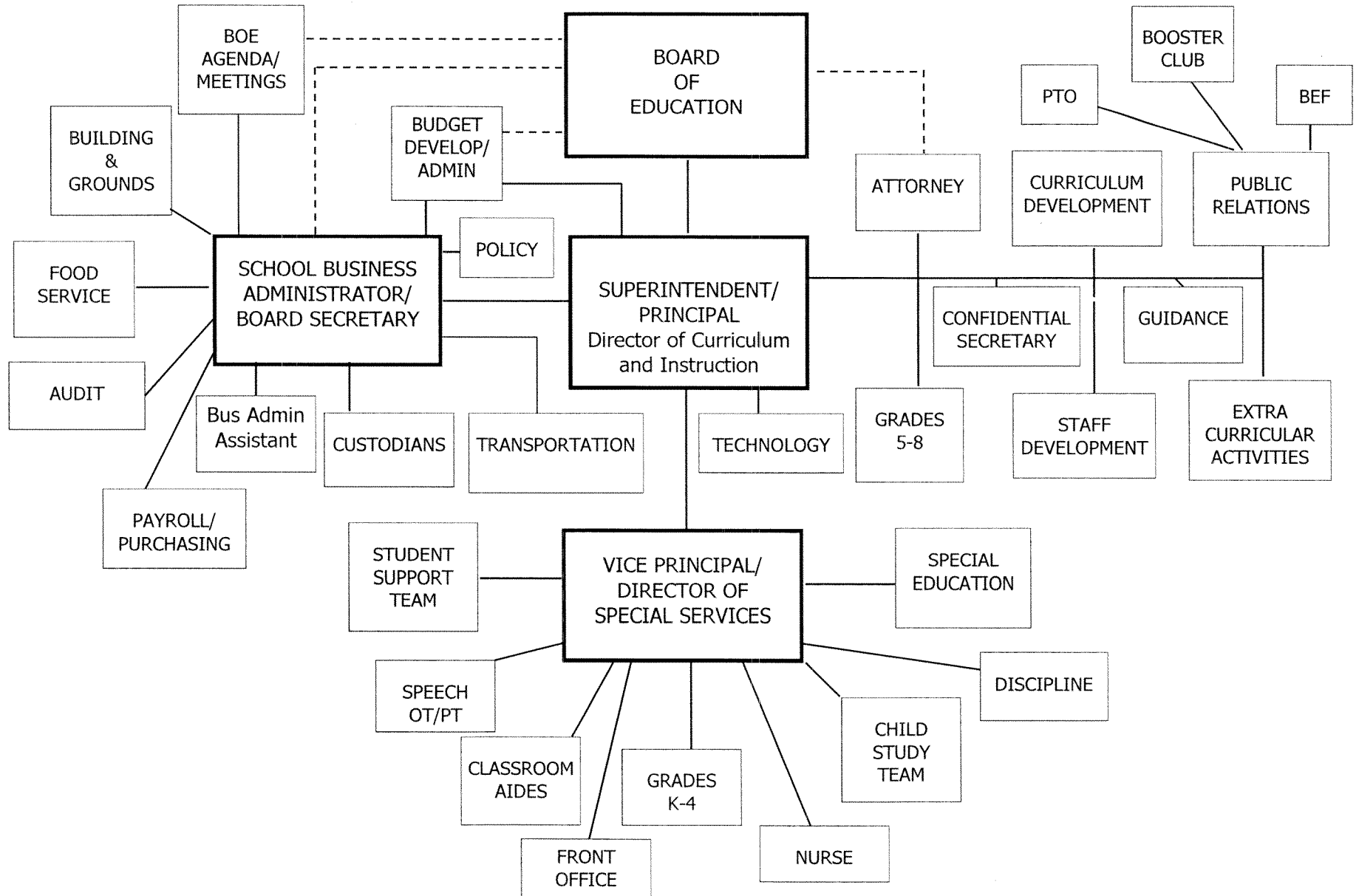
Special Education Attorney-Cherie Adams, Adams, Stern, Gutierrez & Lattiboudere, LLC, Newark, NJ

Insurance Broker of Record-General Insurance-Robert Jeffery, Holmes & McDowell, Holmdel, NJ

Insurance Broker of Record-Health Insurance-Gary Goldfarb, Brown & Brown Insurance, Shrewsbury, NJ

Official Depository-Ocean First Bank, 2445 Route 34, Wall, NJ 08736

Brielle School District
Organizational Chart
2015-16



FINANCIAL SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
 ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
 ROBERT A. HULSART, JR., C.P.A., P.S.A.
 RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:
 (732) 280-8888

e-mail:
 rah@monmouth.com

2807 Hurley Pond Road • Suite 100
 P.O. Box 1409
 Wall, New Jersey 07719-1409
 (732) 681-4990

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
 of the Board of Education
 Brielle School District
 County of Monmouth
 Brielle, New Jersey

Report on the 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 Board of Education of the Brielle School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2016, 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 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 audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 entity'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 entity'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.

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, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Brielle School District, in the County of Monmouth, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion, the accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information has 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 it.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2016 on our consideration of the Brielle's Board of Education 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 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 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 Brielle Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey

November 16, 2016

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

**BRIELLE BOROUGH SCHOOL DISTRICT
BRIELLE BOROUGH**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

UNAUDITED

The discussion and analysis of Brielle Borough School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

- ◆ General revenues accounted for \$14,564,865 in revenue. Program specific revenues for operating grants and contributions, and capital grants and contributions accounted for \$387,331 for total revenue of \$14,952,196.
- ◆ The School District had \$14,010,043 in expenses; only \$387,331 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$14,564,865 were adequate to provide for these programs.
- ◆ The General Fund had \$14,067,666 in revenues and \$13,201,818 in expenditures. Other financing uses included transfer to the Food Service Fund of \$21,273 and a transfer from capital projects of \$10,984. Overall, the General Fund's balance increased from 2015 by \$855,559.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Brielle Borough Public School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Brielle Borough Public school district, the General Fund is by far the most significant fund.

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, “How did we do financially during 2015-2016?” The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s net position and changes in those position. This change in net position is important because it tells the reader that, for the school district as a whole, the financial positions of the School district has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ◆ Governmental activities – All of the School District’s programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District’s funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School district’s most significant funds.

Governmental Funds

The School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the Future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

The School District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net position for 2015 and 2016.

Table I
Net Position

	<u>2016</u>	<u>2015</u>
Assets		
Current and Other Assets	\$ 2,294,720	1,339,470
Capital Assets	<u>7,936,975</u>	<u>8,112,879</u>
Total Assets	<u>10,231,695</u>	<u>9,452,349</u>
Deferred Outflow of Resources	<u>624,343</u>	<u>396,261</u>
Deferred Inflow of Resources	<u>124,417</u>	<u>134,908</u>
Liabilities		
Long-Term Liabilities	4,515,921	4,683,883
Other Liabilities	<u>541,636</u>	<u>469,841</u>
Total Liabilities	<u>5,057,557</u>	<u>5,153,724</u>
Total Net Position	<u>\$ 5,674,064</u>	<u>4,559,978</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 88% percent of revenues for governmental activities for the Brielle Borough School District for fiscal year 2016. The District's total revenues were \$14,767,736 for the year ended June 30, 2016.

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ◆ Enterprise Fund revenues were \$387,331.
- ◆ Changes in Net Position was \$159,732 after adjustments.
- ◆ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$32,793.

Governmental Activities

	<u>2016</u>	<u>2015</u>
Instruction	\$ 3,654,476	3,677,340
Support Services:		
Pupils and Instructional Staff	5,345,099	5,832,056
General Administration, School Administration, Business Administration	651,563	659,498
Operation and Maintenance of Facilities	882,151	835,012
Pupil Transportation	605,127	521,147
Interest on Debt	111,867	130,733
Unallocated Benefits	2,244,992	1,785,093
Unallocated Depreciation	<u>296,834</u>	<u>299,134</u>
Total Expenses	<u>\$ 13,792,109</u>	<u>13,740,013</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School district which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation.

General Fund Budgeting Highlights

The School district's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2016, the School District amended its General Fund budget as needed. The School district uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

Capital Assets

At the end of the fiscal year 2016, the School District had \$7,936,975 invested in land, buildings, furniture and equipment, and vehicles as follows:

Capital Assets (Net of Depreciation) at June 30, 2015 & 2016

	<u>2016</u>	<u>2015</u>
Land	\$ 60,584	60,584
Building and Improvements	7,550,074	7,796,825
Machinery and Equipment	<u>326,317</u>	<u>255,470</u>
Totals	<u>\$ 7,936,975</u>	<u>8,112,879</u>

Debt Administration

At June 30, 2016 the School district had \$4,915,921 of outstanding debt. Of this amount \$318,557 is for compensated absences. The balance due for the renovation of the school is \$2,000,000. Net pension liability was \$2,597,364.

For the Future

The Brielle Borough School District is in good financial condition presently. A major concern is the continued enrollment growth of the district with the increased reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and state funding is decreased.

Brielle Borough is primarily a residential community, with very few ratables. The majority of the tax levy is raised by residential property taxes.

In conclusion, the Brielle Borough School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, 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 receives. If you have questions about this report or need additional information contact Eileen Gorga, School Business Administrator/Board Secretary at Brielle Borough Board of Education, 605 Union Lane, Brielle, NJ 08730.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

BRIELLE SCHOOL DISTRICT**STATEMENT OF NET POSITION**

Exhibit A-1

JUNE 30, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 897,843	61,992	959,835
Receivables, Net	165,469	4,167	169,636
Restricted Assets:			
Capital Reserve Account - Cash	1		1
Restricted - Cash	1,157,338		1,157,338
Capital Assets-Non Depreciable	60,584		60,584
Capital Assets, Net	7,788,606	87,785	7,876,391
Inventory		7,910	7,910
Total Assets	<u>10,069,841</u>	<u>161,854</u>	<u>10,231,695</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>624,343</u>		<u>624,343</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>124,417</u>		<u>124,417</u>
<u>Liabilities</u>			
Accounts Payable	137,439		137,439
Prepaid Expenses		2,122	2,122
Deferred Revenue	2,075		2,075
Noncurrent Liabilities:			
Due Within One Year	400,000		400,000
Due Beyond One Year	4,515,921		4,515,921
Total Liabilities	<u>5,055,435</u>	<u>2,122</u>	<u>5,057,557</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	5,849,190	87,785	5,936,975
Restricted For:			
Other Purposes	1,738,690		1,738,690
Unrestricted	<u>(2,073,548)</u>	<u>71,947</u>	<u>(2,001,601)</u>
Total Net Position	<u>\$ 5,514,332</u>	<u>159,732</u>	<u>5,674,064</u>

The accompanying notes to financial statements are an integral part of this statement.

BRIELLE SCHOOL DISTRICT

Exhibit A-2

Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$2,933,102			(2,933,102)		(2,933,102)
Special Education	615,861		171,444	(444,417)		(444,417)
Other Instruction	105,513			(105,513)		(105,513)
Support Services:						
Tuition	4,195,821	21,001		(4,174,820)		(4,174,820)
Student & Instruction Related Services	1,149,278		10,426	(1,138,852)		(1,138,852)
School Administrative Services	199,008			(199,008)		(199,008)
Other Administrative Services	452,555			(452,555)		(452,555)
Plant Operations and Maintenance	882,151			(882,151)		(882,151)
Pupil Transportation	605,127			(605,127)		(605,127)
Unallocated Benefits	2,244,992			(2,244,992)		(2,244,992)
Interest on Long-Term Debt	111,867			(111,867)		(111,867)
Unallocated Depreciation	296,834			(296,834)		(296,834)
Total Government Activities	<u>13,792,109</u>	<u>21,001</u>	<u>181,870</u>	<u>(13,589,238)</u>	<u>-</u>	<u>(13,589,238)</u>
Business-Type Activities:						
Aftercare Program	42,099	47,796			5,697	5,697
Food Service	175,835	103,871	32,793		(39,171)	(39,171)
Total Business-Type Activities	<u>217,934</u>	<u>151,667</u>	<u>32,793</u>	<u>-</u>	<u>(33,474)</u>	<u>(33,474)</u>
Total Primary Government	<u>14,010,043</u>	<u>172,668</u>	<u>214,663</u>	<u>(13,589,238)</u>	<u>(33,474)</u>	<u>(13,622,712)</u>

BRIELLE SCHOOL DISTRICT

Exhibit A-2

Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:						
Taxes						
Property Taxes, Levied for General Purpose, Net				12,508,674		12,508,674
Taxes Levied for Debt Service				518,200		518,200
Federal and State Aid Not Restricted				1,536,937		1,536,937
Miscellaneous Income				1,054		1,054
Transfer to Food Service				(21,273)	21,273	-
Total General Revenues, Special Items, Extraordinary Items and Transfers				<u>14,543,592</u>	<u>21,273</u>	<u>14,564,865</u>
Change in Net Position				954,354	(12,201)	942,153
Adjustment for Fixed Assets					73,898	73,898
Net Position - Beginning				<u>4,559,978</u>	<u>98,035</u>	<u>4,658,013</u>
Net Position - Ending				<u>\$ 5,514,332</u>	<u>159,732</u>	<u>5,674,064</u>

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash and Cash Equivalents-Restricted	\$ 1,155,264	2,075	1,157,339
Cash and Cash Equivalents-Nonrestricted	897,843		897,843
Receivables, Net	165,469		165,469
Total Assets	<u>\$ 2,218,576</u>	<u>2,075</u>	<u>2,220,651</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts Payable	\$ 104,372		104,372
Deferred Revenue		2,075	2,075
Total Liabilities	<u>104,372</u>	<u>2,075</u>	<u>106,447</u>
Fund Balance:			
Restricted : To:			
Capital Reserve	1		1
Maintenance Reserve	955,263		955,263
Maintenance Reserve-Designated for Subsequent Years Expenditures	200,000		200,000
Assigned To:			
Reserve for Encumbrances	583,426		583,426
Unassigned-General Fund	375,514		375,514
Total Fund Balances	<u>2,114,204</u>		<u>2,114,204</u>
Total Liabilities and Fund Balance	<u>\$ 2,218,576</u>	<u>2,075</u>	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$15,166,946 and the accumulated depreciation is \$7,317,756.

7,849,190

Deferred outflow of resources - contributions to the pension plan

624,343

Deferred inflow of resources - acquisition of assets applicable to future reporting periods

(124,417)

Accrued Interest

(33,067)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(4,915,921)

Net Position of Governmental Activities

\$ 5,514,332

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

BRIELLE SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Tuition	\$ 21,001				21,001
Local Tax Levy	12,508,674			518,200	13,026,874
Miscellaneous	1,054	14,516			15,570
Total Local Sources	<u>12,530,729</u>	<u>14,516</u>		<u>518,200</u>	<u>13,063,445</u>
State Sources	1,536,937				1,536,937
Federal Sources		167,354			167,354
Total Revenues	<u>14,067,666</u>	<u>181,870</u>		<u>518,200</u>	<u>14,767,736</u>
<u>Expenditures</u>					
Current:					
Regular Instruction	3,034,673				3,034,673
Special Education Instruction	444,417	171,444			615,861
Other Instruction	105,513				105,513
Support Services and Undistributed Costs:					
Tuition	4,195,821				4,195,821
Student and Instruction Related Services	1,138,852	10,426			1,149,278
School Administrative Services	199,008				199,008
Other Administrative Services	452,555				452,555
Plant Operations and Maintenance	882,151				882,151
Pupil Transportation	605,127				605,127
Unallocated Benefits	2,113,210				2,113,210
Capital Outlay	30,491				30,491
Debt Service:					
Principal				400,000	400,000
Interest and Other Charges				118,200	118,200
Total Expenditures	<u>13,201,818</u>	<u>181,870</u>	<u>-</u>	<u>518,200</u>	<u>13,901,888</u>

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

BRIELLE SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>865,848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>865,848</u>
Other Financing Sources (Uses):					
Transfer from Capital Projects	10,984		(10,984)		-
Transfer to Food Service	<u>(21,273)</u>				<u>(21,273)</u>
Total Other Financing Sources (Uses)	<u>(10,289)</u>	<u>-</u>	<u>(10,984)</u>	<u>-</u>	<u>(21,273)</u>
Net Change in Fund Balances	855,559	-	(10,984)	-	844,575
Fund Balance - July 1	<u>1,258,645</u>		<u>10,984</u>		<u>1,269,629</u>
Fund Balance - June 30	<u>\$ 2,114,204</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,114,204</u>

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

BRIELLE SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2016

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 844,575
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	(296,834)
Capital Outlays	<u>30,491</u>
	(266,343)
Repayment of bond 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.	400,000
Compensated Absences	101,571
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	228,082
Pension Related Deferrals	10,491
Net Pension Liability	(370,355)
Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due.	<u>6,333</u>
Change in Net Position of Governmental Activities	<u>\$ 954,354</u>

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

BRIELLE SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

Exhibit B-4

JUNE 30, 2016

	<u>Business-type Activities Enterprise Fund</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 61,992
Accounts Receivable:	
State	255
Federal	3,912
Inventories	7,910
Total Current Assets	<u>74,069</u>
Noncurrent Assets:	
Equipment	136,839
Accumulated Depreciation	(49,054)
Total Noncurrent Assets	<u>87,785</u>
Total Assets	<u><u>\$ 161,854</u></u>
<u>Liabilities</u>	
Prepaid Expenses	<u>2,122</u>
Total Liabilities	<u><u>\$ 2,122</u></u>
<u>Net Position</u>	
Investment in Fixed Assets	\$ 87,785
Unrestricted	<u>71,947</u>
Total Net Position	<u><u>\$ 159,732</u></u>

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

BRIELLE SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit B-5

IN FUND NET POSITIONPROPRIETARY FUNDSJUNE 30, 2016

	<u>Business-type Activities Enterprise Fund</u>
Operating Revenues:	
Local Sources:	
Daily Sales Reimbursable Programs	\$ 103,827
Fees	47,840
Total Operating Revenue	<u>151,667</u>
Operating Expenses:	
Salaries	129,926
Benefits	2,992
Cost of Sales	58,503
Management Fee	4,940
Depreciation	1,656
Miscellaneous	19,917
Total Operating Expenses	<u>217,934</u>
Operating (Loss)/Profit	(66,267)
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	1,366
Federal Sources:	
National School Lunch Program	19,383
HHFKA Lunch Program	1,968
Food Distribution Program	10,076
Board Subsidy	21,273
Total Non-Operating Revenues	<u>54,066</u>
Change in Net Position	(12,201)
Adjustment to Fixed Assets	73,898
Net Position, July 1	<u>98,035</u>
Net Position June 30	<u>\$ 159,732</u>

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

BRIELLE SCHOOL DISTRICT**STATEMENT OF CASH FLOWS**

Exhibit B-6

PROPRIETARY FUNDS**JUNE 30, 2016**

	Business-type Activities
	Enterprise Fund
Cash Flows from Operating Activities:	
Receipts from Daily Sales	\$ 151,667
Payments to Employees	(129,926)
Payments to Suppliers	(86,806)
Net Cash Used by Operating Activities	<u>(65,065)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	1,366
Federal Sources	21,351
Board Subsidy	21,273
Net Cash Provided by Noncapital Financing Activities	<u>43,990</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(21,075)
Cash and Cash Equivalents July 1	<u>83,067</u>
Cash and Cash Equivalents June 30	<u>\$ 61,992</u>
Cash Flows from Operating Activities:	
Operating (Loss)/Profit	\$ (66,267)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Federal Commodities Consumed	10,076
Depreciation	1,656
Changes in Assets and Liabilities:	
Increase/(Decrease) in Prepaid Expenses	(1,116)
(Increase)/Decrease in Accounts Receivables	(2,759)
(Increase)/Decrease in Inventory	(6,655)
Net Cash Used by Operating Activities	<u>\$ (65,065)</u>

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

BRIELLE SCHOOL DISTRICT**STATEMENT OF FIDUCIARY NET POSITION**

Exhibit B-7

FIDUCIARY FUNDS**JUNE 30, 2016**

	<u>Scholarship Fund</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account</u>	<u>Agency Funds</u>
Assets:				
Cash and Cash Equivalents	\$ 23,390	20,331	1,060	8,237
Total Assets	<u>\$ 23,390</u>	<u>20,331</u>	<u>1,060</u>	<u>8,237</u>
Liabilities:				
Payroll Deductions and Withholdings			\$ 1,060	8,237
Total Liabilities			<u>\$ 1,060</u>	<u>8,237</u>
Net Position:				
Reserved - Scholarship	\$ 23,390			
Reserved - Unemployment Benefits		20,331		
Total Net Position	<u>\$ 23,390</u>	<u>20,331</u>		

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

BRIELLE SCHOOL DISTRICTSTATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Exhibit B-8

FIDUCIARY FUNDSJUNE 30, 2016

	<u>Scholarship Fund</u>	<u>Unemployment Compensation Trust</u>
<u>Additions</u>		
Interest on Investments	\$ 8	5
Contributions	3,070	8,323
Total Additions	<u>3,078</u>	<u>8,328</u>
<u>Deductions</u>		
Scholarship Payments	2,950	
Unemployment Claims		2,235
Total Deductions	<u>2,950</u>	<u>2,235</u>
Change in Net Position	128	6,093
Net Position - Beginning of Year	<u>23,262</u>	<u>14,238</u>
Net Position - End of the Year	<u>\$ 23,390</u>	<u>20,331</u>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
BRIELLE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: Summary of Significant Accounting Policies

The financial statements of the Board of Education (Board) of the Brielle School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include an elementary school located in Brielle Borough. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore the District is not includable in any other reporting entity on the basis of such criteria.

B. Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the government as a whole. These financial statements are constructed around the concept of a primary government as defined by GASB-14 (The Financial Reporting Entity) and therefore encompass the primary government and its component units except for fiduciary funds of the primary government and component units that are fiduciary in nature. Financial statements of fiduciary funds are not presented in the government-wide financial statements but are included in the fund financial statements.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

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

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the county tax levy. In general, other revenues are recognized when cash is received.

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

D. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

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).

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Proprietary Fund Type

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Fund Types

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Unemployment Compensation Trust Fund: The trust fund is used to account for assets held under the terms of a formal trust agreement. The District reimburses the costs of unemployment benefits paid by the New Jersey Department of Labor.

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are approved by the Board of Education. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2016 were insignificant.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Budgets/Budgetary Control (Continued):

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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. Short-Term Interfund Receivables/Payables:

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

H. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

NOTE 1: Summary of Significant Accounting Policies (Continued)**H. Inventories and Prepaid Expenses (Continued)**

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

I. Capital Assets and Depreciation

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The District contracted with an outside service company during the 2006 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report has been updated to include capital assets purchased subsequently with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2006, fiscal year 2006 depreciation expense, total accumulated depreciation and book values were also provided. The records have updated annually through June 30, 2016. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2016</u>
Governmental Activities:					
Capital Assets That Are Not Being Depreciated:					
Land	\$ 60,584	_____	_____	_____	60,584
Total Capital Assets Not Being Depreciated	<u>60,584</u>	_____	_____	_____	<u>60,584</u>
Depreciable Assets:					
Site Improvements	18,798				18,798
Buildings & Sites	14,396,972	5,700			14,402,672
Equipment	<u>658,457</u>	<u>38,469</u>		<u>(12,034)</u>	<u>684,892</u>
Total	<u>15,074,227</u>	<u>44,169</u>		<u>(12,034)</u>	<u>15,106,362</u>

NOTE 1: Summary of Significant Accounting Policies (Continued)**I. Capital Assets and Depreciation (Continued)**

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2016</u>
Less: Accumulated Depreciation For:					
Sites	(18,798)				(18,798)
Buildings	(6,600,147)	(252,451)			(6,852,598)
Equipment	<u>(402,987)</u>	<u>(44,383)</u>	—	<u>1,010</u>	<u>(446,360)</u>
Total Accumulated Depreciation	<u>(7,021,932)</u>	<u>(296,834)</u>	—	<u>1,010</u>	<u>(7,317,756)</u>
Net Depreciable Assets	<u>8,052,295</u>	<u>(252,665)</u>	—	<u>(11,024)</u>	<u>7,788,606</u>
Government Activities:					
Capita Assets, Net	<u>\$ 8,112,879</u>	<u>(252,665)</u>	—	<u>(11,024)</u>	<u>7,849,190</u>
Business-Type Activities:					
Equipment	\$ 76,030	80,408		(19,599)	136,839
Less: Accumulated Depreciation:					
Equipment	<u>(60,487)</u>	<u>(1,656)</u>	—	<u>13,089</u>	<u>(49,054)</u>
Business-Type Activities Capital Assets (Net)	<u>\$ 15,543</u>	<u>78,752</u>	—	<u>(6,510)</u>	<u>87,785</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	<u>\$ 296,834</u>
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J. Compensated Absences

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable.

NOTE 1: Summary of Significant Accounting Policies (Continued)

K. Deferred Revenue

Deferred revenue in the special revenue funds represent cash which has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

L. Fund Equity

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve (See Note 9).

NOTE 2: Cash and Cash Equivalents and Investments

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

NOTE 2: Cash and Cash Equivalents and Investments (Continued)**Investments**

New Jersey statutes permit the District to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank for cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

As of June 30, 2016, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash <u>Equivalents</u>
Checking, Money Market Accounts	<u>\$ 2,457,754</u>

During the period ended June 30, 2016, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2016 was \$2,457,754 and the bank balance was \$2,625,414, of the bank balance \$250,000 was covered by federal depository insurance and \$2,375,414 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Credit Risk Categories

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

FDIC	\$ 250,000
GUPDA	<u>2,375,414</u>
	<u>\$ 2,625,414</u>

As of June 30, 2016, the District did not hold any long-term investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

The District had no uninsured deposits.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2016, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Long-Term</u> <u>Portion</u>	<u>Amount Due</u> <u>In One Year</u>
Pension Liability	\$ 2,263,755	333,609		2,597,364	2,597,364	
Compensated Absences Payable	420,128		101,571	318,557	318,557	
Bonds Payable	<u>2,400,000</u>	<u> </u>	<u>400,000</u>	<u>2,000,000</u>	<u>1,600,000</u>	<u>400,000</u>
Total	<u>\$ 5,083,883</u>	<u>333,609</u>	<u>501,571</u>	<u>4,915,921</u>	<u>4,515,921</u>	<u>400,000</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 District are general obligation bonds.

Principal and interest due on bonds outstanding is as follows:

- a. Bonds issued 2/27/01 for \$6,915,000 for 20 years maturing 3/1/21 at a 4.6 to 5.0% rate of interest with a balance of \$2,000,000 at June 30, 2016.

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 400,000	99,200	499,200
2018	400,000	79,800	479,800
2019	400,000	60,000	460,000
2020	400,000	40,000	440,000
2021	<u>400,000</u>	<u>20,000</u>	<u>420,000</u>
	<u>\$ 2,000,000</u>	<u>299,000</u>	<u>2,299,000</u>

NOTE 4: Pension Plans

Description of Plans – All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teacher's Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) – The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) – The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

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 contribution. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

NOTE 4: Pension Plans (Continued)

Significant Legislation - During the year ended June 30, 1997, legislation was enacted Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), changed the asset valuation method from market related value to full-market value. This legislation also contains a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Funding Policy – The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.06% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 years but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.

During the year ended June 30, 2016, the State of New Jersey contributed \$652,971 to the TPAF for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$288,429 during the year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

Three-Year Trend Information for PERS

Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/16	\$ 99,476	100%	0
6/30/15	99,676	100%	0
6/30/14	80,583	100%	0

NOTE 4: Pension Plans (Continued)**Three-Year Trend Information for TPAF (Paid on Behalf of District)**

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/16	\$ 652,971	100%	0
6/30/15	513,558	100%	0
6/30/14	410,058	100%	0

Pension Expense Deferred Outflows/Inflows – PERS

For the year ended June 30, 2016, the District recognized pension expense of \$99,476. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u> <u>Outflows</u> <u>of Resources</u>	<u>Deferred</u> <u>Inflows</u> <u>of Resources</u>
Difference Between Expected and Actual Experience	\$ 61,964	
Changes of Assumptions	278,936	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		41,761
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	183,967	82,656
District Contributions Subsequent to the Measurement Date	<u>99,476</u>	<u> </u>
Total	<u>\$ 624,343</u>	<u>124,417</u>

\$624,343 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Additional Information

Collective balances at December 31, 2014 and 2015 are as follows:

	<u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u>
Collective Deferred Outflows of Resources	\$ 624,343	396,261
Collective Deferred Inflows of Resources	124,417	134,908
Collective Net Pension Liability	2,597,364	2,263,755
District's Proportion	.01157%	.01209%

NOTE 4: Pension Plans (Continued)**Components of Net Pension Liability**

The components of the net pension liability of the participating employers for PERS as of June 30, 2015 and 2014 are as follows:

	2015		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 31,614,118,524	43,109,580,038	74,723,698,562
Plan Fiduciary Net Position	<u>7,891,982,987</u>	<u>20,661,583,919</u>	<u>28,553,566,906</u>
Net Pension Liability	<u>\$ 23,722,135,537</u>	<u>22,447,996,119</u>	<u>46,170,131,656</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.96%	47.93%	38.21%
	2014		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,777,950,141	39,071,470,586	67,849,420,727
Plan Fiduciary Net Position	<u>8,650,846,191</u>	<u>20,348,735,583</u>	<u>28,999,581,774</u>
Net Pension Liability	<u>\$ 20,127,103,950</u>	<u>18,722,735,003</u>	<u>38,849,838,953</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	30.06%	52.08%	42.74%

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2103, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15% - 4.40% Based on Age
Thereafter	3.15% – 5.40% Based on Age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

NOTE 4: Pension Plans (Continued)**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Intermediate Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, 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 average of the last five years of contributions made in relation to the last five years of recommended 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 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTE 4: Pension Plans (Continued)**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2015 and 2014, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2015		
	At 1% Decrease (3.90%)	At Current Discount Rate (4.90%)	At 1% Increase (5.90%)
	State	\$ 27,802,122,942	23,722,135,537
Local	<u>27,900,112,533</u>	<u>22,447,996,119</u>	<u>17,876,981,108</u>
Total	<u>\$ 55,702,235,475</u>	<u>46,170,131,656</u>	<u>38,191,749,890</u>
	2014		
	At 1% Decrease (4.39%)	At Current Discount Rate (5.39%)	At 1% Increase (6.39%)
State	\$ 23,772,450,916	20,127,103,950	17,069,920,644
Local	<u>23,553,838,159</u>	<u>18,722,735,003</u>	<u>14,665,837,859</u>
Total	<u>\$ 47,326,289,075</u>	<u>38,849,838,953</u>	<u>31,735,758,503</u>

Teachers Pensions and Annuity Fund (TPAF)**Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2015 and 2014 are as follows:

	2015	2014
Total Pension Liability	\$ 89,182,662,000	81,095,320,000
Plan Fiduciary Net Position	<u>25,604,797,560</u>	<u>27,282,252,461</u>
Net Pension Liability	<u>\$ 63,577,864,440</u>	<u>53,813,067,539</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%

NOTE 4: Pension Plans (Continued)**State Proportionate Share of Net Pension Liability Attributable to District**

	<u>2015</u>	<u>2014</u>
District's Liability	\$ 23,203,258	19,626,476
District's Proportion	.03650%	.03647%

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases: 2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvements. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

NOTE 4: Pension Plans (Continued)**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign – Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds – Equity Hedge	4.00%	5.68%
Hedge Funds – Distressed	4.00%	4.30%

Discount Rate

The discount rate used to measure the total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, 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 average of the last five years. 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 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTE 4: Pension Plans (Continued)**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the State as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>At 1% Decrease</u>	<u>At Current Discount Rate</u>	<u>At 1% Increase</u>
2015 (3.13%, 4.13%, 5.13%)	\$ 75,559,915,440	63,577,864,440	53,254,610,440
2014 (3.68%, 4.68%, 5.68%)	64,722,984,539	53,813,067,539	44,738,870,539

NOTE 5: Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 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. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. 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 prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

NOTE 6: Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "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 right to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

NOTE 6: Compensated Absences (Continued)

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group (or current and long-term liabilities). The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016, no liability existed for compensated absences in the Food Service Fund.

NOTE 7: Capital Reserve Account

A capital reserve account was established by the Borough of Brielle Board of Education by inclusion of \$1 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April 2004 transfers must be in compliance with P.L. 2004, C.73 (S1701). Pursuant to *N.J.A.C. 6:23A-5.1(d) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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 the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current year and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2015-2016	\$	8,328	2,235	20,331
2014-2015		8,255	1,162	14,238
2013-2014	3,554	10,941	12,888	7,145

NOTE 9: Fund Balance Appropriated

General Fund – Of the \$2,154,159 General Fund fund balance at June 30, 2016, \$583,426 is reserved for encumbrances; \$1 has been reserved in the Capital Reserve Account; \$955,263 is reserved for maintenance; \$200,000 is maintenance reserve designated for subsequent year's expenditures; \$415,469 is unreserved and undesignated.

NOTE 10: 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.

NOTE 11: Tuition Adjustments

Regulations specify that tuition adjustments for any given school year shall be remitted/received in the two following years after the tuition rate is certified. These adjustments have not been reflected on the June 30, 2016 financial statements.

NOTE 12: 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, may have an effect on the District's programs and activities.

NOTE 13: Contingent Liabilities

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect of the financial position of the District.

NOTE 14: 2% Calculation of Excess Surplus

2015-16 Total General Fund Expenditures Per the CAFR	\$ 13,201,818
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(941,400)</u>
Adjusted 2015-16 General Fund Expenditures	<u>\$ 12,260,418</u>
2% of Adjusted 2015-16 General Fund Expenditures	<u>\$ 245,208</u>
Enter Above or \$250,000 Whichever is Greater	\$ 250,000
Increased by Allowable Adjustment	<u>165,469</u>
Maximum Unassigned Fund Balance	<u>\$ 415,469</u>

NOTE 14: 2% Calculation of Excess Surplus (Continued)**Section 2**

Total General Fund – Fund Balance @ 6-30-16	\$ 2,154,159
Decreased by:	
Reserved for Encumbrances	(583,426)
Maintenance Reserve:	
Regular	(955,263)
Designated for Subsequent Years Expenditures	(200,000)
Capital Reserve	(1)
	<u>(1,738,690)</u>
Total Unassigned Fund Balance	<u>\$ 415,469</u>
Excess Surplus	<u>\$ 0</u>

Section 3**Detail of Allowable Adjustments**

Extraordinary Aid	\$ 159,398
Non-Public Transportation	<u>6,071</u>
	<u>\$ 165,469</u>

Detail of Other Restricted Fund Balance

Maintenance Reserve	\$ 955,263
Capital Reserve	<u>1</u>
	<u>\$ 955,264</u>

NOTE 15: Significant Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2016. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2016 through November 16, 2016.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

BRIELLE SCHOOL DISTRICT

**Exhibit C-1
Sheet 1 of 9**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<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	\$ 12,508,674		12,508,674	12,508,674	-
Tuition	19,500		19,500	21,001	1,501
Unrestricted Miscellaneous Revenue	2,000		2,000	1,054	(946)
Total Local Sources	<u>12,530,174</u>	<u>-</u>	<u>12,530,174</u>	<u>12,530,729</u>	<u>555</u>
State Sources:					
Special Education Aid	353,099		353,099	353,099	-
Security Aid	12,633		12,633	12,633	-
Transportation Aid	35,030		35,030	35,030	-
Adjustment Aid	13,186		13,186	13,186	-
PARCC Readiness Aid	8,060		8,060	8,060	-
Per Pupil Growth Aid	8,060		8,060	8,060	-
Extraordinary Aid			-	159,398	159,398
Non Public Transportation			-	6,071	6,071
TPAF Pension (On-Behalf - Non-Budgeted)			-	652,971	652,971
TPAF Social Security (Reimbursed Non-Budgeted)			-	288,429	288,429
Total State Sources	<u>430,068</u>	<u>-</u>	<u>430,068</u>	<u>1,536,937</u>	<u>1,106,869</u>
Total Revenues	<u>12,960,242</u>	<u>-</u>	<u>12,960,242</u>	<u>14,067,666</u>	<u>1,107,424</u>

BRIELLE SCHOOL DISTRICT

**Exhibit C-1
Sheet 2 of 9**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	85,473	10,155	95,628	95,628	-
Kindergarten - Salaries of Teachers	193,315	66,031	259,346	256,787	2,559
Grades 1-5 - Salaries of Teachers	1,430,124	(46,575)	1,383,549	1,374,889	8,660
Grades 6-8 - Salaries of Teachers	973,806	136,516	1,110,322	1,101,485	8,837
Regular Programs - Home Instruction:					
Salaries	1,000	8,028	9,028	9,028	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	9,000		9,000	7,367	1,633
Other Purchased Services (400-500 Series)	20,000	(3,738)	16,262	7,410	8,852
General Supplies	161,000	158	161,158	151,828	9,330
Textbooks	20,000	(382)	19,618	18,360	1,258
Other Objects	10,000	2,273	12,273	11,891	382
Total Regular Programs - Instruction	<u>2,903,718</u>	<u>172,466</u>	<u>3,076,184</u>	<u>3,034,673</u>	<u>41,511</u>
Resource Room/Resource Center:					
Salaries of Teachers	393,747	49,023	442,770	442,770	-
General Supplies	1,500	147	1,647	1,647	-
Total Resource Room/Resource Center	<u>395,247</u>	<u>49,170</u>	<u>444,417</u>	<u>444,417</u>	<u>-</u>
Total Special Education - Instruction	<u>395,247</u>	<u>49,170</u>	<u>444,417</u>	<u>444,417</u>	<u>-</u>

BRIELLE SCHOOL DISTRICT

**Exhibit C-1
Sheet 3 of 9**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Bilingual Education - Instruction:					
Salaries of Teachers	7,939		7,939	7,939	-
Total Bilingual Education - Instruction	7,939	-	7,939	7,939	-
School Sponsored Cocurricular Activities-Instruction:					
Salaries	35,875	(9,006)	26,869	26,869	-
Other Objects	2,000	15,739	17,739	17,739	-
Total School Sponsored Cocurricular Activities-Instruction	37,875	6,733	44,608	44,608	-
School Sponsored Athletics - Instruction:					
Salaries	41,996	(7,178)	34,818	34,818	-
Other Objects	8,000	1,724	9,724	9,724	-
Total School Sponsored Athletics-Instruction	41,996	(5,454)	44,542	44,542	-
Before/After School Programs - Instruction:					
Salaries of Teachers	11,000	(1,279)	9,721	8,424	1,297
Total Instruction	3,397,775	221,636	3,627,411	3,584,603	42,808
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State - Regular	2,976,424	(6,120)	2,970,304	2,926,663	43,641
Tuition to Other LEA's Within the State - Special	939,582	(72,346)	867,236	813,920	53,316
Tuition to Private School for the Handicapped Within State	395,955	(69,532)	326,423	281,593	44,830
Tuition to County Vocational - Regular	140,760	6,120	146,880	146,880	-
Tuition to County Vocational - Special	21,200	5,565	26,765	26,765	-
Total Instruction	4,473,921	(136,313)	4,337,608	4,195,821	141,787

BRIELLE SCHOOL DISTRICT

**Exhibit C-1
Sheet 4 of 9**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Health Services:					
Salaries	88,441	247	88,688	82,721	5,967
Supplies and Materials	3,000	953	3,953	3,953	-
Total Health Services	<u>91,441</u>	<u>1,200</u>	<u>92,641</u>	<u>86,674</u>	<u>5,967</u>
Guidance:					
Salaries of Other Professional Staff	71,798	5,452	77,250	76,874	376
Total Guidance	<u>71,798</u>	<u>5,452</u>	<u>77,250</u>	<u>76,874</u>	<u>376</u>
Other Support Services - Student Related Services:					
Salaries	73,879	4,746	78,625	66,923	11,702
Purchased Professional Educational Services	197,100	54	197,154	197,154	-
Total Other Support Services - Student Related Svcs.	<u>270,979</u>	<u>4,800</u>	<u>275,779</u>	<u>264,077</u>	<u>-</u>
Other Support Services - Students Extra Services:					
Salaries	<u>208,704</u>	<u>(59,938)</u>	<u>148,766</u>	<u>147,598</u>	<u>1,168</u>
Other Support Services - Students Special:					
Salaries of Other Professional Staff	179,876	6,806	186,682	185,978	704
Salaries Secretarial and Clerical	37,375		37,375	37,374	1
Purchased Professional Educational Services	110,890	(296)	110,594	99,240	11,354
Total Other Support Services - Students Special	<u>328,141</u>	<u>6,510</u>	<u>334,651</u>	<u>322,592</u>	<u>12,059</u>
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	53,582	261	53,843	53,843	-
Salaries of Other Professional Staff	7,500	(261)	7,239	1,287	5,952
Total Improvement of Instructional Services	<u>61,082</u>	<u>-</u>	<u>61,082</u>	<u>55,130</u>	<u>5,952</u>

BRIELLE SCHOOL DISTRICT

**Exhibit C-1
Sheet 5 of 9**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Educational Media Services/School Library:					
Salaries	163,652	9,006	172,658	172,658	-
Purchased Professional/Technical Services	1,000		1,000	1,000	-
Supplies & Materials	7,300	(1,800)	5,500	3,805	1,695
Total Educational Media Services/School Library	<u>171,952</u>	<u>7,206</u>	<u>179,158</u>	<u>177,463</u>	<u>1,695</u>
Instructional Staff Training Service:					
Other Objects	<u>20,000</u>	<u>158</u>	<u>20,158</u>	<u>8,444</u>	<u>11,714</u>
Support Services - General Administration:					
Salaries	138,650	230	138,880	118,630	20,250
Legal Services	30,000		30,000	27,166	2,834
Other Purchased Professional Services	15,000	(3,500)	11,500	11,500	-
Communications/Telephone	8,000	(1,073)	6,927	6,927	-
Other Purchased Services (400-500 Series)	40,266	(7,748)	32,518	32,518	-
Miscellaneous Expenditures	45,000	5,268	50,268	50,029	239
BOE Membership Dues And Fees	6,200		6,200	6,183	17
Total Support Services - General Administration	<u>283,116</u>	<u>(6,823)</u>	<u>276,293</u>	<u>252,953</u>	<u>23,340</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	121,082	261	121,343	121,343	-
Salaries of Secretarial and Clerical	77,790	(125)	77,665	77,665	-
Total Support Services - School Administration	<u>198,872</u>	<u>136</u>	<u>199,008</u>	<u>199,008</u>	<u>-</u>

BRIELLE SCHOOL DISTRICT

**Exhibit C-1
Sheet 6 of 9**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Central Services:					
Salaries	<u>159,213</u>	<u>9,140</u>	<u>168,353</u>	<u>159,988</u>	<u>8,365</u>
Administrative Information Technology:					
Purchased Technical Services	<u>42,700</u>	<u>(2,454)</u>	<u>40,246</u>	<u>39,614</u>	<u>632</u>
Required Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	<u>725,853</u>	<u>211,734</u>	<u>937,587</u>	<u>351,934</u>	<u>585,653</u>
General Supplies	<u>55,000</u>	<u>(6,836)</u>	<u>48,164</u>	<u>41,836</u>	<u>6,328</u>
Total Required Maintenance for School Facilities	<u>780,853</u>	<u>204,898</u>	<u>985,751</u>	<u>393,770</u>	<u>591,981</u>
Other Operations and Maintenance of Plant:					
Salaries	<u>284,315</u>	<u>9,806</u>	<u>294,121</u>	<u>294,121</u>	<u>-</u>
Other Purchased Property Services	<u>6,000</u>	<u>(4,212)</u>	<u>1,788</u>	<u>1,788</u>	<u>-</u>
Insurance	<u>23,579</u>	<u>5,029</u>	<u>28,608</u>	<u>28,608</u>	<u>-</u>
Energy - Electricity	<u>85,000</u>	<u>(7,412)</u>	<u>77,588</u>	<u>77,530</u>	<u>58</u>
Energy - Natural Gas	<u>50,000</u>	<u>(13,815)</u>	<u>36,185</u>	<u>36,185</u>	<u>-</u>
Other Objects	<u>4,100</u>	<u>1,028</u>	<u>5,128</u>	<u>5,093</u>	<u>35</u>
Total Other Operations and Maintenance of Plant	<u>452,994</u>	<u>(9,576)</u>	<u>443,418</u>	<u>443,325</u>	<u>58</u>
Care and Upkeep of Grounds:					
Salaries	<u>24,600</u>	<u>(463)</u>	<u>24,137</u>	<u>24,000</u>	<u>137</u>
Cleaning, Repair & Maintenance	<u>7,200</u>	<u>10,738</u>	<u>17,938</u>	<u>17,938</u>	<u>-</u>
Total Care and Upkeep of Grounds	<u>31,800</u>	<u>10,275</u>	<u>42,075</u>	<u>41,938</u>	<u>137</u>
Security:					
Cleaning, Repair and Maintenance	<u>2,000</u>	<u>1,608</u>	<u>3,608</u>	<u>3,118</u>	<u>490</u>
Total Operation & Maintenance of Plant Services	<u>1,267,647</u>	<u>207,205</u>	<u>1,474,852</u>	<u>882,151</u>	<u>592,666</u>

BRIELLE SCHOOL DISTRICT

**Exhibit C-1
Sheet 7 of 9**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Student Transportation Services:					
Contracted Services (Between Home & School) Vendors	42,130		42,130	42,130	-
Contracted Services (Other Than Between Home & School) Vendors	25,000	(2,381)	22,619	22,619	-
Contracted Services (Regular Students) ESC's & CTSA's	158,827	(6,612)	152,215	152,215	-
Contracted Services (Sp. Ed. Students) ESC's & CTSA's	285,139	79,095	364,234	363,831	403
Contracted Services - Aid in Lieu of Payments	23,868	464	24,332	24,332	-
Total Student Transportation Services	<u>534,964</u>	<u>70,566</u>	<u>605,530</u>	<u>605,127</u>	<u>403</u>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	120,000	(1,035)	118,965	98,855	20,110
Other Retirement Contributions-PERS	116,035		116,035	99,476	16,559
Unemployment Compensation	20,000		20,000		20,000
Workmen's Compensation	77,644		77,644	59,287	18,357
Health Benefits	1,109,262	(53,799)	1,055,463	870,748	184,715
Tuition Reimbursement	25,000		25,000	10,542	14,458
Other Employee Benefits	26,350		26,350	18,530	7,820
Unused Sick Leave/Retired Staff	13,500	872	14,372	14,372	-
Total Unallocated Benefits - Employee Benefits	<u>1,507,791</u>	<u>(53,962)</u>	<u>1,453,829</u>	<u>1,171,810</u>	<u>282,019</u>
On-Behalf TPAF Pension Contributions (Non-Budgeted)				652,971	(652,971)
Reimbursed TPAF Social Security (Non-Budgeted)			-	288,429	(288,429)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>941,400</u>	<u>(941,400)</u>
Total Undistributed Expenditures	<u>9,692,321</u>	<u>52,883</u>	<u>9,745,204</u>	<u>9,586,724</u>	<u>146,743</u>
Total General Current Expense	<u>13,090,096</u>	<u>274,519</u>	<u>13,372,615</u>	<u>13,171,327</u>	<u>189,551</u>

BRIELLE SCHOOL DISTRICT

**Exhibit C-1
Sheet 8 of 9**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Outlay:					
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	30,491		30,491	30,491	-
Total Capital Outlay	<u>30,491</u>	<u>-</u>	<u>30,491</u>	<u>30,491</u>	<u>-</u>
Total Expenditures	13,120,587	274,519	13,403,106	13,201,818	189,551
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(160,345)	(274,519)	(442,864)	865,848	1,296,975
Other Financing Sources/(Uses):					
Transfer from Capital Projects				10,984	10,984
Transfer to Food Service	31,655		31,655	(21,273)	52,928
Total Other Financing Sources/(Uses)	<u>31,655</u>	<u>-</u>	<u>31,655</u>	<u>(10,289)</u>	<u>63,912</u>
Total (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(128,690)	(274,519)	(411,209)	855,559	1,360,887
Fund Balance July 1	<u>1,298,600</u>		<u>1,298,600</u>	<u>1,298,600</u>	<u>-</u>
Fund Balance June 30	<u>\$ 1,169,910</u>	<u>(274,519)</u>	<u>887,391</u>	<u>2,154,159</u>	<u>1,360,887</u>

BRIELLE SCHOOL DISTRICT

**Exhibit C-1
Sheet 9 of 9**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation					
Restricted Fund Balance:					
Capital Reserve				\$ 1	
Maintenance Reserve				955,263	
Designated for Subsequent Years Expenditures- Withdrawal from Maintenance Reserve				200,000	
Committed Fund Balance:					
Year End Encumbrances				583,426	
Unassigned Fund Balance				<u>415,469</u>	
				2,154,159	
Reconciliation to Governmental Funds Statements (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(39,955)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 2,114,204</u>	

BRIELLE SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources	\$ -	16,591	16,591	14,516	2,075
Federal Sources	128,286	39,775	168,061	167,354	707
Total Revenues	<u>\$ 128,286</u>	<u>56,366</u>	<u>184,652</u>	<u>181,870</u>	<u>2,782</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 12,564	5,917	18,481	18,481	
Purchased Professional and Technical Services	9,276	(2,896)	6,380	6,380	
Tuition	105,806	21,144	126,950	126,950	
Supplies		5,117	5,117	5,117	
Other Objects		16,591	16,591	14,516	2,075
Total Instruction	<u>127,646</u>	<u>45,873</u>	<u>173,519</u>	<u>171,444</u>	<u>2,075</u>
Support Services:					
Personal - Services - Benefits	640	774	1,414	1,414	
Purchased Professional Educational Services		9,012	9,012	9,012	
General Supplies		707	707		707
Total Support Services	<u>640</u>	<u>10,493</u>	<u>11,133</u>	<u>10,426</u>	<u>707</u>
Total Expenditures	<u>\$ 128,286</u>	<u>56,366</u>	<u>184,652</u>	<u>181,870</u>	<u>2,782</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BRIELLE SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGET-TO GAAP RECONCILIATIONNOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual Amounts (Budgetary Basis) "Revenue" from Budgetary Comparison Schedule	\$ 14,067,666	181,870
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	39,955	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(39,955)</u>	
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 14,067,666</u>	<u>181,870</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 13,201,818	181,870
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but not Received are reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 13,201,818</u>	<u>181,870</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR PENSIONS (GASB 68) - L**

BRIELLE SCHOOL DISTRICT**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE****NET PENSION LIABILITY - PERS****Exhibit L-1****LAST THREE FISCAL YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,597,364	2,263,755	2,043,985
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,597,364</u>	<u>2,263,755</u>	<u>2,043,985</u>
District's Covered-Employee Payroll	\$ 776,629	788,788	776,629
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	29.90%	34.84%	38.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	38.21%	42.74%	40.71%

BRIELLE SCHOOL DISTRICT**SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS**

Exhibit L-2

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 99,676	80,583	84,214
Contributions in Relation to the Contractually Required Contribution	<u>99,676</u>	<u>80,583</u>	<u>84,214</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 776,629	788,788	776,629
Contributions as a Percentage of Covered-Employee Payroll	12.83%	10.22%	10.84%

BRIELLE SCHOOL DISTRICT**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE****NET PENSION LIABILITY - TPAF**

Exhibit L-3

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>23,203,258</u>	<u>19,626,476</u>	<u>18,037,564</u>
Total	<u>\$23,203,258</u>	<u>19,626,476</u>	<u>18,037,564</u>
District's Covered-Employee Payroll	\$ 3,696,739	3,700,152	3,758,696
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	15.93%	18.85%	20.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

BRIELLE SCHOOL DISTRICT

Exhibit E-1

SPECIAL REVENUE FUND

COMBINING STATEMENT OF REVENUES AND EXPENDITURES

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Title I</u>	<u>Title IIA</u>	<u>I.D.E.A. Part B Basic</u>	<u>I.D.E.A. Part B Pre-School</u>	<u>Jersey Mike's</u>	<u>Ocean First</u>	<u>Local Donations</u>	<u>Total</u>
Revenues:								
Local Sources	\$ -				4,353	3,163	7,000	14,516
Federal Sources	25,012	9,012	126,950	6,380				167,354
Total Revenues	<u>\$ 25,012</u>	<u>9,012</u>	<u>126,950</u>	<u>6,380</u>	<u>4,353</u>	<u>3,163</u>	<u>7,000</u>	<u>181,870</u>
Expenditures:								
Instruction:								
Salaries of Teachers	\$ 18,481							18,481
Purchased Prof. & Technical Services				6,380				6,380
Tuition			126,950					126,950
Supplies	5,117							5,117
Other Objects					4,353	3,163	7,000	14,516
Total Instruction	<u>23,598</u>	<u>-</u>	<u>126,950</u>	<u>6,380</u>	<u>4,353</u>	<u>3,163</u>	<u>7,000</u>	<u>171,444</u>
Support Services:								
Personal Services - Employee Benefits	1,414							1,414
Purchased Professional Educational Services		9,012						9,012
Total Support Services	<u>1,414</u>	<u>9,012</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,426</u>
Total Expenditures	<u>\$ 25,012</u>	<u>9,012</u>	<u>126,950</u>	<u>6,380</u>	<u>4,353</u>	<u>3,163</u>	<u>7,000</u>	<u>181,870</u>

CAPITAL PROJECTS FUND – F

BRIELLE SCHOOL DISTRICT**CAPITAL PROJECTS FUND**

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**IN FUND BALANCE - BUDGETARY BASIS****FOR THE YEAR ENDED JUNE 30, 2016**

Fund Balance - Beginning	\$	10,984
Transfer Balance to General Fund		<u>10,984</u>
Fund Balance - Ending	\$	<u><u>-</u></u>

PROPRIETARY FUNDS – G

BRIELLE SCHOOL DISTRICT
STATEMENT OF NET POSITION

Exhibit G-1

ENTERPRISE FUND

JUNE 30, 2016

	<u>Food Services</u>	<u>Aftercare Program</u>	<u>Total</u>
<u>Assets</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 56,118	5,874	61,992
Accounts Receivable:			
State	255		255
Federal	3,912		3,912
Inventories	7,910		7,910
Total Current Assets	<u>68,195</u>	<u>5,874</u>	<u>74,069</u>
Noncurrent Assets:			
Equipment	136,839		136,839
Accumulated Depreciation	<u>(49,054)</u>		<u>(49,054)</u>
Total Noncurrent Assets	<u>87,785</u>	<u>-</u>	<u>87,785</u>
Total Assets	<u>\$ 155,980</u>	<u>5,874</u>	<u>161,854</u>
<u>Liabilities</u>			
Prepaid Expenses	<u>\$ 2,122</u>	<u>-</u>	<u>2,122</u>
Total Liabilities	<u>\$ 2,122</u>	<u>-</u>	<u>2,122</u>
<u>Net Position</u>			
Investment in Fixed Assets	\$ 87,785		87,785
Unrestricted	<u>66,073</u>	<u>5,874</u>	<u>71,947</u>
Total Net Position	<u>\$ 153,858</u>	<u>5,874</u>	<u>159,732</u>

BRIELLE SCHOOL DISTRICT**STATEMENT OF REVENUES, EXPENSES AND CHANGES**

Exhibit G-2

IN FUND NET POSITION**ENTERPRISE FUND****JUNE 30, 2016**

	<u>Food Services</u>	<u>Aftercare Program</u>	<u>Total</u>
Operating Revenues:			
Local Sources:			
Daily Sales Reimbursable Programs	\$ 103,827		103,827
Fees/Miscellaneous	44	47,796	47,840
Total Operating Revenue	<u>103,871</u>	<u>47,796</u>	<u>151,667</u>
Operating Expenses:			
Salaries	90,819	39,107	129,926
Benefits		2,992	2,992
Cost of Sales	58,503		58,503
Management Fee	4,940		4,940
Depreciation	1,656		1,656
Miscellaneous	19,917		19,917
Total Operating Expenses	<u>175,835</u>	<u>42,099</u>	<u>217,934</u>
Operating (Loss)/Profit	(71,964)	5,697	(66,267)
Non-Operating Revenues:			
State Sources:			
State School Lunch Program	1,366		1,366
Federal Sources:			
National School Lunch Program	19,383		19,383
HHFKA Lunch Program	1,968		1,968
Food Distribution Program	10,076		10,076
Board Subsidy	21,273		21,273
Total Non-Operating Revenues	<u>54,066</u>	<u>-</u>	<u>54,066</u>
Change in Net Position	(17,898)	5,697	(12,201)
Adjustment to Fixed Assets	73,898		73,898
Net Position, July 1	<u>97,858</u>	<u>177</u>	<u>98,035</u>
Net Position, June 30	<u>\$ 153,858</u>	<u>5,874</u>	<u>159,732</u>

BRIELLE SCHOOL DISTRICT**STATEMENT OF CASH FLOWS**

Exhibit G-3

ENTERPRISE FUND**JUNE 30, 2016**

	<u>Food Services</u>	<u>Aftercare Program</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from Daily Sales	\$ 103,871	47,796	151,667
Payments to Employees	(90,819)	(39,107)	(129,926)
Payments to Suppliers	<u>(83,814)</u>	<u>(2,992)</u>	<u>(86,806)</u>
Net Cash Used by Operating Activities	<u>(70,762)</u>	<u>5,697</u>	<u>(65,065)</u>
Cash Flows from Noncapital Financing Activities:			
State Sources	1,366		1,366
Federal Sources	21,351		21,351
Board Subsidy	<u>21,273</u>		<u>21,273</u>
Net Cash Provided by Noncapital Financing Activities	<u>43,990</u>	<u>-</u>	<u>43,990</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(26,772)	5,697	(21,075)
Cash and Cash Equivalents July 1	<u>82,890</u>	<u>177</u>	<u>83,067</u>
Cash and Cash Equivalents June 30	<u>\$ 56,118</u>	<u>5,874</u>	<u>61,992</u>
Cash Flows from Operating Activities:			
Operating (Loss)/Profit	\$ (71,964)	5,697	(66,267)
Adjustments to Reconcile Operating Loss to Cash			
Provided (Used) by Operating Activities:			
Federal Commodities Consumed	10,076		10,076
Depreciation	1,656		1,656
Changes in Assets and Liabilities:			
Increase/(Decrease) in Prepaid Expenses	(1,116)		(1,116)
(Increase)/Decrease in Accounts Receivables	(2,759)		(2,759)
(Increase)/Decrease in Inventory	<u>(6,655)</u>		<u>(6,655)</u>
Net Cash Used by Operating Activities	<u>\$ (70,762)</u>	<u>5,697</u>	<u>(65,065)</u>

FIDUCIARY FUND – H

BRIELLE SCHOOL DISTRICT

TRUST AND AGENCY FUND

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2016

	<u>Agency</u>			<u>Expendable Trusts</u>			
	<u>Student Activity</u>	<u>Flexible Spending Account</u>	<u>Salary Account</u>	<u>Payroll Agency Account</u>	<u>Scholarship Fund</u>	<u>Unemployment Compensation</u>	<u>Totals</u>
Assets:							
Cash and Cash Equivalents	\$ 21,091	1,060	266,471	8,237	23,390	20,331	340,580
Total Assets	<u>\$ 21,091</u>	<u>1,060</u>	<u>266,471</u>	<u>8,237</u>	<u>23,390</u>	<u>20,331</u>	<u>340,580</u>
Liabilities and Net Position:							
Liabilities:							
Due to Student Groups	\$ 21,091						21,091
Reserve for Summer Payroll			266,471				266,471
Payroll Deductions and Withholdings		1,060		8,237			9,297
Total Liabilities	<u>\$ 21,091</u>	<u>1,060</u>	<u>266,471</u>	<u>8,237</u>	<u>-</u>	<u>-</u>	<u>296,859</u>
Net Position:							
Reserved - Scholarships					\$ 23,390		23,390
Reserved - Unemployment Benefits						20,331	20,331
Total Net Position					<u>\$ 23,390</u>	<u>20,331</u>	<u>43,721</u>

BRIELLE SCHOOL DISTRICTEXPENDABLE TRUST FUNDS

Exhibit H-2

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITIONJUNE 30, 2016

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Local Sources:			
Interest on Investments	\$ 8	5	13
Contributions	3,070	8,323	8,323
Total Additions	<u>3,078</u>	<u>8,328</u>	<u>8,336</u>
Deductions:			
Scholarship Payments	2,950		2,950
Unemployment Claims		2,235	2,235
Total Deductions	<u>2,950</u>	<u>2,235</u>	<u>5,185</u>
Change in Net Position	128	6,093	3,151
Net Position, July 1	<u>23,262</u>	<u>14,238</u>	<u>37,500</u>
Net Position, June 30	<u>\$ 23,390</u>	<u>20,331</u>	<u>40,651</u>

BRIELLE SCHOOL DISTRICT**STUDENT ACTIVITY AGENCY FUND**

Exhibit H-3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Balance</u> <u>June 30, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Elementary School:				
School Fund	\$ 5,918	38,853	33,264	11,507
Yearbook	7,854	6,786	7,355	7,285
Student Council	3,162	7,699	8,562	2,299
	<hr/>	<hr/>	<hr/>	<hr/>
Total All Schools	<u>\$ 16,934</u>	<u>53,338</u>	<u>49,181</u>	<u>21,091</u>

BRIELLE SCHOOL DISTRICTPAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTSJUNE 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Assets:				
Cash and Cash Equivalents	\$ 8,136	2,750,280	2,750,179	8,237
Total Assets	<u>\$ 8,136</u>	<u>2,750,280</u>	<u>2,750,179</u>	<u>8,237</u>
Liabilities:				
Payroll Deductions and Withholdings	\$ 8,136	2,750,280	2,750,179	8,237
Total Liabilities	<u>\$ 8,136</u>	<u>2,750,280</u>	<u>2,750,179</u>	<u>8,237</u>

LONG-TERM DEBT – I

BRIELLE SCHOOL DISTRICT

LONG-TERM DEBT

Exhibit I-1

SCHEDULE OF SERIAL BONDS

JUNE 30, 2016

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities Dates</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Amount Outstanding June 30, 2015</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2016</u>
Elementary School Addition	2/27/01	\$ 6,915,000	3/1/2017	\$ 400,000	4.85%	\$ 2,400,000	400,000	2,000,000
			3/1/2018	400,000	4.95%			
			3/1/2019-21	400,000	5.00%			
						<u>\$ 2,400,000</u>	<u>400,000</u>	<u>2,000,000</u>

BRIELLE SCHOOL DISTRICT

DEBT SERVICE FUND

Exhibit I-3

BUDGETARY COMPARISON SCHEDULE

JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Fund to Actual</u>
Revenues:					
Local Sources					
Local Tax Levy	\$ 518,200	-	518,200	518,200	-
Total Revenues	<u>518,200</u>	<u>-</u>	<u>518,200</u>	<u>518,200</u>	<u>-</u>
Expenditures:					
Regular Interest	118,200		118,200	118,200	-
Redemption of Principal	400,000		400,000	400,000	-
Total Expenditures	<u>518,200</u>	<u>-</u>	<u>518,200</u>	<u>518,200</u>	<u>-</u>
Excess Revenues Over Expenditures	-	-	-	-	-
Fund Balance July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATISTICAL SECTION

(Unaudited)

Brielle Board of Education
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

J-1

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities										
Invested in capital assets, net of related debt	\$4,066,694	\$4,170,028	\$4,208,202	\$4,302,411	\$4,391,207	\$4,585,508	\$ 5,482,423	\$5,597,420	\$5,712,879	\$5,849,190
Restricted							672,903	749,188	874,237	1,738,690
Unrestricted							(13,661)	94,834	(2,027,138)	(2,073,548)
Total governmental activities net position	<u>\$4,106,197</u>	<u>\$4,170,028</u>	<u>\$4,208,202</u>	<u>\$4,302,411</u>	<u>\$4,391,207</u>	<u>\$4,585,508</u>	<u>\$ 6,141,665</u>	<u>\$6,441,442</u>	<u>\$4,559,978</u>	<u>\$5,514,332</u>
Business-type activities										
Invested in capital assets, net of related debt	123,425	\$102,717	\$90,988	\$141,847	\$142,626	\$144,278	\$ 23,756	\$18,359	\$15,543	\$87,785
Restricted										
Unrestricted							54,251	64,205	82,492	71,947
Total business-type activities net position	<u>\$123,425</u>	<u>\$102,717</u>	<u>\$90,988</u>	<u>\$141,847</u>	<u>\$142,626</u>	<u>\$144,278</u>	<u>\$ 78,007</u>	<u>\$82,564</u>	<u>\$98,035</u>	<u>\$159,732</u>
District-wide										
Invested in capital assets, net of related debt	\$4,190,119	\$4,272,745	\$4,299,190	\$4,444,258	\$4,533,833	\$4,729,786	\$ 5,506,179	\$5,615,779	\$5,728,422	\$5,936,975
Restricted							672,903	749,188	874,237	1,738,690
Unrestricted							40,590	159,039	(1,944,646)	(2,001,601)
Total district net position	<u>\$4,190,119</u>	<u>\$4,272,745</u>	<u>\$4,299,190</u>	<u>\$4,444,258</u>	<u>\$4,533,833</u>	<u>\$4,729,786</u>	<u>\$ 6,219,672</u>	<u>\$6,524,006</u>	<u>\$4,658,013</u>	<u>\$5,674,064</u>

Source: CAFR Schedule A-1

Brielle Board of Education
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

J-2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Instruction										
Regular	2,870,715	2,913,242	3,272,479	3,090,695	2,577,947	2,755,182	3,029,212	3,129,787	3,011,473	2,933,102
Special Education	446,126	511,306	547,241	504,416	532,330	548,252	493,778	530,298	572,946	615,861
Bilingual Education	6,519	7,206	7,803	7,803	8,000	8,160	8,000	8,000	7,783	
Extracurriculars-Non Sports	34,905	40,942	50,474	37,987	8,758	31,860	34,586	31,819	37,865	
Extracurriculars-Sports	32,939	35,665	45,572	45,696	-	23,025	36,562	37,728	38,784	
Other instruction	-	-	-	10,077	-	-	9,665	10,517	8,489	105,513
Support Services:										
Tuition	2,832,243	3,147,003	3,134,339	3,644,294	4,218,991	4,417,265	4,280,783	4,213,916	4,655,397	4,195,821
Health Services	197,404	212,723	221,531	84,938	63,309	62,686	78,603	78,579	85,298	
Speech, OT/PT	127,116	126,880	423,706	310,593	230,772	232,756	264,274	280,702	284,810	
Guidance	-	-	-	51,204	64,005	67,380	54,616	69,542	70,390	
Child Study Team	244,919	275,735	-	290,151	287,765	283,053	478,710	514,882	500,764	
Student & Instruction Related	53,682	53,136	71,354	54,674	55,494	57,420	68,153	62,442	67,858	1,149,278
Library/Media	71,169	37,994	60,811	83,408	79,000	162,317	163,099	167,145	167,539	
General administrative services	169,685	200,676	190,711	183,449	192,847	201,945	213,806	216,933	251,169	
School administrative services	248,070	249,109	258,823	292,522	267,582	279,477	292,831	278,733	247,720	199,008
Business administrative services	219,970	221,343	243,055	255,497	179,813	184,722	153,331	169,349	160,609	452,555
Building Maintenance	170,527	171,326	203,686	253,657	144,547	159,249	146,415	141,652	373,666	882,151
Custodial Services	456,247	469,852	512,293	443,298	463,238	468,794	439,964	455,621	420,881	
Grounds Upkeep	-	-	-	52,249	62,119	43,648	58,007	43,264	40,465	
Benefits	1,007,464	1,087,545	1,175,115	1,178,074	1,250,984	1,300,125	2,149,524	1,986,782	1,785,093	2,244,992
Pupil transportation	499,179	505,302	508,588	497,644	431,549	485,646	447,733	540,032	521,147	605,127
Interest on long-term debt	272,969	255,780	241,160	225,320	208,600	191,000	167,400	149,267	130,733	111,867
Unallocated depreciation	-	-	-	-	-	-	279,388	303,152	299,134	296,834
Total governmental activities expenses	9,961,848	10,522,765	11,168,741	11,597,646	11,327,650	11,963,962	13,348,440	13,420,142	13,740,013	13,792,109
Business-type activities:										
Food service	185,229	187,833	232,627	197,983	159,143	137,343	186,187	180,218	173,730	175,835
Child Care	-	-	-	-	-	-	50,026	44,056	43,809	42,099
Total business-type activities expense	185,229	187,833	232,627	197,983	159,143	137,343	236,213	224,274	217,539	217,934
Total district expenses	10,147,077	10,710,598	11,401,368	11,795,629	11,486,793	12,101,305	13,584,653	13,644,416	13,957,552	14,010,043
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	-	14,400	18,000	26,060	36,825	13,800	12,000	27,100	30,100	21,001
Pupil transportation	-	40,886	-	-	-	-	-	-	-	-
Business and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	348,563	178,425	191,174	168,500	196,098	342,182	192,320	197,473	173,046	181,870
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	348,563	233,711	209,174	194,560	232,923	355,982	204,320	224,573	203,146	202,871

Brielle Board of Education
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

J-2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services										
Food service	196,342	186,433	183,267	205,897	174,556	153,467	186,187	133,436	128,493	103,871
Child care	-	-	-	-	-	-	50,026	39,125	42,262	47,796
Operating grants and contributions	49,700	-	-	-	-	-	-	31,222	32,764	32,793
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	246,042	186,433	183,267	205,897	174,556	153,467	236,213	203,783	203,519	184,460
Total district program revenues										
Net (Expense)/Revenue										
Governmental activities	348,563	233,711	209,174	194,560	232,923	114,970	13,144,120	13,216,060	13,536,867	13,589,238
Business-type activities	246,042	186,833	183,267	205,897	174,556	153,467	32,069	25,048	14,020	33,474
Total district-wide net expense	594,605	420,544	392,441	400,457	407,479	268,437	13,176,189	13,241,108	13,550,887	13,622,712
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	8,959,586	9,747,922	10,137,139	10,527,417	11,329,491	11,586,001				
Taxes levied for debt service	648,279	625,378	601,158	605,320	608,600	591,000				
Unrestricted grants and contributions	823,808	641,680	783,993	806,904	264,642	467,490				
Payments in lieu of taxes	-	-	-	-	-	-				
Investment earnings	72,866	57,800	38,426	10,845	2,324	3,908				
Miscellaneous income	-	-	-	-	-	23,533				
Transfers	-	-	-	-	-	-				
Total governmental activities	10,504,539	11,072,780	11,560,716	11,950,486	12,205,057	12,671,932	13,665,765	13,830,053	14,076,318	14,543,592
Business-type activities:										
Investment earnings							18	4	1	
Transfers							24,045	25,044	29,490	
Total business-type activities							24,063	25,048	29,491	21,273
Total district-wide	11,099,144	11,493,324	11,953,157	12,350,943	12,612,536	12,940,369	13,689,828	13,855,101	14,105,809	14,564,865
Change in Net Position										
Governmental activities	542,691	550,015	391,975	352,840	254,571	116,970	521,645	634,484	(1,724,304)	954,354
Business-type activities	(60,813)	1,400	49,360	(7,914)	(31,329)	16,123	(8,006)	4,557	15,471	(12,201)
Total district	481,878	551,415	441,335	344,926	223,242	133,093	513,639	639,041	(1,708,833)	942,153

Source: CAFR Schedule A-2

Brielle Board of Education
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

J-3

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ -	164,100	34,680	-	-	-	510,437	722,574	863,253	1,738,690
Unreserved	186,811	190,824	303,299	251,843	307,199	254,864	(13,661)	377,091	395,392	375,514
Total General fund	<u>186,811</u>	<u>354,924</u>	<u>337,979</u>	<u>251,843</u>	<u>307,199</u>	<u>254,864</u>	<u>496,776</u>	<u>1,099,665</u>	<u>1,258,645</u>	<u>2,114,204</u>
All Other Governmental Funds										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	19,798	-	-	-	-	-	162,461	10,984	10,984	-
Debt service fund	-	-	-	-	-	-	5	5	-	-
Total all other governmental funds	<u>\$ 19,798</u>	<u>-</u>	<u>34,679</u>	<u>-</u>	<u>332,076</u>	<u>206,406</u>	<u>162,466</u>	<u>10,989</u>	<u>10,984</u>	<u>-</u>

**Brielle Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years**

J-4

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax Levy	\$ 9,607,865	10,373,301	10,738,297	11,132,737	11,938,091	12,147,081	12,360,603	12,578,347	12,800,400	13,026,874
Tuition Charges	12,375	14,400	20,550	26,060	36,825	13,800	12,000	27,100	30,100	21,001
Interest Earnings	72,866	54,483	15,836	10,845	2,324	1,091	41,318			
Miscellaneous	7,258	3,317	-	-	-	28,015	1,293,350	21,983	33,590	15,570
State Sources	544,997	560,030	794,442	770,115	264,642	462,626	186,859	1,272,850	1,393,092	1,536,937
Federal Sources	-	-	-	-	-	-	-	179,877	150,925	167,354
Total revenue	10,245,361	11,005,531	11,569,125	11,939,757	12,241,882	12,652,613	13,894,130	14,080,157	14,408,107	14,767,736
Expenditures										
Instruction										
Regular Instruction	2,870,715	2,913,242	3,272,479	3,090,695	2,585,207	2,755,182	3,004,413	3,093,470	2,957,977	3,034,673
Special education instruction	446,126	511,306	547,241	504,416	532,330	548,252	493,778	530,298	572,946	615,861
Other special instruction	6,519	7,206	7,803	7,803	8,000	8,160	8,000	8,000	7,783	105,513
Extracurricular-Non sports	34,905	40,942	50,474	37,987	8,758	31,860	34,586	31,819	37,865	-
Extracurricular-Sports	32,939	35,665	45,572	45,696	-	23,025	36,562	37,728	38,784	-
Vocational Education	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	10,077	-	-	9,665	10,517	8,489	-
Support Services:										
Tuition	2,829,811	3,147,003	3,134,339	3,644,294	4,218,991	4,417,265	4,280,783	4,213,916	4,655,397	4,195,821
Student & Instruction Related Services	694,660	706,468	785,610	886,754	780,343	865,612	1,123,502	1,193,007	1,176,659	1,149,278
General Administrative services	169,685	200,676	190,711	183,449	189,727	201,945	197,759	197,218	251,169	199,008
School Administrative services	468,040	470,452	501,878	548,469	447,395	464,199	446,162	448,082	408,329	452,555
Plant Operations and Maintenance	626,774	641,178	715,979	749,204	663,275	671,691	644,386	640,537	835,012	882,151
Pupil Transportation	499,179	505,301	508,987	497,644	431,549	485,646	447,733	540,032	521,147	605,127
Unallocated Employee Benefits	1,007,464	1,087,545	1,175,114	1,178,074	1,250,984	1,300,125	2,149,524	1,986,782	2,046,446	2,113,210
Special Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	34,695	15,114	31,023	45,360	37,714	6,652	399,571	346,623	65,486	30,491
Debt service:										
Principal	379,399	369,120	360,000	380,000	400,000	400,000	400,000	400,000	400,000	400,000
Interest and other charges	268,880	256,258	241,160	225,320	208,600	191,000	173,400	155,400	137,000	118,200
Total expenditures	10,369,791	10,907,476	11,568,370	12,035,242	11,762,873	12,370,614	13,849,824	13,833,429	14,120,489	13,901,888
Excess (Deficiency) of revenues over (under) expenditures	(124,430)	98,055	755	(95,485)	479,009	281,999	44,306	246,728	287,618	865,848
Other Financing sources (uses)										
Adjustments	-	-	-	-	-	-	-	(487)	(99,153)	-
Transfers in	-	-	-	-	-	-	(24,045)	(25,044)	(29,490)	(21,273)
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(24,045)	(25,044)	(128,643)	(21,273)
Net Change in Fund Balances	(124,430)	98,055	755	(95,485)	479,009	281,999	20,261	221,684	158,975	844,575
Debt service as a percentage of Noncapital Expenditures	6.3%	5.7%	5.2%	5.0%	5.2%	4.8%	4.3%	4.12%	3.82%	3.82%
June 30 Fund Balance	\$ 212,555	190,824	295,645	251,843	307,199	254,864	891,316	1,110,654	1,269,629	2,114,204

Source: CAFR Schedule B-2

Brielle Board of Education
Non Tax Levy Income
Last Ten Fiscal Years

Fiscal Year Ended June 30	Interest on Invesements	Tuition Revenue	Miscellaneous	Total
2006	\$ 65,756.00	9,682.00	-	75,438.00
2007	72,866.00	12,375.00	2,258.00	87,499.00
2008	54,483.00	14,400.00	3,317.00	72,200.00
2009	15,836.00	18,000.00	-	33,836.00
2010	10,845.00	26,060.00	-	36,905.00
2011	2,324.00	36,825.00	-	39,149.00
2012	1,091.00	13,800.00	28,015.00	42,906.00
2013	1,752.76	24,000.00	5,597.28	31,350.04
2014	977.38	27,100.00	3,409.70	31,487.08
2015	759.60	38,850.00	709.30	40,318.90

Source: District Records

Brielle Board of Education
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- exempt property	Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized Value)
2007	0	1,703,970,532	0	0	0	0	0	1,703,970,532	0	0	1,703,970,532	0.609	0
2008	0	1,703,512,600	0	0	0	0	0	1,703,512,600	0	0	1,703,512,600	0.630	0
2009	0	1,684,687,233	0	0	0	0	0	1,684,687,233	0	0	1,684,687,233	0.660	0
2010	0	1,672,150,800	0	0	0	0	0	1,672,150,800	0	0	1,672,150,800	0.708	0
2011	0	1,672,150,800	0	0	0	0	0	1,672,150,800	0	0	1,672,150,800	0.726	0
2012	0	1,637,013,700	0	0	0	0	0	1,637,013,700	0	0	1,637,013,700	0.755	0
2013	0	1,568,084,100	0	0	0	0	0	1,568,084,100	0	0	1,568,084,100	0.802	0
2014	0	1,504,388,800	0	0	0	0	0	1,504,388,800	0	0	1,504,388,800	0.851	0
2015	0	1,410,052,700	0	0	0	0	0	1,410,052,700			1,410,052,700	0.924	0
2016	0		0	0	0	0	0		0	0		0.867	0

Brielle Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Year	Property Value	Tax	Rate	Tax Rate Per \$100 Assessed Valuation
2007	1,703,970,532	9,607,865	0.005639	0.564
2008	1,703,512,600	10,373,301	0.006089	0.609
2009	1,703,512,600	10,738,297	0.006304	0.630
2010	1,684,687,233	11,132,737	0.006608	0.661
2011	1,672,150,800	11,938,091	0.007139	0.714
2012	1,637,013,700	12,360,603	0.007551	0.755
2013	1,568,084,100	12,578,347	0.008021	0.802
2014	1,504,388,800	12,800,400	0.008509	0.851
2015	1,410,052,700		0.924	0.924
2016	N/A			

Brielle Board of Education
 Ten Principal Property Taxpayers

2015

Tax Payer	Taxable Assessed		
	Value	Rank	% of Total District Net Assessed Value
Manasquan River Golf Club	20,641,800	1	1.46%
Brielle Sui Generis	9,962,100	2	0.71%
Brandywine East II	7,781,100	3	0.55%
Brandywine At Brielle	7,686,800	4	0.55%
Private Residence #1	5,551,900	5	0.39%
Private Residence #2	5,132,600	6	0.36%
Private Residence #3	4,750,000	7	0.34%
Brielle Yacht Club	4,536,000	8	0.32%
Private Residence #4	4,079,600	9	0.29%
Private Residence #5	4,040,900	10	0.29%
Total	74,162,800.00		
Total Assessed Value - all properties	1,410,052,700		

Brielle Board of Education
 School Property Tax Levies and Collections
 Last Nine Years

Collected within the Fiscal Year of the
 Levy

Fiscal Year Ended June 30, Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	10,373,301.00	10,373,301.00	100.00%	
2009	10,738,297.00	10,738,297.00	100.00%	
2010	11,132,737.00	11,132,737.00	100.00%	
2011	11,938,091.00	11,938,091.00	100.00%	
2012	12,147,081.00	12,147,081.00	100.00%	
2013	12,360,603.00	12,360,603.00	100.00%	
2014	12,578,347.00	12,578,347.00	100.00%	
2015	12,800,400.00	12,800,400.00	100.00%	
2016	13,026,874.00	13,026,874.00	100.00%	

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

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Brielle Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities	
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANS)	Total District
2007	5,470,000		16,145		5,486,145
2008	5,140,000		15,114		5,155,114
2009	4,780,000		-		4,780,000
2010	4,400,000		-		4,400,000
2011	4,000,000		-		4,000,000
2012	3,600,000		-		3,600,000
2013	3,200,000		-		3,200,000
2014	2,800,000		-		2,800,000
2015	2,400,000				2,400,000
2016	2,000,000				2,000,000

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

Brielle Board of Education
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Taxable Valuation	Percentage of Actual Taxable Value of Property	Debt Limit
2006	5,770,000		614,583,627	0.94%	18,437,508
2007	5,470,000		1,703,970,532	0.32%	49,953,533
2008	5,140,000		1,703,512,600	0.30%	49,914,417
2009	4,780,000		1,703,512,600	0.28%	49,914,417
2010	4,400,000		1,684,687,233	0.26%	49,914,417
2011	4,000,000		1,672,150,800	0.24%	49,914,417
2012	3,600,000		1,672,150,800	0.22%	49,914,417
2013	3,200,000		1,638,097,438	0.20%	49,914,417
2014	2,800,000		1,568,084,100	0.18%	49,914,417
2015	2,400,000		1,410,052,700	0.17%	49,914,417

Brielle Board of Education
 Ratios of Overlapping Governmental Activities Debt as of December 31, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes Brielle Boro	\$ 2,998,874.00	100.00%	
 Brielle School District Direct Debt	<u>2,000,000.00</u>		
 Total Direct and Overlapping Debt	<u><u>\$ 4,998,874.00</u></u>		

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Brielle Board of Education
Legal Debt Margin Information
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	46,732,408	46,732,408	49,914,417	49,914,417	49,914,417	49,914,417	49,914,417	49,914,417	49,914,417	49,914,417
Total net debt applicable to limit	5,470,000	5,140,000	4,780,000	4,380,000	4,000,000	3,600,000	3,200,000	2,800,000	2,400,000	2,000,000
Legal Debt Margin	41,262,408	41,592,408	45,134,417	45,534,417	45,914,417	46,314,417	46,714,417	47,114,417	47,514,417	47,914,417
Total net debt applicable to the limit as a percentage of debt limit	11.70%	11.00%	9.58%	8.78%	8.01%	7.21%	6.41%	5.61%	4.81%	4.01%

Source: Abstract of Ratables and District Records, CAFR Schedule J-7

Brielle Board of Education
 Demographic and Economic Statistics
 Last Ten Fiscal Years

Year	Population	Student Enrollment	Ratio of Students to Population
2007	4990	714	0.14
2008	5001	712	0.14
2009	5012	713	0.14
2010	4990	728	0.15
2011	4774	665	0.14
2012	4774	606	0.13
2013	4783	611	0.13
2014	4774	574	0.12
2015	4757	558	0.12
2016	4757	551	0.12

Brielle Board of Education
 Principal Employers
 Current Year and Ten Years Ago

Employer	2015			2006		
	Employees	Rank	Percentage of total employment	Employees	Rank	Percentage of total employment
Manasquan River Golf Club	125	1		125	1	
Brielle Board of Education	78	2		81	2	
Borough of Brielle	49	3		37	3	

Brielle Board of Education
 Full-Time Equivalent District Employees by Function/Program
 Last Eight Fiscal Years Plus Budget

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016
120-100 Regular Education Teachers	48	48	37.5	37	44	49	48	42
100-101 Teachers Special Revenue	8	6	6	6	6	0	0	6
100-106 Classroom Aides	4	15	9	8	8.5	9	12	9
213-100 Health Services	4	2	2	2	1.5	1.5	1.5	1.5
216-100 Speech	2	2		0	0	0	0	0
218-104 Guidance	2	1	1		1	1	1	1
219-104 Child Study Team	3	3	3	3	4	4	3.6	3.8
221-102 Supervisors	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
222-100 Media Technology	1	1	2	2	2	2	2	2
230-100 General Administration	4	3.5	3.5	3.5	3.5	3	3	3
240-100 Administration	1	1	1	1	1	1.5	1.5	1.5
250-100 Business Administration	3	3	2	2	2	2	2	2
26X-100 Buildings and Grounds	7	7	7	6	6	6	6	6
Total	87.5	93.0	74.5	71	80	79.5	81.1	78.3

Brielle Board of Education
 Operating Statistics
 Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change Cost Per Pupil	Teaching Staff	Pupil/Teacher Ratio	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Student Attendance Percentage
			8,988						
2007	714	10,369,791	8,903	-0.95%	57	12.53	708	675	95.34%
2008	712	10,907,476	9,346	4.98%	57	12.49	714	686	96.08%
2009	713	11,568,370	10,320	10.42%	54	13.20	708	680	96.05%
2010	728	12,035,242	10,695	3.63%	43	16.93	727	692	95.19%
2011	665	11,472,483	9,849	-7.91%	43	15.47	660	628	95.15%
2012	605	11,963,962	11,355	15.29%	48	12.60	604	579	95.86%
2013	611	11,913,759	12,363	8.88%	49	12.47	608	577	94.90%
2014	575	12,829,080	22,311		49	11.73	574	551	95.99%
2015	558	13,410,443	24,033		48	11.63	559	537	96.01%
2016	551	13,201,818	23,960		48	11.48	552	532	96.38%

Brielle Board of Education
 School Building Information
 Last Ten Fiscal Years

District Building	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Brielle School										
Square Feet	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Capacity	762	762	762	762	762	762	762	762	762	762
Enrollment	714	712	713	728	665	605	611	574	558	551

Source: District Records, ASSA

Brielle Board of Education
Schedule of Required Maintenance for School Facilities
Last Ten Fiscal Years

School Facility	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Brielle Elementary School	\$725,853	\$373,666	\$141,652	\$629,200	\$671,691	\$663,275	\$749,204	\$683,062	\$642,449	\$626,774

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Brielle Board of Education
Insurance Schedule
for the Fiscal Year ended June 30, 2016

Company	Type of Coverage	Amount
NJSIG	Property Blanket Building & Contents- Replacement Cost Values	\$ 22,232,733.00
NJSIG	Flood (exc. Special Flood Hazard Area Flood Zones)	\$ 50,000,000.00
	Earthquake	\$ 50,000,000.00
NJSIG	Crime Insurance	
	Employee Dishonesty	\$ 100,000.00
	Forgery	\$ 100,000.00
	Money & Securities Loss- Theft, Disappearance & Destruction	\$ 50,000.00
	Computer Fraud	\$ 100,000.00
Selective Ins Co. of A	Treasurer Bond	\$ 360,000.00
Selective Ins Co. of A	Business Administrator/Board Secretary Bond	\$ 360,000.00
NJSIG	General Liability	
	Each Occurrence	\$ 31,000,000.00
	Prod/Completed Oper	\$ 31,000,000.00
	Personal Injury	\$ 31,000,000.00
	Fire Damage	\$ 31,000,000.00
	Employee Benefit Liability	\$ 31,000,000.00
	Sexual Misconduct	\$ 31,000,000.00
NJSIG	School Leaders E & O -Coverage A	\$ 31,000,000.00
Zurich	Student Accident- Accident Medical	\$ 1,000,000.00
NJSIG	Workers Compensation	statutory
Zurich	Accident - Volunteers	\$ 25,000.00
Zurich	Student Accident - Voluntary	\$ 500,000.00
NJSIG	WC- Professional Covered Payrolls- Per Audit	\$ 4,694,865.00
	WC- Non-Professional Payrolls - Per Audit	\$ 229,245.00

SINGLE AUDIT SECTION

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

99.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR., C.P.A., P.S.A.
RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:
(732) 280-8888
e-mail:
rah@monmouth.com

2807 Hurley Pond Road • Suite 100
P.O. Box 1409
Wall, New Jersey 07719-1409
(732) 681-4990

**INDEPENDENT AUDITOR'S 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**

Honorable President and Members
of the Board of Education
Brielle School District
County of Monmouth
Brielle, New Jersey

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Brielle Board of Education, County of Monmouth, State of New Jersey as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Brielle Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated November 16, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Brielle Board of Education, County of Monmouth, State of New Jersey's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions of the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Brielle Board of Education, County of Monmouth, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Brielle Board of Education, County of Monmouth, State of New Jersey's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Brielle Board of Education, County of Monmouth, State of New Jersey's financial statements are free from material misstatement, we performed tests of it compliance with certain provisions of laws, regulations, contracts and grant 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*.

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

**Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey**

November 16, 2016

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

101.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
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Telecopier:
(732) 280-8888
e-mail:
rah@monmouth.com

2807 Hurley Pond Road • Suite 100
P.O. Box 1409
Wall, New Jersey 07719-1409
(732) 681-4990

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE AND SCHEDULES OF EXPENDITURE OF STATE
FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members
of the Board of Education
Brielle School District
County of Monmouth
Brielle, New Jersey

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's major state programs for the year ended June 30, 2016. The Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and U.S. 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 state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey'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 state program. However, our audit does not provide a legal determination of the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's compliance.

Opinion on Each Major State Program

In our opinion, the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's, 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 state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's 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 Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey'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 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 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purposes 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 that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

**Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey**

November 16, 2016

BRIELLE SCHOOL DISTRICT

Schedule A
K-3

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<u>Department of Education Project/Title</u>	<u>Federal CFDA Number</u>	<u>Federal FAIN Number</u>	<u>Award Amount</u>	<u>Grant Period</u>		<u>Balance at June 30, 2015</u>	<u>Carryover (Walkover) Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Adjustments</u>	<u>Balance at June 30, 2016</u>		<u>Due to Grantor</u>
				<u>From</u>	<u>To</u>						<u>(Accounts Receivable)</u>	<u>Deferred Revenue</u>	
U.S. Department of Education Passed Through State Department of Education:													
Special Revenue Fund:													
Title I	84.010A	S010A150030	\$ 25,012	9/1/2015	8/31/2016	\$ -		25,012	(25,012)				
Title IIA	84.367A	S367A150029	9,012	9/1/2015	8/31/2016			9,012	(9,012)				
I.D.E.A.:													
Part B - Basic	84.027	H027A150100	126,950	9/1/2015	8/31/2016			126,950	(126,950)				
Preschool	84.173	H173A150114	6,380	9/1/2015	8/31/2016			6,380	(6,380)				
Total Special Revenue Fund						<u>-</u>	<u>-</u>	<u>167,354</u>	<u>(167,354)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
U.S. Department of Agriculture Passed Through State Department of Education:													
Enterprise Fund:													
National School Lunch Program	10.555	16161NJ304N1099	20,575	7/1/2014	6/30/2015	(1,318)		1,318					
National School Lunch Program	10.555	16161NJ304N1099	19,383	7/1/2015	6/30/2016			15,839	(19,383)		(3,544)		
HHFKA Lunch Program	10.555	16161NJ304N1099	1,968	7/1/2015	6/30/2016			1,600	(1,968)		(368)		
Food Distribution Program	10.550	16161NJ304N1099	10,076	7/1/2015	6/30/2016			10,076	(10,076)				
Total Enterprise Fund						<u>(1,318)</u>	<u>-</u>	<u>28,833</u>	<u>(31,427)</u>	<u>-</u>	<u>(3,912)</u>	<u>-</u>	<u>-</u>
Total Federal Financial Awards						<u>\$ (1,318)</u>	<u>-</u>	<u>196,187</u>	<u>(198,781)</u>	<u>-</u>	<u>(3,912)</u>	<u>-</u>	<u>-</u>

See Accompanying Notes to Schedules of Financial Assistance.

BRIELLE SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Schedule B
K-4

State Grant or Department of Education Project/Title	State Grant Number	Award Amount	Grant Period		Balance at June 30, 2015		Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2016			MEMO	
			From	To	Deferred Revenue Accounts Receivable	Carryover (Walkover) Amount				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:														
General Fund:														
Special Education Aid	16-495-034-5120-089	\$ 353,099	07/01/15	06/30/16	\$ -		353,099	(353,099)					(32,804)	353,099
Transportation Aid	16-495-034-5120-014	35,030	07/01/15	06/30/16			35,030	(35,030)					(3,254)	35,030
Additional Adjustment Aid	16-495-034-5120-085	13,186	07/01/15	06/30/16			13,186	(13,186)					(1,225)	13,186
Transportation Aid N.P.	16-495-034-5120-014	6,071	07/01/15	06/30/16				(6,071)			(6,071)			6,071
Transportation Aid N.P.	15-495-034-5120-014	8,038	07/01/14	06/30/15	(8,038)		8,038							
Security Aid	16-495-034-5120-084	12,633	07/01/15	06/30/16			12,633	(12,633)					(1,174)	12,633
Extraordinary Aid	16-495-034-5120-473	159,398	07/01/15	06/30/16				(159,398)			(159,398)			159,398
Extraordinary Aid	15-495-034-5120-473	175,319	07/01/14	06/30/15	(175,319)		175,319						(749)	8,060
PARCC Readiness Aid	16-495-034-5120-098	8,060	07/01/15	06/30/16			8,060	(8,060)					(749)	8,060
Per Pupil Growth Aid	16-495-034-5120-097	8,060	07/01/15	06/30/16			8,060	(8,060)					(749)	8,060
Reimbursed TPAF Social Security Contributions	15-495-034-5095-003	269,144	07/01/14	06/30/15	(26,961)		26,961							
Reimbursed TPAF Social Security Contributions	16-495-034-5095-003	288,429	07/01/15	06/30/16			288,429	(288,429)						288,429
Total General Fund					(210,318)	-	928,815	(883,966)	-	(165,469)	-	-	(39,955)	883,966
Enterprise Fund:														
National School Lunch Program (State Share)	16-100-010-3350-023	1,366	07/01/15	06/30/16			1,111	(1,366)			(255)			1,366
	15-100-010-3350-023	1,401	07/01/14	06/30/15	(90)		90							
Total Enterprise Fund					(90)	-	1,201	(1,366)	-	(255)	-	-	-	1,366
Total State Financial Awards					\$ (210,408)	-	930,016	(885,332)	-	(165,724)	-	-	(39,955)	885,332

See Accompanying Notes to Schedules of Financial Assistance.

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BRIELLE SCHOOL DISTRICT**NOTES TO SCHEDULES OF AWARDS OF FINANCIAL ASSISTANCE****JUNE 30, 2016****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, Brielle School District. The Board of Education is defined in Note 1 to the Board'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 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. Programs recorded in the food service fund include the National School Lunch Program, the School Breakfast Program, the U.S.D.A Commodities Program and the Special Milk Program. These bases of accounting are described in the Note 1(C) to the Board's general-purpose financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: Relationship to General Purpose Financial Statements

The general-purpose 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 payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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 payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as presented below:

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 883,966		1,366	885,332
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized				
On Behalf Payments Recognized for GAAP Statements but Not Included in the Schedule of Expenditures of State Financial Assistance	652,971			652,971
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	_____	_____	_____	_____
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 1,536,937</u>	_____	<u>1,366</u>	<u>1,538,303</u>

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$	167,354	31,427	198,781
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized	_____	_____	_____	_____
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	\$ _____	<u>167,354</u>	<u>31,427</u>	<u>198,781</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 of behalf of the District for the year ended June 30, 2016. 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, 2016.

BRIELLE SCHOOL DISTRICT**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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FOR THE FISCAL YEAR ENDED JUNE 30, 2016*Part I - Summary of Auditor's Results***Financial Statement Section**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?

_____ Yes No

2) Reportable condition(s) identified that are not considered to be material weaknesses?

_____ Yes None Reported

Noncompliance material to general purpose financial statements noted?

_____ Yes No**Federal Awards**

Not Applicable

State Awards

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

\$750,000

Auditee qualified as low-risk auditee?

 Yes _____ No

Type of auditor's report issued on compliance for major programs:

Unmodified

Internal Control over major programs:

(1) Material Weakness(es) identified?

_____ Yes No

(2) Reportable condition(s) identified that are not considered to material weaknesses?

_____ Yes None Reported

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 15-08?

_____ Yes No

Identification of major programs:

GMIS Number(s)

16-495-034-5120-089

16-495-034-5120-084

16-495-034-5120-085

16-495-034-5120-014

16-495-034-5120-097

16-495-034-5120-098

16-495-034-5094-003

Name of State Program

Special Education Aid - Public Cluster

Security Aid - Public Cluster

Additional Adjustment Aid - Public Cluster

Transportation Aid - Public Cluster

Per Pupil Growth Aid - Public Cluster

PARCC Readiness Aid - Public Cluster

Reimbursed TPAF Social Security Contributions

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Part 2 - Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

BRIELLE SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Part 3 - State Awards Financial Assistance Findings and Questioned Costs

This section identifies audit findings required to be reported by Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08, as amended.

Federal Awards

Not Applicable

State Awards

Finding: None

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prior Audit Findings:

None