

**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, 2019**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**BOROUGH OF BRIELLE BOARD OF EDUCATION**

**BRIELLE, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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**





**BRIELLE ELEMENTARY SCHOOL**  
**605 UNION LANE**  
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**CHRISTINE E. CARLSON**  
 Superintendent/  
 Principal

**COLIN SABIA**  
 Vice Principal/  
 Director of Special Services

**EILEEN GORGA**  
 School Business Administrator/  
 Board Secretary

December 5, 2019

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, 2019. 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 preschoolers. 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 students have been also been accepted and attend the Monmouth County Vocational School Academies and can also attend half day vocational programs. 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 2018-2019 fiscal year with a slight decrease in enrollment in the elementary school and a very slight decrease in enrollment of Brielle students attending Manasquan High School. The following details the changes in the student enrollment over the prior 25 years.

Fiscal Year	Brielle Elementary Student Enrollment	Manasquan High School Enrollment
2018-2019	532	232
2017-2018	541	238
2016-2017	541	241
2015-2016	543	248
2014-2015	558	251
2013-2014	573	256
2012-2013	611	253
2011-2012	605	261
2010-2011	665	242
2009-2010	728	224
2008-2009	713	204
2007-2008	712	207
2006-2007	704	206
2005-2006	697	202
2004-2005	658	207
2003-2004	638	201
2002-2003	631	193
2001-2002	574	177
2000-2001	546	156
1999-2000	516	173
1998-1999	483	163
1997-1998	455	171
1996-1997	435	177

1995-1996	432	163
1994-1995	414	163

## **ECONOMIC CONDITION AND OUTLOOK**

The rapid growth of students in past years that are educated by the Borough of Brielle School District has leveled out declining slightly 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 started to decline from 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 maintain all programs and services with small class sizes. 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 30 students participating in our 2<sup>nd</sup> Blazer Academy and Extended School Year Program.

During the year the building also received some attention with the Art room A/C units being replaced, the east side parking lot was redesigned and paved as part of a shared services project with the Borough of Brielle, and the entrance received a snow melt system covered with engraved pavers that the school community families purchased as a PTO fund raiser.

By August of 2019, 21 preschoolers and 47 Kindergarten students were registered for the new school year. Brielle Elementary School ended June 30, 2019 with 532 students and in September 2019, 513 students started the new school year which included 9 new students. Brielle Elementary School ended June 30, 2019 with 532 students, up four students from the October 2017 count and the number of students sent to Manasquan High School decreased from 238 in October 2018 to 232 in June 2019.

Student involvement in the community continued during the school year with IC Hope winning the Fund Driver's Award. This is the seventh 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 3,400 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 Alice in Wonderland. 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 Mrs. Karen Dettlinger, Mr. Dennis Ingoglia, and Mr. Joseph Milancewich. Mr. Dennis Ingoglia was 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, 2019.

## **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, 2019 the District had outstanding debt of \$860,000 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.

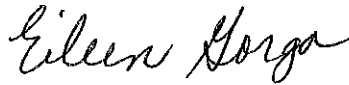
### ACKNOWLEDGEMENTS

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 2018-2019**

<b>Members of the Board of Education</b>	<b>Term Expires</b>
Eliot Colon	2020
Karen Dettlinger	2021
Dennis Ingoglia	2021
Madaly Jones	2020
Stephen LaValva	2019
Joseph Lepore	2019
Joseph Milancewich	2021
Karen Myszka-Ostberg	2019
Tedd Vitale	2020

**Other Officials**

Christine E. Carlson	Superintendent
Eileen Gorga	Business Admin/Board Secretary
Cherie Adams	Board Attorney
David Tonzola	Treasurer

**BRIELLE BOARD OF EDUCATION****CONSULTANT AND OFFICIALS****June 30, 2019****AUDIT FIRM**

Robert A. Hulsart and Company  
2807 Hurley Pond Road  
P. O. Box 1409  
Wall, NJ 07719

**ATTORNEY**

Cherie Adams, Esq.  
Adams, Gutierrez & Lattiboudere, LLC  
1037 Raymond Boulevard  
Suite 900  
Newark, NJ 07102

**OFFICIAL DEPOSITORIES**

Ocean First Bank  
2445 Route 34  
Wall, NJ 07719

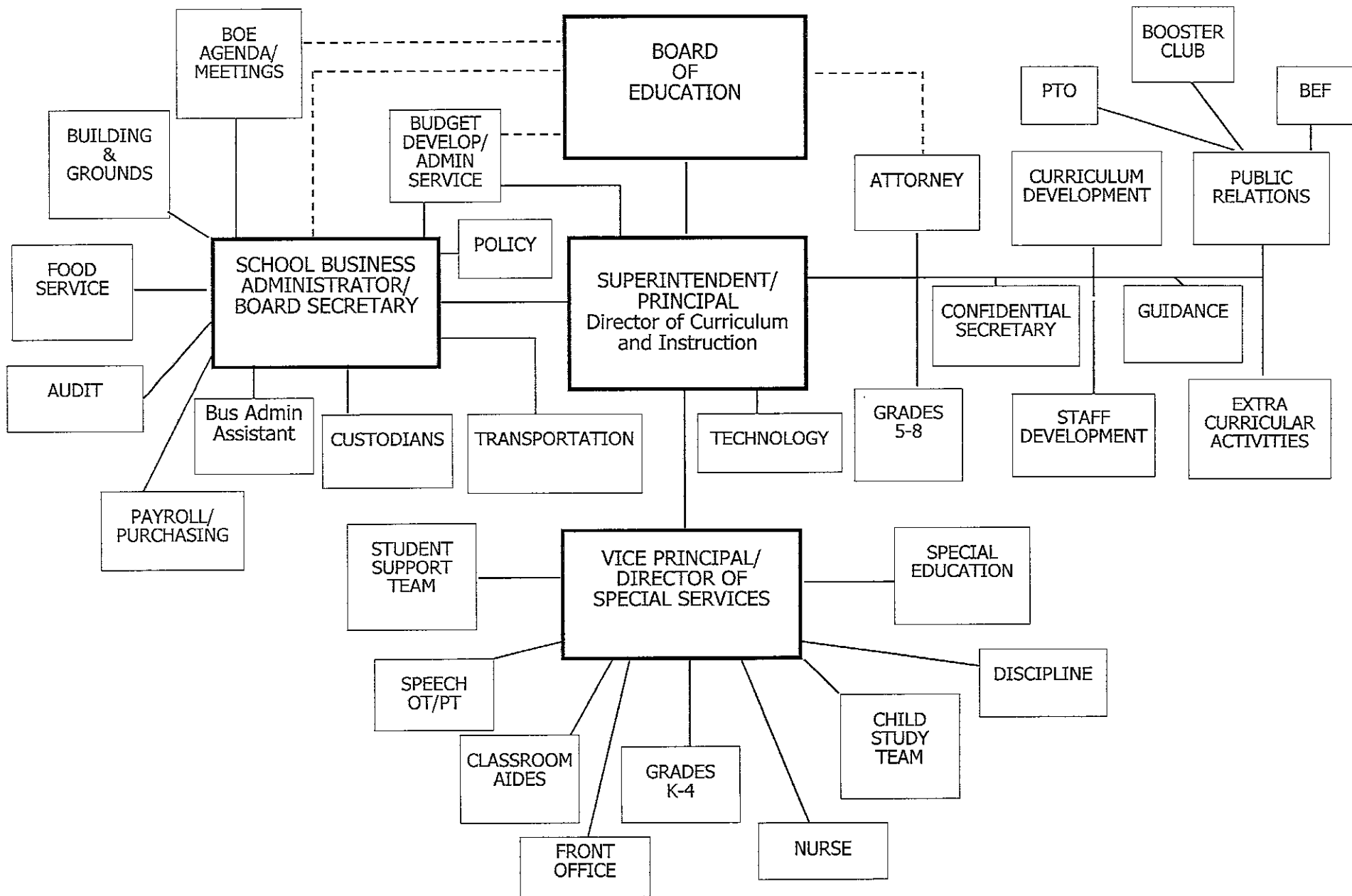
**INSURERS**

Holmes & McDowell  
Holmdel, NJ

Brown & Brown Insurance  
Shrewsbury, NJ



**Brielle School District**  
**Organizational Chart**  
**2018-2019**



## **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.  
  
RICHARD J. HELLENBRECHT, 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, 2019, 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, 2019, 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.

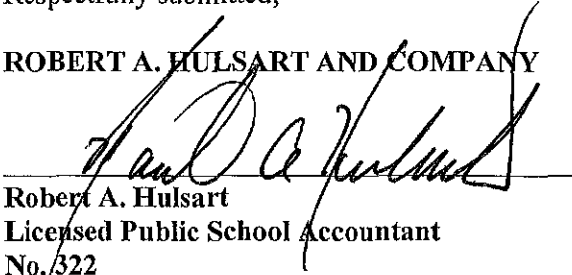
The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal 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 December 5, 2019 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

December 5, 2019

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

**BRIELLE BOROUGH SCHOOL DISTRICT  
BRIELLE BOROUGH**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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, 2019. 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 2019 are as follows:

- ◆ General revenues accounted for \$15,832,772 in revenue. Program specific revenues for operating grants and contributions, and capital grants and contributions accounted for \$423,321 for total revenue of \$16,256,093.
- ◆ The School District had \$15,803,323 in expenses; only \$423,321 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$15,832,772 were adequate to provide for these programs.
- ◆ The General Fund had \$15,427,976 in revenues and \$15,085,257 in expenditures. Other financing uses included transfer to the Food Service Fund of \$32,268. Overall, the General Fund's balance increased from 2018 by \$310,451.

**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 2018-2019?" 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 2019 and 2018.

**Table I**  
**Net Position**

	<u>2019</u>	<u>2018</u>
<b>Total Assets</b>	\$ 11,005,861	<u>10,916,748</u>
<b>Deferred Outflow of Resources</b>	<u>640,459</u>	<u>802,881</u>
<b>Deferred Inflow of Resources</b>	<u>846,853</u>	<u>654,705</u>
<b>Total Liabilities</b>	<u>3,515,773</u>	<u>4,234,000</u>
<b>Total Net Position</b>	<u>\$ 7,283,694</u>	<u>6,830,924</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 2019. The District's total revenues were \$15,800,435 for the year ended June 30, 2019.

## 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 \$208,947.
- ◆ Changes in Net Position was \$3,707 after adjustments.
- ◆ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$25,970.

## Governmental Activities

	<u>2019</u>	<u>2018</u>
Instruction	\$ 3,941,709	3,932,154
Support Services:		
Pupils and Instructional Staff	6,116,184	5,937,238
General Administration, School Administration, Business Administration	728,977	946,083
Operation and Maintenance of Facilities	1,005,540	762,955
Pupil Transportation	676,889	533,667
Interest on Debt	53,333	73,200
Unallocated Benefits	2,774,026	2,606,229
Unallocated Depreciation	<u>301,425</u>	<u>285,912</u>
Total Expenses	<u>\$ 15,598,083</u>	<u>15,077,438</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 2019, 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 2019, the School District had \$7,689,437 invested in land, buildings, furniture and equipment, and vehicles as follows:

#### Capital Assets (Net of Depreciation) at June 30, 2019 & 2018

	<u>2019</u>	<u>2018</u>
Land	\$ 60,584	60,584
Building and Improvements	7,316,373	7,531,818
Machinery and Equipment	<u>312,480</u>	<u>267,536</u>
Totals	<u>\$ 7,689,437</u>	<u>7,859,938</u>

### Debt Administration

At June 30, 2019 the School district had \$3,421,209 of outstanding debt. Of this amount \$389,001 is for compensated absences. The balance due for the renovation of the school is \$800,000. Net pension liability was \$2,232,208.

### 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 Deborah Trainor, 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, 2019**

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 782,023	55,654	837,677
Receivables, Net	295,085	3,227	298,312
Inventories		7,118	7,118
Restricted Assets:			
Capital Reserve Account - Cash	1,481,630		1,481,630
Restricted - Cash	691,687		691,687
Capital Assets-Non Depreciable	60,584		60,584
Capital Assets, Net	<u>7,557,622</u>	<u>71,231</u>	<u>7,628,853</u>
Total Assets	<u>10,868,631</u>	<u>137,230</u>	<u>11,005,861</u>
<b><u>Deferred Outflow of Resources</u></b>			
Contribution to Pension Plan	<u>640,459</u>		<u>640,459</u>
<b><u>Deferred Inflow of Resources</u></b>			
Pension Deferrals	<u>846,853</u>		<u>846,853</u>
<b><u>Liabilities</u></b>			
Accounts Payable	58,104	12,380	70,484
Deferred Revenue	10,747		10,747
Accrued Interest	13,333		13,333
Noncurrent Liabilities:			
Due Within One Year	400,000		400,000
Due Beyond One Year	3,021,209		3,021,209
Total Liabilities	<u>3,503,393</u>	<u>12,380</u>	<u>3,515,773</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets, Net of Related Debt	6,818,206	71,231	6,889,437
Restricted For:			
Other Purposes	2,744,679		2,744,679
Unrestricted	<u>(2,404,041)</u>	<u>53,619</u>	<u>(2,350,422)</u>
Total Net Position	<u>\$ 7,158,844</u>	<u>124,850</u>	<u>7,283,694</u>

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

**BRIELLE SCHOOL DISTRICT**

Exhibit A-2

Sheet 1 of 2

**STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED JUNE 30, 2019**

	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b><u>Functions/Programs</u></b>						
Governmental Activities:						
Instruction:						
Regular	\$ 3,170,970			(3,170,970)		(3,170,970)
Special Education	677,706		178,669	(499,037)		(499,037)
Other Instruction	93,033			(93,033)		(93,033)
Support Services:						
Tuition	4,861,331	55,273		(4,806,058)		(4,806,058)
Student & Instruction Related Services	1,254,853		12,769	(1,242,084)		(1,242,084)
School Administrative Services	271,366			(271,366)		(271,366)
Other Administrative Services	457,611			(457,611)		(457,611)
Plant Operations and Maintenance	1,005,540			(1,005,540)		(1,005,540)
Pupil Transportation	676,889			(676,889)		(676,889)
Unallocated Benefits	2,774,026			(2,774,026)		(2,774,026)
Interest on Long-Term Debt	53,333			(53,333)		(53,333)
Unallocated Depreciation	301,425			(301,425)		(301,425)
Total Government Activities	<u>15,598,083</u>	<u>55,273</u>	<u>191,438</u>	<u>(15,351,372)</u>	<u>-</u>	<u>(15,351,372)</u>
Business-Type Activities:						
Aftercare Program	47,983	56,995			9,012	9,012
Food Service	157,257	93,645	25,970		(37,642)	(37,642)
Total Business-Type Activities	<u>205,240</u>	<u>150,640</u>	<u>25,970</u>	<u>-</u>	<u>(28,630)</u>	<u>(28,630)</u>
Total Primary Government	<u>15,803,323</u>	<u>205,913</u>	<u>217,408</u>	<u>(15,351,372)</u>	<u>(28,630)</u>	<u>(15,380,002)</u>

**BRIELLE SCHOOL DISTRICT**

Exhibit A-2

Sheet 2 of 2

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2019**

	<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				13,274,304		13,274,304
Taxes Levied for Debt Service				460,000		460,000
Federal and State Aid Not Restricted				2,080,329		2,080,329
Miscellaneous Income				18,070	69	18,139
Transfer to Food Service				(32,268)	32,268	-
Total General Revenues, Special Items, Extraordinary Items and Transfers				<u>15,800,435</u>	<u>32,337</u>	<u>15,832,772</u>
Change in Net Position				449,063	3,707	452,770
Net Position - Beginning				<u>6,709,781</u>	<u>121,143</u>	<u>6,830,924</u>
Net Position - Ending				<u>\$ 7,158,844</u>	<u>124,850</u>	<u>7,283,694</u>

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



**FUND FINANCIAL STATEMENTS – B**

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents-Restricted	\$ 2,173,317		2,173,317
Cash and Cash Equivalents-Nonrestricted	782,023		782,023
Interfund Receivable	73,680		73,680
Receivables, Net	210,658	84,427	295,085
Total Assets	<u>\$ 3,239,678</u>	<u>84,427</u>	<u>3,324,105</u>
<b><u>Liabilities and Fund Balance</u></b>			
Liabilities:			
Accounts Payable	\$ 58,104		58,104
Deferred Revenue		10,747	10,747
Interfund Payable	-	73,680	73,680
Total Liabilities	<u>58,104</u>	<u>84,427</u>	<u>142,531</u>
Fund Balance:			
Restricted : To:			
Capital Reserve	1,481,630		1,481,630
Maintenance Reserve	559,396		559,396
Maintenance Reserve - Designated for Subsequent Years Expenditures	132,291		132,291
Designated for Subsequent Years Expenditures - by the Board of Education	160,257		160,257
Assigned To:			
Other Purposes	411,105		411,105
Unassigned-General Fund	436,895		436,895
Total Fund Balances	<u>3,181,574</u>		<u>3,181,574</u>
Total Liabilities and Fund Balance	<u>\$ 3,239,678</u>	<u>84,427</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 \$15,744,345 and the accumulated depreciation is \$8,126,139.

7,618,206

Deferred outflow of resources - contributions to the pension plan

640,459

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

(846,853)

Accrued Interest

(13,333)

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

(3,421,209)

Net Position of Governmental Activities

\$ 7,158,844

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

**BRIELLE SCHOOL DISTRICT**

**Exhibit B-2  
Sheet 1 of 2**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>				
Local Sources:				
Local Tax Levy	\$ 13,274,304		460,000	13,734,304
Tuition	55,273			55,273
Miscellaneous	18,070			18,070
Total Local Sources	13,347,647	-	460,000	13,807,647
State Sources	2,080,329			2,080,329
Federal Sources		191,438		191,438
Total Revenues	<u>15,427,976</u>	<u>191,438</u>	<u>460,000</u>	<u>16,079,414</u>
<b><u>Expenditures</u></b>				
Current:				
Regular Instruction	3,163,671			3,163,671
Special Education Instruction	499,037	178,669		677,706
Other Instruction	93,033			93,033
Support Services and Undistributed Costs:				
Tuition	4,861,331			4,861,331
Student and Instruction Related Services	1,242,084	12,769		1,254,853
School Administrative Services	271,366			271,366
Other Administrative Services	457,611			457,611
Plant Operations and Maintenance	1,034,742			1,034,742
Pupil Transportation	676,889			676,889
Unallocated Benefits	2,755,002			2,755,002
Capital Outlay	30,491			30,491
Debt Service:				
Principal			400,000	400,000
Interest and Other Charges			60,000	60,000
Total Expenditures	<u>15,085,257</u>	<u>191,438</u>	<u>460,000</u>	<u>15,736,695</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, 2019**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>	<b><u>Debt Service Fund</u></b>	<b><u>Total Governmental Funds</u></b>
Excess (Deficiency) of Revenues Over Expenditures	<u>342,719</u>	<u>-</u>	<u>-</u>	<u>342,719</u>
Other Financing Sources (Uses):				
Transfer to Food Service	<u>(32,268)</u>	<u>-</u>	<u>-</u>	<u>(32,268)</u>
Total Other Financing Sources (Uses)	<u>(32,268)</u>	<u>-</u>	<u>-</u>	<u>(32,268)</u>
Net Change in Fund Balances	310,451	-	-	310,451
Fund Balance - July 1	<u>2,871,123</u>	<u>-</u>	<u>-</u>	<u>2,871,123</u>
Fund Balance - June 30	<u>\$ 3,181,574</u>	<u>-</u>	<u>-</u>	<u>3,181,574</u>

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

**BRIELLE SCHOOL DISTRICT****RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS****Exhibit B-3****TO THE STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED JUNE 30, 2019**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 310,451
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	(301,425)
Capital Outlays	<u>59,693</u>
	(241,732)
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	(7,299)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	(162,422)
Pension Related Deferrals	(192,148)
Net Pension Liability	335,546
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>6,667</u>
Change in Net Position of Governmental Activities	<u>\$ 449,063</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, 2019**

	<b><u>Business-type Activities Enterprise Fund</u></b>
<b><u>Assets</u></b>	
Current Assets:	
Cash and Cash Equivalents	\$ 55,654
Inventory	7,118
Accounts Receivable:	
State	229
Federal	2,998
Total Current Assets	<u>65,999</u>
Noncurrent Assets:	
Equipment	152,357
Accumulated Depreciation	<u>(81,126)</u>
Total Noncurrent Assets	<u>71,231</u>
Total Assets	<u>\$ 137,230</u>
<b><u>Liabilities</u></b>	
Accounts Payable	<u>\$ 12,380</u>
Total Liabilities	<u>\$ 12,380</u>
<b><u>Net Position</u></b>	
Investment in Fixed Assets	\$ 71,231
Unrestricted	<u>53,619</u>
Total Net Position	<u>\$ 124,850</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, 2019

	<u>Business-type Activities</u>
	<u>Enterprise Fund</u>
Operating Revenues:	
Local Sources:	
Daily Sales Reimbursable Programs	\$ 80,228
Daily Sales Non Reimbursable Programs	13,417
Fees	56,995
Total Operating Revenue	<u>150,640</u>
Operating Expenses:	
Salaries	133,077
Benefits	3,410
Management Fee	4,940
Cost of Sales - Reimbursable Programs	35,243
Cost of Sales - Non Reimbursable Programs	6,219
Depreciation	9,563
Miscellaneous	7,211
Total Operating Expenses	<u>199,663</u>
Operating (Loss)/Profit	(49,023)
Non-Operating Revenues:	
Interest Revenue	69
State Sources:	
State School Lunch Program	1,220
Federal Sources:	
National School Lunch Program	15,637
HHFKA Lunch Program	1,447
Food Distribution Program	7,666
Board Subsidy	32,268
Total Non-Operating Revenues	<u>58,307</u>
Change in Net Position	9,284
Adjustment to Fixed Assets	(5,577)
Net Position, July 1	<u>121,143</u>
Net Position June 30	<u>\$ 124,850</u>

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

BRIELLE SCHOOL DISTRICTSTATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDSJUNE 30, 2019

	<u>Business-type Activities Enterprise Fund</u>
Cash Flows from Operating Activities:	
Receipts from Daily Sales	\$ 150,640
Payments to Employees	(133,077)
Payments to Suppliers	(46,086)
Net Cash Used by Operating Activities	<u>(28,523)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	1,220
Federal Sources	17,084
Board Subsidy	32,268
Net Cash Provided by Noncapital Financing Activities	<u>50,572</u>
Cash Flows from Investing Activities:	
Interest Revenue	69
Net Cash Provided by Investing Activities	<u>69</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	22,118
Cash and Cash Equivalents July 1	<u>33,536</u>
Cash and Cash Equivalents June 30	<u>\$ 55,654</u>
Cash Flows from Operating Activities:	
Operating (Loss)/Profit	\$ (49,023)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Federal Commodities Consumed	7,666
Depreciation	9,563
Changes in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivables	(1,991)
Increase/(Decrease) in Accounts Payable	12,380
(Increase)/Decrease in Inventory	(7,118)
Net Cash Used by Operating Activities	<u>\$ (28,523)</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, 2019**

	<u>Scholarship Fund</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account</u>	<u>Agency Funds</u>
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 18,151	44,053	1,410	301,607
<b>Total Assets</b>	<b>\$ 18,151</b>	<b>44,053</b>	<b>1,410</b>	<b>301,607</b>
<b>Liabilities:</b>				
Payroll Deductions and Withholdings Reserve for Summer Payroll			\$ 1,410	581
			-	301,026
<b>Total Liabilities</b>			<b>\$ 1,410</b>	<b>301,607</b>
<b>Net Position:</b>				
Reserved - Scholarship	\$ 18,151			
Reserved - Unemployment Benefits		44,053		
<b>Total Net Position</b>	<b>\$ 18,151</b>	<b>44,053</b>		

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**

	<b>Scholarship Fund</b>	<b>Unemployment Compensation Trust</b>
<b><u>Additions</u></b>		
Interest on Investments	\$ 15	81
Contributions	400	8,916
Total Additions	<u>415</u>	<u>8,997</u>
<b><u>Deductions</u></b>		
Scholarship Payments	3,470	
Unemployment Claims		126
Total Deductions	<u>3,470</u>	<u>126</u>
Change in Net Position	(3,055)	8,871
Net Position - Beginning of Year	<u>21,206</u>	<u>35,182</u>
Net Position - End of the Year	<u>\$ 18,151</u>	<u>44,053</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**BOARD OF EDUCATION**  
**BRIELLE SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**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. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

**D. Fund Accounting:**

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

**Governmental Fund Types**

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

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

Capital Projects Fund: the capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued):**

**Proprietary Fund Type**

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

**Fiduciary Fund Types**

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

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

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

**E. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are approved by the Board of Education. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2019 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, 2019.

**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, 2019. 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, 2019 was as follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2019</u>
Governmental Activities:					
Capital Assets That Are Not Being Depreciated:					
Land	\$ 60,584				60,584
Total Capital Assets Not Being Depreciated	60,584				60,584
Depreciable Assets:					
Site Improvements	18,798	54,448			73,246
Buildings & Sites	14,892,938				14,892,938
Equipment	751,294			(33,717)	717,577
Total	<u>15,663,030</u>	<u>54,448</u>		<u>(33,717)</u>	<u>15,683,761</u>

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

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2019</u>
Less: Accumulated Depreciation For:					
Sites	(18,798)				(18,798)
Buildings	(7,361,120)	(269,893)			(7,631,013)
Equipment	<u>(483,758)</u>	<u>(31,532)</u>	<u>38,962</u>	_____	<u>(476,328)</u>
Total Accumulated Depreciation	<u>(7,863,676)</u>	<u>(301,425)</u>	<u>38,962</u>	_____	<u>(8,126,139)</u>
Net Depreciable Assets	<u>7,799,354</u>	<u>(246,977)</u>	<u>38,962</u>	<u>(33,717)</u>	<u>7,557,622</u>
Government Activities:					
Capita Assets, Net	<u>\$ 7,859,938</u>	<u>(246,977)</u>	<u>38,962</u>	<u>(33,717)</u>	<u>7,618,206</u>
Business-Type Activities:					
Equipment	\$ 152,357				152,357
Less: Accumulated Depreciation:					
Equipment	<u>(65,986)</u>	<u>(9,563)</u>	<u>(5,577)</u>	_____	<u>(81,126)</u>
Business-Type Activities Capital Assets (Net)	<u>\$ 86,371</u>	<u>(9,563)</u>	<u>(5,577)</u>	_____	<u>71,231</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	<u>\$ 301,425</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, 2019, cash and cash equivalents and investments of the District consisted of the following:

	<b>Cash and Cash <u>Equivalents</u></b>
Checking, Money Market Accounts	<u>\$ 3,389,570</u>

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

During the period ended June 30, 2019, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2019 was \$3,389,570 and the bank balance was \$4,007,844, of the bank balance \$250,000 was covered by federal depository insurance and \$3,757,844 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>3,757,844</u>
	<u>\$ 4,007,844</u>

As of June 30, 2019, 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, 2019, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Long-Term</u> <u>Portion</u>	<u>Amount Due</u> <u>In One Year</u>
Pension Liability	\$ 2,567,754		(335,546)	2,232,208	2,232,208	
Compensated Absences Payable	381,702	7,299		389,001	389,001	
Bonds Payable	<u>1,200,000</u>	<u>      </u>	<u>(400,000)</u>	<u>800,000</u>	<u>400,000</u>	<u>400,000</u>
Total	<u>\$ 4,149,456</u>	<u>7,299</u>	<u>(735,546)</u>	<u>3,421,209</u>	<u>3,021,209</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 \$800,000 at June 30, 2019.

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 400,000	40,000	440,000
2021	<u>400,000</u>	<u>20,000</u>	<u>420,000</u>
	<u>\$ 800,000</u>	<u>60,000</u>	<u>860,000</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, 2019, the State of New Jersey contributed \$1,066,873 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 \$294,400 during the year ended June 30, 2019 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**

<b>Year Funding</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/19	\$ 113,559	100%	0
6/30/18	106,521	100%	0
6/30/17	103,149	100%	0

**Three-Year Trend Information for TPAF (Paid on Behalf of District)**

<b>Year Funding</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/19	\$ 1,066,873	100%	0
6/30/18	922,741	100%	0
6/30/17	749,110	100%	0

**Public Employees' Retirement System (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:

<b>Tier</b>	<b>Definition</b>
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)**

Service retirement benefits of 1/55<sup>th</sup> 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<sup>th</sup> 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, 2017 through June 30, 2018. 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)**

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, 2018 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2018.

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 2018, 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, 2019, the District recognized pension expense of \$113,559. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference Between Expected and Actual Experience	\$ 42,569	11,510
Changes of Assumptions	367,831	713,741
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		20,938
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	116,500	100,664
District Contributions Subsequent to the Measurement Date	<u>113,559</u>	<u>          </u>
Total	<u>\$ 640,459</u>	<u>846,853</u>

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

\$113,559 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2019, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ending****June 30,**

2019	\$ 15,497
2020	(21,455)
2021	(153,853)
2022	(133,362)
2023	<u>(42,705)</u>
	<u>\$ (335,878)</u>

**Additional Information**

Collective balances at December 31, 2018 and 2017 are as follows:

	<b><u>Dec. 31, 2018</u></b>	<b><u>Dec. 31, 2017</u></b>
Collective Deferred Outflows of Resources	\$ 640,459	802,881
Collective Deferred Inflows of Resources	846,853	654,705
Collective Net Pension Liability	2,232,208	2,567,754
District's Proportion	.01134%	.01103%

**Components of Net Pension Liability**

The components of the collective net pension liability of the participating employers as of June 30, 2018 were as follows:

	<b><u>2018</u></b>		
	<b><u>State</u></b>	<b><u>Local</u></b>	<b><u>Total</u></b>
Total Pension Liability	\$ 30,434,600,657	42,431,573,511	72,866,174,168
Plan Fiduciary Net Position	<u>6,730,302,564</u>	<u>22,742,071,972</u>	<u>29,472,374,536</u>
Net Pension Liability	<u>\$ 23,704,298,093</u>	<u>19,689,501,539</u>	<u>43,393,799,632</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.11%	53.60%	40.45%

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

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2017 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.

**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, 2018) 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, 2018 are summarized in the following table:

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046, 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, 2018, 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:

	<u>2018</u>		
	<u>At 1% Decrease (4.66%)</u>	<u>At Current Discount Rate (5.66%)</u>	<u>At 1% Increase (6.66%)</u>
School District's Proportionate Share Of the Net Pension Liability	<u>\$2,806,744</u>	<u>2,232,208</u>	<u>1,750,209</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.

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

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

Service retirement benefits of 1/55<sup>th</sup> 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<sup>th</sup> 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 ration 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, 2018. 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.

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 2018, State's pension contribution was less than the actuarial determined amount.



**NOTE 4: Pension Plans (Continued)****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, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Total Pension Liability	\$ 86,797,467,286	90,726,371,000
Plan Fiduciary Net Position	<u>22,991,116,840</u>	<u>23,056,161,829</u>
Net Pension Liability	<u>\$ 63,806,350,446</u>	<u>67,670,209,171</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%

**State Proportionate Share of Net Pension Liability Attributable to District**

	<u>2018</u>	<u>2017</u>
District's Liability	<u>\$ 23,639,051</u>	<u>24,488,545</u>
District's Proportion	.03705%	.03619%

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55 - 4.55%
Thereafter	2.00 - 5.45%
Investment Rate of Return	7.00%

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

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, 2017 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, 2018) 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 4.86% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 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.

**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, 2018 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:

	<b>2018</b>		
	<b><u>At 1% Decrease (3.86%)</u></b>	<b><u>At Current Discount Rate (4.86%)</u></b>	<b><u>At 1% Increase (5.86%)</u></b>
School District's Proportionate Share Of the Net Pension Liability	\$ 0	0	0
State of New Jersey's Proportionate Share Of the Net Pension Liability	<u>27,940,909</u>	<u>23,639,051</u>	<u>20,072,915</u>
	<u>\$ 27,940,909</u>	<u>23,639,051</u>	<u>20,072,915</u>

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

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

**NOTE 5: Post-Retirement Benefits (Continued)**

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State’s pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State’s contribution to fund pay-as-you-go PRM costs.

In accordance with the provision of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year’s \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

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.

**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 CAFR at <https://www.nj.gov/treasury/omb/cafr.shtml>.

**NOTE 5: Post-Retirement Benefits (Continued)**

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2018 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.50%		
	<u>TPAF/ABP</u>	<u>TPAF</u>	<u>PERS</u>
Salary Increases:			
Through 2026	1.55 – 4.55%	2.15% - 4.15% based on age	2.10% - 8.98% based on age
Thereafter	2.00 – 5.45%	3.15% - 5.15% based on age	3.10% - 9.98% based on age

Preretirement mortality rates were based on the RP-2006 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-2006 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-2006 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, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2011 – June 30, 2014, and July 1, 2010 – June 30, 2013 for TPAF, PERS and PFRS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

***Health Care Trend Assumptions***

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven 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, 2018 was 3.87%. 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.

**NOTE 5: Post-Retirement Benefits (Continued)**

Changes in the State of New Jersey's proportionate share of the total Non-Employer OPEB Liability associated with the School District:

	<b>Total OPEB Liability</b>
Balances at June 30, 2017	\$ 22,019,696
Changes for the Year:	
Service Cost	749,325
Interest	806,715
Difference Between Expected and Actual Experience	(2,618,109)
Changes in Assumptions or Other Inputs	(2,108,587)
Benefit Payments	(491,333)
Member Contributions	<u>16,981</u>
Balance at June 30, 2018	<u>\$ 18,374,688</u>

There were no changes in benefit terms between the June 30, 2017 measurement date and the June 30, 2018 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58% percent in 2017 to 3.87% percent in 2018.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<b>1% Decrease (2.87%)</b>	<b>Discount Rate (3.87%)</b>	<b>1% Increase (4.87%)</b>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 21,722,622</u>	<u>18,374,688</u>	<u>15,713,426</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 15,187,750</u>	<u>18,374,688</u>	<u>22,589,536</u>

**NOTE 5: Post-Retirement Benefits (Continued)**

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended June 30, 2018, the Board of Education recognized OPEB expense of \$743,220 determined by the State as the total OBEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Brielle Board of Education proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows or resources. At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$	1,783,674
Changes in Proportion	89,914	645,213
Changes of Assumptions or Other Inputs	_____	<u>4,118,780</u>
Total	<u>\$ 89,914</u>	<u>6,547,667</u>

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:	
2020	\$ (759,736)
2021	(759,736)
2022	(759,736)
2023	(759,736)
2024	(759,736)
Thereafter	<u>(2,659,073)</u>
	<u>\$ (6,457,753)</u>

**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.

**NOTE 6: Compensated Absences (Continued)**

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, 2019, no liability existed for compensated absences in the Food Service Fund.

**NOTE 7: Capital Reserve Account**

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

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

**NOTE 8: Risk Management**

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

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



**NOTE 8: Risk Management (Continued)**

**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:

<b><u>Fiscal Year</u></b>	<b><u>District Contributions</u></b>	<b><u>Employee Contributions</u></b>	<b><u>Reimbursed</u></b>	<b><u>Balance</u></b>
2018-2019	\$	8,997	126	44,053
2017-2018		9,207	269	35,182
2016-2017		8,634	2,721	26,244

**NOTE 9: Fund Balance Appropriated**

**General Fund** – Of the \$3,229,817 General Fund fund balance at June 30, 2019, \$411,105 is reserved for encumbrances; \$1,481,630 has been reserved in the Capital Reserve Account; \$559,396 is reserved for maintenance; \$132,291 is maintenance reserve designated for subsequent year’s expenditures; \$160,257 is designated for subsequent year’s expenditures; and \$485,138 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, 2019 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**

2018-19 Total General Fund Expenditures Per the CAFR	\$ 15,085,257
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(1,361,273)</u>
Adjusted 2018-19 General Fund Expenditures	<u>\$ 13,723,984</u>
2% of Adjusted 2018-19 General Fund Expenditures	<u>\$ 274,480</u>
Enter Above or \$250,000 Whichever is Greater	\$ 274,480
Increased by Allowable Adjustment	<u>210,658</u>
Maximum Unassigned Fund Balance	<u>\$ 485,138</u>

**Section 2**

Total General Fund – Fund Balance @ 6-30-19	\$ 3,229,817
Decreased by:	
Reserved for Encumbrances	(411,105)
Designated for Subsequent Years Expenditures – General Fund	(160,257)
Maintenance Reserve:	
Regular	(559,396)
Designated for Subsequent Years Expenditures	(132,291)
Capital Reserve	<u>(1,481,630)</u>
Total Unassigned Fund Balance	<u>\$ 485,138</u>
Excess Surplus	<u>\$ 0</u>

**Section 3****Detail of Allowable Adjustments**

Extraordinary Aid	\$ 197,253
Non-Public Transportation	<u>13,405</u>
	<u>\$ 210,658</u>

**Detail of Other Reserved Fund Balance**

Maintenance Reserve	\$ 559,396
Capital Reserve	<u>1,481,630</u>
	<u>\$ 2,041,026</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, 2019 as follows:

	<u>From</u>	<u>To</u>
General Fund	\$	73,680
Special Revenue Fund	<u>73,680</u>	<u>      </u>
	<u>\$ 73,680</u>	<u>73,680</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, 2019

	<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	\$ 13,274,304		13,274,304	13,274,304	-
Tuition	6,000		6,000	55,273	49,273
Unrestricted Miscellaneous Revenue			-	18,070	18,070
Total Local Sources	<u>13,280,304</u>	<u>-</u>	<u>13,280,304</u>	<u>13,347,647</u>	<u>67,343</u>
State Sources:					
Special Education Aid	376,655		376,655	376,655	-
Security Aid	14,351		14,351	14,351	-
Transportation Aid	121,923		121,923	121,923	-
Extraordinary Aid			-	197,253	197,253
Non Public Transportation			-	13,405	13,405
TPAF Pension (On-Behalf - Non-Budgeted)			-	1,066,873	1,066,873
TPAF Social Security (Reimbursed Non-Budgeted)			-	294,400	294,400
Total State Sources	<u>512,929</u>	<u>-</u>	<u>512,929</u>	<u>2,084,860</u>	<u>1,571,931</u>
Total Revenues	<u>13,793,233</u>	<u>-</u>	<u>13,793,233</u>	<u>15,432,507</u>	<u>1,639,274</u>

**BRIELLE SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	107,525	(1,801)	105,724	105,724	-
Kindergarten - Salaries of Teachers	298,285	16,723	315,008	315,008	-
Grades 1-5 - Salaries of Teachers	1,376,581	32,459	1,409,040	1,409,040	-
Grades 6-8 - Salaries of Teachers	1,093,236	15,511	1,108,747	1,108,747	-
Regular Programs - Home Instruction:					
Salaries	3,000	1,900	4,900	4,900	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	9,000	(2,803)	6,197	6,197	-
Other Purchased Services (400-500 Series)	20,000	(1,846)	18,154	18,154	-
General Supplies	163,806	35,456	199,262	178,807	20,455
Textbooks	20,000	(20,000)	-	-	-
Other Objects	12,030	5,064	17,094	17,094	-
Total Regular Programs - Instruction	<u>3,103,463</u>	<u>80,663</u>	<u>3,184,126</u>	<u>3,163,671</u>	<u>20,455</u>
Resource Room/Resource Center:					
Salaries of Teachers	526,561	(29,024)	497,537	497,537	-
General Supplies	1,500		1,500	1,500	-
Total Resource Room/Resource Center	<u>528,061</u>	<u>(29,024)</u>	<u>499,037</u>	<u>499,037</u>	<u>-</u>
Total Special Education - Instruction	<u>528,061</u>	<u>(29,024)</u>	<u>499,037</u>	<u>499,037</u>	<u>-</u>

**BRIELLE SCHOOL DISTRICT**

**Exhibit C-1**

**Sheet 3 of 9**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
School Sponsored Cocurricular Activities-Instruction:					
Salaries	35,875	3,808	39,683	38,466	1,217
Other Objects	2,000	14,074	16,074	13,305	2,769
Total School Sponsored Cocurricular Activities-Instruction	<u>37,875</u>	<u>17,882</u>	<u>55,757</u>	<u>51,771</u>	<u>3,986</u>
School Sponsored Athletics - Instruction:					
Salaries	41,996	(19,715)	22,281	20,735	1,546
Other Objects	8,000	1,834	9,834	9,834	-
Total School Sponsored Athletics-Instruction	<u>49,996</u>	<u>(17,881)</u>	<u>32,115</u>	<u>30,569</u>	<u>1,546</u>
Before/After School Programs - Instruction:					
Salaries of Teachers	<u>11,000</u>		<u>11,000</u>	<u>10,693</u>	<u>307</u>
Total Instruction	<u>3,730,395</u>	<u>51,640</u>	<u>3,782,035</u>	<u>3,755,741</u>	<u>26,294</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State - Regular	3,633,693	(71,184)	3,562,509	3,562,509	-
Tuition to Other LEA's Within the State - Special	723,656	(201,673)	521,983	521,983	-
Tuition to Private School for the Handicapped Within State	559,802	61,375	621,177	559,438	61,739
Tuition to County Vocational - Regular	188,065	13,323	201,388	197,931	3,457
Tuition to County Vocational - Special	22,440	(2,970)	19,470	19,470	-
Total Instruction	<u>5,127,656</u>	<u>(201,129)</u>	<u>4,926,527</u>	<u>4,861,331</u>	<u>65,196</u>



BRIELLE SCHOOL DISTRICT

Exhibit C-1  
Sheet 4 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Health Services:					
Salaries	92,485		92,485	91,494	991
Supplies and Materials	5,000		5,000	3,253	1,747
Total Health Services	<u>97,485</u>	<u>-</u>	<u>97,485</u>	<u>94,747</u>	<u>2,738</u>
Guidance:					
Salaries of Other Professional Staff	182,101	29,578	211,679	211,679	-
Total Guidance	<u>182,101</u>	<u>29,578</u>	<u>211,679</u>	<u>211,679</u>	<u>-</u>
Other Support Services - Student Related Services:					
Salaries	79,999	(5,061)	74,938	73,566	1,372
Purchased Professional Educational Services	202,561	2,212	204,773	204,773	-
Total Other Support Services - Student Related Svcs.	<u>282,560</u>	<u>(2,849)</u>	<u>279,711</u>	<u>278,339</u>	<u>1,372</u>
Other Support Services - Students Extra Services:					
Salaries	82,491	(825)	81,666	81,666	-
	182,101				
Other Support Services - Students Special:					
Salaries of Other Professional Staff	203,013	1,426	204,439	204,439	-
Salaries Secretarial and Clerical	40,523		40,523	40,424	99
Purchased Professional Educational Services	90,725	8,127	98,852	98,652	200
Total Other Support Services - Students Special	<u>334,261</u>	<u>9,553</u>	<u>343,814</u>	<u>343,515</u>	<u>299</u>
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	58,579		58,579	58,579	-
Salaries of Other Professional Staff	7,500	(4,160)	3,340	3,319	21
Total Improvement of Instructional Services	<u>66,079</u>	<u>(4,160)</u>	<u>61,919</u>	<u>61,898</u>	<u>21</u>

**BRIELLE SCHOOL DISTRICT**

Exhibit C-1  
Sheet 5 of 9

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	167,262	(21,285)	145,977	141,811	4,166
Purchased Professional/Technical Services	1,000	43	1,043	1,043	-
Supplies & Materials	7,300	(43)	7,257	5,460	1,797
Total Educational Media Services/School Library	<u>175,562</u>	<u>(21,285)</u>	<u>154,277</u>	<u>148,314</u>	<u>5,963</u>
Instructional Staff Training Service:					
Other Objects	<u>9,840</u>	<u>14,839</u>	<u>24,679</u>	<u>21,926</u>	<u>2,753</u>
Support Services - General Administration:					
Salaries	164,179		164,179	143,928	20,251
Legal Services	30,000		30,000	15,954	14,046
Other Purchased Professional Services	12,500		12,500	11,500	1,000
Communications/Telephone	8,000		8,000	5,444	2,556
Other Purchased Services (400-500 Series)	41,170	1,091	42,261	41,391	870
Judgments	15,000		15,000	4,013	10,987
Miscellaneous Expenditures	45,000		45,000	42,953	2,047
BOE Membership Dues And Fees	6,200		6,200	6,183	17
Total Support Services - General Administration	<u>322,049</u>	<u>1,091</u>	<u>323,140</u>	<u>271,366</u>	<u>51,774</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	138,062		138,062	138,062	-
Salaries of Secretarial and Clerical	83,250		83,250	83,023	227
Total Support Services - School Administration	<u>221,312</u>	<u>-</u>	<u>221,312</u>	<u>221,085</u>	<u>227</u>

**BRIELLE SCHOOL DISTRICT**

Exhibit C-1  
Sheet 6 of 9

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Central Services:					
Salaries	183,345	4,726	188,071	178,844	9,227
Administrative Information Technology:					
Purchased Technical Services	58,702	4,110	62,812	57,682	5,130
Required Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	110,000	2,569	112,569	112,569	-
General Supplies	55,000	8,554	63,554	63,554	-
Other Objects	199,042	415,398	614,440	312,568	301,872
Total Required Maintenance for School Facilities	364,042	426,521	790,563	488,691	301,872
Other Operations and Maintenance of Plant:					
Salaries	304,680	(2,773)	301,907	301,907	-
Other Purchased Property Services	6,000	(2,353)	3,647	3,647	-
Insurance	24,156	(581)	23,575	23,575	-
Energy - Electricity	80,000	8,942	88,942	88,942	-
Energy - Natural Gas	50,000	(10,117)	39,883	39,883	-
Other Objects	4,100	(347)	3,753	3,753	-
Total Other Operations and Maintenance of Plant	468,936	(7,229)	461,707	461,707	-
Care and Upkeep of Grounds:					
Salaries	10,895		10,895	10,895	-
Cleaning, Repair & Maintenance	22,000	7,195	29,195	27,698	1,497
Total Care and Upkeep of Grounds	32,895	7,195	40,090	38,593	1,497
Security:					
Cleaning, Repair and Maintenance	56,550	(1,528)	55,022	45,751	9,271
Total Operation & Maintenance of Plant Services	922,423	424,959	1,347,382	1,034,742	312,640

**BRIELLE SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	43,139		43,139	43,135	4
Contracted Services (Other Than Between Home & School) Vendors	30,000		30,000	24,661	5,339
Contracted Services (Regular Students) ESC's & CTSAs	201,781	40,657	242,438	242,437	1
Contracted Services (Sp. Ed. Students) ESC's & CTSAs	308,058	77,748	385,806	361,856	23,950
Contracted Services - Aid in Lieu of Payments	15,000	(10,200)	4,800	4,800	-
Total Student Transportation Services	<u>597,978</u>	<u>108,205</u>	<u>706,183</u>	<u>676,889</u>	<u>29,294</u>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	110,000		110,000	104,033	5,967
Other Retirement Contributions-PERS	115,000		115,000	113,559	1,441
Unemployment Compensation	20,000	(1,931)	18,069		18,069
Workmen's Compensation	65,701		65,701	64,547	1,154
Health Benefits	1,000,164		1,000,164	934,424	65,740
Tuition Reimbursement	25,000	(2,753)	22,247	14,326	7,921
Unused Sick Payment To terminated/Retirement Staff	187,731	(20,607)	167,124	162,840	4,284
Total Unallocated Benefits - Employee Benefits	<u>1,523,596</u>	<u>(25,291)</u>	<u>1,498,305</u>	<u>1,393,729</u>	<u>104,576</u>
On-Behalf TPAF Pension Contributions (Non-Budgeted)				1,066,873	(1,066,873)
Reimbursed TPAF Social Security (Non-Budgeted)			-	294,400	(294,400)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,361,273</u>	<u>(1,361,273)</u>
Total Undistributed Expenditures	<u>10,187,440</u>	<u>341,522</u>	<u>10,528,962</u>	<u>11,299,025</u>	<u>(770,063)</u>
Total General Current Expense	<u>13,917,835</u>	<u>393,162</u>	<u>14,310,997</u>	<u>15,054,766</u>	<u>(743,769)</u>

**BRIELLE SCHOOL DISTRICT**

Exhibit C-1  
Sheet 8 of 9

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	13,948,326	393,162	14,341,488	15,085,257	(743,769)
 Excess (Deficiency) of Revenues Over/(Under) Expenditures	(155,093)	(393,162)	(548,255)	347,250	895,505
 Other Financing Sources/(Uses):					
Transfer to Food Service	(34,747)		(34,747)	(32,268)	2,479
Total Other Financing Sources/(Uses)	<u>(34,747)</u>	<u>-</u>	<u>(34,747)</u>	<u>(32,268)</u>	<u>2,479</u>
 Total (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(189,840)	(393,162)	(583,002)	314,982	897,984
 Fund Balance July 1	<u>2,914,835</u>		<u>2,914,835</u>	<u>2,914,835</u>	<u>-</u>
 Fund Balance June 30	<u>\$ 2,724,995</u>	<u>(393,162)</u>	<u>2,331,833</u>	<u>3,229,817</u>	<u>897,984</u>

**BRIELLE SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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				\$ 1,481,630	
Maintenance Reserve				559,396	
Designated for Subsequent Years Expenditures- Maintenance Reserve				132,291	
Committed Fund Balance:					
Year End Encumbrances				411,105	
Designated for Subsequent Years Expenditures				160,257	
Unassigned Fund Balance				<u>485,138</u>	
				3,229,817	
Reconciliation to Governmental Funds Statements (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(48,243)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 3,181,574</u>	

**BRIELLE SCHOOL DISTRICT**

**Exhibit C-2**

**BUDGETARY COMPARISON SCHEDULE**

**SPECIAL REVENUE FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Revenues:					
Federal Sources	<u>\$ 169,977</u>	<u>42,527</u>	<u>212,504</u>	<u>202,137</u>	<u>10,367</u>
Total Revenues	<u><u>\$ 169,977</u></u>	<u><u>42,527</u></u>	<u><u>212,504</u></u>	<u><u>202,137</u></u>	<u><u>10,367</u></u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 28,050	14,450	42,500	33,100	9,400
Purchased Professional and Technical Services	680	6,340	7,020	7,020	
Tuition	102,475	17,659	120,134	120,134	
Supplies	<u>17,457</u>	<u>(1,203)</u>	<u>16,254</u>	<u>16,254</u>	
Total Instruction	<u>148,662</u>	<u>37,246</u>	<u>185,908</u>	<u>176,508</u>	<u>9,400</u>
Support Services:					
Personal - Services - Benefits	2,146	1,105	3,251	2,284	967
Purchased Professional and Technical Services	14,919	4,426	19,345	19,345	
Other Purchased Services		4,000	4,000	4,000	
Other Objects	<u>4,250</u>	<u>(4,250)</u>	<u>-</u>	<u>-</u>	
Total Support Services	<u>21,315</u>	<u>5,281</u>	<u>26,596</u>	<u>25,629</u>	<u>967</u>
Total Expenditures	<u><u>\$ 169,977</u></u>	<u><u>42,527</u></u>	<u><u>212,504</u></u>	<u><u>202,137</u></u>	<u><u>10,367</u></u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**



**BRIELLE SCHOOL DISTRICT****REQUIRED SUPPLEMENTARY INFORMATION**

Exhibit C-3

**BUDGET-TO GAAP RECONCILIATION****NOTE TO RSI****FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>
<b><u>Sources/Inflows of Resources</u></b>		
Actual Amounts (Budgetary Basis) "Revenue" from Budgetary Comparison Schedule	\$ 15,432,507	202,137
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized		(10,699)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	43,712	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(48,243)</u>	
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 15,427,976</u>	<u>191,438</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 15,085,257	202,137
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>(10,699)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 15,085,257</u>	<u>191,438</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 SIX FISCAL YEARS**

	<u>2018</u>	<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%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,232,208	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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,232,208</u>	<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	\$ 785,800	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	35.20%	30.93%	21.70%	29.90%	34.84%	38.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

**BRIELLE SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS**

**Exhibit L-2**

**LAST SIX FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 106,521	103,149	103,149	99,676	80,583	84,214
Contributions in Relation to the Contractually Required Contribution	<u>106,521</u>	<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>	<u>-</u>
District's Covered-Employee Payroll	\$ 785,800	794,171	737,774	\$776,629	788,788	776,629
Contributions as a Percentage of Covered-Employee Payroll	13.56%	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 SIX FISCAL YEARS**

	<u>2018</u>	<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%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>23,639,051</u>	<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>\$23,639,051</u>	<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	\$ 4,006,146	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	16.95%	15.95%	12.89%	15.93%	18.85%	20.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	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****Exhibit M-1****LAST THREE FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b><u>State's OPEB Liability Attributable to the District</u></b>			
Service Cost	\$ 749,325	902,356	*
Interest	806,715	691,698	*
Benefit Payments	(491,333)	(510,023)	*
Member Contributions	16,981	18,780	*
Difference between Expected and Actual Experience	(2,618,109)		*
Change of Assumptions	(2,108,587)	(2,694,764)	*
Net Change in Total OPEB Liability	<u>(3,645,008)</u>	<u>(1,591,953)</u>	*
Total Attributable OPEB Liability - Beginning	<u>22,019,696</u>	<u>23,611,649</u>	*
Total Attributable OPEB Liability - Ending	<u>\$ 18,374,688</u>	<u>22,019,696</u>	<u>23,611,649</u>
District's Covered Payroll	\$ 4,791,946	4,698,960	4,513,956
District's Contribution	None	None	None
State's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	383.45%	468.61%	523.08%

\* - 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 three years. Additional years will be presented as they become available.



**BRIELLE SCHOOL DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Exhibit M-2**

Change of Benefit Terms

None

Changes of Assumptions

The Discount Rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

**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, 2019

	<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>Total</u>
Revenues:						
Federal Sources	\$ 51,858	12,860	10,800	120,134	6,485	202,137
Total Revenues	<u>\$ 51,858</u>	<u>12,860</u>	<u>10,800</u>	<u>120,134</u>	<u>6,485</u>	<u>202,137</u>
Expenditures:						
Instruction:						
Salaries of Teachers	\$ 33,100					33,100
Purchased Prof. & Technical Services		12,860	7,020			19,880
Tuition				120,134		120,134
General Supplies	12,474		3,780			16,254
Total Instruction	<u>45,574</u>	<u>12,860</u>	<u>10,800</u>	<u>120,134</u>	<u>-</u>	<u>189,368</u>
Support Services:						
Personal Services - Employee Benefits	2,284					2,284
Other Purchased Services	4,000				6,485	10,485
Total Support Services	<u>6,284</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,485</u>	<u>12,769</u>
Total Expenditures	<u>\$ 51,858</u>	<u>12,860</u>	<u>10,800</u>	<u>120,134</u>	<u>6,485</u>	<u>202,137</u>

**CAPITAL PROJECTS FUND – F**

**N/A**

**PROPRIETARY FUNDS – G**

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

Exhibit G-1

**ENTERPRISE FUND****JUNE 30, 2019**

	<b><u>Food Services</u></b>	<b><u>Aftercare Program</u></b>	<b><u>Total</u></b>
<b><u>Assets</u></b>			
Current Assets:			
Cash and Cash Equivalents	\$ 24,842	30,812	55,654
Inventory	7,118		7,118
Accounts Receivable:			
State	229		229
Federal	2,998		2,998
Total Current Assets	<u>35,187</u>	<u>30,812</u>	<u>65,999</u>
Noncurrent Assets:			
Equipment	152,357		152,357
Accumulated Depreciation	<u>(81,126)</u>		<u>(81,126)</u>
Total Noncurrent Assets	<u>71,231</u>	<u>-</u>	<u>71,231</u>
Total Assets	<u>\$ 106,418</u>	<u>30,812</u>	<u>137,230</u>
<b><u>Liabilities</u></b>			
Accounts Payable	<u>\$ 12,380</u>		<u>12,380</u>
Total Liabilities	<u>\$ 12,380</u>	<u>-</u>	<u>12,380</u>
<b><u>Net Position</u></b>			
Investment in Fixed Assets	\$ 71,231		71,231
Unrestricted	<u>22,807</u>	<u>30,812</u>	<u>53,619</u>
Total Net Position	<u>\$ 94,038</u>	<u>30,812</u>	<u>124,850</u>



BRIELLE SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit G-2

IN FUND NET POSITIONENTERPRISE FUNDJUNE 30, 2019

	<u>Food Services</u>	<u>Aftercare Program</u>	<u>Total</u>
Operating Revenues:			
Local Sources:			
Daily Sales Reimbursable Programs	\$ 80,228		80,228
Daily Sales Non Reimbursable Programs	13,417		13,417
Fees/Miscellaneous		56,995	56,995
Total Operating Revenue	<u>93,645</u>	<u>56,995</u>	<u>150,640</u>
Operating Expenses:			
Salaries	88,504	44,573	133,077
Benefits		3,410	3,410
Management Fee	4,940		4,940
Cost of Sales - Reimbursable Programs	35,243		35,243
Cost of Sales - Non Reimbursable Programs	6,219		6,219
Depreciation	9,563		9,563
Miscellaneous	7,211		7,211
Total Operating Expenses	<u>151,680</u>	<u>47,983</u>	<u>199,663</u>
Operating (Loss)/Profit	(58,035)	9,012	(49,023)
Non-Operating Revenues:			
Interest Revenue		69	69
State Sources:			
State School Lunch Program	1,220		1,220
Federal Sources:			
National School Lunch Program	15,637		15,637
HHFKA Lunch Program	1,447		1,447
Food Distribution Program	7,666		7,666
Board Subsidy	32,268		32,268
Total Non-Operating Revenues	<u>58,238</u>	<u>69</u>	<u>58,307</u>
Change in Net Position	203	9,081	9,284
Adjustment to Fixed Assets	(5,577)		(5,577)
Net Position, July 1	<u>99,412</u>	<u>21,731</u>	<u>121,143</u>
Net Position, June 30	<u>\$ 94,038</u>	<u>30,812</u>	<u>124,850</u>

**BRIELLE SCHOOL DISTRICT****STATEMENT OF CASH FLOWS**

Exhibit G-3

**ENTERPRISE FUND****JUNE 30, 2019**

	<b>Food Services</b>	<b>Aftercare Program</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>			
Receipts from Daily Sales	\$ 93,645	56,995	150,640
Payments to Employees	(88,504)	(44,573)	(133,077)
Payments to Suppliers	(42,676)	(3,410)	(46,086)
Net Cash Used by Operating Activities	<u>(37,535)</u>	<u>9,012</u>	<u>(28,523)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
State Sources	1,220		1,220
Federal Sources	17,084		17,084
Board Subsidy	32,268		32,268
Net Cash Provided by Noncapital Financing Activities	<u>50,572</u>	<u>-</u>	<u>50,572</u>
<b>Cash Flows from Investing Activities:</b>			
Interest Revenue		69	69
Net Cash Provided by Investing Activities	<u>-</u>	<u>69</u>	<u>69</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	13,037	9,081	22,118
Cash and Cash Equivalents July 1	<u>11,805</u>	<u>21,731</u>	<u>33,536</u>
Cash and Cash Equivalents June 30	<u>\$ 24,842</u>	<u>30,812</u>	<u>55,654</u>
<b>Cash Flows from Operating Activities:</b>			
Operating (Loss)/Profit	\$ (58,035)	9,012	(49,023)
<b>Adjustments to Reconcile Operating Loss to Cash</b>			
<b>Provided (Used) by Operating Activities:</b>			
Federal Commodities Consumed	7,666		7,666
Depreciation	9,563		9,563
<b>Changes in Assets and Liabilities:</b>			
(Increase)/Decrease in Accounts Receivables	(1,991)		(1,991)
Increase/(Decrease) in Accounts Payable	12,380		12,380
(Increase)/Decrease in Inventory	(7,118)		(7,118)
Net Cash Used by Operating Activities	<u>\$ (37,535)</u>	<u>9,012</u>	<u>(28,523)</u>

**FIDUCIARY FUND – H**

**BRIELLE SCHOOL DISTRICT**

**TRUST AND AGENCY FUND**

**Exhibit H-1**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION**

**AS OF JUNE 30, 2019**

	<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	\$ 13,354	1,410	1	301,607	18,151	44,053	378,576
Total Assets	<u>\$ 13,354</u>	<u>1,410</u>	<u>1</u>	<u>301,607</u>	<u>18,151</u>	<u>44,053</u>	<u>378,576</u>
Liabilities and Net Position:							
Liabilities:							
Due to Student Groups	\$ 10,599						10,599
Reserve for Summer Payroll				301,026			301,026
Payroll Deductions and Withholdings		1,410	1	581			1,992
Total Liabilities	<u>\$ 10,599</u>	<u>1,410</u>	<u>1</u>	<u>301,607</u>	<u>-</u>	<u>-</u>	<u>313,617</u>
Net Position:							
Reserved - Scholarships					\$ 18,151		18,151
Reserved - Unemployment Benefits						44,053	44,053
Total Net Position					<u>\$ 18,151</u>	<u>44,053</u>	<u>62,204</u>

BRIELLE SCHOOL DISTRICTEXPENDABLE TRUST FUNDS

Exhibit H-2

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITIONJUNE 30, 2019

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Local Sources:			
Interest on Investments	\$ 15	81	96
Contributions	400	8,916	8,916
Total Additions	<u>415</u>	<u>8,997</u>	<u>9,012</u>
Deductions:			
Scholarship Payments	3,470		3,470
Unemployment Claims		126	126
Total Deductions	<u>3,470</u>	<u>126</u>	<u>3,596</u>
Change in Net Position	(3,055)	8,871	5,416
Net Position, July 1	<u>21,206</u>	<u>35,182</u>	<u>56,388</u>
Net Position, June 30	<u>\$ 18,151</u>	<u>44,053</u>	<u>61,804</u>

BRIELLE SCHOOL DISTRICTSTUDENT ACTIVITY AGENCY FUND

Exhibit H-3

SCHEDULE OF RECEIPTS AND DISBURSEMENTSFOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2019</u>
Elementary School:				
School Fund	\$ 18,758	34,778	42,937	10,599
Yearbook	686	7,372	7,372	686
Student Council	468	8,200	6,599	2,069
	<hr/>	<hr/>	<hr/>	<hr/>
Total All Schools	<u>\$ 19,912</u>	<u>50,350</u>	<u>56,908</u>	<u>13,354</u>

**BRIELLE SCHOOL DISTRICT****PAYROLL AGENCY FUND**

Exhibit H-4

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS****JUNE 30, 2019**

	<b><u>Balance</u></b> <b><u>June 30, 2018</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance</u></b> <b><u>June 30, 2019</u></b>
Assets:				
Cash and Cash Equivalents	\$ 294,285	2,903,444	2,896,122	301,607
Total Assets	<u>\$ 294,285</u>	<u>2,903,444</u>	<u>2,896,122</u>	<u>301,607</u>
Liabilities:				
Payroll Deductions and Withholdings	\$ 294,285	2,903,444	2,896,122	301,607
Total Liabilities	<u>\$ 294,285</u>	<u>2,903,444</u>	<u>2,896,122</u>	<u>301,607</u>

**LONG-TERM DEBT – I**



**BRIELLE SCHOOL DISTRICT**

**LONG-TERM DEBT**

Exhibit I-1

**SCHEDULE OF SERIAL BONDS**

**JUNE 30, 2019**

<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, 2018</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2019</u>
Elementary School Addition	2/27/01	\$ 6,915,000	3/1/2020-21	\$ 400,000	5.00%	\$ 1,200,000	400,000	800,000
						<u>\$ 1,200,000</u>	<u>400,000</u>	<u>800,000</u>

**BRIELLE SCHOOL DISTRICT**

**DEBT SERVICE FUND**

Exhibit I-3

**BUDGETARY COMPARISON SCHEDULE**

**JUNE 30, 2019**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Fund to Actual</u></b>
Revenues:					
Local Sources					
Local Tax Levy	\$ 460,000	-	460,000	460,000	-
Total Revenues	<u>460,000</u>	<u>-</u>	<u>460,000</u>	<u>460,000</u>	<u>-</u>
Expenditures:					
Regular Interest	60,000		60,000	60,000	-
Redemption of Principal	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Total Expenditures	<u>460,000</u>	<u>-</u>	<u>460,000</u>	<u>460,000</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>-</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>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>	<u>2019</u>
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$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	\$6,818,206
Restricted				672,903	749,188	874,237	1,738,690	1,559,485	2,475,645	2,744,679
Unrestricted				(13,661)	94,834	(2,027,138)	(2,073,548)	(1,052,401)	(2,425,802)	(2,404,041)
<b>Total governmental activities net position</b>	<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>	<u>\$7,158,844</u>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$141,847	\$142,626	\$144,278	\$ 23,756	\$18,359	\$15,543	\$87,785	\$96,028	\$86,371	\$71,231
Restricted										
Unrestricted				54,251	64,205	82,492	71,947	40,328	34,772	53,619
<b>Total business-type activities net position</b>	<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>	<u>\$124,850</u>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$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	\$6,889,437
Restricted				672,903	749,188	874,237	1,738,690	1,559,485	2,475,645	2,744,679
Unrestricted				40,590	159,039	(1,944,646)	(2,001,601)	(1,484,073)	(2,391,030)	(2,350,422)
<b>Total district net position</b>	<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>	<u>\$7,283,694</u>

Source: CAFR Schedule A-1

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction										
Regular	\$ 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	3,170,970
Special Education	504,416	532,330	548,252	493,778	530,298	572,946	615,861	678,166	688,335	677,706
Bilingual Education	7,803	8,000	8,160	8,000	8,000	7,783	-	-	-	-
Extracurriculars-Non Sports	37,987	8,758	31,860	34,586	31,819	37,865	-	-	-	-
Extracurriculars-Sports	45,696	-	23,025	36,562	37,728	38,784	-	-	-	-
Other instruction	10,077	-	-	9,665	10,617	8,489	105,513	94,706	95,371	93,033
Support Services:										
Tuition	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	4,861,331
Health Services	84,938	63,309	62,686	78,603	78,579	85,298	-	-	-	-
Speech, OT/PT	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	54,674	55,494	57,420	68,153	62,442	67,858	1,149,278	1,173,953	1,193,423	1,254,853
Library/Media	83,408	79,000	162,317	163,099	167,145	167,539	-	-	-	-
General administrative services	183,449	192,847	201,945	213,806	216,933	251,169	-	-	-	457,611
School administrative services	292,522	267,582	279,477	292,831	278,733	247,720	199,008	201,755	214,708	271,366
Business administrative services	255,497	179,813	184,722	153,331	169,349	160,609	452,555	489,106	514,061	-
Building Maintenance	253,657	144,547	159,249	146,415	141,652	373,666	882,151	1,388,975	762,955	1,005,540
Custodial Services	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	1,178,074	1,250,984	1,300,125	2,149,524	1,986,782	1,785,093	2,244,992	2,414,421	2,606,229	2,774,026
Pupil transportation	497,644	431,549	485,646	447,733	540,032	621,147	605,127	492,869	533,667	676,889
Interest on long-term debt	225,320	208,600	191,000	167,400	149,267	130,733	111,867	92,733	73,200	53,333
Unallocated depreciation	-	-	-	279,388	303,152	299,134	296,834	287,667	285,912	301,425
Total governmental activities expenses	11,597,646	11,327,650	11,963,962	13,348,440	13,420,142	13,740,013	13,792,109	14,583,943	14,860,124	15,598,083
<b>Business-type activities:</b>										
Food service	197,983	159,143	137,343	186,187	180,218	173,730	175,835	209,507	161,287	157,257
Child Care	-	-	-	50,026	44,056	43,809	42,099	36,802	56,027	47,983
Total business-type activities expense	197,983	159,143	137,343	236,213	224,274	217,539	217,934	246,309	217,314	205,240
Total district expenses	11,795,629	11,486,793	12,101,305	13,584,653	13,644,416	13,957,552	14,010,043	14,830,252	15,077,438	15,803,323
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
Instruction (tuition)	26,060	36,825	13,800	12,000	27,100	30,100	21,001	23,760	31,080	55,273
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Business and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	168,500	196,098	342,182	192,320	197,473	173,046	181,870	186,248	196,606	191,438
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	194,560	232,923	355,982	204,320	224,573	203,146	202,871	210,008	227,686	246,711

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

J-2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Business-type activities:</b>										
Charges for services										
Food service	205,897	174,556	153,467	186,187	133,436	128,493	103,871	95,764	83,511	93,645
Child care	-	-	-	50,026	39,125	42,262	47,796	49,241	59,415	56,995
Operating grants and contributions	-	-	-	-	31,222	32,764	32,793	28,115	26,231	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	205,897	174,556	153,467	236,213	203,783	203,519	184,460	173,120	169,157	150,640
Total district program revenues										
<b>Net (Expense)/Revenue</b>										
Governmental activities	194,560	232,923	114,970	13,144,120	13,216,060	13,536,867	13,589,238	14,373,935	14,632,438	15,351,372
Business-type activities	205,897	174,556	153,467	32,069	25,048	14,020	33,474	73,189	48,027	28,630
Total district-wide net expense	400,457	407,479	268,437	13,176,189	13,241,108	13,550,887	13,622,712	14,447,124	14,680,465	15,380,002
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	10,527,417	11,329,491	11,586,001							13,274,304
Taxes levied for debt service	605,320	608,600	591,000							460,000
Unrestricted grants and contributions	806,904	264,642	467,490							2,080,329
Payments in lieu of taxes	-	-	-							-
Investment earnings	10,845	2,324	3,908							-
Miscellaneous income	-	-	23,533							18,070
Transfers	-	-	-							(32,268)
Total governmental activities	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	15,800,435
Business-type activities:										
Investment earnings				18	4	1				69
Transfers				24,045	25,044	29,490				32,268
Total business-type activities				24,063	25,048	29,491	21,273	32,295	32,814	32,337
Total district-wide	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	15,832,772
<b>Change in Net Position</b>										
Governmental activities	352,840	254,571	116,970	521,645	634,484	(1,724,304)	954,354	511,433	684,016	449,063
Business-type activities	(7,914)	(31,329)	16,123	(8,006)	4,557	15,471	(12,201)	(40,894)	(15,213)	3,707
Total district	344,926	223,242	133,093	513,639	639,041	(1,708,833)	942,153	470,539	668,803	452,770

Source: CAFR Schedule A-2

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

J-3

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ -	-	-	510,437	722,574	863,253	1,738,690	2,234,715	2,475,644	2,744,679
Unreserved	251,843	307,199	254,864	(13,661)	377,091	395,392	375,514	400,271	395,479	436,895
Total General fund	<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>	<u>3,181,574</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>-</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>	<u>-</u>

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

J-4

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Tax Levy	\$ 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	13,734,304
Tuition Charges	26,060	36,825	13,800	12,000	27,100	30,100	21,001	23,760	31,080	55,273
Interest Earnings	10,845	2,324	1,091	41,318	-	-	-	-	-	-
Miscellaneous	-	-	28,015	1,293,350	21,983	33,590	15,570	5,887	8,193	18,070
State Sources	770,115	264,642	462,626	186,859	1,272,850	1,393,092	1,536,937	1,655,804	1,850,520	2,080,329
Federal Sources	-	-	-	-	179,877	150,925	167,354	184,173	193,307	191,438
<b>Total revenue</b>	<b>11,939,757</b>	<b>12,241,882</b>	<b>12,652,613</b>	<b>13,894,130</b>	<b>14,080,157</b>	<b>14,408,107</b>	<b>14,767,736</b>	<b>15,127,671</b>	<b>15,576,924</b>	<b>16,079,414</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	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	3,163,671
Special Education Instruction	504,416	532,330	548,252	493,778	530,298	572,946	615,861	678,166	688,335	677,706
Other Special Instruction	7,803	8,000	8,160	8,000	8,000	7,783	105,513	94,706	95,371	-
Extracurricular-Non Sports	37,987	8,758	31,860	34,586	31,819	37,865	-	-	-	51,771
Extracurricular-Sports	45,696	-	23,025	36,562	37,728	38,784	-	-	-	30,569
Vocational Education	-	-	-	-	-	-	-	-	-	-
Other Instruction	10,077	-	-	9,665	10,517	8,489	-	-	-	10,693
<b>Support Services:</b>										
Tuition	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	4,861,331
Student & Instruction Related Services	886,754	780,343	865,612	1,123,502	1,193,007	1,176,659	1,149,278	1,173,953	1,193,423	1,254,853
General Administrative Services	183,449	189,727	201,945	197,759	197,218	251,169	199,008	201,755	214,708	457,611
School Administrative Services	548,469	447,395	464,199	446,162	448,082	408,329	452,555	489,106	514,061	271,366
Plant Operations and Maintenance	749,204	663,275	671,691	644,388	640,537	835,012	882,151	1,388,975	1,227,049	1,034,742
Pupil Transportation	497,644	431,549	485,646	447,733	540,032	521,147	605,127	492,869	533,667	676,889
Unallocated Employee Benefits	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	2,755,002
Special Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	45,360	37,714	6,652	399,571	346,623	65,486	30,491	30,491	30,491	30,491
Debt service:										
Principal	380,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Interest and Other Charges	225,320	208,600	191,000	173,400	155,400	137,000	118,200	99,200	79,800	60,000
<b>Total expenditures</b>	<b>12,035,242</b>	<b>11,762,873</b>	<b>12,370,614</b>	<b>13,849,824</b>	<b>13,833,429</b>	<b>14,120,489</b>	<b>13,901,888</b>	<b>14,574,594</b>	<b>15,308,003</b>	<b>15,736,695</b>
Excess (Deficiency) of revenues over (under) expenditures	(95,485)	479,009	281,999	44,306	246,728	287,618	865,848	553,077	268,921	342,719
<b>Other Financing sources (uses)</b>										
Adjustments	-	-	-	-	(487)	(99,153)	-	-	-	-
Transfers in	-	-	-	(24,045)	(25,044)	(29,490)	(21,273)	(32,295)	(32,784)	-
Transfers out	-	-	-	-	-	-	-	-	-	(32,268)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,045)</b>	<b>(25,044)</b>	<b>(128,643)</b>	<b>(21,273)</b>	<b>(32,295)</b>	<b>(32,784)</b>	<b>(32,268)</b>
<b>Net Change in Fund Balances</b>	<b>(95,485)</b>	<b>479,009</b>	<b>281,999</b>	<b>20,261</b>	<b>221,684</b>	<b>158,975</b>	<b>844,575</b>	<b>520,782</b>	<b>236,137</b>	<b>310,451</b>
Debt service as a percentage of Noncapital Expenditures	5.0%	5.2%	4.8%	4.3%	4.12%	3.82%	3.82%	3.42%	3.13%	2.9%
June 30 Fund Balance	251,843	307,199	254,864	891,316	1,110,654	1,269,629	2,114,204	2,634,986	2,871,123	3,181,574

Source: CAFR Schedule B-2



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

Fiscal Year Ended June 30	Interest on Investments	Tuition Revenue	Miscellaneous	Total
2009	15,836.00	18,000.00	-	33,836.00
2010	10,845.00	26,060.00	-	36,905.00
2011	2,324.00	36,825.00	-	39,149.00
2012	1,091.00	13,800.00	28,015.00	42,906.00
2013	1,752.76	24,000.00	5,597.28	31,350.04
2014	977.38	27,100.00	3,409.70	31,487.08
2015	759.60	38,850.00	709.30	40,318.90
2016	1,161.49	23,760.00	2,650.96	27,572.45
2017	3,907.74	31,080.00	986.26	35,974.00
2018	10,475.00	55,273.00	7,595.00	73,343.00

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
2019	0	1,567,887,500	0	0	0	0	0	1,567,887,500	0	0	1,567,887,500	0.876	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
2019	1,567,887,500	13,734,403	0.00876	0.876

Brielle Board of Education  
 Ten Principal Property Taxpayers

2018

Tax Payer	Taxable Assessed		
	Value	Rank	% of Total District Net Assessed Value
Manasquan River Golf Club	\$21,445,900	1	1.37%
Brielle Sui Generis, LLC	\$10,895,200	2	0.69%
Brandywine East II, LLC	\$9,083,900	3	0.58%
Brandywine At Brielle, LLC	\$8,429,700	4	0.54%
608 Green Ave Associates, LLC	\$5,795,500	5	0.37%
836 Riverview Drive, LLC	\$5,256,000	6	0.34%
Private Residence #1	\$5,048,500	7	0.32%
Brielle Yacht Club	\$4,854,000	8	0.31%
Private Residence #2	\$4,796,400	9	0.31%
Manasquan River Yacht Club	\$4,262,000	10	0.27%
Total	\$79,867,100		
Total Assessed Value - all properties	\$ 1,567,887,500		

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

Fiscal Year Ended June 30, Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	
2018	13,734,403.00	13,734,403.00	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 Anticipation Notes (BANS)	Business-Type Activities	
	General Obligation Bonds	Certificates of Participation	Capital Leases		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
2019	860,000		-			860,000

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

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

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

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Taxable Valuation	Percentage of Actual Taxable Value of Property	Debt Limit
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
2019	860,000		\$ 1,567,887,500	0.05%	49,914,417

J-12

Brielle Board of Education  
Ratios of Overlapping Governmental Activities Debt as of December 31, 2018

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	860,000		
Total Direct and Overlapping Debt			



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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	4,380,000	4,000,000	3,600,000	3,200,000	2,800,000	2,400,000	2,000,000	1,600,000	1,200,000	860,000
Legal Debt Margin	45,534,417	45,914,417	46,314,417	46,714,417	47,114,417	47,514,417	47,914,417	48,314,417	48,714,417	49,054,417
Total net debt applicable to the limit as a percentage of debt limit	8.78%	8.01%	7.21%	6.41%	5.61%	4.81%	4.01%	3.21%	2.40%	1.72%

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

J-14

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
2018	4757	532	0.11

J-15

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

Employer	2018			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	82	2		81	2	
Borough of Brielle	49	3		37	3	

Brielle Board of Education  
Full-Time Equivalent District Employees by Function/Program  
6/30/2010-6/30/2019

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
120-100 Regular Education Teachers	48	37.5	37	44	49	48	42	41.5	41	44
100-101 Teachers Special Revenue	6	6	6	6	0	0	6	7	7.5	7
100-106 Classroom Aides	15	9	8	8.5	9	12	9	10	10	10
213-100 Health Services	2	2	2	1.5	1.5	1.5	1.5	1.5	1.5	1.5
216-100 Speech	2		0	0	0	0	0	0	1	0
218-104 Guidance	1	1		1	1	1	1	1	1	1
219-104 Child Study Team	3	3	3	4	4	2.6	2.8	2.8	2.8	3
221-102 Supervisors	0.5	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	2
230-100 General Administration	3.5	3.5	3.5	3.5	3	3	3	3	1.5	1.5
240-100 Administration	1	1	1	1	1.5	1.5	1.5	1.5	3.5	3
250-100 Business Administration	3	2	2	2	2	2	2	2	2	2
26X-100 Buildings and Grounds	7	7	6	6	6	6	6	6	6	6.5
Total	93.0	74.5	71	80	79.5	80.1	77.3	78.8	80.3	82

Brielle Board of Education  
Operating Statistics  
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change Cost Per Pupil	Teaching Staff	Pupil/Teacher Ratio	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Student Attendance Percentage
			8,988						
2007	714	10,369,791	8,903	-0.95%	57	12.53	708	675	95.34%
2008	712	10,907,476	9,346	4.98%	57	12.49	714	686	96.08%
2009	713	11,568,370	10,320	10.42%	54	13.20	708	680	96.05%
2010	728	12,035,242	10,695	3.63%	43	16.93	727	692	95.19%
2011	665	11,472,483	9,849	-7.91%	43	15.47	660	628	95.15%
2012	605	11,963,962	11,355	15.29%	48	12.60	604	579	95.86%
2013	611	11,913,759	12,363	8.88%	49	12.47	608	577	94.90%
2014	575	12,829,080	22,311	80.47%	49	11.73	574	551	95.99%
2015	558	13,410,443	24,033	7.72%	48	11.63	559	537	96.01%
2016	551	13,201,818	23,960	-0.30%	48	11.48	552	532	96.38%
2017	541	13,416,811	24800	3.51%	49	11.04			

Brielle Board of Education  
 School Building Information  
 Last Ten Fiscal Years

District Building	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	713	728	665	605	611	574	558	551	541	532

Source: District Records, ASSA

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

School Facility	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Brielle Elementary School	\$518,314	\$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, 2019

Company	Type of Coverage	Amount
NJSIG	Property Blanket Building & Contents- Replacement Cost Values	\$ 25,771,119.00
	Terrorism (Property)	\$ 1,000,000.00
NJSIG	Flood (exc. Special Flood Hazard Area Flood Zones)	\$ 75,000,000.00
	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	\$ 2,000,000.00
NJSIG	Workers Compensation	
	Professional Covered Payrolls- Per Audit	\$ 4,693,038.00
	Non-Professional Payrolls - Per Audit	\$ 285,575.00
NJSIG	Automobile - Hired/ Non-owned Liability	\$ 31,000,000.00
NJSIG	Equipment Breakdown	\$ 100,000,000.00
NJSIG	Electronic Data Processing	\$ 452,040.00



**SINGLE AUDIT SECTION**

*Robert A. Hulsart and Company*  
CERTIFIED PUBLIC ACCOUNTANTS

109.

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

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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, 2019, 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 December 5, 2019.

**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 its 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**

December 5, 2019

*Robert A. Hulsart and Company*  
CERTIFIED PUBLIC ACCOUNTANTS

111.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
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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, 2019. 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, 2019.

### **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**

December 5, 2019

**BRIELLE SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Department of Education Project/Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project	Award Amount	Grant Period		Balance at June 30, 2018	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2019		Due to Grantor
					From	To						(Accounts Receivable)	Deferred Revenue	
U.S. Department of Education														
Passed Through State Department of Education:														
Special Revenue Fund:														
Title I	84.010A	S010A170030	N/A	\$ 55,986	7/1/2017	6/30/2018	\$ (24,535)		24,535					
Title I	84.010A	S010A180030	N/A	62,225	7/1/2018	6/30/2019			24,380	(51,858)		(27,478)		
Title IIA	84.367A	S367A170029	N/A	11,153	7/1/2017	6/30/2018	(3,023)		3,023					
Title IIA	84.367A	S367A180029	N/A	12,860	7/1/2018	6/30/2019			9,410	(12,860)		(3,450)		
Title IV	84.424	S424A170031	N/A	10,000	7/1/2017	6/30/2018	(1,700)		1,700					
Title IV	84.424	S424A180031	N/A	10,800	7/1/2018	6/30/2019			4,250	(10,800)		(6,550)		
L.D.E.A.:														
Part B - Basic	84.027	H027A170100	N/A	120,559	7/1/2017	6/30/2018	(15,682)		15,682					
Part B - Basic	84.027	H027A180100	N/A	120,134	7/1/2018	6/30/2019			73,185	(120,134)		(46,949)		
Preschool	84.173	H173A170114	N/A	6,399	7/1/2017	6/30/2018	(3)		3					
Preschool	84.173	H173A180114	N/A	6,485	7/1/2018	6/30/2019			6,485	(6,485)				
Total Special Revenue Fund							(44,943)	-	162,653	(202,137)	-	(84,427)	-	-
U.S. Department of Agriculture														
Passed Through State Department of Education:														
Enterprise Fund:														
National School Lunch Program	10.555	181NJ304N1099	N/A	15,637	7/1/2018	6/30/2019			12,911	(15,637)		(2,726)		
National School Lunch Program	10.555	171NJ304N1099	N/A	15,160	7/1/2017	6/30/2018	(1,053)		1,053					
HHFKA Lunch Program	10.555	181NJ304N1099	N/A	1,448	7/1/2018	6/30/2019			1,175	(1,447)		(272)		
HHFKA Lunch Program	10.555	171NJ304N1099	N/A	1,420	7/1/2017	6/30/2018	(100)		100					
Food Distribution Program	10.550	181NJ304N1099	N/A	7,666	7/1/2018	6/30/2019			7,666	(7,666)				
Total Enterprise Fund							(1,153)	-	22,905	(24,750)	-	(2,998)	-	-
Total Federal Financial Awards							\$ (46,096)	-	185,558	(226,887)	-	(87,425)	-	-

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, 2019

Schedule B  
K-4

State Grant or Department of Education Project/Title	State Grant Number	Award Amount	Grant Period		Balance at June 30, 2018			Budgetary Expenditures	Adjustments	Balance at June 30, 2019			MEMO		
			From	To	Deferred Revenue Accounts Receivable	Carryover (Walkover) Amount	Cash Received			(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
<b>State Department of Education:</b>															
<b>General Fund:</b>															
Special Education Aid	19-495-034-5120-089	\$ 376,655	07/01/18	06/30/19	\$ -		341,244		(376,655)					(35,411)	376,655
Transportation Aid	19-495-034-5120-014	121,923	07/01/18	06/30/19			110,442		(121,923)					(11,481)	121,923
Transportation Aid N.P.	18-495-034-5120-014	13,734	07/01/17	06/30/18		(13,734)	13,734								
Transportation Aid N.P.	19-495-034-5120-014	13,405	07/01/18	06/30/19					(13,405)		(13,405)				13,405
Security Aid	19-495-034-5120-084	14,351	07/01/18	06/30/19			13,000		(14,351)					(1,351)	14,351
Extraordinary Aid	18-495-034-5120-473	157,121	07/01/17	06/30/18		(157,121)	157,121								
Extraordinary Aid	19-495-034-5120-473	197,253	07/01/18	06/30/19					(197,253)		(197,253)				197,253
Teachers Pension and Annuity Fund	19-495-034-5095-002	1,066,873	07/01/18	06/30/19			1,066,873		(1,066,873)						1,066,873
Reimbursed TPAF Social Security Contributions	19-495-034-5095-003	294,400	07/01/18	06/30/19			294,400		(294,400)						294,400
<b>Total General Fund</b>					<u>(170,855)</u>	<u>-</u>	<u>1,996,814</u>		<u>(2,084,860)</u>	<u>-</u>	<u>(210,658)</u>	<u>-</u>	<u>-</u>	<u>(48,243)</u>	<u>2,084,860</u>
<b>Enterprise Fund:</b>															
National School Lunch Program (State Share)	18-100-010-3350-023	1,197	07/01/17	06/30/18		(1,197)	1,197		(1,220)		(229)				1,220
	19-100-010-3350-023	1,220	07/01/18	06/30/19			991		(1,220)		(229)				1,220
<b>Total Enterprise Fund</b>					<u>(1,197)</u>	<u>-</u>	<u>2,188</u>		<u>(1,220)</u>	<u>-</u>	<u>(229)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,220</u>
<b>Total State Financial Awards</b>					<u>\$ (172,052)</u>	<u>-</u>	<u>1,999,002</u>		<u>(2,086,080)</u>	<u>-</u>	<u>(210,887)</u>	<u>-</u>	<u>-</u>	<u>(48,243)</u>	<u>2,086,080</u>
									<u>\$ (1,066,873)</u>						
Less on Behalf TPAF Pension System Contributions									<u>\$ (1,019,207)</u>						
Total for State Financial Assistance - Major Program Determination															

See Accompanying Notes to Schedules of Financial Assistance.



**BOARD OF EDUCATION**

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**BRIELLE SCHOOL DISTRICT****NOTES TO SCHEDULES OF AWARDS OF FINANCIAL ASSISTANCE****JUNE 30, 2019****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>
<b><u>State Assistance</u></b>				
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 2,084,860		1,220	2,086,080
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>(4,531)</u>	_____	_____	<u>(4,531)</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 2,080,329</u>	_____	<u>1,220</u>	<u>2,081,549</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>
<b><u>Federal Assistance</u></b>				
Actual Amounts (Budgetary)				
“Revenues” from the Schedule				
of Expenditures of Federal				
Awards	\$	202,137	24,750	226,887
Difference – Budget to “GAAP”				
Grant Accounting Budgetary				
Basis Differs from GAAP in that				
Encumbrances are Recognized as				
Expenditures and the Related				
Revenue is Recognized				
	_____	_(10,699)	_____	_(10,699)
Total Federal Revenue as				
Reported on the Statement				
of Revenue, Expenditures,				
and Changes in Fund				
Balances	\$ _____	<u>191,438</u>	<u>24,750</u>	<u>216,188</u>

**NOTE 4: Relationship to Federal and State Financial Reports**

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

**NOTE 5: Other**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state of behalf of the District for the year ended June 30, 2019. 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, 2019.

BRIELLE SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2019*Part 1 - Summary of Auditor's Results*Financial Statement Section

Unmodified

Type of auditor's report issued:

Internal control over financial reporting:

1) Material weakness(es) identified?

\_\_\_\_\_ Yes  No

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

\_\_\_\_\_ Yes  None Reported

Noncompliance material to general purpose financial statements noted?

\_\_\_\_\_ Yes  NoFederal Awards

Not Applicable

State Awards

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

\$750,000

Auditee qualified as low-risk auditee?

 Yes \_\_\_\_\_ No

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

Unmodified

Internal Control over major programs:

(1) Material Weakness(es) identified?

\_\_\_\_\_ Yes  No

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

\_\_\_\_\_ Yes  None Reported

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

\_\_\_\_\_ Yes  No

Identification of major programs:

GMIS Number(s)

19-495-034-5120-089

19-495-034-5120-084

19-495-034-5120-014

19-495-034-5094-003

Name of State Program

Special Education Aid - Public Cluster

Security Aid - Public Cluster

Transportation 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, 2019

*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, 2019*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

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FOR THE FISCAL YEAR ENDED JUNE 30, 2019*Part 3 - State Awards Financial Assistance Findings and Questioned Costs*

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

Federal Awards

Not Applicable

State Awards

Finding: None

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

BRIELLE SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Prior Audit Findings:

None