

SCHOOL DISTRICT
OF
UNION BEACH
OF MONMOUTH COUNTY

Union Beach School District
Union Beach, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2019

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Of the

Union Beach School District
of Monmouth County

Union Beach, New Jersey

For the Fiscal Year Ended June 30, 2019

Prepared by

Union Beach Board of Education
Finance Department

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INTRODUCTORY SECTION

**UNION BEACH BOARD OF EDUCATION
1207 FLORENCE AVENUE
UNION BEACH, NJ 07735
732-264-3133**

December 5, 2019

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

Dear Board Members and Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Union Beach School District (District) for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the 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 various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The CAFR is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Management Discussion and Analysis, the District's organizational chart and a list of principle officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Audit Act and 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.". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Union Beach School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Union Beach Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through 8. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2018-2019 fiscal year with an enrollment of 658 students, which is an increase of 21 students from the previous year's enrollment. This increase is attributed in large part to the preschool expansion program. The following details the changes in the student enrollment of the District over the last ten years. It should be noted that it appears as if the former administration overstated the district's enrollment in prior year CAFRs.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2018-19	658	+3.297%
2017-18	637	+7.601%
2016-17	592	-5.721%
2015-16	628	-0.011%
2014-15	635	-3.495%
2013-14	658	-4.638%
2012-13	690	-5.738%
2011-12	732	-0.007%
2010-11	737	-0.037%
2009-10	765	-0.014%

2) ECONOMIC CONDITION AND OUTLOOK: Union Beach is located in the Bayshore area in Monmouth County which experienced extreme devastation due to October 2012 Hurricane Sandy. Many properties were totally destroyed or severely damaged. The Borough has made significant progress in rebuilding its infrastructure.

3) MAJOR INITIATIVES: The Union Beach School District continues to act upon the goals and objectives embedded in our Long Range Facilities Plan for health and safety as well as acting upon the goals and objectives listed in our Five (5) Year Curriculum Plan and Three Year Technology Plan and our Three (3) Year Strategic Plan.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). 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 also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District'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.

5) 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 projects 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 cancelled 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.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, L.L.P., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements and fund financial statements and schedules is 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.

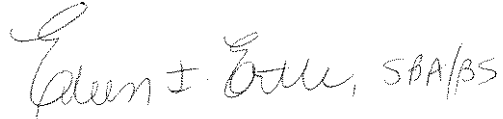
10) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Union Beach Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our staff.

Respectfully submitted,

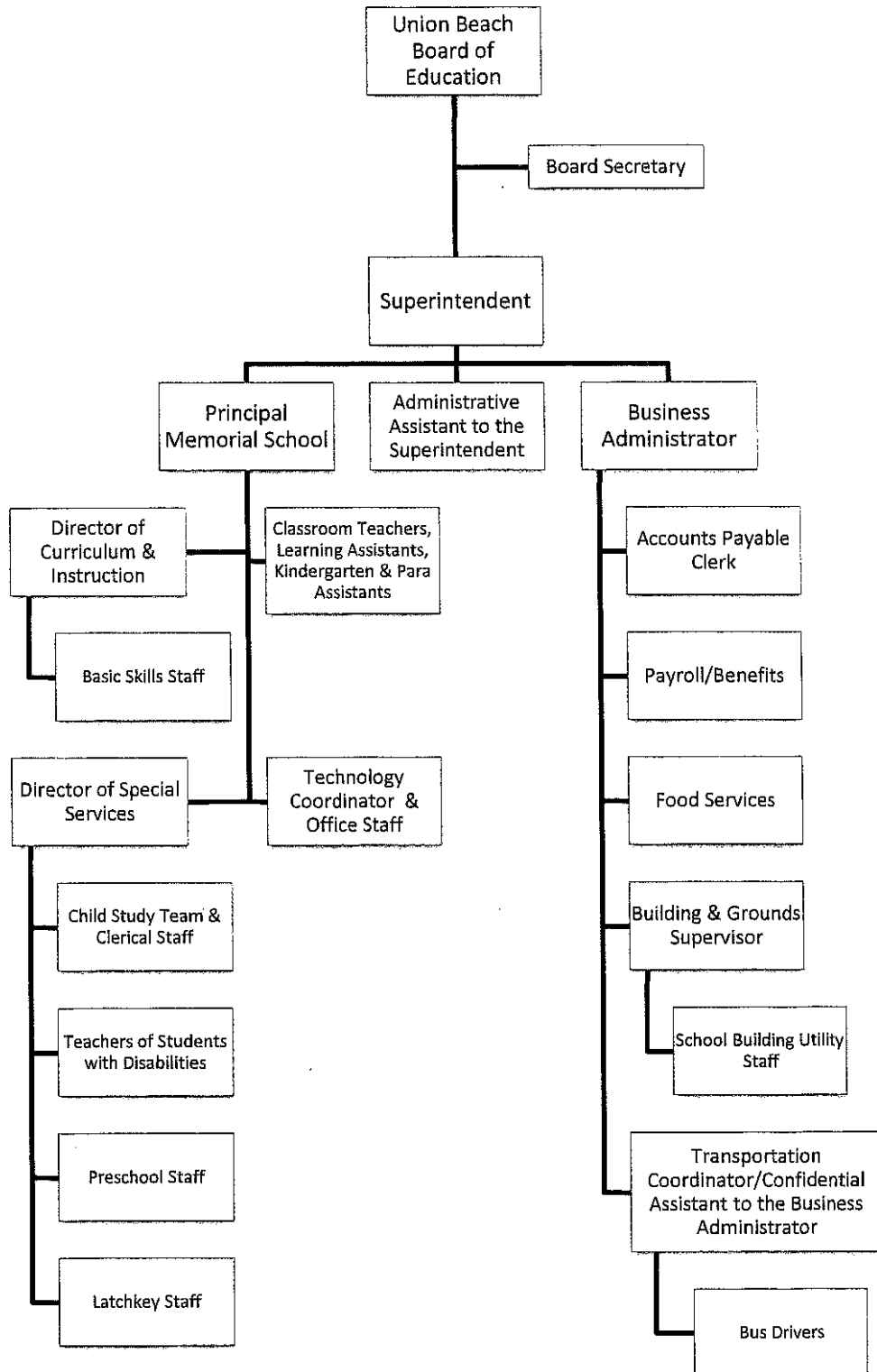


Amanda M. Lewert
Superintendent



Eileen F. Ertle
School Business Administrator/Board
Secretary

1110 ORGANIZATIONAL CHART



Union Beach School District
Union Beach, New Jersey

Roster of Officials
June 30, 2019

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Angela Cocuzza, President	2020
Ashley Perez, Vice President	2019
Rebekah Adamczyk	2020
Sarah Boyce	2020
Julibeth Harrison-Mendoza	2019
James McGrogan	2019
Geri Ryan	2021
Adam Sampon	2021
Virginia Schellato	2021

Other Officials

Amanda M. Lewert., Superintendent

Eileen Ertle, School Business Administrator/Board Secretary

Kenney, Gross, Kovats & Parton, Attorney

Union Beach School District
Consultants and Advisors

Audit Firm

Jump, Perry and Company, L.L.P.
12 Lexington Avenue
Toms River, NJ 08753

Attorney

Kenney, Gross, Kovats & Parton
130 Maple Avenue
Building 8
Red Bank, NJ 07701

Official Depositories

Provident Bank

State of NJ Cash Management Fund

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Union Beach School District:
County of Monmouth
Union Beach, New Jersey

Report of 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 Board of Education of Union Beach 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 School 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.

Auditor's Responsibility

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

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

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

Opinion

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 Union Beach 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 year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Union Beach School District's basic financial statements. The introductory section, combining fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is 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*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

Other Information (continued)

The combining fund financial statements and schedules and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 4, 2019 on our consideration of the Board of Education of the Union Beach School District in the County of Monmouth, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Union Beach School District in the County of Monmouth, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted

Jump, Perry & Company L.L.P.
Toms River, NJ



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

December 4, 2019
Toms River, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Union Beach School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2019

Unaudited

The discussion and analysis of Union Beach School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School Board'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 Board's financial performance.

Financial Highlights

Key financial highlights for June 30, 2019 are as follows:

Net position totaled \$7,084,721, which represents a 19.34 percent increase from June 30, 2018.

General revenues accounted for \$16,417,447 in revenue or 94.06 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,037,093 or 5.94 percent of total revenues of \$17,454,540.

Total assets increased by \$493,069 as current assets increased by \$440,693 and capital assets, net increased by \$52,376.

The School Board had \$16,306,400 in expenses; only \$1,037,093 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$16,417,447 were adequate to provide for these programs.

Among major funds, the General Fund had \$15,886,645 in revenues and \$15,146,723 in expenditures and transfers. The General Fund's balance increased \$739,922 over June 30, 2018. The General Fund's balance is \$4,104,275.

Using this Comprehensive Annual Financial Report (CAFR)

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Union Beach 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 School Board, presenting both an aggregate view of the School Board's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For government funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the School Board's most significant funds with all other non-major funds presented in total in one column. In the case of Union Beach School District, the General Fund is by far the most significant.

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities provide information about the activities of the entire School District and are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. The change in net position is important because it informs the reader that, for the School District as a whole, the financial position of the School District has improved or worsened. The causes of the change may be the result of many factors, some financial and some not. Non-financial factors include, but are not limited to, the District's property tax base, current laws in New Jersey restricting revenue growth, facility conditions, and required educational programs. In the Statement of Net Position and the Statement of Activities, the School Board is divided into two kinds of activities:

Governmental Activities - All of the School Board's programs and services are reported here including, 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 Funds are reported as a business activity.

Reporting the School Board's Most Significant Funds

Fund Financial Statement

The Analysis of the School Board's major funds begins with Exhibit B-1. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund and Special Revenue Fund.

Governmental Funds

The School Board's activities are reported in governmental funds, which focus on how money flows into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method 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 Board's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship 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.

The School Board as a Whole

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

Table 1 provides a summary comparison of the School Board's net position for June 30, 2019 and 2018.

Table 1

Net Position as of June 30, 2019 and June 30, 2018

	June 30, 2019			June 30, 2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 4,452,361	\$ 451,021	\$ 4,903,382	\$ 3,974,903	\$ 487,786	\$ 4,462,689
Capital assets, net	6,618,619	20,642	6,639,261	6,549,305	37,580	6,586,885
Total assets	11,070,980	471,663	11,542,643	10,524,208	525,366	11,049,574
Deferred outflow of resources	780,728	-	780,728	907,549	-	907,549
Liabilities:						
Current liabilities	417,208	155,374	572,582	528,091	169,347	697,438
Long-term liabilities outstanding	3,290,384	-	3,290,384	4,111,682	-	4,111,682
Total liabilities	3,707,592	155,374	3,862,966	4,639,773	169,347	4,809,120
Deferred inflow of resources	1,375,684	-	1,375,684	1,211,422	-	1,211,422
Net position:						
Net investment in capital assets	6,618,619	20,642	6,639,261	6,549,305	37,580	6,586,885
Restricted	3,369,514	-	3,369,514	2,983,265	-	2,983,265
Unrestricted	(3,219,701)	295,647	(2,924,054)	(3,952,008)	318,439	(3,633,569)
Total Net Position	\$ 6,768,432	\$ 316,289	\$ 7,084,721	\$ 5,580,562	\$ 356,019	\$ 5,936,581

The School Board's combined net position was \$7,084,721 on June 30, 2019. This is a change of 19.34% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2019 and 2018.

Table 2

Changes in Net Position

	June 30, 2019			June 30, 2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ 8,075	\$ 217,164	\$ 225,239	\$ 945	\$ 198,562	\$ 199,507
Operating and capital grants and contributions	670,706	141,148	811,854	689,961	129,862	819,823
General revenues:						
Property taxes	6,628,685	-	6,628,685	6,628,685	-	6,628,685
Federal and state aid	9,314,934	-	9,314,934	9,216,067	-	9,216,067
Investment earnings	3,066	419	3,485	9,960	372	10,332
Miscellaneous	470,343	-	470,343	11,870	-	11,870
Total revenues	17,095,809	358,731	17,454,540	16,557,488	328,796	16,886,284
Expenses						
Instructional services	4,904,862	-	4,904,862	4,806,551	-	4,806,551
Support services	11,003,077	398,461	11,401,538	11,201,748	380,860	11,582,608
Interest on long-term liabilities	-	-	-	9,963	-	9,963
Total expenses	15,907,939	398,461	16,306,400	16,018,262	380,860	16,399,122
Change in net position	1,187,870	(39,730)	1,148,140	539,226	(52,064)	487,162
Net position - beginning	5,580,562	356,019	5,936,581	5,041,336	408,083	5,449,419
Net position (deficit) - ending	\$ 6,768,432	\$ 316,289	\$ 7,084,721	\$ 5,580,562	\$ 356,019	\$ 5,936,581

The tax levy increase was due in general to cover increased costs in salaries and benefits, utilities and the debt service. The Federal and State aid-restricted increased due to the increase in grants available.

Regular instructional costs increased due to contractual increases in salary and benefits as well as program maintenance and enhancements.

Other support services increased primarily due to the additional other purchased professional services from the Special Revenue Fund.

Expenses for Fiscal Year June 30, 2019

Business-Type Activities

Revenues for the District's business-type activities (food service program and child care) were comprised of charges for services and royalties.

Total Enterprise Fund expenses exceeded revenue by \$39,730.

Charges for services represent \$217,164 of revenue. This represents the amount paid by patrons for daily food service and catering.

Federal and state reimbursements for meals, including interest, payments for free and reduced lunches and donated commodities was \$141,148.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total costs of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

Table 3

Governmental Activities

	2019		2018	
	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>
Instruction	\$ 4,904,862	\$ 4,896,787	\$ 4,806,551	\$ 4,805,606
Support Services:				
Pupils and Instructional Staff	6,622,693	5,951,987	6,743,397	6,053,436
General Administration, School Administration, Business Operation and Maintenance of Facilities	3,614,271	3,614,271	3,747,677	3,747,677
Pupil Transportation	766,113	766,113	710,674	710,674
Interest and Fiscal Charges	-	-	9,963	9,963
Total Expenses	<u>\$ 15,907,939</u>	<u>\$ 15,229,158</u>	<u>\$ 16,018,262</u>	<u>\$ 15,327,356</u>

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

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership. Approximately 90% of the student population participates in 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, to school curricular and athletic activities and field trips 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 District.

The School Board's Funds

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Borough of Union Beach, State of New Jersey and other entities. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2019, it reported a combined fund balance of \$4,035,153, which is a increase of \$586,377. The Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds, Exhibit B-2, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2019.

<u>Revenue</u>	<u>2019 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2018</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 6,789,048	40.47 %	\$ 137,588	2.07 %
State Sources	9,288,416	55.37	(97,618)	(1.04)
Federal Sources	<u>697,224</u>	<u>4.16</u>	<u>177,230</u>	<u>34.08</u>
Total	<u>\$ 16,774,688</u>	<u>100.00 %</u>	<u>\$ 217,200</u>	<u>(1.31)%</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2019.

<u>Expenditures</u>	<u>2019 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2018</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 4,904,862	29.71 %	\$ 98,311	2.05 %
Undistributed				
Expenditures	10,804,571	65.45	(89,546)	(0.82)
Capital Outlay	<u>348,529</u>	<u>2.11</u>	<u>14,146</u>	<u>4.23</u>
Debt Service:				
Principal	449,505	2.72	(137)	(19.91)
Interest	<u>1,965</u>	<u>0.01</u>	<u>(44,507)</u>	<u>(192.69)</u>
Total	<u>\$ 16,509,432</u>	<u>100.00 %</u>	<u>\$ (21,733)</u>	<u>(0.13)%</u>

General Fund Budgeting Highlights

The School Board'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.

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in Section C of the CAFR, entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

The General Fund finished the fiscal year approximately \$1,764,028 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$1,447,556 worse than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are as follows:

Excess Surplus - Designated for Subsequent Year	
Expenditures	\$ 573,628
Capital Reserve	1,197,256
Maintenance Reserve	507,675
Emergency Reserve	50,000
Tuition Reserve	800,000
Excess Surplus - Current Year	783,775

These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District.

The expenditures were less due to cost containment by the Board even after the salary and benefit increases. General supplies were purchased at better prices than expected due to the school board joining other schools in cooperative bidding. The district also joined a co-op for energy consumption, which was done after the budget was struck. Through efforts made in finding jointures with other local districts, and increase students on district owned vehicles the district transportation costs were lowered for special needs students.

The excesses will be carried forward into the beginning fund balance from the 2018-2019 fiscal year and will be used to reduce the local tax levy for the 2020-2021 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2019, the School Board had \$6,639,261 invested in land, buildings, and machinery and equipment.

Table 4

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 1,381,000	\$ 1,381,000	\$ -	\$ -	\$ 1,381,000	\$ 1,381,000
Construction in Progress	107,837	4,000	-	-	107,837	4,000
Building and Improvements	4,691,676	4,892,702	-	-	4,691,676	4,892,702
Machinery and Equipment	438,106	271,603	20,642	37,580	458,748	309,183
Total	\$ 6,618,619	\$ 6,549,305	\$ 20,642	\$ 37,580	\$ 6,639,261	\$ 6,586,885

During the current fiscal year, \$386,449 of capital assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

Debt Administration. The District's long-term liabilities are as follows for the governmental and business-type activities :

	June 30, 2019	June 30, 2018
Loans Payable (net)	\$ -	\$ 449,505
Pension Liability-PERS	2,892,763	3,282,495
Compensated Absences payable	<u>397,621</u>	<u>379,682</u>
Total long-term liabilities	<u>\$ 3,290,384</u>	<u>\$ 4,111,682</u>

For more detailed information, please refer to the Capital Assets and Long-term debt notes in the basic financial statements.

Economic Factors and Next Year's Budget

For the 2018-2019 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 59.53% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 40.47% of total revenue is from local sources.

The \$(3,219,701) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

The 2018-2019 budget was adopted in March 2018 based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey funding from the State for the current year remained below the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Borough of Union Beach for increased aid.

The School Board anticipates a slight increase in enrollment for the 2019-2020 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Union Beach School District, 1207 Florence Avenue, Union Beach, NJ, 07735.

BASIC FINANCIAL STATEMENTS

UNION BEACH SCHOOL DISTRICT
Statement of Net Position
June 30, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents			
Unrestricted	\$ 3,954,583	\$ 442,021	\$ 4,396,604
Restricted	139,373	-	139,373
Receivables - other	-	189	189
Receivables - state	140,988	196	141,184
Receivables - federal	41,893	7,367	49,260
Inventory	-	1,248	1,248
Due from other funds	175,524	-	175,524
Capital assets, non-depreciable	1,488,837	-	1,488,837
Capital assets, depreciable, net	5,129,782	20,642	5,150,424
Total assets	<u>11,070,980</u>	<u>471,663</u>	<u>11,542,643</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	780,728	-	780,728
	<u>780,728</u>	<u>-</u>	<u>780,728</u>
LIABILITIES			
Accounts payable	10,600	-	10,600
Due to other funds	-	155,374	155,374
Unearned revenue	298,142	-	298,142
Other current liabilities	108,466	-	108,466
Noncurrent liabilities:			
Due within one year	7,500	-	7,500
Due beyond one year	3,282,884	-	3,282,884
Total liabilities	<u>3,707,592</u>	<u>155,374</u>	<u>3,862,966</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	1,375,684	-	1,375,684
	<u>1,375,684</u>	<u>-</u>	<u>1,375,684</u>
NET POSITION			
Net Investment in capital assets	6,618,619	20,642	6,639,261
Restricted for:			
Special Revenue Fund	(69,122)	-	(69,122)
Capital projects	1,197,256	-	1,197,256
Other purposes	2,241,380	-	2,241,380
Unrestricted	(3,219,701)	295,647	(2,924,054)
Total net position	<u>\$ 6,768,432</u>	<u>\$ 316,289</u>	<u>\$ 7,084,721</u>

UNION BEACH SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 3,463,079	\$ 8,075	\$ -	\$ -	\$ (3,455,004)	\$ -	\$ (3,455,004)
Special schools instruction	1,364,312	-	-	-	(1,364,312)	-	(1,364,312)
Other special instruction	77,471	-	-	-	(77,471)	-	(77,471)
Support services and undistributed costs:							
Instruction	4,705,161	-	-	-	(4,705,161)	-	(4,705,161)
Health services	112,078	-	-	-	(112,078)	-	(112,078)
Other support services	1,008,915	-	-	-	(1,008,915)	-	(1,008,915)
Educational media services	110,084	-	-	-	(110,084)	-	(110,084)
Instruction staff training	15,749	-	-	-	(15,749)	-	(15,749)
General administrative services	338,929	-	-	-	(338,929)	-	(338,929)
School administrative services	216,155	-	-	-	(216,155)	-	(216,155)
Central services	204,650	-	-	-	(204,650)	-	(204,650)
Allowed maintenance for school facilities	127,259	-	-	-	(127,259)	-	(127,259)
Other operation & maintenance of plant	653,055	-	-	-	(653,055)	-	(653,055)
Care and upkeep of grounds	6,946	-	-	-	(6,946)	-	(6,946)
Security	68,535	-	-	-	(68,535)	-	(68,535)
Student transportation services	766,113	-	-	-	(766,113)	-	(766,113)
Unallocated employee benefits	1,998,742	-	-	-	(1,998,742)	-	(1,998,742)
Non-budgeted expenditures	670,706	-	670,706	-	-	-	-
Interest expense	-	-	-	-	-	-	-
Total governmental activities	<u>15,907,939</u>	<u>8,075</u>	<u>670,706</u>	<u>-</u>	<u>(15,229,158)</u>	<u>-</u>	<u>(15,229,158)</u>
Business-type activities:							
Food service	318,343	126,679	141,148	-	-	(50,516)	(50,516)
Latchkey Program	80,118	90,485	-	-	-	10,367	10,367
Total business-type activities	<u>398,461</u>	<u>217,164</u>	<u>141,148</u>	<u>-</u>	<u>-</u>	<u>(40,149)</u>	<u>(40,149)</u>
Total primary government	<u>\$ 16,306,400</u>	<u>\$ 225,239</u>	<u>\$ 811,854</u>	<u>\$ -</u>	<u>(15,229,158)</u>	<u>(40,149)</u>	<u>(15,269,307)</u>
General revenues:							
Taxes:							
Property taxes levied for general purpose					6,628,685	-	6,628,685
Federal and state aid					9,314,934	-	9,314,934
Miscellaneous income					470,343	-	470,343
Investment earnings					3,066	419	3,485
Total general revenues					<u>16,417,028</u>	<u>419</u>	<u>16,417,447</u>
Change in net position					1,187,870	(39,730)	1,148,140
Net position—beginning					5,580,562	356,019	5,936,581
Net position—ending					<u>\$ 6,768,432</u>	<u>\$ 316,289</u>	<u>\$ 7,084,721</u>

UNION BEACH SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,667,490	\$ 287,093	\$ -	\$ -	\$ 3,954,583
Capital reserve	139,373	-	-	-	139,373
Due from other funds	175,524	-	-	-	175,524
Receivables - State	140,988	-	-	-	140,988
Receivables - Federal	-	41,893	-	-	41,893
Total assets	4,123,375	328,986	-	-	4,452,361
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	10,600	-	-	-	10,600
Unearned revenue	-	298,142	-	-	298,142
Other current liabilities	8,500	99,966	-	-	108,466
Total liabilities	19,100	398,108	-	-	417,208
Fund Balances:					
Restricted for:					
Capital reserve account	1,197,256	-	-	-	1,197,256
Maintenance reserve account	507,675	-	-	-	507,675
Emergency reserve account	50,000	-	-	-	50,000
Tuition reserve	800,000	-	-	-	800,000
Excess surplus	783,775	-	-	-	783,775
Excess surplus -- designated for Subsequent year's expenditures	573,628	-	-	-	573,628
Special revenue fund	-	(69,122)	-	-	(69,122)
Assigned to:					
Other purposes	477,880	-	-	-	477,880
Designated by the BOE for subsequent year's expenditure	99,930	-	-	-	99,930
Unassigned to:					
General fund	(385,869)	-	-	-	(385,869)
Total fund balances	4,104,275	(69,122)	-	-	4,035,153
Total liabilities and fund balances	\$ 4,123,375	\$ 328,986	\$ -	\$ -	

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 are \$13,034,922 and the accumulated depreciation is \$6,416,303.	6,618,619
Deferred outflows related to the PERS pension plan	780,728
Deferred inflows related to the PERS pension plan	(1,375,684)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(3,290,384)
Net position of governmental activities	\$ 6,768,432

UNION BEACH SCHOOL DISTRICT
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>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Local tax levy	\$ 6,628,685	\$ -	\$ -	\$ -	\$ 6,628,685
Tuition charges	8,075	-	-	-	8,075
Interest on investments	-	-	-	-	-
Interest earned on capital reserve funds	3,066	-	-	-	3,066
Miscellaneous	149,222	-	-	-	149,222
Total - Local Sources	<u>6,789,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,789,048</u>
State sources	8,954,455	333,961	-	-	9,288,416
Federal sources	143,142	554,082	-	-	697,224
Total revenues	<u>15,886,645</u>	<u>888,043</u>	<u>\$ -</u>	<u>-</u>	<u>16,774,688</u>
EXPENDITURES					
Current:					
Regular instruction	\$ 2,685,926	\$ 777,153	\$ -	\$ -	\$ 3,463,079
Special education instruction	1,364,312	-	-	-	1,364,312
Other special instruction	77,471	-	-	-	77,471
Undistributed - current:					
Instruction	4,480,711	-	-	-	4,480,711
Health services	112,078	-	-	-	112,078
Other support services	822,017	134,086	-	-	956,103
Educational media services	110,084	-	-	-	110,084
Instruction staff training	15,749	-	-	-	15,749
General administrative services	327,574	-	-	-	327,574
School administrative services	216,155	-	-	-	216,155
Allowed maintenance for school facilities	127,259	-	-	-	127,259
Other operation & maintenance of plant	671,434	-	-	-	671,434
Care and upkeep of grounds	6,946	-	-	-	6,946
Security	68,535	-	-	-	68,535
Student transportation services	757,135	-	-	-	757,135
Central services	204,650	-	-	-	204,650
Unallocated employee benefits	2,079,452	-	-	-	2,079,452
Non-budgeted expenditures	670,706	-	-	-	670,706
Debt service:					
Principal	-	-	-	449,505	449,505
Interest and other charges	-	-	-	1,965	1,965
Capital outlay	348,529	-	-	-	348,529
Total expenditures	<u>15,146,723</u>	<u>911,239</u>	<u>-</u>	<u>451,470</u>	<u>16,509,432</u>
Excess (Deficiency) of revenues over expenditures	739,922	(23,196)	-	(451,470)	265,256
OTHER FINANCING SOURCES (USES)					
Bond refunding	-	-	-	-	-
Other Uses-Original issue discount	-	-	-	-	-
Underwriters discount	-	-	-	-	-
Insurance proceeds for storm expense reimbursements	321,121	-	-	-	321,121
Transfer to debt service fund	(451,470)	-	-	451,470	-
Repayment of CDL	-	-	-	-	-
CDL Property Tax Offset-Super Storm Sandy	-	-	-	-	-
Total other financing sources and uses	<u>(130,349)</u>	<u>-</u>	<u>-</u>	<u>451,470</u>	<u>321,121</u>
Net change in fund balances	609,573	(23,196)	-	-	586,377
Fund balance-July 1	3,494,702	(45,926)	-	-	3,448,776
Fund balance-June 30	<u>\$ 4,104,275</u>	<u>\$ (69,122)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,035,153</u>

**UNION BEACH SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2019**

Total net change in fund balances - governmental funds (from B-2)	\$	586,377
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>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.</p>		
Depreciation expense	(317,135)	
Capital outlays	<u>386,449</u>	69,314
<p>In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey</p>		
		98,649
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The change in accrued interest is an addition to the reconciliation.</p>		
		1,964
<p>Repayment of CDL principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		449,505
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid.</p>		
		<u>(17,939)</u>
Change in net position of governmental activities	\$	<u>1,187,870</u>

UNION BEACH School District
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type-activities- Enterprise Funds		
	Food Service	Latchkey Program	Total Enterprise
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 193,332	\$ 248,689	\$ 442,021
Accounts receivable - State	196	-	196
Accounts receivable - Federal	7,367	-	7,367
Interfund receivable	-	-	-
Other receivables	189	-	189
Inventories	1,248	-	1,248
Total current assets	<u>202,332</u>	<u>248,689</u>	<u>451,021</u>
Noncurrent assets:			
Furniture, machinery & equipment	338,751	-	338,751
Less accumulated depreciation	(318,109)	-	(318,109)
Total noncurrent assets	<u>20,642</u>	<u>-</u>	<u>20,642</u>
Total assets	<u>222,974</u>	<u>248,689</u>	<u>471,663</u>
LIABILITIES			
Current liabilities:			
Accounts payable	-	-	-
Unearned revenue	-	-	-
Interfund payable	155,374	-	155,374
Total current liabilities	<u>155,374</u>	<u>-</u>	<u>155,374</u>
NET POSITION			
Net investment in capital assets	20,642	-	20,642
Contributed capital	-	-	-
Restricted for:			
Capital projects	-	-	-
Unrestricted	46,958	248,689	295,647
Total net position	<u>67,600</u>	<u>248,689</u>	<u>316,289</u>
Total liabilities and net position	<u>\$ 222,974</u>	<u>\$ 248,689</u>	<u>\$ 471,663</u>

UNION BEACH SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type Activities - Enterprise Fund		
	Food Service	LatchKey Program	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 126,679	\$ 90,485	\$ 217,164
Daily sales - non-reimbursable programs	-	-	-
Tuition	-	-	-
Special functions	-	-	-
Miscellaneous	-	-	-
Total operating revenues	<u>126,679</u>	<u>90,485</u>	<u>217,164</u>
Operating expenses:			
Cost of sales - reimbursable programs	109,211	-	109,211
Cost of sales - non-reimbursable programs	14,891	-	14,891
Salaries	135,671	70,098	205,769
Employee benefits	15,542	5,363	20,905
Purchased property services	4,834	-	4,834
Other purchased professional services	10,088	-	10,088
Cleaning, repair and maintenance services	-	-	-
Rentals	-	-	-
Miscellaneous	-	-	-
General supplies	11,168	4,657	15,825
Depreciation	16,938	-	16,938
Total Operating Expenses	<u>318,343</u>	<u>80,118</u>	<u>398,461</u>
Operating income (loss)	<u>(191,664)</u>	<u>10,367</u>	<u>(181,297)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	3,141	-	3,141
Federal sources:			
National school lunch program	107,729	-	107,729
National school breakfast program	9,260	-	9,260
National school snack program	-	-	-
Food distribution program	21,018	-	21,018
Interest and investment revenue	419	-	419
Miscellaneous expense	-	-	-
Total nonoperating revenues (expenses)	<u>141,567</u>	<u>-</u>	<u>141,567</u>
Change in net position	<u>(50,097)</u>	<u>10,367</u>	<u>(39,730)</u>
Total net position—beginning	117,697	238,322	356,019
Total net position—ending	<u>\$ 67,600</u>	<u>\$ 248,689</u>	<u>\$ 316,289</u>

UNION BEACH SCHOOL DISTRICT
Food Services Enterprise Fund
Statement of Cash Flows
For the Year Ended June 30, 2019

	<u>Food Service</u>	<u>LatchKey Program</u>	<u>Total Enterprise</u>
Cash Flows from Operating Activities:			
Receipts from customers and other funds	\$ 125,764	\$ 90,485	\$ 216,249
Payments to employees	(135,671)	(70,098)	(205,769)
Payments for employee benefits	(15,542)	(5,363)	(20,905)
Payments to suppliers	(142,042)	(4,657)	(146,699)
Net cash provided by (used in) operating activities	<u>(167,491)</u>	<u>10,367</u>	<u>(157,124)</u>
Cash Flows from Noncapital Financing Activities			
State sources	3,250	-	3,250
Federal sources	120,127	-	120,127
Net cash provided by (used in) noncapital financing activities	<u>123,377</u>	<u>-</u>	<u>123,377</u>
Cash Flows from Investing Activities			
Interest income	419	-	419
Net cash provided by (used in) investment activities	<u>419</u>	<u>-</u>	<u>419</u>
Net increase (decrease) in cash and cash equivalents	(43,695)	10,367	(33,328)
Balances-beginning of the year	237,027	238,322	475,349
Balances-end of the year	<u>\$ 193,332</u>	<u>\$ 248,689</u>	<u>\$ 442,021</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (191,664)	\$ 10,367	\$ (181,297)
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:			
Depreciation	16,938	-	16,938
Federal commodities	21,018	-	21,018
Change in assets and liabilities:			
(Increase) decrease in interfund receivable	-	-	-
(Increase) decrease in accounts receivable	-	-	-
(Increase) decrease in inventory	379	-	379
Increase (decrease) in accounts payable	(13,247)	-	(13,247)
Increase (decrease) in unearned revenue	(915)	-	(915)
Total adjustments	<u>24,173</u>	<u>-</u>	<u>24,173</u>
Net cash provided by (used in) operating activities	<u>\$ (167,491)</u>	<u>\$ 10,367</u>	<u>\$ (157,124)</u>

UNION BEACH SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2019

	Unemployment Compensation Trust	Agency Funds	Total
ASSETS			
Cash and cash equivalents	\$ 38,861	\$ 42,925	\$ 81,786
Intergovernmental accounts receivable	-	-	-
Interfund receivable	-	-	-
Total assets	<u>\$ 38,861</u>	<u>\$ 42,925</u>	<u>\$ 81,786</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Payroll deductions and withholdings	-	561	561
Payable to student groups	-	42,334	42,334
Interfund payable	20,150	-	20,150
Other current liabilities	-	30	30
Total liabilities	<u>20,150</u>	<u>42,925</u>	<u>63,075</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	18,711	-	18,711
Reserved for scholarships	-	-	-
Total net position	<u>18,711</u>	<u>-</u>	<u>18,711</u>
Total liabilities and net position	<u>\$ 38,861</u>	<u>\$ 42,925</u>	<u>\$ 81,786</u>

UNION BEACH SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2019

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Contributions:	
Plan members	\$ 21,244
Other	-
Total contributions	<u>21,244</u>
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	-
Dividends	57
Less investment expense	-
Net investment earnings	<u>57</u>
Total additions	<u>21,301</u>
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	17,777
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	<u>17,777</u>
Change in net position	3,524
Net position—beginning of the year	<u>15,187</u>
Net position—end of the year	<u><u>\$ 18,711</u></u>

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

1. Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Union Beach School District is a Type II district located in the county of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year staggered terms. The purpose of the District is to educate students in grades PreK-8. The Union Beach School District had an approximate enrollment of 658 students at June 30, 2019.

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 Governmental 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 district-wide 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 Union Beach. 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. Basis of Presentation, Basis of Accounting:

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

1. Summary of Significant Accounting Policies (Cont'd)

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Presentation

The School District has Bond Costs which have been classified as a Deferred Outflow and the Bond Premium has been classified as a Deferred Inflow. The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 13.

District-Wide Statements: The district-wide financial statements (A-1 and A-2) include the statement of net position and the statement of activities. These Statements include the financial activities of the overall District, except for fiduciary activities. All interfund activity, excluding the fiduciary funds, has been eliminated in the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities, generally financed in whole or in part with fees charged to external customers.

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The Fund Financial Statements provide information about the District's funds, including its fiduciary funds. Separate statements for each Fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education ("NJDOE") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted by Governmental Accounting Standards. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Presentation (Cont'd):

The District reports the following governmental funds:

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

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

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

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

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

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.

Enterprise Fund - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria and latchkey operations. The Food Service Fund and the latch-key program are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs (i.e., expenses including depreciation and indirect costs) of providing primarily through user charges.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Presentation (Cont'd):

The District reports the following fund types:

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

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

Agency Funds - 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. Agency Funds include payroll and student activities funds.

Basis of Accounting

Basis of Accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-Wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds are accounted for using the "economic resources" measurement focus and the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Accounting (cont'd)

Governmental Fund Financial Statements: Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds, Proceeds of general long-term debt and acquisitions under capital releases are reported as other financing sources.

All governmental and business-type activities and Enterprise Funds of the District follow the codification of the Financial Accounting Standards Board

C. 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 and approved by the County Office and are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting, except for Special Revenue 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:23A-16.2(f). All budget amendments/transfers must be approved by Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally-authorized revisions of the annual budgets during the year.

Appropriations, except remaining project appropriations, encumbrances, and unexpected grant appropriation, lapse at the end of each fiscal year. The Capital Project Fund presents the remaining project appropriations compared to current-year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund-types. Unencumbered appropriations lapse at fiscal year-end.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

1. Summary of Significant Accounting Policies (Cont'd)

C. Budgets/Budgetary Control: (cont'd)

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. At June 30, 2019, there was a reconciling difference of \$(779,435) between the budgetary basis and GAAP basis in the General Fund and of \$(123,162) in the Special Revenue Fund.

The following presents a reconciliation of the General Fund revenues and Special Revenue Fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules - General and Special Revenue Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types. Note that the District does not report encumbrances outstanding at year-end as expenditures in the General Fund since the General Fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment.

D. Encumbrance Accounting:

Under Encumbrance Accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve and 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 unearned 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.

E. Assets, Liabilities, and Equity:

Interfund Transactions:

Transfers between Governmental and Business-Type activities on the District-wide statements are reported in the same manner as general revenues.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

1. **Summary of Significant Accounting Policies (Cont'd)**

E. Assets, Liabilities, and Equity:

Interfund Transactions: (cont'd)

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 after non-operating revenues/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories:

Inventories and prepaid expenses, which benefit future periods are recorded as an expenditure during the year of purchase.

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Capital Assets:

The District has an established formal system of accounting for its Capital Assets. Purchased or constructed Capital Assets are reported at cost. Donated Capital Assets are valued at their estimated acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District does not possess any infrastructure.

All reported Capital Assets except for Land and Construction in Progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building and Improvements	20-50 years
Furniture and Equipment	5-20 years
Vehicles	8 years

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

1. **Summary of Significant Accounting Policies (Cont'd)**

E. Assets, Liabilities, and Equity (Cont'd):

Compensated Absences:

The Districts accounts for Compensated Absences (e.g., unused vacation, sick leave) as directed by the Governmental Accounting Board Statement. 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 the employee is accrued as the employees earn the rights to the benefits.

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

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

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 Enterprise Fund.

Unearned Revenue:

Unearned Revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlement received before the eligibility requirements are met are also recorded as Unearned Revenue.

Accrued Liabilities and Long-Term Obligations:

All Payables, Accrued Liabilities, and Long-Term Obligations are reported on the District-wide financial statements. In general, governmental fund payables are accrued liabilities that, once incurred are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually-required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

1. **Summary of Significant Accounting Policies (Cont'd)**

E. Assets, Liabilities, and Equity (Cont'd):

Net Position:

Net Position represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

Fund Balance Reserves:

Governmental Accounting Standards established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1. **Nonspendable** - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2. **Restricted** - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. **Committed** - includes amounts that can be spent only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
4. **Assigned** - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.
5. **Unassigned** - includes all spendable amounts not contained in the other classifications

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

1. Summary of Significant Accounting Policies (Cont'd)

E. Assets, Liabilities, and Equity (Cont'd):

Revenues - Exchange and Nonexchange Transactions:

Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District available means within sixty days of the fiscal year-end.

Nonexchange Transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from Nonexchange Transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service and latch-key program. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

Deferred Outflows/Inflows of Resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

1. Summary of Significant Accounting Policies (Cont'd)

E. Assets, Liabilities, and Equity (Cont'd):

Allocation of Indirect Expenses:

The District reports all Direct Expenses by function in the Statement of Activities. Direct Expenses are those that are clearly identifiable with a function. Indirect Expenses are allocated to functions but are reported separately in the Statement of Activities. Employee Benefits, including the employer's share of Social Security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the Indirect Expense column of the Statement of Activities. Depreciation expense that could not be attributable to a specific function is considered an Indirect Expense and is reported separately in the Statement of Activities. Interest on long-term debt is considered an Indirect Expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items:

Extraordinary Items are transactions or events that are unusual in nature and infrequent in occurrence. Special Items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. Capital Reserve Account

A Capital Reserve Account was established by the Union Beach School District in October 2000 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 increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes or by transfer by Board Resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the excess approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2019

2. Capital Reserve Account (Cont'd)

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.

The activity of the Capital Reserve for the July 01, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance July 01, 2018	\$ 1,074,190
Add:	
Increase per Resolution	500,000
Interest Earnings	3,066
Less:	
Withdrawals for budget	<u>(380,000)</u>
Ending Balance, June 30, 2019	\$ <u>1,197,256</u>

The June 30, 2019 LRFP balance of local support costs of uncompleted Capital Projects is \$5,381,000.

3. Maintenance Reserve Account

A maintenance Reserve Account was established by the Union Beach School District by inclusion of \$100,000 for the accumulation of funds for use as required maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Maintenance Reserve Account are to provide maintenance for completed projects in the District's approved LRFP.

The activity of the Maintenance Reserve for the July 01, 2018 to June 30, 2019 fiscal year is as follows:

Balance, July 01, 2018	\$ 510,675
Add:	
Increase per Board Resolution	200,000
Less:	
Withdrawals	<u>(203,000)</u>
Balance, June 30, 2019	\$ <u>507,675</u>

4. Emergency Reserve Account

An Emergency Reserve Account was established by the Union Beach School District by inclusion of \$200,000 for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Emergency Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

4. Emergency Reserve Account (Cont'd)

The activity of the Emergency Reserve for the July 01, 2018 to June 30, 2019 fiscal year is as follows:

Balance, July 01, 2018	\$	50,000
Add:		
Increase per Board Resolution		-
Interest Earned		-
		-
Balance, June 30, 2019	\$	50,000

5. Tuition Reserve Account

A Tuition Reserve Account was established by the Union Beach School District for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Tuition Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Tuition Reserve Account are to finance tuition charges required for a thorough and efficient education.

The activity of the Tuition Reserve for the July 01, 2018 to June 30, 2019 fiscal year is as follows:

Balance, July 01, 2018	\$	715,000
Add:		
Increase per Board Resolution		400,000
Less:		
Budgeted utilization		(315,000)
Balance, June 30, 2019	\$	800,000

6. Deposits and Investments

The Board of Education considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as Cash and Cash Equivalents.

Deposits

The Board's deposits are insured through the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the Risk that, in the event of a bank failure, the Board's deposit might not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2019

6. Deposits and Investments (Cont'd)

\$ 250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

At June 30, 2019, the Board's bank balances of \$5,856,112 were exposed to Custodial Credit Risk as follows:

	<u>2019</u>
Insured	\$ 389,373
Uninsured and Uncollateralized	<u>5,466,739</u>
	<u>\$ 5,856,112</u>

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully-collateralized securities, if transacted in accordance with the above statute.

In order to maximize liquidity, the District utilized the New Jersey Cash Management Fund ("NJCMF") as its sole investment. The NJCMF is administered by the New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty.

As of June 30, 2019, the Board had the following investments:

<u>Investment Type</u>	<u>Fair Value Amount</u>	<u>Moody's Rating</u>	<u>S & P Rating</u>
New Jersey Cash Management Fund	\$139,373	AAA	AAA

Interest Rate Risk

The District does not have a policy to limit interest rate risk. The average maturity of the District's sole investment, the NJCMF, is less than one year.

Credit Risk

State law limits investments as noted above (N.J.S.A. 18A:20-37). The District has an investment policy that further limits its investment choices.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2019

6. Deposits and Investments (Cont'd)

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

7. Receivables

Receivables at June 30, 2019, consisted of state aid, accrued interest, interfund, intergovernmental, and other. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	<u>Governmental Fund Financial Statements</u>	<u>District-Wide Financial Statements</u>
State Aid	\$ 140,988	\$ 141,184
Federal Aid	41,893	49,260
Other	-	189
Interfunds	<u>175,524</u>	<u>175,524</u>
	358,405	366,157
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	<u>\$ 358,405</u>	<u>\$ 366,157</u>

8. Interfund Balances and Transfers

Balances due to/from other funds at June 30, 2019 consist of the following:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 175,524	\$ -
Enterprise Fund	-	155,374
Trust and Agency Fund	<u>-</u>	<u>20,150</u>
	<u>\$ 175,524</u>	<u>\$ 175,524</u>

The Enterprise Fund owes the General Fund for cash advances.

The Trust and Agency Fund owes the General Fund for cash advances.

9. Inventory

As of June 30, 2019, the District had the following inventory:

Food	\$ 688	
Supplies	<u>560</u>	
	<u>\$ 1,248</u>	

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2019

10. Capital Assets

The District did not have its Fixed Assets appraised by an independent appraiser as of June 30, 2019. The valuation was not properly updated and did not include all the District's Capital Assets. As such, materially accurate asset valuation totals, accumulated depreciation expense and depreciation expense amounts were not ascertainable.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 1,381,000	\$ -	\$ -	\$ 1,381,000
Construction in Progress	<u>4,000</u>	<u>107,837</u>	<u>(4,000)</u>	<u>107,837</u>
Total Capital Assets Not Being Depreciated	<u>1,385,000</u>	<u>107,837</u>	<u>(4,000)</u>	<u>1,488,837</u>
Capital Assets Being Depreciated				
Site Improvements	934,043	-	-	934,043
Building and Building Improvements	9,292,726	-	-	9,292,726
Machinery and Equipment	<u>1,036,704</u>	<u>282,612</u>	<u>-</u>	<u>1,319,316</u>
Totals at Historical Cost	<u>11,263,473</u>	<u>282,612</u>	<u>-</u>	<u>11,546,085</u>
Less Accumulated Depreciation for:				
Site Improvements	(397,678)	(18,681)	-	(416,359)
Building and Building Improvements	(4,936,390)	(182,345)	-	(5,118,735)
Machinery and Equipment	<u>(765,100)</u>	<u>(116,109)</u>	<u>-</u>	<u>(881,209)</u>
Total Accumulated Depreciation	<u>(6,099,168)</u>	<u>(317,135)</u>	<u>-</u>	<u>(6,416,303)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>5,164,305</u>	<u>(34,523)</u>	<u>-</u>	<u>5,129,782</u>
Government Activity Capital Assets, Net	<u>6,549,305</u>	<u>73,314</u>	<u>(4,000)</u>	<u>6,618,619</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	338,751	-	-	338,751
Less Accumulated Depreciation	<u>(301,171)</u>	<u>(16,938)</u>	<u>-</u>	<u>(318,109)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 37,580</u>	<u>\$ (16,938)</u>	<u>\$ -</u>	<u>\$ 20,642</u>

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

10. Capital Assets (Cont'd)

The NJ State Department of Education has set the capitalization threshold used by school districts in the State of New Jersey at \$2,000.

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 224,450
Student and Instruction Related Services	52,812
General Administration Services	11,355
Plant Operations and Maintenance	19,540
Student Transportation Services	<u>8,978</u>
 Total	 <u>\$ 317,135</u>

11. Long-Term Obligations

A. Long-Term Obligation Activity:

Changes in Long-Term Obligations for the year ended June 30, 2019, are as follows:

	<u>Balance July 01, 2018</u>	<u>Increases/ Decreases</u>	<u>Balance June 30, 2019</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>				
Compensated Absences Payable	\$ 379,682	\$ 17,939	\$ 397,621	\$ 7,500
Community Disaster Loan	449,505	(449,505)	-	-
Pension liability - PERS	<u>3,282,495</u>	<u>(389,732)</u>	<u>2,892,763</u>	<u>-</u>
	<u>\$ 4,111,682</u>	<u>\$ (821,298)</u>	<u>\$ 3,290,384</u>	<u>\$ 7,500</u>

For governmental activities, the community disaster loan is liquidated from the School District's debt service fund. Compensated absences payable and pension liability - PERS are liquidated from the general fund

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

11. Long-Term Obligations (Cont'd)

B. Bonds Authorized But Not Issued

As of June 30, 2019, the District had no authorized but not issued bonds.

C. Capital Leases

As of June 30, 2019, the District had no capital leases.

D. Operating Leases

As of June 30, 2019, the District had no operating leases.

12. FEMA Community Disaster Loan (CDL)

The school district applied for and received a CDL in response to the devastating effects on the property tax ratable base of the municipality due to Superstorm Sandy in October 2012. The district was approved for \$4,158,107 total loan and chose to withdraw \$449,405 as a reduction of the tax levy assessed for the 2013-2014 school year. The amount interest accrued was \$1,965 at June 30, 2019 and \$1,345 at June 30, 2018. The loan was completely repaid during the June 30, 2019 fiscal year.

13. Pension Plans

A. 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). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/financial-reports.shtml.

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

The following represents the membership tiers for PERS:

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

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the 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.

Contributions - 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 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.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2019, the School District reported a liability of \$2,892,763 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2018. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The School District's proportion measured as of June 30, 2018, was .0146919062%, which was an increase of .0005908744% from its proportion measured as of June 30, 2017.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

For the year ended June 30, 2019, the School District recognized full accrual pension expense of \$186,987 in the government-wide financial statements consisting of employer contributions of \$146,137 and non-employer contributions of \$40,850. This pension expense was based on the pension plans June 30, 2018 measurement date. At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 55,165	\$ 14,916
Changes of assumptions	476,679	924,952
Net difference between projected and actual earnings on pension plan investments	-	27,134
Changes in proportion and differences between District contributions and proportionate share of contributions	109,598	408,682
District contributions subsequent to the measurement date	<u>139,286</u>	<u>-</u>
Total	<u>\$ 780,728</u>	<u>\$ 1,375,684</u>

\$139,286 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2018-2019 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2020 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. The 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 ended June 30:	
2019	\$ 33,876
2020	(46,902)
2021	(336,328)
2022	(291,534)
2023	(93,353)
Thereafter	-
Total	<u>\$ (734,241)</u>

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	5.00
June 30, 2015	5.00	5.00
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

Actuarial Assumptions - 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 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 Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and 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. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 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.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

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. The long-term expected rate of return was determined using a building block method in which best-estimate ranged of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 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 %
Public High Yield	2.50 %	6.82 %
Global Diversified Credit	5.00 %	7.10 %
Credit Oriented Hedge Funds	1.00 %	6.60 %
Debt Related Private Equity	2.00 %	10.63 %
Debt Related Real Estate	1.00 %	6.61 %
Private Real Asset	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 %

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

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 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. State employer contributed 50% 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.

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:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
District's proportionate share of the net pension liability	3,637,316	2,892,763	2,268,131

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2019 and 2018:

	<u>6/30/19</u>	<u>6/30/18</u>
Collective Deferred Outflows of Resources	(2,961,883,924)	723,829,861
Collective Deferred Inflows of Resources	-	-
Collective Net Pension Liability	19,689,501,539	23,278,401,588
School District's Portion	.0146919062%	.0141010318%

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit plan with a special-funding situation, by which a State of New Jersey (the State) is responsible to fund 100% of the employer contributions, 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). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/financial-reports.shtml.

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the 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.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

Contributions - 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 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.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A. 18A:66-33*. Therefore, the School District is 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 School District does 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 School District.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2018 was \$24,945,303. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2018, the State proportionate share of the TPAF net pension liability attributable to the School District was .0392111685%, which was an increase of .0006590641% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the State of New Jersey recognized a pension expense in the amount of \$139,286 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2018 measurement date.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

Actuarial Assumptions - 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 assumptions, applied to all periods in the measurement:

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

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranged of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

<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 %
Public High Yield	2.50 %	6.82 %
Global Diversified Credit	5.00 %	7.10 %
Credit Oriented Hedge Funds	1.00 %	6.60 %
Debt Related Private Equity	2.00 %	10.63 %
Debt Related Real Estate	1.00 %	6.61 %
Private Real Asset	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 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 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. State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

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:

	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
State's proportionate share of the net pension liability	29,572,238	24,945,303	21,244,871

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

Defined Contribution Retirement Plan (DCRP)

The Defined Contribution Retirement Plan is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A.43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential not later than the fifth business day after the date on which the employee is paid for that pay period.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

13. Pension Plans (Cont'd)

Defined Contribution Retirement Plan (DCRP) (cont'd)

The District's contributions to the DCRP for June 30, 2019 were \$3,200. There was no liability for unpaid contributions at June 30, 2019.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the School District.

14. Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

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

The State is also responsible for the cost attributable to P.L. 1992, c.126 which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service.
(GASB Cod. Sec. 2300.106(g))

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 GASB 75.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

14. Post-Retirement Benefits (cont'd)

Employees covered by benefit terms

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

Inactive plan members or beneficiaries currently receiving benefit payments	145,050
Active plan members	<u>217,131</u>
Total	<u><u>362,181</u></u>

Total Nonemployer 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 returned PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB 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. Note that actual numbers will be published in the NJ State's CAFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>).

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	2.5%
Salary Increases through 2026	PERS 2.15%-4.15%
	PFRS 2.1%-8.98%
	TPAF 1.55%-4.55%
Salary Increases after 2026	PERS 3.15%-5.15%
	PFRS 3.1%-9.98%
	TPAF 2.0%-5.45%
Discount Rate	3.87%
Healthcare Cost Trend Rates	4.5%-5.9%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

14. Post-Retirement Benefits (cont'd)

Actuarial assumptions and other imputes (cont'd)

Preretirement mortality rates were based on the RP-2014 Headcount-weighted Healthy Employee Male/Female Mortality Table with Fully Generational Mortality Improvement projections from the central year using Scale MP-2017. Postretirement mortality rates were based on the RP-2014 Headcount-weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. The disabled mortality was based on the RP-2014 Headcount-weighted Male/Female mortality table with fully generational improvement projects 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 an actuarial experience study for PERS-June 30, 2015; TPAF-June 30, 2016 and PFRS-June 30, 2014.

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

Balance at June 30, 2017	\$ 53,639,841,858
Changes for the year:	
Service cost	1,984,642,729
Interest on the total OPEB liability	1,970,236,232
Differences between expected and actual experiences	(5,002,065,740)
Changes in assumptions	(5,291,448,855)
Gross benefit payments by the state	(1,232,987,247)
Contributions from members	<u>42,614,005</u>
Net changes	<u>(7,529,008,876)</u>
Balance at June 30, 2018	<u>\$ 46,110,832,982</u>

Discount rate

The discount rate as of June 30, 2016, 2017, and 2018 was 2.85%, 3.87%, and 3.87% respectively. This represents the municipal bond rate chosen by the State of New Jersey Division of Pension and Benefits. 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.

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2019

14. Post-Retirement Benefits (cont'd)

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the June 30, 2018 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB Liability of the State for School Retirees	\$54,512,391,175	\$46,110,832,982	\$39,432,461,816
Total OPEB Liability of the State Associated with the School District for School Retirees	\$35,164,660	\$29,745,012	\$25,436,953

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount is 5.8% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long term rate after nine years. For prescription drug benefits, the initial trend rate is 8.0% and decreases to 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Sensitivity of the total OPEB liability to changes in the health care cost trend rates

The following presents the June 30, 2017 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability of the State for School Retirees	\$38,113,289,045	\$46,110,832,982	\$56,687,891,003
Total OPEB Liability of the State Associated with the School District for School Retirees	\$24,585,984	\$29,745,012	\$36,568,024

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

14. Post-Retirement Benefits (cont'd)

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

For the year ended June 30, 2019, the board of education recognized OPEB expense of \$359,600 determined by the State as the total OPEB 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 GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the Union Beach School District's 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 of 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (4,476,086,167)
Changes of assumptions	\$ -	\$ (10,335,978,867)
Contributions made in fiscal year ending 2018 after June 30, 2017 measurement date	<u>TBD</u>	<u>-</u>
Total	<u>\$ -</u>	<u>\$ (14,812,065,034)</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:	
2018	\$ (1,825,218,593)
2019	(1,825,218,593)
2020	(1,825,218,593)
2021	(1,825,218,593)
2022	(1,825,218,593)
Thereafter	<u>(5,685,972,069)</u>
Total	<u>\$ (14,812,065,034)</u>

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2019

15. Deferred Compensation

The Board offers its employees a choice of Deferred Compensation Plans created in accordance with Internal Revenue Code Section 403(b). The Plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the Plans are not available to employees until termination, retirement, death or unforeseeable emergency. The Plan administrators are as follows:

Lincoln Investment Financial
Franklin Templeton
AXA Equitable

Metropolitan Life Insurance
Oppenheimer Funds
Siracusa

16. Risk Management

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

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

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The table below is a summary of the District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's trust fund for the current and the previous two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018 / 2019	\$ -	\$ 21,244	57	\$ (17,777)	\$ 18,711
2017 / 2018	-	21,078	61	(23,862)	15,187
2016 / 2017	-	20,322	65	(18,643)	17,910

Union Beach School District

Notes to Financial Statements

For the Year Ended June 30, 2019

17. Contingent Liabilities

Grant Programs

The District participates in federally-assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

18. Fund Balances

The District has a deficit fund balance of \$385,869 in the General Fund as of June 30, 2019 as reported in the fund statements. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, Governmental Accounting Standards require that recognition revenue, expenditure, asset, liability should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district can not recognize the June state aid payments (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in June payments of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$385,869 is less than the two state aid payments.

Union Beach School District
Notes to Financial Statements
For the Year Ended June 30, 2019

19. Calculation of Excess Surplus

The Designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve 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. The excess fund balance at June 30, 2019 is \$783,775.

20. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2019. The school district files tax returns in the U.S. federal jurisdiction and New Jersey. The school district has no open year prior to June 30, 2016.

21. Subsequent Events

Management has evaluated subsequent events through December 4, 2019, the date the financial statements were available to be issued.

22. Tax Abatement

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

23. Economic Dependency

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

**UNION BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the 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	\$ 6,628,685	\$ -	\$ 6,628,685	6,628,685	\$ -
Tuition	-	-	-	8,075	8,075
Interest earned on capital reserve funds	-	-	-	3,066	3,066
Rents and Royalties	-	-	-	1,500	1,500
Miscellaneous	5,000	-	5,000	147,722	142,722
Total - local sources	<u>6,633,685</u>	<u>-</u>	<u>6,633,685</u>	<u>6,789,048</u>	<u>155,363</u>
State sources:					
Transportation aid	142,663	(129,864)	12,799	12,799	-
Special education aid	658,640	-	658,640	658,640	-
Equalization aid	7,444,810	-	7,444,810	7,444,810	-
Extraordinary aid	-	-	-	122,506	122,506
Security aid	28,312	-	28,312	28,312	-
Adjustment Aid	9,392	1,862,521	1,871,913	-	(1,871,913)
Non-public transportation	-	-	-	3,346	3,346
TPAF - LTDI (on-behalf - Non-budgeted)	-	-	-	1,007	1,007
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	359,600	359,600
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	792,771	792,771
TPAF social security (reimbursed - Non-budgeted)	-	-	-	310,099	310,099
Total state sources	<u>8,283,817</u>	<u>1,732,657</u>	<u>10,016,474</u>	<u>9,733,890</u>	<u>(282,584)</u>
Federal sources:					
FEMA-Sandy Aid	-	-	-	139,101	139,101
Medicaid reimbursement	-	-	-	4,041	4,041
Total federal sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>143,142</u>	<u>143,142</u>
Total revenues	<u>\$ 14,917,502</u>	<u>\$ 1,732,657</u>	<u>\$ 16,650,159</u>	<u>16,666,080</u>	<u>\$ 15,921</u>
EXPENDITURES:					
Current Expenditures:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	\$ 276,995	\$ 2,900	\$ 279,895	278,999	\$ 896
Grades 1-5 - Salaries of teachers	1,181,231	(12,200)	1,169,031	1,150,258	18,773
Grades 6-8 - Salaries of teachers	840,451	66,400	906,851	904,627	2,224
Regular Programs - Home Instruction:					
Salaries of teachers	10,000	(5,767)	4,233	4,185	48
Purchased professional-educational services	-	1,267	1,267	1,172	95
Regular Programs - Undistributed Instruction					
Other salaries for instruction	74,878	6,222	81,100	79,708	1,392
Other purchased services (400-500 series)	22,500	-	22,500	21,392	1,108
General supplies	159,431	(8,622)	150,809	149,368	1,441
Textbooks	22,873	(7,000)	15,873	13,057	2,816
Other objects	94,450	(11,100)	83,350	83,160	190
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>2,682,809</u>	<u>32,100</u>	<u>2,714,909</u>	<u>2,685,926</u>	<u>28,983</u>

**UNION BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the 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>
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of teachers	\$ 911,714	\$ 7,300	\$ 919,014	904,115	\$ 14,899
Other salaries for instruction	221,773	3,400	225,173	212,197	12,976
Other purchased services (400-500 series)	2,500	(2,000)	500	-	500
Total Resource Room/Resource Center	<u>1,135,987</u>	<u>8,700</u>	<u>1,144,687</u>	<u>1,116,312</u>	<u>28,375</u>
Preschool Disabilities Part Time					
Salaries of teachers	113,048	30,800	143,848	117,177	26,671
Other salaries for instruction	150,532	(9,000)	141,532	130,823	10,709
Total Preschool Disabilities Full Time:	<u>263,580</u>	<u>21,800</u>	<u>285,380</u>	<u>248,000</u>	<u>37,380</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>1,399,567</u>	<u>30,500</u>	<u>1,430,067</u>	<u>1,364,312</u>	<u>65,755</u>
School-Spon. Cocurricular Actvts. - Instruction					
Salaries	10,780	840	11,620	11,380	240
Purchased services (300-500 series)	1,800	-	1,800	1,635	165
Supplies and materials	7,400	(840)	6,560	5,378	1,182
Total School-Spon. Cocurric. Actvts. - Instruction	<u>19,980</u>	<u>-</u>	<u>19,980</u>	<u>18,393</u>	<u>1,587</u>
School-Spon. Athletics - Instruction					
Salaries	38,775	-	38,775	38,654	121
Other purchased services (300-500 series)	10,400	-	10,400	4,855	5,545
Supplies and materials	18,654	-	18,654	14,764	3,890
Other objects	1,500	-	1,500	805	695
Total School-Spon. Athletics - Instruction	<u>69,329</u>	<u>-</u>	<u>69,329</u>	<u>59,078</u>	<u>10,251</u>
Total Instruction	<u>4,171,685</u>	<u>62,600</u>	<u>4,234,285</u>	<u>4,127,709</u>	<u>106,576</u>
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state-regular	3,463,350	-	3,463,350	3,387,519	75,831
Tuition to other LEAs within the state - special	187,474	-	187,474	177,324	10,150
Tuition to Co. Voc. School Dist. - reg.	62,765	-	62,765	53,917	8,848
Tuition to Co. Voc. School Dist. - special	39,270	-	39,270	32,615	6,655
Tuition to private schools for the handicapped - Within state	1,432,771	(276,299)	1,156,472	829,336	327,136
Total Undistributed Expenditures - Instruction:	<u>5,185,630</u>	<u>(276,299)</u>	<u>4,909,331</u>	<u>4,480,711</u>	<u>428,620</u>
Undistributed Expenditures - Attend. & Social Work					
Salaries	27,059	7,396	34,455	32,706	1,749
Total Undistributed Expenditures - Attend. & Social Work	<u>27,059</u>	<u>7,396</u>	<u>34,455</u>	<u>32,706</u>	<u>1,749</u>
Undist. Expend. - Health Services					
Salaries	74,914	700	75,614	75,365	249
Purchased professional and technical services	6,650	25,300	31,950	31,815	135
Supplies and materials	8,000	(1,350)	6,650	4,644	2,006
Other objects	900	-	900	254	646
Total Undistributed Expenditures - Health Services	<u>90,464</u>	<u>24,650</u>	<u>115,114</u>	<u>112,078</u>	<u>3,036</u>
Undist. Expend. - Other Supp.Service - Stud. - Related Service					
Salaries of other professional staff	206,084	-	206,084	201,007	5,077
Purchased professional - educational services	76,982	20,200	97,182	91,446	5,736
General supplies	11,500	(8,700)	2,800	2,744	56
Total Undist. Expend. - Other Supp. Serv - Stud. - Rel. Ser.	<u>294,566</u>	<u>11,500</u>	<u>306,066</u>	<u>295,197</u>	<u>10,869</u>

UNION BEACH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Supp. Services - Stud. - Extraord. Ser.					
Other objects	\$ 550	\$ -	\$ 550	-	\$ 550
Total Undist. Expend. - Other Supp. Serv. Stud. - Extraord. Ser.	<u>550</u>	<u>-</u>	<u>550</u>	<u>-</u>	<u>550</u>
Guidance					
Salaries of other professional staff	54,629	150	54,779	54,777	2
Purchased professional - educational services	5,500	(2,000)	3,500	1,573	1,927
Other purchased services (400-500 series)	-	2,000	2,000	2,000	-
Supplies and materials	3,000	(150)	2,850	932	1,918
Total Guidance	<u>63,129</u>	<u>-</u>	<u>63,129</u>	<u>59,282</u>	<u>3,847</u>
Child Study Teams					
Salaries of other professional staff	373,463	(59,353)	314,110	308,791	5,319
Salaries of secretarial and clerical assistants	35,640	-	35,640	35,640	-
Other purchased professional & tech services	8,100	620	8,720	8,719	1
Other purchased services (400-500 series)	2,500	150	2,650	2,649	1
Supplies and materials	7,245	(3,070)	4,175	1,563	2,612
Other objects	1,000	1,700	2,700	2,670	30
Total Child Study Teams	<u>427,948</u>	<u>(59,953)</u>	<u>367,995</u>	<u>360,032</u>	<u>7,963</u>
Undist. Expend. - Improvement of Instruction Services					
Salaries of supervisor of instruction	78,000	(800)	77,200	74,000	3,200
Other objects	-	800	800	800	-
Total Undist. Expend. - Improvement of Instruction Services	<u>78,000</u>	<u>-</u>	<u>78,000</u>	<u>74,800</u>	<u>3,200</u>
Undist. Expend. - Educational Media Services/School Library					
Salaries	13,087	1,950	15,037	15,006	31
Salaries of Technology Coordinators	89,718	-	89,718	88,314	1,404
Purchased professional and technical services	900	-	900	885	15
Other purchased services (400-500 series)	500	500	1,000	599	401
Supplies and materials	6,750	-	6,750	5,280	1,470
Other objects	1,000	(500)	500	-	500
Total Undist. Expend. - Ed. Media Services/School Library	<u>111,955</u>	<u>1,950</u>	<u>113,905</u>	<u>110,084</u>	<u>3,821</u>
Undist. Expend. - Instruction Staff Training Services					
Purchased professional - educational services	10,000	-	10,000	4,200	5,800
Other purchased services (400-500 series)	19,300	(1,800)	17,500	9,749	7,751
Supplies and materials	100	1,800	1,900	1,800	100
Other objects	900	-	900	-	900
Total Undist. Expend. - Instruction Staff Training Services	<u>30,300</u>	<u>-</u>	<u>30,300</u>	<u>15,749</u>	<u>14,551</u>
Undist. Expend. - Support Service - General Administration					
Salaries	173,812	2,816	176,628	176,263	365
Legal services	30,000	(3,616)	26,384	14,988	11,396
Audit fees	21,500	-	21,500	21,500	-
Architectural/Engineering Services	5,000	-	5,000	-	5,000
Purchased technical services	8,155	-	8,155	4,437	3,718
Communications/Telephone	64,048	(100)	63,948	52,899	11,049
Other Purchased Services	6,500	-	6,500	3,719	2,781
Other purchased services (400-500 series)	30,400	900	31,300	31,023	277
General supplies	7,000	-	7,000	2,696	4,304
In-House Training/Meeting Supplies	500	-	500	-	500
Miscellaneous expenditures	42,009	39,000	81,009	12,336	68,673
Membership Dues and Fees	8,000	-	8,000	7,713	287
Total Undist. Expend. - Support Service - Gen. Admin.	<u>396,924</u>	<u>39,000</u>	<u>435,924</u>	<u>327,574</u>	<u>108,350</u>

**UNION BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the 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>
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	\$ 105,080	\$ -	\$ 105,080	104,357	\$ 723
Salaries of secretarial and clerical assistants	98,710	150	98,860	98,771	89
Purchased professional and technical services	9,964	-	9,964	-	9,964
Other purchased services (400-500 series)	8,000	-	8,000	594	7,406
Supplies and materials	9,503	700	10,203	9,893	310
Other objects	4,750	22,150	26,900	2,540	24,360
Total Undist. Expend. - Support Service - School Admin.	<u>236,007</u>	<u>23,000</u>	<u>259,007</u>	<u>216,155</u>	<u>42,852</u>
Undist. Expend. - Support Service - Central Services					
Salaries	157,168	(500)	156,668	156,102	566
Other purchased professional services	15,200	50	15,250	15,250	-
Purchased technical services	23,298	(450)	22,848	22,798	50
Miscellaneous purchased services	2,200	(690)	1,510	1,505	5
Supplies and materials	5,000	2,900	7,900	7,540	360
Miscellaneous expenditures	1,700	18,690	20,390	1,455	18,935
Total Undist. Expend. - Support Service - Central Services	<u>204,566</u>	<u>20,000</u>	<u>224,566</u>	<u>204,650</u>	<u>19,916</u>
Undist. Expend. - Required Maintenance for School Facilities					
Cleaning, repair and maintenance services	186,250	(16,771)	169,479	109,600	59,879
General supplies	24,000	8,121	32,121	16,546	15,575
Other objects	1,000	200	1,200	1,113	87
Total Undist. Expend. - Required Maint. for School Facilities	<u>211,250</u>	<u>(8,450)</u>	<u>202,800</u>	<u>127,259</u>	<u>75,541</u>
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries	361,391	9,118	370,509	351,892	18,617
Salaries of Non-Instructional Aids	70,003	-	70,003	-	70,003
Purchased professional and technical services	3,800	-	3,800	1,072	2,728
Cleaning, repair and maintenance services	8,500	2,000	10,500	9,789	711
Other purchased property services	33,000	-	33,000	31,030	1,970
Insurance	106,000	(15,539)	90,461	87,912	2,549
Travel	-	450	450	181	269
Miscellaneous purchased services	1,350	(450)	900	-	900
General supplies	32,000	(2,000)	30,000	25,729	4,271
Energy (Electricity)	110,000	23,700	133,700	133,521	179
Energy (Natural Gas)	95,000	(27,300)	67,700	24,032	43,668
Energy (Gasoline)	1,500	200	1,700	1,587	113
Other objects	4,550	1,500	6,050	4,689	1,361
Total Undist. Expend. - Other Operation & Maint. Of Plant	<u>827,094</u>	<u>(8,321)</u>	<u>818,773</u>	<u>671,434</u>	<u>147,339</u>
Undist. Expend. - Care & Upkeep of Grounds					
Cleaning, repair and maintenance services	65,000	(35,500)	29,500	-	29,500
General supplies	7,600	-	7,600	6,946	654
Other Objects	500	-	500	-	500
Total Undist. Expend. - Care and Upkeep of Grounds	<u>73,100</u>	<u>(35,500)</u>	<u>37,600</u>	<u>6,946</u>	<u>30,654</u>
Undist. Expend. - Security					
Salaries	1,000	195	1,195	1,195	-
Cleaning, repair and maintenance services	70,373	(40)	70,333	65,595	4,738
General supplies	5,250	(155)	5,095	1,745	3,350
Total Undist. Expend. - Security	<u>76,623</u>	<u>-</u>	<u>76,623</u>	<u>68,535</u>	<u>8,088</u>

**UNION BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the 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>
Undist. Expend. - Student Transportation Services					
Salaries of Non-Instructional Aids	\$ 37,023	\$ 1,010	\$ 38,033	38,030	\$ 3
Salaries for pupil transportation (between home and school) - Regular	52,632	9,000	61,632	61,612	20
Salaries for pupil transportation (between home and school) - Special	31,422	(3,710)	27,712	17,590	10,122
Other purchased professional & tech services	93,000	(16,050)	76,950	53,419	23,531
Cleaning, repair and maintenance services	30,000	1,000	31,000	26,140	4,860
Lease purchase payments - School buses	21,000	(19,600)	1,400	1,400	-
Contract services (between home & school) - Vendors	70,000	(7,000)	63,000	62,942	58
Contract services (other than between home & school) - Vendors	7,000	(3,000)	4,000	2,790	1,210
Contract services (between home & school) - joint agreements	52,600	(19,000)	33,600	33,494	106
Contract services - (Sp Ed) - vendors	8,400	1,050	9,450	7,785	1,665
Contract services - (regular education students) - ESCs & CTSAs	113,000	11,700	124,700	113,651	11,049
Contract services - (special education students) - ESCs & CTSAs	240,000	65,500	305,500	305,007	493
Aid in lieu of payments	8,000	(3,000)	5,000	5,000	-
Miscellaneous purchased services - Transportation	18,361	(6,000)	12,361	12,144	217
Transportation Supplies	18,000	-	18,000	15,681	2,319
Miscellaneous expenditures	1,000	-	1,000	450	550
Total Undist. Expend. - Student Transportation Services	<u>801,438</u>	<u>11,900</u>	<u>813,338</u>	<u>757,135</u>	<u>56,203</u>
UNALLOCATED EMPLOYEE BENEFITS					
Group insurance	300	-	300	240	60
Social security contributions	124,861	28,100	152,961	128,051	24,910
Other Retirement Contributions - PERS	140,931	-	140,931	139,286	1,645
Other Retirement Contributions - ERIP	16,000	168	16,168	12,187	3,981
Other Retirement Contributions - Regular	12,000	11,500	23,500	21,932	1,568
Unemployment compensation	50,000	(6,700)	43,300	-	43,300
Workmen's compensation	122,500	6,700	129,200	129,141	59
Health benefits	1,784,201	(59,168)	1,725,033	1,574,142	150,891
Tuition reimbursement	17,000	-	17,000	7,000	10,000
Other employee benefits	67,000	14,400	81,400	67,473	13,927
TOTAL UNALLOCATED EMPLOYEE BENEFITS	<u>2,334,793</u>	<u>(5,000)</u>	<u>2,329,793</u>	<u>2,079,452</u>	<u>250,341</u>
On-behalf TPAF LTDI (non-budgeted)	-	-	-	1,007	(1,007)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	359,600	(359,600)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	792,771	(792,771)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	310,099	(310,099)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,463,477</u>	<u>(1,463,477)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>2,334,793</u>	<u>(5,000)</u>	<u>2,329,793</u>	<u>3,542,929</u>	<u>(1,213,136)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>11,471,396</u>	<u>(254,127)</u>	<u>11,217,269</u>	<u>11,463,256</u>	<u>(245,987)</u>
TOTAL GENERAL CURRENT EXPENDITURES	<u>15,643,081</u>	<u>(191,527)</u>	<u>15,451,554</u>	<u>15,590,965</u>	<u>(139,411)</u>
CAPITAL OUTLAY					
Equipment					
Special Education - Instruction:					
Undistributed expenditures - Admin Info Tech.	26,000	-	26,000	25,972	28
Undistributed expenditures - Custodial services	-	35,500	35,500	-	35,500
Undistributed expenditures - Security	75,000	6,377	81,377	81,375	2
Undistributed expenditures - Required maintenance	102,000	12,264	114,264	114,264	-
Total Equipment	<u>203,000</u>	<u>54,141</u>	<u>257,141</u>	<u>221,611</u>	<u>35,530</u>

**UNION BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the 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>
Facilities Acquisition and Construction Services					
Legal	\$ 500	\$ -	\$ 500	\$ 357	\$ 143
Architectural/Engineering Services	19,500	20,778	40,278	26,063	14,215
Construction Services	360,000	96,662	456,662	66,588	390,074
Other objects	-	1,560	1,560	1,560	-
Assessment for Debt Service on SDA Funding	32,350	-	32,350	32,350	-
Total Facilities Acquisition and Construction Services	<u>412,350</u>	<u>119,000</u>	<u>531,350</u>	<u>126,918</u>	<u>404,432</u>
TOTAL CAPITAL OUTLAY	<u>615,350</u>	<u>173,141</u>	<u>788,491</u>	<u>348,529</u>	<u>439,962</u>
TOTAL EXPENDITURES	<u>16,258,431</u>	<u>(18,386)</u>	<u>16,240,045</u>	<u>15,939,494</u>	<u>300,551</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,340,929)</u>	<u>1,751,043</u>	<u>410,114</u>	<u>726,586</u>	<u>316,472</u>
Other Financing Sources:					
Insurance proceeds for storm expense reimbursements	-	-	-	321,121	(321,121)
Transfer to debt service	(464,984)	-	(464,984)	(451,470)	13,514
Total Other Financing Sources:	<u>(464,984)</u>	<u>-</u>	<u>(464,984)</u>	<u>(130,349)</u>	<u>(307,607)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(875,945)</u>	<u>1,751,043</u>	<u>875,098</u>	<u>596,237</u>	<u>8,865</u>
Fund Balance, July 1	4,318,309	-	4,318,309	4,318,309	-
Fund Balance, June 30	<u>\$ 3,442,364</u>	<u>\$ 1,751,043</u>	<u>\$ 5,193,407</u>	<u>4,914,546</u>	<u>\$ 8,865</u>
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				1,197,256	
Emergency reserve				50,000	
Maintenance reserve				507,675	
Tuition reserve				800,000	
Excess surplus - current year				783,775	
Excess surplus - designated for subsequent year's expenditures				573,628	
Assigned Fund Balance:					
Year-end encumbrances				477,880	
Designated for subsequent year's expenditures				99,930	
Unrestricted/undesignated fund balance				<u>424,402</u>	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				4,914,546	
Last state aid payment not recognized on GAAP basis				(810,271)	
Fund balance per governmental funds (GAAP) - B-1				<u>4,104,275</u>	
Restricted fund balances				4,490,144	
Unrestricted fund balances				(385,869)	
Fund balance per governmental funds (GAAP) - B-1				<u>\$ 4,104,275</u>	

UNION BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the 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	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	457,123	457,123
Federal sources	1,236,298	171,763	1,408,061	554,082	(853,979)
Total Revenues	<u>1,236,298</u>	<u>171,763</u>	<u>1,408,061</u>	<u>1,011,205</u>	<u>(396,856)</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	470,637	50,301	520,938	467,163	53,775
Other salaries for instruction	-	-	-	-	-
Purchased professional services	249,010	15,812	264,822	261,822	3,000
Tuition	-	-	-	-	-
Textbooks	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
General supplies	37,831	24,172	62,003	48,716	13,287
Total instruction	<u>757,478</u>	<u>90,285</u>	<u>847,763</u>	<u>777,701</u>	<u>70,062</u>
Support services:					
Other professional staff salaries	5,000	(114)	4,886	-	4,886
Secretarial/clerical salaries	-	-	-	-	-
Personal services - employee benefits	93,710	674	94,384	89,008	5,376
Purchased professional - educational services	89,665	(10,508)	79,157	37,172	41,985
Other purchased professional services	-	-	-	-	-
Purchased technical services	-	3,951	3,951	3,951	-
Travel	-	500	500	-	500
Miscellaneous purchased services (400-500 series)	4,000	-	4,000	-	4,000
Miscellaneous expenditures	283,445	79,075	362,520	102,710	259,810
Supplies & materials	3,000	7,900	10,900	663	10,237
Total support services	<u>478,820</u>	<u>81,478</u>	<u>560,298</u>	<u>233,504</u>	<u>326,794</u>
Facilities acquisition and const. serv.:					
Instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,236,298</u>	<u>171,763</u>	<u>1,408,061</u>	<u>1,011,205</u>	<u>396,856</u>
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
Total outflows	<u>1,236,298</u>	<u>171,763</u>	<u>1,408,061</u>	<u>1,011,205</u>	<u>396,856</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				\$ (69,122)	
Fund balance per governmental funds (GAAP)				<u>\$ (69,122)</u>	

**UNION BEACH SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Year Ended June 30, 2019**

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 16,666,080	[C-2]	\$ 1,011,205
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		(99,966)
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(792,771)		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		823,607		45,926
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(810,271)		(69,122)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 15,886,645	[B-2]	\$ 888,043
 Uses/outflows of resources				
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	[C-1]	\$ 15,809,145	[C-2]	\$ 1,011,205
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(792,771)		
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.		-		(99,966)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 15,016,374	[B-2]	\$ 911,239

REQUIRED SUPPLEMENTARY INFORMATION - PART III

UNION BEACH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-PERS
For the Year Ended June 30, 2019
(Unaudited)

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
District's proportion of the net pension liability	0.0178010150%	0.0173962391%	0.0156900316%	0.0141010318%	0.0146919062%
District's proportionate share of the net pension liability	\$ 3,332,837	\$ 4,044,495	\$ 4,646,937	\$ 3,282,495	\$ 2,892,763
District's covered-employee payroll	-	277,585	226,561	273,887	948,062
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	1457.03%	2051.08%	1198.49%	305.12%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

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

**UNION BEACH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District Contributions-PERS
For the Year Ended June 30, 2019
(Unaudited)**

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required contributions	\$ 146,749	\$ 149,561	\$ 135,545	\$ 132,468	\$ 146,496
Contributions in relation to the contractually required contribution	<u>146,635</u>	<u>149,561</u>	<u>135,545</u>	<u>132,468</u>	<u>139,286</u>
Contribution deficiency (excess)	<u>\$ 114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,210</u>
District's covered-employee payroll	277,585	226,561	273,887	948,062	946,328
Contributions as a percentage of covered-employee payroll	0.00%	66.01%	49.49%	48.37%	15.48%

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

UNION BEACH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-TPAF
For the Year Ended June 30, 2019
(Unaudited)

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
State's proportion of the net pension liability	0.0447031709%	0.0429608354%	0.0399501732%	0.0385521044%	0.0392111685%
State's proportionate share of the net pension liability	\$ 23,892,390	\$ 27,153,083	\$ 31,427,350	\$ 25,993,219	\$ 24,945,303
District's covered-employee payroll	1,155,506	966,280	1,247,572	4,235,878	4,314,959
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	2067.70%	2810.06%	2519.08%	613.64%	578.11%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%

The District has a special funding situation as is not required to make any payments for this liability therefore it is not recorded on the CAFR.

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

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

UNION BEACH SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2019
(Unaudited)

Last 10 Fiscal Years*

	<u>2018</u>	<u>2019</u>
State's proportion of the OPEB liability associated with the District		
Service cost	\$ 1,212,660	\$ 1,003,918
Interest cost	1,095,179	1,262,191
Differences between expected and actual experiences	-	(2,973,218)
Changes in assumptions	(4,500,100)	(3,413,389)
Member contributions	29,538	27,489
Gross benefit payments	<u>(802,183)</u>	<u>(795,371)</u>
Net change in total OPEB liability	(2,964,906)	(4,888,380)
Total state's OPEB liability - beginning	<u>37,598,298</u>	<u>34,633,392</u>
Total state's OPEB liability - ending	<u>\$ 34,633,392</u>	<u>\$ 29,745,012</u>
District's covered employee payroll	<u>\$ 6,242,521</u>	<u>\$ 6,381,614</u>
Total State's OPEB liability as a percentage of covered employee payroll	555%	466%

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

Union Beach School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2019

Notes for TPAF Pension Schedules

Assumptions

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

Inflation Rate	2.25 %
Salary increases: 2011-2026	1.55 - 4.55 % based on age
Thereafter	2.00 - 5.45 % based on age
Investment rate of return	7.00 %

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from base year 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

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.

Notes to OPEB Schedule

Benefit changes: None

Differences Between Expected and Actual Experiences: There is no change in the Total OPEB Liability from June 30, 2016 to June 30, 2017 due to differences in expected and actual experiences. The decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience.

Changes in assumptions: The increase in the liability from June 30, 2016 to June 30, 2017 is due to the decrease in the assumed discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017. The decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules
Not Applicable

E. Special Revenue Fund

UNION BEACH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2019

	Title I Part A 18/19	Title II Part A 18/19	IDEA-Part B-Basic Reg Prog 18/19
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	-	-	-
Federal sources	<u>258,215</u>	<u>35,487</u>	<u>246,010</u>
Total revenues	<u>258,215</u>	<u>35,487</u>	<u>246,010</u>
Expenditures:			
Instruction:			
Salaries of teachers	195,870	8,720	-
Other salaries/instruction	-	-	-
Purchased professional services	-	-	246,010
General supplies	27,318	-	-
Tuition	-	-	-
Textbooks	-	-	-
Miscellaneous expenses	-	-	-
Total instruction	<u>223,188</u>	<u>8,720</u>	<u>246,010</u>
Support services:			
Other support services - students - special:			
Other professional staff salaries	-	-	-
Secretarial/Clerical salaries	-	-	-
Purchased professional services	595	22,149	-
Other purchased professional services	-	-	-
Purchased technical services	-	3,951	-
Employee benefits	34,432	667	-
Travel	-	-	-
Miscellaneous purchased services	-	-	-
General supplies	-	-	-
Miscellaneous expenses	-	-	-
Total other support services - students - special	<u>35,027</u>	<u>26,767</u>	<u>-</u>
Total support services	<u>35,027</u>	<u>26,767</u>	<u>-</u>
Equipment:			
Regular programs instruction	-	-	-
Non-instructional equipment	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 258,215</u>	<u>\$ 35,487</u>	<u>\$ 246,010</u>
Other financing sources			
Transfer from other funds	-	-	-
Total outflows	<u>258,215</u>	<u>35,487</u>	<u>246,010</u>
Excess (deficiency) of revenue over expense:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued on next page)

UNION BEACH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2019

(continued from previous page)

	IDEA-Part B-Preschool Reg Prog 18/19	Pre-school Aid 18/19	Total 2019
Revenues:			
Local sources	\$ -	\$ -	\$ -
State sources	-	457,123	457,123
Federal sources	14,370	-	554,082
Total revenues	14,370	457,123	1,011,205
Expenditures:			
Instruction:			
Salaries of teachers	-	262,573	467,163
Other salaries/Instruction	-	-	-
Purchased professional services	-	15,812	261,822
General supplies	-	21,398	48,716
Tuition	-	-	-
Textbooks	-	-	-
Miscellaneous expenses	-	-	-
Total instruction	-	299,783	777,701
Support services:			
Other support services - students - special:			
Other professional staff salaries	-	-	-
Secretarial/Clerical salaries	-	-	-
Purchased professional services	14,370	58	37,172
Other purchased professional services	-	-	-
Purchased technical services	-	-	3,951
Employee benefits	-	53,909	89,008
Travel	-	-	-
Miscellaneous purchased services	-	-	-
General supplies	-	663	663
Miscellaneous expenses	-	102,710	102,710
Total other support services - students - special	14,370	157,340	233,504
Total support services	14,370	157,340	233,504
Equipment:			
Regular programs instruction	-	-	-
Non-instructional equipment	-	-	-
Total equipment	-	-	-
Total expenditures	\$ 14,370	\$ 457,123	\$ 1,011,205
Other financing sources			
Transfer from other funds	-	-	-
Total outflows	\$ 14,370	\$ 457,123	\$ 1,011,205
Excess (deficiency) of revenue over expenses	\$ -	\$ -	\$ -

UNION BEACH SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - All Programs
Budgetary Basis
For the Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 306,174	\$ 262,573	\$ 43,601
Other Salaries for Instruction	-	-	-
Purchased Professional & Technical Services	-	-	-
Other Purchased Services (400-500 series)	18,812	15,812	3,000
Tuition to Other LEAs Within the State - Regular	-	-	-
General Supplies	24,500	21,398	3,102
Other Objects	-	-	-
Total instruction	<u>349,486</u>	<u>299,783</u>	<u>49,703</u>
Support services:			
Salaries of Program Directors	-	-	-
Salaries of Supervisors of Instruction	-	-	-
Salaries of Other Professional Staff	4,886	-	4,886
Salaries of Secr. And Clerical Assistants	-	-	-
Other Salaries	-	-	-
Salaries of Community Parent Involvement Spec.	-	-	-
Salaries of Master Teachers	-	-	-
Personal Services - Employee Benefits	83,095	53,909	29,186
Purchased Educational Services - Contracted Pre-K	-	-	-
Purchased Professional - Educational Services	-	-	-
Other Purchased Professional Services	9,000	58	8,942
Cleaning, Repair, and Maintenance Services	-	-	-
Purchased Technical Services	-	-	-
Rentals	-	-	-
Contr. Serv.-Trans. (Bet. Home & Sch.)	-	-	-
Contr. Serv.-Trans. (Wrap Around Services)	-	-	-
Contr. Serv.-Trans. (Field Trips)	-	-	-
Travel	500	-	500
Other Purchased Services (400-500 series)	-	-	-
Supplies & Materials	10,900	663	10,237
Other Objects	366,520	102,710	263,810
Total support services	<u>474,901</u>	<u>157,340</u>	<u>317,561</u>
Facilities acquisition and cont. serv:			
Instructional equipment	-	-	-
Noninstructional Equipment	-	-	-
Total Facilities acquisition and cont. serv.	<u>-</u>	<u>-</u>	<u>-</u>
Contribution to Charter Schools	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 824,387</u>	<u>\$ 457,123</u>	<u>\$ 367,264</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2018-19 PreK/ECPA Aid Allocation	\$ 691,220
Add: Actual PreK/ECPA Aid Carryover June 30, 2018	133,167
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2018-19 Budget	<u>824,387</u>
Less: 2018-19 Budgeted PreK/ECPA (Including prior year budgeted carryover)	<u>(457,123)</u>
Available & Unbudgeted Funds as of June 30, 2019	367,264
Add: June 30, 2018 Unexpended PreK Aid	-
2019- Actual Carryover - PreK Aid	<u>\$ 367,264</u>
2018-19 PreK Aid Carryover Budgeted in 2020-FY	<u>\$ -</u>

F. Capital Projects Fund
Not Applicable

G. Proprietary Funds

UNION BEACH SCHOOL DISTRICT
Enterprise Fund
Statement of Net Position
June 30, 2019

	Business-Type Activities-Enterprise Funds		
	Food Service	Latchkey Program	Totals
Assets:			
Current assets:			
Cash and cash equivalents	\$ 193,332	\$ 248,689	\$ 442,021
Accounts receivable:			
State	196	-	196
Federal	7,367	-	7,367
Interfunds	-	-	-
Other	189	-	189
Inventories	<u>1,248</u>	<u>-</u>	<u>1,248</u>
Total current assets	<u>202,332</u>	<u>248,689</u>	<u>451,021</u>
Capital assets:			
Equipment	338,751	-	338,751
Accumulated depreciation	<u>(318,109)</u>	<u>-</u>	<u>(318,109)</u>
Total capital assets	<u>20,642</u>	<u>-</u>	<u>20,642</u>
Total assets	<u><u>222,974</u></u>	<u><u>248,689</u></u>	<u><u>471,663</u></u>
Liabilities and Net Position:			
Liabilities:			
Accounts payable	-	-	-
Unearned Revenues	-	-	-
Interfunds	<u>155,374</u>	<u>-</u>	<u>155,374</u>
Total liabilities	<u>155,374</u>	<u>-</u>	<u>155,374</u>
Net position:			
Invested in capital assets, net of related debt	20,642	-	20,642
Restricted for other purposes	-	-	-
Contributed capital	-	-	-
Unrestricted net position	<u>46,958</u>	<u>248,689</u>	<u>295,647</u>
Total net position	<u>67,600</u>	<u>248,689</u>	<u>316,289</u>
Total liabilities and net position	<u>\$ 222,974</u>	<u>\$ 248,689</u>	<u>\$ 471,663</u>

UNION BEACH SCHOOL DISTRICT
 Food Services Enterprise Fund
 Statement of Revenues, Expenses and
 Changes in Net Position
 For the Year Ended June 30, 2019

	Business-Type Activities-Enterprise Funds		
	Food Service	Latchkey Program	Totals
Operating revenues:			
Tuition	\$ -	\$ 90,485	\$ 90,485
Local sources:			
Daily sales-reimbursable programs:			
School lunch program	126,679	-	126,679
Special milk program	-	-	-
Total-daily sales-reimbursable programs	126,679	90,485	217,164
Daily sales non-reimbursable programs	-	-	-
Total operating revenues	126,679	90,485	217,164
Operating expenses:			
Salaries	135,671	70,098	205,769
Employee benefits	15,542	5,363	20,905
Purchased property	4,834	-	4,834
Other purchased services	10,088	-	10,088
Supplies and materials	11,168	4,657	15,825
Depreciation	16,938	-	16,938
Cost of sales - reimbursable programs	109,211	-	109,211
Cost of sales - non-reimbursable programs	14,891	-	14,891
Total operating expenses	318,343	80,118	398,461
Operating income (loss)	(191,664)	10,367	(181,297)
Nonoperating revenues:			
Interest income	419	-	419
State sources:			
State school lunch program	3,141	-	3,141
Federal sources:			
National school lunch program	107,729	-	107,729
National school breakfast program	9,260	-	9,260
U.S.D.A. commodities	21,018	-	21,018
Total nonoperating revenues	141,567	-	141,567
Change in net position	(50,097)	10,367	(39,730)
Total net position beginning	117,697	238,322	356,019
Total net position ending	\$ 67,600	\$ 248,689	\$ 316,289

UNION BEACH SCHOOL DISTRICT
Food Services Enterprise Fund
Statement of Cash Flows
For the Year Ended June 30, 2019

	Business-Type Activities-Enterprise Funds		
	Food Service	Latchkey Program	Totals
Cash Flows from Operating Activities:			
Receipts from customers and other funds	\$ 125,764	\$ 90,485	\$ 216,249
Payments to employees	(135,671)	(70,098)	(205,769)
Payments for employee benefits	(15,542)	(5,363)	(20,905)
Payments to suppliers	(142,042)	(4,657)	(146,699)
Net cash provided by (used in) operating activities	<u>(167,491)</u>	<u>10,367</u>	<u>(157,124)</u>
Cash Flows from Noncapital Financing Activities			
State sources	3,250	-	3,250
Federal sources	120,127	-	120,127
Operating subsidies	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>123,377</u>	<u>-</u>	<u>123,377</u>
Cash Flows from Investing Activities			
Interest Income	419	-	419
Net cash provided by (used in) investing activities	<u>419</u>	<u>-</u>	<u>419</u>
Net increase (decrease) in cash and cash equivalents	(43,695)	10,367	(33,328)
Balances-beginning of the year	237,027	238,322	475,349
Balances-end of the year	<u>\$ 193,332</u>	<u>\$ 248,689</u>	<u>\$ 442,021</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (191,664)	\$ 10,367	\$ (181,297)
Adjustments to reconcile operating income (loss) to cash used by operating activities:			
Depreciation	16,938	-	16,938
Federal commodities	21,018	-	21,018
Change in assets and liabilities:			
(Increase) decrease in interfund	-	-	-
(Increase) decrease in accounts receivable	-	-	-
(Increase) decrease in inventory	379	-	379
Increase (decrease) in accounts payable	(13,247)	-	(13,247)
Increase (decrease) in unearned revenues	(915)	-	(915)
Total adjustments	<u>24,173</u>	<u>-</u>	<u>24,173</u>
Net cash provided by (used in) operating activities	<u>\$ (167,491)</u>	<u>\$ 10,367</u>	<u>\$ (157,124)</u>

H. Fiduciary Funds

UNION BEACH SCHOOL DISTRICT
Statement of Agency Fund Assets, Liabilities and Net Position
Fiduciary Funds
June 30, 2019

	<u>Trust</u>	<u>Agency</u>		<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll Agency</u>	
ASSETS				
Cash and cash equivalents	\$ 38,861	\$ 42,334	\$ 591	\$ 81,786
Intergovernmental Accounts Receivable	-	-	-	-
Interfund receivable	-	-	-	-
Total assets	<u>38,861</u>	<u>42,334</u>	<u>591</u>	<u>81,786</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll deductions and withholdings	-	-	561	561
Payable to student groups	-	42,334	-	42,334
Interfund payable	20,150	-	-	20,150
Other current liabilities	-	-	30	30
Total liabilities	<u>20,150</u>	<u>42,334</u>	<u>591</u>	<u>63,075</u>
NET POSITION				
Held in trust for unemployment claims and other purposes	18,711	-	-	18,711
Reserved for scholarships	-	-	-	-
Total net position	<u>18,711</u>	<u>-</u>	<u>-</u>	<u>18,711</u>
Total liabilities and net position	<u>\$ 38,861</u>	<u>\$ 42,334</u>	<u>\$ 591</u>	<u>\$ 81,786</u>

UNION BEACH SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2019

	Unemployment Compensation Trust	Total
ADDITIONS		
Contributions:		
Plan member	\$ 21,244	\$ 21,244
Other	-	-
Total Contributions	<u>21,244</u>	<u>21,244</u>
Investment earnings:		
Net increase (decrease) in fair value of investments	-	-
Interest	57	57
Dividends	-	-
Less investment expense	-	-
Net investment earnings	<u>57</u>	<u>57</u>
Total additions	<u>21,301</u>	<u>21,301</u>
DEDUCTIONS		
Quarterly contribution reports	-	-
Unemployment claims	17,777	17,777
Scholarships awarded	-	-
Refunds of contributions	-	-
Administrative expenses	-	-
Total deductions	<u>17,777</u>	<u>17,777</u>
Change in net positions	3,524	3,524
Net position—beginning of the year	<u>15,187</u>	<u>15,187</u>
Net position—end of the year	<u>\$ 18,711</u>	<u>\$ 18,711</u>

UNION BEACH SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2019</u>
Due to Student Groups	\$ 35,699	66,861	60,226	\$ 42,334
Total all schools	<u>\$ 35,699</u>	<u>66,861</u>	<u>60,226</u>	<u>\$ 42,334</u>

**UNION BEACH SCHOOL DISTRICT
Payroll Agency and Payroll Account Funds
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2019</u>
Interfund Accounts Payable	\$ 4,414	-	4,414	\$ -
Accrued Salaries and Benefits	30	-	-	30
Payroll deductions and withholdings	<u>3,636</u>	<u>7,234,459</u>	<u>7,237,534</u>	<u>561</u>
Total	<u>\$ 8,080</u>	<u>7,234,459</u>	<u>7,241,948</u>	<u>\$ 591</u>

I. Long-Term Debt

UNION BEACH SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:	\$ -	\$ -	\$ -	\$ -	\$ -
Local Tax Levy					
Miscellaneous					
State Sources:					
Debt Service Aid Type II					
Debt Service Aid Type I					
Total - State Sources	-	-	-	-	-
Total Revenues	-	-	-	-	-
EXPENDITURES:					
Regular Debt Service:					
Interest	-	-	-	1,965	1,965
Redemption of Principal	-	-	-	449,505	449,505
Total Regular Debt Service	-	-	-	451,470	451,470
Total Expenditures	-	-	-	451,470	451,470
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(451,470)	(451,470)
Transfer from general fund	-	-	-	451,470	451,470
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -

UNION BEACH SCHOOL DISTRICT
Schedule of Loans Payable
June 30, 2019

	<u>Interest Rate Payables</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2018</u>	<u>Additions Current Year</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2019</u>
Community Disaster Loan	1.375%	899,147	\$ 449,505	-	449,505	\$ -
			<u>\$ 449,505</u>	<u>-</u>	<u>449,505</u>	<u>\$ -</u>

STATISTICAL SECTION

Union Beach School District
Statistical Section

Contents

Pages

Financial Trends

107-111

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over

Revenue Capacity

112-115

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

Debt Capacity

116-119

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's

Demographic and Economic Information

120-121

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial

Operating Information

122-126

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.*

**Union Beach School District
Net Positions by Component
Last Ten Fiscal Years
UNAUDITED**
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 7,167,697	\$ 6,884,634	\$ 6,636,702	\$ 6,674,457	\$ 6,914,516	\$ 6,722,949	\$ 6,634,060	\$ 6,536,144	\$ 6,549,305	\$ 6,618,619
Restricted	2,502,604	2,562,352	1,528,816	1,773,680	1,260,194	1,314,193	1,945,724	3,819,235	2,973,343	3,369,514
Unrestricted	(1,584,780)	(1,623,761)	(1,125,797)	(988,485)	(1,023,207)	(4,279,408)	(4,373,730)	(5,314,043)	(3,942,086)	(3,219,701)
Total governmental activities net position	\$ 8,085,521	\$ 7,823,225	\$ 7,039,721	\$ 7,459,652	\$ 7,151,503	\$ 3,757,734	\$ 4,206,054	\$ 5,041,336	\$ 5,580,562	\$ 6,768,432
Business-type activities										
Net investment in capital assets	\$ 151,002	\$ 156,146	\$ 139,208	\$ 122,270	\$ 105,332	\$ 88,394	\$ 71,456	\$ 54,518	\$ 37,580	\$ 20,642
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	369,936	373,038	395,353	235,276	264,310	290,707	334,366	353,565	318,439	295,647
Total business-type activities net position	\$ 520,938	\$ 529,184	\$ 534,561	\$ 357,546	\$ 369,642	\$ 379,101	\$ 405,822	\$ 408,083	\$ 356,019	\$ 316,289
District-wide										
Net investment in capital assets	\$ 7,318,699	\$ 7,040,780	\$ 6,775,910	\$ 6,796,727	\$ 7,019,848	\$ 6,811,343	\$ 6,705,516	\$ 6,590,662	\$ 6,586,885	\$ 6,639,261
Restricted	2,502,604	2,562,352	1,528,816	1,773,680	1,260,194	1,314,193	1,945,724	3,819,235	2,973,343	3,369,514
Unrestricted	(1,214,844)	(1,250,723)	(730,444)	(753,209)	(758,897)	(3,988,701)	(4,039,364)	(4,960,478)	(3,623,647)	(2,924,054)
Total district net position	\$ 8,606,459	\$ 8,352,409	\$ 7,574,282	\$ 7,817,198	\$ 7,521,145	\$ 4,136,835	\$ 4,611,876	\$ 5,449,419	\$ 5,936,581	\$ 7,084,721

Source: CAFR Schedule A-1 and District records.

GASB No. 54 was implemented in the 2011 fiscal year, which required a change in the presentation of fund balance. This required presentation did not impact any of the balances from prior years.

GASB No. 63 was implemented in the 2013 fiscal year, which required a changed in language from net assets to net position for full accrual funds. This required presentation did not impact any of the balances from prior years.

**Union Besch School District
Changes in Net Position
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities										
Instruction										
Regular	\$ 5,861,585	\$ 5,594,153	\$ 3,663,075	\$ 3,450,127	\$ 3,450,528	\$ 3,027,074	\$ 3,122,538	\$ 3,247,016	\$ 3,509,848	\$ 3,463,079
Special education	664,106	1,138,160	834,897	917,104	914,164	1,038,462	1,087,527	1,214,808	1,229,124	1,364,312
Other special education	50,953	10,949	50,217	49,461	53,540	49,083	58,027	71,241	67,579	77,471
Other instruction	64,795	68,942	-	-	-	-	-	-	-	-
Support Services:										
Instruction	5,229,798	4,878,956	6,520,501	6,187,161	5,547,840	5,479,405	4,997,825	4,806,689	4,768,900	4,705,161
Student and Instruction Services	1,486,089	1,618,449	202,760	222,305	201,964	208,988	202,977	237,744	226,880	237,911
Other support services	860,936	733,766	955,499	906,186	1,089,669	945,836	904,391	1,049,160	1,057,656	1,008,915
General Business and Administrative	-	-	327,711	535,454	306,298	297,047	330,980	326,446	318,255	338,929
School administrative services	269,366	264,380	204,063	202,384	220,908	220,470	199,165	207,752	219,510	216,155
Central services	-	-	244,875	179,191	159,839	180,681	179,429	192,899	196,134	206,650
Plant operations and maintenance	1,307,281	1,221,260	890,782	1,036,502	1,093,614	932,596	951,957	1,048,580	928,292	848,849
Care & upkeep of grounds	-	-	101,451	4,788	10,724	19,260	19,925	14,618	40,834	6,946
Pupil transportation	642,544	655,527	612,363	1,330,413	626,931	778,304	742,462	781,576	710,674	766,113
Attendance and social work	-	-	-	-	-	-	-	-	-	-
Capital Outlay	26,800	326,519	-	-	-	-	-	-	-	-
Special schools	14,064	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	1,030	12,363	12,363	12,717	9,963	-
Unallocated employee benefits	-	-	1,729,195	1,476,000	2,001,405	1,655,501	1,749,579	1,701,127	2,044,652	1,998,742
Non-budgeted expenditures	-	-	807,664	915,576	802,704	654,395	673,775	665,776	689,961	670,706
Total governmental activities expenses	16,478,317	16,511,061	17,142,073	17,412,652	16,481,158	15,499,465	15,232,920	15,578,149	16,018,262	15,907,939
Business-type activities:										
Food service/LatchKey Program	347,769	360,213	354,938	383,732	279,113	266,350	272,792	298,544	380,860	398,461
Total business-type activities expense	347,769	360,213	354,938	383,732	279,113	266,350	272,792	298,544	380,860	398,461
Total district expenses	\$ 16,826,086	\$ 16,871,274	\$ 17,497,011	\$ 17,796,384	\$ 16,760,271	\$ 15,765,815	\$ 15,505,712	\$ 15,876,693	\$ 16,399,122	\$ 16,306,400
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ 12,210	\$ -	\$ -	\$ 23,314.0	\$ 1,740.0	\$ 4,618	\$ 945	\$ 8,075
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	844,431	662,436	807,664	915,576	802,704	654,395	673,775	665,776	689,961	670,706
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	844,431	662,436	819,874	915,576	802,704	677,709	675,515	670,394	690,906	678,781
Business-type activities:										
Charges for services										
Food service	233,168	211,624	125,592	29,524	100,739	101,745	103,843	107,635	120,697	126,679
Child care	-	-	72,766	24,497	44,440	46,035	61,587	73,530	77,865	90,485
Operating grants and contributions	145,939	136,554	161,957	152,612	145,920	127,995	134,083	119,263	129,862	141,148
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	379,107	348,178	360,315	206,633	291,099	275,775	299,513	300,428	328,424	358,312
Total district program revenues	\$ 1,223,538	\$ 1,010,614	\$ 1,180,189	\$ 1,122,209	\$ 1,093,803	\$ 953,484	\$ 975,028	\$ 970,822	\$ 1,019,330	\$ 1,037,093
Net (Expense)/Revenue										
Governmental activities	\$ (15,633,966)	\$ (15,848,625)	\$ (16,322,199)	\$ (16,497,076)	\$ (15,678,454)	\$ (14,821,756)	\$ (14,557,405)	\$ (14,907,755)	\$ (15,327,356)	\$ (15,229,158)
Business-type activities	31,338	(12,035)	5,377	(177,099)	11,886	9,425	26,721	1,884	(52,436)	(40,149)
Total district-wide net expense	\$ (15,602,628)	\$ (15,860,660)	\$ (16,316,822)	\$ (16,674,175)	\$ (15,666,468)	\$ (14,812,331)	\$ (14,530,684)	\$ (14,905,871)	\$ (15,379,792)	\$ (15,269,307)
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 6,280,672	\$ 6,280,672	\$ 6,371,285	\$ 6,498,711	\$ 5,599,563	\$ 5,756,058	\$ 5,871,180	\$ 6,498,711	\$ 6,628,685	\$ 6,628,685
Unrestricted grants and contributions	7,717,485	9,307,691	9,149,475	9,422,727	9,549,813	9,172,519	9,125,886	9,235,229	9,216,067	9,314,934
Investment earnings	26,118	2,650	259	2,741	3,330	4,992	-	8,107	9,960	3,066
Miscellaneous income	20,947	20,000	17,676	1,211,739	217,599	101,396	8,659	990	11,870	470,343
Loss on disposal of asset	-	-	-	(218,911)	-	-	-	-	-	-
Total governmental activities	14,045,222	15,611,013	15,538,695	16,917,007	15,370,305	15,034,965	15,005,725	15,743,037	15,866,582	16,417,028
Business-type activities:										
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	84	110	34	-	377	372	419
Total business-type activities	-	-	-	84	110	34	-	377	372	419
Total district-wide	\$ 14,045,222	\$ 15,611,013	\$ 15,538,695	\$ 16,917,091	\$ 15,370,415	\$ 15,034,999	\$ 15,005,725	\$ 15,743,414	\$ 15,866,954	\$ 16,417,447
Change in Net Position										
Governmental activities	\$ (1,588,744)	\$ (237,612)	\$ (783,504)	\$ 419,931	\$ (308,149)	\$ 213,209	\$ 448,320	\$ 835,262	\$ 539,226	\$ 1,187,870
Business-type activities	31,338	(12,035)	5,377	(177,015)	12,096	9,459	26,721	2,261	(52,064)	(39,720)
Total district	\$ (1,557,406)	\$ (249,647)	\$ (778,127)	\$ 242,916	\$ (296,053)	\$ 222,668	\$ 475,041	\$ 837,543	\$ 487,162	\$ 1,148,140

Source: CAFR Schedule A-2 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position for full accrual funds. This required presentation did not impact any of the balances from prior years.

Notes

The J-2 is a ten year schedule. This sample is for the year of implementation of GASBS 44. Districts are not required by GASB to report years prior to the implementation date of Statement 44. However, the department strongly encourages districts to report retroactively back to the year they implemented Statement 34. This illustration is for a

**Union Beach School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
UNAUDITED**
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,076,309	\$ 3,715,786	\$ 3,912,334
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	761,269	160,568	577,810
Unassigned	-	-	-	-	-	-	-	(396,782)	(381,652)	(385,869)
Reserved	2,522,074	2,143,918	1,575,284	1,788,149	2,182,930	2,682,507	3,006,219	-	-	-
Unreserved	(812,556)	(448,141)	(400,800)	(521,114)	(477,956)	(469,633)	(497,515)	-	-	-
Total general fund	\$ 1,709,518	\$ 1,695,777	\$ 1,174,484	\$ 1,267,035	\$ 1,704,974	\$ 2,212,874	\$ 2,508,704	\$ 3,440,796	\$ 3,494,702	\$ 4,104,275
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Special revenue fund	-	-	-	-	-	-	-	(18,343)	(45,926)	(69,122)
Debt service fund	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue fund	(20,970)	(25,681)	(46,468)	(14,469)	(23,589)	(14,850)	(10,415)	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ (20,970)	\$ (25,681)	\$ (46,468)	\$ (14,469)	\$ (23,589)	\$ (14,850)	\$ (10,415)	\$ (18,343)	\$ (45,926)	\$ (69,122)

Source: CAFR Schedule B-1 and District records.

GASB No. 54 was implemented in the 2011 fiscal year, which required a change in the presentation of fund balance. required presentation did not impact any of the balances from prior years.

Union Beach School District
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax levy	\$ 6,280,672	\$ 6,280,672	\$ 6,371,285	\$ 6,498,711	\$ 5,599,563	\$ 5,756,058	\$ 5,871,180	\$ 6,498,711	\$ 6,628,685	\$ 6,628,685
Tuition charges	-	-	-	-	-	23,314	1,740	4,618	945	8,075
Interest earnings	26,118	2,650	259	2,741	3,330	4,992	-	8,107	9,960	3,066
Miscellaneous	20,947	20,000	17,676	228,499	142,751	101,396	8,659	990	11,870	149,222
State sources	6,963,500	9,259,664	9,416,614	9,492,697	9,410,906	9,259,437	9,233,312	9,364,016	9,386,034	9,288,416
Federal sources	1,901,162	710,463	540,525	845,606	941,611	567,477	566,349	536,989	519,994	697,224
Total revenue	15,192,399	16,273,449	16,358,569	17,068,254	16,098,161	15,712,674	15,681,240	16,413,431	16,557,488	16,774,688
Expenditures										
Instruction										
Regular instruction	4,417,394	3,901,037	3,663,075	3,450,127	3,450,528	3,027,074	3,122,538	3,247,016	3,509,848	3,463,079
Special education instruction	485,569	747,895	834,897	917,104	914,164	1,038,462	1,087,527	1,214,808	1,229,124	1,364,312
Other special instruction	37,255	7,195	50,217	49,461	53,540	49,083	58,027	71,241	67,579	77,471
Other instruction	51,868	50,008	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	5,229,798	4,878,956	6,310,717	5,984,559	5,327,103	5,252,152	4,771,396	4,572,594	4,564,452	4,480,711
Student & inst. related services	1,119,261	1,129,222	202,760	222,305	201,964	208,988	202,977	237,744	226,880	237,911
General administration	528,745	546,102	316,984	269,592	295,011	285,427	319,402	314,476	307,912	327,574
School administrative services	199,316	176,382	201,083	202,384	220,908	220,470	199,165	207,752	219,510	216,155
Central services	-	-	244,875	179,191	159,839	180,681	179,429	192,899	196,134	204,650
Security	-	-	5,128	5,988	16,092	5,998	17,811	48,508	74,257	68,535
Plant operations and maintenance	1,085,672	965,370	832,713	969,968	897,607	839,033	854,149	919,143	803,887	798,693
Pupil transportation	585,735	571,036	603,818	999,808	617,939	769,047	733,239	772,040	702,496	757,135
Other Support Services	-	-	954,954	905,660	1,089,096	945,246	903,803	1,048,552	1,009,551	956,103
Care & upkeep of grounds	-	-	101,451	4,788	10,724	19,260	19,925	14,618	40,834	6,946
Employee benefits	2,771,508	2,977,380	1,735,703	1,733,626	1,924,555	1,712,495	1,843,333	1,721,937	2,058,243	2,079,452
Non-budgeted expenditures	-	-	807,664	915,576	802,704	654,395	673,775	665,776	689,961	670,706
Special Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	26,880	341,318	34,610	133,567	586,715	144,718	238,926	239,222	334,383	348,529
Debt service:										
Principal	-	-	-	-	-	-	-	-	449,642	449,505
Interest and other charges	-	-	-	-	-	-	-	-	46,472	1,965
Total expenditures	16,539,001	16,291,901	16,900,649	16,943,704	16,568,489	15,352,529	15,225,422	15,488,326	16,531,165	16,509,432
Excess (Deficiency) of revenues over (under) expenditures	(1,346,602)	(18,452)	(542,080)	124,550	(470,328)	360,145	455,818	925,105	26,323	265,256
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	-	-	156,494	-	-	-	-
Repayment of CDL	-	-	-	-	-	-	(156,494)	-	-	-
Insurance proceeds for storm expense reimbursements	-	-	-	-	-	-	-	-	-	321,121
State school building aid - Section 15 grant	-	-	-	-	-	-	-	-	-	-
Original issue discount	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Costs of issuance	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	156,494	(156,494)	-	-	321,121
Net change in fund balances	(1,346,602)	(18,452)	(542,080)	124,550	(470,328)	516,639	299,324	925,105	26,323	586,377
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.06%	2.79%

Source: CAFR Schedule B-2 and District records.

Note: Noncapital expenditures are total expenditures less capital outlay.
 Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services

Union Beach School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	<u>Sale of Capital Assets</u>	<u>Donations</u>	<u>Rentals</u>	<u>Prior Year Refunds</u>	<u>Sale and Leaseback of Textbooks</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2010	-	-	-	-	-	20,947	20,947
2011	-	-	-	-	-	20,000	20,000
2012	-	-	-	-	-	17,676	17,676
2013	-	-	-	-	-	228,499	228,499
2014	-	-	-	-	-	14,942	14,942
2015	-	-	8,625	-	-	85,600	94,225
2016	-	-	-	-	-	8,659	8,659
2017	-	-	-	-	-	990	990
2018	-	-	-	-	-	11,870	11,870
2019	-	-	-	-	-	149,222	149,222

Source: District records

**Union Beach School District
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qform	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2010	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2011	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2012	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2013	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2014	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2015	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2016	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2017	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2018	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A
2019	N/A	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A

Source: Municipal Tax Assessor

Union Beach School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
UNAUDITED
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Union Beach School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	<u>Basic Rate ^a</u>	<u>General Obligation Debt Service ^b</u>	<u>Total Direct J-7</u>	<u>Borough of Union Beach</u>	<u>Monmouth County</u>	
2010	N/A	0.000	N/A	N/A	N/A	N/A
2011	N/A	0.000	N/A	N/A	N/A	N/A
2012	N/A	0.000	N/A	N/A	N/A	N/A
2013	N/A	0.000	N/A	N/A	N/A	N/A
2014	N/A	0.000	N/A	N/A	N/A	N/A
2015	N/A	0.000	N/A	N/A	N/A	N/A
2016	N/A	0.000	N/A	N/A	N/A	N/A
2017	N/A	0.000	N/A	N/A	N/A	N/A
2018	N/A	0.000	N/A	N/A	N/A	N/A
2019	N/A	0.000	N/A	N/A	N/A	N/A

Source: Municipal Tax Collector

**Union Beach School District
Principal Property Tax Payers
Current Year and Nine Years Ago
UNAUDITED**

Taxpayer	2019			Taxpayer	2010		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Not Available							
Total	\$ -		0.00%	Total	\$ -		0.00%

Source: Municipal Tax Assessor

**Union Beach School District
Property Tax Levies and Collections
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentag e of Levy	
2010	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A

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

**Union Beach School District
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 UNAUDITED**

Fiscal Year Ended June 30,	Governmental Activities					Compensated Absences Payable	Business- Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases					
2010	-	-	-	-	770,724	-	770,724	0.00%	-	
2011	-	-	-	-	731,505	-	731,505	0.00%	-	
2012	-	-	-	-	724,997	-	724,997	0.00%	-	
2013	-	-	-	-	467,371	-	467,371	0.00%	-	
2014	-	-	-	-	379,682	-	379,682	0.00%	-	
2015	-	-	-	-	484,415	-	484,415	0.00%	-	
2016	-	-	-	-	314,008	-	314,008	0.00%	-	
2017	-	-	-	-	340,747	-	340,747	0.00%	-	
2018	-	-	-	-	379,682	-	379,682	0.00%	-	
2019	-	-	-	-	397,621	-	397,621	0.00%	-	

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

**Union Beach School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2010	-	-	-	N/A	N/A
2011	-	-	-	N/A	N/A
2012	-	-	-	N/A	N/A
2013	-	-	-	N/A	N/A
2014	-	-	-	N/A	N/A
2015	-	-	-	N/A	N/A
2016	-	-	-	N/A	N/A
2017	-	-	-	N/A	N/A
2018	-	-	-	N/A	N/A
2019	-	-	-	N/A	N/A

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
a See Exhibit NJ J-6 for property tax data.
b Population data can be found in Exhibit NJ J-14.
N/A At the time of CAFR completion, this data was not yet available

Union Beach School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2019
UNAUDITED

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Union Beach	0	0.000%	0
Monmouth County General Obligation Debt	0	0.000%	0
Other debt			
Subtotal, overlapping debt			0
Union Beach School District Direct Debt			<u>N/A</u>
Total direct and overlapping debt			<u>\$ -</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation

**Union Beach School District
Legal Debt Margin Information
Last Ten Fiscal Years
UNAUDITED**

	Equalized valuation basis	
	2019	\$ -
	2018	\$ -
	2017	\$ -
	[A]	<u>\$ -</u>
	[A/3]	\$ -
Debt limit (3 %	[B]	\$ - ^a
Net bonded school debt	[C]	<u>\$ -</u>
Legal debt margin	[B-C]	<u>\$ -</u>

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

^a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

**Union Beach School District
Demographic and Economic Statistics
Last Ten Fiscal Years
UNAUDITED**

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2010	6,250	355,968,750	56,955	0.0%
2011	6,251	N/A	N/A	0.0%
2012	N/A	N/A	N/A	10.9%
2013	N/A	N/A	N/A	10.9%
2014	N/A	N/A	N/A	10.9%
2015	N/A	N/A	N/A	10.9%
2016	N/A	N/A	N/A	10.9%
2017	N/A	N/A	N/A	10.9%
2018	N/A	N/A	N/A	10.9%
2019	N/A	N/A	N/A	0.0%

Source:

^a Population information provided by the NJ Dept. of Labor and Workforce Development

^b Personal income not available by municipality.

^c Per Capita Income not available by municipality

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

N/A At the time of CAFR completion, this data was not available

Union Beach School District
Principal Employers
Current Year and Ten Years Ago
UNAUDITED

Employer	2019			2010		
	Employees	Rank (Optional)	Percentage of Total Employment ^b	Employees	Rank (Optional)	Percentage of Total Employment ^b
		Not Available				
	-		0.00%			

Source: Borough of Union Beach Official Bond Statement

^b Total labor force provided by U.S. Department of Labor, Bureau of Labor Statistics
N/A At the time of CAFR completion, this data was not available

Union Beach School District
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
 UNAUDITED

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	62	62	62	62	62	62	62	62	52	52
Special education	23	23	23	23	23	23	23	23	26	26
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	16	16	16	16	16	16	16	16	33	33
General administrative services	1	1	1	1	1	1	1	1	2	2
School administrative services	2	2	2	2	2	2	2	2	2	2
Other Administrative Services	5	5	5	5	5	5	5	5	6	6
Business administrative services	-	-	-	-	-	-	-	-	2	2
Plant operations and maintenance	10	10	10	10	10	10	10	10	7	7
Pupil transportation	4	4	4	4	4	4	4	4	5	5
Food Service	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Total	<u>123</u>	<u>123</u>	<u>123</u>	<u>123</u>	<u>123</u>	<u>123</u>	<u>123</u>	<u>123</u>	<u>135</u>	<u>135</u>

Source: District Personnel Records

**Union Beach School District
Operating Statistics
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2010	765	16,512,121	21,584	9.63%	82	9.3	0.0	0.0	875.0	875.0	8.61%	100.00%
2011	737	15,950,583	21,643	0.27%	82	9.0	0.0	0.0	1,158.0	1,158.0	24.44%	100.00%
2012	732	16,046,404	21,921	1.29%	83	8.8	0.0	0.0	732.0	732.0	-16.34%	100.00%
2013	690	16,251,085	23,552	7.44%	83	8.3	0.0	0.0	690.0	690.0	-40.41%	100.00%
2014	658	16,481,158	25,047	6.35%	83	7.9	0.0	0.0	658.0	658.0	-24.80%	100.00%
2015	635	14,869,096	23,416	-6.51%	85	7.5	0.0	0.0	658.0	658.0	-43.18%	100.00%
2016	628	15,232,920	24,256	3.59%	85	7.4	0.0	0.0	628.0	628.0	-45.77%	100.00%
2017	592	15,203,041	25,681	5.87%	85	7.0	0.0	0.0	628.0	628.0	-45.77%	100.00%
2018	637	16,018,262	25,146	-2.08%	78	8.2	0.0	0.0	637.0	637.0	-44.99%	100.00%
2019	642	15,709,433	24,470	-4.72%	78	8.2	0.0	0.0	642.0	642.0	-44.56%	100.00%

Sources: District records and Schedules J-12, J-14

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from School Register Summary (SRS)

**Union Beach School District
School Building Information
Last Ten Fiscal Years
UNAUDITED**

	<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>
District Building^a										
Elementary										
Memorial School										
Square Feet	102,009	102,009	102,009	102,009	102,009	102,009	102,009	102,009	102,009	102,009
Capacity (students)	826	826	826	826	826	826	826	826	826	826
Enrollment	794	794	794	794	794	794	628	628	628	642
Other										
Central Administration										
Square Feet	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818
Number of Schools at June 30, 2019										
Elementary = 1										
Middle School = 0										
Other = 1										

Source: District Facilities Office

^a Increases in square footage and capacity are the result of and additions
Enrollment is based on the annual October District count

^b At the time of CAFR completion, this data was not yet available

UNION BEACH SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years
UNAUDITED

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

* School Facilities Project # (s)	Memorial School	Florence Avenue	Total
2010	-	-	-
2011	-	-	-
2012	95,968	5,051	101,019
2013	190,826	36,500	227,326
2014	71,169	36,500	107,669
2015	126,772	13,000	139,772
2016	138,160	-	138,160
2017	190,965	-	190,965
2018	183,203	-	183,203
2019	127,259	-	127,259
Total School Facilities	\$ 1,124,322	\$ 91,051	\$ 1,215,373

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

UNION BEACH SCHOOL DISTRICT
Insurance Schedule
For the Year Ended June 30, 2019
UNAUDITED

Company	Type of Coverage	Coverage	Deductible
Arthur J Gallagher Broker	Property Blanket Building & Contents Business Income & Extra Exp.	32,658,516	5,000
New Jersey School Boards	Flood	500,000	5,000
Insurance Group	Equipment Breakdown (Blanket) Per Breakdown	100,000,000	5,000
	Commercial Liability Bodily Injury & Property Damage Each Occurrence General Aggregate Damage to Premises Rented Medical Payments Personal & Advertising Injury Employee Benefits Liability		
	Crime Employee Theft Forgery or Alteration Computer Fraud	100,000	1,000
	Business Auto Combined Single Limit Personal Injury Protection Medical Payments Uninsured & Underinsured Comprehensive Deductible Collision Deductible	11,000,000	1,000
	School Board Legal Limit of Liability	11,000,000	5,000
	Worker's Compensation Each accident Each employee	2,000,000 2,000,000	-
	Student Accident Maximum Benefit	100,000	
	Bonds Business Adm./Board Sec'y.	250,000	1,000
	Environmental Policy Each Incident Aggregate	1,000,000	25,000
	CAP Program Each Occurrence Aggregate	50,000,000	

Source: District Records

SINGLE AUDIT SECTION

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

Honorable President and
Members of the Board of Education
Union Beach School District
County of Monmouth
Union Beach, New Jersey 07760

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Board of Education of the Union Beach 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 Board of Education of the Union Beach School District basic financial statements, and have issued our report thereon dated December 4, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Board of Education of the Union Beach School District in the 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 on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Board of Education of the Union Beach School District in the County of Monmouth, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of Board of Education of the Union Beach School District internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education of Union Beach School District 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* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted

Jump, Perry and Company, LLP
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

December 4, 2019

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

Honorable President and
Members of the Board of Education
Union Beach School District
County of Monmouth
Union Beach, New Jersey 07760

Report on Compliance for Each Major Federal and State Program

We have audited Union Beach School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Union Beach School District's major federal and state programs for the year ended June 30, 2019. Union Beach School District's major federal and 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 and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Union Beach School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, the Uniform Guidance and the New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Union Beach School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, Union Beach School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Union Beach School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Union Beach School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the New Jersey OMB 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 Union Beach School District's internal control over compliance.

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

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

Purpose of this Report

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

Respectfully submitted,

Jump, Perry, & Company, L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

December 4, 2019

UNION BEACH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Year Ended June 30, 2019

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance at June 30, 2018</u>	<u>Adjustment Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Repayment of Prior years' Balances</u>	<u>Deferred Revenue at June 30, 2019</u>	<u>(Accounts Receivable) at June 30, 2019</u>	<u>Due to Grantor at June 30, 2019</u>
U.S. Department of Education General Fund: Medical Assistance Program	ARRA-93.778	04/01/09-12/31/09	\$ -	\$ -	\$ -	\$ 4,041	\$ (4,041)	\$ -	\$ -	\$ -	\$ -
				-	-	4,041	(4,041)	-	-	-	-
U.S. Department of Homeland Security General Fund: FEMA	97.036	7/1/2013-6/30/2018	139,101	-	(139,101)	139,101	-	-	-	-	-
				-	(139,101)	139,101	-	-	-	-	-
U.S. Department of Agriculture Passed-through State Department of Education:											
Food Distribution Program	10.550	7/1/18-6/30/19	21,018	-	-	21,018	(21,018)	-	-	-	-
Child Nutrition Cluster:											
School Breakfast Program	10.553	7/1/17-6/30/18	7,008	(706)	-	706	-	-	-	-	-
School Breakfast Program	10.553	7/1/18-6/30/19	-	-	-	9,260	(9,260)	-	-	-	-
National School Lunch Program	10.555	7/1/17-6/30/18	99,130	(9,799)	-	9,799	-	-	-	-	-
National School Lunch Program	10.555	7/1/18-6/30/19	107,729	-	-	100,362	(107,729)	-	-	(7,367)	-
Subtotal of Child Nutrition Cluster				(10,505)	-	120,127	(116,989)	-	-	(7,367)	-
Total U.S. Department of Agriculture				(10,505)	-	141,145	(138,007)	-	-	(7,367)	-
U.S. Department of Education Passed-through State Department of Education:											
Title I	84.010	9/1/17-8/31/18	244,752	(25,347)	-	25,347	-	-	-	-	-
Title I	84.010	9/1/18-8/31/19	-	-	-	230,169	(258,215)	-	-	(28,046)	-
Title II Part A	84.168	9/1/17-8/31/18	35,677	(8,325)	-	8,325	-	-	-	-	-
Title II Part A	84.168	9/1/18-8/31/19	-	-	-	21,640	(35,487)	-	-	(13,847)	-
Special Education Cluster:											
I.D.E.A. Part B Basic Regular	84.027	9/1/18-8/31/19	-	-	-	246,010	(246,010)	-	-	-	-
I.D.E.A. Part B Preschool	84.173	9/1/18-8/31/19	-	-	-	14,370	(14,370)	-	-	-	-
Subtotal of Special Education Cluster				-	-	260,380	(260,380)	-	-	-	-
Total U.S. Department of Education				(33,672)	-	545,861	(554,082)	-	-	(41,893)	-
Total Expenditures of Federal Awards				\$ (44,177)	\$ (139,101)	\$ 830,148	\$ (696,130)	\$ -	\$ -	\$ (49,260)	\$ -

See accompanying notes to schedules of expenditures.

UNION BEACH SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Year Ended June 30, 2019

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2018	Adjustment Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2019	(Accounts Receivable) at June 30, 2019	Due to Grantor at June 30, 2019	Budgetary Receivable	Total Expenditures
State Department of Education													
General Fund:													
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	\$ 12,799	\$ -	\$ -	11,526	\$ (12,799)	\$ -	\$ -	\$ -	\$ -	\$ 1,273	12,799
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	7,444,810	-	-	6,704,155	(7,444,810)	-	-	-	-	740,655	7,444,810
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	658,640	-	-	593,114	(658,640)	-	-	-	-	65,526	658,640
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	28,312	-	-	25,495	(28,312)	-	-	-	-	2,817	28,312
Extraordinary Aid	18-100-034-5120-473	7/1/17-6/30/18	135,565	(135,565)	-	135,565	-	-	-	-	-	-	-
Extraordinary Aid	19-100-034-5120-473	7/1/18-6/30/19	122,506	-	-	-	(122,506)	-	-	(122,506)	-	-	122,506
Nonpublic Transportation Aid	19-100-034-5120-068	7/1/18-6/30/19	3,346	-	-	-	(3,346)	-	-	(3,346)	-	-	3,346
Nonpublic Transportation Aid	18-100-034-5120-068	7/1/17-6/30/18	5,759	(5,759)	-	5,759	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contribution	19-100-034-5095-002	7/1/18-6/30/19	792,771	-	-	792,771	(792,771)	-	-	-	-	-	792,771
On-Behalf TPAF Post-Retirement Medical	19-100-034-5095-001	7/1/18-6/30/19	359,600	-	-	359,600	(359,600)	-	-	-	-	-	359,600
On-Behalf TPAF Long-Term Disability Ins	19-100-034-5095-004	7/1/18-6/30/19	1,007	-	-	1,007	(1,007)	-	-	-	-	-	1,007
Reimbursed TPAF Social Security Contribution	18-495-034-5094-003	7/1/17-6/30/18	306,686	(14,716)	-	14,716	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	19-495-034-5094-003	7/1/18-6/30/19	310,099	-	-	294,963	(310,099)	-	-	(15,136)	-	-	310,099
Total General Fund				(156,040)	-	8,938,671	(9,733,890)	-	-	(140,988)	-	810,271	9,733,890
Special Revenue Fund:													
Preschool Education Aid	19-495-034-5120-086	7/1/18-6/30/19	-	-	-	388,001	(457,123)	-	-	-	-	69,122	457,123
Total Special Revenue Fund				-	-	388,001	(457,123)	-	-	-	-	69,122	457,123
State Department of Agriculture													
Enterprise Fund													
State School Lunch Program	18-100-010-3350-023	7/1/17-6/30/18	3,066	(305)	-	305	-	-	-	-	-	-	-
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	3,141	-	-	2,945	(3,141)	-	-	(196)	-	-	3,141
Total Special Revenue Fund				(305)	-	3,250	(3,141)	-	-	(196)	-	-	3,141
Total Expenditures of State Awards				\$ (156,345)	\$ -	\$ 9,329,922	\$ (10,194,154)	\$ -	\$ -	\$ (141,184)	\$ -	\$ 879,393	\$ 10,194,154
State Financial Assistance Not Subject to Single Audit Determination				-	-	(1,153,378)	1,153,378	-	-	-	-	-	(793,778)
Total Expenditures of State Awards Subject to Single Audit Determination				\$ (156,345)	\$ -	\$ 8,176,544	\$ (9,040,776)	\$ -	\$ -	\$ (141,184)	\$ -	\$ 879,393	\$ 9,400,376

See accompanying notes to schedules of expenditures.

Union Beach School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2019

1. General

The accompanying schedules of expenditures of award present the activity of all federal and state awards of the Union Beach School District. The Board of Education is defined in Note 1(A) to the Board's general purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

2. Basis of Accounting

The accompanying schedules of expenditures of federal and state awards are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements.

3. Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules 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 last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97.(A3521). 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.

Union Beach School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2019

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(779,435) for the general fund and \$(123,162) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 143,142	8,954,455	\$ 9,097,597
Special Revenue Fund	554,082	333,961	888,043
Debt Service Fund	-	-	-
Food Service Fund	<u>138,007</u>	<u>3,141</u>	<u>141,148</u>
Total awards and financial assistance	<u>\$ 835,231</u>	<u>9,291,557</u>	<u>\$ 10,126,788</u>

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.

5. Other

TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of Social Security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2019.

The TPAF Post Retirement/Medical Benefits expenditures are not subject to New Jersey OMB Circular 15-08 and are not included in the above schedule.

6. Indirect Costs

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

Union Beach School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified? yes none reported

Noncompliance material to basic financial statements noted? yes no

Federal Awards: N/A

Internal Control over major programs:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a) of the Uniform Guidance? yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
N/A	

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

Auditee qualified as low-risk auditee? yes no

Union Beach School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2019

Section I - Summary of Auditor's Results (continued)

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 Opinion

Internal Control over major programs:

1) Material weakness(es) identified? yes no

2) Significant deficiencies identified that
are not considered to be material
weaknesses? yes none reported

Any audit findings disclosed that are required
to be reported in accordance with NJOMB
Circular Letter 15-08? yes no

Identification of major programs:

<u>State grant/Project Number(s)</u>	<u>Name of State Program</u>
--------------------------------------	------------------------------

State Aid-Cluster

495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5094-003	Reimbursed TPAF Social Security Contributions

Union Beach School District
Summary of Findings and Questioned Costs
June 30, 2019

Section II - Financial Statement Findings

No matters were reported for the period ended June 30, 2019.

Section III - State Award Findings and Questioned Costs

No matters were reported for the period ended June 30, 2019.

Union Beach School District
Summary Schedule of Prior Audit Findings
June 30, 2019

There were no prior year findings for the period ended June 30, 2018.