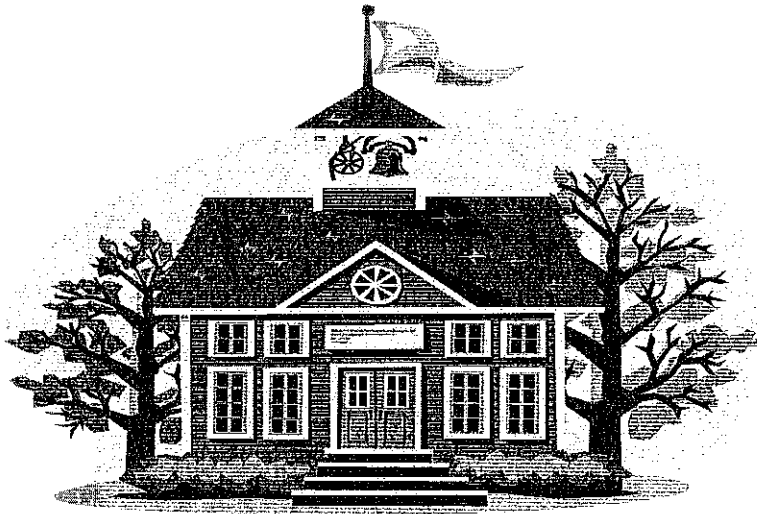


**SCHOOL DISTRICT**  
**OF THE BOROUGH OF**  
**BRIELLE**



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

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

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**BOROUGH OF BRIELLE BOARD OF EDUCATION**

**BRIELLE, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**PREPARED BY**

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

# **BRIELLE SCHOOL DISTRICT**

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## **INTRODUCTORY SECTION**





# BRIELLE ELEMENTARY SCHOOL

605 UNION LANE

BRIELLE, NEW JERSEY 08730

[www.brielleschool.org](http://www.brielleschool.org)

PHONE: 732.528.6400

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**CHRISTINE CARLSON**  
Superintendent/  
Principal

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

**DAWN CHERRY**  
School Business Administrator/  
Board Secretary

January 22, 2021

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

Dear Board Members:

Enclosed is the Comprehensive Annual Financial Report (CAFR) of the Brielle School District for the fiscal year ended June 30, 2020. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34 (GASB 34). Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. Disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

## REPORTING ENTITY AND ITS SERVICES

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

The District provides a full range of educational services appropriate to grade levels Kindergarten through Eight (8). The pre-school program has grown in recent years and has accepted sending district handicapped preschoolers. The Brielle School District has a sending/receiving association with Manasquan High School in which Brielle sends students to Manasquan High on a per student tuition basis. Brielle students have been also been accepted and attend the Monmouth County Vocational School Academies and can also attend half day vocational programs. Brielle community parents can also select to send students to private schools. The district curriculum has been aligned with the New Jersey Core Curriculum Contents Standards. Educational services include regular, vocational as well as special education for handicapped children. The district completed the 2019-2020 fiscal year with a decrease in enrollment in the elementary school and as well as a decrease in enrollment of Brielle students attending Manasquan High School. The following details the changes in the student enrollment over the prior 25 years.

Fiscal Year	Brielle Elementary Student Enrollment	Manasquan High School Enrollment
2019-2020	514	219
2018-2019	532	232
2017-2018	541	238
2016-2017	541	241
2015-2016	543	248
2014-2015	558	251
2013-2014	573	256
2012-2013	611	253
2011-2012	605	261
2010-2011	665	242
2009-2010	728	224
2008-2009	713	204
2007-2008	712	207
2006-2007	704	206
2005-2006	697	202
2004-2005	658	207
2003-2004	638	201
2002-2003	631	193
2001-2002	574	177
2000-2001	546	156

1999-2000	516	173
1998-1999	483	163
1997-1998	455	171
1996-1997	435	177
1995-1996	432	163

## ECONOMIC CONDITION AND OUTLOOK

The rapid growth of students in past years that are educated by the Borough of Brielle School District has leveled out declining slightly while the overall population of the Borough has remained constant. The district has experienced declining enrollment primarily in the Brielle Elementary School as the many of the students have moved on to the secondary school level. The current district demographic study forecasts that enrollment in the Elementary School will continue to decline as there have been fewer live births in the district overall the last five years due to an aging District population. It is also forecast that the number of students currently forecast to attend Manasquan High School on a tuition basis has started to decline from the current level. This is not unusual as enrollment declines are being experienced in a majority of school districts throughout Monmouth County and throughout the State of New Jersey. Brielle's enrollment is not expected to decline as much as other neighboring districts due to strong house sales in recent years. The district continues to maintain all programs and services with small class sizes. The Borough of Brielle School District continues to be an excellent place to educate a student in an outstanding community.

## MAJOR INITIATIVES

We had over 25 students participating in our 3<sup>rd</sup> Blazer Academy and Extended School Year Program.

During the year the summer months the building with phase two of our ceiling and LED lighting project. The west side parking lot was redesigned and paved as part of a shared services project with the Borough of Brielle. The Brielle Education Foundation raised over \$70,000 during the pandemic and redesigned our outdoor courtyard into an outdoor classroom with benches, tables, bridges, a waterfall, and engraved pavers that the school community purchased through the BEF.

Several classrooms were transformed to accommodate students six feet apart, plexi glass, new desks, and a Safe Check Walk through Body Temperature Detector. Other measures such as distancing signs, new regulations to keep everyone safe and healthy.

By August of 2020, 19 preschoolers and 36 Kindergarten students were registered for the new school year. Brielle Elementary School ended June 30, 2020 with 514 students and in September 2020, 509 students started the new school year. Brielle Elementary School ended June 30, 2020 with 514 students, down 18 students from the October 2019 count and the number of students sent to Manasquan High School decreased from 238 in October 2019 to 219 in June 2020.

Student involvement in the community continued during the school year with IC Hope winning the Fund Driver's Award. This is the eight year in a row our school has received distinguished honors. Their dedication and hard work for the local food bank earned them top recognition.

Students also participated in preparing 25 food baskets for their Thanksgiving food drive and 8th graders collected over 2,700 pounds of food.

Choral and instrumental concerts were the highlights of the music program during the winter concert a culmination of talents was the presentation of Susical the Musical presented to the entire student population on Friday, March 13. Due to the pandemic all programs were shut down from March 16 through June 30.

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

The annual reorganization meeting of the Board of Education welcomed reelected Board of Education members Mrs. Karen Dettlinger, Mr. Dennis Ingoglia, and Mr. Joseph Milancewich. Mr. Dennis Ingoglia was elected President of the Board of Education.

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

## **INTERNAL ACCOUNTING CONTROLS**

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

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

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

## **BUDGETARY CONTROLS**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project length budgets are approved for the capital improvements accounted for in the capital project fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

## **ACCOUNTING SYSTEM AND REPORTS**

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

## **FINANCIAL INFORMATION AT FISCAL YEAR-END**

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

## **DEBT ADMINISTRATION**

At June 30, 2020 the District had outstanding debt of \$420,000 as a result of a Bond Sale that took place in February, 2001.

## **CASH MANAGEMENT**

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

## **RISK MANAGEMENT**

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

## **ADDITIONAL INFORMATION**

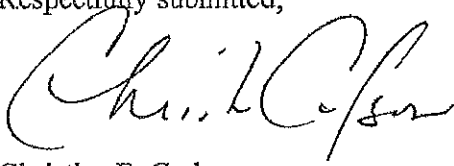
State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart & Company, CPAs was selected by the Board at its January 6, 2019 Reorganization Meeting. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the Single Audit Act of 1984 and the Title 2 U.S. Code of Federal Regulations, Part 200 and New Jersey Treasury Circular 15-08 OMB. The auditor's reports on the general purpose financial

statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

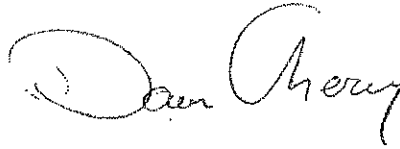
#### ACKNOWLEDGEMENTS

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

Respectfully submitted,



Christine E. Carlson  
Superintendent



Dawn Cherry  
Business Administrator/Board Secretary

**Brielle Board of Education  
Roster of Officials 2019-2020**

<b>Members of the Board of Education</b>	<b>Term Expires</b>
Eliot Colon	2020
Mr. Kurt Becker	2022
Dr. David D'Ambrosio	2022
Karen Dettlinger	2021
Dennis Ingoglia	2021
Madaly Jones	2020
Stephen LaValva	2022
Joseph Milancewich	2021
Tedd Vitale	2020

**Other Officials**

Christine E. Carlson	Superintendent
Deborah Trainor (to 7/31/2020)	Interim Business Admin/Board Secretary
Eileen Gorga (to 11/15/2019)	Business Administrator/Board Secretary
Cherie Adams	Board Attorney
David Tonzola	Treasurer

**BRIELLE BOARD OF EDUCATION****CONSULTANT AND OFFICIALS****June 30, 2020****AUDIT FIRM**

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

**ATTORNEY**

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

**OFFICIAL DEPOSITORIES**

Ocean First Bank  
2445 Route 34  
Wall, NJ 07719

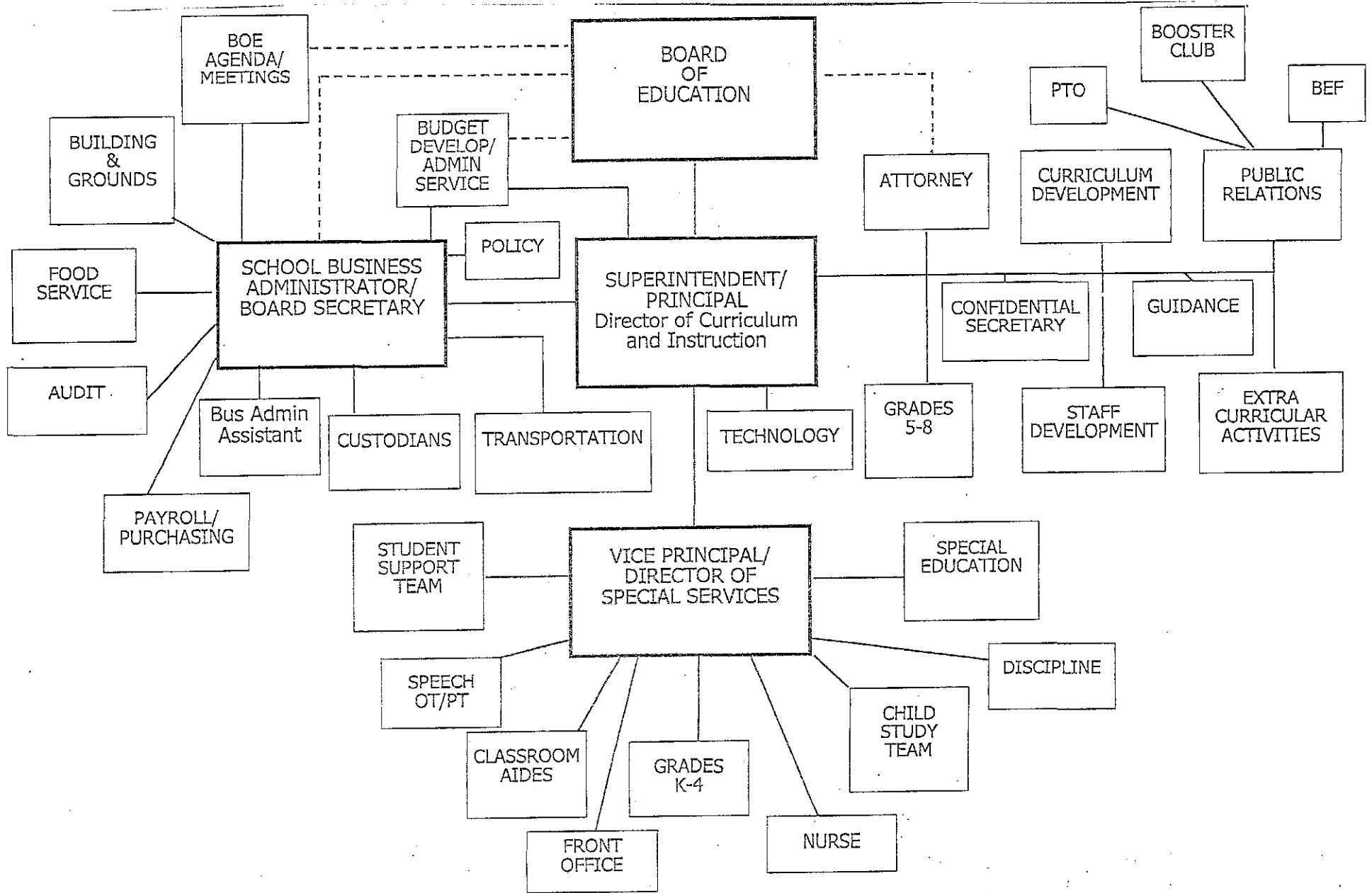
**INSURERS**

Holmes & McDowell  
Holmdel, NJ

Brown & Brown Insurance  
Shrewsbury, NJ



**Brielle School District  
Organizational Chart  
2019-2020**



**FINANCIAL SECTION**

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

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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditors Responsibility**

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Brielle School District, in the County of Monmouth, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

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

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

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

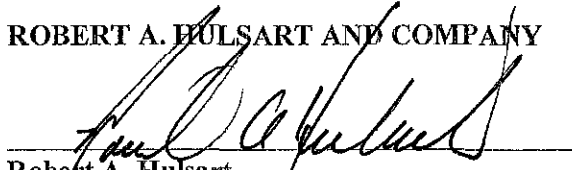
The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2021 on our consideration of the Brielle's Board of Education internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Brielle Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**



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

January 22, 2021

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

**BRIELLE BOROUGH SCHOOL DISTRICT  
BRIELLE BOROUGH**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**UNAUDITED**

The discussion and analysis of Brielle Borough School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2020 are as follows:

- ◆ General revenues accounted for \$16,138,894 in revenue. Program specific revenues for operating grants and contributions, and capital grants and contributions accounted for \$326,623 for total revenue of \$16,465,517.
- ◆ The School District had \$15,551,259 in expenses; only \$326,623 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$16,138,894 were adequate to provide for these programs.
- ◆ The General Fund had \$15,733,707 in revenues and \$15,192,276 in expenditures. Other financing uses included transfer to the Food Service Fund of \$15,008. Overall, the General Fund's balance increased from 2019 by \$526,423.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

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

## **Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2019-2020?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

## **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

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

### **Governmental Funds**

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



## Enterprise Fund

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

## The School District as a Whole

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

Table 1 provides a summary of the School District's net position for 2020 and 2019.

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

	<u>2020</u>	<u>2019</u>
<b>Total Assets</b>	\$ 11,668,123	11,005,861
<b>Deferred Outflow of Resources</b>	<u>411,700</u>	<u>640,459</u>
<b>Deferred Inflow of Resources</b>	<u>822,284</u>	<u>846,853</u>
<b>Total Liabilities</b>	<u>3,059,587</u>	<u>3,515,773</u>
<b>Total Net Position</b>	<u>\$ 8,197,952</u>	<u>7,283,694</u>

## Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 86% percent of revenues for governmental activities for the Brielle Borough School District for fiscal year 2020. The District's total revenues were \$16,325,357 for the year ended June 30, 2020.

## Business-Type Activities

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

- ◆ Enterprise Fund revenues were \$155,168.
- ◆ Changes in Net Position was \$(12,405) after adjustments.
- ◆ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$21,894.

## Governmental Activities

	<u>2020</u>	<u>2019</u>
Instruction	\$ 3,687,940	3,941,709
Support Services:		
Pupils and Instructional Staff	6,241,914	6,116,184
General Administration, School Administration, Business Administration	741,191	728,977
Operation and Maintenance of Facilities	888,976	1,005,540
Pupil Transportation	617,369	676,889
Interest on Debt	33,333	53,333
Unallocated Benefits	2,863,723	2,774,026
Unallocated Depreciation	<u>309,240</u>	<u>301,425</u>
Total Expenses	<u>\$ 15,383,686</u>	<u>15,598,083</u>

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

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

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

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

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

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

Other includes unallocated depreciation.

## General Fund Budgeting Highlights

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

During the course of the fiscal year 2020, the School District amended its General Fund budget as needed. The School district uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

### Capital Assets

At the end of the fiscal year 2020, the School District had \$7,616,782 invested in land, buildings, furniture and equipment, and vehicles as follows:

#### Capital Assets (Net of Depreciation) at June 30, 2020 & 2019

	<u>2020</u>	<u>2019</u>
Land	\$ 60,584	60,584
Building and Improvements	7,292,354	7,316,373
Machinery and Equipment	263,844	312,480
Totals	<u>\$ 7,616,782</u>	<u>7,689,437</u>

### Debt Administration

At June 30, 2020 the School district had \$2,822,021 of outstanding debt. Of this amount \$349,578 is for compensated absences. The balance due for the renovation of the school is \$400,000. Net pension liability was \$2,027,443.

### For the Future

The Brielle Borough School District is in good financial condition presently. However, future finances are not without challenges as the community continues to change; the Board and the Administration constantly review the financial landscape to put the District in the best possible position to continue to serve the students and the community for the benefit of all.

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

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

### Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School district's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Dawn Cherry, School Business Administrator/Board Secretary at Brielle Borough Board of Education, 605 Union Lane, Brielle, NJ 08730.

**BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS – A**

**BRIELLE SCHOOL DISTRICT****STATEMENT OF NET POSITION****Exhibit A-1****JUNE 30, 2020**

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 648,925	32,734	681,659
Receivables, Net	221,855	11,020	232,875
Inventories		12,476	12,476
Restricted Assets:			
Capital Reserve Account - Cash	1,790,106		1,790,106
Restricted - Cash	1,270,674		1,270,674
Capital Assets-Non Depreciable	60,584		60,584
Capital Assets, Net	7,556,198	63,551	7,619,749
Total Assets	<u>11,548,342</u>	<u>119,781</u>	<u>11,668,123</u>
<b><u>Deferred Outflow of Resources</u></b>			
Contribution to Pension Plan	411,700		411,700
<b><u>Deferred Inflow of Resources</u></b>			
Pension Deferrals	822,284		822,284
<b><u>Liabilities</u></b>			
Accounts Payable	216,315	7,336	223,651
Deferred Revenue	7,248		7,248
Accrued Interest	6,667		6,667
Noncurrent Liabilities:			
Due Within One Year	400,000		400,000
Due Beyond One Year	2,422,021		2,422,021
Total Liabilities	<u>3,052,251</u>	<u>7,336</u>	<u>3,059,587</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets, Net of Related Debt	7,216,782	63,551	7,280,333
Restricted For:			
Other Purposes	3,060,780		3,060,780
Unrestricted	(2,192,055)	48,894	(2,143,161)
Total Net Position	<u>\$ 8,085,507</u>	<u>112,445</u>	<u>8,197,952</u>

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

**BRIELLE SCHOOL DISTRICT**

Exhibit A-2  
Sheet 1 of 2

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2020**

	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b><u>Functions/Programs</u></b>						
Governmental Activities:						
Instruction:						
Regular	\$ 2,864,449	41,699		(2,822,750)		(2,822,750)
Special Education	727,402		132,355	(595,047)		(595,047)
Other Instruction	96,089			(96,089)		(96,089)
Support Services:						
Tuition	4,988,265			(4,988,265)		(4,988,265)
Student & Instruction Related Services	1,253,649		19,295	(1,234,354)		(1,234,354)
School Administrative Services	533,045			(533,045)		(533,045)
Other Administrative Services	208,146			(208,146)		(208,146)
Plant Operations and Maintenance	888,976			(888,976)		(888,976)
Pupil Transportation	617,369			(617,369)		(617,369)
Unallocated Benefits	2,863,723			(2,863,723)		(2,863,723)
Interest on Long-Term Debt	33,333			(33,333)		(33,333)
Unallocated Depreciation	309,240			(309,240)		(309,240)
<b>Total Government Activities</b>	<b>15,383,686</b>	<b>41,699</b>	<b>151,650</b>	<b>(15,190,337)</b>	<b>-</b>	<b>(15,190,337)</b>
Business-Type Activities:						
Aftercare Program	38,122	38,151			29	29
Food Service	129,451	95,123			(34,328)	(34,328)
<b>Total Business-Type Activities</b>	<b>167,573</b>	<b>133,274</b>	<b>-</b>	<b>-</b>	<b>(34,299)</b>	<b>(34,299)</b>
<b>Total Primary Government</b>	<b>15,551,259</b>	<b>174,973</b>	<b>151,650</b>	<b>(15,190,337)</b>	<b>(34,299)</b>	<b>(15,224,636)</b>

**BRIELLE SCHOOL DISTRICT**

**Exhibit A-2**

**Sheet 2 of 2**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:						
Taxes						
Property Taxes, Levied for General Purpose, Net				13,539,790	13,539,790	
Taxes Levied for Debt Service				440,000	440,000	
Federal and State Aid Not Restricted				2,143,550	2,143,550	
Miscellaneous Income				8,668	6,886	15,554
Transfer to Food Service				(15,008)	15,008	-
Total General Revenues, Special Items, Extraordinary Items and Transfers				<u>16,117,000</u>	<u>21,894</u>	<u>16,138,894</u>
Change in Net Position				926,663	(12,405)	914,258
Net Position - Beginning				<u>7,158,844</u>	<u>124,850</u>	<u>7,283,694</u>
Net Position - Ending				<u>\$ 8,085,507</u>	<u>112,445</u>	<u>8,197,952</u>

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



**FUND FINANCIAL STATEMENTS – B**

BRIELLE SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash and Cash Equivalents-Restricted	\$ 3,060,780		3,060,780
Cash and Cash Equivalents-Nonrestricted	648,925		648,925
Interfund Receivable	35,424		35,424
Receivables, Net	172,965	48,890	221,855
Total Assets	<u>\$ 3,918,094</u>	<u>48,890</u>	<u>3,966,984</u>
<u>Liabilities and Fund Balance</u>			
<u>Liabilities:</u>			
Accounts Payable	\$ 210,097	6,218	216,315
Deferred Revenue		7,248	7,248
Interfund Payable	-	35,424	35,424
Total Liabilities	<u>210,097</u>	<u>48,890</u>	<u>258,987</u>
<u>Fund Balance:</u>			
<u>Restricted : To:</u>			
Capital Reserve	1,790,106		1,790,106
Maintenance Reserve	609,496		609,496
Maintenance Reserve - Designated for Subsequent Years Expenditures	150,000		150,000
Designated for Subsequent Years Expenditures - by the Board of Education	207,171		207,171
Excess Surplus - Current Year	304,007		304,007
<u>Assigned To:</u>			
Other Purposes	283,531		283,531
Unassigned-General Fund	363,686		363,686
Total Fund Balances	<u>3,707,997</u>		<u>3,707,997</u>
Total Liabilities and Fund Balance	<u>\$ 3,918,094</u>	<u>48,890</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

The cost of the assets is \$15,985,853 and the accumulated depreciation is \$8,369,071.

7,616,782

Deferred outflow of resources - contributions to the pension plan

411,700

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

(822,284)

Accrued Interest

(6,667)

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

(2,822,021)

Net Position of Governmental Activities

\$ 8,085,507

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

**BRIELLE SCHOOL DISTRICT**

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

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

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>				
Local Sources:				
Local Tax Levy	\$ 13,539,790		440,000	13,979,790
Tuition	41,699			41,699
Miscellaneous	8,668			8,668
Total Local Sources	13,590,157	-	440,000	14,030,157
State Sources	2,143,550			2,143,550
Federal Sources		151,650		151,650
Total Revenues	<u>15,733,707</u>	<u>151,650</u>	<u>440,000</u>	<u>16,325,357</u>
<b><u>Expenditures</u></b>				
Current:				
Regular Instruction	3,136,196			3,136,196
Special Education Instruction	595,047	132,355		727,402
Other Instruction	96,089			96,089
Support Services and Undistributed Costs:				
Tuition	4,988,265			4,988,265
Student and Instruction Related Services	1,234,354	19,295		1,253,649
School Administrative Services	533,045			533,045
Other Administrative Services	208,146			208,146
Plant Operations and Maintenance	888,976			888,976
Pupil Transportation	617,369			617,369
Unallocated Benefits	2,864,298			2,864,298
Capital Outlay	30,491			30,491
Debt Service:				
Principal			400,000	400,000
Interest and Other Charges			40,000	40,000
Total Expenditures	<u>15,192,276</u>	<u>151,650</u>	<u>440,000</u>	<u>15,783,926</u>

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

**BRIELLE SCHOOL DISTRICT**

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

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

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2020**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>	<b><u>Debt Service Fund</u></b>	<b><u>Total Governmental Funds</u></b>
Excess (Deficiency) of Revenues Over Expenditures	<u>541,431</u>	<u>-</u>	<u>-</u>	<u>541,431</u>
Other Financing Sources (Uses):				
Transfer to Food Service	<u>(15,008)</u>	<u>-</u>	<u>-</u>	<u>(15,008)</u>
Total Other Financing Sources (Uses)	<u>(15,008)</u>	<u>-</u>	<u>-</u>	<u>(15,008)</u>
Net Change in Fund Balances	526,423	-	-	526,423
Fund Balance - July 1	<u>3,181,574</u>	<u>-</u>	<u>-</u>	<u>3,181,574</u>
Fund Balance - June 30	<u>\$ 3,707,997</u>	<u>-</u>	<u>-</u>	<u>3,707,997</u>

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

BRIELLE SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

Exhibit B-3

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 526,423
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:	
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation Expense	(309,240)
Capital Outlays	<u>307,815</u>
	(1,425)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	400,000
Compensated Absences	(5,577)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	(228,759)
Pension Related Deferrals	24,569
Net Pension Liability	204,765
Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due.	<u>6,667</u>
Change in Net Position of Governmental Activities	<u>\$ 926,663</u>

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

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

Exhibit B-4

**JUNE 30, 2020**

	<b><u>Business-type Activities Enterprise Fund</u></b>
<b><u>Assets</u></b>	
Current Assets:	
Cash and Cash Equivalents	\$ 32,734
Inventory	12,476
Accounts Receivable:	
Other	11,020
Total Current Assets	<u>56,230</u>
Noncurrent Assets:	
Equipment	151,127
Accumulated Depreciation	<u>(87,576)</u>
Total Noncurrent Assets	<u>63,551</u>
Total Assets	<u><u>\$ 119,781</u></u>
<b><u>Liabilities</u></b>	
Accounts Payable	<u>\$ 7,336</u>
Total Liabilities	<u><u>\$ 7,336</u></u>
<b><u>Net Position</u></b>	
Investment in Fixed Assets	\$ 63,551
Unrestricted	<u>48,894</u>
Total Net Position	<u><u>\$ 112,445</u></u>

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

BRIELLE SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit B-5

IN FUND NET POSITIONPROPRIETARY FUNDSJUNE 30, 2020

	<u>Business-type Activities Enterprise Fund</u>
Operating Revenues:	
Local Sources:	
Daily Sales	\$ 95,123
Fees	38,151
Total Operating Revenue	<u>133,274</u>
Operating Expenses:	
Salaries	91,350
Benefits	3,529
Management Fee	3,990
Cost of Sales	40,389
Computer System	2,195
Depreciation	9,563
Miscellaneous	16,527
Total Operating Expenses	<u>167,573</u>
Operating (Loss)/Profit	(34,299)
Non-Operating Revenues:	
Interest Revenue	63
Miscellaneous	6,823
Board Subsidy	15,008
Total Non-Operating Revenues	<u>21,894</u>
Change in Net Position	(12,405)
Net Position, July 1	<u>124,850</u>
Net Position June 30	<u>\$ 112,445</u>

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

**BRIELLE SCHOOL DISTRICT****STATEMENT OF CASH FLOWS****Exhibit B-6****PROPRIETARY FUNDS****JUNE 30, 2020**

	<b>Business-type Activities</b>
	<b>Enterprise Fund</b>
Cash Flows from Operating Activities:	
Receipts from Daily Sales	\$ 133,274
Payments to Employees	(91,350)
Payments to Suppliers	(79,915)
Net Cash Used by Operating Activities	<u>(37,991)</u>
Cash Flows from Noncapital Financing Activities:	
Board Subsidy	15,008
Net Cash Provided by Noncapital Financing Activities	<u>15,008</u>
Cash Flows from Investing Activities:	
Interest Revenue	63
Net Cash Provided by Investing Activities	<u>63</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(22,920)
Cash and Cash Equivalents July 1	<u>55,654</u>
Cash and Cash Equivalents June 30	<u>\$ 32,734</u>
Cash Flows from Operating Activities:	
Operating (Loss)/Profit	\$ (34,299)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Depreciation	9,563
Changes in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivables	(8,000)
Increase/(Decrease) in Accounts Payable	103
(Increase)/Decrease in Inventory	(5,358)
Net Cash Used by Operating Activities	<u>\$ (37,991)</u>

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



BRIELLE SCHOOL DISTRICTSTATEMENT OF FIDUCIARY NET POSITION

Exhibit B-7

FIDUCIARY FUNDSJUNE 30, 2020

	<u>Scholarship Fund</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account</u>	<u>Agency Funds</u>
Assets:				
Cash and Cash Equivalents	\$ 17,164	39,610	2,434	304,174
Total Assets	<u>\$ 17,164</u>	<u>39,610</u>	<u>2,434</u>	<u>304,174</u>
Liabilities:				
Payroll Deductions and Withholdings Reserve for Summer Payroll			\$ 2,434	7,285
			<u>-</u>	<u>297,429</u>
Total Liabilities			<u>\$ 2,434</u>	<u>304,714</u>
Net Position:				
Reserved - Scholarship	\$ 17,164			
Reserved - Unemployment Benefits		<u>39,610</u>		
Total Net Position	<u>\$ 17,164</u>	<u>39,610</u>		

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

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

Exhibit B-8

**FIDUCIARY FUNDS****JUNE 30, 2020**

	<b>Scholarship Fund</b>	<b>Unemployment Compensation Trust</b>
	<hr/>	<hr/>
<b><u>Additions</u></b>		
Interest on Investments	\$ 13	78
Contributions		6,199
Total Additions	<hr/> 13 <hr/>	<hr/> 6,277 <hr/>
<b><u>Deductions</u></b>		
Scholarship Payments	1,000	
Unemployment Claims		10,720
Total Deductions	<hr/> 1,000 <hr/>	<hr/> 10,720 <hr/>
Change in Net Position	(987)	(4,443)
Net Position - Beginning of Year	<hr/> 18,151 <hr/>	<hr/> 44,053 <hr/>
Net Position - End of the Year	<hr/> <u>\$ 17,164</u> <hr/>	<hr/> <u>39,610</u> <hr/>

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

**NOTES TO FINANCIAL STATEMENTS**

**BOARD OF EDUCATION**  
**BRIELLE SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1: Summary of Significant Accounting Policies**

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

**A. Reporting Entity:**

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

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

**B. Government-Wide Financial Statements**

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

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)****B. Government-Wide and Fund Financial Statements (Continued)**

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

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

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

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

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

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)****C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

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

**D. Fund Accounting:**

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

**Governmental Fund Types**

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

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

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

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

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

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

**Proprietary Fund Type**

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

**Fiduciary Fund Types**

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

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

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

**E. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are approved by the Board of Education. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2020 were insignificant.

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

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

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

**E. Budgets/Budgetary Control (Continued):**

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

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

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

**F. Encumbrances:**

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

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

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

**G. Short-Term Interfund Receivables/Payables:**

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

**H. Inventories and Prepaid Expenses**

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



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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

**I. Capital Assets and Depreciation**

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

The District contracted with an outside service company during the 2006 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report has been updated to include capital assets purchased subsequently with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2006, fiscal year 2006 depreciation expense, total accumulated depreciation and book values were also provided. The records have updated annually through June 30, 2020. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

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

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2020</u>
Governmental Activities:					
Capital Assets That Are Not Being Depreciated:					
Land	\$ 60,584	_____	_____	_____	60,584
Total Capital Assets Not Being Depreciated	60,584	_____	_____	_____	60,584
Depreciable Assets:					
Site Improvements	73,246	149,275	_____	_____	222,521
Buildings & Sites	14,892,938	99,210	_____	_____	14,992,148
Equipment	717,577	7,981	_____	(14,958)	710,600
Total	15,683,761	256,466	_____	(14,958)	15,925,269

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

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2020</u>
Less: Accumulated					
Depreciation For:					
Sites	(18,798)	(2,722)			(21,520)
Buildings	(7,631,013)	(269,893)	111		(7,900,795)
Equipment	(476,328)	(36,625)	66,197	—	(446,756)
Total Accumulated					
Depreciation	(8,126,139)	(309,240)	66,308	—	(8,369,071)
Net Depreciable Assets	<u>7,557,622</u>	<u>(52,774)</u>	<u>66,308</u>	<u>(14,958)</u>	<u>7,556,198</u>
Government Activities:					
Capita Assets, Net	<u>\$ 7,618,206</u>	<u>(52,774)</u>	<u>66,308</u>	<u>(14,958)</u>	<u>7,616,782</u>
Business-Type Activities:					
Equipment	\$ 152,357			(1,230)	151,127
Less: Accumulated					
Depreciation:					
Equipment	(81,126)	(9,563)	1,883	1,230	(87,576)
Business-Type Activities					
Capital Assets (Net)	<u>\$ 71,231</u>	<u>(9,563)</u>	<u>1,883</u>	—	<u>63,551</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	<u>\$ 309,240</u>
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**J. Compensated Absences**

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

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

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

**K. Deferred Revenue**

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

**L. Fund Equity**

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

**M. Net Position**

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

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

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

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

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

**Fund Balance**

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

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

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

**M. Net Position (Continued)**

**Fund Balance**

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

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

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

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

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

**NOTE 2: Cash and Cash Equivalents and Investments**

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

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

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

**Deposits**

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

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

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

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

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

**Investments**

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

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

As of June 30, 2020, cash and cash equivalents and investments of the District consisted of the following:

	<b>Cash and Cash <u>Equivalents</u></b>
Checking, Money Market Accounts	<u>\$ 4,128,097</u>

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

During the period ended June 30, 2020, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2020 was \$4,128,097 and the bank balance was \$4,283,904, of the bank balance \$250,000 was covered by federal depository insurance and \$4,033,904 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

**Credit Risk Categories**

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

FDIC	\$ 250,000
GUPDA	<u>4,033,904</u>
	<u>\$ 4,283,904</u>

As of June 30, 2020, the District did not hold any long-term investments.

**Custodial Credit Risk – Deposits**

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

The District had no uninsured deposits.

**NOTE 3: General Long-Term Debt**

During the fiscal year ended June 30, 2020, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Long-Term</u> <u>Portion</u>	<u>Amount Due</u> <u>In One Year</u>
Pension Liability	\$ 2,232,208		(204,765)	2,027,443	2,027,443	
Compensated Absences Payable	389,001	5,577		394,578	394,578	
Bonds Payable	<u>800,000</u>	<u>      </u>	<u>(400,000)</u>	<u>400,000</u>	<u>      </u>	<u>400,000</u>
Total	<u>\$ 3,421,209</u>	<u>5,577</u>	<u>(604,765)</u>	<u>2,822,021</u>	<u>2,422,021</u>	<u>400,000</u>

**NOTE 3: General Long-Term Debt (Continued)**

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

Principal and interest due on bonds outstanding is as follows:

- a. Bonds issued 2/27/01 for \$6,915,000 for 20 years maturing 3/1/21 at a 4.6 to 5.0% rate of interest with a balance of \$400,000 at June 30, 2020.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30, 2021	<u>\$ 400,000</u>	<u>20,000</u>	<u>420,000</u>

**NOTE 4: Pension Plans**

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

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

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

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

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

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contribution. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

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

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



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

During the year ended June 30, 2020, the State of New Jersey contributed \$1,136,195 to the TPAF for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$308,709 during the year ended June 30, 2020 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

**Three-Year Trend Information for PERS**

<b>Year</b>	<b>Annual</b>	<b>Percentage</b>	<b>Net</b>
<b>Funding</b>	<b>Pension</b>	<b>of APC</b>	<b>Pension</b>
	<b>Cost (APC)</b>	<b>Contributed</b>	<b>Obligation</b>
6/30/20	\$ 110,071	100%	0
6/30/19	113,559	100%	0
6/30/18	106,521	100%	0

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

<b>Year</b>	<b>Annual</b>	<b>Percentage</b>	<b>Net</b>
<b>Funding</b>	<b>Pension</b>	<b>of APC</b>	<b>Pension</b>
	<b>Cost (APC)</b>	<b>Contributed</b>	<b>Obligation</b>
6/30/20	\$ 1,136,195	100%	0
6/30/19	1,066,873	100%	0
6/30/18	922,741	100%	0

**Public Employees' Retirement System (PERS)****Plan Description**

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

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

The following represents the membership tiers for PERS:

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

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

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

**Basis of Presentation**

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

**Allocation Methodology and Reconciliation to Financial Statements**

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2018 through June 30, 2019. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2019 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2019.

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by Local employers under Chapter 366, P.L. 2001. This legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for Prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a County that resulted from the enrollment of Prosecutors in the Prosecutors Part. The June 30, 2019 State special funding situation net pension liability amount of \$125.3 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$132.2 million, for the fiscal year ending June 30, 2019, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2019. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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 2019, the State's pension contribution was less than the actuarial determined amount.

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

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

For the year ended June 30, 2020, the District recognized pension expense of \$110,071. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference Between Expected and Actual Experience	\$ 36,390	8,956
Changes of Assumptions	202,448	703,719
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		32,004
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	62,791	77,605
District Contributions Subsequent to the Measurement Date	<u>110,071</u>	<u>      </u>
<b>Total</b>	<b><u>\$ 411,700</u></b>	<b><u>822,284</u></b>

\$110,071 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2020, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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

2020	\$ (58,115)
2021	(188,529)
2022	(168,345)
2023	(79,047)
2024	<u>(8,117)</u>
	<b><u>\$ (502,153)</u></b>

**Additional Information**

Collective balances at December 31, 2019 and 2018 are as follows:

	<b><u>Dec. 31, 2019</u></b>	<b><u>Dec. 31, 2018</u></b>
Collective Deferred Outflows of Resources	\$ 411,700	640,459
Collective Deferred Inflows of Resources	822,284	846,853
Collective Net Pension Liability	2,027,443	2,232,208
District's Proportion	.01117%	.01134%

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

The components of the collective net pension liability of the participating employers as of June 30, 2019 were as follows:

	<b>2019</b>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 29,512,766,255	41,491,463,886	71,004,230,141
Plan Fiduciary Net Position	<u>6,500,345,915</u>	<u>23,347,631,751</u>	<u>29,847,977,666</u>
Net Pension Liability	<u>\$ 23,012,420,340</u>	<u>18,143,832,135</u>	<u>41,156,252,475</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.03%	56.27%	42.04%

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% - 6.00%
	Based on years of service
Thereafter	3.00% - 7.00%
	Based on years of service
Investment Rate of Return	7.00%

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

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

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of 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 ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

**Discount Rate**

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>2019</u>		
	<u>At 1% Decrease (5.28%)</u>	<u>At Current Discount Rate (6.28%)</u>	<u>At 1% Increase (7.28%)</u>
School District's Proportionate Share Of the Net Pension Liability	<u>\$ 2,560,990</u>	<u>2,027,443</u>	<u>1,577,854</u>

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

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

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

The following represents the membership tiers for TPAF:

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

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

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

**Basis of Presentation**

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

**Allocation Methodology**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2019. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation had modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, State's pension contribution was less than the actuarial determined amount.



**NOTE 4: Pension Plans (Continued)****Special Funding Situation**

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

**Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Total Pension Liability	\$ 84,215,846,719	86,797,467,286
Plan Fiduciary Net Position	<u>22,696,734,276</u>	<u>22,991,116,840</u>
Net Pension Liability	<u>\$ 61,519,112,443</u>	<u>63,806,350,446</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	26.49%

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

	<u>2019</u>	<u>2018</u>
District's Liability	<u>\$ 22,426,416</u>	<u>23,639,051</u>
District's Proportion	.03645%	.03705%

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

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 - 4.45%
	Based on years of service
Thereafter	2.75 - 5.65%
	Based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

**Discount Rate**

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the net pension liability of the State as of June 30, 2019 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>2019</u>		
	<u>At 1% Decrease (4.60%)</u>	<u>At Current Discount Rate (5.60%)</u>	<u>At 1% Increase (6.60%)</u>
School District's Proportionate Share Of the Net Pension Liability	\$ 0	0	0
State of New Jersey's Proportionate Share Of the District's Net Pension Liability	<u>26,445,708</u>	<u>22,426,416</u>	<u>19,091,673</u>
	<u>\$ 26,445,708</u>	<u>22,426,416</u>	<u>19,091,673</u>

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

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefit for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pension*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L., 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

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

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

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 20, 2018, with was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total Nonemployer OPEB Liability     \$41,729,081,045

Inflation rate     2.50%

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 – 3.05%	2.00% - 6.00%	3.25% - 15.25%
years	based on service years	based on service years	based on service
Thereafter	1.55 – 3.05%	3.00% - 7.00%	Applied to all
	based on service years	based on service years	future years

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

**NOTE 5: Post-Retirement Benefits (Continued)*****(a) Health Care Trend Assumptions***

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

***(b) Discount Rate***

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

	<b>Total OPEB Liability</b>
Balances at June 30, 2018	\$ 18,374,688
Changes for the Year:	
Service Cost	680,788
Interest	727,669
Difference Between Expected and Actual Experience	(2,401,431)
Changes in Assumptions or Other Inputs	255,364
Benefit Payments	(525,745)
Member Contributions	<u>15,585</u>
Balance at June 30, 2019	<u>\$ 17,126,918</u>

There were no changes in benefit terms between the June 30, 2018 measurement date and the June 30, 2019 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% percent in 2018 to 3.50% percent in 2019.

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

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

	<b>1% Decrease <u>(2.50%)</u></b>	<b>Discount Rate <u>(3.50%)</u></b>	<b>1% Increase <u>(4.50%)</u></b>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 20,233,657</u>	<u>17,126,918</u>	<u>14,659,093</u>

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 14,111,816</u>	<u>17,126,918</u>	<u>21,118,291</u>

OPEB Expenses 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 \$400,213 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 GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Brielle Board of Education proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows or resources. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference Between Expected and Actual Experience	\$	4,303,357
Changes in Proportion	727,195	569,395
Changes of Assumptions or Other Inputs	_____	<u>3,481,085</u>
Total	<u>\$ 727,195</u>	<u>8,353,837</u>

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

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

Year Ended June 30:	
2021	\$ (897,252)
2022	(897,252)
2023	(897,252)
2024	(897,252)
2025	(897,252)
Thereafter	<u>(3,140,382)</u>
	<u>\$ (7,626,642)</u>

**NOTE 6: Compensated Absences**

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

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2020, no liability existed for compensated absences in the Food Service Fund.

**NOTE 7: Capital Reserve Account**

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



**NOTE 7: Capital Reserve Account (Continued)**

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

**NOTE 8: Risk Management**

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2019-2020	\$	6,277	10,720	39,610
2018-2019		8,997	126	44,053
2017-2018		9,207	269	35,182

**NOTE 9: Fund Balance Appropriated**

**General Fund** – Of the \$3,761,114 General Fund fund balance at June 30, 2020, \$283,531 is reserved for encumbrances; \$1,790,106 has been reserved in the Capital Reserve Account; \$609,496 is reserved for maintenance; \$150,000 is maintenance reserve designated for subsequent year's expenditures; \$207,171 is designated for subsequent year's expenditures; \$304,007 is excess surplus; and \$416,803 is unreserved and undesignated.

**NOTE 10: Calculation of Excess Surplus**

In accordance with *N.J.S.A. 18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget.

**NOTE 11: Tuition Adjustments**

Regulations specify that tuition adjustments for any given school year shall be remitted/ received in the two following years after the tuition rate is certified. These adjustments have not been reflected on the June 30, 2020 financial statements.

**NOTE 12: Economic Dependency**

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

**NOTE 13: Contingent Liabilities**

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

**NOTE 14: 2% Calculation of Excess Surplus**

2019-20 Total General Fund Expenditures Per the CAFR	\$ 15,192,276
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(1,444,904)</u>
Adjusted 2019-20 General Fund Expenditures	<u>\$ 13,747,372</u>
4% of Adjusted 2019-20 General Fund Expenditures	<u>\$ 274,947</u>
Enter Above or \$250,000 Whichever is Greater	\$ 274,947
Increased by Allowable Adjustment	<u>141,856</u>
Maximum Unassigned Fund Balance	<u>\$ 416,803</u>

**Section 2**

Total General Fund – Fund Balance @ 6-30-20	\$ 3,761,114
Decreased by:	
Reserved for Encumbrances	(283,531)
Designated for Subsequent Years Expenditures – General Fund	(207,171)
Maintenance Reserve:	
Regular	(609,496)
Designated for Subsequent Years Expenditures	(150,000)
Capital Reserve	<u>(1,790,106)</u>
Total Unassigned Fund Balance	<u>\$ 720,810</u>

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

**Section 3**

Reserved Fund Balance -- Excess Surplus Designated for Subsequent Years Expenditures	\$
Excess Surplus	<u>304,007</u>
	<u>\$ 304,007</u>

**Detail of Allowable Adjustments**

Extraordinary Aid	\$ 136,806
Non-Public Transportation	<u>5,050</u>
	<u>\$ 141,856</u>

**Detail of Other Reserved Fund Balance**

Maintenance Reserve	\$ 609,496
Capital Reserve	<u>1,790,106</u>
	<u>\$ 2,399,602</u>

**NOTE 15: Interfund Receivables and Payables**

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

These were interfunds as of June 30, 2020 as follows:

	<u>From</u>	<u>To</u>
General Fund	\$	35,424
Special Revenue Fund	<u>35,424</u>	<u>      </u>
	<u>\$ 35,424</u>	<u>35,424</u>

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

**NOTE 16: COVID-19**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was first detected in China and has since spread to other countries, including the United States, and to each state within the United States, including New Jersey, has been declared a Public Health Emergency of International Concern by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The outbreak of COVID-19 across the United States has caused the federal government to declare a national state of emergency. The State has likewise declared a state of emergency. While the potential impact on the State cannot be predicted at this time, the continued spread of the outbreak could have a material adverse effect on the finances of the State and the Board of Education (collectively, the "Affected Entities").

The degree of any such impact to the Affected Entities' respective operations and finances, is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Affected Entities and their respective economies.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES – C**

BRIELLE SCHOOL DISTRICT

Exhibit C-1  
Sheet 1 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 13,539,790		13,539,790	13,539,790	-
Tuition	10,200		10,200	41,699	31,499
Unrestricted Miscellaneous Revenue	600		600	8,668	8,068
Total Local Sources	<u>13,550,590</u>	<u>-</u>	<u>13,550,590</u>	<u>13,590,157</u>	<u>39,567</u>
State Sources:					
Special Education Aid	425,390		425,390	425,390	-
Security Aid	14,351		14,351	14,351	-
Transportation Aid	121,923		121,923	121,923	-
Extraordinary Aid			-	136,806	136,806
Non Public Transportation			-	5,050	5,050
TPAF Pension (On-Behalf - Non-Budgeted)			-	1,136,195	1,136,195
TPAF Social Security (Reimbursed Non-Budgeted)			-	308,709	308,709
Total State Sources	<u>561,664</u>	<u>-</u>	<u>561,664</u>	<u>2,148,424</u>	<u>1,586,760</u>
Total Revenues	<u>14,112,254</u>	<u>-</u>	<u>14,112,254</u>	<u>15,738,581</u>	<u>1,626,327</u>

BRIELLE SCHOOL DISTRICT

Exhibit C-1  
Sheet 2 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	110,507	(37,542)	72,965	72,965	0
Kindergarten - Salaries of Teachers	312,519	(47,502)	265,017	265,017	-
Grades 1-5 - Salaries of Teachers	1,433,780	35,892	1,469,672	1,469,672	-
Grades 6-8 - Salaries of Teachers	1,137,926	(33,090)	1,104,836	1,086,739	18,097
Regular Programs - Home Instruction:					
Salaries	3,000		3,000	825	2,175
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	9,000		9,000	6,935	2,065
Other Purchased Services (400-500 Series)	20,000		20,000	14,904	5,096
General Supplies	215,554	5,424	220,978	170,697	50,281
Textbooks	20,000	14,383	34,383	33,567	816
Other Objects	15,600		15,600	14,875	725
Total Regular Programs - Instruction	<u>3,277,886</u>	<u>(62,435)</u>	<u>3,215,451</u>	<u>3,136,196</u>	<u>79,255</u>
Resource Room/Resource Center:					
Salaries of Teachers	498,708	96,339	595,047	595,047	-
General Supplies	1,500	(972)	528		528
Total Resource Room/Resource Center	<u>500,208</u>	<u>95,367</u>	<u>595,575</u>	<u>595,047</u>	<u>528</u>
Total Special Education - Instruction	<u>500,208</u>	<u>95,367</u>	<u>595,575</u>	<u>595,047</u>	<u>528</u>



**BRIELLE SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
School Sponsored Cocurricular Activities-Instruction:					
Salaries	41,576	(1,076)	40,500	35,902	4,598
Other Objects	2,000	2,200	4,200	381	3,819
Total School Sponsored Cocurricular Activities-Instruction	<u>43,576</u>	<u>1,124</u>	<u>44,700</u>	<u>36,283</u>	<u>8,417</u>
School Sponsored Athletics - Instruction:					
Salaries	49,817	(309)	49,508	34,459	15,049
Other Objects	12,000	2,309	14,309	14,271	38
Total School Sponsored Athletics-Instruction	<u>61,817</u>	<u>2,000</u>	<u>63,817</u>	<u>48,730</u>	<u>15,087</u>
Before/After School Programs - Instruction:					
Salaries of Teachers	<u>11,000</u>	<u>76</u>	<u>11,076</u>	<u>11,076</u>	<u>-</u>
Total Instruction	<u>3,894,487</u>	<u>36,132</u>	<u>3,930,619</u>	<u>3,827,332</u>	<u>103,287</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State - Regular	3,551,730	(100,555)	3,451,175	3,446,888	4,287
Tuition to Other LEA's Within the State - Special	469,743	(47,785)	421,958	398,140	23,818
Tuition to Private School for the Handicapped Within State	634,113	322,214	956,327	941,357	14,970
Tuition to County Vocational - Regular	202,950	(15,943)	187,007	183,265	3,742
Tuition to County Vocational - Special	17,175	1,440	18,615	18,615	-
Total Instruction	<u>4,875,711</u>	<u>159,371</u>	<u>5,035,082</u>	<u>4,988,265</u>	<u>46,817</u>

**BRIELLE SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Health Services:					
Salaries	97,303		97,303	96,862	441
Supplies and Materials	5,000		5,000	1,307	3,693
Total Health Services	<u>102,303</u>	<u>-</u>	<u>102,303</u>	<u>98,169</u>	<u>4,134</u>
Other Support Services					
Salaries of Other Professional Staff	217,741	(31,191)	186,550	186,375	175
Total Guidance	<u>217,741</u>	<u>(31,191)</u>	<u>186,550</u>	<u>186,375</u>	<u>175</u>
Other Support Services - Student Related Services:					
Salaries	82,399	(4,120)	78,279	75,279	3,000
Purchased Professional Educational Services	212,812		212,812	182,078	30,734
Total Other Support Services - Student Related Svcs.	<u>295,211</u>	<u>(4,120)</u>	<u>291,091</u>	<u>257,357</u>	<u>33,734</u>
Other Support Services - Guidance					
Salaries	<u>84,966</u>	<u>994</u>	<u>85,960</u>	<u>85,960</u>	<u>-</u>
Other Support Services - Students Special:					
Salaries of Other Professional Staff	221,960	(994)	220,966	219,290	1,676
Salaries Secretarial and Clerical	41,637	3,879	45,516	42,798	2,718
Purchased Professional Educational Services	92,400		92,400	88,518	3,882
Total Other Support Services - Students Special	<u>355,997</u>	<u>2,885</u>	<u>358,882</u>	<u>350,606</u>	<u>8,276</u>
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	60,337		60,337	60,337	-
Salaries of Other Professional Staff	7,500	472	7,972	7,972	-
Total Improvement of Instructional Services	<u>67,837</u>	<u>472</u>	<u>68,309</u>	<u>68,309</u>	<u>-</u>

**BRIELLE SCHOOL DISTRICT**

Exhibit C-1  
Sheet 5 of 9

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Educational Media Services/School Library:					
Salaries	168,713	383	169,096	169,096	-
Purchased Professional/Technical Services	1,000	(700)	300		300
Supplies & Materials	7,300	1,199	8,499	8,467	32
Total Educational Media Services/School Library	<u>177,013</u>	<u>882</u>	<u>177,895</u>	<u>177,563</u>	<u>332</u>
Instructional Staff Training Service:					
Other Objects	12,706	2,280	14,986	10,015	4,971
Support Services - General Administration:					
Salaries	147,341	8,799	156,140	156,140	-
Legal Services	30,000	6,701	36,701	16,956	19,745
Other Purchased Professional Services	12,500		12,500	11,500	1,000
Communications/Telephone	8,000		8,000	3,333	4,667
Other Purchased Services (400-500 Series)	7,000	4,500	11,500	11,500	-
Other Purchased Services (890 )	45,000	11,700	56,700	55,647	1,053
Judgments	10,000	(3,000)	7,000		7,000
Miscellaneous Expenditures(590)	46,727		46,727	45,648	1,079
BOE Membership Dues And Fees	6,200		6,200	6,183	17
Total Support Services - General Administration	<u>312,768</u>	<u>28,700</u>	<u>341,468</u>	<u>306,907</u>	<u>34,561</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	141,410		141,410	141,409	1
Salaries of Secretarial and Clerical	85,331		85,331	84,729	602
Total Support Services - School Administration	<u>226,741</u>	<u>-</u>	<u>226,741</u>	<u>226,138</u>	<u>603</u>
Central Services:					
Salaries	184,210	8,836	193,046	146,403	46,643
Purchased Technical Services		15,000	15,000		15,000
Total Central Services	<u>184,210</u>	<u>23,836</u>	<u>208,046</u>	<u>146,403</u>	<u>61,643</u>

**BRIELLE SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Administrative Information Technology:					
Purchased Technical Services	<u>62,552</u>	<u>23,130</u>	<u>85,682</u>	<u>61,743</u>	<u>23,939</u>
Required Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	110,000	38,797	148,797	137,468	11,329
General Supplies	55,000	13,614	68,614	58,614	10,000
Other Objects	<u>495,303</u>	<u>207,223</u>	<u>702,526</u>	<u>105,536</u>	<u>596,990</u>
Total Required Maintenance for School Facilities	<u>660,303</u>	<u>259,634</u>	<u>919,937</u>	<u>301,618</u>	<u>618,319</u>
Other Operations and Maintenance of Plant:					
Salaries	310,222	27,748	337,970	337,970	-
Salaries of Non-Aides	34,747		34,747	33,654	1,093
Other Purchased Property Services	6,000		6,000	3,647	2,353
Insurance	26,779	(11,257)	15,522	15,522	-
Energy - Electricity	87,000	(2,300)	84,700	77,491	7,209
Energy - Natural Gas	50,000	(14,191)	35,809	35,809	-
Other Objects	<u>4,100</u>		<u>4,100</u>	<u>3,117</u>	<u>983</u>
Total Other Operations and Maintenance of Plant	<u>518,848</u>	<u>-</u>	<u>518,848</u>	<u>507,210</u>	<u>11,638</u>
Care and Upkeep of Grounds:					
Salaries	11,222		11,222	11,222	-
Cleaning, Repair & Maintenance	<u>23,900</u>	<u>1,825</u>	<u>25,725</u>	<u>25,725</u>	<u>-</u>
Total Care and Upkeep of Grounds	<u>35,122</u>	<u>1,825</u>	<u>36,947</u>	<u>36,947</u>	<u>-</u>
Security:					
Cleaning, Repair and Maintenance	<u>57,000</u>	<u>(325)</u>	<u>56,675</u>	<u>43,201</u>	<u>13,474</u>
Total Operation & Maintenance of Plant Services	<u>1,271,273</u>	<u>261,134</u>	<u>1,532,407</u>	<u>888,976</u>	<u>643,431</u>

**BRIELLE SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Student Transportation Services:					
Contracted Services (Between Home & School) Vendors	43,764		43,764	38,513	5,251
Contracted Services (Other Than Between Home & School) Vendors	30,000		30,000	8,193	21,807
Contracted Services (Regular Students) ESC's & CTSAs	213,467		213,467	201,841	11,626
Contracted Services (Sp. Ed. Students) ESC's & CTSAs	343,113	111,982	455,095	365,487	89,608
Contracted Services - Aid in Lieu of Payments	15,000		15,000	3,335	11,665
Total Student Transportation Services	<u>645,344</u>	<u>111,982</u>	<u>757,326</u>	<u>617,369</u>	<u>139,957</u>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	110,000		110,000	101,490	8,510
Other Retirement Contributions-PERS	115,000		115,000	110,071	4,929
Unemployment Compensation	20,000		20,000		20,000
Workmen's Compensation	67,202		67,202	65,988	1,214
Health Benefits	1,079,543	(47,797)	1,031,746	966,586	65,160
Tuition Reimbursement	34,800		34,800	6,905	27,895
Other Employee Benefits	160,306	20,790	181,096	168,355	12,741
Total Unallocated Benefits - Employee Benefits	<u>1,586,851</u>	<u>(27,007)</u>	<u>1,559,844</u>	<u>1,419,395</u>	<u>140,449</u>
On-Behalf TPAF Pension Contributions (Non-Budgeted)				1,136,195	(1,136,195)
Reimbursed TPAF Social Security (Non-Budgeted)			-	308,709	(308,709)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,444,904</u>	<u>(1,444,904)</u>
Total Undistributed Expenditures	<u>10,479,224</u>	<u>553,348</u>	<u>11,032,572</u>	<u>11,334,454</u>	<u>(301,882)</u>
Total General Current Expense	<u>14,373,711</u>	<u>589,480</u>	<u>14,963,191</u>	<u>15,161,785</u>	<u>(198,594)</u>

**BRIELLE SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Outlay:					
Facilities Acquisition and Construction Services:					
Other Objects	600		600		600
Assessment for Debt Service on SDA Funding	30,491		30,491	30,491	-
Total Capital Outlay	<u>31,091</u>	<u>-</u>	<u>31,091</u>	<u>30,491</u>	<u>600</u>
Total Expenditures	14,404,802	589,480	14,994,282	15,192,276	(197,994)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(292,548)	(589,480)	(882,028)	546,305	1,428,333
Other Financing Sources/(Uses):					
Transfer to Food Service		(15,008)	(15,008)	(15,008)	
Total Other Financing Sources/(Uses)	<u>-</u>	<u>(15,008)</u>	<u>(15,008)</u>	<u>(15,008)</u>	<u>-</u>
Total (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(292,548)	(604,488)	(897,036)	531,297	1,428,333
Fund Balance July 1	<u>3,229,817</u>		<u>3,229,817</u>	<u>3,229,817</u>	<u>-</u>
Fund Balance June 30	<u>\$ 2,937,269</u>	<u>(604,488)</u>	<u>2,332,781</u>	<u>3,761,114</u>	<u>1,428,333</u>

BRIELLE SCHOOL DISTRICT

Exhibit C-1  
Sheet 9 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation					
Restricted Fund Balance:					
Capital Reserve				\$ 1,790,106	
Maintenance Reserve				609,496	
Designated for Subsequent Years Expenditures- Maintenance Reserve				150,000	
Excess Surplus - Current Year				304,007	
Committed Fund Balance:					
Year End Encumbrances				283,531	
Designated for Subsequent Years Expenditures				207,171	
Unassigned Fund Balance				<u>416,803</u>	
				3,761,114	
Reconciliation to Governmental Funds Statements (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(53,117)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 3,707,997</u>	

**BRIELLE SCHOOL DISTRICT**

**Exhibit C-2**

**BUDGETARY COMPARISON SCHEDULE**

**SPECIAL REVENUE FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Federal Sources	\$ 200,779	46,860	247,639	141,622	106,017
Local Sources		6,529	6,529	3,529	3,000
Total Revenues	<u>\$ 200,779</u>	<u>53,389</u>	<u>254,168</u>	<u>145,151</u>	<u>109,017</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 29,600	13,400	43,000	34,768	8,232
Purchased Professional and Technical Services	5,600	700	6,300	5,739	561
Tuition	96,107	23,630	119,737	71,195	48,542
Supplies	9,123	15,620	24,743	10,625	14,118
Other Objects		6,529	6,529	3,529	3,000
Total Instruction	<u>140,430</u>	<u>59,879</u>	<u>200,309</u>	<u>125,856</u>	<u>74,453</u>
Support Services:					
Personal - Services - Benefits	2,264	1,026	3,290	2,660	630
Purchased Professional and Technical Services	15,476	16,723	32,199	16,635	15,564
Other Purchased Services	3,200	800	4,000		4,000
Supplies		10,370	10,370		10,370
Other Objects		4,000	4,000		4,000
Total Support Services	<u>20,940</u>	<u>32,919</u>	<u>53,859</u>	<u>19,295</u>	<u>34,564</u>
Total Expenditures	<u>\$ 161,370</u>	<u>92,798</u>	<u>254,168</u>	<u>145,151</u>	<u>109,017</u>



**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGET-TO GAAP RECONCILIATION

NOTE TO RSI

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b><u>Sources/Inflows of Resources</u></b>		
Actual Amounts (Budgetary Basis) "Revenue" from Budgetary Comparison Schedule	\$ 15,738,581	145,151
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized		6,499
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	48,243	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(53,117)</u>	
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 15,733,707</u>	<u>151,650</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 1,592,276	145,151
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but not Received are reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes		<u>6,499</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 1,592,276</u>	<u>151,650</u>

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

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

**BRIELLE SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**

**NET PENSION LIABILITY - PERS**

**Exhibit L-1**

**LAST SEVEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,027,443	2,232,208	2,567,754	3,400,224	2,597,364	2,263,755	2,043,985
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	-	-	-	-	-	-	-
Total	<u>\$ 2,027,443</u>	<u>2,232,208</u>	<u>2,567,754</u>	<u>3,400,224</u>	<u>2,597,364</u>	<u>2,263,755</u>	<u>2,043,985</u>
District's Covered-Employee Payroll	\$ 748,921	785,800	794,171	737,774	776,629	788,788	776,629
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	36.94%	35.20%	30.93%	21.70%	29.90%	34.84%	38.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

**BRIELLE SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS**

**Exhibit L-2**

**LAST SEVEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 113,559	106,521	103,149	103,149	99,676	80,583	84,214
Contributions in Relation to the Contractually Required Contribution		106,521	103,149	103,149	99,676	80,583	84,214
Contribution Deficiency (Excess)	\$ 113,559	-	-	-	-	-	-
District's Covered-Employee Payroll	\$ 748,921	785,800	794,171	737,774	\$776,629	788,788	776,629
Contributions as a Percentage of Covered-Employee Payroll	15.16%	13.56%	12.99%	13.98%	12.83%	10.22%	10.84%

**BRIELLE SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**

**NET PENSION LIABILITY - TPAE**

**Exhibit L-3**

**LAST SEVEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>22,426,416</u>	<u>23,639,051</u>	<u>24,488,545</u>	<u>29,285,931</u>	<u>23,203,258</u>	<u>19,626,476</u>	<u>18,037,564</u>
Total	<u>\$ 22,426,416</u>	<u>23,639,051</u>	<u>24,488,545</u>	<u>29,285,931</u>	<u>23,203,258</u>	<u>19,626,476</u>	<u>18,037,564</u>
District's Covered-Employee Payroll	\$ 4,120,998	4,006,146	3,904,789	3,776,182	3,696,739	3,700,152	3,758,696
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	18.38%	16.95%	15.95%	12.89%	15.93%	18.85%	20.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

**BRIELLE SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS**  
**TEACHER'S PENSION AND ANNUITY FUND (TPAF)**  
**LAST TEN FISCAL YEARS**

L-4

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.



**BRIELLE SCHOOL DISTRICT****NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III**

L-5

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020****Public Employee's Retirement System (PERS)**

*Changes in Benefit Terms* – None

*Changes in Assumptions* – The discount rate changed from 5.66% as of June 30, 2018, to 6.28% as of June 30, 2019, in accordance with Paragraph 44 of GASB Statement No. 67.

**Teachers' Pension and Annuity Fund (TPAF)**

*Changes in Benefit Terms* – None

*Changes in Assumption* – The discount rate changed from 4.86% as of June 30, 2018, to 5.60% as of June 30, 2019, in accordance with Paragraph 44 of GASB Statement No. 67.

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

**BRIELLE SCHOOL DISTRICT**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**

Exhibit M-1

**LAST FOUR FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b><u>State's OPEB Liability Attributable to the District</u></b>				
Service Cost	\$ 680,788	749,325	902,356	*
Interest	727,669	806,715	691,698	*
Benefit Payments	(525,745)	(491,333)	(510,023)	*
Member Contributions	15,585	16,981	18,780	*
Difference between Expected and Actual Experience	(2,401,431)	(2,618,109)		*
Change of Assumptions	255,364	(2,108,587)	(2,694,764)	*
Net Change in Total OPEB Liability	<u>(1,247,770)</u>	<u>(3,645,008)</u>	<u>(1,591,953)</u>	*
 Total Attributable OPEB Liability - Beginning	 <u>18,374,688</u>	 <u>22,019,696</u>	 <u>23,611,649</u>	 <u>*</u>
 Total Attributable OPEB Liability - Ending	 <u>\$ 17,126,918</u>	 <u>18,374,688</u>	 <u>22,019,696</u>	 <u>23,611,649</u>
 District's Covered Payroll	 \$ 4,869,919	 4,791,946	 4,698,960	 4,513,956
 District's Contribution	 None	 None	 None	 None
 State's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	 351.69%	 383.45%	 468.61%	 523.08%

\* - Information not available

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

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

**BRIELLE SCHOOL DISTRICT****NOTES TO REQUIRED SUPPLEMENTARY INFORMATION****FOR THE FISCAL YEAR ENDED JUNE 30, 2020****Exhibit M-2**Change of Benefit Terms

None

Difference Between Expected and Actual Experience

The change in the liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The Discount Rate changed from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.

**OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES – D**

N/A

**SPECIAL REVENUE FUND – E**

**BRIELLE SCHOOL DISTRICT**

Exhibit E-1

**SPECIAL REVENUE FUND**

**COMBINING STATEMENT OF REVENUES AND EXPENDITURES**

**BUDGETARY BASIS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Title I</u>	<u>Title IIA</u>	<u>Title IV</u>	<u>I.D.E.A. Part B Basic</u>	<u>I.D.E.A. Part B Pre-School</u>	<u>CARES Act</u>	<u>Safety</u>	<u>Total</u>
Revenues:								
Federal Sources	\$ 44,640	10,109	5,739	71,195	6,526	3,413		141,622
Local Sources							3,529	3,529
Total Revenues	<u>\$ 44,640</u>	<u>10,109</u>	<u>5,739</u>	<u>71,195</u>	<u>6,526</u>	<u>3,413</u>	<u>3,529</u>	<u>145,151</u>
Expenditures:								
Instruction:								
Salaries of Teachers	\$ 34,768							34,768
Purchased Prof. & Technical Services			5,739					5,739
Tuition				71,195				71,195
General Supplies	7,212					3,413		10,625
Other Objects							3,529	3,529
Total Instruction	<u>41,980</u>	<u>-</u>	<u>5,739</u>	<u>71,195</u>	<u>-</u>	<u>3,413</u>	<u>3,529</u>	<u>125,856</u>
Support Services:								
Personal Services - Employee Benefits	2,660							2,660
Purchased Professional Services		10,109			6,526			16,635
Total Support Services	<u>2,660</u>	<u>10,109</u>	<u>-</u>	<u>-</u>	<u>6,526</u>	<u>-</u>	<u>-</u>	<u>19,295</u>
Total Expenditures	<u>\$ 44,640</u>	<u>10,109</u>	<u>5,739</u>	<u>71,195</u>	<u>6,526</u>	<u>3,413</u>	<u>3,529</u>	<u>145,151</u>



**CAPITAL PROJECTS FUND – F**

**N/A**

**PROPRIETARY FUNDS – G**

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

Exhibit G-1

**ENTERPRISE FUND****JUNE 30, 2020**

	<u>Food Services</u>	<u>Aftercare Program</u>	<u>Total</u>
<b><u>Assets</u></b>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,830	30,904	32,734
Inventory	12,476		12,476
Accounts Receivable:			
Miscellaneous	11,020		11,020
Total Current Assets	<u>25,326</u>	<u>30,904</u>	<u>56,230</u>
Noncurrent Assets:			
Equipment	151,127		151,127
Accumulated Depreciation	<u>(87,576)</u>		<u>(87,576)</u>
Total Noncurrent Assets	<u>63,551</u>	<u>-</u>	<u>63,551</u>
Total Assets	<u>\$ 88,877</u>	<u>30,904</u>	<u>119,781</u>
<b><u>Liabilities</u></b>			
Accounts Payable	<u>\$ 7,336</u>		<u>7,336</u>
Total Liabilities	<u>\$ 7,336</u>	<u>-</u>	<u>7,336</u>
<b><u>Net Position</u></b>			
Investment in Fixed Assets	\$ 63,551		63,551
Unrestricted	<u>17,990</u>	<u>30,904</u>	<u>48,894</u>
Total Net Position	<u>\$ 81,541</u>	<u>30,904</u>	<u>112,445</u>

BRIELLE SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit G-2

IN FUND NET POSITIONENTERPRISE FUNDJUNE 30, 2020

	<u>Food Services</u>	<u>Aftercare Program</u>	<u>Total</u>
Operating Revenues:			
Local Sources:			
Daily Sales	\$ 95,123		95,123
Fees/Miscellaneous		38,151	38,151
Total Operating Revenue	<u>95,123</u>	<u>38,151</u>	<u>133,274</u>
Operating Expenses:			
Salaries	61,266	30,084	91,350
Benefits		3,529	3,529
Management Fee	3,990		3,990
Cost of Sales	40,389		40,389
Depreciation	9,563		9,563
Computer System	2,195		2,195
Miscellaneous	12,048	4,509	16,557
Total Operating Expenses	<u>129,451</u>	<u>38,122</u>	<u>167,573</u>
Operating (Loss)/Profit	(34,328)	29	(34,299)
Non-Operating Revenues:			
Interest Revenue		63	63
Board Subsidy	15,008		15,008
Total Non-Operating Revenues	<u>15,008</u>	<u>63</u>	<u>15,071</u>
Change in Net Position	(19,320)	92	(19,228)
Cancel Prior Year Payable	4,940		4,940
Adjustment to Fixed Assets	1,883		1,883
Net Position, July 1	<u>94,038</u>	<u>30,812</u>	<u>124,850</u>
Net Position, June 30	<u>\$ 81,541</u>	<u>30,904</u>	<u>112,445</u>

BRIELLE SCHOOL DISTRICTSTATEMENT OF CASH FLOWS

Exhibit G-3

ENTERPRISE FUNDJUNE 30, 2020

	<u>Food Services</u>	<u>Aftercare Program</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from Daily Sales	\$ 95,123	38,151	133,274
Payments to Employees	(61,266)	(30,084)	(91,350)
Payments to Suppliers	(71,877)	(8,038)	(79,915)
Net Cash Used by Operating Activities	<u>(38,020)</u>	<u>29</u>	<u>(37,991)</u>
Cash Flows from Noncapital Financing Activities:			
Board Subsidy	15,008		15,008
Net Cash Provided by Noncapital Financing Activities	<u>15,008</u>	<u>-</u>	<u>15,008</u>
Cash Flows from Investing Activities:			
Interest Revenue		63	63
Net Cash Provided by Investing Activities	<u>-</u>	<u>63</u>	<u>63</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(23,012)	92	(22,920)
Cash and Cash Equivalents July 1	<u>24,842</u>	<u>30,812</u>	<u>55,654</u>
Cash and Cash Equivalents June 30	<u>\$ 1,830</u>	<u>30,904</u>	<u>32,734</u>
Cash Flows from Operating Activities:			
Operating (Loss)/Profit	\$ (34,328)	29	(34,299)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:			
Depreciation	9,563		9,563
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivables	(8,000)		(8,000)
Increase/(Decrease) in Accounts Payable	103		103
(Increase)/Decrease in Inventory	(5,358)		(5,358)
Net Cash Used by Operating Activities	<u>\$ (38,020)</u>	<u>29</u>	<u>(37,991)</u>

**FIDUCIARY FUND – H**

BRIELLE SCHOOL DISTRICT

TRUST AND AGENCY FUND

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2020

	<u>Agency</u>			<u>Expendable Trusts</u>		<u>Totals</u>	
	<u>Student Activity</u>	<u>Flexible Spending Account</u>	<u>Salary Account</u>	<u>Payroll Agency Account</u>	<u>Scholarship Fund</u>		<u>Unemployment Compensation</u>
Assets:							
Cash and Cash Equivalents	\$ 21,736	2,434	297,429	7,285	17,164	39,610	385,658
Total Assets	<u>\$ 21,736</u>	<u>2,434</u>	<u>297,429</u>	<u>7,285</u>	<u>17,164</u>	<u>39,610</u>	<u>385,658</u>
Liabilities and Net Position:							
Liabilities:							
Due to Student Groups	\$ 21,736						21,736
Reserve for Summer Payroll			297,429				297,429
Payroll Deductions and Withholdings		2,434	-	7,285			9,719
Total Liabilities	<u>\$ 21,736</u>	<u>2,434</u>	<u>297,429</u>	<u>7,285</u>	<u>-</u>	<u>-</u>	<u>328,884</u>
Net Position:							
Reserved - Scholarships					\$ 17,164		17,164
Reserved - Unemployment Benefits						39,610	39,610
Total Net Position					<u>\$ 17,164</u>	<u>39,610</u>	<u>56,774</u>

BRIELLE SCHOOL DISTRICTEXPENDABLE TRUST FUNDS

Exhibit H-2

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITIONJUNE 30, 2020

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Local Sources:			
Interest on Investments	\$ 13	78	91
Contributions		6,199	6,199
Total Additions	<u>13</u>	<u>6,277</u>	<u>6,290</u>
Deductions:			
Scholarship Payments	1,000		1,000
Unemployment Claims		10,720	10,720
Total Deductions	<u>1,000</u>	<u>10,720</u>	<u>11,720</u>
Change in Net Position	(987)	(4,443)	(5,430)
Net Position, July 1	<u>18,151</u>	<u>44,053</u>	<u>62,204</u>
Net Position, June 30	<u>\$ 17,164</u>	<u>39,610</u>	<u>56,774</u>



BRIELLE SCHOOL DISTRICTSTUDENT ACTIVITY AGENCY FUND

Exhibit H-3

SCHEDULE OF RECEIPTS AND DISBURSEMENTSFOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>June 30, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
Elementary School:				
School Fund	\$ 10,599	15,631	12,719	13,511
Yearbook	686	1,377		2,063
Student Council	<u>2,069</u>	<u>6,339</u>	<u>2,246</u>	<u>6,162</u>
Total All Schools	<u>\$ 13,354</u>	<u>23,347</u>	<u>14,965</u>	<u>21,736</u>

**PAYROLL AGENCY FUND**

**Exhibit H-4**

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**

**JUNE 30, 2020**

	<b><u>Balance</u></b> <b><u>June 30, 2019</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance</u></b> <b><u>June 30, 2020</u></b>
Assets:				
Cash and Cash Equivalents	<u>\$ 301,607</u>	<u>2,890,774</u>	<u>3,185,096</u>	<u>7,285</u>
Total Assets	<u><u>\$ 301,607</u></u>	<u><u>2,890,774</u></u>	<u><u>3,185,096</u></u>	<u><u>7,285</u></u>
Liabilities:				
Payroll Deductions and Withholdings	<u>\$ 301,607</u>	<u>2,890,774</u>	<u>3,185,096</u>	<u>7,285</u>
Total Liabilities	<u><u>\$ 301,607</u></u>	<u><u>2,890,774</u></u>	<u><u>3,185,096</u></u>	<u><u>7,285</u></u>

**LONG-TERM DEBT – I**

**BRIELLE SCHOOL DISTRICT**

**LONG-TERM DEBT**

Exhibit I-1

**SCHEDULE OF SERIAL BONDS**

**JUNE 30, 2020**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities Dates</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Amount Outstanding June 30, 2019</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2020</u>
Elementary School Addition	2/27/01	\$ 6,915,000	3/1/2021	\$ 400,000	5.00%	\$ 800,000	400,000	400,000
						<u>\$ 800,000</u>	<u>400,000</u>	<u>400,000</u>

BRIELLE SCHOOL DISTRICT

DEBT SERVICE FUND

Exhibit I-3

BUDGETARY COMPARISON SCHEDULE

JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Fund to Actual</u>
Revenues:					
Local Sources					
Local Tax Levy	\$ 440,000	-	440,000	440,000	-
Total Revenues	<u>440,000</u>	<u>-</u>	<u>440,000</u>	<u>440,000</u>	<u>-</u>
Expenditures:					
Regular Interest	40,000		40,000	40,000	-
Redemption of Principal	<u>400,000</u>		<u>400,000</u>	<u>400,000</u>	<u>-</u>
Total Expenditures	<u>440,000</u>	<u>-</u>	<u>440,000</u>	<u>440,000</u>	<u>-</u>
Excess Revenues Over Expenditures	-	-	-	-	-
Fund Balance July 1					
Fund Balance June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**STATISTICAL SECTION**

**(Unaudited)**

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

J-1

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$4,391,207	\$4,585,508	\$ 5,482,423	\$5,597,420	\$5,712,879	\$5,849,190	\$5,990,681	\$6,659,938	\$6,818,206	\$7,216,782
Restricted			672,903	749,188	874,237	1,738,690	1,559,485	2,475,645	2,744,679	3,060,780
Unrestricted			(13,661)	94,834	(2,027,138)	(2,073,548)	(1,052,401)	(2,425,802)	(2,404,041)	(2,192,055)
<b>Total governmental activities net position</b>	<u>\$4,391,207</u>	<u>\$4,585,508</u>	<u>\$ 6,141,665</u>	<u>\$6,441,442</u>	<u>\$4,559,978</u>	<u>\$5,514,332</u>	<u>\$6,497,765</u>	<u>\$6,709,781</u>	<u>\$7,158,844</u>	<u>\$8,085,507</u>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$142,626	\$144,278	\$ 23,756	\$18,359	\$15,543	\$87,785	\$96,028	\$86,371	\$71,231	\$63,551
Restricted										
Unrestricted			54,251	64,205	82,492	71,947	40,328	34,772	53,619	48,894
<b>Total business-type activities net position</b>	<u>\$142,626</u>	<u>\$144,278</u>	<u>\$ 78,007</u>	<u>\$82,564</u>	<u>\$98,035</u>	<u>\$159,732</u>	<u>\$136,356</u>	<u>\$121,143</u>	<u>\$124,850</u>	<u>\$112,445</u>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$4,533,833	\$4,729,786	\$ 5,506,179	\$5,615,779	\$5,728,422	\$5,936,975	\$6,086,709	\$6,746,309	\$6,889,437	\$7,280,333
Restricted			672,903	749,188	874,237	1,738,690	1,559,485	2,475,645	2,744,679	3,060,780
Unrestricted			40,590	159,039	(1,944,646)	(2,001,601)	(1,484,073)	(2,391,030)	(2,350,422)	(2,143,161)
<b>Total district net position</b>	<u>\$4,533,833</u>	<u>\$4,729,786</u>	<u>\$ 6,219,672</u>	<u>\$6,524,006</u>	<u>\$4,658,013</u>	<u>\$5,674,064</u>	<u>\$6,162,121</u>	<u>\$6,830,924</u>	<u>\$7,283,694</u>	<u>\$8,197,952</u>

Source: CAFR Schedule A-1

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction										
Regular	\$ 2,577,947	2,755,182	3,029,212	3,129,787	3,011,473	2,933,102	3,022,952	3,148,448	3,170,970	2,864,449
Special Education	532,330	548,252	493,778	530,298	572,946	615,861	678,166	688,335	677,706	727,402
Bilingual Education	8,000	8,160	8,000	8,000	7,783	-	-	-	-	-
Extracurriculars-Non Sports	8,758	31,860	34,586	31,819	37,865	-	-	-	-	-
Extracurriculars-Sports	-	23,025	36,562	37,728	38,784	-	-	-	-	-
Other instruction	-	-	9,665	10,517	8,489	105,513	94,706	95,371	93,033	96,089
Support Services:										
Tuition	4,218,991	4,417,265	4,280,783	4,213,916	4,655,397	4,195,821	4,246,640	4,743,815	4,861,331	4,988,265
Health Services	63,309	62,686	78,603	78,579	85,298	-	-	-	-	-
Speech, OT/PT	230,772	232,756	264,274	280,702	284,810	-	-	-	-	-
Guidance	64,005	67,380	54,616	69,542	70,390	-	-	-	-	-
Child Study Team	287,765	283,053	478,710	514,882	500,764	-	-	-	-	-
Student & Instruction Related	55,494	57,420	68,153	62,442	67,858	1,149,278	1,173,953	1,193,423	1,254,853	1,253,649
Library/Media	79,000	162,317	163,099	167,145	167,539	-	-	-	-	-
General administrative services	192,847	201,945	213,806	216,933	251,169	-	-	-	457,611	-
School administrative services	267,582	279,477	292,831	278,733	247,720	199,008	201,755	214,708	271,366	208,146
Business administrative services	179,813	184,722	153,331	169,349	160,609	452,555	489,106	514,061	-	533,045
Building Maintenance	144,547	159,249	146,415	141,652	373,666	882,151	1,388,975	762,955	1,005,540	888,976
Custodial Services	463,238	468,794	439,964	455,621	420,881	-	-	-	-	-
Grounds Upkeep	62,119	43,648	58,007	43,264	40,465	-	-	-	-	-
Benefits	1,250,984	1,300,125	2,149,524	1,986,782	1,785,093	2,244,992	2,414,421	2,606,229	2,774,026	2,863,723
Pupil transportation	431,549	485,646	447,733	540,032	521,147	605,127	492,869	533,667	676,889	617,369
Interest on long-term debt	208,600	191,000	167,400	149,267	130,733	111,867	92,733	73,200	53,333	33,333
Unallocated depreciation	-	-	279,388	303,152	299,134	296,834	287,667	285,912	301,425	309,240
<b>Total governmental activities expenses</b>	<b>11,327,650</b>	<b>11,963,962</b>	<b>13,348,440</b>	<b>13,420,142</b>	<b>13,740,013</b>	<b>13,792,109</b>	<b>14,583,943</b>	<b>14,860,124</b>	<b>15,598,083</b>	<b>15,383,686</b>
<b>Business-type activities:</b>										
Food service	159,143	137,343	186,187	180,218	173,730	175,835	209,507	161,287	157,257	129,451
Child Care	-	-	50,026	44,056	43,809	42,099	36,802	56,027	47,983	38,122
<b>Total business-type activities expense</b>	<b>159,143</b>	<b>137,343</b>	<b>236,213</b>	<b>224,274</b>	<b>217,539</b>	<b>217,934</b>	<b>246,309</b>	<b>217,314</b>	<b>205,240</b>	<b>167,573</b>
<b>Total district expenses</b>	<b>11,486,793</b>	<b>12,101,305</b>	<b>13,584,653</b>	<b>13,644,416</b>	<b>13,957,552</b>	<b>14,010,043</b>	<b>14,830,252</b>	<b>15,077,438</b>	<b>15,803,323</b>	<b>15,551,259</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
Instruction (tuition)	36,825	13,800	12,000	27,100	30,100	21,001	23,760	31,080	55,273	41,699
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Business and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	196,098	342,182	192,320	197,473	173,046	181,870	186,248	196,606	191,438	151,650
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
<b>Total governmental activities program revenues</b>	<b>232,923</b>	<b>355,982</b>	<b>204,320</b>	<b>224,573</b>	<b>203,146</b>	<b>202,871</b>	<b>210,008</b>	<b>227,686</b>	<b>246,711</b>	<b>193,349</b>



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

J-2

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Business-type activities:</b>										
Charges for services										
Food service	174,556	153,467	186,187	133,436	128,493	103,871	95,764	83,511	93,645	95,123
Child care	-	-	50,026	39,125	42,262	47,796	49,241	59,415	56,995	38,151
Operating grants and contributions	-	-	-	31,222	32,764	32,793	28,115	26,231	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>174,556</b>	<b>153,467</b>	<b>236,213</b>	<b>203,783</b>	<b>203,519</b>	<b>184,460</b>	<b>173,120</b>	<b>169,157</b>	<b>150,640</b>	<b>133,274</b>
<b>Total district program revenues</b>										
<b>Net (Expense)/Revenue</b>										
Governmental activities	232,923	114,970	13,144,120	13,216,060	13,536,867	13,589,238	14,373,935	14,632,438	15,351,372	15,190,337
Business-type activities	174,556	153,467	32,069	25,048	14,020	33,474	73,189	48,027	28,630	34,299
<b>Total district-wide net expense</b>	<b>407,479</b>	<b>268,437</b>	<b>13,176,189</b>	<b>13,241,108</b>	<b>13,550,887</b>	<b>13,622,712</b>	<b>14,447,124</b>	<b>14,680,465</b>	<b>15,380,002</b>	<b>15,224,636</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Property taxes levied for general purposes, net	11,329,491	11,586,001	-	-	-	-	-	-	13,274,304	13,539,790
Taxes levied for debt service	608,600	591,000	-	-	-	-	-	-	460,000	440,000
Unrestricted grants and contributions	264,642	467,490	-	-	-	-	-	-	2,080,329	2,143,550
Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-
Investment earnings	2,324	3,908	-	-	-	-	-	-	-	-
Miscellaneous income	-	23,533	-	-	-	-	-	-	18,070	8,668
Transfers	-	-	-	-	-	-	-	-	(32,268)	(15,008)
<b>Total governmental activities</b>	<b>12,205,057</b>	<b>12,671,932</b>	<b>13,665,765</b>	<b>13,830,053</b>	<b>14,076,318</b>	<b>14,543,592</b>	<b>14,885,368</b>	<b>15,316,454</b>	<b>15,800,435</b>	<b>16,117,000</b>
<b>Business-type activities:</b>										
Investment earnings\Miscellaneous	-	-	18	4	1	-	-	-	69	6,886
Transfers	-	-	24,045	25,044	29,490	-	-	-	32,268	15,008
<b>Total business-type activities</b>			<b>24,063</b>	<b>25,048</b>	<b>29,491</b>	<b>21,273</b>	<b>32,295</b>	<b>32,814</b>	<b>32,337</b>	<b>21,894</b>
<b>Total district-wide</b>	<b>12,612,536</b>	<b>12,940,369</b>	<b>13,689,828</b>	<b>13,855,101</b>	<b>14,105,809</b>	<b>14,564,865</b>	<b>14,917,663</b>	<b>15,349,268</b>	<b>15,832,772</b>	<b>16,138,894</b>
<b>Change in Net Position</b>										
Governmental activities	254,571	116,970	521,645	634,484	(1,724,304)	954,354	511,433	684,016	449,063	926,663
Business-type activities	(31,329)	16,123	(8,006)	4,557	15,471	(12,201)	(40,894)	(15,213)	3,707	(12,405)
<b>Total district</b>	<b>223,242</b>	<b>133,093</b>	<b>513,639</b>	<b>639,041</b>	<b>(1,708,833)</b>	<b>942,153</b>	<b>470,539</b>	<b>668,803</b>	<b>452,770</b>	<b>914,258</b>

Source: CAFR Schedule A-2

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

J-3

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Reserved	\$ -	-	510,437	722,574	863,253	1,738,690	2,234,715	2,475,644	2,744,679	3,344,311
Unreserved	307,199	254,864	(13,661)	377,091	395,392	375,514	400,271	395,479	436,895	363,686
Total General fund	<u>307,199</u>	<u>254,864</u>	<u>496,776</u>	<u>1,099,665</u>	<u>1,258,645</u>	<u>2,114,204</u>	<u>2,634,986</u>	<u>2,871,123</u>	<u>3,181,574</u>	<u>3,707,997</u>
All Other Governmental Funds										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special Revenue Fund	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	162,461	10,984	10,984	-	-	-	-	-
Debt Service Fund	-	-	5	5	-	-	-	-	-	-
Total all other governmental funds	<u>332,076</u>	<u>206,406</u>	<u>162,466</u>	<u>10,989</u>	<u>10,984</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

J-4

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Tax Levy	\$ 11,938,091	12,147,081	12,360,603	12,578,347	12,800,400	13,026,874	13,258,047	13,493,824	13,734,304	13,979,790
Tuition Charges	36,825	13,800	12,000	27,100	30,100	21,001	23,760	31,080	55,273	41,699
Interest Earnings	2,324	1,091	41,318	-	-	-	-	-	-	-
Miscellaneous	-	28,015	1,293,350	21,983	33,590	15,570	5,887	8,193	18,070	8,668
State Sources	264,642	462,626	186,859	1,272,850	1,393,092	1,536,937	1,655,804	1,850,520	2,080,329	2,143,550
Federal Sources	-	-	-	179,877	150,925	167,354	184,173	193,307	191,438	151,650
<b>Total revenue</b>	<b>12,241,882</b>	<b>12,652,613</b>	<b>13,894,130</b>	<b>14,080,157</b>	<b>14,408,107</b>	<b>14,767,736</b>	<b>15,127,671</b>	<b>15,576,924</b>	<b>16,079,414</b>	<b>16,325,357</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	2,585,207	2,755,182	3,004,413	3,093,470	2,957,977	3,034,673	3,022,952	3,063,515	3,163,671	3,136,196
Special Education Instruction	532,330	548,252	493,778	530,298	572,946	615,861	678,166	688,335	677,706	727,402
Other Special Instruction	8,000	8,160	8,000	8,000	7,783	105,513	94,706	95,371	-	96,089
Extracurricular-Non Sports	8,758	31,860	34,586	31,819	37,865	-	-	-	51,771	-
Extracurricular-Sports	-	23,025	36,562	37,728	38,784	-	-	-	30,569	-
Vocational Education	-	-	-	-	-	-	-	-	-	-
Other Instruction	-	-	9,665	10,517	8,489	-	-	-	10,693	-
<b>Support Services:</b>										
Tuition	4,218,991	4,417,265	4,280,783	4,213,916	4,655,397	4,195,821	4,246,640	4,743,815	4,861,331	4,988,265
Student & Instruction Related Services	780,343	885,612	1,123,502	1,193,007	1,176,659	1,149,278	1,173,953	1,193,423	1,254,853	1,253,649
General Administrative Services	189,727	201,945	197,759	197,218	251,169	199,008	201,755	214,708	457,611	533,045
School Administrative Services	447,395	464,199	446,162	448,082	408,329	452,555	489,106	514,061	271,366	208,146
Plant Operations and Maintenance	663,275	671,691	644,386	640,537	835,012	882,151	1,388,975	1,227,049	1,034,742	888,976
Pupil Transportation	431,549	485,846	447,733	540,032	521,147	605,127	492,869	533,667	676,889	617,369
Unallocated Employee Benefits	1,250,984	1,300,125	2,149,524	1,986,782	2,046,446	2,113,210	2,255,781	2,523,768	2,755,002	2,864,298
Special Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	37,714	6,652	399,571	346,623	65,486	30,491	30,491	30,491	30,491	30,491
<b>Debt service:</b>										
Principal	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Interest and Other Charges	208,600	191,000	173,400	155,400	137,000	118,200	99,200	79,800	60,000	40,000
<b>Total expenditures</b>	<b>11,762,873</b>	<b>12,370,614</b>	<b>13,849,824</b>	<b>13,833,429</b>	<b>14,120,489</b>	<b>13,901,888</b>	<b>14,574,594</b>	<b>15,308,003</b>	<b>15,736,695</b>	<b>15,783,926</b>
Excess (Deficiency) of revenues over (under) expenditures	479,009	281,999	44,306	246,728	287,618	865,848	553,077	268,921	342,719	541,431
<b>Other Financing sources (uses)</b>										
Adjustments	-	-	-	(487)	(99,153)	-	-	-	-	-
Transfers in	-	-	(24,045)	(25,044)	(29,490)	(21,273)	(32,295)	(32,784)	-	-
Transfers out	-	-	-	-	-	-	-	-	(32,268)	(15,008)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(24,045)</b>	<b>(25,044)</b>	<b>(128,643)</b>	<b>(21,273)</b>	<b>(32,295)</b>	<b>(32,784)</b>	<b>(32,268)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 479,009</b>	<b>281,999</b>	<b>20,261</b>	<b>221,684</b>	<b>158,975</b>	<b>844,575</b>	<b>520,782</b>	<b>236,137</b>	<b>310,451</b>	<b>541,431</b>
<b>Debt service as a percentage of Noncapital Expenditures</b>	<b>5.2%</b>	<b>4.8%</b>	<b>4.3%</b>	<b>4.12%</b>	<b>3.82%</b>	<b>3.82%</b>	<b>3.42%</b>	<b>3.13%</b>	<b>2.9%</b>	<b>2.8%</b>
June 30 Fund Balance	307,199	254,864	891,316	1,110,654	1,269,629	2,114,204	2,634,986	2,871,123	3,181,574	3,707,997

Source: CAFR Schedule B-2

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

Fiscal Year Ended June 30	Interest on Investments	Tuition Revenue	Miscellaneous	Total
2011	10,845.00	26,060.00	-	36,905.00
2012	2,324.00	36,825.00	-	39,149.00
2013	1,091.00	13,800.00	28,015.00	42,906.00
2014	1,752.76	24,000.00	5,597.28	31,350.04
2015	977.38	27,100.00	3,409.70	31,487.08
2016	759.60	38,850.00	709.30	40,318.90
2017	1,161.49	23,760.00	2,650.96	27,572.45
2018	3,907.74	31,080.00	986.26	35,974.00
2019	10,475.00	55,273.00	7,595.00	73,343.00
2020	8,576.00	41,699.00	92.00	50,367.00

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2011	-	1,672,150,800	-	-	-	-	-	1,672,150,800	-	-	1,672,150,800	-	0.726
2012	-	1,637,013,700	-	-	-	-	-	1,637,013,700	-	-	1,637,013,700	-	0.755
2013	-	1,568,084,100	-	-	-	-	-	1,568,084,100	-	-	1,568,084,100	-	0.802
2014	-	1,504,388,800	-	-	-	-	-	1,504,388,800	-	-	1,504,388,800	-	0.851
2015	-	1,410,052,700	-	-	-	-	-	1,410,052,700	-	-	1,410,052,700	-	0.924
2016	-	1,382,155,378	-	-	-	-	-	1,382,155,378	-	-	1,382,155,378	-	0.918
2017	-	1,470,782,200	-	-	-	-	-	1,470,782,200	-	-	1,470,782,200	-	0.918
2018	-	1,530,792,800	-	-	-	-	-	1,530,792,800	-	-	1,530,792,800	-	0.897
2019	-	1,567,887,500	-	-	-	-	-	1,567,887,500	-	-	1,567,887,500	-	0.876
2020	-	1,575,977,400	-	-	-	-	-	1,575,977,400	-	-	1,575,977,400	-	0.887

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

Fiscal Year Ended June 30,	Property Value	Tax	Rate	Tax Rate Per \$100 Assessed Valuation
2011	1,672,150,800	11,938,091	0.007139	0.714
2012	1,637,013,700	12,360,603	0.007551	0.755
2013	1,568,084,100	12,578,347	0.008021	0.802
2014	1,504,388,800	12,800,400	0.008509	0.851
2015	1,410,052,700	13,028,887	0.00924	0.924
2016	1,382,155,378	12,688,186	0.00918	0.918
2017	1,470,782,200	13,501,872	0.00918	0.918
2018	1,530,792,800	13,731,211	0.00897	0.897
2019	1,567,887,500	13,734,403	0.00876	0.876
2020	1,575,977,400	13,979,790	0.00887	0.887

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**Brielle Board of Education  
Ten Principal Property Taxpayers**

Tax Payer	2019		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Manasquan River Golf Club	\$ 21,745,900	1	1.39%
Brandywine East II, LLC	9,180,500	2	0.59%
Brandywine At Brielle, LLC	8,524,600	3	0.54%
Brielle Sui Generis, LLC	8,500,000	4	0.54%
Private Resident #1	8,081,800	5	0.52%
608 Green Ave Associates, LLC	7,649,400	6	0.49%
Fletcher Marine, LLC	5,347,600	7	0.34%
836 Riverview Drive, LLC	5,315,300	8	0.34%
Private Resident #2	4,879,800	9	0.31%
Manasquan River Yatch Club	4,395,700	10	0.28%
<b>Total</b>	<b>\$ 83,620,600</b>		
<b>Total Assessed Value - all properties</b>	<b>\$ 1,567,887,500</b>		

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	11,938,091	11,938,091	100.00%	-
2012	12,360,603	12,360,603	100.00%	-
2013	12,578,347	12,578,347	100.00%	-
2014	12,800,400	12,800,400	100.00%	-
2015	13,028,887	13,028,887	100.00%	-
2016	12,688,186	12,688,186	100.00%	-
2017	13,501,872	13,501,872	100.00%	-
2018	13,731,211	13,731,211	100.00%	-
2019	13,734,403	13,734,403	100.00%	-
2020	13,959,790	13,979,790	100.00%	-

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

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



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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities	
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District
2011	4,000,000	-	-	-	-	4,000,000
2012	3,600,000	-	-	-	-	3,600,000
2013	3,200,000	-	-	-	-	3,200,000
2014	2,800,000	-	-	-	-	2,800,000
2015	2,400,000	-	-	-	-	2,400,000
2016	2,000,000	-	-	-	-	2,000,000
2017	1,600,000	-	-	-	-	1,600,000
2018	1,200,000	-	-	-	-	1,200,000
2019	860,000	-	-	-	-	860,000
2020	440,000	-	-	-	-	440,000

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

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

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

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Taxable Valuation	Percentage of Actual Taxable Value <sup>a</sup> of Property	Debt Limit
2011	4,000,000	-	1,672,150,800	0.24%	49,914,417
2012	3,600,000	-	1,637,013,700	0.22%	49,914,417
2013	3,200,000	-	1,568,084,100	0.20%	49,914,417
2014	2,800,000	-	1,504,388,800	0.18%	49,914,417
2015	2,400,000	-	1,410,052,700	0.17%	49,914,417
2016	2,000,000	-	1,382,155,378	0.14%	49,914,417
2017	1,600,000	-	1,470,782,200	0.11%	49,914,417
2018	1,200,000	-	1,530,792,800	0.08%	49,914,417
2019	860,000	-	1,567,887,500	0.05%	49,914,417
2020	440,000	-	1,575,977,400	0.03%	49,914,417

**Brielle Board of Education  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2019**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes Brielle Boro		100.00%	\$ -
Other debt			
Subtotal, overlapping debt			-
<b>Brielle School District Direct Debt</b>	440,000		
<b>Total direct and overlapping debt</b>			

**Sources:** Assessed value data used to estimate applicable percentages provided by the ABC County Board of Taxation.  
Debt outstanding data provided by each governmental unit.

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Brielle School District  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 49,914,417	\$ 49,914,417	\$ 49,914,417	\$ 49,914,417	\$ 49,914,417	\$ 49,914,417	\$ 49,914,417	\$ 49,914,417	\$ 49,914,417	\$ 49,914,417
Total net debt applicable to limit	4,000,000	3,600,000	3,200,000	2,800,000	2,400,000	2,000,000	1,600,000	1,200,000	850,000	440,000
Legal debt margin	\$ 45,914,417	\$ 46,314,417	\$ 46,714,417	\$ 47,114,417	\$ 47,514,417	\$ 47,914,417	\$ 48,314,417	\$ 48,714,417	\$ 49,054,417	\$ 49,474,417
Total net debt applicable to the limit as a percentage of debt limit	8.01%	7.21%	6.41%	5.61%	4.81%	4.01%	3.21%	2.40%	1.72%	0.88%

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

Demographic and Economic Statistics  
Last Ten Fiscal Years

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Student Enrollment</u>	<u>Ratio of Students to Popluation</u>
2011	4,774	665	0.14
2012	4,774	606	0.13
2013	4,783	611	0.13
2014	4,774	674	0.14
2015	4,757	558	0.12
2016	4,757	551	0.12
2017	4,757	550	0.12
2018	4,691	532	0.11
2019	4,691	518	0.11

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

<u>Employer</u>	<u>2019</u>			<u>2009</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
Manasquan River Golf Club	125	1		125	1	
Brielle Board of Education	93	2		81	2	
Borough of Brielle	49	3		37	4	

**Brielle Board of Education**  
**Full-time Equivalent District Employees by Function/Program,**  
**June 30, 2011 through June 30, 2020**

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>		
Function/Program												
120-100 Regular Education Teachers	37.5	37.0	44	49	48	42	42	41	44	41.8	43.00	<u>2011</u>
100-101 Teachers Special Revenue	6	6	6	-	-	6	7	7.5	7	8.7	48.00	<u>2012</u>
100-106 Classroom Aides	9	8	8.5	9	12	9	10	10	10	8.7	49.00	<u>2013</u>
213-100 Health Services	2	2	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	49.00	<u>2014</u>
216-100 Speech		-	-	-	-	-	-	1	-	1	48.00	<u>2015</u>
218-104 Guidance	1		1	1	1	1	1	1	1	1	48.00	<u>2016</u>
219-104 Child Study Team	3	3	4	4	2.6	2.8	2.8	2.8	3.0	4.5	48.50	<u>2017</u>
221-102 Supervisors	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5		48.50	<u>2018</u>
222-100 Media Technology	2	2	2	2	2	2	2	2	2	2		
230-100 General Administration	4	4	4	3	3	3	3	2	1.5	2		
240-100 Administration	1	1	1	2	2	2	2	4	3	3		
250-100 Business Administration	2	2	2	2	2	2	2	2	2	1		
26X-100 Buildings and Grounds	7	6	6	6	6	6	6	6	6.5	6.5		
<b>Total</b>	<u>74.5</u>	<u>71</u>	<u>80</u>	<u>79.5</u>	<u>80.1</u>	<u>77.3</u>	<u>78.8</u>	<u>80.3</u>	<u>82</u>	<u>81.1</u>		

Source: District Personnel Records

**Brielle Board of Education  
Operating Statistics,  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures<sup>a</sup></b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff<sup>b</sup></b>	<b>Pupil/Teacher Ratio</b>	<b>Average Daily Enrollment (ADE)<sup>c</sup></b>	<b>Average Daily Attendance (ADA)<sup>c</sup></b>	<b>Student Attendance Percentage</b>
2010	728	12,035,242	10,695	3.63%	43	16.93	727	692	95.19%
2011	665	11,472,483	9,849	-7.91%	43	15.47	660	628	95.15%
2012	605	11,963,962	11,355	15.29%	48	12.60	604	579	95.86%
2013	611	11,913,759	12,363	8.88%	49	12.47	608	577	94.90%
2014	575	12,829,080	22,311	80.47%	49	11.73	574	551	95.99%
2015	558	13,410,443	24,033	7.72%	48	11.63	559	537	96.01%
2016	551	13,201,818	23,960	-0.30%	48	11.48	552	532	96.38%
2017	541	13,416,811	24,800	3.51%	49	11.04	545	527	96.70%
2018	541	14,345,749	15,479	-37.58%	49	11.15	526	510	96.96%
2019	532	14,373,711	17,876	15.49%	51	10.43	533	504	94.56%

**Sources:** District records

**Note:** Enrollment based on annual October district count.

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



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**Brielle Board of Education  
School Building Information  
Last Ten Fiscal Years**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b><u>District Building</u></b>									
<u>Elementary</u>									
Brielle Elementary									
Square Feet	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Capacity (students)	762	762	762	762	762	762	762	762	762
Enrollment	665	605	611	574	558	551	541	541	532

Source: District Records, ASSA

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

School Facility	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Brielle Elementary School	\$ 409,303	\$ 518,314	\$ 521,325	\$ 725,853	\$ 373,666	\$ 141,652	\$ 629,200	\$ 671,691	\$ 663,275	\$ 749,204

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**Briefle Board of Education  
Insurance Schedule  
for the Fiscal Year ended June 30, 2020**

Company	Type of Coverage	Amount
NJSIG	Property Blanket Building & Contents- Replacement Cost Values	\$ 26,553,207.00
	Terrorism (Property)	\$ 1,000,000.00
NJSIG	Flood (exc. Special Flood Hazard Area Flood Zones)	\$ 75,000,000.00
	Earthquake	\$ 50,000,000.00
NJSIG/Ironshore	Environmental Impairment Liability	\$ 1,000,000.00
NJSIG	Crime Insurance	
	Employee Dishonesty with Faithful Performance	\$ 100,000.00
	Forgery or Alteration	\$ 100,000.00
	Money & Securities Loss- Theft, Disappearance & Destruction	\$ 50,000.00
	Computer Fraud	\$ 100,000.00
Selective Ins Co. of America	Treasurer Bond	\$ 360,000.00
Selective Ins Co. of America	Business Administrator/Board Secretary Bond	\$ 360,000.00
NJSIG	General Liability	
	Each Occurrence	\$ 31,000,000.00
	Prod/Completed Oper	\$ 31,000,000.00
	Personal Injury	\$ 31,000,000.00
	Fire Damage	\$ 31,000,000.00
	Employee Benefit Liability	\$ 31,000,000.00
	Sexual Abuse	\$ 17,000,000.00
NJSIG/QBE	School Leaders E & O -Coverage A	\$ 31,000,000.00
Zurich American Ins. Co.	Student Accident- Accident Medical	\$ 5,000,000.00
NJSIG	Workers Compensation	
	Professional Covered Payrolls	\$ 4,944,160.00
	Non-Professional Payrolls	\$ 334,467.00
NJSIG	Automobile - Hired/ Non-owned Liability	\$ 31,000,000.00
NJSIG	Equipment Breakdown	\$ 100,000,000.00
NJSIG	Electronic Data Processing	\$ 406,364.00
NJSIG/Beazley	Cyber Liability	\$ 2,000,000.00

**SINGLE AUDIT SECTION**

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

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

K-1

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Brielle Board of Education, County of Monmouth, State of New Jersey as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Brielle Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated January 22, 2021.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

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

January 22, 2021

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

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

K-2

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

**Report on Compliance for Each Major State Program**

We have audited the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's major state programs for the year ended June 30, 2020. The Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

### ***Auditor's Responsibility***

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's compliance.

### ***Opinion on Each Major State Program***

In our opinion, the Board of Education of the Brielle School District, County of Monmouth, State of New Jersey's, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

### **Report on Internal Control Over Compliance**

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



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

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

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

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

***Robert A. Hulsart***

**Licensed Public School Accountant**

**No. 322**

**Robert A. Hulsart and Company**

**Wall Township, New Jersey**

January 22, 2021

BRIELLE SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Department of Education Project/Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project	Award Amount	Grant Period		Balance at June 30, 2019	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2020			
					From	To						(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education															
Passed Through State Department of Education:															
Special Revenue Fund:															
Title I	84.010A	S010A190050	N/A	\$ 59,333	7/1/2019	6/30/2020	\$ -		7,212	(44,640)		(37,428)			
Title I	84.010A	S010A180030	N/A	62,225	7/1/2018	6/30/2019	(27,478)		27,478						
Title IIA	84.367A	S367A190029	N/A	12,673	7/1/2019	6/30/2020			4,106	(10,109)		(6,003)			
Title IIA	84.367A	S367A180029	N/A	12,860	7/1/2018	6/30/2019	(3,450)		3,450						
Title IV	84.424	S424A190031	N/A	10,000	7/1/2019	6/30/2020			4,575	(5,739)		(1,164)			
Title IV	84.424	S424A180031	N/A	10,800	7/1/2018	6/30/2019	(6,550)		6,550						
L.D.E.A.:															
Part B - Basic	84.027	H027A190100	N/A	119,737	7/1/2019	6/30/2020			71,194	(71,195)		(1)			
Part B - Basic	84.027	H027A180100	N/A	120,134	7/1/2018	6/30/2019	(46,949)		46,949						
Preschool	84.173	H173A190114	N/A	6,526	7/1/2019	6/30/2020			4,106	(6,526)		(2,420)			
Cares Act	84.425D	S425D200027	N/A	39,370	7/1/2019	6/30/2020				(3,413)		(3,413)			
Total Special Revenue Fund							(84,427)	-	175,620	(141,622)	-	(50,429)	-	-	
U.S. Department of Agriculture															
Passed Through State Department of Education:															
Enterprise Fund:															
National School Lunch Program	10.555	181NJ304N1099	N/A	15,637	7/1/2018	6/30/2019	(2,726)		2,726						
HHFKA Lunch Program	10.555	181NJ304N1099	N/A	1,448	7/1/2018	6/30/2019	(272)		272						
Total Enterprise Fund							(2,998)	-	2,998	-	-	-	-	-	
Total Federal Financial Awards							\$ (87,425)	-	178,618	(141,622)	-	(50,429)	-	-	

See Accompanying Notes to Schedules of Financial Assistance.

**BRIELLE SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Schedule B  
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State Grant or Department of Education Project/Title	State Grant Number	Award Amount	Grant Period		Balance at June 30, 2019		Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2020			MEMO		
			From	To	Deferred Revenue Accounts Receivable	Carryover (Walkover) Amount				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
<b>State Department of Education:</b>															
<b>General Fund:</b>															
Special Education Aid	20-495-034-5120-089	\$ 425,390	07/01/19	06/30/20	\$ -		385,021	(425,390)					(40,369)	425,390	
Transportation Aid	20-495-034-5120-014	121,923	07/01/19	06/30/20			110,237	(121,923)					(11,686)	121,923	
Transportation Aid N.P.	20-495-034-5120-014	5,050	07/01/19	06/30/20				(5,050)			(5,050)			5,050	
Transportation Aid N.P.	19-495-034-5120-014	13,405	07/01/18	06/30/19	(13,405)		13,405								
Security Aid	20-495-034-5120-084	14,351	07/01/19	06/30/20			13,289	(14,351)					(1,062)	14,351	
Extraordinary Aid	20-495-034-5120-473	136,806	07/01/19	06/30/20				(136,806)			(136,806)			136,806	
Extraordinary Aid	19-495-034-5120-473	197,253	07/01/18	06/30/19	(197,253)		197,253								
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)	495-034-5094-001	307,354	07/01/19	06/30/20			307,354	(307,354)						307,354	
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	495-034-5094-002	813,899	07/01/19	06/30/20			813,899	(813,899)						813,899	
On-Behalf T.P.A.F. Non-Contributory Insurance	495-034-5094-004	14,588	07/01/19	06/30/20			14,588	(14,588)						14,588	
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability	495-034-5094-004	354	07/01/19	06/30/20			354	(354)						354	
Reimbursed TPAF Social Security Contributions	20-495-034-5095-003	308,709	07/01/19	06/30/20			277,600	(308,709)			(31,109)			308,709	
<b>Total General Fund</b>							<u>2,153,000</u>	<u>(2,148,424)</u>	<u>-</u>	<u>-</u>	<u>(172,965)</u>	<u>-</u>	<u>-</u>	<u>(53,117)</u>	<u>2,148,424</u>
<b>Enterprise Fund:</b>															
National School Lunch Program (State Share)	19-100-010-3350-023	1,220	07/01/18	06/30/19	(229)		229								
<b>Total Enterprise Fund</b>					<u>(229)</u>		<u>229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>Total State Financial Awards</b>					<u>\$ (210,887)</u>	<u>-</u>	<u>2,153,229</u>	<u>(2,148,424)</u>	<u>-</u>	<u>-</u>	<u>(172,965)</u>	<u>-</u>	<u>-</u>	<u>(53,117)</u>	<u>2,148,424</u>
								<u>\$ (1,136,195)</u>							
Less on Behalf TPAF Pension System Contributions								<u>\$ (1,012,229)</u>							
Total for State Financial Assistance - Major Program Determination															

See Accompanying Notes to Schedules of Financial Assistance.

**BOARD OF EDUCATION**

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**BRIELLE SCHOOL DISTRICT****NOTES TO SCHEDULES OF AWARDS OF FINANCIAL ASSISTANCE****JUNE 30, 2020****NOTE 1: General**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Brielle School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2: Basis of Accounting**

The accompanying schedules of financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. Programs recorded in the food service fund include the National School Lunch Program, the School Breakfast Program, the U.S.D.A Commodities Program and the Special Milk Program. These bases of accounting are described in the Note 1(C) to the Board's general-purpose financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3: Relationship to General Purpose Financial Statements**

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

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<b><u>State Assistance</u></b>			
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 2,148,424		2,148,424
Difference – Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized			
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)			
	____ (4,874)	_____	____ (4,874)
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 2,143,550</u>	_____	<u>2,143,550</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<b><u>Federal Assistance</u></b>			
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of Federal Awards	\$	145,151	145,151
Difference -- Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized	_____	<u>6,499</u>	<u>6,499</u>
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	\$ _____	<u>151,650</u>	<u>151,650</u>

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

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

**NOTE 5: Other**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state of behalf of the District for the year ended June 30, 2020. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2020.

**BRIELLE SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**K-6**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Part 1 - Summary of Auditor's Results*

**Financial Statement Section**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?

           Yes     x     No

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

           Yes     x     None Reported

Noncompliance material to general purpose financial statements noted?

           Yes     x     No

**Federal Awards**

Not Applicable

**State Awards**

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

\$750,000

Auditee qualified as low-risk auditee?

    x     Yes            No

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

Unmodified

Internal Control over major programs:

(1) Material Weakness(es) identified?

           Yes     x     No

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

           Yes     x     None Reported

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

           Yes     x     No

Identification of major programs:

**GMIS Number(s)**

20-495-034-5120-089

20-495-034-5120-084

20-495-034-5094-003

**Name of State Program**

Special Education Aid - Public Cluster

Security Aid - Public Cluster

Reimbursed TPAF Social Security Contributions

BRIELLE SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2020*Part 2 - Financial Statement Findings*

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

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A



BRIELLE SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

*Part 2 - Financial Statement Findings*

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

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

BRIELLE SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2020*Part 3 - State Awards Financial Assistance Findings and Questioned Costs*

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

Federal Awards

Not Applicable

State Awards

Finding: None

Information on the State Program: N/ACriteria or specific requirement: N/ACondition: N/AQuestioned Costs: N/AContext: N/AEffect: N/ACause: N/ARecommendation: N/AManagement's response: N/A

BRIELLE SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Prior Audit Findings:

None