

BRICK TOWNSHIP  
BOARD OF EDUCATION  
OF OCEAN COUNTY

BRICK TOWNSHIP BOARD OF EDUCATION  
Brick, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2019

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

Of the

Brick Township Board of Education  
of Ocean County

Brick, New Jersey

For the Fiscal Year Ended June 30, 2019

Prepared by

Brick Township Board of Education  
Finance Department

# OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## INTRODUCTORY SECTION



December 5, 2019

Honorable President and  
Members of the Board of Education  
Brick Township School District  
101 Hendrickson Avenue  
Brick, NJ 08724  
County of Ocean, New Jersey

Dear Board Members and Constituents of Brick Township:

The comprehensive annual financial report of the Brick Township School District (District) for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and result of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections as follows:

The Introductory section includes this transmittal letter, Certificate of Excellence in Financial Reporting (ASBO), the Management Discussion and Analysis, the District's organizational chart and a list of principal officials.

The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon.

The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey 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 auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

#### REPORTING ENTITY AND ITS SERVICES

The Brick Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report.

The Brick Township Board of Education and all its schools constitute the District's Reporting entity and it does not have any nor is it considered a component unit.



The School District provides a full range of high level educational services appropriate to grade levels Pre-K through 12 and is one of the largest districts in New Jersey. The District includes two high schools - Brick Township High School (built 1958) and Brick Township Memorial High School (built 1978), two middle schools - Lake Riviera Middle School (built 1966) and Veterans Memorial Middle School (built 1970), and eight elementary schools – Drum Point Road Elementary School (built 1961), Emma Havens Young Elementary School (built 1966), Herbertsville Elementary School (built 1949), Lanes Mill Elementary School (built 1964), Midstreams Elementary School (built 1959), Osbornville Elementary School (built 1938), Veterans Memorial Elementary School (built 1970) and Warren H. Wolf Elementary School (built 1996). All schools provide services for regular students as well as special education for handicapped youngsters. The District completed the 2018-2019 fiscal year with an average daily enrollment of 8,470 students, which is 136 students below the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years:

Fiscal Year	Average Daily Enrollment	Percent Change
2018-19	8,470	-1.6%
2017-18	8,606	-1.1%
2016-14	8,698	-1.6%
2015-16	8,839	-4.4%
2014-15	9,251	-2.7%
2013-14	9,515	-4.7%
2012-13	9,666	-3.5%
2011-12	9,714	-3.5%
2010-11	10,071	-1.9%
2009-10	10,264	-0.8%

You may notice the above enrollment numbers are different than the numbers presented in statistical item J-18. The chart above shows average daily enrollment whereas J-18 shows actual enrollment on October 15, 2018 as reported on our New Jersey state required Application for State School Aid (ASSA) Report.

Our District's enrollment has been declining over the last ten years. We expect the decline to continue at about 1% per year for the next few years.

## ECONOMIC CONDITION AND OUTLOOK

Local, state and federal economic conditions continue to create a relatively uncertain economic environment for all entities, including the school district. In October 2012, the community was devastated by Superstorm Sandy which caused significant damage to the shore areas of our community. Not all the lost ratables have returned to the tax rolls as the recovery process is remains ongoing. On the positive side, there are businesses inside of Brick Township's borders that have remained stable in the current economic climate including some nationally known companies. Brick Township School District continues to receive all

tax levy monies through Brick Township on time and in full and this is expected to continue indefinitely.

The district remains concerned about future state aid allocation. State aid receipts to our school district are expected to decline over the next five years. Currently, the district is working with legislators, attorneys and other impacted districts to change to state aid formula to be more equitable in multiple categories. Because this challenge is ongoing and the outcome is uncertain at this time, the district is planning for future potential state aid reductions by looking for alternate revenue sources and evaluating ways to restructure programs to reduce expenses.

Brick Township school district has 12 schools ranging from 23 to 81 years old. Given the age of the buildings, the schools are in satisfactory condition. The district continually does improvements to infrastructure, HVAC, security, roofs, parking lots and other needed areas using the various funding sources available including tax levy, lease purchase, state grant and debt service funding.

Additional information about our district can be found in the District's Management Discussion and Analysis.

## MAJOR INITIATIVES

The Brick Township School District continues to advance capital projects and technology initiatives. Parking lots and roofs continue to be priorities. Security measures continue to be evaluated and improvements planned. Additional personnel were hired to increase the security presence in all twelve of our schools. Technology infrastructure continues to be updated using not only district funds, but maximized Federal E-Rate funds. We continue to maximize purchasing power by entering into lease purchase agreements. The District's administration closely monitors the cost of operations and continues to look for new funding sources in order to maintain quality educational services and facilities.

The District is taking the necessary steps to sell our oldest building, The Laurelton School. The building has been unoccupied for many years and is beyond reasonable repair.

The District is moving forward with a District Wellness clinic to help improve the health of our employees while trying to defray the rising costs of health insurance. The process is well underway and is expected to open during the 2019-20 school year.

## 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 subject to periodic evaluation by the District management.

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

## BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The legal level of budgetary control is established at line-item accounts within each fund. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District's Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2018.

## ACCOUNTING SYSTEM AND REPORTS

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

## FINANCIAL INFORMATION AT FISCAL YEAR-END

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

## DEBT ADMINISTRATION

At June 30, 2019, "the District's outstanding debt issues included \$6,604,000 of general obligation bonds. Annual payments on the outstanding debt are made timely and the district works with a financial advisor to continuously search for opportunities to refund existing debt at a savings to the district.

## AWARDS

The district received the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This is the third consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Excellence, the district published an easily readable and efficiently organized CAFR. This

report satisfied both Generally Accepted Accounting Principles in the United States of America and applicable legal requirements.


#### OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, LLP was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and fund financial statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

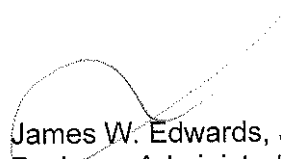
#### ACKNOWLEDGMENTS

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

Respectfully submitted,

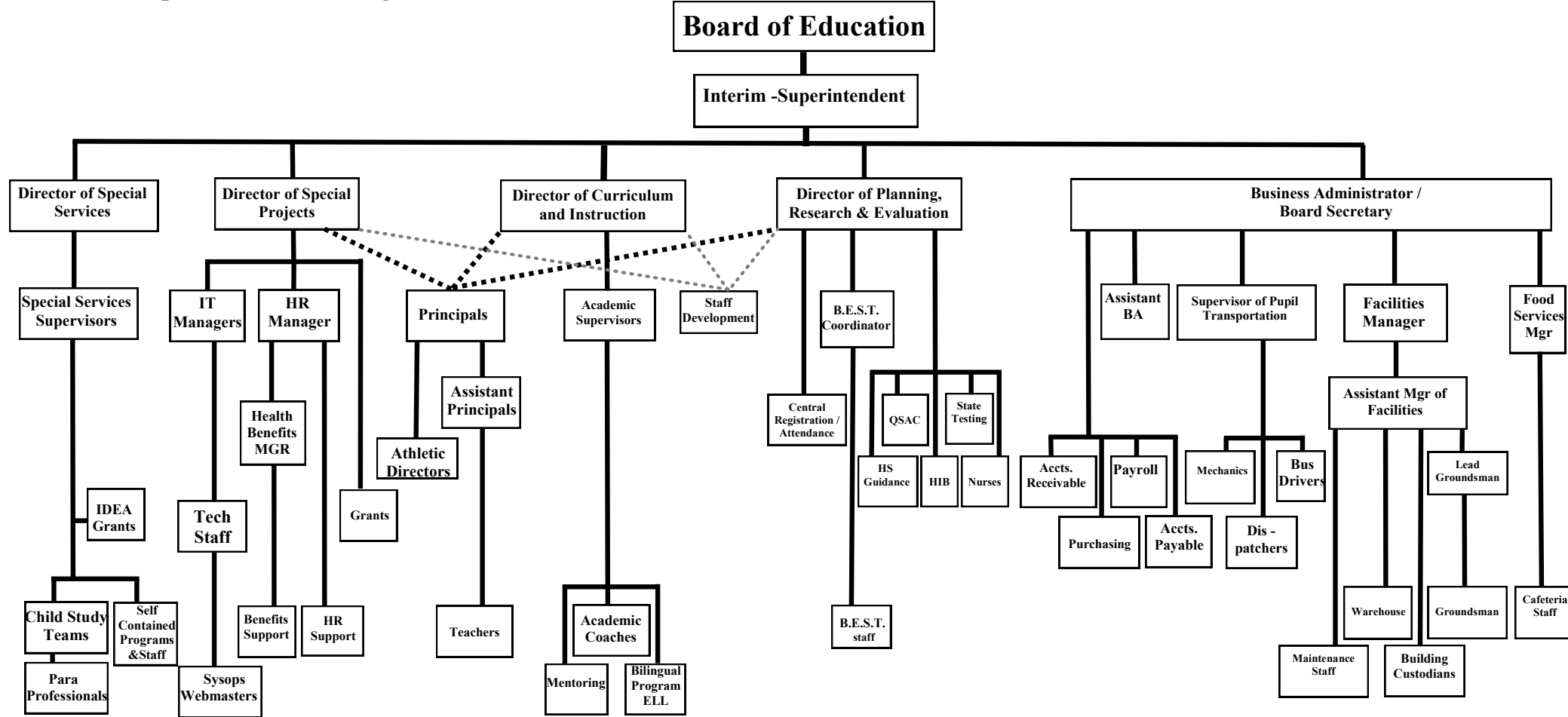


Sean S. Cranston  
Acting Superintendent of Schools



James W. Edwards, Jr., CPA  
Business Administrator/  
Board Secretary

Brick Township Public Schools Organizational Chart



BOE Approved 3/17/16

Brick Township Board of Education  
Brick Township, New Jersey

Roster of Officials  
June 30, 2019

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Stephanie Wohlrab, President	2021
Melita Gagliardi, Vice President	2019
Jessica Clayton	2020
Maria Foster	2020
Daisy Haffner	2019
Victoria Pakala	2021
Nicole Siebert	2021

Other Officials

Sean Cranston, Acting Superintendent

James W. Edwards, Jr., CPA, School Business Administrator/Board Secretary

Richard M. Larsen, Treasurer

Brick Township Board of Education  
Consultants and Advisors

Audit Firm

Kathryn Perry, CPA  
Jump, Perry and Company, L.L.P.  
12 Lexington Avenue  
Toms River, New Jersey 08753

Attorney

Montenegro, Thompson, Montenegro & Genz  
531 Burnt Tavern Road  
Brick, New Jersey 08724

Official Depositories

OceanFirst Bank  
321 Chambers Bridge Road  
Brick, New Jersey 08723



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Brick Township School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM  
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis  
Executive Director



## FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

Honorable President and  
Members of the Board of Education  
Brick Township Board of Education  
County of Ocean  
Brick, New Jersey

### Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brick Township Board of Education in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

## *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brick Township Board of Education in the County of Ocean, State of New Jersey as of June 30, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Brick Township Board of Education's basic financial statements. The introductory section, combining fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2019 on our consideration of the Brick Township Board of Education in the County of Ocean, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Brick Township Board of Education in the County of Ocean, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted,

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



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

December 4, 2019

## REQUIRED SUPPLEMENTARY INFORMATION - PART I

Brick Township Board of Education  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
Unaudited

The discussion and analysis of Brick Township Board of Education's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School Board's financial performance.

### **Financial Highlights**

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

Net position totaled \$(8,179,875), which represents a 50.54 percent decrease from June 30, 2018.

General revenues accounted for \$147,189,729 in revenue or 88.13 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$19,823,906 or 11.87 percent of total revenues of \$167,013,635.

Total assets increased by \$2,495,404 as current assets increased by \$2,384,730 and capital assets, net increased by \$110,674.

The School Board had \$158,656,282 in expenses; only \$19,823,906 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$147,189,729 were adequate to provide for these programs.

Among major funds, the General Fund had \$155,471,865 in revenues and \$151,534,912 in expenditures and transfers. The General Fund's balance increased \$3,936,953 over June 30, 2018. The General Fund's balance is \$8,731,545.

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

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Brick Township Board of Education as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the School Board, presenting both an aggregate view of the School Board's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For government funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the School Board's most significant funds with all other non-major funds presented in total in one column. In the case of Brick Township Board of Education, the General Fund is by far the most significant.

## **Reporting the School Board as a Whole**

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

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

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

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

**Governmental Activities** - All of the School Board's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

**Business-Type Activities** - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Funds are reported as a business activity.

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

### **Fund Financial Statement**

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

### **Governmental Funds**

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

### **Enterprise Fund**

The Enterprise Fund uses the same basis of accounting as business-type activities.

## The School Board as a Whole

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

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

Table 1

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

	<u>June 30, 2019</u>			<u>June 30, 2018</u>		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 17,743,297	\$ 753,401	\$ 18,496,698	\$ 15,474,169	\$ 637,799	\$ 16,111,968
Capital assets, net	47,985,797	361,191	48,346,988	47,951,444	284,870	48,236,314
Total assets	65,729,094	1,114,592	66,843,686	63,425,613	922,669	64,348,282
Deferred outflow of resources	<u>10,869,466</u>	<u>-</u>	<u>10,869,466</u>	<u>15,194,399</u>	<u>-</u>	<u>15,194,399</u>
Liabilities:						
Current liabilities	9,130,123	130,558	9,260,681	10,255,733	103,866	10,359,599
Long-term liabilities outstanding	59,908,733	79,572	59,988,305	73,427,727	84,460	73,512,187
Total liabilities	69,038,856	210,130	69,248,986	83,683,460	188,326	83,871,786
Deferred inflow of resources	<u>16,644,041</u>	<u>-</u>	<u>16,644,041</u>	<u>12,208,123</u>	<u>-</u>	<u>12,208,123</u>
Net position:						
Net investment in capital assets	39,285,020	361,191	39,646,211	34,437,847	284,870	34,722,717
Restricted	7,623,511	-	7,623,511	4,538,554	-	4,538,554
Unrestricted	(55,992,868)	543,271	(55,449,597)	(56,247,972)	449,473	(55,798,499)
Total Net Position	<u>\$ (9,084,337)</u>	<u>\$ 904,462</u>	<u>\$ (8,179,875)</u>	<u>\$ (17,271,571)</u>	<u>\$ 734,343</u>	<u>\$ (16,537,228)</u>

The School Board's combined net position was \$(8,179,875) on June 30, 2019. This is a change of 50.54% from the previous year.



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

Table 2

Changes in Net Position

	<u>June 30, 2019</u>			<u>June 30, 2018</u>		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ 254,185	\$ 2,272,137	\$ 2,526,322	\$ 423,191	\$ 2,215,891	\$ 2,639,082
Operating and capital grants and contributions	15,455,972	1,841,612	17,297,584	15,121,228	1,878,503	16,999,731
General revenues:						
Property taxes	109,258,129	-	109,258,129	104,771,941	-	104,771,941
Federal and state aid	36,319,621	-	36,319,621	38,148,975	-	38,148,975
Investment earnings	516,877	1,854	518,731	48,404	108	48,512
Miscellaneous	1,093,248	-	1,093,248	944,082	-	944,082
Total revenues	162,898,032	4,115,603	167,013,635	159,457,821	4,094,502	163,552,323
Expenses						
Instructional services	64,792,960	-	64,792,960	69,009,257	-	69,009,257
Support services	89,886,069	3,945,484	93,831,553	90,298,090	3,850,984	94,149,074
Interest on long-term liabilities	31,769	-	31,769	420,376	-	420,376
Total expenses	154,710,798	3,945,484	158,656,282	159,727,723	3,850,984	163,578,707
Change in net position	8,187,234	170,119	8,357,353	(269,902)	243,518	(26,384)
Net position - beginning	(17,271,571)	734,343	(16,537,228)	(17,001,669)	490,825	(16,510,844)
Net position (deficit) - ending	\$ (9,084,337)	\$ 904,462	\$ (8,179,875)	\$ (17,271,571)	\$ 734,343	\$ (16,537,228)

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

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

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

## Expenses for Fiscal Year June 30, 2019

### Business-Type Activities

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

Total Enterprise Fund revenues exceeded expenses by \$170,119.

Charges for services represent \$2,272,137 of revenue. This represents the amount paid by patrons and parents for daily food service and extended school program charges.

Federal and state reimbursements for meals, including interest, payments for free and reduced lunches and donated commodities was \$1,841,612.

### Governmental Activities

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

Table 3

#### Governmental Activities

	<u>2019</u>		<u>2018</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 64,792,960	\$ 60,198,601	\$ 69,009,257	\$ 64,895,611
Support Services:				
Pupils and Instructional Staff	32,818,224	21,755,756	31,837,923	20,455,765
General Administration,				
School Administration,				
Business Operation				
and Maintenance				
of Facilities	47,506,181	47,506,181	49,150,649	49,150,649
Pupil Transportation	9,561,664	9,508,334	9,309,518	9,260,903
Interest and Fiscal Charges	<u>31,769</u>	<u>31,769</u>	<u>420,376</u>	<u>420,376</u>
Total Expenses	<u>\$ 154,710,798</u>	<u>\$ 139,000,641</u>	<u>\$ 159,727,723</u>	<u>\$ 144,183,304</u>

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

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

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

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

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

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

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

## The School Board's Funds

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

As the School Board completed the fiscal year ended June 30, 2019, it reported a combined fund balance of \$8,654,912, which is an increase of \$3,285,361. The Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds, Exhibit B-2, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

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

<u>Revenue</u>	<u>2019 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2018</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 111,124,431	68.21 %	\$ 5,009,424	4.72 %
State Sources	47,251,596	29.01	(1,577,820)	(3.23)
Federal Sources	<u>4,523,997</u>	<u>2.78</u>	<u>83,210</u>	<u>1.87</u>
Total	<u>\$ 162,900,024</u>	<u>100.00 %</u>	<u>\$ 3,514,814</u>	<u>3.36 %</u>

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

<u>Expenditures</u>	<u>2019 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2018</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 62,531,612	39.01 %	\$ (1,936,461)	(3.00)%
Undistributed				
Expenditures	87,459,490	54.55	(752,659)	(0.85)
Capital Outlay	4,669,595	2.91	(28,446)	(0.61)
Debt Service:				
Principal	5,242,928	3.27	(330,547)	(5.93)
Interest	<u>424,505</u>	<u>0.26</u>	<u>(125,268)</u>	<u>(22.79)</u>
Total	<u>\$ 160,328,130</u>	<u>100.00 %</u>	<u>\$ (3,173,381)</u>	<u>(1.94)%</u>

## General Fund Budgeting Highlights

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

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

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

The General Fund finished the fiscal year approximately \$6,338,487 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$1,211,116 better than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

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

Excess Surplus - Designated for Subsequent Year	
Expenditures	\$ 295,324
Capital Reserve	2,188,405
Excess Surplus - Current Year	1,860,191

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

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

The revenue situation arose primarily because of tuition received from out of district students.

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

## Capital Assets and Debt Administration

*Capital Assets.* At the end of the fiscal year June 30, 2019, the School Board had \$48,346,988 invested in land, buildings, and machinery and equipment.

Table 4

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

	Governmental Activities		Business-type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 5,718,560	\$ 5,718,560	\$ -	\$ -	\$ 5,718,560	\$ 5,718,560
Construction in Progress	1,096,576	400,325	-	-	1,096,576	400,325
Building and Improvements	36,857,623	37,556,993	-	-	36,857,623	37,556,993
Machinery and Equipment	4,313,038	4,275,566	361,191	284,870	4,674,229	4,560,436
Total	<u>\$ 47,985,797</u>	<u>\$ 47,951,444</u>	<u>\$ 361,191</u>	<u>\$ 284,870</u>	<u>\$ 48,346,988</u>	<u>\$ 48,236,314</u>

During the current fiscal year, \$3,477,689 of capital assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

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

	June 30, 2019	June 30, 2018
Bonds Payable (net)	\$ 6,659,000	\$ 8,835,035
Capital Leases payable	1,958,930	4,678,562
Pension Liability-PERS	45,457,536	54,442,058
Compensated Absences payable	<u>5,829,992</u>	<u>5,556,532</u>
Total long-term liabilities	<u>\$ 59,905,458</u>	<u>\$ 73,512,187</u>

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

## Economic Factors and Next Year's Budget

For the 2018-2019 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 31.79% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 68.21% of total revenue is from local sources.

The \$(55,992,868) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

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

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

### **Contacting the School School Board's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Brick Township Board of Education, 101 Hendrickson Avenue, Brick, NJ, 08724.

## BASIC FINANCIAL STATEMENTS



**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Statement of Net Position**  
**June 30, 2019**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 12,186,975	\$ 577,347	\$ 12,764,322
Receivables - state	1,538,681	2,750	1,541,431
Receivables - other governments	557,191	134,482	691,673
Receivables - other	546,619	17,522	564,141
Inventory	-	21,300	21,300
Restricted cash - Capital Reserve	2,188,405	-	2,188,405
Restricted cash - at fiscal agent	725,426	-	725,426
Capital assets, non-depreciable	6,815,136	-	6,815,136
Capital assets, depreciable, net	41,170,661	361,191	41,531,852
Total assets	<u>65,729,094</u>	<u>1,114,592</u>	<u>66,843,686</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows-PERS	10,869,466	-	10,869,466
Total deferred outflows of resources	<u>10,869,466</u>	<u>-</u>	<u>10,869,466</u>
<b>LIABILITIES</b>			
Accounts payable	3,841,956	75,852	3,917,808
Other liabilities	5,138,042	209	5,138,251
Payable to state government	23,117	-	23,117
Unearned revenue	85,270	54,497	139,767
Interest Payable	41,738	-	41,738
Noncurrent liabilities:			
Due within one year	2,972,834	-	2,972,834
Due beyond one year	56,935,899	79,572	57,015,471
Total liabilities	<u>69,038,856</u>	<u>210,130</u>	<u>69,248,986</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows-PERS	16,644,041	-	16,644,041
Total deferred inflows of resources	<u>16,644,041</u>	<u>-</u>	<u>16,644,041</u>
<b>NET POSITION</b>			
Net investment in capital assets	39,285,020	361,191	39,646,211
Restricted for:			
Special Revenue	(81,290)		(81,290)
Debt service	4,657	-	4,657
Capital projects	2,188,405	-	2,188,405
Other purposes	5,511,739	-	5,511,739
Unrestricted	(55,992,868)	543,271	(55,449,597)
Total Net Position	<u>\$ (9,084,337)</u>	<u>\$ 904,462</u>	<u>\$ (8,179,875)</u>

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Statement of Activities**  
**For the Year Ended June 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
Instruction	\$ 64,792,960	\$ 200,855	\$ 4,393,504	\$ -	\$ (60,198,601)	\$ -	\$ (60,198,601)
Support services and undistributed costs:							
Instruction	6,386,848	-	876,955	-	(5,509,893)	-	(5,509,893)
Attendance	1,023,176	-	-	-	(1,023,176)	-	(1,023,176)
Health services	1,301,565	-	-	-	(1,301,565)	-	(1,301,565)
Other support services	12,813,574	-	-	-	(12,813,574)	-	(12,813,574)
Educational media services	893,260	-	-	-	(893,260)	-	(893,260)
Instruction staff training	214,288	-	-	-	(214,288)	-	(214,288)
General administrative services	1,369,790	-	-	-	(1,369,790)	-	(1,369,790)
School administrative services	4,955,827	-	-	-	(4,955,827)	-	(4,955,827)
Information technology	1,805,181	-	-	-	(1,805,181)	-	(1,805,181)
Allowed maintenance for school facilities	1,863,508	-	-	-	(1,863,508)	-	(1,863,508)
Other operation & maintenance of plant	7,382,443	-	-	-	(7,382,443)	-	(7,382,443)
Care & upkeep of grounds	729,979	-	-	-	(729,979)	-	(729,979)
Student transportation services	9,561,664	53,330	-	-	(9,508,334)	-	(9,508,334)
Unallocated employee benefits	29,399,453	-	-	-	(29,399,453)	-	(29,399,453)
Non-budgeted expenditures	10,185,513	-	10,185,513	-	-	-	-
Interest on long-term debt	31,769	-	-	-	(31,769)	-	(31,769)
Total governmental activities	154,710,798	254,185	15,455,972	-	(139,000,641)	-	(139,000,641)
<b>Business-type activities:</b>							
Bricks extended school time	934,635	932,780	-	-	-	(1,855)	(1,855)
Food service	3,010,849	1,339,357	1,841,612	-	-	170,120	170,120
Total business-type activities	3,945,484	2,272,137	1,841,612	-	-	168,265	168,265
Total primary government	\$ 158,656,282	\$ 2,526,322	\$ 17,297,584	\$ -	(139,000,641)	168,265	(138,832,376)
<b>General revenues:</b>							
Taxes:							
Property taxes levied for general purpose					107,261,323	-	107,261,323
Taxes levied for debt service					1,996,806	-	1,996,806
Federal and state aid					36,319,621	-	36,319,621
Miscellaneous income					1,093,248	-	1,093,248
Investment earnings					516,877	1,854	518,731
Total general revenues					147,187,875	1,854	147,189,729
<b>Change in net position</b>					8,187,234	170,119	8,357,353
<b>Net position—beginning</b>					(17,271,571)	734,343	(16,537,228)
<b>Net positions—ending</b>					\$ (9,084,337)	\$ 904,462	\$ (8,179,875)

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 12,182,318	\$ -	\$ -	\$ 4,657	\$ 12,186,975
Capital reserve account	2,188,405	-	-	-	2,188,405
Cash held in trust	725,426	-	-	-	725,426
Due from other funds	175,803	-	-	-	175,803
Receivables from state	1,538,681	-	-	-	1,538,681
Receivables from federal	-	557,191	-	-	557,191
Receivables from other	546,619	-	-	-	546,619
Total assets	<u>17,357,252</u>	<u>557,191</u>	<u>-</u>	<u>4,657</u>	<u>17,919,100</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	3,499,129	342,827	-	-	3,841,956
Due to other funds	-	175,803	-	-	175,803
Payable to federal government	-	-	-	-	-
Payable to state government	274	22,843	-	-	23,117
Other liabilities	5,126,304	11,738	-	-	5,138,042
Unearned revenue	-	85,270	-	-	85,270
Total liabilities	<u>8,625,707</u>	<u>638,481</u>	<u>-</u>	<u>-</u>	<u>9,264,188</u>
Fund Balances:					
Restricted for:					
Capital reserve account	2,188,405	-	-	-	2,188,405
Excess surplus - current year	1,860,191	-	-	-	1,860,191
Excess surplus -- designated for					
Subsequent year's expenditures	295,324	-	-	-	295,324
Special revenue fund	-	(81,290)	-	-	(81,290)
Debt service fund	-	-	-	4,657	4,657
Capital projects fund	-	-	-	-	-
Assigned to:					
Designated by the BOE for subsequent year's expenditur	2,938,767	-	-	-	2,938,767
Other purposes	417,457	-	-	-	417,457
Unassigned to:					
General fund	1,031,401	-	-	-	1,031,401
Total Fund balances	<u>8,731,545</u>	<u>(81,290)</u>	<u>-</u>	<u>4,657</u>	<u>8,654,912</u>
Total liabilities and fund balances	<u>\$ 17,357,252</u>	<u>\$ 557,191</u>	<u>\$ -</u>	<u>\$ 4,657</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 \$153,737,582 and the accumulated depreciation is \$105,751,785.

47,985,797

Deferred outflows related to the PERS pension plan

10,869,466

Deferred inflows related to the PERS pension plan

(16,644,041)

Bond premiums are being amortized over the life of the related bonds. The amortization is not recorded in the funds.

(82,847)

Interest expense relating to this fiscal period but not paid until next year is shown on balances sheet as liability.

(41,738)

Long-term liabilities, including bonds payable net of bond premium, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 9)

(59,825,886)

Net Position of governmental activities

\$ (9,084,337)

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 107,261,323	\$ -	\$ -	\$ 1,996,806	\$ 109,258,129
Tuition charges	200,855	-	-	-	200,855
Transportation charges	53,330	-	-	-	53,330
Interest income	511,096	-	-	-	511,096
Interest Earned on Capital Reserve Funds	5,781	-	-	-	5,781
Miscellaneous	1,061,006	29,577	-	4,657	1,095,240
Total - Local sources	109,093,391	29,577	-	2,001,463	111,124,431
State sources	46,037,310	976,759	-	237,527	47,251,596
Federal sources	341,164	4,182,833	-	-	4,523,997
Total revenues	155,471,865	5,189,169	-	2,238,990	162,900,024
<b>EXPENDITURES</b>					
Current:					
Regular instruction	38,516,301	4,393,504	-	-	42,909,805
Special education instruction	14,069,587	-	-	-	14,069,587
Other special instruction	5,552,220	-	-	-	5,552,220
Undistributed - current:					
Instruction	6,386,848	-	-	-	6,386,848
Attendance	1,023,176	-	-	-	1,023,176
Health services	1,301,565	-	-	-	1,301,565
Other support services	11,881,508	876,955	-	-	12,758,463
Educational media services	893,260	-	-	-	893,260
Instruction staff training	214,288	-	-	-	214,288
General administrative services	915,949	-	-	-	915,949
School administrative services	4,951,921	-	-	-	4,951,921
Information technology	1,805,181	-	-	-	1,805,181
Allowed maintenance for school facilities	1,863,508	-	-	-	1,863,508
Other operation & maintenance of plant	5,613,821	-	-	-	5,613,821
Care and upkeep of grounds	729,979	-	-	-	729,979
Security	249,449	-	-	-	249,449
Student transportation services	9,221,793	-	-	-	9,221,793
Unallocated employee benefits	29,344,776	-	-	-	29,344,776
Non-budgeted expenditures	10,185,513	-	-	-	10,185,513
Debt service:					
Principal	3,362,928	-	-	1,880,000	5,242,928
Interest and other charges	-	-	-	424,505	424,505
Capital outlay	4,669,595	-	-	-	4,669,595
Total expenditures	152,753,166	5,270,459	-	2,304,505	160,328,130
Excess (Deficiency) of revenues over expenditures	2,718,699	(81,290)	-	(65,515)	2,571,894
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	-	3,985,000	3,985,000
Payment on refunded bonds	-	-	-	(3,930,000)	(3,930,000)
Bond refunding premium	-	-	-	82,847	82,847
Bond refunding costs	-	-	-	(67,676)	(67,676)
Transfers in	574,958	-	-	-	574,958
Transfers out	-	-	(574,958)	-	(574,958)
Capital leases (non-budgeted)	643,296	-	-	-	643,296
Total other financing sources and uses	1,218,254	-	(574,958)	70,171	713,467
Net change in fund balances	3,936,953	(81,290)	(574,958)	4,656	3,285,361
Fund balance—July 1	4,794,592	-	574,958	1	5,369,551
Fund balance—June 30	\$ 8,731,545	\$ (81,290)	\$ -	\$ 4,657	\$ 8,654,912

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2019**

**Total net change in fund balances - governmental funds (from B-2)** **\$ 3,285,361**

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	(3,332,963)	
Capital outlays	<u>3,369,308</u>	36,345

In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net position will differ from the change in fund balance by the cost of the asset removed.

Accumulated depreciation on capital assets sold or retired during the fiscal year ended June 30, 2019	686,478	
Cost basis of capital assets sold or retired during the fiscal year ended June 30, 2019	<u>(688,470)</u>	(1,992)

In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey 223,671

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 1,880,000

Payment of refunded bonds is an other financing use, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 3,930,000

Receipt of funds from the sale of bonds for refunding is an other financing source, it increases long-term liabilities in the statement of net position and is not reported in the statement of activities. (3,985,000)

Proceeds from leases are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position. (643,296)

In the Statement of Activities, the principal payments on capital leases are recorded as a reduction in the long-term liability. In the governmental funds, the payments is an expenditure. 3,362,928

In the Statement of Activities, the interest expense is accrued based on when due regardless of when paid. In the governmental funds the interest expense is reported when paid. 109,377

In the Statement of Activities, the amortization of bond premiums is recorded as a reduction to interest expense. 351,035

In the Statement of Activities, the bond premiums is recorded as a source of funds. In the governmental funds, the premium is included in long-term liabilities. (82,847)

In the Statement of Activities certain expenses, e.g., compensated absences are measured by amounts incurred during the year. In governmental funds expenditures for these items are reported in the amount of financial resources used. (278,348)

**Change in net position of governmental activities** **\$ 8,187,234**

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2019**

	<b>Enterprise Fund</b>		
	<b>Brick's Extended School Time</b>	<b>Food Service</b>	<b>Total</b>
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 12,550	\$ 564,797	\$ 577,347
Accounts receivable:			
State	-	2,750	2,750
Federal	-	134,482	134,482
Other	13,818	3,704	17,522
Interfunds	-	-	-
Inventories	-	21,300	21,300
Total current assets	<u>26,368</u>	<u>727,033</u>	<u>753,401</u>
Noncurrent assets:			
Equipment	-	1,264,784	1,264,784
Accumulated depreciation	-	(903,593)	(903,593)
Total noncurrent assets	<u>-</u>	<u>361,191</u>	<u>361,191</u>
Total assets	<u>26,368</u>	<u>1,088,224</u>	<u>1,114,592</u>
<b>Liabilities and Fund Equity:</b>			
Current liabilities:			
Accounts payable	1,588	74,264	75,852
Unearned liabilities	1,757	52,740	54,497
Other liabilities	209	-	209
Interfund payable	-	-	-
	<u>3,554</u>	<u>127,004</u>	<u>130,558</u>
Non-current liabilities:			
Compensated absences	<u>4,212</u>	<u>75,360</u>	<u>79,572</u>
Total liabilities	<u>7,766</u>	<u>202,364</u>	<u>210,130</u>
Net Position:			
Net investment in capital assets	-	361,191	361,191
Restricted for other purposes	-	-	-
Unrestricted net position	<u>18,602</u>	<u>524,669</u>	<u>543,271</u>
Total fund equity	<u>18,602</u>	<u>885,860</u>	<u>904,462</u>
Total liabilities and fund equity	<u>\$ 26,368</u>	<u>\$ 1,088,224</u>	<u>\$ 1,114,592</u>

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	<b>Enterprise Fund</b>		
	<b>Brick's Extended School Time</b>	<b>Food Service</b>	<b>Total</b>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ -	\$ 826,158	\$ 826,158
Daily sales - non-reimbursable programs	-	478,590	478,590
Before / After Care	932,780	-	932,780
Special functions	-	-	-
Miscellaneous	-	34,609	34,609
Total operating revenues	<u>932,780</u>	<u>1,339,357</u>	<u>2,272,137</u>
Operating expenses:			
Cost of sales - reimbursable program	-	-	-
Cost of sales - non-reimbursable programs	-	1,115,051	1,115,051
Salaries	414,314	1,071,352	1,485,666
Employee benefits	95,606	760,407	856,013
Purchased property service	-	11,130	11,130
Other purchased professional services	3,059	19,857	22,916
Cleaning, repair and maintenance services	-	-	-
Travel	2,350	-	2,350
Miscellaneous	733	992	1,725
Supplies	11,312	-	11,312
Rent	391,799	-	391,799
Snacks	15,462	-	15,462
Depreciation	-	32,060	32,060
Total operating expenses	<u>934,635</u>	<u>3,010,849</u>	<u>3,945,484</u>
Operating income (loss)	<u>(1,855)</u>	<u>(1,671,492)</u>	<u>(1,673,347)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	-	28,370	28,370
State school breakfast program	-	-	-
Federal sources:			
National school lunch program	-	1,132,041	1,132,041
National school breakfast program	-	480,187	480,187
Special milk program	-	285	285
Food distribution program	-	193,187	193,187
Interest and investment revenue	1,854	-	1,854
Miscellaneous revenue	-	7,542	7,542
Total nonoperating revenues (expenses)	<u>1,854</u>	<u>1,841,612</u>	<u>1,843,466</u>
Income (loss) before contributions & transfers	<u>(1)</u>	<u>170,120</u>	<u>170,119</u>
Capital contributions	-	-	-
Transfers in (out)	-	-	-
Change in net assets	<u>(1)</u>	<u>170,120</u>	<u>170,119</u>
Total net position—beginning	<u>18,603</u>	<u>715,740</u>	<u>734,343</u>
Total net position—ending	<u>\$ 18,602</u>	<u>\$ 885,860</u>	<u>\$ 904,462</u>

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	<b>Enterprise Fund</b>		
	<b>Brick's Extended School Time</b>	<b>Food Service</b>	<b>Total</b>
Cash Flows from Operating Activities:			
Receipts from Daily Sales	\$ -	\$ 1,309,101	\$ 1,309,101
Receipts from Catering	-	34,609	34,609
Before / After Care	929,909	-	929,909
Payments to Employees	(509,839)	(1,837,127)	(2,346,966)
Payments to Suppliers	(9,555)	(886,567)	(896,122)
Payments for Other Expenditures	(413,403)	(31,979)	(445,382)
Net Cash Provided by (Used in) Operating Activities	<u>(2,888)</u>	<u>(1,411,963)</u>	<u>(1,414,851)</u>
Cash Flow from Noncapital Financing Sources:			
State Sources	-	27,572	27,572
Federal Sources	-	1,595,166	1,595,166
Interest Earned	1,854	-	1,854
Miscellaneous income	-	7,542	7,542
Interfund- General Fund	-	-	-
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>1,854</u>	<u>1,630,280</u>	<u>1,632,134</u>
Cash Flows from Capital and Related Financing Activities:			
Purchases of equipment	-	(108,381)	(108,381)
Net Cash Provided by (Used in) capital and related financing activities	<u>-</u>	<u>(108,381)</u>	<u>(108,381)</u>
Net increase (decrease) in cash and cash equivalents	(1,034)	109,936	108,902
Cash and cash equivalents, July 1	<u>13,584</u>	<u>454,861</u>	<u>468,445</u>
Cash and cash equivalents, June 30	<u>12,550</u>	<u>564,797</u>	<u>577,347</u>
Operating income (loss)	(1,855)	(1,671,492)	(1,673,347)
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:			
Depreciation expense	-	32,060	32,060
Food Distribution Program	-	193,187	193,187
Transfer	-	-	-
Change in assets and liabilities:			
Increase (decrease) in Compensated Absences Payable	480	(5,368)	(4,888)
(Increase) decrease in inventory	-	10,588	10,588
(Increase) decrease in accounts receivable	(251)	1,108	857
Increase (decrease) in unearned revenue	(2,620)	3,245	625
Increase (decrease) in other liabilities	1,757	-	1,757
Increase (decrease) in accounts payable	(399)	24,709	24,310
Net cash provided by (used in) operating activities	<u>\$ (2,888)</u>	<u>\$ (1,411,963)</u>	<u>\$ (1,414,851)</u>



**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Statement of Fiduciary Net Position**  
**June 30, 2019**

	<u>Fiduciary Funds</u>	<u>Agency Funds</u>	<u>Total Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,142,770	\$ 501,229	\$ 2,643,999
Intergovernmental accounts receivable	-	-	-
Interfund receivable	-	-	-
Total assets	<u>2,142,770</u>	<u>501,229</u>	<u>2,643,999</u>
<b>LIABILITIES</b>			
Accounts payable	-	-	-
Payroll deductions and withholdings	-	248,775	248,775
Payable to student groups	-	252,454	252,454
Interfund payable	-	-	-
Other current liabilities	-	-	-
Total liabilities	<u>-</u>	<u>501,229</u>	<u>501,229</u>
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	2,130,898	-	2,130,898
Reserved for scholarships	11,872	-	11,872
Total net position	<u>2,142,770</u>	<u>-</u>	<u>2,142,770</u>
Total liabilities and net position	<u>\$ 2,142,770</u>	<u>\$ 501,229</u>	<u>\$ 2,643,999</u>

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2019**

	<u>Scholarship Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Total</u>
<b>ADDITIONS</b>			
Contributions:			
Plan member	\$ -	\$ -	\$ -
Other	61	146,535	146,596
Total Contributions	<u>61</u>	<u>146,535</u>	<u>146,596</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	233	36,496	36,729
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>233</u>	<u>36,496</u>	<u>36,729</u>
Total additions	<u>294</u>	<u>183,031</u>	<u>183,325</u>
<b>DEDUCTIONS</b>			
Quarterly contribution reports	-	-	-
Unemployment claims	-	122,943	122,943
Scholarships awarded	1,000	-	1,000
Refunds of contributions	-	-	-
Administrative expenses	-	-	-
Total deductions	<u>1,000</u>	<u>122,943</u>	<u>123,943</u>
Change in net position	(706)	60,088	59,382
Net Position—beginning of the year	<u>12,578</u>	<u>2,070,810</u>	<u>2,083,388</u>
Net Position—end of the year	<u>\$ 11,872</u>	<u>\$ 2,130,898</u>	<u>\$ 2,142,770</u>

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

**1. Summary of Significant Accounting Policies**

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

**A. Reporting Entity:**

The Brick Township Board of Education is a Type II district located in the county of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year staggered terms. The purpose of the District is to educate students in grades K-12. The Brick Township Board of Education had an approximate enrollment of 8,538 students at June 30, 2019.

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

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

**B. Basis of Presentation, Basis of Accounting:**

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. Items not meeting that definition of assets and liabilities have been classified as deferred outflows or deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position.

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

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

**Basis of Presentation**

The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows.

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

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

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

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

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

**Basis of Presentation (Cont'd):**

The District reports the following governmental funds:

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

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

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

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

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

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

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

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

**Basis of Presentation (Cont'd):**

The District reports the following proprietary funds:

**Enterprise Fund** - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's enterprise funds are the cafeteria and after school care.

Additionally, the District reports the following fund type:

**Fiduciary Funds** - The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Payroll Agency Fund, Unemployment Compensation Scholarship Fund and Student Activities.

**Basis of Accounting:**

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

**District-Wide, Proprietary, and Fiduciary Fund Financial Statements:** The District-wide financial statements are prepared using the accrual basis of accounting. The flow of economic resources measurement focus is used for the government-wide financial statements, proprietary funds and fiduciary funds. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable". The County Board of Taxation is responsible for the assessment of taxes and the Township Tax Collector is responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

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

**Basis of Accounting: (Cont'd)**

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

The financial statements of the 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.

**C. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office and are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting, except for Special Revenue Fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C 6A:23A-16.2(f).

All budget amendments/transfers must be approved by Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally-authorized revisions of the annual budgets during the year).

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

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

**C. Budgets/Budgetary Control:(Cont'd)**

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

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.

Exhibit C-3 presents a reconciliation of the General Fund revenues and Special Revenue Fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules - General and Special Revenue Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types. Note that the District does not report encumbrances outstanding at year-end as expenditures in the General Fund since the General Fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment.

**D. Encumbrance Accounting:**

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

Open encumbrances in the Special Revenue Fund, for which the District has received advances are reflected in the Balance Sheet as unearned revenues at fiscal year-end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

**E. Assets, Liabilities, and Equity:**

**Interfund Transactions:**

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



Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

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

**Interfund Transactions:**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses to the funds that initially paid for them are not presented on the financial statements.

**Inventories:**

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

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

**Deferred Outflows/Inflows of Resources:**

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

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

**Capital Assets:**

The District has an established formal system of accounting for its Capital Assets. Purchased or constructed Capital Assets are reported at cost. Donated Capital Assets are valued at their acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

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

Capital Assets: (Cont'd)

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

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

Compensated Absences:

The Districts accounts for Compensated Absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Board. A liability for Compensated Absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and the employee is accrued as the employees earn the rights to the benefits.

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

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

The liability for vested compensated absences of the proprietary fund-types is recorded within those funds as the benefits accrue to employees.

Unearned Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance fiscal year 2020 operations, have been recorded as unearned revenue. Grants and entitlement received before the eligibility requirements are met are also recorded as unearned revenue.

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

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

**Accrued Liabilities and Long-Term Obligations:**

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

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straightline method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**Net Position:**

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

**Fund Balance Reserves:**

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

**Nonspendable** - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.

**Restricted** - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

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

**Fund Balance Reserves (Cont'd):**

Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.

Assigned - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.

Unassigned - includes all spendable amounts not contained in the other classifications

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

**Revenues - Exchange and Nonexchange Transactions:**

Revenue resulting from Exchange Transactions, in which each party gives and receives essentially equal value, is recorded on the actual accrual basis when the Exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District available means within sixty days of the fiscal year-end.

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

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

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

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

**Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service, before and after care program and supplemental services. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund. All items not meeting this definition are reported as nonoperating revenues and expenses.

**Allocation of Indirect Expenses:**

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

**Extraordinary and Special Items:**

Extraordinary Items are transactions or events that are unusual in nature and infrequent in occurrence. Special Items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**Management Estimates:**

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

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

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

F. GASB Pronouncements

**Recently Issued Accounting Pronouncements to be implemented in future years**

Statement No. 84, *Fiduciary Activities* in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2018. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2019. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2018. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 91, *Conduit Debt Obligations*, The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for reporting periods beginning after December 15, 2020. Management has not yet determined the potential impact on the School District's financial statements.

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

**2. Capital Reserve Account**

A Capital Reserve Account was established by the Brick Township Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Capital Reserve Account are restricted to Capital Projects in the District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a District may increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes or by transfer by Board Resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the excess approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C 6:23A-5.1(d)7, the balance in the Account cannot at any time exceed the local support costs of uncompleted Capital Projects in its approved LRFP.

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

Beginning Balance July 01, 2018	\$ 797
Add:	
Increase per Resolution	2,181,827
Interest Earnings	<u>5,781</u>
Ending Balance, June 30, 2019	\$ <u><u>2,188,405</u></u>

The June 30, 2019 LRFP balance of local support costs of uncompleted Capital Projects is greater than the capital reserve balance. The withdrawals were for DOE approved facilities projects.

**3. Transfers to Capital Outlay**

During the year ending June 30, 2019, the District had no transfers from the Capital Projects Account for underspending of the DOE approved facilities projects.

**4. Deposits and Investments**

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

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

4. Deposits and Investments (Cont'd)

Deposits

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

Type	Carrying Value
Deposits	
Demand Deposits	\$ 18,322,152
Total Deposits	<u>\$ 18,322,152</u>

The District's Cash & Cash Equivalents are Reported as Follows:

Governmental Activities	\$ 15,100,806
Business-Type Activities	577,347
Fiduciary Funds	<u>2,643,999</u>
Total Cash & Cash Equivalents	<u>\$ 18,322,152</u>

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the Risk that, in the event of a bank failure, the Board's deposit might not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$ 250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

At June 30, 2019, the Board's bank balances of \$20,992,381 were exposed to Custodial Credit Risk as follows:

	<u>2019</u>
FDIC Insured	\$ 250,000
GUDPA Protected	<u>20,742,381</u>
	<u>\$ 20,992,381</u>



Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

**4. Deposits and Investments (Cont'd)**

Investments

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

As of June 30, 2019, the Board had no investments.

Credit Risk

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

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

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

**5. Receivables**

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

	Governmental Fund Financial Statements	District-Wide Financial Statements
State Aid	\$ 1,538,681	\$ 1,541,431
Federal Aid	557,191	691,673
Other	546,619	564,141
Interfunds	<u>175,803</u>	<u>-</u>
	2,818,294	2,797,245
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 2,818,294</u>	<u>\$ 2,797,245</u>

**6. Interfund Balances and Transfers**

The Special Revenue Fund owed the General Fund \$175,803 at June 30, 2019 for cash advances.

The Capital Projects Fund transferred the balance remaining in the lease cash account to the General Fund to make the final lease payment.

**7. Inventory**

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

Food	\$ 16,579
Supplies	<u>4,721</u>
	<u>\$ 21,300</u>

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

**8. Capital Assets**

Capital Assets consisted of the following at June 30, 2019.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 5,718,560	\$ -	\$ -	\$ 5,718,560
Construction in Progress	<u>400,325</u>	<u>1,096,576</u>	<u>(400,325)</u>	<u>1,096,576</u>
Total Capital Assets Not Being Depreciated	<u>6,118,885</u>	<u>1,096,576</u>	<u>(400,325)</u>	<u>6,815,136</u>
Capital Assets Being Depreciated				
Site Improvements	14,851,097	409,411	-	15,260,508
Building and Building Improvements	106,867,846	1,407,442	-	108,275,288
Machinery and Equipment	<u>23,218,916</u>	<u>856,204</u>	<u>(688,470)</u>	<u>23,386,650</u>
Totals at Historical Cost	<u>144,937,859</u>	<u>2,673,057</u>	<u>(688,470)</u>	<u>146,922,446</u>
Less Accumulated Depreciation for:				
Site Improvements	(6,230,906)	(402,945)	-	(6,633,851)
Building and Building Improvements	(77,931,044)	(2,113,278)	-	(80,044,322)
Machinery and Equipment	<u>(18,943,350)</u>	<u>(816,740)</u>	<u>686,478</u>	<u>(19,073,612)</u>
Total Accumulated Depreciation	<u>(103,105,300)</u>	<u>(3,332,963)</u>	<u>686,478</u>	<u>(105,751,785)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>41,832,559</u>	<u>(659,906)</u>	<u>(1,992)</u>	<u>41,170,661</u>
Government Activity Capital Assets, Net	<u>\$ 47,951,444</u>	<u>\$ 436,670</u>	<u>\$ (402,317)</u>	<u>\$ 47,985,797</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	\$ 1,169,816	108,381	(13,413)	\$ 1,264,784
Less Accumulated Depreciation	<u>(884,946)</u>	<u>(32,060)</u>	<u>13,413</u>	<u>(903,593)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 284,870</u>	<u>\$ 76,321</u>	<u>\$ -</u>	<u>\$ 361,191</u>

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

**8. Capital Assets (Cont'd)**

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 2,261,348
Student and Instruction Related Services	55,111
General Administration Services	457,747
Transportation	339,871
Operations and Maintenance	<u>218,886</u>
Total	<u>\$ 3,332,963</u>

**9. Long-Term Obligations**

**A. Long-Term Obligation Activity:**

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

	Balance July 01, 2018	Increases	Decreases	Balance June 30, 2019	Amounts Due Within One Year
<u>Governmental Activities:</u>					
Bonds Payable	\$ 8,484,000	\$ 3,985,000	\$ (5,810,000)	\$ 6,659,000	\$ 1,950,000
Add: Bond Premiums	<u>351,035</u>	<u>82,847</u>	<u>(351,035)</u>	<u>82,847</u>	<u>-</u>
Total Bonds Payable	8,835,035	4,067,847	(6,161,035)	6,741,847	1,950,000
PERS Pension liability	54,442,058	-	(8,984,522)	45,457,536	-
Compensated Absences Payable	5,472,072	363,348	(85,000)	5,750,420	-
Capital Lease/Purchase Agreements	<u>4,678,562</u>	<u>643,296</u>	<u>(3,362,928)</u>	<u>1,958,930</u>	<u>1,022,834</u>
	<u>\$ 73,427,727</u>	<u>\$ 5,074,491</u>	<u>\$ (18,593,485)</u>	<u>\$ 59,908,733</u>	<u>\$ 2,972,834</u>
<u>Business-Type Activities:</u>					
Compensated Absences Payable	<u>\$ 84,460</u>	<u>\$ -</u>	<u>\$ (4,888)</u>	<u>\$ 79,572</u>	<u>\$ -</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. PERS pension liability, compensated absences payable and capital lease/purchase agreements are liquidated by the general fund.

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

**9. Long-Term Obligations (Cont'd)**

**A. Long-Term Obligation Activity (Cont'd):**

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bondholders are willing to accept a lower interest rate than they would taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The Federal Tax Code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the Federal Government based on requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally-allowable returns.

Rebatable arbitrage liabilities related to the District debt are not recorded in governmental funds. There is no recognition in the Balance Sheet or Income Statement until rebatable amounts are due and payable to the Federal Government.

The District currently has no bond proceed funds invested subjecting them to arbitrage.

**B. Debt Service Requirements:**

Bonds are authorized in accordance with State law by the voters of the municipality(ies) through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

On July 25, 2007, the District issued \$4,439,000 general obligation bonds at interest rates varying from 4.10% to 4.352% for various construction and renovation projects. The final maturity of these bonds is July 15, 2022. The bonds will be paid from property taxes. The bonds may be called after July 15, 2018.

On October 7, 2008, the District issued \$5,130,000 refunding bonds at interest rates varying from 3.0% to 4.167% for the purpose of refunding outstanding callable principal bonds that were dated August 1, 1996. The final maturity of these bonds is January 1, 2018. The bonds will be paid from property taxes.

On August 26, 2009, the District issued \$13,235,000 refunding bonds at interest rates varying from 2.0% to 5.0% for the purpose of refunding outstanding callable principal bonds that were dated February 1, 2002. The final maturity of these bonds is February 1, 2022. The bonds will be paid from property taxes. These bonds were refunded in May 2019.

On March 30, 2010, the District issued \$2,400,000 general obligation bonds at interest rates varying from 2.25% to 3.5% for various construction and renovation projects. The final maturity of these bonds is March 1, 2025. The bonds will be paid from property taxes. The bonds may be called after March 1, 2020.

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

**9. Long-Term Obligations (Cont'd)**

**B. Debt Service Requirements: (Cont'd)**

On May 30, 2019, the District issued \$3,985,000 refunding bonds at interest rates varying from 2.0% to 3.0% for the purpose of refunding outstanding callable principal bonds that were dated August 26, 2009. The final maturity of these bonds is February 1, 2022. The bonds will be paid from property taxes.

Debt Service Requirements on serial bonds payable at June 30, 2019 are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,950,000	\$ 163,269	\$ 2,113,269
2021	1,885,000	149,159	2,034,159
2022	1,865,000	87,946	1,952,946
2023	574,000	27,273	601,273
2024	190,000	13,238	203,238
2025	195,000	6,825	201,825
	<u>\$ 6,659,000</u>	<u>\$ 447,710</u>	<u>\$ 7,106,710</u>

**C. Bonds Authorized But Not Issued**

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

**D. Capital Leases/Purchase Agreements**

The District is leasing equipment, buses and textbooks under capital leases. The capital leases do not exceed five years. The following is a schedule of the remaining future minimum lease payments under the capital leases and the present value of the net minimum lease payments at June 30, 2019:

Year ending June 30,	
2020	\$ 1,060,305
2021	599,436
2022	233,863
2023	138,859
Total minimum lease payments	2,032,463
Less: Amounts representing interest	(73,533)
Present value of lease payments	<u>\$ 1,958,930</u>

Amortization of the leased equipment and improvements under capital assets is included with depreciation expense.

**E. Loans Payable**

No loans payable at June 30, 2019.

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

10. Pension Plans

**A. Public Employees' Retirement System (PERS)**

**Plan Description** - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/financial-reports.shtml](http://www.state.nj.us/treasury/pensions/financial-reports.shtml).

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

The following represents the membership tiers for PERS:

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

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

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

10. Pension Plans (Cont'd)

**A. Public Employees' Retirement System (PERS) (Cont'd)**

**Contributions** - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount. The District's PERS pension contribution was \$2,331,041 for June 30, 2019.

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

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At**

June 30, 2019, the School District reported a liability of \$45,457,536 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, to the measurement date of June 30, 2018. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The School District's proportion measured as of June 30, 2018, was .2308719501%, which was a decrease of .0030017439% from its proportion measured as of June 30, 2017.



Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

10. Pension Plans (Cont'd)

**A. Public Employees' Retirement System (PERS) (Cont'd)**

For the year ended June 30, 2019, the School District recognized full accrual pension expense of \$4,628,467 in the government-wide financial statements consisting of employer contributions of \$2,296,430 and non-employer contributions of \$2,097,654. This pension expense was based on the pension plans June 30, 2018 measurement date. At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 866,882	\$ 234,394
Changes of assumptions	7,490,649	14,534,903
Net difference between projected and actual earnings on pension plan investments	-	426,394
Changes in proportion and differences between District contributions and proportionate share of contributions	180,894	1,448,350
District contributions subsequent to the measurement date	2,331,041	-
Total	<u>\$ 10,869,466</u>	<u>\$ 16,644,041</u>

\$2,331,041 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2018-2019 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2020 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$ 373,977
2020	(517,775)
2021	(3,712,873)
2022	(3,218,376)
2023	(1,030,567)
Thereafter	-
Total	<u>\$ (8,105,614)</u>

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

10. Pension Plans (Cont'd)

**A. Public Employees' Retirement System (PERS) (Cont'd)**

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

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

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

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

10. Pension Plans (Cont'd)

**A. Public Employees' Retirement System (PERS) (Cont'd)**

**Actuarial Assumptions** - The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following assumptions:

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

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

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

10. Pension Plans (Cont'd)

**A. Public Employees' Retirement System (PERS) (Cont'd)**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranged of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

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

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

10. Pension Plans (Cont'd)

**A. Public Employees' Retirement System (PERS) (Cont'd)**

**Discount Rate**

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2017 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>1% Decrease (4.66%)</b>	<b>Current Discount Rate (5.66%)</b>	<b>1% Increase (6.66%)</b>
District's proportionate share of the net pension liability	57,157,614	45,457,536	35,641,919

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

	<b><u>6/30/19</u></b>	<b><u>6/30/18</u></b>
Collective Deferred Outflows of Resources	(2,961,883,924)	723,829,861
Collective Deferred Inflows of Resources	-	-
Collective Net Pension Liability	19,689,501,539	23,278,401,588
School District's Portion	.2308719501%	.2338736940%

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

10. Pension Plans (Cont'd)

**B. Teachers' Pension and Annuity (TPAF)**

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

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

The following represents the membership tiers for TPAF:

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

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

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

10. Pension Plans (Cont'd)

**B. Teachers' Pension and Annuity (TPAF) (Cont'd)**

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A. 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A. 18A:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the School District.

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2018 was \$387,820,497. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2018, the State proportionate share of the TPAF net pension liability attributable to the School District was .6096095435%, which was a decrease of .0079470020% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the State of New Jersey recognized a pension expense in the amount of \$12,231,175 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2018 measurement date.

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

10. Pension Plans (Cont'd)

**B. Teachers' Pension and Annuity (TPAF) (Cont'd)**

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

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

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

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**Long-term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranged of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:



Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

10. Pension Plans (Cont'd)

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

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

**Discount Rate** - The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

10. Pension Plans (Cont'd)

**B. Teachers' Pension and Annuity (TPAF) (Cont'd)**

**Sensitivity of the Collective Net Pension Liability  
to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2018 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>1% Decrease (3.86%)</b>	<b>Current Discount Rate (4.86%)</b>	<b>1% Increase (5.86%)</b>
State's proportionate share of the net pension liability	459,754,683	387,820,497	330,290,494

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

**Defined Contribution Retirement Plan (DCRP)**

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

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

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

10. Pension Plans (Cont'd)

**Defined Contribution Retirement Plan (DCRP) (Cont'd)**

The District's contributions to the DCRP for June 30, 2019 were \$99,952. There was no liability for unpaid contributions at June 30, 2019.

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

11. Post-Retirement Benefits

**General Information about the OPEB Plan**

**Plan description and benefits provided**

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

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

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

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

**Employees covered by benefit terms**

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

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

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

11. Post-Retirement Benefits (Cont'd)

**Total Nonemployer OPEB Liability**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State's CAFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>).

**Actuarial assumptions and other imputes**

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

Inflation Rate	2.5%
Salary Increases through 2026	PERS 2.15%-4.15%
	PFRS 2.1%-8.98%
	TPAF 1.55%-4.55%
Salary Increases after 2026	PERS 3.15%-5.15%
	PFRS 3.1%-9.98%
	TPAF 2.0%-5.45%
Discount Rate	3.58%
Healthcare Cost Trend Rates	4.5%-5.9%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

Preretirement mortality rates were based on the RP-2014 Headcount-weighted Healthy Employee Male/Female Mortality Table with Fully Generational Mortality Improvement projections from the central year using Scale MP-2017. Postretirement mortality rates were based on the RP-2014 Headcount-weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. The disabled mortality was based on the RP-2014 Headcount-weighted Male/Female mortality table with fully generational improvement projects from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for PERS-June 30, 2014; TPAF-June 30, 2016 and PFRS-June 30, 2014.

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

11. Post-Retirement Benefits (Cont'd)

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

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

Discount rate

The discount rate as of June 30, 2016, 2017, and 2018 are 2.85%, 3.58% and 3.87% respectively. This represents the municipal bond rate chosen by the State of New Jersey Division of Pension and Benefits. The source is the Bond Buyer Go 20-Bond municipal bond index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

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

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

	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
Total OPEB Liability of the State for School Retirees	\$54,512,391,175	\$46,110,832,982	\$39,432,461,816
Total OPEB Liability of the State Associated with the School District for School Retirees	\$404,834,518	\$342,440,607	\$292,843,907

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

11. Post-Retirement Benefits (Cont'd)

**Health Care Trend Assumptions**

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

**Sensitivity of the total OPEB liability to changes in healthcare cost trend rates**

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

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability of the State for School Retirees	\$38,113,289,045	\$46,110,832,982	\$56,687,891,003
Total OPEB Liability of the State Associated with the School District for School Retirees	\$283,047,092	\$342,440,607	\$420,990,798

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

For the year ended June 30, 2019, the board of education recognized OPEB expense of \$5,548,042 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

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

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

11. Post-Retirement Benefits (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (4,476,086,167)
Changes of assumptions	-	(10,335,978,867)
Contributions made in fiscal year ending 2018 after June 30, 2017 measurement date	-	-
Total	\$ <u>-</u>	\$ <u>(14,812,065,034)</u>

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

Year ended June 30:	
2018	\$ (1,825,218,593)
2019	(1,825,218,593)
2020	(1,825,218,593)
2021	(1,825,218,593)
2022	(1,825,218,593)
Thereafter	<u>(5,685,972,069)</u>
Total	\$ <u>(14,812,065,034)</u>

12. Deferred Compensation

The Board offers its employees a choice of Deferred Compensation Plans created in accordance with Internal Revenue Code Section 403(b) and 457. The Plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the Plans are not available to employees until termination, retirement, death or unforeseeable emergency. The Plan administrators are as follows:

VALIC  
Ameriprise Financial Services

AXA Equitable  
Met life Resources

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

13. Risk Management

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

**Self Insurance Plan** -The District has several self- insurance policies of which certain actuarial assumptions are used by the insurance carrier to calculate "Incurred but not reported" (IBNR) amounts at year-end. Such amounts are reflected in the Government-wide Financial Statements as liabilities. At June 30, 2019 the resultant IBNR was \$295,324.

**Joint Insurance Pool** - The District is a member of the New Jersey Schools Insurance Group Joint Insurance Fund. The Fund provides its members with coverage for Property, Comprehensive General Liability, Boiler and Machinery, Crime, Automobile and Environmental Impairment Liability. Contributions to the Fund, including a reserve for contingencies are based on actuarial assumptions. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. There have been no significant changes in insurance coverage from the prior year.

The Fund publishes its own financial report for the fiscal year ended June 30, 2019, which can be obtained from:

New Jersey Schools Insurance Group  
6000 Midlantic Drive  
Suite 300 North  
Mount Laurel, NJ 08054

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018 / 2019	\$ 183,031	\$ -	\$ (122,943)	\$ 2,130,898
2017 / 2018	151,494	-	(26,723)	2,070,810
2016 / 2017	129,041	-	(92,556)	1,946,039

14. Contingent Liabilities

**Grant Programs**

The school district participates in federal awards and state financial assistance grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.



Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

**15. Fund Balances**

General Fund - Of the \$8,731,545 General Fund balance at June 30, 2019, \$417,457 of encumbrances is assigned to other purposes, \$2,188,405 is restricted for capital reserve, \$- is restricted for maintenance reserve, \$- is restricted for the emergency reserve, \$295,324 is restricted for excess surplus for subsequent year expenditures, \$2,938,767 has been classified as assigned fund balance designated for subsequent year expenditures, \$1,860,191 is restricted for excess surplus and \$1,031,401 is unassigned.

**16. 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 Restricted 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 balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess surplus balance at June 30, 2019 is \$1,860,191. The excess surplus balance at June 30, 2018 is \$295,324.

**17. Uncertain Tax Positions**

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

**18. Subsequent Events**

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

Brick Township Board of Education

Notes to Financial Statements

For the Year Ended June 30, 2019

**19. Tax Abatement**

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

**20. Economic Dependency**

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

## REQUIRED SUPPLEMENTARY INFORMATION - PART II

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2019**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	107,261,323	-	107,261,323	107,261,323	-
Tuition from Individuals	142,000	-	142,000	6,993	(135,007)
Tuition from other LEAs within state	141,800	-	141,800	193,862	52,062
Transportation Fees from Individuals	-	-	-	18,500	18,500
Transportation Fees from Other LEAs	49,000	-	49,000	34,830	(14,170)
Interest earned on capital reserve funds	-	-	-	5,781	5,781
Interest Income	30,010	-	30,010	511,096	481,086
Rents and Royalties	405,467	(500)	405,967	476,432	70,465
Sale of Property	14,000	14,000	-	6,066	6,066
Private Contributions	-	-	-	8,725	8,725
Miscellaneous	567,404	(13,500)	580,904	569,783	(11,121)
Total - local sources	<u>108,611,004</u>	<u>-</u>	<u>108,611,004</u>	<u>109,093,391</u>	<u>482,387</u>
State sources:					
Transportation aid	4,922,064	-	4,922,064	4,922,064	-
Extraordinary aid	900,000	-	900,000	1,373,308	473,308
Other state aids	-	-	-	602	602
Special education categorical aid	5,784,673	-	5,784,673	5,784,673	-
Equalization aid	9,463,269	-	9,463,269	9,463,269	-
Categorical security aid	1,672,094	-	1,672,094	1,672,094	-
Adjustment aid	14,213,519	1,913,022	12,300,497	12,300,497	-
Non-public transportation aid	-	-	-	150,441	150,441
TPAF - LTDI (on-behalf - Non-budgeted)	-	-	-	9,004	9,004
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	5,548,042	5,548,042
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	12,231,175	12,231,175
TPAF social security (reimbursed - Non-budgeted)	-	-	-	4,628,467	4,628,467
Total state sources	<u>36,955,619</u>	<u>1,913,022</u>	<u>35,042,597</u>	<u>58,083,636</u>	<u>23,041,039</u>
Federal Sources:					
Medicaid Reimbursement	236,786	-	236,786	341,164	104,378
Total federal sources	<u>236,786</u>	<u>-</u>	<u>236,786</u>	<u>341,164</u>	<u>104,378</u>
<b>Total revenues</b>	<u>145,803,409</u>	<u>1,913,022</u>	<u>143,890,387</u>	<u>167,518,191</u>	<u>23,627,804</u>
<b>EXPENDITURES:</b>					
<b>Current Expenditures:</b>					
<b>Regular Programs - Instruction:</b>					
Preschool/Kindergarten - Salaries of teachers	1,813,057	(81,709)	1,731,348	1,691,657	39,691
Grades 1-5 - Salaries of teachers	12,421,499	(112,864)	12,308,635	12,004,247	304,388
Grades 6-8 - Salaries of teachers	8,664,468	42,500	8,706,968	8,560,761	146,207
Grades 9-12 - Salaries of teachers	13,143,861	(44,649)	13,099,212	12,937,598	161,614
<b>Regular Programs - Home Instruction:</b>					
Salaries of teachers	91,000	(13,398)	77,602	68,845	8,757
Purchased professional-educational services	100,000	-	100,000	43,797	56,203
<b>Regular Programs - Undistributed Instruction:</b>					
Purchased professional-educational services	1,160,000	(5,139)	1,154,861	1,154,861	-
Purchased professional technical services	81,100	(2,890)	78,210	73,110	5,100
Other purchased services (400-500 series)	2,084,906	(92,884)	1,992,022	1,897,972	94,050
General supplies	1,471,144	(23,080)	1,448,064	1,362,208	85,856
Textbooks	338,071	(22,389)	315,682	247,114	68,568
Other objects	46,010	(1,770)	44,240	38,588	5,652
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>41,415,116</u>	<u>(358,272)</u>	<u>41,056,844</u>	<u>40,080,758</u>	<u>976,086</u>

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Cognitive Moderate:</b>					
Salaries of teachers	\$ 198,450	\$ 5,770	\$ 204,220	\$ 204,220	\$ -
Other salaries for instruction	74,598	(45,359)	29,239	29,239	-
General supplies	2,185	4,281	6,466	6,325	141
	<u>275,233</u>	<u>(35,308)</u>	<u>239,925</u>	<u>239,784</u>	<u>141</u>
<b>Cognitive Moderate:</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of teachers	2,424,930	(209,701)	2,215,229	2,198,103	17,126
Other salaries for instruction	1,050,259	(444,812)	605,447	591,628	13,819
Other Purch. Serv. (400-500 series)	3,000	(13)	2,987	1,158	1,829
General supplies	26,615	556	27,171	26,636	535
	<u>3,504,804</u>	<u>(653,970)</u>	<u>2,850,834</u>	<u>2,817,525</u>	<u>33,309</u>
<b>Learning and/or Language Disabilities:</b>					
<b>Behavioral Disabilities:</b>					
Salaries of teachers	484,086	7,999	492,085	451,513	40,572
Other salaries for instruction	144,245	47,377	191,622	188,648	2,974
Other purchased services (400-500 series)	4,000	(150)	3,850	197	3,653
General supplies	16,550	663	17,213	13,647	3,566
	<u>648,881</u>	<u>55,889</u>	<u>704,770</u>	<u>654,005</u>	<u>50,765</u>
<b>Behavioral Disabilities:</b>					
<b>Multiple Disabilities:</b>					
Salaries of teachers	804,939	154,199	959,138	941,017	18,121
Other salaries for instruction	358,309	(259,615)	98,694	80,601	18,093
Other Purch. Serv. (400-500 series)	-	1,799	1,799	1,799	-
General supplies	14,325	29,072	43,397	43,206	191
	<u>1,177,573</u>	<u>(74,545)</u>	<u>1,103,028</u>	<u>1,066,623</u>	<u>36,405</u>
<b>Multiple Disabilities:</b>					
<b>Resource Room/Resource Center:</b>					
Salaries of teachers	8,154,200	(94,881)	8,059,319	7,768,072	291,247
Other salaries for instruction	750,473	(278,910)	471,563	435,857	35,706
Other Purch. Serv. (400-500 series)	-	12,000	12,000	12,000	-
General supplies	38,640	1,984	40,624	40,498	126
	<u>8,943,313</u>	<u>(359,807)</u>	<u>8,583,506</u>	<u>8,256,427</u>	<u>327,079</u>
<b>Total Resource Room/Resource Center</b>					
<b>Disabilities-Autism:</b>					
Other salaries for instruction	-	2,745	2,745	2,726	19
Other purchased services (400-500 series)	-	2,597	2,597	2,597	-
General supplies	-	2,820	2,820	1,820	1,000
	<u>-</u>	<u>8,162</u>	<u>8,162</u>	<u>7,143</u>	<u>1,019</u>
<b>Total Disabilities-Autism</b>					
<b>Preschool Disabilities - Part Time</b>					
Salaries of teachers	423,802	(17,218)	406,584	261,682	144,902
Other salaries for instruction	143,428	158,023	301,451	194,387	107,064
General supplies	2,300	(1,219)	1,081	1,081	-
	<u>569,530</u>	<u>139,586</u>	<u>709,116</u>	<u>457,150</u>	<u>251,966</u>
<b>Total Preschool Disabilities - Part Time</b>					
<b>Preschool Disabilities - Full Time</b>					
Salaries of teachers	147,120	34,707	181,827	181,827	-
Other salaries for instruction	71,040	144,166	215,206	215,206	-
Other Purch. Serv. (400-500 series)	-	1,000	1,000	1,000	-
General supplies	21,775	18,522	40,297	39,353	944
	<u>239,935</u>	<u>198,395</u>	<u>438,330</u>	<u>437,386</u>	<u>944</u>
<b>Total Preschool Disabilities - Full Time</b>					
<b>Home Instruction:</b>					
Salaries of teachers	90,000	1,341	91,341	70,243	21,098
Purchased Prof Ed Services	80,000	-	80,000	63,301	16,699
	<u>170,000</u>	<u>1,341</u>	<u>171,341</u>	<u>133,544</u>	<u>37,797</u>
<b>Total Home Instruction</b>					
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>15,529,269</u>	<u>(720,257)</u>	<u>14,809,012</u>	<u>14,069,587</u>	<u>739,425</u>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of teachers	2,343,126	(67,586)	2,275,540	2,181,037	94,503
Other Purch. Serv. (400-500 series)	-	471	471	-	471
General Supplies	9,450	(337)	9,113	8,223	890
	<u>2,352,576</u>	<u>(67,452)</u>	<u>2,285,124</u>	<u>2,189,260</u>	<u>95,864</u>
<b>Total Basic Skills/Remedial - Instruction</b>					
<b>Bilingual Education - Instruction</b>					
Salaries of teachers	1,044,525	40,138	1,084,663	1,080,554	4,109
Other Salaries for Instruction	53,650	1,748	55,398	55,398	-
General Supplies	6,350	-	6,350	6,127	223
	<u>1,104,525</u>	<u>41,886</u>	<u>1,146,411</u>	<u>1,142,079</u>	<u>4,332</u>
<b>Total Bilingual Education - Instruction</b>					

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>School-Spon. Cocurricular Activities - Instruction</b>					
Salaries	\$ 267,352	\$ 7,600	\$ 274,952	\$ 269,907	\$ 5,045
Purchased services(300-500 series)	47,750	(1,700)	46,050	40,262	5,788
Supplies and materials	59,904	9,447	69,351	65,214	4,137
Other objects	5,640	(330)	5,310	2,579	2,731
<b>Total School-Spon. Cocurricular Actvts. - Instruction</b>	<b>380,646</b>	<b>15,017</b>	<b>395,663</b>	<b>377,962</b>	<b>17,701</b>
<b>School-Spon. Athletics - Instruction</b>					
Salaries	1,348,194	22,800	1,370,994	1,355,771	15,223
Purchased services (300-500 series)	227,395	(10,610)	216,785	196,324	20,461
Supplies and materials	205,299	14,809	220,108	209,101	11,007
Other objects	78,319	7,281	85,600	81,723	3,877
<b>Total School-Spon. Cocurricular Actvts. - Instruction</b>	<b>1,859,207</b>	<b>34,280</b>	<b>1,893,487</b>	<b>1,842,919</b>	<b>50,568</b>
<b>Total Instruction</b>	<b>62,641,339</b>	<b>(1,054,798)</b>	<b>61,586,541</b>	<b>59,702,565</b>	<b>1,883,976</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to other LEAs within the state - regular	89,900	30,368	120,268	101,522	18,746
Tuition to other LEAs within the state - special	373,839	16,926	390,765	390,765	-
Tuition to Co. Voc. School Distr. - regular	265,950	-	265,950	255,450	10,500
Tuition to CSSD & Reg Day School	658,243	63,407	721,650	670,849	50,801
Tuition to Priv. Sch. For Handic. in state	5,416,827	(243,616)	5,173,211	4,819,070	354,141
Tuition to Priv. Sch. For Handic. Out of state	78,566	(5,599)	72,967	-	72,967
Tuition - State Facilities	135,794	-	135,794	135,794	-
Tuition - Other	4,000	10,964	14,964	13,398	1,566
<b>Total Undistributed Expenditures - Instruction:</b>	<b>7,023,119</b>	<b>(127,550)</b>	<b>6,895,569</b>	<b>6,386,848</b>	<b>508,721</b>
<b>Undist. Expend. - Attendance and Social Work</b>					
Salaries	1,064,089	17,779	1,081,868	1,020,362	61,506
Supplies and materials	3,550	3	3,553	2,814	739
<b>Total Undistributed Expenditures - Attendance and Social Work</b>	<b>1,067,639</b>	<b>17,782</b>	<b>1,085,421</b>	<b>1,023,176</b>	<b>62,245</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	1,270,160	12,835	1,282,995	1,214,062	68,933
Purchased professional and technical services	43,000	8,473	51,473	50,943	530
Other Purchd. Serv. (400-500 series)	13,335	(2,542)	10,793	4,269	6,524
Supplies and materials	39,703	(3,050)	36,653	32,291	4,362
<b>Total Undistributed Expenditures - Health Services</b>	<b>1,366,198</b>	<b>15,716</b>	<b>1,381,914</b>	<b>1,301,565</b>	<b>80,349</b>
<b>Undist. Expend. - Other Support Serv - Students Related Service</b>					
Salaries	2,605,761	-	2,605,761	2,480,865	124,896
Purchased professional - educational services	158,644	116,554	275,198	247,430	27,768
Supplies and materials	21,875	12,091	33,966	33,713	253
<b>Total Undist. Expend. - Other Support Serv - Students Related Service</b>	<b>2,786,280</b>	<b>128,645</b>	<b>2,914,925</b>	<b>2,762,008</b>	<b>152,917</b>
<b>Undist. Expend. - Other Support Services - Students - Extraordinary Services</b>					
Salaries	1,476,757	733,637	2,210,394	2,196,051	14,343
Purchased Prof. Ed. Services	1,085,877	(60,884)	1,024,993	707,056	317,937
Supplies and materials	7,330	5,197	12,527	9,925	2,602
Other objects	198,106	24,480	222,586	222,586	-
<b>Total Undist. Expend. - Other Support Services Students - Extraordinary S</b>	<b>2,768,070</b>	<b>702,430</b>	<b>3,470,500</b>	<b>3,135,618</b>	<b>334,882</b>
<b>Undist. Expend. - Other Support Serv Students-Regular</b>					
Salaries of other professional staff	1,506,131	11,103	1,517,234	1,504,181	13,053
Salaries of secretarial and clerical assistants	201,438	336	201,774	192,773	9,001
Other salaries	7,310	-	7,310	4,770	2,540
Other purchased services (400-500 series)	24,560	500	25,060	16,398	8,662
Supplies and materials	11,576	(555)	11,021	7,809	3,212
Other objects	14,403	31	14,434	12,738	1,696
<b>Total Undist. Expend. - Other Support Serv - Students-Regular</b>	<b>1,765,418</b>	<b>11,415</b>	<b>1,776,833</b>	<b>1,738,669</b>	<b>38,164</b>
<b>Undist. Expend. - Other Support Serv - Students-Special</b>					
Salaries of other professional staff	2,427,553	(20,624)	2,406,929	2,406,772	157
Salaries of secretarial and clerical assistants	346,978	2,026	349,004	334,270	14,734
Purchased Prof. Ed. Services	207,640	(44,255)	163,385	119,599	43,786
Misc Purchases Services (400-500 series O/than Residential Costs)	166,154	(78,226)	87,928	82,479	5,449
Supplies and materials	66,305	(4,328)	61,977	51,132	10,845
Other objects	500	-	500	500	-
<b>Total Undist. Expend. - Other Supp Services - Students-Special</b>	<b>3,215,130</b>	<b>(145,407)</b>	<b>3,069,723</b>	<b>2,994,752</b>	<b>74,971</b>

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr</b>					
Salaries of supervisor of instruction	\$ 813,601	\$ -	\$ 813,601	\$ 700,842	\$ 112,759
Salaries of professional staff	662,143	(250,043)	412,100	407,955	4,145
Sal Secr. & Clerical Asst.	164,328	(9,222)	155,106	125,562	29,544
Other Salaries	30,000	-	30,000	5,775	24,225
Other purchased services (400-500)	18,900	-	18,900	5,562	13,338
Supplies and materials	2,500	1,647	4,147	3,955	192
Other objects	700	110	810	810	-
<b>Total Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr</b>	<b>1,692,172</b>	<b>(257,508)</b>	<b>1,434,664</b>	<b>1,250,461</b>	<b>184,203</b>
<b>Undist. Expend. - Educational Media Services/School Library</b>					
Salaries	782,121	18,078	800,199	800,199	-
Other purchased services (400-500)	15,000	1,696	16,696	16,327	369
Supplies and materials	40,805	5,308	46,113	44,204	1,909
Other objects	35,772	(2,417)	33,355	32,530	825
<b>Total Undist. Expend. - Educational Media Services/School Library</b>	<b>873,698</b>	<b>22,665</b>	<b>896,363</b>	<b>893,260</b>	<b>3,103</b>
<b>Undist. Expend. - Instruction Staff Training Services</b>					
Salaries of other professional staff	93,810	1,000	94,810	94,810	-
Other Salaries	18,816	5,964	24,780	15,456	9,324
Other purchased services (400-500)	51,100	63,800	114,900	103,991	10,909
Supplies and materials	1,000	-	1,000	31	969
<b>Total Undist. Expend. - Instruction Staff Training Services</b>	<b>164,726</b>	<b>70,764</b>	<b>235,490</b>	<b>214,288</b>	<b>21,202</b>
<b>Undist. Expend. - Support Service - General Administration</b>					
Salaries	266,800	1,536	268,336	268,336	-
Legal services	471,525	(46,176)	425,349	388,032	37,317
Audit Fees	43,500	-	43,500	43,500	-
Architectural/Engineering Services	3,500	38,020	41,520	39,200	2,320
Communications/Telephone	25,100	8,527	33,627	32,507	1,120
BOE Other purchased services	4,100	(146)	3,954	3,709	245
Other purchased services (400-500 series)	43,155	1,337	44,492	42,532	1,960
General supplies	8,825	5,921	14,746	11,913	2,833
Judgements Agst. School Dist.	25,000	29,059	54,059	54,059	-
Miscellaneous expenditures	5,650	2,300	7,950	6,831	1,119
BOE membership dues and fees	25,350	-	25,350	25,330	20
<b>Total Undist. Expend. - Support Service - General Administration</b>	<b>922,505</b>	<b>40,378</b>	<b>962,883</b>	<b>915,949</b>	<b>46,934</b>
<b>Undist. Expend. - Support Service - School Administration</b>					
Salaries of principals/Assistant principals	3,206,642	22,591	3,229,233	3,228,936	297
Salaries of other professional staff	618,200	-	618,200	606,506	11,694
Salaries of secretarial and clerical assistants	1,011,554	14,807	1,026,361	1,021,857	4,504
Other purchased services (400-500 series)	18,743	7,951	26,694	22,999	3,695
Supplies and materials	83,460	(89)	83,371	69,609	13,762
Other objects	3,774	229	4,003	2,014	1,989
<b>Total Undist. Expend. - Support Service - School Administration</b>	<b>4,942,373</b>	<b>45,489</b>	<b>4,987,862</b>	<b>4,951,921</b>	<b>35,941</b>
<b>Undistributed Expenditures - Central Services</b>					
Salaries	1,030,498	8,859	1,039,357	1,029,105	10,252
Misc. Purchased Services	118,684	3,391	122,075	95,671	26,404
Supplies and materials	25,110	61	25,171	22,925	2,246
Miscellaneous expenditures	17,169	3,909	21,078	20,852	226
<b>Total Undist. Expend. - Central Services</b>	<b>1,191,461</b>	<b>16,220</b>	<b>1,207,681</b>	<b>1,168,553</b>	<b>39,128</b>
<b>Undist.- Admin. Info. Technology</b>					
Salaries	654,838	390	655,228	634,938	20,290
Other Purchased Services	3,440	(3,011)	429	123	306
Supplies and materials	750	-	750	667	83
Other objects	-	1,000	1,000	900	100
<b>Total Undist. Expend - Admin. Info. Technology</b>	<b>659,028</b>	<b>(1,621)</b>	<b>657,407</b>	<b>636,628</b>	<b>20,779</b>
<b>TOTAL CENT. SVCS. &amp; ADMIN IT</b>	<b>1,850,489</b>	<b>14,599</b>	<b>1,865,088</b>	<b>1,805,181</b>	<b>59,907</b>
<b>Undist. Expend. - Allowed Maintenance for School Facilities</b>					
Salaries	1,047,380	543	1,047,923	1,030,853	17,070
Cleaning, repair and maintenance services	505,430	41,994	547,424	493,172	54,252
Travel	-	4,564	4,564	4,553	11
General supplies	389,426	(55,516)	333,910	330,944	2,966
Other objects	11,099	(7,085)	4,014	3,986	28
<b>Total Undist. Expend. - Allowed Maintenance for School Facilities</b>	<b>1,953,335</b>	<b>(15,500)</b>	<b>1,937,835</b>	<b>1,863,508</b>	<b>74,327</b>

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Other Operation &amp; Maintenance of Plant</b>					
Salaries	\$ 3,217,826	\$ (72,328)	\$ 3,145,498	\$ 3,054,191	\$ 91,307
Purchased professional and technical services	74,000	25,288	99,288	90,187	9,101
Cleaning, repair and maintenance services	65,177	(7,597)	57,580	31,616	25,964
Other purchased property services	250,105	-	250,105	240,628	9,477
Insurance	621,065	(88,771)	532,294	525,926	6,368
Misc Purchased Services	8,650	(5,499)	3,151	2,419	732
General supplies	251,102	146	251,248	250,322	926
Energy (natural gas)	579,521	54,000	633,521	632,665	856
Energy (electricity)	895,036	(77,637)	817,399	785,867	31,532
<b>Total Undist Expend-Other Operation &amp; Maint Of Plant</b>	<b>5,962,482</b>	<b>(172,398)</b>	<b>5,790,084</b>	<b>5,613,821</b>	<b>176,263</b>
<b>Undist. Expend. - Care &amp; Upkeep of Grounds</b>					
Salaries	568,670	(17,227)	551,443	509,169	42,274
Cleaning, repair and maintenance services	88,800	(4,827)	83,973	67,729	16,244
General supplies	133,000	(4,349)	128,651	128,303	348
Other objects	1,500	23,929	25,429	24,778	651
<b>Total Undist Expend-Care &amp; Upkeep of Grounds</b>	<b>791,970</b>	<b>(2,474)</b>	<b>789,496</b>	<b>729,979</b>	<b>59,517</b>
<b>Security</b>					
Salaries	233,100	-	233,100	223,295	9,805
General supplies	-	1,467	1,467	1,467	-
Other objects	34,920	400	35,320	24,687	10,633
<b>Total Security</b>	<b>268,020</b>	<b>1,867</b>	<b>269,887</b>	<b>249,449</b>	<b>20,438</b>
<b>Undist. Expend. - Student Transportation Services</b>					
Salaries of non-instructional aides	752,165	4,960	757,125	751,108	6,017
Salaries-pupil transport(between home & school)-Regular	3,087,949	45,203	3,133,152	3,103,938	29,214
Salaries-pupil transport (between home & school)-Special	1,066,083	(41,165)	1,024,918	958,848	66,070
Salaries-pupil transport(other than home & school)-Regular	254,853	56,695	311,548	304,158	7,390
Cleaning, repair and maintenance services	99,700	(10,977)	88,723	67,895	20,828
Rental Payments - School Busses	228,005	(18,071)	209,934	208,127	1,807
Contract Svc (btw Home & Sch.) - Vendors	665,250	(113,954)	551,296	491,517	59,779
Contract Svc (Spl. Ed. Students) - ESCs & CTSAs	2,036,160	117,469	2,153,629	2,147,554	6,075
Contract Svc - Aid in Lieu Pymts - NonPub Sch	110,000	(25,207)	84,793	78,651	6,142
Travel	-	3,729	3,729	3,722	7
General supplies	-	3,871	3,871	3,010	861
Misc Purchased Serv - Transportation	231,915	6,302	238,217	206,194	32,023
Transportation supplies	1,011,642	(15,413)	996,229	886,348	109,881
Other objects	16,878	(3,000)	13,878	10,723	3,155
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>9,560,600</b>	<b>10,442</b>	<b>9,571,042</b>	<b>9,221,793</b>	<b>349,249</b>
<b>UNALLOCATED EMPLOYEE BENEFITS</b>					
Social security contributions	1,560,675	-	1,560,675	1,457,636	103,039
Other Retirement contributions -PERS	2,424,380	204	2,424,584	2,331,041	93,543
Workmen's compensation	1,717,000	(137,054)	1,579,946	629,257	950,689
Health benefits	26,143,127	(38,416)	26,104,711	24,347,386	1,757,325
Tuition reimbursement	82,900	(16,266)	66,634	34,743	31,891
Other employee benefits	691,013	(1,088)	689,925	544,713	145,212
<b>TOTAL UNALLOCATED EMPLOYEE BENEFITS</b>	<b>32,619,095</b>	<b>(192,620)</b>	<b>32,426,475</b>	<b>29,344,776</b>	<b>3,081,699</b>
<b>ON-BEHALF CONTRIBUTIONS:</b>					
On-behalf TPAF LTDI (non-budgeted)	-	-	-	9,004	(9,004)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	5,548,042	(5,548,042)
On-behalf TPAF pension contributions (non-budgeted)	-	-	-	12,231,175	(12,231,175)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	4,628,467	(4,628,467)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,416,688</b>	<b>(22,416,688)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>32,619,095</b>	<b>(192,620)</b>	<b>32,426,475</b>	<b>51,761,464</b>	<b>(19,334,989)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>81,593,319</b>	<b>168,735</b>	<b>81,762,054</b>	<b>98,813,710</b>	<b>(17,051,656)</b>
<b>TOTAL GENERAL CURRENT EXPENDITURES</b>	<b>144,234,658</b>	<b>(886,063)</b>	<b>143,348,595</b>	<b>158,516,275</b>	<b>(15,167,680)</b>



**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2019**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Grades 1-5	\$ -	\$ 2,987	\$ 2,987	\$ 2,987	\$ -
Grades 6-8	7,410	-	7,410	7,409	1
Grades 9-12	23,797	22,731	46,528	46,426	102
<b>Special Education - Instruction:</b>					
School - Sponsored and other instructional program	75,477	(4,600)	70,877	66,423	4,454
Undistributed expenditures - Instruction	180,000	6,979	186,979	186,658	321
Undistributed expenditures-Support services-Related & Extra	18,000	2,126	20,126	18,153	1,973
Undistributed expenditures - Req. Maint. Schl. Facilities	37,200	81,917	119,117	119,117	-
Undistributed expenditures - Custodial services	18,000	(5,072)	12,928	12,928	-
Undistributed expenditures - Care and upkeep of grounds	35,000	69,371	104,371	84,486	19,885
Undistributed expenditures - Student Trans - Non Inst. Equip	63,000	11,781	74,781	58,665	16,116
<b>Total Equipment</b>	<u>457,884</u>	<u>188,220</u>	<u>646,104</u>	<u>603,252</u>	<u>42,852</u>
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services	68,187	132,704	200,891	164,177	36,714
Construction Services	2,465,339	352,727	2,818,066	2,603,039	215,027
Supplies & Materials	9,500	(6,553)	2,947	2,896	51
Lease Purchase Agreements - Principal	1,811,560	-	1,811,560	1,798,471	13,089
Other Objects	14,500	63,477	77,977	77,977	-
Assessment for Debt Service on SDA Funding	77,527	(77,527)	-	-	-
Interest deposit to Capital Reserve	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Services</b>	<u>4,446,613</u>	<u>464,828</u>	<u>4,911,441</u>	<u>4,646,560</u>	<u>264,881</u>
<b>Assets Acquired Under Capital Leases (non-budgeted)</b>					
Lease Purchase Agreements - Principal	-	-	-	574,958	(574,958)
Transportation	-	-	-	643,296	(643,296)
<b>Total Assets Acquired Under Capital Leases (non-budgeted)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,218,254</u>	<u>(1,218,254)</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>4,904,497</u>	<u>653,048</u>	<u>5,557,545</u>	<u>6,468,066</u>	<u>(910,521)</u>
<b>TOTAL EXPENDITURES</b>	<u>149,139,155</u>	<u>(233,015)</u>	<u>148,906,140</u>	<u>164,984,341</u>	<u>(16,078,201)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(3,335,746)</u>	<u>2,146,037</u>	<u>(5,015,753)</u>	<u>2,533,850</u>	<u>(7,549,603)</u>
<b>Other Financing Sources/ (Uses):</b>					
Capital Projects Fund to Capital Outlay	-	-	-	574,958	(574,958)
Capital leases (non-budgeted)	-	-	-	643,296	(643,296)
<b>Total Other Financing Sources:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,218,254</u>	<u>(1,218,254)</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures &amp; Other Financing Sources (Uses)</b>	<u>(3,335,746)</u>	<u>2,146,037</u>	<u>(5,015,753)</u>	<u>3,752,104</u>	<u>(8,767,857)</u>
<b>Fund Balance, July 1</b>	<u>8,298,777</u>	<u>-</u>	<u>8,298,777</u>	<u>8,298,777</u>	<u>-</u>
<b>Fund Balance, June 30</b>	<u>\$ 4,963,031</u>	<u>\$ 2,146,037</u>	<u>\$ 3,283,024</u>	<u>12,050,881</u>	<u>\$ (8,767,857)</u>

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2019**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Recapitulation:</b>					
Reserve for encumbrances				417,457	
Legally restricted-designated for subsequent year's expenditures				2,938,767	
Capital reserve				2,188,405	
Other purposes				-	
Excess surplus-designated for subsequent years				295,324	
Excess surplus				<u>1,860,191</u>	
Unrestricted/undesignated fund balance for budget purposes				<u>4,350,737</u>	
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Fund balance per governmental funds (Budgetary)				12,050,881	
Unexpended Purchase Agreement Proceeds				-	
Last state aid payment not recognized on GAAP basis				<u>(3,319,336)</u>	
Fund balance per governmental funds (GAAP) - B-1				<u>8,731,545</u>	
 Restricted fund balances				7,700,144	
Unrestricted fund balances				<u>1,031,401</u>	
Fund balance per governmental funds (GAAP) - B-1				<u>\$ 8,731,545</u>	

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local sources	\$ 40,926	-	\$ 40,926	\$ 28,830	\$ (12,096)
State sources	1,139,359	-	1,139,359	1,054,046	(85,313)
Federal sources	4,944,304	-	4,944,304	4,182,833	(761,471)
<b>Total Revenues</b>	<b>6,124,589</b>	<b>-</b>	<b>6,124,589</b>	<b>5,265,709</b>	<b>(858,880)</b>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
Salaries of teachers	1,256,188	(11,024)	1,245,164	1,168,538	76,626
Other salaries/instruction	154,692	(12,999)	141,693	132,670	9,023
Purchased services	-	-	-	-	-
Tuition	2,491,321	-	2,491,321	2,435,415	55,906
Purchased professional services	505,217	(4,170)	501,047	434,200	66,847
Other purchased services	31,146	11,226	42,372	20,005	22,367
General supplies	264,410	(18,398)	246,012	197,926	48,086
Textbooks	-	-	-	-	-
<b>Total instruction</b>	<b>4,702,974</b>	<b>(35,365)</b>	<b>4,667,609</b>	<b>4,388,754</b>	<b>278,855</b>
<b>Support services:</b>					
<b>Other support services</b>					
<b>students - special:</b>					
Other professional					
staff salaries	176,257	39,357	215,614	204,200	11,414
Professional development	-	-	-	-	-
Other salaries	105,277	(25,701)	79,576	79,340	236
Employee benefits	361,345	28,343	389,688	369,832	19,856
Purchased professional and technical services	96,100	(850)	95,250	45,772	49,478
Miscellaneous purchased services	120,355	(5,174)	115,181	94,228	20,953
General supplies	361,427	(610)	360,817	83,583	277,234
Miscellaneous/other objects	-	-	-	-	-
<b>Total other support services - students - special</b>	<b>1,220,761</b>	<b>35,365</b>	<b>1,256,126</b>	<b>876,955</b>	<b>379,171</b>
<b>Facilities acquisition and const. serv.:</b>					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	200,854	-	200,854	-	200,854
<b>Total facilities acquisition and const. serv.</b>	<b>200,854</b>	<b>-</b>	<b>200,854</b>	<b>-</b>	<b>200,854</b>
<b>Total expenditures</b>	<b>6,124,589</b>	<b>-</b>	<b>6,124,589</b>	<b>5,265,709</b>	<b>858,880</b>
<b>Other financing sources (uses)</b>					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
<b>Total outflows</b>	<b>6,124,589</b>	<b>-</b>	<b>6,124,589</b>	<b>5,265,709</b>	<b>858,880</b>
<b>Excess (deficiency) of revenues</b>					
<b>Over (under) expenditures</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Last state aid payment not recognized on GAAP basis				(81,290)	
<b>Fund balance per governmental funds (GAAP)</b>				<b>\$ (81,290)</b>	

BRICK TOWNSHIP BOARD OF EDUCATION  
Required Supplementary Information  
Budgetary Comparison Schedule  
Note to Required Supplementary Information  
For the Year Ended June 30, 2019

Exhibit C-3

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

	General Fund		Special Revenue Fund
	<hr/>		<hr/>
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1] \$ 168,736,445	[C-2] \$ 5,265,709	
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-		4,750
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(12,231,175)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	3,504,185		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(3,319,336)		(81,290)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] <u>\$ 156,690,119</u>	[B-2] <u>\$ 5,189,169</u>	
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the			
budgetary comparison schedule	[C-1] \$ 164,984,341	[C-2] \$ 5,265,709	
Differences - budget to GAAP			
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.	(12,231,175)		-
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.	-		4,750
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] <u>\$ 152,753,166</u>	[B-2] <u>\$ 5,270,459</u>	

## REQUIRED SUPPLEMENTARY INFORMATION - PART III

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Required Supplementary Information**  
**Schedule of the District's Proportionate Share of Net Pension Liability-PERS**  
**For the Year Ended June 30, 2019**

**Last 10 Fiscal Years\***

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
District's proportion of the net pension liability	0.24281786%	0.23962634%	0.24165583%	0.2334156167%	0.2338736940%	0.2308719501%
District's proportionate share of the net pension liability	46,407,318	44,864,605	54,246,891	\$ 69,131,011	\$ 54,442,058	\$ 45,457,536
District's covered-employee payroll	18,401,024	18,231,444	18,368,456	16,801,593	16,473,110	15,925,147
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	246.08%	295.33%	411.46%	330.49%	285.45%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%	47.93%	40.14%	48.10%	53.60%

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

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

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Required Supplementary Information**  
**Schedule of the District Contributions-PERS**  
**For the Year Ended June 30, 2019**

**Last 10 Fiscal Years\***

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required contributions	1,975,445	2,077,592	2,073,631	\$ 2,096,297	\$ 2,196,434	\$ 2,306,145
Contributions in relation to the contractually required contribution	<u>(1,975,445)</u>	<u>(2,077,592)</u>	<u>(2,073,631)</u>	<u>(2,041,860)</u>	<u>(2,197,588)</u>	<u>(2,331,041)</u>
Contribution deficiency (excess)	-	-	-	54,437	(1,154)	(24,896)
District's covered-employee payroll	-	18,401,024	18,231,444	18,368,456	16,801,593	16,473,110
Contributions as a percentage of covered-employee payroll	0.00%	11.29%	11.37%	11.41%	13.07%	14.00%

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

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Required Supplementary Information**  
**Schedule of the District's Proportionate Share of Net Pension Liability-TPAF**  
**For the Fiscal Year Ended June 30, 2019**

**Last 10 Fiscal Years\***

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
State's proportion of the net pension liability	100.00%	100.00%	100.00%	0.6145579%	0.61755655%	0.60960954%
State's proportionate share of the net pension liability	\$ 305,658,329	\$ 332,170,325	\$ 383,522,122	\$ 483,450,406	\$ 416,378,891	\$ 387,820,497
District's covered-employee payroll	71,030,336	71,582,504	73,154,680	64,729,167	65,847,094	63,482,832
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	430.32%	464.04%	524.26%	746.88%	632.34%	610.91%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%	22.33%	25.41%	26.49%

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

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

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



**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Required Supplementary Information**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2019**  
**(Unaudited)**

**Last 10 Fiscal Years\***

	<u>2018</u>	<u>2019</u>
State's proportion of the OPEB liability associated with the District		
Service cost	\$ 15,916,068	\$ 13,223,989
Interest cost	12,512,501	14,467,822
Differences between expected and actual experiences	-	(32,400,553)
Changes in assumptions	(51,820,984)	(39,296,773)
Member contributions	337,135	316,472
Gross benefit payments	<u>(9,155,672)</u>	<u>(9,156,740)</u>
Net change in total OPEB liability	(32,210,952)	(52,845,783)
Total State Share of OPEB liability - beginning	<u>427,497,342</u>	<u>395,286,390</u>
Total State Share of OPEB liability - ending	<u>\$ 395,286,390</u>	<u>\$ 342,440,607</u>
District's covered employee payroll	<u>\$ 89,159,296</u>	<u>\$ 88,502,474</u>
Total State's OPEB liability as a percentage of covered employee payroll	443%	387%

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

Brick Township Board of Education

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2019

**Notes for TPAF Pension Schedules**

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**Notes to OPEB Schedule**

Benefit changes: None

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

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

## OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules  
Not Applicable

E. Special Revenue Fund

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2019**

	<b>Non Public Security</b>	<b>Title I FY 2019</b>	<b>PEEA FY 2019</b>	<b>Non Public Textbooks</b>
<b>Revenues:</b>				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	63,388	-	612,787	23,570
Federal sources	-	1,330,378	-	-
<b>Total revenues</b>	<b>63,388</b>	<b>1,330,378</b>	<b>612,787</b>	<b>23,570</b>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Salaries of teachers	-	840,280	303,779	-
Other salaries/instruction	-	-	132,670	-
Purchased professional services	-	11,039	-	-
Other purchased services	-	12,979	-	3,051
General supplies	-	122,085	26,261	20,519
<b>Total instruction</b>	<b>-</b>	<b>986,383</b>	<b>462,710</b>	<b>23,570</b>
<b>Support services:</b>				
<b>Other support services -</b>				
<b>students - special:</b>				
Other professional staff salaries	33,115	62,045	-	-
Other salaries	-	-	44,839	-
Employee benefits	2,533	244,043	90,555	-
Miscellaneous purchased services	-	26,304	-	-
General supplies	27,740	11,603	14,683	-
<b>Total other support services - students - special</b>	<b>63,388</b>	<b>343,995</b>	<b>150,077</b>	<b>-</b>
<b>Equipment:</b>				
Regular programs instruction	-	-	-	-
Non-instructional equipment	-	-	-	-
<b>Total equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>\$ 63,388</b>	<b>\$ 1,330,378</b>	<b>\$ 612,787</b>	<b>\$ 23,570</b>

(Continued on next page)

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2019**

(Continued from prior page)

	Title II Part A	IDEA Part B FY 2019	Title III FY 2019	IDEA Preschool FY 2019
<b>Revenues:</b>				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	271,455	2,439,252	42,216	99,532
<b>Total revenues</b>	<u>271,455</u>	<u>2,439,252</u>	<u>42,216</u>	<u>99,532</u>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Salaries of teachers	-	-	24,479	-
Tuition	-	2,335,883	-	99,532
Purchased professional services	21,725	103,369	-	-
Other purchased services	-	-	3,975	-
General supplies	-	-	5,191	-
<b>Total instruction</b>	<u>21,725</u>	<u>2,439,252</u>	<u>33,645</u>	<u>99,532</u>
<b>Support services:</b>				
<b>Other support services -</b>				
<b>students - special:</b>				
Other professional				
staff salaries	68,680	-	4,520	-
Other salaries	34,501	-	-	-
Employee benefits	26,780	-	1,817	-
Purchased professional and technical se	45,772	-	-	
Miscellaneous purchased services	66,280	-	1,644	
General supplies	7,717	-	590	-
<b>Total other support services -</b>				
<b>students - special</b>	<u>249,730</u>	<u>-</u>	<u>8,571</u>	<u>-</u>
<b>Equipment:</b>				
Regular programs instruction	-	-	-	-
Non-instructional equipment	-	-	-	-
<b>Total equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 271,455</u>	<u>\$ 2,439,252</u>	<u>\$ 42,216</u>	<u>\$ 99,532</u>

(Continued on next page)

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2019**

(Continued from prior page)

	Chapter 192 Comp Ed FY 2019	Chapter 193 Supp FY 2019	Chapter 193 Exam FY 2019	Chapter 193 Speech FY 2019
<b>Revenues:</b>				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	159,730	51,780	53,701	32,856
Federal sources	-	-	-	-
<b>Total revenues</b>	<u>159,730</u>	<u>51,780</u>	<u>53,701</u>	<u>32,856</u>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Salaries of teachers	-	-	-	-
Purchased services	-	-	-	-
Tuition	-	-	-	-
Purchased professional services	159,730	51,780	53,701	32,856
Other purchased services	-	-	-	-
General supplies	-	-	-	-
Textbooks	-	-	-	-
<b>Total instruction</b>	<u>159,730</u>	<u>51,780</u>	<u>53,701</u>	<u>32,856</u>
<b>Support services:</b>				
<b>Other support services - students - special:</b>				
Other professional staff salaries	-	-	-	-
Other salaries	-	-	-	-
Other purchased services	-	-	-	-
Purchased technical services	-	-	-	-
Employee benefits	-	-	-	-
Purchased property services	-	-	-	-
General supplies	-	-	-	-
Miscellaneous/Other objects	-	-	-	-
<b>Total other support services - students - special</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Equipment:</b>				
Regular programs instruction	-	-	-	-
Non-instructional equipment	-	-	-	-
<b>Total equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 159,730</u>	<u>\$ 51,780</u>	<u>\$ 53,701</u>	<u>\$ 32,856</u>

(Continued on next page)



BRICK TOWNSHIP BOARD OF EDUCATION  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Year Ended June 30, 2019

(Continued from prior page)

	Non-Public Nursing FY 2019	Non-Public Technology FY 2019	Local Grants FY 2019	Total 2019
<b>Revenues:</b>				
Local sources	\$ -	\$ -	\$ 28,830	\$ 28,830
State sources	40,398	15,836	-	1,054,046
Federal sources	-	-	-	4,182,833
<b>Total revenues</b>	<u>40,398</u>	<u>15,836</u>	<u>28,830</u>	<u>5,265,709</u>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Salaries of teachers	-	-	-	1,168,538
Other salaries/instruction	-	-	-	132,670
Purchased services	-	-	-	-
Tuition	-	-	-	2,435,415
Purchased professional services	-	-	-	434,200
Other purchased services	-	-	-	20,005
General supplies	454	15,836	7,580	197,926
Textbooks	-	-	-	-
<b>Total instruction</b>	<u>454</u>	<u>15,836</u>	<u>7,580</u>	<u>4,388,754</u>
<b>Support services:</b>				
<b>Other support services - students - special:</b>				
Other professional staff salaries	35,840	-	-	204,200
Professional Development NP	-	-	-	-
Other salaries	-	-	-	79,340
Employee benefits	4,104	-	-	369,832
Purchased professional and technical services	-	-	-	45,772
Miscellaneous purchased services	-	-	-	94,228
General supplies	-	-	21,250	83,583
Miscellaneous/Other objects	-	-	-	-
<b>Total other support services - students - special</b>	<u>39,944</u>	<u>-</u>	<u>21,250</u>	<u>876,955</u>
<b>Equipment:</b>				
Regular programs instruction	-	-	-	-
Non-instructional equipment	-	-	-	-
<b>Total equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 40,398</u>	<u>\$ 15,836</u>	<u>\$ 28,830</u>	<u>\$ 5,265,709</u>

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid Expenditures**  
**Preschool - Education Expansion**  
**Budgetary Basis**  
**For the Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 357,939	\$ 303,779	\$ 54,160
Other Salaries for Instruction	141,693	132,670	9,023
Purchased Professional & Technical Services	2,196	-	2,196
Other Purchased Services (400-500 series)	-	-	-
Tuition to Other LEAs Within the State - Regular	-	-	-
General Supplies	26,408	26,261	147
Other Objects	-	-	-
<b>Total instruction</b>	<u>528,236</u>	<u>462,710</u>	<u>65,526</u>
<b>Support services:</b>			
Salaries of Program Directors	-	-	-
Salaries of Supervisors of Instruction	-	-	-
Salaries of Other Professional Staff	-	-	-
Salaries of Secr. And Clerical Assistants	-	-	-
Other Salaries	44,899	44,839	60
Salaries of Community Parent Involvement Spec.	-	-	-
Salaries of Master Teachers	-	-	-
Personal Services - Employee Benefits	90,555	90,555	-
Purchased Educational Services - Contracted Pre-K	-	-	-
Purchased Professional - Educational Services	10,500	-	10,500
Other Purchased Professional Services	1,000	-	1,000
Cleaning, Repair, and Maintenance Services	-	-	-
Purchased Technical Services	-	-	-
Rentals	-	-	-
Contr. Serv.-Trans. (Bet. Home & Sch.)	-	-	-
Contr. Serv.-Trans. (Wrap Around Services)	-	-	-
Contr. Serv.-Trans. (Field Trips)	-	-	-
Travel	-	-	-
Other Purchased Services (400-500 series)	-	-	-
Supplies & Materials	15,775	14,683	1,092
Other Objects	-	-	-
<b>Total support services</b>	<u>162,729</u>	<u>150,077</u>	<u>12,652</u>
<b>Facilities acquisition and cont. serv:</b>			
Instructional equipment	-	-	-
Noninstructional Equipment	-	-	-
<b>Total Facilities acquisition and cont. serv.</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Contribution to Charter Schools</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transfer to General Fund</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 690,965</u>	<u>\$ 612,787</u>	<u>\$ 78,178</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2018-19 PreK/ECPA Aid Allocation	\$ 690,965
Add: Actual PreK/ECPA Aid Carryover June 30, 2018	-
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2018-19 Budget	690,965
Less: 2017-18 Budgeted PreK/ECPA (Including prior year budgeted carryover)	(690,965)
Available & Unbudgeted Funds as of June 30, 2019	-
Add: June 30, 2019 Unexpended PreK Aid	78,178
2018- Actual Carryover - PreK Aid	<u>\$ 78,178</u>
2018-19 PreK Aid Carryover Budgeted in 2020-FY	<u>\$ -</u>

## F. Capital Projects Fund

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budgetary Basis**  
**For the Year Ended June 30, 2019**

**Revenues and Other Financing Sources**

State Sources - Grants	\$ -
Bond proceeds and transfers	-
Contribution from private source	-
Transfer from capital reserve	-
Transfer from capital outlay	-
Total revenues	<u>-</u>

**Expenditures and Other Financing Uses**

Salaries	-
Purchased professional and technical services	-
Land and improvements	-
Other objects	-
Construction services	-
Other purchased services	-
Supplies and Materials	-
Transfer to General Fund	574,958
Total expenditures	<u>574,958</u>

Excess of revenues over expenditures (574,958)

Fund balance - beginning 574,958

Fund balance - ending \$ -

**Reconciliation to Governmental Funds Statements (GAAP):**

Fund Balance as of June 30, 2019	\$ -
Unexpended Purchase Agreement Proceeds	<u>-</u>

Fund Balance per Governmental Funds (GAAP) \$ -

## G. Proprietary Funds

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Enterprise Fund**  
**Statement of Net Position**  
**June 30, 2019**

	<u>Brick's Extended School Time</u>	<u>Food Services</u>
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 12,550	\$ 564,797
Accounts receivable:		
State	-	2,750
Federal	-	134,482
Other	13,818	3,704
Interfunds	-	-
Inventories	-	21,300
	<u>26,368</u>	<u>727,033</u>
Total current assets		
	<u>26,368</u>	<u>727,033</u>
Capital assets:		
Equipment	-	1,264,784
Accumulated depreciation	-	(903,593)
	<u>-</u>	<u>361,191</u>
Total capital assets		
	<u>-</u>	<u>361,191</u>
<b>Total assets</b>	<u><b>\$ 26,368</b></u>	<u><b>\$ 1,088,224</b></u>
<b>Liabilities and Fund Equity:</b>		
Current liabilities:		
Accounts payable	\$ 1,588	\$ 74,264
Unearned revenue	1,757	52,740
Deposits on account	-	-
Other current liabilities	209	-
Interfund payable	-	-
	<u>3,554</u>	<u>127,004</u>
Noncurrent liabilities:		
Compensated absences	<u>4,212</u>	<u>75,360</u>
Total liabilities	7,766	202,364
Net Position:		
Invested in capital assets, net of related debt	-	361,191
Restricted for other purposes	-	-
Unrestricted net position	<u>18,602</u>	<u>524,669</u>
Total fund equity	<u>18,602</u>	<u>885,860</u>
<b>Total liabilities and fund equity</b>	<u><b>\$ 26,368</b></u>	<u><b>\$ 1,088,224</b></u>

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Food Services Enterprise Fund**  
**Statement of Revenues, Expenses and**  
**Changes in Net Position**  
**For the Years Ended June 30, 2019**

	<u>Brick's Extended School Time</u>	<u>Food Services</u>
<b>Operating revenues:</b>		
Local sources:		
Daily sales-reimbursable programs:		
School lunch program	\$ -	\$ 654,071
Special breakfast program	-	172,080
Special milk program	-	7
	<u>-</u>	<u>7</u>
Total daily sales-reimbursable programs	-	826,158
Daily sales non-reimbursable programs		
Other sales		478,590
Before / After Care	932,780	-
Catering	-	34,609
	<u>-</u>	<u>34,609</u>
<b>Total operating revenues</b>	<u>932,780</u>	<u>1,339,357</u>
Operating expenses:		
Salaries	414,314	1,071,352
Employee benefits	95,606	760,407
Purchased property	-	11,130
Other purchased services	3,059	19,857
Cost of sales - reimbursable programs	-	-
Cost of sales - non-reimbursable programs	-	1,115,051
Depreciation	-	32,060
Snacks	15,462	-
Telephone	2,350	-
Miscellaneous	733	992
Rent	391,799	-
Supplies	11,312	-
	<u>11,312</u>	<u>-</u>
Total operating expenses	<u>934,635</u>	<u>3,010,849</u>
<b>Operating income (loss)</b>	<u>(1,855)</u>	<u>(1,671,492)</u>
Nonoperating revenues:		
State sources:		
State school lunch program	-	28,370
Federal sources:		
National school lunch program	-	1,132,041
National school breakfast program	-	480,187
Food distribution program	-	193,187
Special milk program	-	285
Miscellaneous	-	1,947
Rebates	-	5,595
Interest income	1,854	-
	<u>1,854</u>	<u>-</u>
<b>Total nonoperating revenues</b>	<u>1,854</u>	<u>1,841,612</u>
<b>Change in net position</b>	(1)	170,120
Transfer in	-	-
<b>Total net position beginning</b>	<u>18,603</u>	<u>715,740</u>
<b>Total net position ending</b>	<u>\$ 18,602</u>	<u>\$ 885,860</u>

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Food Services Enterprise Fund**  
**Statement of Cash Flows**  
**For the Years Ended June 30, 2019**

	<u>Brick's Extended School Time</u>	<u>Food Services</u>
<b>Cash Flows from Operating Activities:</b>		
Receipts from Daily Sales	\$ -	\$ 1,309,101
Receipts from Catering	-	34,609
Before / After Care	929,909	-
Payments to Employees	(509,839)	(1,837,127)
Payments to Suppliers	(9,555)	(886,567)
Payments for Other Expenditures	(413,403)	(31,979)
Net Cash Provided by (Used in) Operating Activities	<u>(2,888)</u>	<u>(1,411,963)</u>
<b>Cash Flow from Noncapital Financing Sources:</b>		
State Sources	-	27,572
Federal Sources	-	1,595,166
Interest Earned	1,854	-
Miscellaneous	-	7,542
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>1,854</u>	<u>1,630,280</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Purchase of equipment	-	(108,381)
Net Cash Provided by (Used in) capital and related financing activities	<u>-</u>	<u>(108,381)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,034)</b>	<b>109,936</b>
<b>Cash and cash equivalents, July 1</b>	<b><u>13,584</u></b>	<b><u>454,861</u></b>
<b>Cash and cash equivalents, June 30</b>	<b><u>\$ 12,550</u></b>	<b><u>\$ 564,797</u></b>
<b>Operating income (loss)</b>	<b>\$ (1,855)</b>	<b>\$ (1,671,492)</b>
Adjustments to reconcile operating income (loss)		
to cash provided by (used in) operating activities:		
Depreciation expense	-	32,060
Food Distribution Program	-	193,187
Change in assets and liabilities:		
Increase (decrease) in Compensated Absences Payable	480	(5,368)
(Increase) decrease in inventory	-	10,588
(Increase) decrease in accounts receivable	(251)	1,108
Increase (decrease) in unearned revenue	1,757	3,245
Increase (decrease) in other current liabilities	(2,620)	-
Increase (decrease) in accounts payable	<u>(399)</u>	<u>24,709</u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>\$ (2,888)</u></b>	<b><u>\$ (1,411,963)</u></b>



## H. Fiduciary Funds

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Statement of Agency Fund Assets and Liabilities**  
**Fiduciary Funds**  
**June 30, 2019**

	Trust		Agency		
	Unemployment Compensation Trust	Scholarship Trust	Student Activity	Payroll	Total Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,130,898	\$ 11,872	\$ 252,454	\$ 248,775	\$ 2,643,999
Intergovernmental Accounts Receivable	-	-	-	-	-
Interfund receivable	-	-	-	-	-
Total assets	<u>2,130,898</u>	<u>11,872</u>	<u>252,454</u>	<u>248,775</u>	<u>2,643,999</u>
<b>LIABILITIES</b>					
Accounts payable	-	-	-	-	-
Payroll deductions and withholdings	-	-	-	248,775	248,775
Payable to student groups	-	-	252,454	-	252,454
Interfund payable	-	-	-	-	-
Due to County Office	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>252,454</u>	<u>248,775</u>	<u>501,229</u>
<b>NET POSITION</b>					
Held in trust for unemployment claims and other purposes	2,130,898	-	-	-	2,130,898
Designated for future payments	-	11,872	-	-	11,872
Total net position	<u>2,130,898</u>	<u>11,872</u>	<u>-</u>	<u>-</u>	<u>2,142,770</u>
Total liabilities and net position	<u>\$ 2,130,898</u>	<u>\$ 11,872</u>	<u>\$ 252,454</u>	<u>\$ 248,775</u>	<u>\$ 2,643,999</u>

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2019**

	Scholarship Trust	Unemployment Compensation Trust	Total
<b>ADDITIONS</b>			
Contributions:			
Plan member	\$ -	\$ -	\$ -
Other	61	146,535	146,596
Total Contributions	61	146,535	146,596
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	233	36,496	36,729
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	233	36,496	36,729
Total additions	294	183,031	183,325
<b>DEDUCTIONS</b>			
Quarterly contribution reports	-	-	-
Unemployment claims	-	122,943	122,943
Scholarships awarded	1,000	-	1,000
Refunds of contributions	-	-	-
Administrative expenses	-	-	-
Total deductions	1,000	122,943	123,943
Change in net position	(706)	60,088	59,382
Net position—beginning of the year	12,578	2,070,810	2,083,388
Net position—end of the year	\$ 11,872	\$ 2,130,898	\$ 2,142,770

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Year Ended June 30, 2019**

	<u>Balance</u> <u>July 1, 2018</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2019</u>
ELEMENTARY SCHOOLS:	\$ 23,773	\$ 2,476	\$ 8,524	\$ 17,725
MIDDLE SCHOOLS:				
Veteran memorial Middle School	43,178	59,567	67,674	35,071
Lake Riviera Middle School	65,558	32,969	41,649	56,878
Total Middle Schools	108,736	92,536	109,323	91,949
HIGH SCHOOLS:				
Brick Township High School	74,913	140,179	139,181	75,911
Brick Memorial High School	70,451	400,854	404,436	66,869
Total High Schools	145,364	541,033	543,617	142,780
Total All Schools	\$ 277,873	\$ 636,045	\$ 661,464	\$ 252,454

BRICK TOWNSHIP BOARD OF EDUCATION  
Payroll Agency Fund  
Schedule of Receipts and Disbursements  
For the Year ended June 30, 2019

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 895,384	\$ 149,948,646	\$ 150,595,255	\$ 248,775
<b>LIABILITIES:</b>				
Net salary and wages	-	52,574,321	52,574,321	-
Payroll deductions and withholdings	895,384	97,374,325	98,020,934	248,775
Total Liabilities	\$ 895,384	\$ 149,948,646	\$ 150,595,255	\$ 248,775

## I. Long-Term Debt

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Long-Term Debt**  
**Statement of Serial Bonds**  
**June 30, 2019**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest rate</u>	<u>Balance July 1, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2019</u>
School Bonds Series 2007	7/25/2007	\$ 4,439,000	7/15/2019	400,000	4.10%				
			7/15/2020	400,000	4.10%				
			7/15/2021	400,000	4.125%				
			7/15/2022	389,000	4.125%	1,989,000	-	400,000	1,589,000
School Bond Series 2009	8/26/2009	13,235,000	2/1/2020	1,310,000	5.000%				
			2/1/2021	1,310,000	5.000%				
			2/1/2022	1,310,000	4.250%	5,250,000	-	5,250,000	-
School Bond Series 2010	3/30/2010	2,400,000	3/1/2020	165,000	3.000%				
			3/1/2021	170,000	3.125%				
			3/1/2022	180,000	3.250%				
			3/1/2023	185,000	3.250%				
			3/1/2024	190,000	3.375%				
			3/1/2025	195,000	3.500%	1,245,000	-	160,000	1,085,000
School Bond Series 2019	5/30/2019	3,985,000	2/1/2020	1,385,000	2.000%				
			2/1/2021	1,315,000	3.000%				
			2/1/2022	1,285,000	3.000%	-	3,985,000	-	3,985,000
						<u>\$ 8,484,000</u>	<u>\$ 3,985,000</u>	<u>\$ 5,810,000</u>	<u>\$ 6,659,000</u>

Brick Township Board of Education  
Long-Term Debt  
Statement of Obligations Under Capital Lease  
June 30, 2019

<u>Series</u>	<u>Date of Lease</u>	<u>Amount of Original Lease Principal</u>	<u>Interest Rate</u>	<u>Amount Outstanding June 30, 2018</u>	<u>Issued Current Year</u>	<u>Cancelled Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2019</u>
Capital Improvements	07/15/14	\$ 11,550,000	1.193%	2,345,443	-	-	2,345,443	-
Instruction Materials	07/16/15	2,715,000	1.250%	904,745	-	-	449,563	455,182
Technology Improvements	07/14/16	1,774,500	1.295%	1,068,911	-	-	351,728	717,183
Equipment - 5 buses	08/10/17	450,000	2.262%	359,463	-	-	86,873	272,590
Equipment lease	07/31/18	643,296	3.18%	-	643,296	-	129,321	513,975
				<u>\$ 4,678,562</u>	<u>\$ 643,296</u>	<u>\$ -</u>	<u>\$ 3,362,928</u>	<u>\$ 1,958,930</u>



**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 1,996,806	\$ -	\$ 1,996,806	\$ 1,996,806	\$ -
Miscellaneous	-	-	-	4,657	4,657
Issuance of refunding bonds	-	-	-	3,985,000	3,985,000
State Sources:					
Debt Service Aid Type II	237,527	-	237,527	237,527	-
				-	
Total - State Sources	237,527	-	237,527	237,527	3,989,657
<b>Total Revenues</b>	<b>2,234,333</b>	<b>-</b>	<b>2,234,333</b>	<b>6,223,990</b>	<b>3,989,657</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	354,334	-	354,334	424,505	70,171
Redemption of Principal	1,880,000	-	1,880,000	1,880,000	-
Total Regular Debt Service	2,234,334	-	2,234,334	2,304,505	70,171
<b>Total expenditures</b>	<b>2,234,334</b>	<b>-</b>	<b>2,234,334</b>	<b>2,304,505</b>	<b>70,171</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1)	-	(1)	3,919,485	3,919,486
Other Financing Uses:					
Premium on debt refunding bonds				82,847	82,847
Payment on refunded bonds				(3,930,000)	(3,930,000)
Costs of issuance	-	-	-	(67,676)	(67,676)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1)	-	(1)	4,656	4,657
Fund Balance, July 1	1	-	1	1	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,657</u>	<u>\$ 4,657</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Restricted to pay off refunding bonds				\$ -	
Legally restricted-designated for subsequent years				-	
Restricted for future years				4,657	
Fund Balance, June 30				<u>\$ 4,657</u>	

## STATISTICAL SECTION

**BRICK TOWNSHIP BOARD OF EDUCATION  
Statistical Section**

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	<b>117-121</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	<b>122-125</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue	<b>126-129</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>130-131</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	<b>132-136</b>

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

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Net Positions by Component**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 16,237,798	\$ 16,342,512	\$ 14,833,112	\$ 20,844,683	\$ 22,396,356.00	\$ 20,569,878.00	\$ 29,265,881.00	\$ 31,814,141	\$ 34,437,847	\$ 39,285,020
Restricted	(978,670)	6,689,663	8,683,496	3,840,731	4,970,342	6,387,405	3,138,733	8,416,412	4,538,554	7,623,511
Unrestricted	3,994,458	(4,871,543)	(2,280,117)	(927,754)	(2,583,973)	(43,921,970)	(49,488,394)	(57,232,222)	(56,247,972)	(55,992,868)
Total governmental activities net position	<u>\$ 19,253,586</u>	<u>\$ 18,160,632</u>	<u>\$ 21,236,491</u>	<u>\$ 23,757,660</u>	<u>\$ 24,782,725</u>	<u>\$ (16,964,687)</u>	<u>\$ (17,083,780)</u>	<u>\$ (17,001,669)</u>	<u>\$ (17,271,571)</u>	<u>\$ (9,084,337)</u>
Business-type activities										
Net investment in capital assets	\$ 476,363	\$ 337,511	\$ 283,230	\$ 244,078	\$ 221,301	\$ 274,919	\$ 248,681	\$ 271,255	\$ 284,870	\$ 361,191
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(341,880)	(504,215)	(447,360)	(296,003)	(114,899)	(66,518)	4,263	219,570	449,473	543,271
Total business-type activities net position	<u>\$ 134,483</u>	<u>\$ (166,704)</u>	<u>\$ (164,130)</u>	<u>\$ (51,925)</u>	<u>\$ 106,402</u>	<u>\$ 208,401</u>	<u>\$ 252,944</u>	<u>\$ 490,825</u>	<u>\$ 734,343</u>	<u>\$ 904,462</u>
District-wide										
Net investment in capital assets	\$ 16,714,161	\$ 16,680,023	\$ 15,116,342	\$ 21,088,761	\$ 22,617,657	\$ 20,844,797	\$ 29,514,562	\$ 32,085,396	\$ 34,722,717	\$ 39,646,211
Restricted	(978,670)	6,689,663	8,683,496	3,840,731	4,970,342	6,387,405	3,138,733	8,416,412	4,538,554	7,623,511
Unrestricted	3,652,578	(5,375,758)	(2,727,477)	(1,223,757)	(2,698,872)	(43,987,888)	(49,484,132)	(57,012,652)	(55,798,499)	(55,449,597)
Total district net position	<u>\$ 19,388,069</u>	<u>\$ 17,993,928</u>	<u>\$ 21,072,361</u>	<u>\$ 23,705,735</u>	<u>\$ 24,889,127</u>	<u>\$ (16,755,686)</u>	<u>\$ (16,830,837)</u>	<u>\$ (16,510,844)</u>	<u>\$ (16,537,228)</u>	<u>\$ (8,179,875)</u>

Source: CAFR Schedule A-1 and District records.

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

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

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities										
Current:										
Regular instruction	\$ (40,290,270)	\$ (40,505,411)	\$ (36,980,094)	\$ (39,408,727)	\$ (45,079,395)	\$ (43,264,150)	\$ (43,762,280)	\$ (44,741,909)	\$ (69,009,257)	\$ (64,792,960)
Special schools instruction	(13,984,377)	(18,269,265)	(17,884,234)	(16,464,372)	(14,892,723)	(14,667,193)	(19,833,867)	(15,158,693)	-	-
Other special instruction	(3,977,286)	(1,813,471)	(1,852,818)	(2,728,366)	(4,050,935)	(4,407,574)	(2,635,402)	(5,083,714)	-	-
Other instruction	-	(1,711,024)	(1,871,812)	(2,606,214)	-	-	(2,052,664)	-	-	-
Support services and undistributed costs:							(14,966,543)	-		
Student and instruction related services	-	-	-	-	-	-	-	-	(5,951,201)	(6,386,848)
Instruction	(5,041,808)	(6,345,265)	(6,890,904)	(6,208,050)	(6,701,541)	(4,749,964)	(4,970,921)	(5,636,659)	(9,132,339)	(1,023,176)
Attendance	(698,357)	-	-	-	(857,370)	(847,297)	-	(913,239)	(1,045,266)	(1,301,565)
Health services	(1,367,274)	-	-	-	(1,468,619)	(1,444,271)	-	(1,347,153)	(1,293,302)	(1,301,565)
Other support services	(12,205,309)	(15,087,085)	(15,067,175)	(14,240,938)	(12,026,911)	(12,219,052)	-	(12,075,534)	(11,933,052)	(12,813,574)
Educational media services	(1,338,887)	-	-	-	(889,297)	(824,435)	-	(825,616)	(860,125)	(893,260)
Instruction staff training	(16,953)	-	-	-	(100,559)	(93,849)	-	(106,342)	(108,687)	(214,288)
General administrative services	(1,601,163)	(1,351,690)	(1,236,720)	(894,284)	(1,126,020)	(1,109,001)	-	(1,325,065)	(1,816,475)	(1,369,790)
Central services	(5,339,885)	(1,179,359)	(1,037,250)	(1,012,800)	-	-	-	-	-	-
School administrative services	-	(5,147,590)	(5,570,938)	(5,952,072)	(5,341,554)	(5,119,130)	(5,007,152)	(4,942,441)	(5,027,327)	(4,955,827)
Other administrative services	-	-	-	-	-	-	(3,043,045)	-	-	-
Admin info technology	(1,685,825)	(461,342)	(451,181)	(395,239)	(1,460,321)	(1,561,441)	-	(3,385,518)	(1,889,445)	(1,805,181)
Allowed maintenance for school facilities	(1,386,328)	-	-	-	(1,648,471)	(1,651,304)	-	(1,629,807)	(1,911,991)	(1,863,508)
Other operation & maintenance of plant	(12,646,190)	(8,522,322)	(7,497,926)	(7,457,522)	(10,744,816)	(7,677,441)	(8,271,918)	(6,798,443)	(7,051,833)	(7,382,443)
Care & upkeep of grounds	-	-	-	-	(701,718)	(602,440)	-	(591,773)	(750,456)	(729,979)
Student transportation services	(8,847,198)	(8,751,107)	(8,812,949)	(8,944,765)	(8,923,306)	(8,200,740)	(8,338,630)	(8,882,909)	(9,309,518)	(9,561,664)
Business and other support services	-	-	-	-	-	-	-	-	-	-
Unallocated employee benefits	(30,245,721)	(38,096,439)	(38,287,002)	(42,114,202)	(30,128,587)	(30,716,954)	(46,340,597)	(32,767,299)	(30,703,122)	(29,399,453)
Non-budgeted expenditures	-	-	-	-	(13,981,509)	(9,786,198)	-	(10,143,969)	(10,646,290)	(10,185,513)
Special schools	(65,556)	-	-	-	-	-	-	-	-	-
Interest on long-term debt	(1,212,032)	(1,192,745)	(881,384)	(747,389)	(661,104)	(651,941)	(798,677)	(1,023,771)	(420,376)	(31,769)
Unallocated depreciation	-	-	(6,444,954)	(6,337,630)	-	-	-	-	-	-
Total governmental activities expenses	<u>(141,950,419)</u>	<u>(148,434,115)</u>	<u>(150,767,341)</u>	<u>(155,512,570)</u>	<u>(160,784,756)</u>	<u>(149,594,338)</u>	<u>(160,021,696)</u>	<u>(157,379,854)</u>	<u>(159,727,723)</u>	<u>(154,710,798)</u>
Business-type activities:										
Food service	\$ (3,283,769)	\$ (3,283,769)	\$ (3,283,769)	\$ (3,283,769)	\$ (3,709,204)	\$ (3,732,880)	\$ (2,885,669)	\$ (3,777,011)	\$ (2,938,264)	\$ (3,010,849)
Child care program	-	-	-	-	-	-	(915,104)	-	(912,720)	(934,635)
Total business-type activities expense	<u>(3,283,769)</u>	<u>(3,283,769)</u>	<u>(3,283,769)</u>	<u>(3,283,769)</u>	<u>(3,709,204)</u>	<u>(3,732,880)</u>	<u>(3,800,773)</u>	<u>(3,777,011)</u>	<u>(3,850,984)</u>	<u>(3,945,484)</u>
Total district expenses	<u>\$ (145,234,188)</u>	<u>\$ (151,717,884)</u>	<u>\$ (154,051,110)</u>	<u>\$ (158,796,339)</u>	<u>\$ (164,493,960)</u>	<u>\$ (153,327,218)</u>	<u>\$ (163,822,469)</u>	<u>\$ (161,156,865)</u>	<u>\$ (163,578,707)</u>	<u>\$ (158,656,282)</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,835	\$ 175,047	\$ 208,405	\$ 374,576	\$ 200,855
Pupil transportation	-	-	-	-	-	-	-	-	48,615	53,330
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	15,195,074	15,641,221	18,708,652	18,677,935	14,373,303	19,943,225	14,521,443	15,121,228	15,455,972
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>-</u>	<u>15,195,074</u>	<u>15,641,221</u>	<u>18,708,652</u>	<u>18,677,935</u>	<u>14,392,138</u>	<u>20,118,272</u>	<u>14,729,848</u>	<u>15,544,419</u>	<u>15,710,157</u>
Business-type activities:										
Charges for services										
Food service	\$ 2,252,581	\$ 2,692,241	\$ 2,634,082	\$ 2,616,649	\$ 2,288,668	\$ 2,185,678	\$ 1,233,354	\$ 1,253,262	\$ 1,303,278	\$ 1,339,357
Child care program	-	-	-	-	-	-	915,721	893,252	912,613	932,780
Internal Service Fund	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	872,402	1,091,457	1,235,975	1,449,150	1,512,688	1,649,152	1,696,146	1,868,130	1,878,503	1,841,612
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>3,124,983</u>	<u>3,783,698</u>	<u>3,870,057</u>	<u>4,065,799</u>	<u>3,801,356</u>	<u>3,834,830</u>	<u>3,845,221</u>	<u>4,014,644</u>	<u>4,094,394</u>	<u>4,113,749</u>
Total district program revenues	<u>\$ 3,124,983</u>	<u>\$ 18,978,772</u>	<u>\$ 19,511,278</u>	<u>\$ 22,774,451</u>	<u>\$ 22,479,291</u>	<u>\$ 18,226,968</u>	<u>\$ 23,963,493</u>	<u>\$ 18,744,492</u>	<u>\$ 19,638,813</u>	<u>\$ 19,823,906</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (141,950,419)	\$ (133,239,043)	\$ (135,126,120)	\$ (136,803,918)	\$ (142,106,821)	\$ (135,202,200)	\$ (139,903,422)	\$ (142,650,006)	\$ (144,183,304)	\$ (139,000,641)
Business-type activities	(158,786)	(119,104)	(1,520)	103,615	92,152	101,950	44,448	237,633	243,410	168,265
Total district-wide net expense	<u>\$ (142,109,205)</u>	<u>\$ (133,358,147)</u>	<u>\$ (135,127,640)</u>	<u>\$ (136,700,303)</u>	<u>\$ (142,014,669)</u>	<u>\$ (135,100,250)</u>	<u>\$ (139,858,974)</u>	<u>\$ (142,412,373)</u>	<u>\$ (143,939,894)</u>	<u>\$ (138,832,376)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 93,301,311	\$ 97,571,610	\$ 97,935,793	\$ 97,640,346	\$ 96,046,715	\$ 97,622,590	\$ 97,622,590	\$ 101,139,586	\$ 102,405,879	\$ 107,261,323
Taxes levied for debt service	-	-	-	-	2,478,978	1,490,506	2,378,131	2,371,799	2,366,062	1,996,806
Unrestricted grants and contributions	37,540,072	33,613,740	37,981,788	39,081,021	41,060,865	39,389,592	37,319,311	37,822,452	38,148,975	36,319,621
Restricted grants and contributions	4,825,778	296,174	-	-	-	-	-	-	-	-
Tuition revenue	287,501	-	-	-	356,231	269,722	1,780,899	-	-	-
Miscellaneous income	1,284,046	2,972,902	2,288,493	2,609,652	3,228,370	3,284,848	1,393,414	1,368,124	944,082	1,093,248
Investment earnings	379,112	-	-	-	26,833	21,593	-	30,156	48,404	516,877
Capital Contributions/(Transfers)	-	-	-	-	(66,106)	-	-	-	-	-
Total governmental activities	<u>137,617,820</u>	<u>134,454,426</u>	<u>138,206,074</u>	<u>139,331,019</u>	<u>143,131,886</u>	<u>142,078,851</u>	<u>140,494,345</u>	<u>142,732,117</u>	<u>143,913,402</u>	<u>147,187,875</u>
Business-type activities:										
Investment earnings	\$ 18,114	\$ -	\$ -	\$ 2,658	\$ 69	\$ 49	\$ 97	\$ 248	\$ 108	\$ 1,854
Transfers	-	-	-	-	66,175	-	-	-	-	-
Total business-type activities	<u>18,114</u>	<u>-</u>	<u>-</u>	<u>2,658</u>	<u>66,244</u>	<u>49</u>	<u>97</u>	<u>248</u>	<u>108</u>	<u>1,854</u>
Total district-wide	<u>\$ 137,635,934</u>	<u>\$ 134,454,426</u>	<u>\$ 138,206,074</u>	<u>\$ 139,333,677</u>	<u>\$ 143,198,130</u>	<u>\$ 142,078,900</u>	<u>\$ 140,494,442</u>	<u>\$ 142,732,365</u>	<u>\$ 143,913,510</u>	<u>\$ 147,189,729</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (4,332,599)	\$ 1,215,385	\$ 3,079,954	\$ 2,527,100	\$ 1,025,065	\$ 6,876,651	\$ 590,923	\$ 82,111	\$ (269,902)	\$ 8,187,234
Business-type activities	(140,672)	(119,106)	(1,520)	106,274	158,396	101,999	44,545	237,881	243,518	170,119
Total district	<u>\$ (4,473,271)</u>	<u>\$ 1,096,279</u>	<u>\$ 3,078,434</u>	<u>\$ 2,633,374</u>	<u>\$ 1,183,461</u>	<u>\$ 6,978,650</u>	<u>\$ 635,468</u>	<u>\$ 319,992</u>	<u>\$ (26,384)</u>	<u>\$ 8,357,353</u>

Source: CAFR Schedule A-2 and District records.

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

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,256,311	\$ 6,430,678	\$ 296,121	\$ 4,343,920
Committed	-	-	-	-	-	-	11,133	-	-	-
Assigned	-	-	-	-	-	-	3,835,141	1,309,928	3,667,474	3,356,224
Unassigned	-	-	-	-	-	-	2,698,070	503,940	830,997	1,031,401
Reserved	8,427,392	5,003,818	2,408,405	1,862,715	5,099,574	5,587,560	-	-	-	-
Unreserved	427,559	2,532,924	4,248,878	4,693,265	457,144	679,293	-	-	-	-
Total general fund	<u>\$ 8,854,951</u>	<u>\$ 7,536,742</u>	<u>\$ 6,657,283</u>	<u>\$ 6,555,980</u>	<u>\$ 5,556,718</u>	<u>\$ 6,266,853</u>	<u>\$ 7,800,655</u>	<u>\$ 8,244,546</u>	<u>\$ 4,794,592</u>	<u>\$ 8,731,545</u>
All Other Governmental Funds										
Restricted										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (81,290)
Capital projects fund	-	-	-	-	-	-	-	498	574,958	-
Debt service fund	-	-	-	-	-	-	-	1	1	4,657
Unreserved, reported in:										
Special revenue fund	-	-	(106,997)	-	-	-	-	-	-	-
Capital projects fund	958,214	1,054,009	5,765,554	1,676,770	(1,016,531)	799,843	1,882,420	375,307	-	-
Debt service fund	(8,564,276)	631,836	509,537	301,246	887,299	2	2	-	-	-
Total all other governmental funds	<u>\$ (7,606,062)</u>	<u>\$ 1,685,845</u>	<u>\$ 6,168,094</u>	<u>\$ 1,978,016</u>	<u>\$ (129,232)</u>	<u>\$ 799,845</u>	<u>\$ 1,882,422</u>	<u>\$ 375,806</u>	<u>\$ 574,959</u>	<u>\$ (76,633)</u>

Source: CAFR Schedule B-1 and District records.

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

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Tax levy	\$ 93,301,311	\$ 97,571,610	\$ 97,935,793	\$ 97,640,346	\$ 98,525,693	\$ 99,113,096	\$ 100,000,721	\$ 103,511,385	\$ 104,771,941	\$ 109,258,129
Tuition charges	287,501	149,615	284,353	344,633	356,231	269,722	175,047	193,363	374,576	200,855
Interest earnings	377,340	-	-	-	25,775	-	-	29,597	48,032	511,096
Interest earned on capital reserve funds	1,772	-	-	-	1,058	-	-	559	372	5,781
Miscellaneous	1,284,046	2,837,591	2,019,572	2,321,390	3,273,879	3,325,276	1,316,081	1,368,957	871,471	1,095,240
Other local revenue	-	-	-	-	-	-	111,461	15,042	48,615	53,330
State sources	38,104,449	42,245,015	47,433,378	50,895,793	54,732,272	51,141,494	54,646,750	48,159,430	48,829,416	47,251,596
Federal sources	4,261,401	6,822,744	6,064,558	5,115,343	4,962,017	4,495,074	4,362,558	4,184,465	4,440,787	4,523,997
<b>Total revenue</b>	<b>137,617,820</b>	<b>149,626,575</b>	<b>153,737,654</b>	<b>156,317,505</b>	<b>161,876,925</b>	<b>158,344,662</b>	<b>160,612,618</b>	<b>157,462,798</b>	<b>159,385,210</b>	<b>162,900,024</b>
<b>Expenditures</b>										
Current:										
Regular instruction	39,837,259	36,068,612	37,082,005	38,684,877	45,392,655	43,716,015	40,812,597	42,805,961	43,477,130	42,909,805
Special education instruction	13,932,012	18,269,265	17,884,234	16,464,372	14,855,565	14,647,483	18,799,119	15,158,693	15,513,698	14,069,587
Other special instruction	3,977,286	1,813,471	1,852,818	2,728,366	4,050,935	4,407,574	2,635,402	5,083,714	5,477,245	5,552,220
Other instruction	-	1,711,024	1,871,812	2,606,214	-	-	2,052,664	-	-	-
Support services and undistributed costs:										
Instruction	5,041,808	6,345,265	6,890,904	6,208,050	4,801,541	4,749,964	4,970,921	5,636,659	5,951,201	6,386,848
Attendance	698,357	-	-	-	857,370	-	-	913,239	1,045,266	1,023,176
Health services	1,367,274	-	-	-	1,468,619	-	-	1,347,153	1,293,302	1,301,565
Other support services	12,205,309	14,297,937	14,861,709	15,317,115	12,026,911	-	-	12,028,353	11,822,379	12,758,463
Educational media services	1,338,887	-	-	-	889,297	-	-	825,616	860,125	893,260
Instruction staff training	16,953	-	-	-	100,559	-	-	106,342	108,687	214,288
General administrative services	1,510,612	1,112,886	1,037,250	1,012,800	1,061,766	-	-	936,530	905,081	915,949
School administrative services	5,339,885	5,505,438	5,873,295	5,952,072	5,341,554	5,119,130	5,003,721	4,939,097	5,019,483	4,951,921
Other administrative	1,685,825	1,351,690	1,236,720	894,284	1,460,321	2,636,359	2,644,380	3,385,518	1,889,445	1,805,181
Information technology	-	461,342	451,181	395,239	-	-	-	-	-	-
Allowed maintenance for school facilities	1,301,465	-	-	-	1,648,471	-	-	1,629,807	1,911,991	1,863,508
Other operation & maintenance of plant	7,074,697	8,522,322	7,497,926	7,457,522	6,713,920	8,209,496	8,079,642	6,074,490	5,696,822	5,613,821
Care & upkeep of grounds	-	-	-	-	701,718	-	-	591,773	750,456	729,979
Security	-	-	-	-	70,468	-	-	82,267	123,253	249,449
Student transportation services	8,489,657	9,397,315	9,476,625	9,412,322	8,669,599	8,066,125	8,025,144	8,591,943	8,869,955	9,221,793
Business and other support services	-	-	-	-	-	-	-	-	-	-
Unallocated employee benefits	30,253,199	38,978,275	39,342,417	42,122,176	30,909,449	30,606,483	29,567,886	30,894,656	31,318,413	29,344,776
Non-budgeted expenditures	-	-	-	-	13,981,509	9,786,198	15,318,050	10,143,969	10,646,290	10,185,513
Special schools	65,556	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	15,653,137	15,857,355	2,476,052	2,251,491	257,450	1,990,000	4,318,454	5,374,296	5,573,475	5,242,928
Interest and other charges	1,272,637	1,573,182	945,068	853,377	778,710	701,253	820,929	663,998	549,773	424,505
Capital outlay	646,708	1,321,391	1,574,196	8,242,678	6,878,942	6,640,466	9,125,635	2,785,949	4,698,041	4,669,595
<b>Total expenditures</b>	<b>151,708,523</b>	<b>162,586,770</b>	<b>150,354,212</b>	<b>160,602,955</b>	<b>162,917,329</b>	<b>156,705,450</b>	<b>167,092,676</b>	<b>160,000,023</b>	<b>163,501,511</b>	<b>160,328,130</b>
Excess (Deficiency) of revenues over (under) expenditures	(14,090,703)	(12,960,195)	3,383,442	(4,285,450)	(1,040,404)	1,639,212	(6,480,057)	(2,537,225)	(4,116,301)	2,571,894
<b>Other Financing sources (uses)</b>										
Bond proceeds	7,530,000	-	-	-	-	-	-	-	-	3,985,000
Purchase agreement	-	-	-	-	-	-	2,715,000	1,774,500	115,500	-
Capital leases (non-budgeted)	-	328,261	219,349	-	-	-	-	-	450,000	643,296
Payment on refunded bonds	-	-	-	-	-	-	-	-	-	(3,930,000)
Bond refunding premium	-	-	-	-	-	-	-	-	-	82,847
Transfers in	-	-	-	-	2,035,487	(208)	545,521	-	-	574,958
Transfers out	-	-	-	-	(2,035,487)	208	(545,521)	-	-	(574,958)
Costs of issuance	(44,000)	-	-	-	(66,106)	-	-	-	-	(67,676)
<b>Total other financing sources (uses)</b>	<b>7,486,000</b>	<b>328,261</b>	<b>219,349</b>	<b>-</b>	<b>(66,106)</b>	<b>-</b>	<b>2,715,000</b>	<b>1,774,500</b>	<b>565,500</b>	<b>713,467</b>
<b>Net change in fund balances</b>	<b>(6,604,703)</b>	<b>(12,631,934)</b>	<b>3,602,791</b>	<b>(4,285,450)</b>	<b>(1,106,510)</b>	<b>1,639,212</b>	<b>(3,765,057)</b>	<b>(762,725)</b>	<b>(3,550,801)</b>	<b>3,285,361</b>
Debt service as a percentage of noncapital expenditures	11.20%	10.80%	2.30%	2.00%	0.70%	1.80%	3.30%	3.42%	3.51%	3.37%

Source: CAFR Schedule B-2 and District records

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**General Fund - Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

Fiscal Year Ended June 30	Interest Earned	Adult Community School	Rentals	Prior Year Tuition Refunds	Fuel Reimbursements	Miscellaneous	Total
2019	\$ 516,877	\$ -	\$ -	\$ -	\$ -	\$ 1,061,006	\$ 1,577,883
2018	48,404	-	394,556	-	-	516,877	\$ 847,904
2017	30,156	-	425,972	5,796	101,821	751,154	\$ 1,314,899
2016	25,885	-	425,679	-	-	864,517	\$ 1,316,081
2015	21,593	-	505,405	-	18,835	893,010	\$ 1,438,843
2014	26,833	-	473,221	-	21,329	876,321	1,397,704
2013	70,044	-	547,607	-	326,704	1,108,780	2,053,135
2012	72,785	-	372,667	-	377,919	1,132,979	1,956,350
2011	226,090	-	309,922	23,321	374,084	1,893,339	2,826,756
2010	377,340	-	60,839	-	298,778	900,883	1,637,840

Source: District records



**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**UNAUDITED**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (2)	Less: Tax Exempt Property	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2019	\$ 175,733,290	\$ 8,977,610,020	\$ 1,200	\$ -	\$ 996,811,098	\$ 21,052,688	\$ 132,159,600	\$ 10,303,367,896	\$ 11,112,562	728,278,000	\$ 10,314,480,458	\$ 10,314,480,458	1.06300
2018	175,733,290	8,977,610,020	1,200	-	996,811,098	21,052,688	132,159,600	10,303,367,896	11,112,562	728,278,000	10,314,480,458	10,314,480,458	1.06300
2017	165,068,290	8,968,898,232	1,200	-	1,000,883,098	21,052,688	115,832,800	10,271,736,308	10,925,152	727,740,600	9,554,920,860	10,282,661,460	1.02000
2016	185,967,990	8,934,074,602	1,200	-	996,334,548	20,889,288	115,832,800	10,253,100,428	11,079,784	728,257,200	9,535,923,012	10,542,502,272	1.00800
2015	178,891,000	8,925,065,000	-	-	1,005,815,000	20,464,000	116,385,000	10,246,620,000	-	728,833,500	9,517,786,500	10,246,620,000	0.96600
2014	162,326,640	8,926,738,052	-	-	1,025,458,148	20,464,400	115,832,800	10,250,820,040	-	726,141,400	9,524,678,640	10,250,820,040	0.97200
2013	121,555,000	8,903,688,224	-	-	1,027,664,875	20,464,400	116,971,600	10,190,344,099	-	722,741,300	9,467,602,799	10,190,344,099	0.96300
2012	129,397,600	9,289,179,194	-	-	1,047,749,575	20,799,800	124,319,600	10,611,445,769	-	723,957,100	9,887,488,669	10,611,445,769	0.91700
2011	145,746,640	9,300,728,044	-	-	1,060,781,300	20,799,800	124,319,600	10,652,375,384	-	715,290,400	9,937,084,984	10,652,375,384	0.91800
2010	156,950,000	9,334,541,132	-	-	1,043,693,300	20,799,800	124,369,600	10,680,353,832	-	716,105,300	9,964,248,532	10,680,353,832	0.91200

**Source: Municipal Tax Assessor**  
**Ocean County Clerk**

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.  
Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

**b** Tax rates are per \$100  
Revaluation in 2010

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(rate per \$100 of assessed value)*

Year Ended December 31	Brick Township School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rates	General Obligation Debt Service	Total Direct	Brick Twp	Ocean County	
2019	\$ 1.039	\$ 0.024	\$ 1.063	\$ 0.714	\$ 0.428	\$ 2.205
2018	1.039	0.024	1.063	0.714	0.428	2.205
2017	0.996	0.023	1.019	0.695	0.431	2.145
2016	0.984	0.024	1.008	0.700	0.426	2.134
2015	0.952	0.014	0.966	0.691	0.421	2.078
2014	0.950	0.022	0.972	0.672	0.417	2.061
2013	0.940	0.023	0.963	0.636	0.348	1.947
2012	0.891	0.026	0.917	0.635	0.400	1.952
2011	0.892	0.026	0.918	0.636	0.392	1.946
2010	0.884	0.028	0.912	0.513	0.387	1.812

Source: Tax Collector

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**UNAUDITED**

	2019			2009		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
<u>Taxpayer</u>						
Federal Realty Investment Trust	\$ 63,796,500.00	1	0.62%	\$ 30,970,700	1	0.66%
JSM LLC	60,375,600.00	2	0.59%	N/A	N/A	N/A
Bricktown UE LLC	39,126,500.00	3	0.38%	N/A	N/A	N/A
Waterside Holdings Manager LLC	28,000,000.00	4	0.27%	15,100,000	3	0.32%
Kentwood Construction Co.	25,500,000.00	5	0.25%	11,931,000	5	0.26%
Centro NP Laurel SQ Owner LLC	25,000,000.00	6	0.24%	N/A	N/A	N/A
Bay Harbor Plaza LLC	20,000,000.00	7	0.19%	N/A	N/A	N/A
Brick Blvd. LLC ETAL	17,782,200.00	8	0.17%	N/A	N/A	N/A
Dayton Hudson/Mervyn %Prop. Tx. Dpt.	17,000,000.00	9	0.16%	7,250,000	8	0.16%
Lowes Home Center Inc. %D. Beckman	15,763,100.00	10	0.15%	8,281,000	7	0.18%
Hovcare of Brick, Inc.	N/A	N/A	N/A	6,960,000	9	0.15%
Kennedy Mall Associates	N/A	N/A	N/A	6,695,000	10	0.14%
Super Intermediateco LLC	N/A	N/A	N/A	14,360,000	4	0.31%
Bricktown VF LLC	N/A	N/A	N/A	20,886,700	2	0.45%
Crescent Center Associates	N/A	N/A	N/A	9,200,000	6	0.20%
Total	312,343,900		3.03%	\$ 131,634,400		2.81%

Source: Municipal Tax Assessor

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Property Tax Levies and Collections**  
**Last Ten Years**  
**UNAUDITED**

<u>Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>
2019	\$ 109,258,129	\$ 109,258,129	100.00%
2018	104,771,941	104,771,941	100.00%
2017	103,511,385	103,511,385	100.00%
2016	100,000,721	100,000,721	100.00%
2015	99,113,096	99,113,096	100.00%
2014	98,525,693	98,525,693	100.00%
2013	97,640,346	97,640,346	100.00%
2012	97,935,793	97,935,793	100.00%
2011	97,571,610	97,571,610	100.00%
2010	93,301,311	93,301,311	100.00%

Source: District Records

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**UNAUDITED**

Year Ended June 30,	Governmental Activities		Business- Type Activities	Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Capital Leases			
2019	\$ 6,659,000	\$ 1,958,930	\$ -	\$ 8,617,930	not available	not available
2018	8,484,000	4,678,562	-	13,162,562	0.33%	173.95
2017	10,699,000	7,587,037	-	18,286,037	0.48%	242.15
2016	12,829,000	9,056,833	-	21,885,833	0.61%	291.57
2015	14,884,000	9,853,030	-	24,737,030	0.72%	329.77
2014	16,874,000	1,803,452	-	18,677,452	0.56%	248.89
2013	18,814,000	1,160,642	-	19,974,642	0.63%	266.49
2012	20,759,000	904,349	-	21,663,349	0.68%	289.23
2011	22,939,000	1,979,750	-	24,918,750	0.80%	331.98
2010	25,079,000	3,090,554	-	28,169,554	0.94%	375.17

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Ratio of Net General Bonded Debt Outstanding**  
**Value and Net Bonded Debt Per Capita**  
**Last Ten Fiscal Years**  
**UNAUDITED**

<b>Fiscal Year Ended June 30,</b>	<b>General Obligation Bonds</b>	<b>Deductions</b>	<b>Net General Bonded Debt Outstanding</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
2019	\$ 6,659,000	\$ -	\$ 6,659,000	not available	not available
2018	8,484,000	-	8,484,000	0.80%	112.12
2017	10,699,000	-	10,699,000	0.10%	141.68
2016	12,829,000	-	12,829,000	0.12%	170.91
2015	14,884,000	-	14,884,000	0.15%	198.42
2014	16,874,000	-	16,874,000	0.16%	224.86
2013	18,814,000	-	18,814,000	0.18%	251.00
2012	20,759,000	-	20,759,000	0.20%	277.16
2011	22,939,000	-	22,939,000	0.22%	305.60
2010	25,079,000	-	25,079,000	0.23%	334.01

Source: Assessed valuations were provided by the Abstract of Ratables,  
County Board of Taxation.  
School district population data was provided by the  
U.S. Bureau of the Census, Population Division.

\*\* Not Available

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2019**  
**UNAUDITED**

Governmental Unit	Debt Outstanding	<u>June 30, 2019</u> Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Brick Township	\$147,632,114	0%	\$147,632,114
Brick Township MUA	58,629,799	0%	58,629,799
Ocean County	425,333,157	0%	425,333,157
Ocean County Utilities Authority	127,777,923	0%	127,777,923
Subtotal - Overlapping Debt	<u>759,372,993</u>		<u>759,372,993</u>
Brick Township School District	6,741,847	0%	6,741,847
Total Direct and Overlapping Debt	<u>766,114,840</u>		<u>766,114,840</u>

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**UNAUDITED**

Equalized valuation basis (1)

2019	\$ 11,176,448,526
2018	10,678,590,610
2017	10,675,864,669
<b>[A]</b>	<b><u>\$ 32,530,903,805</u></b>

**[A/3]**      \$ 10,843,634,602

**[B]**              433,745,384

**[C]**              6,741,847

**[B-C]**         **\$ 427,003,537**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 512,487,516	\$ 500,797,914	\$ 486,708,395	\$ 468,412,533	\$ 448,160,057	\$ 429,033,181	\$ 419,225,777	\$ 421,655,847	\$ 425,052,307	\$ 433,745,384
Total net debt applicable to limit (2)	<u>25,079,000</u>	<u>22,939,000</u>	<u>23,362,945</u>	<u>20,726,451</u>	<u>18,514,000</u>	<u>14,884,000</u>	<u>12,829,000</u>	<u>12,529,000</u>	<u>10,399,000</u>	<u>6,741,847</u>
Legal debt margin	<u>\$ 487,408,516</u>	<u>\$ 477,858,914</u>	<u>\$ 463,345,450</u>	<u>\$ 447,686,082</u>	<u>\$ 429,646,057</u>	<u>\$ 414,149,181</u>	<u>\$ 406,396,777</u>	<u>\$ 409,126,847</u>	<u>\$ 414,653,307</u>	<u>\$ 427,003,537</u>
Total net debt applicable to the limit as a percentage of debt limit	4.89%	4.58%	4.80%	4.42%	4.13%	3.47%	3.06%	2.97%	2.45%	1.55%

Sources:

(1) Equalization valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.

(2) District Records



**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**UNAUDITED**

Year	Unemployment Rate <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	School District Population <sup>d</sup>
2019	N/A	N/A	N/A	N/A
2018	4.30%	\$ 3,935,289,336	\$ 52,008.00	\$ 75,667.00
2017	4.70%	3,789,694,944	50,184	75,516
2016	5.20%	3,558,867,193	47,413	75,061
2015	5.80%	3,458,728,308	46,109	75,012
2014	6.90%	3,330,483,383	44,381	75,043
2013	8.20%	3,191,059,215	42,573	74,955
2012	10.10%	3,183,132,601	42,499	74,899
2011	10.00%	3,112,029,060	41,460	75,061
2010	9.70%	2,995,891,500	39,900	75,085

**Source:**

<sup>a</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development.

<sup>b</sup> Personal income not available by municipality.

<sup>c</sup> Per Capita Income not available by municipality.

<sup>d</sup> Population information provided by the NJ Dept of Labor and Workforce Development.

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Principal Employers**  
**Current Year and Ten Years Ago**  
**UNAUDITED**

	<b>2019</b>			<b>2009</b>		
	<b>Employees</b>	<b>Rank [Optional]</b>	<b>Percentage of Total Municipal Employment</b>	<b>Employees</b>	<b>Rank [Optional]</b>	<b>Percentage of Total Municipal Employment</b>
<b>Employer</b>						
Meridian Health Care	1,750	1	2.31%	1,400	2	1.78%
Brick Board of Education	1,687	2	2.23%	1,597	1	2.03%
Township of Brick	565	3	0.75%	450	3	0.57%
Walmart	364	4	0.48%	275	4	0.35%
Costco	266	5	0.35%	250	5	0.32%
	<u>4,632</u>		<u>6.12%</u>	<u>3,972</u>		<u>5.05%</u>

Note: Brick Township did not have the required 10 employer data available.

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Full-time Equivalent District Employees by Function/Program**  
**Last Ten Fiscal Years**  
**UNAUDITED**

<b>Function/Program</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Instruction										
Regular	510	527	545	543	540	542	539	522	559	750
Special education	314	345	332	340	327	320	312	317	271	78
Support services										
Student and Instruction Related Services	244	221	215	227	229	222	228	229	226	144
General Administrative	4	4	4	4	4	4	4	5	4	2
School Administrative	60	63	61	65	65	67	70	73	73	30
Central Services	18	17	17	18	17	16	17	18	18	12
Administrative Information Technology	10	8	8	7	7	8	7	7	8	6
Plant Operations & Maintenance	119	123	118	117	118	112	101	115	111	106
Pupil Transportation	150	140	151	156	156	151	151	156	142	131
Other Support Services	4	4	4	4	6	6	6	4	4	256
Food service	61	60	55	56	58	58	58	56	56	48
Total	<u>1,494</u>	<u>1,512</u>	<u>1,510</u>	<u>1,537</u>	<u>1,527</u>	<u>1,506</u>	<u>1,493</u>	<u>1,501</u>	<u>1,472</u>	<u>1,563</u>

Source: District Personnel Records

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Operating Statistics**  
**Last Ten Fiscal Years**  
**UNAUDITED**

**Pupil/Teacher Ratio**

<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>Elementary</b>	<b>Middle School</b>	<b>High School</b>	<b>Average Daily Enrollment (ADE) <sup>c</sup></b>	<b>Average Daily Attendance (ADA) <sup>c</sup></b>	<b>% Change in Average Daily Enrollment</b>	<b>Student Attendance Percentage</b>
2010	10,264	134,136,041	13,069	-2.91%	876	11:1		11:1	9,873	9,314	-4.91%	94.35%
2011	10,071	143,834,842	14,282	9.29%	830	11:1		11:1	10,076	9,503	2.06%	94.31%
2012	9,714	145,358,896	14,964	4.77%	838	19:1		13:1	9,784	9,247	-2.90%	94.51%
2013	9,666	149,255,409	15,441	3.19%	851		district average 12.9:1		9,559	9,036	-2.29%	94.53%
2014	9,515	155,002,227	16,290	5.50%	893		district average 12.2:1		9,312	8,820	-2.58%	95.71%
2015	9,251	147,373,731	15,931	-2.21%	867		district average 11.7:1		9,141	8,650	-1.84%	94.63%
2016	9,047	152,827,656	16,893	6.04%	823		district average 11.0:1		8,839	8,369	-3.30%	94.68%
2017	8,753	157,175,428	17,957	6.31%	877		district average 11.0:1		8,698	8,222	-1.60%	94.53%
2018	8,654	158,350,485	18,298	1.89%	872		district average 11.3:1		8,606	8,150	-1.06%	94.70%
2019	8,467	149,991,102	17,715	-3.19%	824		district average 11:1		8,470	7,987	-1.58%	94.30%

Source: District Records, School Register Summary

**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).

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**School Building Information**  
**Last Ten Fiscal Years**  
**UNAUDITED**

<b>District Building</b>	<b>Square Feet</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>Enrollment per Building</b>		<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
						<b>2015</b>	<b>2014</b>				
Brick Twp High School	207,400	1,274	1,282	1,289	1,369	1,469	1,471	1,475	1,533	1,522	1,526
Brick Twp Memorial High School	228,340	1,456	1,437	1,501	1,579	1,659	1,662	1,747	1,820	1,843	1,869
Warren H. Wolf Elementary School (Brick Community Primary Learning Ctr)	58,000	428	354	328	271	194	199	173	544	562	615
Drum Point Road School	52,720	439	421	431	455	481	483	524	472	492	545
Emma Havens Young School	68,701	786	763	766	824	876	873	924	884	912	850
Herbertsville Elementary School	26,924	250	244	229	218	224	222	241	226	252	255
Lake Riviera Middle School	91,964	937	947	967	992	957	959	975	994	1,056	1,081
Lanes Mill Elementary School	54,770	567	560	564	516	567	575	601	521	520	526
Midstreams Elementary School	34,690	472	473	453	504	523	526	530	475	517	542
Osbornville Elementary School	37,200	375	393	437	421	445	443	423	298	300	281
Veterans Memorial Elementary School	54,357	607	636	708	702	713	712	671	577	636	648
Veterans Memorial Middle School	98,942	1,031	1,096	1,102	1,093	1,143	1,149	1,173	1,217	1,303	1,346
Administration Building	6,475	-	-	-	-	-	-	-	-	-	-
Laurelton School	14,900	-	-	-	-	-	-	-	-	-	-
Educational Enrichment Center	20,400	-	-	-	-	-	-	-	153	156	180

**Source:** District Facilities Office

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Schedule of Required Maintenance**  
**Last Ten Years**  
**UNAUDITED**

**Undistributed Expenditures - required**  
**Maintenance For School Facilities**  
**11-000-261-XXX**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Brick Twp High School	\$ 368,556	\$ 378,144	\$ 322,335	\$ 307,057	\$ 355,083	\$ 363,837	\$ 245,187	\$ 212,000	\$ 246,392	\$ 305,255
Brick Twp Memorial High School	299,121	306,903	261,608	249,209	350,732	359,486	312,648	270,330	314,185	318,338
Brick Community Primary Learning Center	91,353	93,730	79,897	76,110	73,251	83,251	65,305	56,466	65,626	15,000
Drum Point Road School	71,616	73,479	62,635	59,666	56,808	56,808	49,539	42,834	49,783	62,725
Emma Havens Young School	110,953	113,839	97,038	92,439	89,580	89,580	77,352	66,882	77,732	75,000
Herbertsville Elementary School	52,063	53,418	45,534	43,376	40,518	40,518	31,574	27,300	31,729	31,000
Lake Riviera Middle School	219,534	225,245	192,002	182,902	179,023	192,023	146,446	126,624	147,166	117,734
Lanes Mill Elementary School	74,477	76,415	65,137	62,050	59,192	61,192	50,872	43,986	51,121	59,238
Midstreams Elementary School	74,194	76,124	64,890	61,814	58,955	60,934	49,653	42,932	49,897	42,000
Osbornville Elementary School	76,185	78,168	66,631	63,473	60,614	62,614	52,979	45,808	53,240	45,000
Veterans Memorial Elementary School	103,743	106,442	90,732	86,432	83,573	85,573	71,109	61,484	71,459	62,587
Veterans Memorial Middle School	194,313	199,369	169,945	161,890	165,450	175,450	152,217	131,615	152,966	114,587
Administration Building	32,843	33,698	28,724	27,363	26,563	25,619	7,339	6,346	7,375	7,000
Laurelton School	2,629	2,697	2,299	2,190	1,190	1,190	1,190	1,029	-	-
Educational Enrichment Center	27,991	28,719	24,480	23,320	22,820	25,820	20,717	17,913	20,818	15,000
Warehouse	16,494	16,923	14,426	13,742	12,414	12,414	11,221	9,702	7,859	3,000
Garage/ Transportation	11,978	12,289	10,476	9,979	8,652	8,652	7,821	6,762	7,403	10,000
Maintenance Building	10,177	10,442	8,901	8,479	8,151	8,151	7,367	6,370	1,708	15,000
Grounds	2,290	2,350	2,003	1,908	1,881	1,881	1,700	1,470	11,276	3,000
Special Services Building	2,709	2,780	2,369	2,257	1,930	1,930	1,744	1,508	1,753	included above
Technology Training Center	8,586	8,809	7,509	7,153	5,826	5,826	5,266	4,553	5,292	included above
BTHS Athletic Facilities	6,353	6,518	5,556	5,293	4,966	4,966	4,489	1,326	1,541	included above
BMHS Athletic Facilities	2,429	2,493	2,125	2,024	1,697	1,697	1,534	3,881	4,510	included above
VMMS Athletic Facilities	2,921	2,997	2,555	2,434	2,107	2,107	1,904	1,646	1,914	included above
<b>Grand Total</b>	<b>\$ 1,863,508</b>	<b>\$ 1,911,991</b>	<b>\$ 1,629,807</b>	<b>\$ 1,552,560</b>	<b>\$ 1,670,976</b>	<b>\$ 1,731,519</b>	<b>\$ 1,377,170</b>	<b>\$ 1,190,767</b>	<b>\$ 1,382,745</b>	<b>\$ 1,301,464</b>

\*School Facilities as defined under EFCFA  
(NJAC 6A:26-1.2 and NJAC 6:24-1.3)

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Insurance Schedule**  
**For the Year Ended June 30, 2019**  
**UNAUDITED**

	<u>Coverage</u>	<u>Deductible</u>
Property and Grounds		
Blanket Building and Business Personal Prop	\$302,532,066	\$5,000
Flood (non Flood zones)		
Comprehensive General Liability		
Bodily Injury and Property Damage	16,000,000	
Products and Completed Operations	16,000,000	
Sexual Abuse	16,000,000	
Personal Injury and Advertising Injury	16,000,000	
Employee Benefits Liability	16,000,000	1,000
Premises Medical Payments	10,000.00 per accident 5,000.00 per person	
Terrorism	1,000,000	
Automobile		
Bodily Injury and Property Damage	16,000,000	1,000
Uninsured / Underinsured Motorists - Private Passenger	1,000,000.00	
Uninsured / Underinsured Motorists - All Other Vehicles	15,000.00 per person 30,000.00 per accident 5,000.00 damage	
Personal Injury Protection	250,000.00	
Medical Payments	10,000.00 private 5,000.00 all others	
Terrorism	1,000,000.00	
Crime Coverage		
Employee Dishonesty with Faithful Performance	500,000.00	1,000
Theft, Disappearance and Destruction - Loss of Money	50,000.00	500
Forgery or Alteration	50,000.00	500
Computer Fraud	500,000.00	500
Public Official Bonds		
Business Administrator	535,000	1,000
Treasurer	525,000	
Educators Legal Liability	\$1,000,000 Cov A	10,000
Workers Comp	Statutory	

## SINGLE AUDIT SECTION



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

Honorable President and  
Members of the  
Brick Township Board of Education  
County of Ocean  
Brick, New Jersey 08723

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, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Brick Township Board of Education in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Brick Township Board of Education basic financial statements, and have issued our report thereon dated December 4, 2019.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 Brick Township Board of Education 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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

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



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

December 4, 2019

K-2

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133  
AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08**

Honorable President and  
Members of the Board of Education  
Brick Township Board of Education  
County of Ocean  
Brick, New Jersey 08723

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

We have audited Brick Township School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Brick Township Board of Education's major federal programs for the year ended June 30, 2019. Brick Township Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Brick Township Board of Education's compliance.

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BRICK OFFICE: 1845 HIGHWAY 88 EAST · BRICK, NJ · 08724 · PHONE (732) 840-1600 · FAX (732) 840-8349

MANAHAWKIN OFFICE: 21 JENNINGS ROAD · MANAHAWKIN, NJ · 08050 · PHONE (609) 978-9500 · FAX (609) 978-9515

## Opinion on Each Major Federal and State Program

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

## Report on Internal Control Over Compliance

Management of Brick Township Board of Education 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 Brick Township Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 Uniform Guidance and the New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Brick Township Board of Education's internal control over compliance.

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

**Report on Internal Control Over Compliance (continued)**

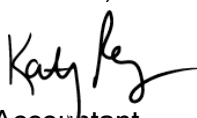
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

**Purpose of this Report**

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

Respectfully submitted,

JUMP, PERRY AND COMPANY, L.L.P.  
Toms River, New Jersey

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

December 4, 2019

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Schedule of Expenditures of Federal Awards, Schedule A**  
**For the Year Ended June 30, 2019**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance at June 30, 2018</u>	<u>Carryover Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Repayment of Prior years' Balances</u>	<u>Deferred Revenue at June 30, 2019</u>	<u>(Accounts Receivable) at June 30, 2019</u>	<u>Due to Grantor at June 30, 2019</u>
U.S. Department of Agriculture Passed-through State Department of Education:											
Enterprise Fund:											
Child Nutrition Cluster:											
National School Lunch Program	10.555	7/1/17-6/30/18	1,124,502	\$ (78,511)	\$ -	\$ 78,511	\$ -	\$ -	\$ -	\$ -	\$ -
National School Lunch Program	10.555	7/1/18-6/30/19	1,132,041	-	-	1,039,146	(1,132,041)	-	-	(92,895)	-
Special Milk Program	10.556	7/1/17-6/30/18	357	(33)	-	33	-	-	-	-	-
Special Milk Program	10.556	7/1/18-6/30/19	285	-	-	256	(285)	-	-	(29)	-
School breakfast program	10.553	7/1/17-6/30/18	514,410	(38,591)	-	38,591	-	-	-	-	-
School breakfast program	10.553	7/1/18-6/30/19	480,187	-	-	438,629	(480,187)	-	-	(41,558)	-
Total Child Nutrition Cluster				(117,135)	-	1,595,166	(1,612,513)	-	-	(134,482)	-
Food donation Program	10.565	7/1/18-6/30/19	193,187	-	-	193,187	(193,187)	-	-	-	-
Total Enterprise Fund				(117,135)	-	1,788,353	(1,805,700)	-	-	(134,482)	-
U.S. Department of Education Passed-through State Department of Education:											
Special Revenue Fund:											
Special Education Cluster											
I.D.E.A. Part B Preschool	84.173	9/1/17-8/31/18	96,100	(11,022)	-	11,022	-	-	-	-	-
I.D.E.A. Part B Preschool	84.173	9/1/18-8/31/19	10,063	-	-	90,034	(99,532)	-	-	(9,498)	-
I.D.E.A. Part B Basic Regular	84.027	9/1/17-8/31/18	2,516,293	(564,735)	-	564,735	-	-	-	-	-
I.D.E.A. Part B Basic Regular	84.027	9/1/18-8/31/19	2,501,561	-	-	2,114,356	(2,439,252)	-	-	(324,896)	-
Subtotal of Special Education Cluster				(575,757)	-	2,780,147	(2,538,784)	-	-	(334,394)	-
Title I	84.010	7/1/17-6/30/18	1,379,719	(238,024)	-	238,024	-	-	-	-	-
Title I	84.010	7/1/18-6/30/19	1,266,128	-	-	1,156,354	(1,330,378)	-	-	(174,024)	-
Title II - Part A	84.367A	7/1/17-6/30/18	291,914	(57,035)	-	57,035	-	-	-	-	-
Title II - Part A	84.367A	7/1/18-6/30/19	397,881	-	-	228,322	(271,455)	-	-	(43,133)	-
Title III	84.365	9/1/17-8/31/18	63,799	(13,691)	-	13,691	-	-	-	-	-
Title III	84.365	9/1/18-8/31/19	62,698	-	-	36,576	(42,216)	-	-	(5,640)	-
Impact Aid	84.938C	7/1/17-6/30/18	13,375	(13,375)	-	13,375	-	-	-	-	-
Total Special Revenue Fund				(897,882)	-	4,523,524	(4,182,833)	-	-	(557,191)	-
U.S. Department of Education General Fund:											
Medicaid	93.778	7/1/18-6/30/19	341,164	-	-	341,164	(341,164)	-	-	-	-
Total General Fund				-	-	341,164	(341,164)	-	-	-	-
Total Expenditures of Federal Financial Awards				\$ (1,015,017)	\$ -	\$ 6,653,041	\$ (6,329,697)	\$ -	\$ -	\$ (691,673)	\$ -

See accompanying notes to schedules of expenditures.

**BRICK TOWNSHIP BOARD OF EDUCATION**  
**Schedule of Expenditures of State Financial Assistance, Schedule B**  
**For the Year Ended June 30, 2019**

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2018	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2019	(Accounts Receivable) at June 30, 2019	Due to Grantor at June 30, 2019	MEMO	
											Budgetary Receivable	Total Expenditures
State Department of Agriculture: Enterprise Fund: National School Lunch Program (State Share)	18-100-010-3350-023	7/1/17-6/30/18	27,833	\$ (1,952)	\$ 1,952	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
National School Lunch Program (State Share)	19-100-010-3350-023	7/1/18-6/30/19	28,370	-	25,620	(28,370)	-	-	(2,750)	-	-	28,370
<b>Total Enterprise Fund</b>				<b>(1,952)</b>	<b>27,572</b>	<b>(28,370)</b>	<b>-</b>	<b>-</b>	<b>(2,750)</b>	<b>-</b>	<b>-</b>	<b>28,370</b>
State Department of Education: General Fund: Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	5,784,673	-	5,206,206	(5,784,673)	-	-	-	-	578,467	5,784,673
Extraordinary Aid	18-495-034-5120-011	7/1/17-6/30/18	1,254,844	(1,254,844)	1,254,844	-	-	-	-	-	-	-
Extraordinary Aid	19-495-034-5120-011	7/1/18-6/30/19	1,373,308	-	-	(1,373,308)	-	-	(1,373,308)	-	-	1,373,308
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	4,922,064	-	4,429,858	(4,922,064)	-	-	-	-	492,206	4,922,064
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	9,463,269	-	8,516,939	(9,463,269)	-	-	-	-	946,330	9,463,269
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	1,672,094	-	1,504,885	(1,672,094)	-	-	-	-	167,209	1,672,094
Adjustment Aid	19-495-034-5120-085	7/1/18-6/30/19	12,300,497	-	11,165,373	(12,300,497)	-	-	-	-	1,135,124	12,300,497
Non-Public Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	173,057	(173,057)	173,057	-	-	-	-	-	-	-
Non-Public Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	150,441	-	-	(150,441)	-	-	(150,441)	-	-	150,441
Additional Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	602	-	602	(602)	-	-	-	-	-	602
On-Behalf TPAF Pension Contribution	19-100-034-5095-002	7/1/18-6/30/19	12,231,175	-	12,231,175	(12,231,175)	-	-	-	-	-	12,231,175
On-Behalf TPAF Post-Retirement Medi	19-100-034-5095-001	7/1/18-6/30/19	5,548,042	-	5,548,042	(5,548,042)	-	-	-	-	-	5,548,042
On-Behalf TPAF Long-Term Disability I	19-100-034-5095-004	7/1/18-6/30/19	9,004	-	9,004	(9,004)	-	-	-	-	-	9,004
Reimbursed TPAF Social												-
Security Contributions	18-495-034-5095-002	7/1/17-6/30/18	4,696,802	(231,216)	231,216	-	-	-	-	-	-	-
Reimbursed TPAF Social												-
Security Contributions	19-495-034-5095-002	7/1/18-6/30/19	4,628,467	-	4,613,535	(4,628,467)	-	-	(14,932)	-	-	4,628,467
<b>Total General Fund</b>				<b>(1,659,117)</b>	<b>54,884,736</b>	<b>(58,083,636)</b>	<b>-</b>	<b>-</b>	<b>(1,538,681)</b>	<b>-</b>	<b>3,319,336</b>	<b>58,083,636</b>
Special Revenue Fund: Preschool Expansion Education Aid	19-495-034-5120-086	7/1/18-6/30/19	690,965	-	609,675	(612,787)	-	78,178	-	-	81,290	612,787
Chapter 192-Comp Ed	18-100-034-5120-067	7/1/17-6/30/18	126,675	11,515	-	-	11,515	-	-	-	-	-
Chapter 192-Comp Ed	19-100-034-5120-067	7/1/18-6/30/19	159,730	-	159,730	(159,730)	-	-	-	-	-	159,730
Chapter 192-Home Instruct	18-100-034-5120-067	7/1/17-6/30/18	1,000	(544)	544	-	-	-	-	-	-	-
Chapter 193-support	19-100-034-5120-067	7/1/18-6/30/19	51,780	-	51,780	(51,780)	-	-	-	-	-	51,780
Chapter 193-exam	18-100-034-5120-067	7/1/17-6/30/18	62,784	1,272	-	-	1,272	-	-	-	-	-
Chapter 193-exam	19-100-034-5120-067	7/1/18-6/30/19	55,339	-	55,339	(53,701)	-	-	-	1,638	-	53,701
Chapter 193-speech	19-100-034-5120-067	7/1/18-6/30/19	32,856	-	32,856	(32,856)	-	-	-	-	-	32,856
Chapter 193-transportation	18-100-034-5120-067	7/1/17-6/30/18	20,949	20,949	-	-	20,949	-	-	-	-	-
Chapter 193-transportation	19-100-034-5120-067	7/1/18-6/30/19	15,708	-	15,708	-	-	-	-	15,708	-	-
Nonpublic Technology	19-100-034-5120-373	7/1/18-6/30/19	15,912	-	15,912	(15,836)	-	-	-	76	-	15,836
Nonpublic Technology	18-100-034-5120-373	7/1/17-6/30/18	17,205	21	-	-	21	-	-	-	-	-
Nonpublic Textbooks	19-100-034-5120-064	7/1/18-6/30/19	23,603	-	23,603	(23,570)	-	-	-	33	-	23,570
Nonpublic Textbooks	18-100-034-5120-064	7/1/17-6/30/18	25,473	11	-	-	11	-	-	-	-	-
Nonpublic Nursing	18-100-034-5120-066	7/1/17-6/30/18	45,105	1,578	-	-	1,578	-	-	-	-	-
Nonpublic Nursing	19-100-034-5120-066	7/1/18-6/30/19	42,874	-	42,874	(40,398)	-	-	-	2,476	-	40,398
Nonpublic Security Aid	19-100-034-5120-509	7/1/18-6/30/19	63,388	-	66,300	(63,388)	-	-	-	2,912	-	63,388
<b>Total Special Revenue Fund</b>				<b>34,802</b>	<b>1,074,321</b>	<b>(1,054,046)</b>	<b>35,346</b>	<b>78,178</b>	<b>-</b>	<b>22,843</b>	<b>81,290</b>	<b>1,054,046</b>
Debt Service Fund: Debt Service Aid	19-100-034-5120-017	7/1/18-6/30/19	237,527	-	237,527	(237,527)	-	-	-	-	-	237,527
Total Debt Service				-	237,527	(237,527)	-	-	-	-	-	237,527
<b>Total State Expenditures Subject to Single Audit Determination</b>				<b>(1,626,267)</b>	<b>56,224,156</b>	<b>(59,403,579)</b>	<b>35,346</b>	<b>78,178</b>	<b>(1,541,431)</b>	<b>22,843</b>	<b>3,400,626</b>	<b>59,403,579</b>
<b>State Expenditures Not Subject to Major Program Determination</b>				<b>-</b>	<b>17,788,221</b>	<b>(17,788,221)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures of State Awards Subject to Major Program Determination</b>				<b>\$ (1,626,267)</b>	<b>\$ 38,435,935</b>	<b>\$ (41,615,358)</b>	<b>\$ 35,346</b>	<b>\$ 78,178</b>	<b>\$ (1,541,431)</b>	<b>\$ 22,843</b>	<b>\$ 3,400,626</b>	<b>\$ 59,403,579</b>

See accompanying notes to schedules of expenditures.

## Brick Township Board of Education

## Notes to Schedules of Awards and Financial Assistance

June 30, 2019

## 1. General

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

## 2. Basis of Accounting

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

## 3. Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97.(A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.



## Brick Township Board of Education

## Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2019

## 3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(12,046,326) for the general fund, \$(76,540) for the special revenue fund and \$- for the food service fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 341,164	46,037,310	46,378,474
Special Revenue Fund	4,182,833	976,759	5,159,592
Debt Service Fund	-	237,527	237,527
Food Service Fund	<u>1,805,700</u>	<u>28,370</u>	<u>1,834,070</u>
Total awards and financial assistance	\$ <u>6,329,697</u>	<u>47,279,966</u>	\$ <u>53,609,663</u>

## 4. Relationship to Federal and State Financial Reports

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

## 5. Other

TPAF Social Security Contributions of \$4,628,467 represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2019.

The amount reported as TPAF Pension Contributions, LTDI and OPEB of \$17,788,221 represent the amounts paid by the state on behalf of the district for the year ended June 30, 2019. The TPAF pension and post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 15-08.

## 6. Indirect Costs

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

## Brick Township Board of Education

## Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2019

## Section I - Summary of Auditor's Results

## Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

1) Material weakness(es) identified? \_\_\_\_\_ yes X no2) Significant deficiencies identified  
that are not considered to be  
material weaknesses? \_\_\_\_\_ yes X none reportedNoncompliance material to general-purpose  
financial statements noted? \_\_\_\_\_ yes X no

## Federal Awards Section

Internal Control over major programs:

1) Material weakness(es) identified? \_\_\_\_\_ yes X no2) Significant deficiencies identified  
that are not considered to be  
material weaknesses? \_\_\_\_\_ yes X none reported

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

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

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.010

Title I

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

Auditee qualified as low-risk auditee? X yes \_\_\_\_\_ no

Brick Township Board of Education  
Schedule of Finding and Questioned Costs

June 30, 2019

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

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$1,248,461

Auditee qualified as low-risk auditee?   X   yes        no

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

Internal Control over major programs:

1) Material weakness(es) identified?        yes   X   no

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

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

Identification of major programs:

GMIS Number(s)

Name of State Program

**State Aid**

495-034-5120-011  
495-034-5120-014  
495-034-5094-003

Extraordinary Aid  
Transportation Aid  
Reimbursed TPAF Social Security  
Contributions

Brick Township Board of Education  
Schedule of Finding and Questioned Costs  
June 30, 2019

Section II - Financial Statement Findings

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

Section III - State Award Findings and Questioned Costs

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

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

Brick Township Board of Education  
Summary Schedule of Prior Audit Findings  
June 30, 2019

Prior Year Financial Statement Findings:

There were no prior year findings.