

**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, 2018**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

BOROUGH OF BRIELLE BOARD OF EDUCATION

BRIELLE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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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INTRODUCTORY SECTION



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Superintendent/
Principal

COLIN SABIA
Vice Principal/
Director of Special Services

EILEEN GORGA
School Business Administrator/
Board Secretary

November 15, 2018

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, 2018. 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 pre-school program has grown in recent years and has accepted sending district handicapped pre-schoolers. 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 2017-2018 fiscal year with a slight increase in enrollment in the elementary school and a very slight increase 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
2017-2018	541	238	-0.5%
2016-2017	541	241	-0.5%
2015-2016	543	248	-2.8%
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. Brielle's enrollment is not expected to decline as much as other neighboring districts due to strong house sales in recent years. 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

We had over 40 students participating in our 1st Blazer Academy and Extended School Year Program.

During the year the building also received some attention with the Phase II window and door replacement project being completed. Several classrooms and hallways were painted. Classrooms received new door and window shades to keep students unobservable during a lock down. Additional security measures were implemented including cameras that were added to the existing camera structure in the school.

By August of 2017, 19 preschoolers and 52 Kindergarten students were registered for the new school year. Brielle Elementary School ended June 30, 2018 with 551 students and in September 2017, 543 students started the new school year which included 24 new students. Brielle Elementary School ended June 30, 2018 with 545 students, up four students from the October 2017 count and the number of students sent to Manasquan High School increased from 238 in October 2017 to 242 in June 2018.

Student involvement in the community continued during the school year with IC Hope winning the Governor's Cup. This is the sixth 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 4,800 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 The Little Mermaid. Parents, students and community members were enthralled with the talent and enthusiasm of the students.

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. Eliot Colon, Mrs. Madaly Jones, and Mr. Tedd Vitale. Mr. Colon was re-elected President of the Board of Education.

A very successful fundraiser sponsored by the Brielle Education Foundation and held in November in which the community not only had an enjoyable social event but also raised over \$40,000 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, 2018.

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, 2018 the District had outstanding debt of \$1,200,000 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

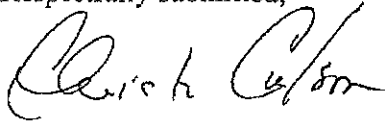
State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart & Company, CPAs was selected by the Board at its January 6, 2018 Reorganization Meeting. In addition to meeting the requirements set forth in 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.

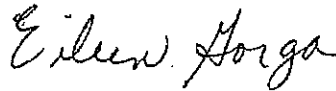
ACKNOWLEDGEMENTS

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 2017-2018**

Members of the Board of Education	Term Expires
Eliot Colon	2020
Karen Dettlinger	2018
Dennis Ingoglia	2018
Madaly Jones	2020
Joseph Milancewich	2018
Karen Myszka-Ostberg	2019
Tedd Vitale	2020
Joseph Lepore	2019
Stephen LaValva	2019
 Other Officials	
Christine E. Carlson	Superintendent
Eileen Gorga	Business Adm/Board Secretary
Wayne S. Oppito	Board Attorney
David Tonzola	Treasurer

BRIELLE BOARD OF EDUCATION**CONSULTANT AND OFFICIALS****JUNE 30, 2018****AUDIT FIRM**

Robert A. Hulsart and Company
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ATTORNEY

Wayne S. Oppito, Esq.
6 William Lane
Wayside, New Jersey

OFFICIAL DEPOSITORIES

Ocean First Bank
2445 Route 34
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INSURERS

Holmes & McDowell
Holmdel, New Jersey

Brown & Brown Insurance
Shrewsbury, New Jersey

FINANCIAL SECTION

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.
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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, 2018, 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, 2018, 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 15, 2018 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 15, 2018

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**BRIELLE BOROUGH SCHOOL DISTRICT
BRIELLE BOROUGH**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018. 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 2018 are as follows:

- ◆ General revenues accounted for \$15,349,268 in revenue. Program specific revenues for operating grants and contributions, and capital grants and contributions accounted for \$396,973 for total revenue of \$15,746,241.
- ◆ The School District had \$15,077,438 in expenses; only \$396,973 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$15,349,268 were adequate to provide for these programs.
- ◆ The General Fund had \$14,900,518 in revenues and \$14,631,597 in expenditures. Other financing uses included transfer to the Food Service Fund of \$32,784. Overall, the General Fund's balance increased from 2017 by \$236,137.

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 2017-2018?" 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 2018 and 2017.

Table I
Net Position

	<u>2018</u>	<u>2017</u>
Total Assets	\$ <u>10,916,748</u>	<u>10,539,046</u>
Deferred Outflow of Resources	<u>802,881</u>	<u>1,142,915</u>
Deferred Inflow of Resources	<u>645,705</u>	<u>79,808</u>
Total Liabilities	<u>4,234,000</u>	<u>5,440,032</u>
Total Net Position	<u>\$ 6,830,924</u>	<u>6,162,121</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 87% percent of revenues for governmental activities for the Brielle Borough School District for fiscal year 2018. The District's total revenues were \$15,746,241 for the year ended June 30, 2018.

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 \$209,101.
- ◆ Changes in Net Position was \$(15,213) after adjustments.
- ◆ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$26,361.

Governmental Activities

	<u>2018</u>	<u>2017</u>
Instruction	\$ 3,932,154	3,795,824
Support Services:		
Pupils and Instructional Staff	5,937,238	5,420,593
General Administration, School Administration, Business Administration	946,083	690,861
Operation and Maintenance of Facilities	762,955	1,388,975
Pupil Transportation	533,667	492,869
Interest on Debt	73,200	92,733
Unallocated Benefits	2,606,229	2,414,421
Unallocated Depreciation	<u>285,912</u>	<u>287,667</u>
 Total Expenses	 <u>\$ 15,077,438</u>	 <u>14,583,943</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.

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.

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 2018, 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 2018, the School District had \$7,859,938 invested in land, buildings, furniture and equipment, and vehicles as follows:

Capital Assets (Net of Depreciation) at June 30, 2018 & 2017

	<u>2018</u>	<u>2017</u>
Land	\$ 60,584	60,584
Building and Improvements	7,531,818	7,365,973
Machinery and Equipment	<u>267,536</u>	<u>320,736</u>
Totals	<u>\$ 7,859,938</u>	<u>7,747,293</u>

Debt Administration

At June 30, 2018 the School district had \$4,149,456 of outstanding debt. Of this amount \$381,702 is for compensated absences. The balance due for the renovation of the school is \$1,200,000. Net pension liability was \$2,567,754.

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, 2018

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 244,224	33,536	277,760
Receivables, Net	215,798	1,236	217,034
Restricted Assets:			
Capital Reserve Account - Cash	1,351,630		1,351,630
Restricted - Cash	1,124,015		1,124,015
Capital Assets-Non Depreciable	60,584		60,584
Capital Assets, Net	<u>7,799,354</u>	<u>86,371</u>	<u>7,885,725</u>
Total Assets	<u>10,795,605</u>	<u>121,143</u>	<u>10,916,748</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>802,881</u>		<u>802,881</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>645,705</u>		<u>645,705</u>
<u>Liabilities</u>			
Accounts Payable	84,495		84,495
Deferred Revenue	49		49
Noncurrent Liabilities:			
Due Within One Year	400,000		400,000
Due Beyond One Year	<u>3,749,456</u>		<u>3,749,456</u>
Total Liabilities	<u>4,234,000</u>	<u>-</u>	<u>4,234,000</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	6,659,938	86,371	6,746,309
Restricted For:			
Other Purposes	2,475,645		2,475,645
Unrestricted	<u>(2,425,802)</u>	<u>34,772</u>	<u>(2,391,030)</u>
Total Net Position	<u>\$ 6,709,781</u>	<u>121,143</u>	<u>6,830,924</u>

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

BRIELLE SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$ 3,148,448			(3,148,448)		(3,148,448)
Special Education	688,335		172,002	(516,333)		(516,333)
Other Instruction	95,371			(95,371)		(95,371)
Support Services:						
Tuition	4,743,815	31,080		(4,712,735)		(4,712,735)
Student & Instruction Related Services	1,193,423		24,604	(1,168,819)		(1,168,819)
School Administrative Services	214,708			(214,708)		(214,708)
Other Administrative Services	514,061			(514,061)		(514,061)
Plant Operations and Maintenance	762,955			(762,955)		(762,955)
Pupil Transportation	533,667			(533,667)		(533,667)
Unallocated Benefits	2,606,229			(2,606,229)		(2,606,229)
Interest on Long-Term Debt	73,200			(73,200)		(73,200)
Unallocated Depreciation	285,912			(285,912)		(285,912)
Total Government Activities	14,860,124	31,080	196,606	(14,632,438)	-	(14,632,438)
Business-Type Activities:						
Aftercare Program	56,027	59,415			3,388	3,388
Food Service	161,287	83,511	26,361		(51,415)	(51,415)
Total Business-Type Activities	217,314	142,926	26,361	-	(48,027)	(48,027)
Total Primary Government	15,077,438	174,006	222,967	(14,632,438)	(48,027)	(14,680,465)

BRIELLE SCHOOL DISTRICT

Exhibit A-2

Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

	<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				13,014,024		13,014,024
Taxes Levied for Debt Service				479,800		479,800
Federal and State Aid Not Restricted				1,850,520		1,850,520
Miscellaneous Income				4,894	30	4,924
Transfer to Food Service				(32,784)	32,784	-
Total General Revenues, Special Items, Extraordinary Items and Transfers				<u>15,316,454</u>	<u>32,814</u>	<u>15,349,268</u>
Change in Net Position				684,016	(15,213)	668,803
Net Position - Beginning				<u>6,025,765</u>	<u>136,356</u>	<u>6,162,121</u>
Net Position - Ending				<u>\$ 6,709,781</u>	<u>121,143</u>	<u>6,830,924</u>

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash and Cash Equivalents-Restricted	\$ 2,475,645		2,475,645
Cash and Cash Equivalents-Nonrestricted	244,224		244,224
Interfund Receivable	44,894		44,894
Receivables, Net	<u>170,855</u>	<u>44,943</u>	<u>215,798</u>
Total Assets	<u>\$ 2,935,618</u>	<u>44,943</u>	<u>2,980,561</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts Payable	\$ 64,495		64,495
Deferred Revenue		49	49
Interfund Payable	<u>-</u>	<u>44,894</u>	<u>44,894</u>
Total Liabilities	<u>64,495</u>	<u>44,943</u>	<u>109,438</u>
Fund Balance:			
Restricted : To:			
Capital Reserve	1,351,630		1,351,630
Maintenance Reserve	541,007		541,007
Designated for Subsequent Years Expenditures - by the Board of Education	188,193		188,193
Assigned To:			
Other Purposes	394,814		394,814
Unassigned-General Fund	<u>395,479</u>		<u>395,479</u>
Total Fund Balances	<u>2,871,123</u>		<u>2,871,123</u>
Total Liabilities and Fund Balance	<u>\$ 2,935,618</u>	<u>44,943</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 \$15,723,614 and the accumulated depreciation is \$7,799,354.

7,859,938

Deferred outflow of resources - contributions to the pension plan

802,881

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

(654,705)

Accrued Interest

(20,000)

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

(4,149,456)

Net Position of Governmental Activities

\$ 6,709,781

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>				
Local Sources:				
Local Tax Levy	\$ 13,014,024		479,800	13,493,824
Tuition	31,080			31,080
Miscellaneous	4,894	3,299		8,193
Total Local Sources	<u>13,049,998</u>	<u>3,299</u>	<u>479,800</u>	<u>13,533,097</u>
State Sources	1,850,520	-		1,850,520
Federal Sources		193,307		193,307
Total Revenues	<u>14,900,518</u>	<u>196,606</u>	<u>479,800</u>	<u>15,576,924</u>
<u>Expenditures</u>				
Current:				
Regular Instruction	3,063,515			3,063,515
Special Education Instruction	516,333	172,002		688,335
Other Instruction	95,371			95,371
Support Services and Undistributed Costs:				
Tuition	4,743,815			4,743,815
Student and Instruction Related Services	1,168,819	24,604		1,193,423
School Administrative Services	214,708			214,708
Other Administrative Services	514,061			514,061
Plant Operations and Maintenance	1,227,049			1,227,049
Pupil Transportation	533,667			533,667
Unallocated Benefits	2,523,768			2,523,768
Capital Outlay	30,491			30,491
Debt Service:				
Principal			400,000	400,000
Interest and Other Charges			79,800	79,800
Total Expenditures	<u>14,631,597</u>	<u>196,606</u>	<u>479,800</u>	<u>15,308,003</u>

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

BRIELLE SCHOOL DISTRICT

Exhibit B-2
Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>268,921</u>	<u>-</u>	<u>-</u>	<u>268,921</u>
Other Financing Sources (Uses):				
Transfer to Food Service	<u>(32,784)</u>	<u>-</u>	<u>-</u>	<u>(32,784)</u>
Total Other Financing Sources (Uses)	<u>(32,784)</u>	<u>-</u>	<u>-</u>	<u>(32,784)</u>
Net Change in Fund Balances	236,137	-	-	236,137
Fund Balance - July 1	<u>2,634,986</u>	<u>-</u>	<u>-</u>	<u>2,634,986</u>
Fund Balance - June 30	<u>\$ 2,871,123</u>	<u>-</u>	<u>-</u>	<u>2,871,123</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, 2018

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 236,137
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	(285,912)
Capital Outlays	<u>494,585</u>
	208,673
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	(84,933)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	(340,034)
Pension Related Deferrals	(574,897)
Net Pension Liability	832,470
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>6,600</u>
Change in Net Position of Governmental Activities	<u>\$ 684,016</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, 2018

	<u>Business-type Activities Enterprise Fund</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 33,536
Accounts Receivable:	
State	84
Federal	1,152
Total Current Assets	<u>34,772</u>
Noncurrent Assets:	
Equipment	152,357
Accumulated Depreciation	<u>(65,986)</u>
Total Noncurrent Assets	<u>86,371</u>
Total Assets	<u><u>\$ 121,143</u></u>
<u>Net Position</u>	
Investment in Fixed Assets	\$ 86,371
Unrestricted	<u>34,772</u>
Total Net Position	<u><u>\$ 121,143</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, 2018

	<u>Business-type Activities Enterprise Fund</u>
Operating Revenues:	
Local Sources:	
Daily Sales Reimbursable Programs	\$ 70,998
Daily Sales Non Reimbursable Programs	12,513
Fees	59,415
Total Operating Revenue	<u>142,926</u>
Operating Expenses:	
Salaries	128,063
Benefits	2,694
Cost of Sales - Reimbursable Programs	48,846
Cost of Sales - Non Reimbursable Programs	8,620
Depreciation	9,563
Miscellaneous	19,434
Total Operating Expenses	<u>217,220</u>
Operating (Loss)/Profit	(74,294)
Non-Operating Revenues:	
Interest Revenue	30
State Sources:	
State School Lunch Program	1,197
Federal Sources:	
National School Lunch Program	15,160
HHFKA Lunch Program	1,420
Food Distribution Program	8,584
Board Subsidy	32,784
Total Non-Operating Revenues	<u>59,175</u>
Change in Net Position	(15,119)
Adjustment to Fixed Assets	(94)
Net Position, July 1	<u>136,356</u>
Net Position June 30	<u>\$ 121,143</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, 2018**

	Business-type Activities
	Enterprise Fund
	Fund
Cash Flows from Operating Activities:	
Receipts from Daily Sales	\$ 142,926
Payments to Employees	(128,063)
Payments to Suppliers	(60,374)
Net Cash Used by Operating Activities	<u>(45,511)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	1,197
Federal Sources	16,580
Board Subsidy	32,784
Net Cash Provided by Noncapital Financing Activities	<u>50,561</u>
Cash Flows from Investing Activities:	
Interest Revenue	30
Net Cash Provided by Investing Activities	<u>30</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	5,080
Cash and Cash Equivalents July 1	<u>28,456</u>
Cash and Cash Equivalents June 30	<u>\$ 33,536</u>
Cash Flows from Operating Activities:	
Operating (Loss)/Profit	\$ (74,294)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Federal Commodities Consumed	8,584
Depreciation	9,563
Changes in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivables	2,199
(Increase)/Decrease in Inventory	8,437
Net Cash Used by Operating Activities	<u>\$ (45,511)</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, 2018**

	<u>Scholarship Fund</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account</u>	<u>Agency Funds</u>
Assets:				
Cash and Cash Equivalents	\$ 21,206	35,182	560	294,285
Total Assets	<u>\$ 21,206</u>	<u>35,182</u>	<u>560</u>	<u>294,285</u>
Liabilities:				
Payroll Deductions and Withholdings			\$ 560	294,285
Total Liabilities			<u>\$ 560</u>	<u>294,285</u>
Net Position:				
Reserved - Scholarship	\$ 21,206			
Reserved - Unemployment Benefits		35,182		
Total Net Position	<u>\$ 21,206</u>	<u>35,182</u>		

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

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

Exhibit B-8

FIDUCIARY FUNDS**JUNE 30, 2018**

	Scholarship Fund	Unemployment Compensation Trust
	<hr/>	<hr/>
<u>Additions</u>		
Interest on Investments	\$ 9	24
Contributions	175	9,183
Total Additions	<hr/> 184	<hr/> 9,207
<u>Deductions</u>		
Scholarship Payments	1,950	
Unemployment Claims		269
Total Deductions	<hr/> 1,950	<hr/> 269
Change in Net Position	(1,766)	8,938
Net Position - Beginning of Year	<hr/> 22,972	<hr/> 26,244
Net Position - End of the Year	<hr/> <hr/> \$ 21,206	<hr/> <hr/> 35,182

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, 2018

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 School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transaction related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

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

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. Principal 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, 2018 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, 2018.

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, 2018. 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, 2018 was as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2018</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	14,471,307	421,631			14,892,938
Equipment	<u>705,999</u>	<u>69,555</u>		(24,260)	<u>751,294</u>
Total	<u>15,196,104</u>	<u>491,186</u>	_____	(24,260)	<u>15,663,030</u>

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

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2018</u>
Less: Accumulated Depreciation For:					
Sites	(18,798)				(18,798)
Buildings	(7,105,334)	(255,500)	(286)		(7,361,120)
Equipment	<u>(481,291)</u>	<u>(30,412)</u>	<u>—</u>	<u>27,945</u>	<u>(483,758)</u>
Total Accumulated Depreciation	<u>(7,605,423)</u>	<u>(285,912)</u>	<u>(286)</u>	<u>27,945</u>	<u>(7,863,676)</u>
Net Depreciable Assets	<u>7,590,681</u>	<u>205,274</u>	<u>(286)</u>	<u>3,685</u>	<u>7,799,354</u>
Government Activities:					
Capita Assets, Net	<u>\$ 7,651,265</u>	<u>205,274</u>	<u>(286)</u>	<u>3,685</u>	<u>7,859,938</u>
Business-Type Activities:					
Equipment	\$ 154,357			(2,000)	152,357
Less: Accumulated Depreciation:					
Equipment	<u>(58,329)</u>	<u>(9,563)</u>	<u>—</u>	<u>1,906</u>	<u>(65,986)</u>
Business-Type Activities Capital Assets (Net)	<u>\$ 96,028</u>	<u>(9,563)</u>	<u>—</u>	<u>(94)</u>	<u>86,371</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	<u>\$ 285,912</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).

M. Net Position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted – Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

NOTE 1: Summary of Significant Accounting Policies (Continued)

M. Net Position (Continued)

Fund Balance

Restricted – The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) if employed to previously commit those amounts.

Assigned – The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

Unassigned – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order; committed, assigned, then unassigned.

NOTE 2: Cash and Cash Equivalents and Investments

Cash and cash equivalents for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

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.

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, 2018, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash <u>Equivalents</u>
Checking, Money Market Accounts	<u>\$ 3,124,551</u>

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

Investments (Continued)

During the period ended June 30, 2018, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2018 was \$3,124,551 and the bank balance was \$3,259,599, of the bank balance \$250,000 was covered by federal depository insurance and \$3,009,599 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>3,009,599</u>
	<u>\$ 3,259,599</u>

As of June 30, 2018, 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, 2018, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Long-Term</u> <u>Portion</u>	<u>Amount Due</u> <u>In One Year</u>
Pension Liability	\$ 3,400,224		(832,470)	2,567,754	2,567,754	
Compensated Absences Payable	296,769	99,645	(14,712)	381,702	381,702	
Bonds Payable	<u>1,600,000</u>	<u> </u>	<u>(400,000)</u>	<u>1,200,000</u>	<u>800,000</u>	<u>400,000</u>
Total	<u>\$ 5,296,993</u>	<u>99,645</u>	<u>(1,247,182)</u>	<u>4,149,456</u>	<u>3,749,456</u>	<u>400,000</u>

NOTE 3: General Long-Term Debt (Continued)

a. **Bonds Payable** – Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

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 \$1,200,000 at June 30, 2018.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
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>\$ 1,200,000</u>	<u>120,000</u>	<u>1,320,000</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.

NOTE 4: Pension Plans (Continued)

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.

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.

NOTE 4: Pension Plans (Continued)

During the year ended June 30, 2018, the State of New Jersey contributed \$922,741 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 \$292,045 during the year ended June 30, 2018 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

<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>
6/30/18	\$ 106,521	100%	0
6/30/17	103,149	100%	0
6/30/16	99,476	100%	0

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>
6/30/18	\$ 922,741	100%	0
6/30/17	749,110	100%	0
6/30/16	652,971	100%	0

Pension Expense Deferred Outflows/Inflows – PERS**Plan Description**

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

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

The following represents the membership tiers for PERS:

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

NOTE 4: Pension Plans (Continued)**Pension Expense Deferred Outflows/Inflows – PERS (Continued)****Plan Description**

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

Basis of Presentation

The schedule of employer allocations and the schedule of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2016 through June 30, 2017. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each individual employer of the State and local groups of the plan.

NOTE 4: Pension Plans (Continued)**Allocation Methodology and Reconciliation to Financial Statements (Continued)**

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2017 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2017.

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

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

For the year ended June 30, 2018, the District recognized pension expense of \$106,521. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 60,462	
Changes of Assumptions	517,314	515,417
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	17,485	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	101,099	139,288
District Contributions Subsequent to the Measurement Date	<u>106,521</u>	<u> </u>
Total	<u>\$ 802,881</u>	<u>654,705</u>

NOTE 4: Pension Plans (Continued)**Allocation Methodology and Reconciliation to Financial Statements (Continued)**

\$802,881 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, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. 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, 2017 and 2016 are as follows:

	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>
Collective Deferred Outflows of Resources	\$ 802,881	1,142,915
Collective Deferred Inflows of Resources	654,705	79,808
Collective Net Pension Liability	2,567,754	3,400,224
District's Proportion	.01103%	.01148%

Components of Net Pension Liability

The components of the collective net pension liability of the participating employers as of June 30, 2017 were as follows:

	<u>2017</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 32,535,896,852	44,852,367,051	77,388,263,903
Plan Fiduciary Net Position	<u>6,890,274,055</u>	<u>21,573,965,463</u>	<u>28,464,239,518</u>
Net Pension Liability	<u>\$ 25,645,622,797</u>	<u>23,278,401,588</u>	<u>48,924,024,385</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	21.18%	48.10%	36.78%

The components of the collective net pension liability of the participating employers as of June 30, 2016 were as follows:

	<u>2016</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 36,295,189,928	49,474,698,146	85,769,888,074
Plan Fiduciary Net Position	<u>6,904,504,223</u>	<u>19,857,566,387</u>	<u>26,762,070,610</u>
Net Pension Liability	<u>\$ 29,390,685,705</u>	<u>29,617,131,759</u>	<u>59,007,817,464</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	19.02%	40.14%	31.20%

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

The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	2.25%
Salary Increases: Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% – 5.15% Based on Age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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 (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, 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, 2017, 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:

	2017		
	At 1%	At Current	At 1%
	<u>Decrease (4.00%)</u>	<u>Rate (5.00%)</u>	<u>Increase (6.00%)</u>
State	\$ 29,818,581,732	25,645,622,797	22,179,578,513
Local	<u>28,878,437,027</u>	<u>23,278,401,588</u>	<u>18,612,878,069</u>
Total	<u>\$ 58,697,018,759</u>	<u>48,924,024,385</u>	<u>40,792,456,582</u>
	2016		
	At 1%	At Current	At 1%
	<u>Decrease (3.90%)</u>	<u>Rate (4.90%)</u>	<u>Increase (5.90%)</u>
State	\$ 34,422,851,197	29,390,685,705	25,246,574,457
Local	<u>36,292,338,055</u>	<u>29,617,131,759</u>	<u>24,106,170,190</u>
Total	<u>\$ 70,715,189,252</u>	<u>59,007,817,464</u>	<u>49,352,744,647</u>

Teachers Pensions and Annuity Fund (TPAF)**Plan Description**

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contribution, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

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

NOTE 4: Pension Plans (Continued)**Teachers Pensions and Annuity Fund (TPAF) (Continued)****Plan Description**

The following represents the membership tiers for TPAF:

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

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

Basis of Presentation

The Schedule of employers and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allocation Methodology

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2017. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

NOTE 4: Pension Plans (Continued)**Allocation Methodology (Continued)**

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation had modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

Components of Net Pension Liability

The components of the net pension liability of the State as of June 30, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Total Pension Liability	\$ 90,726,371,000	101,746,770,000
Plan Fiduciary Net Position	<u>23,056,161,829</u>	<u>22,717,862,967</u>
Net Pension Liability	<u>\$ 67,670,209,171</u>	<u>79,028,907,033</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%

State Proportionate Share of Net Pension Liability Attributable to District

	<u>2017</u>	<u>2016</u>
District's Liability	<u>\$ 24,488,545</u>	<u>29,285,931</u>
District's Proportion	.03619%	.03706%

NOTE 4: Pension Plans (Continued)

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases: 2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.00%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvements on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

NOTE 4: Pension Plans (Continued)**Discount Rate**

The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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, 2017 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>
2017 (3.25%, 4.25%, 5.25%)	\$ 80,394,331,171	67,670,209,171	57,188,022,171
2016 (2.22%, 3.22%, 4.22%)	94,378,176,033	79,028,907,033	66,494,248,033

NOTE 5: Post-Retirement Benefits**General Information about the OPEB Plan****Plan description and benefits provided**

P.O. 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. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State 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. (GASB Cod. Sec. 2300.106(g))

NOTE 5: Post-Retirement Benefits (Continued)

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Employees covered by benefit terms. At June 30, 2017, the following employees were covered by the benefit terms:

TPAF participant retirees:

As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf.

PERS participant retirees:

The State paid \$238.9 million toward Chapter 126 benefits for 209,913 eligible retired members in Fiscal Year 2017.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State's CAFR.

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation rate 2.50%

	<u>TPAF</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55% - 4.55% based on years of service	2.15% - 4.15% based on age
Thereafter	2.00% - 5.45% based on years of service	3.15% - 5.15% based on age

NOTE 5: Post-Retirement Benefits (Continued)

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF, PFRS and PERS, respectively.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Changes in the Total OPEB Liability reported by the State of New Jersey.

	Total <u>OPEB Liability</u>
Balance at 6/30/2016 Measurement Date	\$ 57,831,784,184
Changes for the Year:	
Service Cost	2,391,878,884
Interest on Total OPEB Liability	1,699,441,736
Change of Assumptions	(7,086,599,129)
Changes of Benefit Terms	
Differences Between Expected and Actual Experience	
Gross Benefit Payments	(1,242,412,566)
Contributions from the Member	<u>45,748,749</u>
Balance at 6/30/2017 Measurement Date	<u>\$ 53,639,841,858</u>

NOTE 5: Post-Retirement Benefits (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Thereafter	(2,629,618,547)

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.

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, 2018, 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.

NOTE 7: Capital Reserve Account (Continued)

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>
2017-2018	\$	9,207	269	35,182
2016-2017		8,634	2,721	26,244
2015-2016		8,328	2,235	20,331

NOTE 9: Fund Balance Appropriated

General Fund – Of the \$2,914,835 General Fund fund balance at June 30, 2018, \$394,814 is reserved for encumbrances; \$1,351,630 has been reserved in the Capital Reserve Account; \$541,007 is reserved for maintenance; \$188,193 is maintenance reserve designated for subsequent year's expenditures; \$439,191 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, 2018 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

2017-18 Total General Fund Expenditures Per the CAFR	\$ 14,631,597
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(1,214,786)</u>
Adjusted 2017-18 General Fund Expenditures	<u>\$ 13,416,811</u>
2% of Adjusted 2017-18 General Fund Expenditures	\$ 268,336
Enter Above or \$250,000 Whichever is Greater	\$ 268,336
Increased by Allowable Adjustment	<u>170,855</u>
Maximum Unassigned Fund Balance	<u>\$ 439,191</u>
<u>Section 2</u>	
Total General Fund -- Fund Balance @ 6-30-18	\$ 2,914,835
Decreased by:	
Legally Restricted:	
Reserved for Encumbrances	(394,814)
Maintenance Reserve:	
Regular	(541,007)
Designated for Subsequent Years Expenditures	(188,193)
Capital Reserve	<u>(1,351,630)</u>
Total Unassigned Fund Balance	<u>\$ 439,191</u>
Excess Surplus	<u>\$ 0</u>

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

Section 3

Detail of Allowable Adjustments

Extraordinary Aid	\$ 157,121
Non-Public Transportation	<u>13,734</u>
	<u>\$ 170,855</u>

Detail of Other Reserved Fund Balance

Maintenance Reserve	\$ 541,007
Capital Reserve	<u>1,351,630</u>
	<u>\$ 1,892,637</u>

NOTE 15: Interfund Receivables and Payables

Transfers between governmental and business-type activities on the governmental-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

These were interfunds as of June 30, 2018 as follows:

	<u>From</u>	<u>To</u>
General Fund	\$	44,894
Special Revenue Fund	<u>44,894</u>	<u> </u>
	<u>\$ 44,894</u>	<u>44,894</u>

These interfund loans are due to the Special Revenue Fund awaiting Federal reimbursements. Once received, the interfunds will be eliminated, which is expected to be within one year.

**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, 2018

	<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	\$ 13,014,024		13,014,024	13,014,024	-
Tuition	6,000		6,000	31,080	25,080
Unrestricted Miscellaneous Revenue			-	4,894	4,894
Total Local Sources	<u>13,020,024</u>	<u>-</u>	<u>13,020,024</u>	<u>13,049,998</u>	<u>29,974</u>
State Sources:					
Special Education Aid	376,655		376,655	376,655	-
Security Aid	14,351		14,351	14,351	-
Transportation Aid	39,481		39,481	39,481	-
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	-
Professional Learning	7,800		7,800	7,800	-
Extraordinary Aid			-	157,121	157,121
Non Public Transportation			-	13,734	13,734
TPAF Pension (On-Behalf - Non-Budgeted)			-	922,741	922,741
TPAF Social Security (Reimbursed Non-Budgeted)			-	292,045	292,045
Total State Sources	<u>467,593</u>	<u>-</u>	<u>467,593</u>	<u>1,853,234</u>	<u>1,385,641</u>
Total Revenues	<u>13,487,617</u>	<u>-</u>	<u>13,487,617</u>	<u>14,903,232</u>	<u>1,415,615</u>

BRIELLE SCHOOL DISTRICT

Exhibit C-1
Sheet 2 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<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	103,925	(5,299)	98,626	98,626	-
Kindergarten - Salaries of Teachers	267,724	34,023	301,747	301,747	-
Grades 1-5 - Salaries of Teachers	1,438,425	(101,549)	1,336,876	1,336,876	-
Grades 6-8 - Salaries of Teachers	1,006,808	96,524	1,103,332	1,103,332	-
Regular Programs - Home Instruction:					
Salaries	5,500	(4,122)	1,378	1,378	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	9,000	(1,933)	7,067	7,067	-
Other Purchased Services (400-500 Series)	20,000	(11,005)	8,995	8,995	-
General Supplies	173,041	2,318	175,359	145,708	29,651
Textbooks	20,000	26,859	46,859	46,411	448
Other Objects	12,780	595	13,375	13,375	-
Total Regular Programs - Instruction	<u>3,057,203</u>	<u>36,411</u>	<u>3,093,614</u>	<u>3,063,515</u>	<u>30,099</u>
Resource Room/Resource Center:					
Salaries of Teachers	523,474	(8,410)	515,064	515,064	-
General Supplies	1,500		1,500	1,269	231
Total Resource Room/Resource Center	<u>524,974</u>	<u>(8,410)</u>	<u>516,564</u>	<u>516,333</u>	<u>231</u>
Total Special Education - Instruction	<u>524,974</u>	<u>(8,410)</u>	<u>516,564</u>	<u>516,333</u>	<u>231</u>

BRIELLE SCHOOL DISTRICT

Exhibit C-1
Sheet 3 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
School Sponsored Cocurricular Activities-Instruction:					
Salaries	38,080	(1,060)	37,020	37,020	-
Other Objects	5,000	2,076	7,076	6,949	127
Total School Sponsored Cocurricular Activities-Instruction	<u>43,080</u>	<u>1,016</u>	<u>44,096</u>	<u>43,969</u>	<u>127</u>
School Sponsored Athletics - Instruction:					
Salaries	42,738	(3,114)	39,624	33,277	6,347
Other Objects	8,000	2,098	10,098	10,098	-
Total School Sponsored Athletics-Instruction	<u>50,738</u>	<u>(1,016)</u>	<u>49,722</u>	<u>43,375</u>	<u>6,347</u>
Before/After School Programs - Instruction:					
Salaries of Teachers	11,000		11,000	8,027	2,973
Total Instruction	<u>3,686,995</u>	<u>28,001</u>	<u>3,714,996</u>	<u>3,675,219</u>	<u>39,777</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State - Regular	3,467,128	37,285	3,504,413	3,504,413	-
Tuition to Other LEA's Within the State - Special	771,844	(39,763)	732,081	640,447	91,634
Tuition to Private School for the Handicapped Within State	513,677	(7,069)	506,608	390,689	115,919
Tuition to County Vocational - Regular	165,360	21,378	186,738	186,738	-
Tuition to County Vocational - Special	35,360	(13,832)	21,528	21,528	-
Total Instruction	<u>4,953,369</u>	<u>(2,001)</u>	<u>4,951,368</u>	<u>4,743,815</u>	<u>207,553</u>

BRIELLE SCHOOL DISTRICT

Exhibit C-1
Sheet 4 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Health Services:					
Salaries	90,643		90,643	89,028	1,615
Supplies and Materials	3,000		3,000	2,499	501
Total Health Services	93,643	-	93,643	91,527	2,116
Guidance:					
Salaries of Other Professional Staff	79,624	581	80,205	79,403	802
Total Guidance	79,624	581	80,205	79,403	802
Other Support Services - Student Related Services:					
Salaries	77,976	2,237	80,213	74,853	5,360
Purchased Professional Educational Services	202,542	(12,939)	189,603	188,703	900
Total Other Support Services - Student Related Svcs.	280,518	(10,702)	269,816	263,556	6,260
Other Support Services - Students Extra Services:					
Salaries	183,271	(3,523)	179,748	165,522	14,226
Other Support Services - Students Special:					
Salaries of Other Professional Staff	194,758	(437)	194,321	191,954	2,367
Salaries Secretarial and Clerical	39,535		39,535	39,342	193
Purchased Professional Educational Services	85,750	13,376	99,126	99,126	-
Total Other Support Services - Students Special	320,043	12,939	332,982	330,422	2,560
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	56,956		56,956	56,873	83
Salaries of Other Professional Staff	7,500		7,500	5,954	1,546
Total Improvement of Instructional Services	64,456	-	64,456	62,827	1,629

BRIELLE SCHOOL DISTRICT

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<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	161,715		161,715	160,473	1,242
Purchased Professional/Technical Services	1,000	43	1,043	1,043	-
Supplies & Materials	7,300	(43)	7,257	6,859	398
Total Educational Media Services/School Library	<u>170,015</u>	<u>-</u>	<u>170,015</u>	<u>168,375</u>	<u>1,640</u>
Instructional Staff Training Service:					
Other Objects	<u>13,123</u>		<u>13,123</u>	<u>7,187</u>	<u>5,936</u>
Support Services - General Administration:					
Salaries	141,770	13,158	154,928	154,928	-
Legal Services	29,000	(390)	28,610	15,796	12,814
Other Purchased Professional Services	11,500		11,500	11,500	-
Communications/Telephone	10,000	(6,720)	3,280	3,280	-
Other Purchased Services (400-500 Series)	45,799	(3,512)	42,287	42,287	-
Judgments	10,000		10,000		10,000
Miscellaneous Expenditures	45,000	7,361	52,361	52,361	-
BOE Membership Dues And Fees	6,200		6,200	6,183	17
Total Support Services - General Administration	<u>299,269</u>	<u>9,897</u>	<u>309,166</u>	<u>286,335</u>	<u>22,831</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	124,456	9,827	134,283	134,283	-
Salaries of Secretarial and Clerical	81,327	1,698	83,025	80,425	2,600
Total Support Services - School Administration	<u>205,783</u>	<u>11,525</u>	<u>217,308</u>	<u>214,708</u>	<u>2,600</u>

BRIELLE SCHOOL DISTRICT

Exhibit C-1
Sheet 6 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Central Services:					
Salaries	178,422	6,904	185,326	174,423	10,903
Administrative Information Technology:					
Purchased Technical Services	58,702		58,702	53,303	5,399
Required Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	110,000	35,725	145,725	143,425	2,300
General Supplies	55,000	8,552	63,552	63,282	270
Other Objects	408,314	610,424	1,018,738	522,795	495,943
Total Required Maintenance for School Facilities	573,314	654,701	1,228,015	729,502	498,513
Other Operations and Maintenance of Plant:					
Salaries	295,104	13,904	309,008	309,008	-
Other Purchased Property Services	6,000	(4,287)	1,713	1,713	-
Insurance	25,081	(1,704)	23,377	23,377	-
Energy - Electricity	92,592	(8,316)	84,276	84,276	-
Energy - Natural Gas	50,000	(10,322)	39,678	39,678	-
Other Objects	4,100	(675)	3,425	3,425	-
Total Other Operations and Maintenance of Plant	472,877	(11,400)	461,477	461,477	-
Care and Upkeep of Grounds:					
Salaries	10,578	529	11,107	11,107	-
Cleaning, Repair & Maintenance	22,000	2,963	24,963	24,963	-
Total Care and Upkeep of Grounds	32,578	3,492	36,070	36,070	-
Security:					
Cleaning, Repair and Maintenance	2,000		2,000		2,000
Total Operation & Maintenance of Plant Services	1,080,769	646,793	1,727,562	1,227,049	500,513

BRIELLE SCHOOL DISTRICT

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<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	42,497		42,497	42,497	-
Contracted Services (Other Than Between Home & School) Vendors	25,000		25,000	22,383	2,617
Contracted Services (Regular Students) ESC's & CTSA's	159,732	62,535	222,267	199,432	22,835
Contracted Services (Sp. Ed. Students) ESC's & CTSA's	365,358	(56,389)	308,969	257,355	51,614
Contracted Services - Aid in Lieu of Payments	22,000	(6,146)	15,854	12,000	3,854
Total Student Transportation Services	614,587	-	614,587	533,667	80,920
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	120,000		120,000	100,789	19,211
Other Retirement Contributions-PERS	117,056		117,056	106,521	10,535
Unemployment Compensation	20,000		20,000		20,000
Workmen's Compensation	53,044	1,988	55,032	55,032	-
Health Benefits	1,073,361	(1,988)	1,071,373	1,008,003	63,370
Tuition Reimbursement	25,000		25,000	11,104	13,896
Unused Sick Payment To terminated/Retirement Staff	33,684		33,684	27,533	6,151
Total Unallocated Benefits - Employee Benefits	1,442,145	-	1,442,145	1,308,982	133,163
On-Behalf TPAF Pension Contributions (Non-Budgeted)				922,741	(922,741)
Reimbursed TPAF Social Security (Non-Budgeted)			-	292,045	(292,045)
	-	-	-	1,214,786	(1,214,786)
Total Undistributed Expenditures	10,037,739	672,413	10,710,152	10,925,887	(215,735)
Total General Current Expense	13,724,734	700,414	14,425,148	14,601,106	(175,958)

BRIELLE SCHOOL DISTRICT

Exhibit C-1
Sheet 8 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<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	13,755,225	700,414	14,455,639	14,631,597	(175,958)
 Excess (Deficiency) of Revenues Over/(Under) Expenditures	(267,608)	(700,414)	(968,022)	271,635	1,239,657
 Other Financing Sources/(Uses):					
Transfer to Food Service	<u>(33,262)</u>		<u>(33,262)</u>	<u>(32,784)</u>	<u>478</u>
Total Other Financing Sources/(Uses)	<u>(33,262)</u>	<u>-</u>	<u>(33,262)</u>	<u>(32,784)</u>	<u>478</u>
 Total (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(300,870)	(700,414)	(1,001,284)	238,851	1,240,135
 Fund Balance July 1	<u>2,675,984</u>		<u>2,675,984</u>	<u>2,675,984</u>	<u>-</u>
 Fund Balance June 30	<u>\$ 2,375,114</u>	<u>(700,414)</u>	<u>1,674,700</u>	<u>2,914,835</u>	<u>1,240,135</u>

BRIELLE SCHOOL DISTRICT

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<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				\$ 1,351,630	
Maintenance Reserve				541,007	
Designated for Subsequent Years Expenditures- Maintenance Reserve				188,193	
Committed Fund Balance:					
Year End Encumbrances				394,814	
Unassigned Fund Balance				<u>439,191</u>	
				2,914,835	
Reconciliation to Governmental Funds Statements (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(43,712)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 2,871,123</u>	

BRIELLE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources	\$ -	3,299	3,299	3,299	
Federal Sources	193,356		193,356	193,356	
Total Revenues	<u>\$ 193,356</u>	<u>3,299</u>	<u>196,655</u>	<u>196,655</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 27,655		27,655	27,655	
Tuition	120,559		120,559	120,559	
Supplies	20,538		20,538	20,538	
Other Objects		3,299	3,299	3,299	
Total Instruction	<u>168,752</u>	<u>3,299</u>	<u>172,051</u>	<u>172,051</u>	<u>-</u>
Support Services:					
Personal - Services - Benefits	2,052		2,052	2,052	
Purchased Professional and Technical Services	17,552			17,552	
General Supplies	5,000		5,000	5,000	
Total Support Services	<u>24,604</u>	<u>-</u>	<u>7,052</u>	<u>24,604</u>	<u>-</u>
Total Expenditures	<u>\$ 193,356</u>	<u>3,299</u>	<u>196,655</u>	<u>196,655</u>	<u>-</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, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual Amounts (Budgetary Basis) "Revenue" from Budgetary Comparison Schedule	\$ 14,903,232	196,655
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized		(49)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	40,998	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(43,712)</u>	
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 14,900,518</u>	<u>196,606</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 14,631,597	196,655
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		<u>(49)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 14,631,597</u>	<u>196,606</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 FIVE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%	100.000%	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,567,754	3,400,224	2,597,364	2,263,755	2,043,985
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	-	-	-	-	-
Total	<u>\$ 2,567,754</u>	<u>3,400,224</u>	<u>2,597,364</u>	<u>2,263,755</u>	<u>2,043,985</u>
District's Covered-Employee Payroll	\$ 794,171	737,774	776,629	788,788	776,629
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	30.93%	21.70%	29.90%	34.84%	38.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	36.78%	31.20%	38.21%	42.74%	40.71%

BRIELLE SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST FIVE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 103,149	103,149	99,676	80,583	84,214
Contributions in Relation to the Contractually Required Contribution	<u>103,149</u>	<u>103,149</u>	<u>99,676</u>	<u>80,583</u>	<u>84,214</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 794,171	737,774	\$ 776,629	788,788	776,629
Contributions as a Percentage of Covered-Employee Payroll	12.99%	13.98%	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 FIVE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	0.000%	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>24,488,545</u>	<u>29,285,931</u>	<u>23,203,258</u>	<u>19,626,476</u>	<u>18,037,564</u>
Total	<u>\$24,488,545</u>	<u>29,285,931</u>	<u>23,203,258</u>	<u>19,626,476</u>	<u>18,037,564</u>
District's Covered-Employee Payroll	\$ 3,904,789	3,776,182	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	15.95%	12.89%	15.93%	18.85%	20.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%	28.71%	33.64%	33.76%

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR OPEB (GASB 75) - M**

BRIELLE SCHOOL DISTRICT**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS****LAST TWO FISCAL YEARS**

Exhibit M-1

	<u>2017</u>	<u>2016</u>
<u>State of New Jersey's Total OPEB Liability</u>		
Service Cost	\$ 2,391,878,884	1,723,999,319
Interest	1,699,441,736	1,823,643,792
Benefit Payments	(1,242,412,566)	(1,223,298,019)
Member Contributions	45,748,749	46,273,747
Change of Assumptions	<u>(7,086,599,129)</u>	<u>8,611,513,521</u>
Net Change in Total OPEB Liability	(4,191,942,326)	10,982,132,360
Total OPEB Liability - Beginning	<u>57,831,784,184</u>	<u>46,849,651,824</u>
Total OPEB Liability - Ending	<u>\$ 53,639,841,858</u>	<u>57,831,784,184</u>
<u>State's OPEB Liability Attributable to the District</u>		
Service Cost	\$ 902,356	*
Interest	691,698	*
Benefit Payments	(510,023)	*
Member Contributions	18,780	*
Change of Assumptions	<u>(2,694,764)</u>	<u>*</u>
Net Change in Total OPEB Liability	(1,591,953)	*
Total Attributable OPEB Liability - Beginning	<u>23,611,649</u>	<u>*</u>
Total Attributable OPEB Liability - Ending	<u>\$ 22,019,696</u>	<u>23,611,649</u>
District's Proportionate Share of Total OPEB Liability	Zero	Zero
District's Covered Payroll	\$ 4,698,960	4,513,956
District's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	0.00%	0.00%
District's Contribution	None	None
State Covered Employee Payroll (6/30/16 Census Data)	\$ 13,493,400,208	13,493,400,208
Total State OPEB Liability as a Percentage of its Covered-Employee Payroll	397.53%	428.59%

* - Information not available

Source: GASB 75 report on State of New Jersey Health Benefits Program; District Records.

Note: This schedule is required by GASB 75 to show information for a 10 year period. However, information is only currently available for two years. Additional years will be presented as they become available.

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, 2018

	<u>Title I</u>	<u>Title IIA</u>	<u>Title IV</u>	<u>I.D.E.A. Part B Basic</u>	<u>I.D.E.A. Part B Pre-School</u>	<u>Safety Grant</u>	<u>Total</u>
Revenues:							
Local Sources	\$ -					3,299	3,299
Federal Sources	46,045	11,153	9,200	120,559	6,399		193,356
Total Revenues	<u>\$ 46,045</u>	<u>11,153</u>	<u>9,200</u>	<u>120,559</u>	<u>6,399</u>	<u>3,299</u>	<u>196,655</u>
Expenditures:							
Instruction:							
Salaries of Teachers	\$ 27,655						27,655
Tuition				120,559			120,559
General Supplies	16,338		4,200				20,538
Other Objects						3,299	3,299
Total Instruction	<u>43,993</u>	<u>-</u>	<u>4,200</u>	<u>120,559</u>	<u>-</u>	<u>3,299</u>	<u>172,051</u>
Support Services:							
Personal Services - Employee Benefits	2,052						2,052
Purchased Prof. & Technical Services		11,153			6,399		17,552
Other Objects			5,000				5,000
Total Support Services	<u>2,052</u>	<u>11,153</u>	<u>5,000</u>	<u>-</u>	<u>6,399</u>	<u>-</u>	<u>24,604</u>
Total Expenditures	<u>\$ 46,045</u>	<u>11,153</u>	<u>9,200</u>	<u>120,559</u>	<u>6,399</u>	<u>3,299</u>	<u>196,655</u>

CAPITAL PROJECTS FUND – F

N/A

PROPRIETARY FUNDS – G

BRIELLE SCHOOL DISTRICT
STATEMENT OF NET POSITION

Exhibit G-1

ENTERPRISE FUND

JUNE 30, 2018

	Food Services	Aftercare Program	Total
<u>Assets</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 11,805	21,731	33,536
Accounts Receivable:			
State	84		84
Federal	1,152		1,152
Total Current Assets	13,041	21,731	34,772
Noncurrent Assets:			
Equipment	152,357		152,357
Accumulated Depreciation	(65,986)		(65,986)
Total Noncurrent Assets	86,371	-	86,371
Total Assets	\$ 99,412	21,731	121,143
<u>Net Position</u>			
Investment in Fixed Assets	\$ 86,371		86,371
Unrestricted	13,041	21,731	34,772
Total Net Position	\$ 99,412	21,731	121,143

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

Exhibit G-2

IN FUND NET POSITION**ENTERPRISE FUND****JUNE 30, 2018**

	<u>Food Services</u>	<u>Aftercare Program</u>	<u>Total</u>
Operating Revenues:			
Local Sources:			
Daily Sales Reimbursable Programs	\$ 70,998		70,998
Daily Sales Non Reimbursable Programs	12,513		12,513
Fees/Miscellaneous		59,415	59,415
Total Operating Revenue	<u>83,511</u>	<u>59,415</u>	<u>142,926</u>
Operating Expenses:			
Salaries	88,589	39,474	128,063
Benefits		2,694	2,694
Cost of Sales - Reimbursable Programs	48,846		48,846
Cost of Sales - Non Reimbursable Programs	8,620		8,620
Depreciation	9,563		9,563
Miscellaneous	5,575	13,859	19,434
Total Operating Expenses	<u>161,193</u>	<u>56,027</u>	<u>217,220</u>
Operating (Loss)/Profit	(77,682)	3,388	(74,294)
Non-Operating Revenues:			
Interest Revenue		30	30
State Sources:			
State School Lunch Program	1,197		1,197
Federal Sources:			
National School Lunch Program	15,160		15,160
HHFKA Lunch Program	1,420		1,420
Food Distribution Program	8,584		8,584
Board Subsidy	32,784		32,784
Total Non-Operating Revenues	<u>59,145</u>	<u>30</u>	<u>59,175</u>
Change in Net Position	(18,537)	3,418	(15,119)
Adjustment to Fixed Assets	(94)		(94)
Net Position, July 1	<u>118,043</u>	<u>18,313</u>	<u>136,356</u>
Net Position, June 30	<u>\$ 99,412</u>	<u>21,731</u>	<u>121,143</u>

BRIELLE SCHOOL DISTRICTSTATEMENT OF CASH FLOWS

Exhibit G-3

ENTERPRISE FUNDJUNE 30, 2018

	<u>Food Services</u>	<u>Aftercare Program</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from Daily Sales	\$ 83,511	59,415	142,926
Payments to Employees	(88,589)	(39,474)	(128,063)
Payments to Suppliers	(43,821)	(16,553)	(60,374)
Net Cash Used by Operating Activities	<u>(48,899)</u>	<u>3,388</u>	<u>(45,511)</u>
Cash Flows from Noncapital Financing Activities:			
State Sources	1,197		1,197
Federal Sources	16,580		16,580
Board Subsidy	32,784		32,784
Net Cash Provided by Noncapital Financing Activities	<u>50,561</u>	<u>-</u>	<u>50,561</u>
Cash Flows from Investing Activities:			
Interest Revenue		30	30
Net Cash Provided by Investing Activities	<u>-</u>	<u>30</u>	<u>30</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	1,662	3,418	5,080
Cash and Cash Equivalents July 1	<u>10,143</u>	<u>18,313</u>	<u>28,456</u>
Cash and Cash Equivalents June 30	<u>\$ 11,805</u>	<u>21,731</u>	<u>33,536</u>
Cash Flows from Operating Activities:			
Operating (Loss)/Profit	\$ (77,682)	3,388	(74,294)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:			
Federal Commodities Consumed	8,584		8,584
Depreciation	9,563		9,563
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivables	2,199		2,199
(Increase)/Decrease in Inventory	8,437		8,437
Net Cash Used by Operating Activities	<u>\$ (48,899)</u>	<u>3,388</u>	<u>(45,511)</u>

FIDUCIARY FUND – H

BRIELLE SCHOOL DISTRICT

TRUST AND AGENCY FUND

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2018

	<u>Agency</u>			<u>Expendable Trusts</u>		<u>Totals</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>
Assets:							
Cash and Cash Equivalents	\$ 19,912	560	1	294,285	21,206	35,182	371,146
Total Assets	<u>\$ 19,912</u>	<u>560</u>	<u>1</u>	<u>294,285</u>	<u>21,206</u>	<u>35,182</u>	<u>371,146</u>
Liabilities and Net Position:							
Liabilities:							
Due to Student Groups	\$ 19,912						19,912
Reserve for Summer Payroll				287,325			287,325
Payroll Deductions and Withholdings		560	1	6,960			7,521
Total Liabilities	<u>\$ 19,912</u>	<u>560</u>	<u>1</u>	<u>294,285</u>	<u>-</u>	<u>-</u>	<u>314,758</u>
Net Position:							
Reserved - Scholarships					\$ 21,206		21,206
Reserved - Unemployment Benefits						35,182	35,182
Total Net Position					<u>\$ 21,206</u>	<u>35,182</u>	<u>56,388</u>

BRIELLE SCHOOL DISTRICTEXPENDABLE TRUST FUNDS

Exhibit H-2

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITIONJUNE 30, 2018

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Local Sources:			
Interest on Investments	\$ 9	24	33
Contributions	175	9,183	9,183
Total Additions	<u>184</u>	<u>9,207</u>	<u>9,216</u>
Deductions:			
Scholarship Payments	1,950		1,950
Unemployment Claims		269	269
Total Deductions	<u>1,950</u>	<u>269</u>	<u>2,219</u>
Change in Net Position	(1,766)	8,938	6,997
Net Position, July 1	<u>22,972</u>	<u>26,244</u>	<u>49,216</u>
Net Position, June 30	<u>\$ 21,206</u>	<u>35,182</u>	<u>56,213</u>

BRIELLE SCHOOL DISTRICTSTUDENT ACTIVITY AGENCY FUND

Exhibit H-3

SCHEDULE OF RECEIPTS AND DISBURSEMENTSFOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2018</u>
Elementary School:				
School Fund	\$ 12,303	44,967	38,512	18,758
Yearbook	7,097	100	6,511	686
Student Council	3,097	7,526	10,155	468
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total All Schools	<u>\$ 22,497</u>	<u>52,593</u>	<u>55,178</u>	<u>19,912</u>

BRIELLE SCHOOL DISTRICTPAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTSJUNE 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Assets:				
Cash and Cash Equivalents	\$ 282,873	2,909,245	2,897,833	294,285
Total Assets	<u>\$ 282,873</u>	<u>2,909,245</u>	<u>2,897,833</u>	<u>294,285</u>
Liabilities:				
Payroll Deductions and Withholdings	\$ 282,873	2,909,245	2,897,833	294,285
Total Liabilities	<u>\$ 282,873</u>	<u>2,909,245</u>	<u>2,897,833</u>	<u>294,285</u>

LONG-TERM DEBT - I

BRIELLE SCHOOL DISTRICT

LONG-TERM DEBT

Exhibit I-1

SCHEDULE OF SERIAL BONDS

JUNE 30, 2018

<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, 2017</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2018</u>
Elementary School Addition	2/27/01	\$ 6,915,000	3/1/2019-21	\$ 400,000	5.00%	\$ 1,600,000	400,000	1,200,000
						<u>\$ 1,600,000</u>	<u>400,000</u>	<u>1,200,000</u>

BRIELLE SCHOOL DISTRICT

DEBT SERVICE FUND

Exhibit I-3

BUDGETARY COMPARISON SCHEDULE

JUNE 30, 2018

	<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	\$ 479,800	-	479,800	479,800	-
Total Revenues	<u>479,800</u>	<u>-</u>	<u>479,800</u>	<u>479,800</u>	<u>-</u>
Expenditures:					
Regular Interest	79,800		79,800	79,800	-
Redemption of Principal	400,000		400,000	400,000	-
Total Expenditures	<u>479,800</u>	<u>-</u>	<u>479,800</u>	<u>479,800</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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities										
Invested in capital assets, net of related debt	\$4,208,202	\$4,302,411	\$4,391,207	\$4,585,508	\$ 5,482,423	\$5,597,420	\$5,712,879	\$5,849,190	\$5,990,681	\$6,659,938
Restricted					672,903	749,188	874,237	1,738,690	1,559,485	2,475,645
Unrestricted					(13,661)	94,834	(2,027,138)	(2,073,548)	(1,052,401)	(2,425,802)
Total governmental activities net position	<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>	<u>\$6,497,765</u>	<u>\$6,709,781</u>
Business-type activities										
Invested in capital assets, net of related debt	\$90,988	\$141,847	\$142,626	\$144,278	\$ 23,756	\$18,359	\$15,543	\$87,785	\$96,028	\$86,371
Restricted										
Unrestricted					54,251	64,205	82,492	71,947	40,328	34,772
Total business-type activities net position	<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>	<u>\$136,356</u>	<u>\$121,143</u>
District-wide										
Invested in capital assets, net of related debt	\$4,299,190	\$4,444,258	\$4,533,833	\$4,729,786	\$ 5,506,179	\$5,615,779	\$5,728,422	\$5,936,975	\$6,086,709	\$6,746,309
Restricted					672,903	749,188	874,237	1,738,690	1,559,485	2,475,645
Unrestricted					40,590	159,039	(1,944,646)	(2,001,601)	(1,484,073)	(2,391,030)
Total district net position	<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>	<u>\$6,162,121</u>	<u>\$6,830,924</u>

Source: CAFR Schedule A-1

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

J-2

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,272,479	3,090,695	2,577,947	2,755,182	3,029,212	3,129,787	3,011,473	2,933,102	3,022,952	3,148,448
Special Education	547,241	504,416	532,330	548,252	493,778	530,298	572,946	615,861	678,166	688,335
Bilingual Education	7,803	7,803	8,000	8,160	8,000	8,000	7,783			
Extracurriculars-Non Sports	50,474	37,987	8,758	31,860	34,586	31,819	37,865			
Extracurriculars-Sports	45,572	45,696	-	23,025	36,562	37,728	38,784			
Other Instruction	-	10,077	-	-	9,665	10,517	8,489	105,513	94,706	95,371
Support Services:										
Tuition	3,134,339	3,644,294	4,218,991	4,417,265	4,280,783	4,213,916	4,655,397	4,195,821	4,246,640	4,743,815
Health Services	221,531	84,938	63,309	62,686	78,603	78,579	85,298			
Speech, OT/PT	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	-	290,151	287,765	283,053	478,710	514,882	500,764			
Student & Instruction Related	71,354	54,674	55,494	57,420	68,153	62,442	67,858	1,149,278	1,173,953	1,193,423
Library/Media	60,811	83,408	79,000	162,317	163,099	167,145	167,539			
General administrative services	190,711	183,449	192,847	201,945	213,806	216,933	251,169			
School administrative services	258,823	292,522	267,582	279,477	292,831	278,733	247,720	199,008	201,755	214,708
Business administrative services	243,055	255,497	179,813	184,722	153,331	169,349	160,609	452,555	489,106	514,061
Building Maintenance	203,686	253,657	144,547	159,249	146,415	141,652	373,666	882,151	1,388,975	762,955
Custodial Services	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	1,175,115	1,178,074	1,250,984	1,300,125	2,149,524	1,986,782	1,785,093	2,244,992	2,414,421	2,606,229
Pupil transportation	508,588	497,644	431,549	485,646	447,733	540,032	521,147	605,127	492,869	533,667
Interest on long-term debt	241,160	225,320	208,600	191,000	167,400	149,267	130,733	111,867	92,733	73,200
Unallocated depreciation	-	-	-	-	279,388	303,152	299,134	296,834	287,667	285,912
Total governmental activities expenses	11,168,741	11,597,846	11,327,650	11,963,962	13,348,440	13,420,142	13,740,013	13,792,109	14,583,943	14,860,124
Business-type activities:										
Food service	232,627	197,983	159,143	137,343	186,187	180,218	173,730	175,835	209,507	161,287
Child Care	-	-	-	-	50,026	44,056	43,809	42,099	36,802	56,027
Total business-type activities expense	232,627	197,983	159,143	137,343	236,213	224,274	217,539	217,934	246,309	217,314
Total district expenses	11,401,368	11,795,829	11,486,793	12,101,305	13,584,653	13,644,416	13,957,552	14,010,043	14,830,252	15,077,438
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	18,000	26,060	36,825	13,800	12,000	27,100	30,100	21,001	23,760	31,080
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Business and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	191,174	168,500	196,098	342,182	192,320	197,473	173,046	181,870	186,248	196,606
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	209,174	194,560	232,923	355,982	204,320	224,573	203,146	202,871	210,008	227,686

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

J-2

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type activities:										
Charges for services										
Food service	183,267	205,897	174,556	153,467	186,187	133,436	128,493	103,871	95,764	83,511
Child care	-	-	-	-	50,026	39,125	42,262	47,796	49,241	59,415
Operating grants and contributions	-	-	-	-	-	31,222	32,764	32,793	28,115	26,231
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	183,267	205,897	174,556	153,467	236,213	203,783	203,519	184,460	173,120	169,157
Total district program revenues										
Net (Expense)/Revenue										
Governmental activities	209,174	194,560	232,923	114,970	13,144,120	13,216,060	13,536,867	13,589,238	14,373,935	14,632,438
Business-type activities	183,267	205,897	174,556	153,467	32,069	25,048	14,020	33,474	73,189	48,027
Total district-wide net expense	392,441	400,457	407,479	268,437	13,176,189	13,241,108	13,550,887	13,622,712	14,447,124	14,680,465
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	10,137,139	10,527,417	11,329,491	11,586,001						
Taxes levied for debt service	601,158	605,320	608,600	591,000						
Unrestricted grants and contributions	783,993	806,904	264,642	467,490						
Payments in lieu of taxes	-	-	-	-						
Investment earnings	38,426	10,845	2,324	3,908						
Miscellaneous income	-	-	-	23,533						
Transfers	-	-	-	-						
Total governmental activities	11,660,716	11,950,486	12,205,057	12,671,932	13,665,765	13,830,053	14,076,318	14,543,592	14,885,368	15,316,454
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	32,295	32,814
Total district-wide	11,953,157	12,350,943	12,612,536	12,940,369	13,689,828	13,855,101	14,105,809	14,564,865	14,917,663	15,349,268
Change in Net Position										
Governmental activities	391,975	352,840	254,571	116,970	521,645	634,484	(1,724,304)	954,354	511,433	684,016
Business-type activities	49,360	(7,914)	(31,329)	16,123	(8,006)	4,557	15,471	(12,201)	(40,894)	(15,213)
Total district	441,335	344,926	223,242	133,093	513,639	639,041	(1,708,833)	942,153	470,539	668,803

Source: CAFR Schedule A-2

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

J-3

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund										
Reserved	\$ 34,680	-	-	-	510,437	722,574	863,253	1,738,690	2,234,715	2,475,644
Unreserved	303,299	251,843	307,199	254,864	(13,661)	377,091	395,392	375,514	400,271	395,479
Total General fund	<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>	<u>2,634,986</u>	<u>2,871,123</u>
All Other Governmental Funds										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	162,461	10,984	10,984	-	-	-
Debt service fund	-	-	-	-	5	5	-	-	-	-
Total all other governmental funds	<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>	<u>-</u>	<u>-</u>

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

J-4

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax Levy	\$ 10,738,297	11,132,737	11,938,091	12,147,081	12,360,603	12,578,347	12,800,400	13,026,874	13,258,047	13,493,824
Tuition Charges	20,550	26,060	36,825	13,800	12,000	27,100	30,100	21,001	23,760	31,080
Interest Earnings	15,836	10,845	2,324	1,091	41,318					
Miscellaneous	-	-	-	28,015	1,293,350	21,983	33,590	15,570	5,887	8,193
State Sources	794,442	770,115	264,642	462,626	186,859	1,272,850	1,393,092	1,536,937	1,655,804	1,850,520
Federal Sources	-	-	-	-	-	179,877	150,925	167,354	184,173	193,307
Total revenue	11,569,125	11,939,757	12,241,862	12,652,613	13,894,130	14,080,157	14,408,107	14,767,736	15,127,671	15,576,924
Expenditures										
Instruction										
Regular Instruction	3,272,479	3,090,695	2,585,207	2,755,182	3,004,413	3,093,470	2,957,977	3,034,673	3,022,952	3,063,515
Special education instruction	547,241	504,416	532,330	548,252	493,778	530,298	572,946	615,861	678,166	688,335
Other special instruction	7,803	7,803	8,000	8,160	8,000	8,000	7,783	105,513	94,706	95,371
Extracurricular-Non sports	50,474	37,987	8,758	31,860	34,586	31,819	37,865	-	-	-
Extracurricular-Sports	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	3,134,339	3,644,294	4,218,991	4,417,265	4,280,783	4,213,916	4,655,397	4,195,821	4,246,640	4,743,815
Student & Instruction Related Services	785,610	886,754	780,343	865,612	1,123,502	1,193,007	1,176,659	1,149,278	1,173,953	1,193,423
General Administrative services	190,711	183,449	189,727	201,945	197,759	197,218	251,169	199,008	201,755	214,708
School Administrative services	501,878	548,469	447,395	464,199	446,162	448,082	408,329	452,555	489,106	514,061
Plant Operations and Maintenance	715,979	749,204	663,275	671,691	644,386	640,537	835,012	882,151	1,388,975	1,227,049
Pupil Transportation	508,987	497,644	431,549	485,646	447,733	540,032	521,147	605,127	492,869	533,667
Unallocated Employee Benefits	1,175,114	1,178,074	1,250,984	1,300,125	2,149,524	1,986,782	2,046,446	2,113,210	2,255,781	2,523,768
Special Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	31,023	45,360	37,714	6,652	399,571	346,623	65,486	30,491	30,491	30,491
Debt service:										
Principal	360,000	380,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Interest and other charges	241,160	225,320	208,600	191,000	173,400	155,400	137,000	118,200	99,200	79,800
Total expenditures	11,568,370	12,035,242	11,762,873	12,370,614	13,849,824	13,833,429	14,120,489	13,901,888	14,574,594	15,308,003
Excess (Deficiency) of revenues over (under) expenditures	755	(95,485)	479,009	281,999	44,306	246,728	287,618	865,848	553,077	268,921
Other Financing sources (uses)										
Adjustments	-	-	-	-	-	(487)	(99,153)	-	-	-
Transfers in	-	-	-	-	(24,045)	(25,044)	(29,490)	(21,273)	(32,295)	(32,784)
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(24,045)	(25,044)	(128,643)	(21,273)	(32,295)	(32,784)
Net Change in Fund Balances	755	(95,485)	479,009	281,999	20,261	221,684	158,975	844,575	520,782	236,137
Debt service as a percentage of Noncapital Expenditures	5.2%	5.0%	5.2%	4.8%	4.3%	4.12%	3.82%	3.82%	3.42%	3.13%
June 30 Fund Balance	295,645	251,843	307,199	254,864	891,316	1,110,654	1,269,629	2,114,204	2,634,986	2,871,123

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
2008	72,866.00	12,375.00	2,258.00	87,499.00
2009	54,483.00	14,400.00	3,317.00	72,200.00
2010	15,836.00	18,000.00	-	33,836.00
2011	10,845.00	26,060.00	-	36,905.00
2012	2,324.00	36,825.00	-	39,149.00
2013	1,091.00	13,800.00	28,015.00	42,906.00
2014	1,752.76	24,000.00	5,597.28	31,350.04
2015	977.38	27,100.00	3,409.70	31,487.08
2016	759.60	38,850.00	709.30	40,318.90
2017	1,161.49	23,760.00	2,650.96	27,572.45
2018	3,907.74	31,080.00	986.26	35,974.00

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)
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	1,382,155,378	0	0	0	0	0	1,382,155,378	0	0	1,382,155,378	0.918	0
2017	0	1,470,792,200	0	0	0	0	0	1,470,792,200	0	0	1,470,792,200	0.918	0
2018	0	1,530,792,800	0	0	0	0	0	1,530,792,800	0	0	1,530,792,800	0.897	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
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	13,028,887	0.00924	0.924
2016	1,382,155,378	12,688,186	0.00918	0.918
2017	1,470,792,200	13,501,872	0.00918	0.918
2018	1,530,792,800	13,731,211	0.00897	0.897

Brielle Board of Education
 Ten Principal Property Taxpayers

2017

Tax Payer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Manasquan River Golf Club	\$20,901,900	1	1.42%
Brielle Sui Generis, LLC	\$10,518,100	2	0.72%
Brandywine East II, LLC	\$8,103,100	3	0.55%
Brandywine At Brielle, LLC	\$8,003,100	4	0.54%
608 Green ave Associates, LLC	\$5,576,900	6	0.38%
836 Riverview Drive, LLC	\$5,223,000	5	0.36%
Private Residence #1	\$5,007,000	7	0.34%
Private Residence #2	\$4,765,500	8	0.32%
Brielle Yacht Club	\$4,601,600	9	0.31%
Alpha Property Management	\$4,538,800		
 Total	 \$77,239,000		
 Total Assessed Value - all properties	 \$1,470,792,200		

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

Collected within the Fiscal Year of the
 Levy

Fiscal Year Ended June 30,	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%	
2017	13,493,824.00	13,493,824.00	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			Bond	Business-Type Activities	
	General Obligation Bonds	Certificates of Participation	Capital Leases	Anticipation Notes (BANS)	Capital Leases	Total District
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
2017	1,600,000		-			1,600,000
2018	1,200,000		-			1,200,000

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		Taxable Valuation	Percentage of Actual	Debt Limit
	Bonds	Deductions		Taxable Value of Property	
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
2016	2,000,000		1,382,155,378	0.14%	49,914,417
2017	1,600,000		1,470,792,200	0.11%	49,914,417
2018	1,200,000		1,530,792,800	0.08%	49,914,417

Brielle Board of Education
 Ratios of Overlapping Governmental Activities Debt as of December 31, 2016

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes Brielle Boro		100.00%	
Other Debt			
Subtotal, overlapping debt			
Brielle School District Direct Debt	1,200,000		
Total Direct and Overlapping Debt			

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	49,914,417	49,914,417	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	4,780,000	4,380,000	4,000,000	3,600,000	3,200,000	2,800,000	2,400,000	2,000,000	1,600,000	1,200,000
Legal Debt Margin	45,134,417	45,534,417	45,914,417	46,314,417	46,714,417	47,114,417	47,514,417	47,914,417	48,314,417	
Total net debt applicable to the limit as a percentage of debt limit	9.58%	8.78%	8.01%	7.21%	6.41%	5.61%	4.81%	4.01%	3.21%	

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
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
2017	4757	550	0.12

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

Employer	2017			2008		
	Employees	Rank	Percentage of total employment	Employees	Rank	Percentage of total employment
Manasquan River Golf Club	125	1		125	1	
Brielle Board of Education	80	2		81	2	
Borough of Brielle	49	3		37	3	

Brielle Board of Education
Full-Time Equivalent District Employees by Function/Program
Last Five Fiscal Years Plus Budget for 2010-2018

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018
120-100 Regular Education Teachers	48	37.5	37	44	49	48	42	41.5	41
100-101 Teachers Special Revenue	6	6	6	6	0	0	6	7	7.5
100-106 Classroom Aides	15	9	8	8.5	9	12	9	10	10
213-100 Health Services	2	2	2	1.5	1.5	1.5	1.5	1.5	1.5
216-100 Speech	2		0	0	0	0	0	0	1
218-104 Guidance	1	1		1	1	1	1	1	1
219-104 Child Study Team	3	3	3	4	4	3.6	3.8	3.8	3.8
221-102 Supervisors	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
222-100 Media Technology	1	2	2	2	2	2	2	2	2
230-100 General Administration	3.5	3.5	3.5	3.5	3	3	3	3	1.5
240-100 Administration	1	1	1	1	1.5	1.5	1.5	1.5	3.5
250-100 Business Administration	3	2	2	2	2	2	2	2	2
26X-100 Buildings and Grounds	7	7	6	6	6	6	6	6	6
Total	93.0	74.5	71	80	79.5	81.1	78.3	79.8	81.3

Brielle Board of Education
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change Cost Per		Pupil/Teacher Ratio	Average Daily	Average Daily	Student Attendance Percentage
				Pupil	Teaching Staff		Enrollment (ADE)	Attendance (ADA)	
			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%
2017	541				48.5	11.15			
2018	521				48.5	10.74			

Brielle Board of Education
 School Building Information
 Last Ten Fiscal Years

District Building	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	712	713	728	665	605	611	574	558	551	541

Source: District Records, ASSA

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

School Facility	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Brielle Elementary School	\$521,325	\$725,853	\$373,666	\$141,652	\$629,200	\$671,691	\$663,275	\$749,204	\$683,062	\$642,449

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Brielle Board of Education
Insurance Schedule
for the Fiscal Year ended June 30, 2018

Company	Type of Coverage	Amount
NJSIG	Property Blanket Building & Contents- Replacement Cost Values	\$ 24,105,941.00
	Terrorism (Property)	\$ 1,000,000.00
NJSIG	Flood (exc. Special Flood Hazard Area Flood Zones)	\$ 50,000,000.00
	Earthquake	\$ 50,000,000.00
Beazley/ECLIPSE	Pollution Legal Liability	\$ 1,000,000.00
NJSIG	Crime Insurance	
	Employee Dishonesty with Faithful Performance	\$ 100,000.00
	Forgery or Alteration	\$ 100,000.00
	Money & Securities Loss- Theft, Disappearance & Destruction	\$ 50,000.00
	Computer Fraud	\$ 100,000.00
Selective Ins Co. of America	Treasurer Bond	\$ 360,000.00
Selective Ins Co. of America	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 Abuse	\$ 17,000,000.00
NJSIG/QBE	School Leaders E & O -Coverage A	\$ 31,000,000.00
Zurich American Ins. Co.	Student Accident- Accident Medical	\$ 5,000,000.00
NJSIG	Workers Compensation	
	Professional Covered Payrolls- Per Audit	\$ 4,697,107.00
	Non-Professional Payrolls - Per Audit	\$ 305,928.00
NJSIG	Automobile - Hired/ Non-owned Liability	\$ 31,000,000.00
NJSIG	Equipment Breakdown	\$ 100,000,000.00
NJSIG	Electronic Data Processing	\$ 424,736.00

SINGLE AUDIT SECTION

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.
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**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**

K-1

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, 2018, 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 15, 2018.

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 15, 2018

Robert A. Hulsart and Company

108.

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.
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**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**

K-2

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, 2018. 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, 2018.

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 15, 2018

BRIELLE SCHOOL DISTRICT

Schedule A
K-3

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Department of Education Project/Title	Federal CFDA Number	Federal FAIN Number	Award Amount	Grant Period		Balance at June 30, 2017	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2018		
				From	To						(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education Passed Through State Department of Education:													
Special Revenue Fund:													
Title I	84.010A	S010A160030	\$ 55,986	7/1/2017	6/30/2018	\$ -		21,510	(46,045)		(24,535)		
Title II A	84.367A	S367A160029	11,153	7/1/2017	6/30/2018			8,130	(11,153)		(3,023)		
Title IV	84.424	S424A170031	10,000	7/1/2017	6/30/2018			7,500	(9,200)		(1,700)		
I.D.E.A.:													
Part B - Basic	84.027	H027A160100	120,559	7/1/2017	6/30/2018			104,877	(120,559)		(15,682)		
Preschool	84.173	H173A160114	6,399	7/1/2017	6/30/2018			6,396	(6,399)		(3)		
Total Special Revenue Fund						-	-	148,413	(193,356)	-	(44,943)	-	-
U.S. Department of Agriculture Passed Through State Department of Education:													
Enterprise Fund:													
National School Lunch Program	10.555	171NJ304N1099	16,282	7/1/2016	6/30/2017	(2,954)		2,954					
National School Lunch Program	10.555	16161NJ304N1099	15,160	7/1/2017	6/30/2018			14,107	(15,160)		(1,053)		
HHFKA Lunch Program	10.555	171NJ304N1099	1,968	7/1/2016	6/30/2017	(283)		283					
HHFKA Lunch Program	10.555	16161NJ304N1099	1,420	7/1/2017	6/30/2018			1,320	(1,420)		(100)		
Food Distribution Program	10.550	171NJ304N1099	8,584	7/1/2017	6/30/2018			8,584	(8,584)				
Total Enterprise Fund						(3,237)	-	27,248	(25,164)	-	(1,153)	-	-
Total Federal Financial Awards						\$ (3,237)	-	175,661	(218,520)	-	(46,096)	-	-

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, 2018

Schedule B
K-4

State Grant or Department of Education Project/Title	State Grant Number	Award Amount	Grant Period		Balance at June 30, 2017		Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2018			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	18-495-034-5120-089	\$ 376,655	07/01/16	06/30/17	\$ -		341,423	(376,655)					(35,232)	376,655
Transportation Aid	18-495-034-5120-014	39,481	07/01/17	06/30/18			35,809	(39,481)					(3,672)	39,481
Additional Adjustment Aid	18-495-034-5120-085	13,186	07/01/17	06/30/18			11,962	(13,186)					(1,224)	13,186
Transportation Aid N.P.	18-495-034-5120-014	13,734	07/01/17	06/30/18				(13,734)			(13,734)			13,734
Transportation Aid N.P.	17-495-034-5120-014	11,539	07/01/16	06/30/17	(11,539)		11,539							
Security Aid	18-495-034-5120-084	14,351	07/01/17	06/30/18			12,996	(14,351)					(1,355)	14,351
Extraordinary Aid	18-495-034-5120-473	157,121	07/01/17	06/30/18				(157,121)				(157,121)		157,121
Extraordinary Aid	17-495-034-5120-473	171,960	07/01/16	06/30/17	(171,960)		171,960							
PARCC Readiness Aid	18-495-034-5120-098	8,060	07/01/17	06/30/18			7,317	(8,060)					(743)	8,060
Per Pupil Growth Aid	18-495-034-5120-097	8,060	07/01/17	06/30/18			7,317	(8,060)					(743)	8,060
Professional Learning Community Aid	18-495-034-5120-101	7,800	07/01/17	06/30/18			7,057	(7,800)					(743)	7,800
Teachers Pension and Annuity Fund	18-495-034-5095-002	922,741	07/01/17	06/30/18			922,741	(922,741)						922,741
Reimbursed TPAF Social Security Contributions	18-495-034-5095-003	292,045	07/01/17	06/30/18			292,045	(292,045)						292,045
Total General Fund					<u>(183,499)</u>	<u>-</u>	<u>1,822,166</u>	<u>(1,853,234)</u>	<u>-</u>	<u>(170,855)</u>	<u>-</u>	<u>-</u>	<u>(43,712)</u>	<u>1,853,234</u>
Enterprise Fund:														
National School Lunch Program (State Share)	18-100-010-3350-025	1,197	07/01/17	06/30/18			1,113	(1,197)				(84)		1,197
	17-100-010-3350-023	1,094	07/01/16	06/30/17	(197)		197							
Total Enterprise Fund					<u>(197)</u>	<u>-</u>	<u>1,310</u>	<u>(1,197)</u>	<u>-</u>	<u>(84)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,197</u>
Total State Financial Awards					<u>\$ (183,696)</u>	<u>-</u>	<u>1,823,476</u>	<u>(1,854,431)</u>	<u>-</u>	<u>(170,939)</u>	<u>-</u>	<u>-</u>	<u>(43,712)</u>	<u>1,854,431</u>
Less on Behalf TPAF Pension System Contributions								\$ (922,741)						
Total for State Financial Assistance - Major Program Determination								<u>\$ (931,690)</u>						

See Accompanying Notes to Schedules of Financial Assistance.

BOARD OF EDUCATION

K-5

BRIELLE SCHOOL DISTRICT**NOTES TO SCHEDULES OF AWARDS OF FINANCIAL ASSISTANCE****JUNE 30, 2018****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	\$ 1,853,234		1,197	1,854,431
Difference -- Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized				
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)	<u>(2,714)</u>			<u>(2,714)</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 1,850,520</u>		<u>1,197</u>	<u>1,851,717</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	\$	193,356	25,164	218,520
Difference -- Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized	_____	_____(48)	_____	_____(48)
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	\$ _____	<u>193,308</u>	<u>25,164</u>	<u>218,472</u>

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2018. 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, 2018.

BRIELLE SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Part 1 - 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 x No

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

 Yes x None Reported

Noncompliance material to general purpose financial statements noted?

 Yes x 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?

 x 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 x No

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

 Yes x None Reported

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

 Yes x No

Identification of major programs:

GMIS Number(s)

18-495-034-5120-089
18-495-034-5120-084
18-495-034-5120-085
18-495-034-5120-014
18-495-034-5120-097
18-495-034-5120-098
18-495-034-5120-101
18-495-034-5094-003

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
Professional Learning Community Aid - Public Cluster
Reimbursed TPAF Social Security Contributions

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

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2018***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 DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2018*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 AwardsFinding: NoneInformation on the State Program: N/ACriteria or specific requirement: N/ACondition: N/AQuestioned Costs: N/AContext: N/AEffect: N/ACause: N/ARecommendation: N/AManagement's response: N/A

BRIELLE SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2018*Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs*

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04.

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

BRIELLE SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs (Continued)

State Awards (Continued)

Cause: N/A

Recommendation: N/A

Management's response: N/A

BRIELLE SCHOOL DISTRICT

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Prior Audit Findings:

None