

SCHOOL DISTRICT
OF
FREEHOLD TOWNSHIP
OF MONMOUTH COUNTY

Freehold Township School District
Freehold, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2017

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Of the

Freehold Township School District
of Monmouth County

Freehold, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by

Freehold Township School District
Finance Department

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

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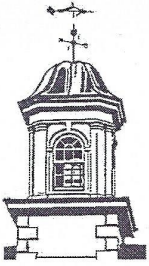
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INTRODUCTORY SECTION



Freehold Township Schools

Ross Kasun, Ed.D., Superintendent of Schools

732-462-8400 ext. 8807 ♦ 732-761-1809 fax

rkasun@freeholdtwp.k12.nj.us

*"...preparing all students to
be responsible citizens and
life long learners."*

November 18, 2017

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

Dear Board Members:

The comprehensive annual financial report of the Freehold Township School District for the fiscal year ended June 30, 2017 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 are accurate in all material respects, and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter OMB 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Freehold Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Freehold Township School District Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, as well as special education for students with disabilities. The District completed the 2016-2017 fiscal year with an enrollment of 3,741 students, which is 83 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
1992-93	2,785	3.57%
1993-94	2,880	3.41%
1994-95	3,037	5.45%
1995-96	3,217	5.93%
1996-97	3,290	2.27%
1997-98	3,375	2.58%
1998-99	3,734	10.63%
1999-00	3,898	4.39%
2000-01	4,085	4.79%
2002-02	4,347	6.41%
2002-03	4,452	2.42%
2003-04	4,565	1.03%
2004-05	4,635	1.02%
2005-06	4,658	1.01%
2006-07	4,595	1.35%
2007-08	4,651	1.20%
2008-09	4,521	-2.80%
2009-10	4,500	-0.05%
2010-11	4,375	-2.80%
2011-12	4,276	-2.26%
2012-13	4,155	-2.83%
2013-14	4,050	-2.53%
2014-15	4,013	-1.00%
2015-16	3,824	-4.71%
2016-17	3,741	-2.20%

2) ECONOMIC CONDITION AND OUTLOOK: The State of Jersey continues to recover slower than the rest of the nation from the 2007 recession. The District saw an increase in state aid of \$52,961, bringing its state aid to \$4.29 million. However, for Freehold Township, this is still \$1.35 million less than 2009-2010 levels of state aid. The assessed value of the Township of Freehold continued to recover from the financial crisis. The assessed value improved by 2.5% or \$150,156,900. This increase, prudent fiscal management and refinancing the District's debt all lead to a decrease in the tax rate for the Freehold Township Schools by 1%.

3) MAJOR INITIATIVES: The school district experienced the third year of the new PARCC testing which was the major driver of technology enhancements across the district. The district also expanded its one to one Chromebook initiative to grades 2 through 8. Older Chromebooks were used in the Kindergarten and 1st grade classrooms to allow funds to be used for other purposes. The district continued to move towards a personalized learning environment through the use of digital content and additional professional development for staff. The district also continued to maintain and improve its facilities. Some significant projects included new piping for the Early Learning Childhood Center boilers and replacing the VCT in the West Freehold Elementary hallways.

The District was also in the first year of a new contract with the Freehold Township Educational Association. The new bargaining agreement included a significant savings in health benefit costs. These savings were the major source of the \$2.6 million moved into capital and maintenance reserve on June 30, 2017. The District also reached new labor agreements with the Freehold Township Administrators Association and the Transportation Workers Union which will provide additional health benefit savings in the 2017 - 2018 budget.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of

financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Executive County Superintendent of Schools for the municipality. 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 cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2017.

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

7) 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. Readers should refer to the Management's Discussion and Analysis for a summary of the financial statements in relation to the prior year.

8) DEBT ADMINISTRATION: At June 30, 2017, the District's outstanding debt issues included \$38,445,000 of general obligation bonds (Note 9).

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

10) RISK MANAGEMENT: The District maintains a comprehensive insurance program, including (but not limited to) blanket building and contents property insurance, general liability, auto liability, umbrella liability, and workers compensation. In addition, the District purchases special coverage such as boiler and machinery,

sports accident, and student trip insurances. Annual reviews of the entire program are done in order to evaluate potential insurance changes.

11) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry and Company, L.L.P. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1997 and the related OMB Circular A-133 and State Treasury Circular Letter OMB 04-04. The auditor's report on the basic financial statements and combining and individual fund 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.

12) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Freehold Township School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the 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 financial and accounting staff.

Respectfully submitted,

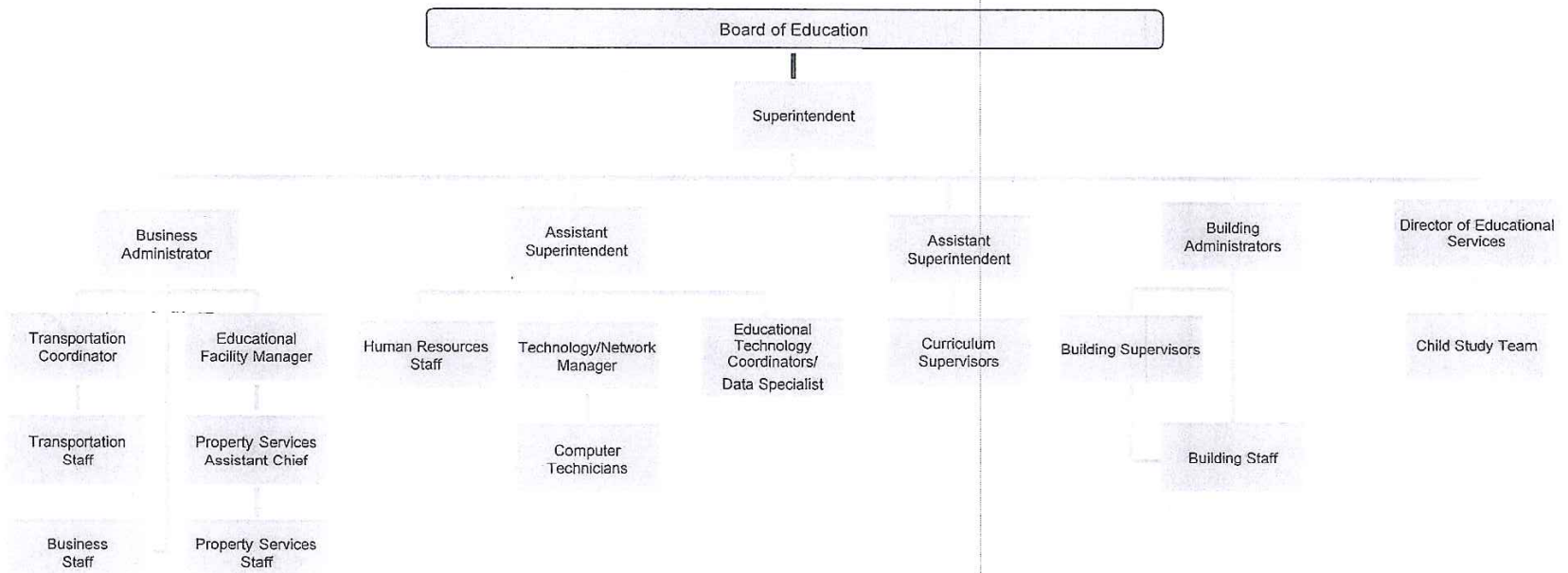


Ross Kasun
Superintendent of Schools



Robert M. De Vita
Business Administrator/Board Secretary

FREEHOLD TOWNSHIP SCHOOLS



2/10/2015

Freehold Township School District
Freehold, New Jersey

Roster of Officials
June 30, 2017

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jason Levy, President	2019
Kay Poklemba-Holtz	2019
Michelle Lambert	2018
Edward Hudak	2018
Michael Amoroso	2018
Daniel DiBlasio	2020
Jennifer Patten	2020
Elena O'Sullivan	2020

Other Officials

Ross Kasun, Superintendent

Robert DeVita, Board Secretary/School Business Administrator

Michael Gross, Attorney

Freehold Township School District
Consultants and Advisors

Architect

Fraytak Veisz Hopkins Duthie PC
1515 Lower Ferry Road
P.O. Box 7371
Trenton, NJ 08628

Audit Firm

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

Attorney

Michael Gross, Esq.
Kenney, Gross, Kovats, & Parton
130 Maple Avenue/Bldg 8
P.O. Box 8610
Red Bank, NJ 07701

Official Depositories

Provident Bank
4331 Route 9 North
Freehold, NJ 07728

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Freehold Township School District:
County of Monmouth
Freehold, 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 Freehold Township School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2017, 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 judgement, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Freehold Township School District in the County of Monmouth, State of New Jersey as of June 30, 2017 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 as presented 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 Freehold Township School District's basic financial statements. The introductory section, combining fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

Other Information (continued)

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2017 on our consideration of the Freehold Township School District in the County of Monmouth, State of New Jersey internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Freehold Township School District in the County of Monmouth, 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

November 7, 2017

REQUIRED SUPPLEMENTARY INFORMATION - PART I

FREEHOLD TOWNSHIP SCHOOL DISTRICT

Management Discussion and Analysis

For the year ended June 30, 2017

The Management Discussion and Analysis (MD&A) of the Freehold Township Board of Education provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2017. It should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found starting on page 1 of the Introductory Section, and the School Board's financial statements found in the District-Wide Financial Statements Section starting on page 21, and the notes thereto.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2016-2017 fiscal year include the following:

In total, net position increased \$1,054,336 which represents a 6.64% increase from 2016. Total assets of governmental activities increased by \$1,403,805. Cash and cash equivalents increased by \$3,114,234; receivables increased by \$305,905; and capital assets decreased by \$2,015,072.

Total liabilities of governmental activities increased by \$9,529,914. Accounts payable increased by \$140,363, other current liabilities increased \$2,727, unearned revenue increased by \$42,874 and non-current liabilities (sick leave reimbursement, pension liability and bonds payable) increased by \$9,343,950.

General revenues accounted for \$74,374,756 in revenue or 92.1% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$6,337,343 or 7.9% of the total revenues of \$80,712,099.

Total spending for all programs was \$79,657,773. Expenses in the amount of \$6,337,343 were offset by specific charges for services and grants or contributions. General revenues (primarily local tax levy and state aid) of \$74,374,756 were adequate to provide for the balance of these programs, exclusive of the charge for depreciation.

USING THE ANNUAL REPORT

The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Assets and the Statement of Activities Exhibits A-1 and A-2 provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. The School Board's financial statements start with Exhibit B-1. For the School Board's governmental activities, these statements tell how the School Board financed its services in the short-term as well as what remains for future spending. Fund statements also may give the reader some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds-such as the School Board's General Fund, Special Revenue Fund and Capital Project Fund. The remaining statement: Statement of Fiduciary Net Assets presents financial information about activities for which the School Board acts solely as an agent for the benefit of employees and students.

The School Board's auditor has provided assurance in its independent auditor's report, located immediately preceding this Management Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

The School Board prepared the Introductory Section and the Statistical Section without association by the independent auditors. Accordingly, the School Board assumes full responsibility for the accuracy of these sections.

THE SCHOOL DISTRICT AS A WHOLE

Table I provides a summary of the School Board's net assets as of June 30, 2017 and 2016.

	<u>2017</u>	<u>2016</u>	<u>Percentage of Change 2017-2016</u>
ASSETS			
Cash and cash equivalents	\$7,844,204	\$4,629,259	69.45%
Receivables	1,321,367	1,013,493	30.38%
Inventory	11,915	11,262	5.80%
Due from other funds	22,500	3,500	542.86%
Capital Assets	<u>52,705,566</u>	<u>54,722,795</u>	-3.69%
Total assets	<u>61,905,552</u>	<u>60,380,309</u>	2.53%
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	14,397,366	5,707,342	152.26%
Deferred charge on refunding	<u>648,602</u>	<u>712,647</u>	-8.99%
Total deferred outflows of resources	<u>15,045,968</u>	<u>6,419,989</u>	134.36%
LIABILITIES			
Accounts payable	213,053	0	100.00%
Unearned revenue	245,241	202,367	21.19%
Other current liabilities	3076	349	781.38%
Noncurrent liabilities:			
Due within one year	1,828,712	3,130,848	-41.59%
Due beyond one year	<u>82,647,217</u>	<u>72,001,131</u>	14.79%
Total liabilities	<u>84,937,299</u>	<u>75,334,695</u>	12.75%
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - PERS	0	505,748	-100.00%
Deferred premium on refunding	<u>6,836,373</u>	<u>6,836,373</u>	0.00%
Total deferred inflows of resources	<u>6,836,373</u>	<u>7,342,121</u>	-6.89%
NET POSITION			
Invested in capital assets, net of related debt	7,800,772	8,149,678	-4.28%
Restricted for:			
Capital projects	2,156,784	123,556	1645.59%
Debt service	1	95,384	-100.00%
Other purposes	4,553,816	3,745,121	21.59%
Unrestricted	<u>-29,333,525</u>	<u>-27,990,257</u>	4.80%
Total net position	<u>(\$14,822,152)</u>	<u>(\$15,876,518)</u>	-6.64%

Total assets increased by \$1,525,243. Unrestricted net assets are the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements of the School Board. These assets decreased by \$1,343,268.

Total liabilities increased by \$9,602,604. This was due to the non-current liability for PERS pension liability increasing by \$11,052,525.

Table II
Changes in Net Assets
For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>	Percentage of Change 2017-2016
REVENUE			
Program revenue:			
Charges for services	\$1,273,050	\$1,359,744	-6.38%
Federal, state and local aid-restricted	5,064,293	5,086,845	-0.44%
General revenue:			
Local tax levy	67,254,812	66,264,249	1.49%
Federal and State aid- unrestricted	5,233,702	4,997,854	4.72%
State and local aid-restricted	1,198,342	1,351,407	-11.33%
Other general revenue	<u>687,900</u>	<u>277,183</u>	148.18%
Total revenues	<u>80,712,099</u>	<u>79,337,282</u>	1.73%
FUNCTION/PROGRAM EXPENSES			
Instruction:			
Regular instruction	19,937,469	20,571,015	-3.08%
Special instruction	9,490,139	9,164,105	3.56%
Other instruction	1,176,013	1,171,105	0.42%
Support services:			
Instruction	1,024,940	1,035,016	-0.97%
Health services	749,466	728,830	2.83%
Other support services	6,114,265	6,243,569	-2.07%
Educational media services	510,820	453,148	12.73%
Instructional staff training	108,367	103,874	4.33%
General administration	935,557	765,383	22.23%
School administration	2,380,673	2,171,277	9.64%
Central services	832,280	840,801	-1.01%
Admin info technology	1,080,864	1,142,688	-5.41%
Operations and maintenance	8,147,718	8,151,389	-0.05%
Security	25,070	62,065	-59.61%
Student transportation services	3,740,728	3,482,386	7.42%
Unallocated employee benefits	15,716,903	15,326,296	2.55%
Non-budgeted expenditures	4,725,857	4,766,772	-0.86%
Special schools	-	-	-
Transfer to Charter School	-	-	-
Business type activities	1,041,985	1,031,483	1.02%
Interest on long-term debt	<u>1,918,619</u>	<u>1,856,486</u>	3.35%
Total expenses	<u>\$79,657,733</u>	<u>\$79,067,688</u>	0.75%
Increase (decrease) in net assets	<u>\$1,054,366</u>	<u>\$269,594</u>	291.09%

Table II shows the changes in net assets for fiscal year 2017 as compared to fiscal year 2016. This table categorizes total revenue generated by the School Board between program and general revenue, and total expenditures between instruction, support services and special extraordinary items.

Program revenue is down slightly as the district received less tuition revenue from other LEAs for special needs students. General revenue was up 2% primarily due to an increase in the tax levy and miscellaneous revenue. Other aid from federal and state aid was relatively flat.

Overall expenses increased by 0.75%. The recent labor agreement with the Freehold Teachers Education Association included significant health care cost reductions which helped keep the growth of expenses below 1%.

THE SCHOOL BOARD'S FUNDS

The School Board uses funds to control and manage money for particular purposes. The funds' basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Federal Government, 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, 2017, it reported combined net assets of negative \$14,822,152 which is an increase of \$1,054,366. The Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities, Exhibit B-3, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

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 does better than had been budgeted in its General Fund since it uses 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 with \$4,749,132 less in expenditures than had been budgeted for appropriations. The primary cost savings came from health care cost reductions negotiated with the Freehold Teachers Education Association (FTEA) and reduced out of district tuition costs. Revenue-wise, the General Fund finished \$424,359 more than expected due to additional extraordinary aid and miscellaneous revenue. 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 expenditures were held in check due to fiscal prudence by the administration to slow the rate of spending. At the same time, general supplies were purchased at better prices than expected due to the district joining other schools in cooperative bidding. The district participated in a co-op for energy consumption.

The results show an increase in fund balance mainly due to more accurate revenue projections and the reduction in health benefit costs through the new labor agreement with FTEA.

CAPITAL ASSETS

At June 30, 2017 the School Board had approximately \$54 Million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirement of assets during the year, and depreciation of depreciable assets for the year. Table III below shows the book value of capital assets at the end of the 2017 and 2016 fiscal years.

Table III
Capital Assets (net of accumulated depreciation)
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>	Percent of Change <u>2017-2016</u>
Site and site improvements	\$2,079,919	\$2,079,919	0.00%
Land, buildings and building improvements	48,885,503	51,097,514	-4.33%
Furniture, vehicles and equipment	1,431,903	763,620	87.52%
Construction in progress	<u>292,487</u>	<u>763,831</u>	-61.71%
	<u>\$52,689,812</u>	<u>\$54,704,884</u>	-3.68%

During the current fiscal year, \$1,226,452 of fixed assets was capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

The School Board anticipates increases in capital assets in 2017-2018 due to the purchase of 10 buses, replacement of HVAC units and the beginning of an Energy Savings Improvement Project.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the 2016-2017 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 18% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 82% of total revenue is from local tax levy.

The -\$29,333,525 in unrestricted net assets 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 owe \$29,333,525. The implementation of GASB 68 has impacted this number as the Board needs to reflect its pension obligations.

The 2016-2017 budget was adopted based in part on the state education aid the School Board anticipated receiving. The State of New Jersey increased state aid for the 16-17 school year by \$56,476 over the 15-16 school year. However, the economic climate is such that this was not truly an increase but a partial restoration of the amount that was cut in 2010-2011. Future decreases in local revenue and state education aid will place an additional financial burden on the Township of Freehold.

The School Board anticipates an increase in costs for the 2017-2018 fiscal year. This includes higher salaries and increases in health benefit rates. If the School Board were to experience a significant increase in costs for these items with no appreciable increase in state aid for future budgets, the School Board would be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

The School Board's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and 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 wish to request additional financial information, contact Robert M. De Vita, School Business Administrator/Board Secretary, at the Freehold Township Schools Board of Education, 384 West Main Street, Freehold, NJ 07728, or e-mail at rdevita@freeholdtp.k12.nj.us.

BASIC FINANCIAL STATEMENTS

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 7,609,085	\$ 235,119	\$ 7,844,204
Receivables - other	154,280	-	154,280
Receivables - state	968,546	750	969,296
Receivables - federal	178,950	18,841	197,791
Inventory	-	11,915	11,915
Due from other funds	2,283	20,217	22,500
Capital assets, non-depreciable	2,372,406	-	2,372,406
Capital assets, depreciable, net:	50,317,406	15,754	50,333,160
Total assets	<u>61,602,956</u>	<u>302,596</u>	<u>61,905,552</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	14,397,366	-	14,397,366
Deferred charge on refunding	648,602	-	648,602
Total deferred outflows of resources	<u>15,045,968</u>	<u>-</u>	<u>15,045,968</u>
LIABILITIES			
Accounts payable	140,363	72,690	213,053
Other liabilities	3,076	-	3,076
Unearned revenue	245,241	-	245,241
Noncurrent liabilities:			
Due within one year	1,828,712	-	1,828,712
Due beyond one year	82,647,217	-	82,647,217
Total liabilities	<u>84,864,609</u>	<u>72,690</u>	<u>84,937,299</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	-	-	-
Deferred premium on refunding	6,836,373	-	6,836,373
Total deferred inflows of resources	<u>6,836,373</u>	<u>-</u>	<u>6,836,373</u>
NET POSITION			
Net investment in capital assets	7,785,018	15,754	7,800,772
Restricted for:			
Debt service	1	-	1
Capital projects	2,156,784	-	2,156,784
Other purposes	4,553,816	-	4,553,816
Unrestricted	(29,547,677)	214,152	(29,333,525)
Total net position	<u>\$ (15,052,058)</u>	<u>\$ 229,906</u>	<u>\$ (14,822,152)</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Statement of Activities
 For the Fiscal Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 19,937,469	\$ 119,856	\$ -	\$ -	\$ (19,817,613)	\$ -	\$ (19,817,613)
Special schools instruction	9,490,139	-	-	-	(9,490,139)	-	(9,490,139)
Other special instruction	1,176,013	-	-	-	(1,176,013)	-	(1,176,013)
Support services and undistributed costs:							
Instruction	1,024,940	-	-	-	(1,024,940)	-	(1,024,940)
Health services	749,466	-	-	-	(749,466)	-	(749,466)
Other support services	6,114,265	-	-	-	(6,114,265)	-	(6,114,265)
Educational media services	510,820	-	-	-	(510,820)	-	(510,820)
Instruction staff training	108,367	-	-	-	(108,367)	-	(108,367)
General administrative services	935,557	-	-	-	(935,557)	-	(935,557)
School administrative services	2,380,673	-	-	-	(2,380,673)	-	(2,380,673)
Central services	832,280	-	-	-	(832,280)	-	(832,280)
Admin info technology	1,080,864	-	-	-	(1,080,864)	-	(1,080,864)
Allowed maintenance for school facilities	1,226,284	-	-	-	(1,226,284)	-	(1,226,284)
Other operation & maintenance of plant	6,620,562	-	-	-	(6,620,562)	-	(6,620,562)
Care and upkeep of grounds	300,872	-	-	-	(300,872)	-	(300,872)
Security	25,070	-	-	-	(25,070)	-	(25,070)
Student transportation services	3,740,728	400,942	-	-	(3,339,786)	-	(3,339,786)
Unallocated employee benefits	15,716,903	-	-	-	(15,716,903)	-	(15,716,903)
Non-budgeted expenditures	4,725,857	-	4,725,857	-	-	-	-
Special schools	-	-	-	-	-	-	-
Transfer to Charter school	-	-	-	-	-	-	-
Interest expense	1,918,619	-	-	-	(1,918,619)	-	(1,918,619)
Total governmental activities	78,615,748	520,798	4,725,857	-	(73,369,093)	-	(73,369,093)
Business-type activities:							
Food service	1,041,985	752,252	338,436	-	-	48,703	48,703
Total business-type activities	1,041,985	752,252	338,436	-	-	48,703	48,703
Total primary government	\$ 79,657,733	\$ 1,273,050	\$ 5,064,293	\$ -	\$ (73,369,093)	\$ 48,703	\$ (73,320,390)
General revenues:							
Taxes:							
Property taxes levied for general purpose					64,054,680	-	64,054,680
Taxes levied for debt service					3,200,132	-	3,200,132
Federal and state aid - not restricted					5,127,027	-	5,127,027
Federal and state aid -restricted					106,675	-	106,675
State aid - restricted					1,198,342	-	1,198,342
Rents and royalties					29,992	-	29,992
Miscellaneous income					657,908	-	657,908
Investment earnings					-	-	-
Total general revenues					74,374,756	-	74,374,756
Change in net position					1,005,663	48,703	1,054,366
Net position—beginning					(16,057,721)	181,203	(15,876,518)
Net position—ending					\$ (15,052,058)	229,906	\$ (14,822,152)

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 7,602,553	\$ 6,531	\$ -	\$ 1	\$ 7,609,085
Cash on hand with fiscal agent	-	-	-	-	-
Investments	-	-	-	-	-
Capital reserve	-	-	-	-	-
Receivables, net	139,021	15,259	-	-	154,280
Due from other funds	22,500	-	-	-	22,500
Receivables - State	968,546	-	-	-	968,546
Receivables - Federal	-	178,950	-	-	178,950
Total assets	<u>\$ 8,732,620</u>	<u>\$ 200,740</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 8,933,361</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	139,351	1,012	-	-	140,363
Interfund payable	20,217	-	-	-	20,217
Deferred revenue	48,589	196,652	-	-	245,241
Due to grantor	-	3,076	-	-	3,076
Total liabilities	<u>208,157</u>	<u>200,740</u>	<u>-</u>	<u>-</u>	<u>408,897</u>
Fund Balances:					
Restricted for:					
Unexpended additional spending proposal	-	-	-	-	-
Capital reserve account	2,156,784	-	-	-	2,156,784
Maintenance reserve account	1,046,838	-	-	-	1,046,838
Emergency reserve account	613,748	-	-	-	613,748
Excess surplus	-	-	-	-	-
Excess surplus -- designated for subsequent year's expenditures	-	-	-	-	-
Committed to:					
Other purposes	793,230	-	-	-	793,230
Assigned to:					
Debt service fund	-	-	-	1	1
Designated by the BOE for subsequent year's expenditures	2,100,000	-	-	-	2,100,000
Capital projects fund	-	-	-	-	-
Other purposes	-	-	-	-	-
Unassigned to:					
General fund	1,813,863	-	-	-	1,813,863
Total Fund balances	<u>8,524,463</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>8,524,464</u>
Total liabilities and fund balances	<u>\$ 8,732,620</u>	<u>\$ 200,740</u>	<u>\$ -</u>	<u>\$ 1</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 are \$100,235,546 and the accumulated depreciation is \$47,545,734.	52,689,812
Deferred outflows related to the PERS pension plan	14,397,366
Deferred inflows related to the PERS pension plan	-
Bond issuance costs are being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$888,390.	648,602
Bond premium is being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$7,618,957.	(6,836,373)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(84,475,929)</u>
Net position of governmental activities	<u>\$ (15,052,058)</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	GAAP Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 64,054,680	\$ -	\$ -	\$ 3,200,132	\$ 67,254,812
Tuition charges	119,856	-	-	-	119,856
Interest on investments	-	-	-	-	-
Interest earned on capital reserve funds	-	-	-	-	-
Transportation fees	400,942	-	-	-	400,942
Rents and royalties	29,992	-	-	-	29,992
Miscellaneous	578,850	79,058	-	-	657,908
Total - Local Sources	65,184,320	79,058	-	3,200,132	68,463,510
State sources	9,852,884	5,646	33,167	35,807	9,927,504
Federal sources	106,675	1,123,722	-	-	1,230,397
Total revenues	\$ 75,143,879	\$ 1,208,426	\$ 33,167	\$ 3,235,939	\$ 79,621,411
EXPENDITURES					
Current:					
Regular instruction	\$ 18,841,941	\$ 1,095,528	\$ -	\$ -	\$ 19,937,469
Special education instruction	9,490,139	-	-	-	9,490,139
Other special instruction	1,176,013	-	-	-	1,176,013
Undistributed - current:					
Instruction	1,024,940	-	-	-	1,024,940
Health services	749,466	-	-	-	749,466
Other support services	6,001,367	112,898	-	-	6,114,265
Educational media services	510,820	-	-	-	510,820
Instruction staff training	108,367	-	-	-	108,367
General administrative services	935,557	-	-	-	935,557
School administrative services	2,380,673	-	-	-	2,380,673
Allowed maintenance for school facilities	1,226,284	-	-	-	1,226,284
Other operation & maintenance of plant	4,095,409	-	-	-	4,095,409
Care and upkeep of grounds	300,872	-	-	-	300,872
Security	25,070	-	-	-	25,070
Student transportation services	3,740,728	-	-	-	3,740,728
Central services	832,280	-	-	-	832,280
Admin info technology	1,080,864	-	-	-	1,080,864
Unallocated employee benefits	13,836,357	-	-	-	13,836,357
Non-budgeted expenditures	4,725,857	-	-	-	4,725,857
Special schools	-	-	-	-	-
Transfer to charter school	-	-	-	-	-
Debt service:					
Principal	-	-	-	1,490,000	1,490,000
Interest and other charges	-	-	-	1,841,322	1,841,322
Capital outlay	765,701	-	-	-	765,701
Total expenditures	71,848,705	1,208,426	-	3,331,322	76,388,453
Excess (Deficiency) of revenues over expenditures	3,295,174	-	33,167	(95,383)	3,232,958
OTHER FINANCING SOURCES (USES)					
Bond refunding	-	-	-	-	-
New bonds issued	-	-	-	-	-
Premium and costs for bond issuance	-	-	-	-	-
Transfer in	146,931	-	-	-	146,931
Transfers out	-	-	(146,931)	-	(146,931)
Total other financing sources and uses	146,931	-	(146,931)	-	-
Net change in fund balances	3,442,105	-	(113,764)	(95,383)	3,232,958
Fund balance—July 1	5,082,358	-	113,764	95,384	5,291,506
Fund balance—June 30	\$ 8,524,463	\$ -	\$ -	\$ 1	\$ 8,524,464

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2017

Total net change in fund balances - governmental funds (from B-2)		\$	3,232,958
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>			
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>			
	Depreciation expense	(2,598,438)	
	Capital outlays	<u>583,366</u>	(2,015,072)
<p>In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey</p>			
			(1,856,753)
<p>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.</p>			
			1,490,000
<p>In the Statement of Activities, the amortization of bond issuance costs is recorded as interest expense . In the governmental funds, the amortization is not recorded.</p>			
			(64,045)
<p>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.</p>			
			242,368
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid. This year, sick leave was increased by \$23,793.</p>			
			<u>(23,793)</u>
Change in net position of governmental activities		\$	<u>1,005,663</u>

Freehold Township School District
Statement of Net Position
Proprietary Funds
June 30, 2017

		<u>Business-type Activities - Enterprise Funds</u>
		<u>Food Service</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$	235,119
Investments		-
Accounts receivable - State		750
Account receivable - Federal		18,841
Interfund receivable		20,217
Other receivables		-
Inventories		11,915
Total current assets		<u>286,842</u>
Noncurrent assets:		
Restricted cash and cash equivalents		-
Furniture, machinery & equipment		135,821
Less accumulated depreciation		<u>(120,067)</u>
Total noncurrent assets		15,754
Total assets	\$	<u>302,596</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$	72,690
Deposits payable		-
Total current liabilities		<u>72,690</u>
NET POSITION		
Net investment in capital assets		15,754
Contributed capital		-
Unrestricted		<u>214,152</u>
Total net position		229,906
Total liabilities and net position	\$	<u>302,596</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2017

	Business-type Activities - Enterprise Fund
	Food Service
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	\$ 443,934
Daily sales - non-reimbursable programs	308,318
Special functions	-
Community service activities	-
Transportation fees from other LEA's within the state	-
Deductions from employees' salaries	-
Miscellaneous	-
Total operating revenues	752,252
Operating expenses:	
Cost of sales - reimbursable programs	356,758
Cost of sales - non-reimbursable programs	78,292
Salaries	379,993
Employee benefits	66,741
Purchased property service	-
Other purchased professional services	120,524
Cleaning, repair and maintenance services	-
Rentals	-
General supplies	37,520
Depreciation	2,157
Total Operating Expenses	1,041,985
Operating income (loss)	(289,733)
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	9,556
Federal sources:	
National school lunch program	234,934
Special milk program	8,812
Food distribution program	85,134
Interest and investment revenue	-
Total nonoperating revenues (expenses)	338,436
Change in net position	48,703
Total net position—beginning	181,203
Total net position—ending	\$ 229,906

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Food Services Enterprise Fund
Statement of Cash Flows
for the Fiscal Year ended June 30, 2017

	Food Service
Cash Flows from Operating Activities:	
Receipts from customers and other funds	732,035
Payments to employees	(379,993)
Payments for employee benefits	(66,741)
Payments to suppliers	(435,923)
Net cash used for operating activities	(150,622)
Cash Flows from Noncapital Financing Activities	
State sources	9,506
Federal sources	241,827
Net cash provided by noncapital financing activities	251,333
Cash Flows from Capital and Related Financing Activities	
Purchases of fixed assets	-
Net cash used for capital and related financing activities	-
Net decrease in cash and cash equivalents	100,711
Balances-beginning of the year	134,408
Balances-end of the year	235,119
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (289,733)
Adjustments to reconcile operating loss to cash used by operating activities:	
Depreciation	2,157
Federal commodities	85,134
Change in assets and liabilities:	
Decrease (increase) in interfund receivable	(20,217)
Decrease (increase) in accounts receivable	-
Decrease (increase) in inventory	(653)
Increase (decrease) in accounts payable	72,690
Total adjustments	139,111
Net cash used by operating activities	\$ (150,622)

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2017

	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 222,134	\$ 575,194	\$ 797,328
Intergovernmental accounts receivable	-	-	-
Interfund receivable	-	-	-
Total assets	<u>\$ 222,134</u>	<u>\$ 575,194</u>	<u>\$ 797,328</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Payroll deductions and withholdings	-	543,831	543,831
Payable to student groups	-	8,863	8,863
Interfund payable	-	22,500	22,500
Other current liabilities	-	-	-
Total liabilities	<u>-</u>	<u>575,194</u>	<u>575,194</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	222,134	-	222,134
Reserved for scholarships	-	-	-
Total net position	<u>222,134</u>	<u>-</u>	<u>222,134</u>
Total liabilities and net position	<u>\$ 222,134</u>	<u>\$ 575,194</u>	<u>\$ 797,328</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2017

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan members	\$ -
Other	-
Total contributions	-
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	500
Dividends	-
Less investment expense	-
Net investment earnings	500
Total additions	500
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	58,808
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	58,808
Change in net position	(58,308)
Net position—beginning of the year	280,442
Net position—end of the year	\$ 222,134

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies

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

A. Reporting Entity:

The 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 a preschool, elementary schools, and middle schools located in Freehold. 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

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.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

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

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

Basis of Presentation

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

In June, 2015, GASB issued Statement No. 74, Financial Reporting for Postemployment Benefits Other Than Pension Plans (Replaces GASB No. 43 and No. 57) and Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (Replaces GASB No. 45 and No. 57). The primary objective of these Statements is to improve accounting and financial reporting by state and local governments for postemployment benefits. It also improves information provided by state and local governmental employers about financial support for postemployment benefits that is provided by other entities. These Statements result from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of these Statements will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net postemployment benefit liability and a more comprehensive measure of pension expense. The requirements of these Statements are effective for financial statements for periods beginning after June 15, 2016 (GASB No. 74) and June 15, 2017 (GASB No. 75).

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.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

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

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

Basis of Presentation (Cont'd):

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.

The District reports the following governmental funds:

General Fund: The general fund is the general operating fund of the District. It 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 non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes in this fund budgeted Capital Outlay. 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 the State of New Jersey, district taxes and appropriated fund balances. Expenditures are those that result in the acquisition of or additions to fixed 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.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

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

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

Basis of Presentation (Cont'd):

Special Revenue Fund: The special revenue fund is used to account for the 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.

The District reports the following proprietary fund:

Enterprise Funds: 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 Fund is comprised of the Food Service Fund.

Depreciation of all fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	5-20 Years
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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 Insurance Trust Fund and Student Activities.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

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

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

Basis of Accounting:

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

District-Wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds use the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. The tax revenues are recognized in the year for which they are levied (see Note 1.d.). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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 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 judgements, 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. Property Taxes

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 moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

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

D. 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. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6a:23-1.2.

All budget amendments/transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2017 were insignificant.

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.

E. Encumbrances

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

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

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

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

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

F. Cash, Cash Equivalents and Investments

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

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:2037 provides a list of permissible investments that may be purchased by New Jersey school districts

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

G. Tuition Receivable

Tuition charges were established by the District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

H. Tuition Payable

Tuition charges for the fiscal years 2016-2017 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

I. Inventories and Prepaid Expenses

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

Inventories in the enterprise funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

J. Short-Term Interfund Receivables/Payables

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

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

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

K. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is 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.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & computer equipment	5-10
Instructional equipment	10
Grounds equipment	15

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

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

M. Unearned/Deferred Revenue

Unearned/Deferred revenue in the general and special revenue funds represent cash which has been received but not yet earned.

N. 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 and 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. Bonds are recognized as a liability on the fund financial statements when due.

O. 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, represent 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.

P. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. 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.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

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

Q. Fund Balance Resources

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

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

R. Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the 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.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

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

R. Revenues - Exchange and Non-exchange Transactions (Cont'd)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property 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 School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange 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.

S. 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. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

T. Management Estimates

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

2. Cash and Cash Equivalents and Investments

Operating cash, in the form of Negotiable Order of Withdrawal ("NOW") accounts, is held in the District's name by a commercial banking institution. At June 30, 2017, the carrying amount of the District's deposits was \$8,641,532 and the bank balance was \$9,179,191. Of the bank balance, \$250,000 was insured with Federal Deposit Insurance.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

2. Cash and Cash Equivalents and Investments (Cont'd)

Pursuant to Government Accounting Standards, the District's NOW accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2017, all of the District's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The District does not have a policy for custodial credit risk.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with GUDPA. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

3. Investments

Pursuant to the Enabling Act, the funds of the District may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the District may approve.

New Jersey Asset and Rebate Management Program - The Program has been established as a joint investment trust, (the "Trust"), by local governmental units in the State of New Jersey, (the "State"), consistent with the Interlocal Services Act, constituting Chapter 208 of the Pamphlet Laws of 1973 of the State of New Jersey and the acts amendatory thereof and supplemental thereto (N.J.S.A. 40:8A-1 et seq.), (the "Interlocal Services Act"), to make available to counties, municipalities, school districts, authorities, or other political subdivisions of the State, and where applicable, any bond trustee acting on behalf of such local government, a convenient method for investing and accounting for surplus cash and tax exempt debt proceeds. The Program seeks to invest tax-exempt bond and note proceeds in compliance with arbitrage management and rebate requirements of the Internal Revenue Code of 1986, as amended. The Program also provides for record keeping, depository and arbitrage rebate calculation.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

3. Investments (Cont'd)

Pursuant to the Enabling Act, the funds of the District may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by the United States of America or other obligations as the District may approve.

In order to maximize liquidity, the District utilized the New Jersey Cash Management Fund ("NJCMF") as its sole investment. The NJCMF is administered by the New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At June 30, 2017, the District's balance was \$-.

Custodial Credit Risk: Pursuant to Government Accounting Standards, the NJCMF, which is a pooled investment, is exempt from custodial credit risk disclosure. The District does not have a policy for custodial credit risk.

Credit Risk: The District does not have an investment policy regarding the management of credit risk. Government Accounting Standards, require that disclosure be made as to the credit rating of all debt security investments except for obligations of U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

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

4. Capital Reserve Account

A capital reserve account was established by the District during fiscal year 2001-2002 in which it deposited \$100,000 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.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

4. Capital Reserve Account (Cont'd)

Funds placed in the capital reserve account are restricted to capital projects in the District's Long Range Facilities Plan, ("LRFP"). Upon submission of the LRFP to the department, a district may deposit funds 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 amounts when the express 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. 6A:23A-14.1(g), 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, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance	\$	9,792
Interest Earned		61
Deposits		-
Approved at June 2017 Meeting		2,000,000
Transfer of Unspent Funds		<u>146,931</u>
Ending Balance	\$	<u><u>2,156,784</u></u>

The June 30, 2017 LRFP balance of local support costs of uncompleted capital projects is \$6,342,498.

5. Maintenance Reserve Account

A Maintenance Reserve Account was established by the Freehold Township School District for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Maintenance Reserve Account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP). Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The District may also appropriate additional amounts when the express 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. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2017.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

5. Maintenance Reserve Account (Cont'd)

The activity of the Maintenance Reserve for the July 01, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance	\$ 540,031
Add:	
Interest	1,807
Deposits	
Approved at June 2017 Meeting	605,000
Less:	
Budgeted transfer out	<u>(100,000)</u>
Ending Balance	<u>\$ 1,046,838</u>

6. Emergency Reserve Account

An Emergency Reserve Account was established by the Freehold Township School District for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Emergency Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

The activity of the Emergency Reserve for the July 01, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance	\$ 611,301
Add:	
Interest	<u>2,447</u>
Ending Balance	<u>\$ 613,748</u>

7. Receivables

Receivables at June 30, 2017, consisted of accounts (rent and tuition), accrued interest, interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of governmental receivables follows:

	Governmental Fund Financial Statements	District-Wide Financial Statements
State Aid	968,546	969,296
Federal Aid	178,950	197,791
Interfunds	22,500	22,500
Other	<u>154,280</u>	<u>154,280</u>
Gross Receivables	1,324,276	1,343,867
Allowance for Uncollectible	-	-
Total Receivables, Net	<u><u>1,324,276</u></u>	<u><u>1,343,867</u></u>

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

8. Capital Assets

Capital Assets consisted of the following at June 30, 2017.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 2,079,919	\$ -	-	\$ 2,079,919
Construction in Progress	<u>763,831</u>	<u>171,742</u>	<u>(643,086)</u>	<u>292,487</u>
Total Capital Assets Not Being Depreciated	<u>2,843,750</u>	<u>171,742</u>	<u>(643,086)</u>	<u>2,372,406</u>
Capital Assets Being Depreciated				
Site Improvements	-	-	-	-
Building and Building Improvements	79,217,120	30,370	-	79,247,490
Machinery and Equipment	<u>17,591,310</u>	<u>1,024,340</u>	<u>-</u>	<u>18,615,650</u>
Totals at Historical Cost	<u>96,808,430</u>	<u>1,054,710</u>	<u>-</u>	<u>97,863,140</u>
Less Accumulated Depreciation for:				
Site Improvements	-	-	-	-
Building and Building Improvements	(28,119,606)	(2,242,381)	-	(30,361,987)
Machinery and Equipment	<u>(16,827,690)</u>	<u>(356,057)</u>	<u>-</u>	<u>(17,183,747)</u>
Total Accumulated Depreciation	<u>(44,947,296)</u>	<u>(2,598,438)</u>	<u>-</u>	<u>(47,545,734)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>51,861,134</u>	<u>(1,543,728)</u>	<u>-</u>	<u>50,317,406</u>
Government Activity Capital Assets, Net	<u>54,704,884</u>	<u>(1,371,986)</u>	<u>(643,086)</u>	<u>52,689,812</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	135,821	-	-	135,821
Less: Accumulated Depreciation	<u>(117,910)</u>	<u>(2,157)</u>	<u>-</u>	<u>(120,067)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 17,911</u>	<u>\$ (2,157)</u>	<u>-</u>	<u>\$ 15,754</u>

Depreciation expense was charged to governmental functions as follows:

Operations and maintenance	\$ <u>2,598,438</u>
Total depreciation expense	\$ <u><u>2,598,438</u></u>

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

9. Non-current Liabilities

During the fiscal year ended June 30, 2017 the following changes occurred in the non-current liabilities:

	Balance <u>July 01, 2016</u>	Increase/ <u>(Decrease)</u>	Balance <u>June 30, 2017</u>	Due within <u>one year</u>
Bonds payable	\$ 39,945,000	(1,490,000)	38,455,000	\$ 1,595,000
Obligations under capital leases	504,391	(242,368)	262,023	129,127
Compensated absences payable	1,912,322	23,793	1,936,115	104,585
Pension liability - PERS	<u>32,770,266</u>	<u>11,052,525</u>	<u>43,822,791</u>	-
	<u>\$ 75,131,979</u>	<u>9,343,950</u>	<u>84,475,929</u>	<u>\$ 1,828,712</u>

A. Bonds Payable

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

Principal and interest due on serial bonds outstanding is as follows:

Year ended June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,595,000	\$ 1,790,300	\$ 3,385,300
2019	1,715,000	1,725,700	3,440,700
2020	1,845,000	1,656,200	3,501,200
2021	2,000,000	1,570,325	3,570,325
2022	2,165,000	1,471,575	3,636,575
2023-2027	14,195,000	5,530,900	19,725,900
2028-2032	<u>14,940,000</u>	<u>1,940,800</u>	<u>16,880,800</u>
	<u>\$ 38,455,000</u>	<u>\$ 15,685,800</u>	<u>\$ 54,140,800</u>

B. Bonds Authorized But Not Issued

As of June 30, 2017 the District had no authorized but not issued bonds.

C. Capital Leases

The District is leasing equipment under various capital leases. The following is a schedule of the remaining future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2017:

Year ended June 30,	
2018	\$ 136,300
2019	<u>135,576</u>
Total minimum lease payments	271,876
Less: amounts representing interest	<u>(9,853)</u>
Present value of lease payments	<u>\$ 262,023</u>

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System ("PERS"), the Teachers' Pension and Annuity Fund ("TPAF") or the Defined Contribution Retirement Program (DCRP) which have been established by State statute and are administered by the New Jersey Division of Pension and Benefits ("Division"). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund ("TPAF")

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

For the year ended June 30, 2017, the District recognized pension expense of \$3,109,091 and revenue of \$3,109,091 for support provided by the State on the fund financials. These amounts are not included in the district-wide financials as required by GASB 68.

At June 30, 2017, the District has no deferred outflow, deferred inflows or pension liability for the TPAF plan as all future costs are to be incurred by the State of New Jersey. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed. These items are not included on the district-wide financials. The District's proportionate share is 0.2754899316% of the total plan. The information on the following page was provided from the State of New Jersey June 30, 2016 audit of the TPAF fund and has been adjusted to the District's proportionate share.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans (Cont'd)

Teachers' Pension and Annuity Fund ("TPAF") (Cont'd)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 760,214	\$ 368,924
Changes of assumptions	43,061,048	-
Net difference between projected and actual earnings on pension plan investments	3,934,401	-
Changes in proportion and differences between District contributions and proportionate share of contributions	289,791	168,359
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 48,045,454</u>	<u>\$ 537,283</u>

The District's proportionate share of the pension liability at June 30, 2016 as it relates to the District is \$216,717,921.

The District's proportionate share of other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense by the State of New Jersey as follows:

Year ended June 30:	
2017	\$ 6,993,410
2018	6,993,410
2019	8,192,643
2020	7,661,933
2021	6,472,216
Thereafter	<u>11,291,512</u>
Total	<u>\$ 47,605,124</u>

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans (Cont'd)

Long-Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00 %	0.39 %
US Government Bonds	4.50 %	1.28 %
US Credit Bondst	13.00 %	2.76 %
US Mortgages	2.00 %	2.38 %
US Inflation-Indexed Bonds	1.50 %	1.41 %
US High Yield Bonds	2.00 %	4.70 %
US Equity Market	26.00 %	5.14 %
Foreign-Developed Equity	13.25 %	5.91 %
Emerging Market Equity	6.50 %	8.16 %
Private Real Estate Property	5.25 %	3.64 %
Timber	1.00 %	3.86 %
Farmland	1.00 %	4.39 %
Private Equity	9.00 %	8.97 %
Commodities	0.50 %	2.87 %
Hedge Funds - MultiStrategy	5.00 %	3.70 %
Hedge Funds - Equity Hedge	3.75 %	4.72 %
Hedge Funds - Distressed	3.75 %	3.49 %

Discount Rate

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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 average of the last five years of contributions made in relation to the last five years of recommended 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 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans (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, 2016 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (2.22 %)	Current Discount Rate (3.22 %)	1% Increase (4.22 %)
District's proportionate share of the net pension liability	260,002,373	217,716,682	183,184,958

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

Public Employees' Retirement System ("PERS")

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

For the year ended June 30, 2017, the District recognized pension expense of \$1,339,939. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed and recorded. These items are included on the district-wide financials. The District's proportionate share is 0.1479643329% of the total plan. The information on the following page was provided from the State of New Jersey June 30, 2016 audit of the PERS fund and has been adjusted to the District's proportionate share. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans (Cont'd)

Public Employees' Retirement System ("PERS") (Cont'd)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 814,971	\$ -
Changes of assumptions	9,077,742	-
Net difference between projected and actual earnings on pension plan investments	1,671,003	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,504,360	-
District contributions subsequent to the measurement date	<u>329,290</u>	<u>-</u>
Total	<u>\$ 14,397,366</u>	<u>\$ -</u>

The District's proportionate share of the pension liability at June 30, 2016 as it relates to the District is \$43,822,791 and has been recorded on the district-wide financials.

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:	
2017	\$ 2,603,466
2018	2,603,466
2019	3,016,202
2020	2,534,051
2021	806,531
Thereafter	<u>-</u>
Total	<u>\$ 11,563,716</u>

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans (Cont'd)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00 %	0.87 %
U.S. Treasuries	1.50 %	1.74 %
Investment Grade Credit	8.00 %	1.79 %
Mortgages	2.00 %	1.67 %
High Yield Bonds	2.00 %	4.56 %
Inflation-Indexed Bonds	1.50 %	3.44 %
Broad US Equities	26.00 %	8.53 %
Developed Foreign Equities	13.25 %	6.83 %
Emerging Market Equities	6.50 %	9.95 %
Private Equity	9.00 %	12.40 %
Hedge Funds/Absolute Return	12.50 %	4.68 %
Real Estate (Property)	2.00 %	6.91 %
Commodities	0.50 %	5.45 %
Global Debt ex US	5.00 %	(0.25)%
REIT	5.25 %	5.63 %

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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 average of the last five years of contributions made in relation to the last five years of recommended 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans (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, 2016, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (2.98 %)	Current Discount Rate (3.98 %)	1% Increase (4.98 %)
District's proportionate share of the net pension liability	53,699,716	43,822,791	35,668,534

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by the N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years or service prior to retirement (or highest three years' compensation if other than the final three years).

Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans (Cont'd)

Contribution Requirements

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (ACP)	Percentage of ACP Contributed	Net Pension Obligation
6/30/17	\$ 1,339,939	100	0
6/30/16	1,227,572	100	0
6/30/15	1,154,023	100	0

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

Year Funding	Annual Pension Cost (ACP)	Percentage of ACP Contributed	Net Pension Obligation
06/30/17	\$ 5,707,054	100	0
06/30/16	4,832,034	100	0
06/30/15	3,681,742	100	0

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of legislation. TPAF and PERS provide for employee contributions of 6.78% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

There was a current year contribution to the TPAF post-retirement medical benefits made by the State of New Jersey on behalf of the Board in the amount of \$5,707,054. The State did not make any normal contributions on behalf of the Board. Also, in accordance with N.J.S.A. 18A:6666 the State of New Jersey reimbursed the District \$2,127,894 during the year ended June 30, 2017 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

These amounts have been included in the general purpose financial statements, the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with Governmental Accounting Standards.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Pension Plans (Cont'd)

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.

The District's contributions to the DCRP for June 30, 2017 were \$6,134. There was no liability for unpaid contributions at June 30, 2017.

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

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

11. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits of 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. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with, P.L. 1994 Chapter 62. Funding of post-retirement medical benefits changed from a prefunding 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. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

12. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards.

District employees are granted varying amounts of sick leave in accordance with the districts personnel policy. District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. Upon separation the District shall pay the employee for unused sick leave in accordance with the Districts' agreements with the various employees. Vacation days not used during the year may only be carried forward with approval from the Superintendent.

The liability for vested compensated absences of the governmental fund types is recorded on the District-wide financials. The current portion of the compensated absences balance is shown separately from the long-term liability balance of compensated absences. The liability for vested compensated absences of the proprietary fund type is recorded within those funds as the benefits accrue to employees.

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Deferred Compensation

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

Lincoln Financial
The Variable Annuity Life Insurance Co.
AXA Equitable Life Insurance Co.
Great American Financial Resources, Inc.
Metlife Resources
Security Benefit Corp.
Legend Equities Corporation

14. Risk Management

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

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

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 expendable trust fund for the current and prior year:

District Financial Year	Employee Contributions	Interest	Amount Reimbursed	Ending Balance
2016-2017	\$ -	500	58,808	\$ 222,134
2015-2016	-	644	77,605	280,442
2014-2015	\$ 35,850	822	114,156	\$ 357,403

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

15. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2017:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 22,500	\$ 20,217
Special Revenue Fund	-	-
Capital Projects Fund	-	-
Debt Service Fund	-	-
Enterprise Fund	20,217	-
Trust and Agency Fund	-	22,500
	<u>\$ 42,717</u>	<u>\$ 42,717</u>

The General Fund owes the Enterprise Fund for funds collected on its behalf.

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

16. Inventory

Inventory in the Food Service Fund at June 30, 2017 consisted of the following:

Food	\$ 8,636
Supplies	<u>3,279</u>
	<u>\$ 11,915</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

17. 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.

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

Freehold Township School District

Notes to Financial Statements

For the Year Ended June 30, 2017

18. Fund Balances

General Fund - Of the \$8,524,463 General Fund balance at June 30, 2017, \$793,230 of encumbrances is committed to other purposes, \$2,156,784 is restricted for capital reserve, \$1,046,838 is restricted for maintenance reserve, \$613,748 is restricted for the emergency reserve, \$- is restricted for excess surplus for subsequent year expenditures, \$2,100,000 has been classified as assigned fund balance designated for subsequent year expenditures, \$- is restricted for excess surplus and \$1,813,863 is unassigned.

19. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 is \$-. The excess fund balance at June 30, 2016 was \$-. Pursuant to the provisions of Executive Order No. 14, \$- of that amount was approved by the Commissioner of the Department of Education for withdrawal to address any budget shortfall in the general fund account group due to the 2016-2017 withholding of state aid.

20. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2017. The school district files tax returns in the U.S. federal jurisdiction and various states. The school district has no open year prior to June 30, 2014.

21. Subsequent Events

Management has evaluated subsequent events through November 7, 2017, the date the financial statements were available to be issued.

22. Tax Abatement

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 64,054,680	\$ -	\$ 64,054,680	64,054,680	\$ -
Tuition	204,721	97,500	107,221	119,856	12,635
Interest on Investments	-	-	-	-	-
Transportation Fees from Individuals	10,000	-	10,000	11,893	1,893
Transportation Fees from Other LEAs	381,599	-	381,599	389,049	7,450
Interest earned on capital reserve funds	1,100	1,100	-	-	-
Rents and Royalties	-	-	-	29,992	29,992
Miscellaneous	221,424	(98,600)	320,024	578,850	258,826
Total - local sources	64,873,524	-	64,873,524	65,184,320	310,796
State sources:					
Transportation aid	333,183	-	333,183	333,183	-
Special education aid	2,615,763	-	2,615,763	2,615,763	-
Extraordinary aid	800,000	-	800,000	847,878	47,878
Equalization aid	1,100,169	-	1,100,169	1,100,169	-
Categorical security aid	93,758	-	93,758	93,758	-
Adjustment aid	1	-	1	1	-
PARCC readiness aid	39,120	-	39,120	39,120	-
Per pupil growth aid	39,120	-	39,120	39,120	-
Professional learning community aid	36,890	-	36,890	36,890	-
Other unrestricted state aides	-	(18,841)	18,841	18,841	-
TPAF - LTDI (on-behalf - Non-budgeted)	-	-	-	7,383	7,383
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	2,590,580	2,590,580
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	3,109,091	3,109,091
TPAF social security (reimbursed - Non-budgeted)	-	-	-	2,127,894	2,127,894
Total state sources	5,058,004	(18,841)	5,076,845	12,959,671	7,882,826
Federal Sources:					
Medicaid Reimbursement	40,990	-	40,990	106,675	65,685
Total federal sources	40,990	-	40,990	106,675	65,685
Total revenues	69,972,518	(18,841)	69,991,359	78,250,666	8,259,307
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Preschool/Kindergarten - Salaries of teachers	1,333,518	(26,558)	1,306,960	1,306,960	-
Grades 1-5 - Salaries of teachers	8,806,692	155,624	8,962,316	8,961,916	400
Grades 6-8 - Salaries of teachers	6,426,989	44,692	6,471,681	6,471,681	-
Regular Programs - Home Instruction:					
Salaries of teachers	23,700	9,546	33,246	33,246	-
Purchased professional-educational services	16,000	19,988	35,988	21,469	14,519
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	512,420	(91,611)	420,809	416,901	3,908
Purchased professional technical services	73,450	3,800	77,250	68,626	8,624
Other purchased services (400-500 series)	117,002	3,730	120,732	98,760	21,972
General supplies	1,687,715	(27,537)	1,660,178	1,449,918	210,260
Textbooks	26,000	(2,000)	24,000	10,714	13,286
Other objects	2,600	-	2,600	1,750	850
TOTAL REGULAR PROGRAMS - INSTRUCTION	19,026,086	89,674	19,115,760	18,841,941	273,819
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of teachers	175,775	102,195	277,970	276,561	1,409
Other salaries for instruction	253,191	37,594	290,785	289,669	1,116
Other Purch. Serv. (400-500 series)	-	-	-	-	-
General supplies	11,490	-	11,490	10,391	1,099
Total Learning and/or Language Disabilities	440,456	139,789	580,245	576,621	3,624
Behavioral Disabilities:					
Salaries of teachers	144,795	(74,525)	70,270	70,270	-
Other salaries for instruction	110,616	64,464	175,080	175,080	-
Other purchased services (400-500 series)	500	-	500	-	500
General supplies	2,500	-	2,500	1,196	1,304
Total Behavioral Disabilities	258,411	(10,061)	248,350	246,546	1,804
Multiple Disabilities:					
Salaries of teachers	362,865	67,906	430,771	429,814	957
Other salaries for instruction	371,170	145,594	516,764	516,764	-
Other Purch. Serv. (400-500 series)	4,000	-	4,000	-	4,000
General supplies	11,400	1,466	12,866	3,670	9,196
Total Multiple Disabilities	749,435	214,966	964,401	950,248	14,153

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of teachers	\$ 4,697,535	\$ 18,262	\$ 4,715,797	\$ 4,715,797	\$ -
Other salaries for instruction	1,198,772	259,414	1,458,186	1,458,186	-
Other Purch. Serv. (400-500 series)	142,035	(139,000)	3,035	-	3,035
General supplies	15,350	140,650	156,000	110,843	45,157
Total Resource Room/Resource Center	<u>6,053,692</u>	<u>279,326</u>	<u>6,333,018</u>	<u>6,284,826</u>	<u>48,192</u>
Autism:					
Salaries of teachers	350,500	(154,078)	196,422	195,586	836
Other salaries for instruction	306,694	(80,176)	226,518	226,518	-
Other purchased services (400-500 series)	5,000	(2,500)	2,500	-	2,500
General supplies	8,250	-	8,250	2,269	5,981
Total Autism	<u>670,444</u>	<u>(236,754)</u>	<u>433,690</u>	<u>424,373</u>	<u>9,317</u>
Preschool Disabilities - Part Time					
Salaries of teachers	151,085	2,269	153,354	152,838	516
Other salaries for instruction	287,151	(19,129)	268,022	267,885	137
Purchased technical services	200	-	200	-	200
Other purchased services (400-500 series)	250	-	250	-	250
General supplies	3,400	-	3,400	2,704	696
Total Preschool Disabilities - Part Time	<u>442,086</u>	<u>(16,860)</u>	<u>425,226</u>	<u>423,427</u>	<u>1,799</u>
Preschool Disabilities - Full Time					
Salaries of teachers	174,435	69,109	243,544	243,544	-
Other salaries for instruction	258,781	78,159	336,940	336,940	-
General supplies	3,950	-	3,950	3,614	336
Total Preschool Disabilities - Full Time	<u>437,166</u>	<u>147,268</u>	<u>584,434</u>	<u>584,098</u>	<u>336</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>9,051,690</u>	<u>517,674</u>	<u>9,569,364</u>	<u>9,490,139</u>	<u>79,225</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	704,957	(21,083)	683,874	683,874	-
General Supplies	10,680	-	10,680	8,608	2,072
Total Basic Skills/Remedial - Instruction	<u>715,637</u>	<u>(21,083)</u>	<u>694,554</u>	<u>692,482</u>	<u>2,072</u>
Bilingual Education - Instruction					
Salaries of teachers	141,385	7,060	148,445	147,915	530
Other purchased services (400-500 series)	6,000	1,500	7,500	6,943	557
General Supplies	27,200	(17,500)	9,700	3,546	6,154
Total Bilingual Education - Instruction	<u>174,585</u>	<u>(8,940)</u>	<u>165,645</u>	<u>158,404</u>	<u>7,241</u>
School-Spon. Cocurricular Activities - Instruction					
Salaries	111,775	32,529	144,304	144,304	-
Supplies and materials	3,200	-	3,200	2,518	682
Other objects	3,450	849	4,299	4,187	112
Total School-Spon. Cocurricular Actvts. - Instruction	<u>118,425</u>	<u>33,378</u>	<u>151,803</u>	<u>151,009</u>	<u>794</u>
School-Spon. Athletics - Instruction					
Salaries	139,362	-	139,362	130,895	8,467
Purchased services (300-500 series)	25,000	-	25,000	19,371	5,629
Supplies and materials	25,000	-	25,000	20,172	4,828
Total School-Spon. Cocurricular Actvts. - Instruction	<u>189,362</u>	<u>-</u>	<u>189,362</u>	<u>170,438</u>	<u>18,924</u>
Other Instructional Programs - Instruction					
Supplies and materials	6,300	1,418	7,718	3,680	4,038
Total Other Instructional Programs - Instruction	<u>6,300</u>	<u>1,418</u>	<u>7,718</u>	<u>3,680</u>	<u>4,038</u>
Total Instruction	<u>29,282,085</u>	<u>612,121</u>	<u>29,894,206</u>	<u>29,508,093</u>	<u>386,113</u>
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - special	107,000	6,246	113,246	57,618	55,628
Tuition to Priv. Sch. For Handic. in state	1,340,401	(21,246)	1,319,155	967,322	351,833
Total Undistributed Expenditures - Instruction:	<u>1,447,401</u>	<u>(15,000)</u>	<u>1,432,401</u>	<u>1,024,940</u>	<u>407,461</u>
Undist. Expend. - Health Services					
Salaries	651,459	56,679	708,138	707,198	940
Purchased professional and technical services	17,000	11,785	28,785	17,837	10,948
Other Purchd. Serv. (400-500 series)	11,000	(2,000)	9,000	5,263	3,737
Supplies and materials	28,915	(5,090)	23,825	19,019	4,806
Other objects	670	-	670	149	521
Total Undistributed Expenditures - Health Services	<u>709,044</u>	<u>61,374</u>	<u>770,418</u>	<u>749,466</u>	<u>20,952</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Support Serv - Students Related Service					
Salaries	\$ 933,934	\$ 345,149	\$ 1,279,083	\$ 1,279,083	\$ -
Purchased professional - educational services	115,000	-	115,000	84,377	30,623
Supplies and materials	13,000	2,500	15,500	15,479	21
Total Undist. Expend. - Other Support Serv - Students	<u>1,061,934</u>	<u>347,649</u>	<u>1,409,583</u>	<u>1,378,939</u>	<u>30,644</u>
Undist. Expend. - Other Support Services - Students - Extraordinary Services					
Salaries	191,610	(47,369)	144,241	144,241	-
Purchased Prof. Ed. Services	13,800	-	13,800	60	13,740
Supplies and materials	25,350	-	25,350	20,299	5,051
Other Objects	3,000	-	3,000	853	2,147
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	<u>233,760</u>	<u>(47,369)</u>	<u>186,391</u>	<u>165,453</u>	<u>20,938</u>
Undist. Expend. - Other Support Serv Students-Regular					
Salaries of other professional staff	706,483	(32,607)	673,876	673,876	-
Salaries of secretarial and clerical assistants	116,372	(781)	115,591	114,997	594
Purchased professional - educational services	-	20,867	20,867	16,529	4,338
Unused Vac Pay to Term/Retired Staff	5,281	-	5,281	5,281	-
Other purchased services (400-500 series)	7,800	(5,857)	1,943	1,092	851
Supplies and materials	19,850	(1,093)	18,757	14,807	3,950
Other objects	15	-	15	15	-
Total Undist. Expend. - Other Support Serv - Students-Regular	<u>855,801</u>	<u>(19,471)</u>	<u>836,330</u>	<u>826,597</u>	<u>9,733</u>
Undist. Expend. - Other Support Serv - Students-Special					
Salaries of other professional staff	2,236,416	(404,482)	1,831,934	1,826,975	4,959
Salaries of secretarial and clerical assistants	272,858	16,117	288,975	283,815	5,160
Unused Vac Pay to Term/Retired Staff	-	-	-	-	-
Other purchased prof. and tech. services	187,990	(34,325)	153,665	110,761	42,904
Other purchased services (400-500 series)	8,192	35,355	43,547	33,466	10,081
Misc purchased services (400-500 series o/than resid costs)	35,000	(35,000)	-	-	-
Supplies and materials	75,000	604	75,604	58,599	17,005
Other objects	7,000	-	7,000	2,895	4,105
Total Undist. Expend. - Other Support Serv - Students-Special	<u>2,822,456</u>	<u>(421,731)</u>	<u>2,400,725</u>	<u>2,316,511</u>	<u>84,214</u>
Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr					
Salaries of supervisor of instruction	1,096,691	41,641	1,138,332	1,138,332	-
Other Salaries	234,990	(104,260)	130,730	130,730	-
Other purchased services (400-500)	85,699	(16,400)	69,299	30,925	38,374
Supplies and materials	11,225	(300)	10,925	7,231	3,694
Other objects	6,644	330	6,974	6,649	325
Total Undist. Expend. - Improv of Instruct Serv - Other Sup Serv - Instr	<u>1,435,249</u>	<u>(78,989)</u>	<u>1,356,260</u>	<u>1,313,867</u>	<u>42,393</u>
Undist. Expend. - Educational Media Services/School Library					
Salaries	428,620	6,942	435,562	434,870	692
Supplies and materials	63,250	20,661	83,911	75,950	7,961
Total Undist. Expend. - Educational Media Services/School Library	<u>491,870</u>	<u>27,603</u>	<u>519,473</u>	<u>510,820</u>	<u>8,653</u>
Undist. Expend. - Instruction Staff Training Services					
Salaries of other professional staff	64,402	757	65,159	65,159	-
Purchased professional - educational services	33,000	600	33,600	21,777	11,823
Other purchased services (400-500)	33,000	(600)	32,400	17,457	14,943
Supplies and materials	4,000	-	4,000	3,974	26
Total Undist. Expend. - Instruction Staff Training Services	<u>134,402</u>	<u>757</u>	<u>135,159</u>	<u>108,367</u>	<u>26,792</u>
Undist. Expend. - Support Service - General Administration					
Salaries	483,637	16,985	500,622	500,622	-
Legal services	105,000	54,347	159,347	147,763	11,584
Audit Fees	31,825	4,500	36,325	31,825	4,500
Architectural/Engineering Services	75,000	117,764	192,764	96,794	95,970
Other purchased professional services	14,301	(6,097)	8,204	7,874	330
Purchased technical services	20,000	(6,600)	13,400	11,196	2,204
Communications/Telephone	103,500	(40,048)	63,452	57,979	5,473
BOE Other purchased services	15,300	1,051	16,351	14,307	2,044
Other purchased services (400-500 series)	17,273	136	17,409	17,409	-
General supplies	24,600	(9,732)	14,868	10,319	4,549
Miscellaneous expenditures	14,000	-	14,000	11,232	2,768
BOE membership dues and fees	31,000	-	31,000	28,237	2,763
Total Undist. Expend. - Support Service - General Administration	<u>935,436</u>	<u>132,306</u>	<u>1,067,742</u>	<u>935,557</u>	<u>132,185</u>
Undist. Expend. - Support Service - School Administration					
Salaries of principals/Assistant principals	1,494,731	8,637	1,503,368	1,503,368	-
Salaries of secretarial and clerical assistants	789,352	(33,266)	756,086	755,908	178
Other purchased services (400-500 series)	78,879	(550)	78,329	56,415	21,914
Supplies and materials	63,585	(3,375)	60,210	47,726	12,484
Other objects	19,665	-	19,665	17,256	2,409
Total Undist. Expend. - Support Service - School Administration	<u>2,446,212</u>	<u>(28,554)</u>	<u>2,417,658</u>	<u>2,380,673</u>	<u>36,985</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Central Services					
Salaries	\$ 665,481	\$ 59,998	\$ 725,479	\$ 724,609	\$ 870
Unused Vac Pay to Term/Retired Staff	14,498	(8,934)	5,564	5,564	-
Purchased professional services	13,220	(1,500)	11,720	11,262	458
Purchased technical services	69,398	25,482	94,880	67,428	27,452
Misc. Purchased Services	11,400	-	11,400	1,554	9,846
Supplies and materials	22,525	(1,219)	21,306	14,183	7,123
Other objects	-	-	-	-	-
Miscellaneous expenditures	32,175	210	32,385	7,680	24,705
Total Undist. Expend. - Central Services	828,697	74,037	902,734	832,280	70,454
Undist.- Admin. Info. Technology					
Salaries	434,834	35,155	469,989	469,989	-
Purchased Professional Services	314,012	(22,029)	291,983	288,623	3,360
Purchased technical services	-	-	-	-	-
Other Purchased Services	151,255	-	151,255	135,512	15,743
Supplies and materials	254,000	(60,193)	193,807	186,740	7,067
Total Undist. Expend - Admin. Info. Technology	1,154,101	(47,067)	1,107,034	1,080,864	26,170
Undist. Expend. - Allowed Maintenance for School Facilities					
Salaries	508,151	(30,595)	477,556	476,698	858
Cleaning, repair and maintenance services	877,202	(96,396)	780,806	612,486	168,320
General supplies	160,625	(7,887)	152,738	137,050	15,688
Other objects	-	2,500	2,500	50	2,450
Total Undist. Expend. - Allowed Maintenance for School Facilities	1,545,978	(132,378)	1,413,600	1,226,284	187,316
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries	1,818,675	(2,706)	1,815,969	1,800,436	15,533
Salaries of non-instructional aides	243,331	6,309	249,640	247,666	1,974
Unused Vac Pay to Term/Retired Staff	431	-	431	166	265
Purchased professional and technical services	2,500	-	2,500	-	2,500
Cleaning, repair and maintenance services	158,771	(7,019)	151,752	117,966	33,786
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt	-	-	-	-	-
Other purchased property services	61,100	6,018	67,118	67,118	-
Misc Purchased Services	2,500	-	2,500	-	2,500
Insurance	395,178	5,237	400,415	400,415	-
General supplies	132,147	13,724	145,871	145,376	495
Energy (electricity)	1,234,206	11,932	1,246,138	1,043,386	202,752
Other objects	2,500	-	2,500	700	1,800
Energy (natural gas)	346,665	10,019	356,684	272,180	84,504
Total Undist Expend-Other Operation & Maint Of Plant	4,398,004	43,514	4,441,518	4,095,409	346,109
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	171,717	16,400	188,117	186,241	1,876
Unused Vac Pay to Term/Retired Staff	859	-	859	859	-
Cleaning, repair and maintenance services	98,417	(5,000)	93,417	81,502	11,915
General supplies	37,650	-	37,650	32,270	5,380
Total Undist Expend-Care & Upkeep of Grounds	308,643	11,400	320,043	300,872	19,171
Security					
Purchased Professional and Technical Services	41,830	-	41,830	21,183	20,647
Cleaning, repair and maintenance services	15,000	-	15,000	3,536	11,464
General supplies	45,000	(39,984)	5,016	351	4,665
Total Security	101,830	(39,984)	61,846	25,070	36,776
Undist. Expend. - Student Transportation Services					
Salaries of non-instructional aides	-	333,007	333,007	333,007	-
Salaries-pupil transport(between home & school)-Regular	1,401,908	(257,383)	1,144,525	1,143,021	1,504
Salaries-pupil transport (between home & school)-Special	733,682	(33,473)	700,209	700,209	-
Salaries-pupil transport(other than home & school)-Regular	69,057	(6,526)	62,531	62,531	-
Unused Vac Pay to Term/Retired Staff	7,984	(1,790)	6,194	6,194	-
Other purchased professional and technical services	13,000	-	13,000	7,755	5,245
Cleaning, repair and maintenance services	470,000	-	470,000	402,009	67,991
Lease purchase payments - School buses	285,646	(37,500)	248,146	235,404	12,742
Contract Svc (other btw home & Sch.) - Vendors	11,000	-	11,000	4,510	6,490
Contract Svc (Regular students) - ESCs & CTSA's	100,000	(33,046)	66,954	61,223	5,731
Contract Svc (Spl. Ed. Students) - ESCs & CTSA's	550,000	71,825	621,825	581,683	40,142
Contract Svc - Aid in Lieu Pymts - NonPub Sch	60,000	-	60,000	27,517	32,483
Travel	1,500	-	1,500	-	1,500
General supplies	5,000	3,100	8,100	3,214	4,886
Transportation supplies	351,500	(12,664)	338,836	167,701	171,135
Misc Expenditures	7,850	-	7,850	4,750	3,100
Total Undist. Expend. - Student Transportation Services	4,068,127	25,550	4,093,677	3,740,728	352,949

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED EMPLOYEE BENEFITS					
Group insurance	\$ 14,700	\$ -	\$ 14,700	11,987	\$ 2,713
Social security contributions	1,136,858	-	1,136,858	1,039,404	97,454
Other retirement contributions - PERS	1,393,267	-	1,393,267	1,339,939	53,328
Unemployment Compensation	150,000	(65,500)	84,500	-	84,500
Workmen's compensation	413,537	(7,008)	406,529	403,036	3,493
Health benefits	14,056,913	(377,251)	13,679,662	10,811,541	2,868,121
Tuition reimbursement	170,000	(30,000)	140,000	119,755	20,245
Unused Vac Pay to Term/Retired Staff	79,638	4,374	84,012	83,986	26
Other employee benefits	33,375	3,199	36,574	26,709	9,865
TOTAL UNALLOCATED EMPLOYEE BENEFITS	<u>17,448,288</u>	<u>(472,186)</u>	<u>16,976,102</u>	<u>13,836,357</u>	<u>3,139,745</u>
On-behalf TPAF LTDI (non-budgeted)	-	-	-	7,383	(7,383)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	2,590,580	(2,590,580)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	3,109,091	(3,109,091)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	2,127,894	(2,127,894)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,834,948</u>	<u>(7,834,948)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>17,448,288</u>	<u>(472,186)</u>	<u>16,976,102</u>	<u>21,671,305</u>	<u>(4,695,203)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>42,427,233</u>	<u>(578,539)</u>	<u>41,848,694</u>	<u>44,684,002</u>	<u>(2,835,308)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>71,709,318</u>	<u>33,582</u>	<u>71,742,900</u>	<u>74,192,095</u>	<u>(2,449,195)</u>
CAPITAL OUTLAY					
Interest	100	(100)	-	-	-
Equipment					
Regular Programs - Instruction:					
Grades 1-5	-	-	-	-	-
Grades 6-8	-	2,470	2,470	2,470	-
Grades 9-12	-	-	-	-	-
Home Instruction	-	-	-	-	-
Auditory Impairments	-	-	-	-	-
School - Sponsored and other instructional program	-	-	-	-	-
Undistributed expenditures - Instruction	-	-	-	-	-
Undistributed expenditures-Support services-Child Study Teams	13,000	(5,595)	7,405	7,405	-
Undistributed expenditures-Support services-Related & Extra	-	16,625	16,625	8,735	7,890
Undistributed expenditures - General administration	-	6,229	6,229	6,228	1
Undistributed expenditures - Central services	-	-	-	-	-
Undistributed expenditures - Admin Info Tech	-	87,298	87,298	83,244	4,054
Undistributed expenditures - Required Maint. For Schools	25,000	7,969	32,969	32,883	86
Undistributed expenditures - Custodial services	-	-	-	-	-
Undistributed expenditures - Security	150,000	70,037	220,037	146,932	73,105
Total Equipment	<u>188,000</u>	<u>185,033</u>	<u>373,033</u>	<u>287,897</u>	<u>85,136</u>
Facilities Acquisition and Construction Services					
Other objects	-	-	-	-	-
Construction Services	388,580	48,725	437,305	365,832	71,473
Assessment for Debt Service on SDA Funding	111,972	-	111,972	111,972	-
Total Facilities Acquisition and Construction Services	<u>500,552</u>	<u>48,725</u>	<u>549,277</u>	<u>477,804</u>	<u>71,473</u>
TOTAL CAPITAL OUTLAY	<u>688,652</u>	<u>233,658</u>	<u>922,310</u>	<u>765,701</u>	<u>156,609</u>
TOTAL EXPENDITURES	<u>72,397,970</u>	<u>267,240</u>	<u>72,665,210</u>	<u>74,957,796</u>	<u>(2,292,586)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,425,452)</u>	<u>(286,081)</u>	<u>(2,673,851)</u>	<u>3,292,870</u>	<u>(5,966,721)</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources/ (Uses):					
Transfer from capital projects from capital reserve	\$ -	\$ -	\$ -	\$ 146,931	\$ (146,931)
Transfer out of capital reserve	-	-	-	-	-
Transfer to debt service	-	-	-	-	-
Total Other Financing Sources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,931</u>	<u>(146,931)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures & Other Financing Sources (Uses)	(2,425,452)	(286,081)	(2,673,851)	3,439,801	(6,113,652)
Fund Balance, July 1	5,479,312	-	5,479,312	5,479,312	-
Fund Balance, June 30	<u>\$ 3,053,860</u>	<u>\$ (286,081)</u>	<u>\$ 2,805,461</u>	<u>8,919,113</u>	<u>\$ (6,113,652)</u>
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				2,156,784	
Maintenance reserve				1,046,838	
Emergency reserve				613,748	
Excess surplus-current year				-	
Excess surplus - designated for subsequent year's expenditures				-	
Committed Fund Balance:					
Other purposes				-	
Year-end encumbrances				793,230	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				<u>2,100,000</u>	
Unrestricted/undesignated fund balance				<u>2,208,513</u>	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				8,919,113	
Last state aid payment not recognized on GAAP basis				<u>(394,650)</u>	
Fund balance per governmental funds (GAAP) - B-1				<u>8,524,463</u>	
Restricted fund balances				6,710,600	
Unrestricted fund balances				<u>1,813,863</u>	
Fund balance per governmental funds (GAAP) - B-1				<u>8,524,463</u>	

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ -	\$ 179,021	\$ 179,021	\$ 79,058	\$ (99,963)
State sources	-	8,722	8,722	5,646	(3,076)
Federal sources	1,058,497	172,314	1,230,811	1,219,969	(10,842)
Total Revenues	<u>1,058,497</u>	<u>360,057</u>	<u>1,418,554</u>	<u>1,304,673</u>	<u>(113,881)</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	852,540	130,245	982,785	882,822	99,963
Other salaries for instruction	-	-	-	-	-
Purchased professional services	149,451	59,064	208,515	208,515	-
Textbooks	-	2,248	2,248	1,315	933
Miscellaneous expense	-	42,512	42,512	42,512	-
General supplies	-	20,866	20,866	13,166	7,700
Tuition	-	1,968	1,968	1,968	-
Total instruction	<u>1,001,991</u>	<u>256,903</u>	<u>1,258,894</u>	<u>1,150,298</u>	<u>108,596</u>
Support services:					
Other professional staff salaries	-	13,928	13,928	11,730	2,198
Secretarial/clerical salaries	-	-	-	-	-
Personal services - employee benefits	56,506	55,174	111,680	111,680	-
Purchased professional - educational services	-	3,510	3,510	1,915	1,595
Other purchased professional services	-	1,950	1,950	1,950	-
Purchased technical services	-	-	-	-	-
Travel	-	-	-	-	-
Miscellaneous purchased services (400-500 series)	-	27,100	27,100	27,100	-
Miscellaneous expenditures	-	-	-	-	-
Supplies & materials	-	1,492	1,492	-	1,492
Total support services	<u>56,506</u>	<u>103,154</u>	<u>159,660</u>	<u>154,375</u>	<u>5,285</u>
EXPENDITURES (CONT'D):					
Facilities acquisition and const. serv.:					
Instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,058,497</u>	<u>360,057</u>	<u>1,418,554</u>	<u>1,304,673</u>	<u>113,881</u>
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
Total outflows	<u>1,058,497</u>	<u>360,057</u>	<u>1,418,554</u>	<u>1,304,673</u>	<u>113,881</u>
Excess (deficiency) of revenues Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				\$ -	
Fund balance per governmental funds (GAAP)				<u>\$ -</u>	

**FREEHOLD TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2017**

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 78,250,666	[C-2]	\$ 1,304,673
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		(96,247)
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(3,109,091)		
The 2015-16 last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GAAP 33).		396,954		-
The 2016-17 last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GAAP 33).		(394,650)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 75,143,879	[B-2]	\$ 1,208,426
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 74,957,796	[C-2]	\$ 1,304,673
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(3,109,091)		
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.				(96,247)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 71,848,705	[B-2]	\$ 1,208,426

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**Freehold Township School District
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-PERS
For the Fiscal Year Ended June 30, 2017**

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability	0.1382627295%	0.1401273042%	0.1479643329%
District's proportionate share of the net pension liability	\$ 27,091,283	\$ 32,770,266	\$ 43,822,791
District's covered-employee payroll	9,903,070	9,699,657	10,218,973
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	273.56%	337.85%	23.32%
Plan fiduciary net position as a percentage of the total pension liability	67.89%	61.84%	45.35%

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.

**Freehold Township School District
Required Supplementary Information
Schedule of the District Contributions-PERS
For the Fiscal Year Ended June 30, 2017**

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contributions	\$ 1,139,818	\$ 1,227,572	\$ 1,322,906
Contributions in relation to the contractually required contribution	<u>1,154,023</u>	<u>1,227,572</u>	<u>1,339,939</u>
Contribution deficiency (excess)	<u>\$ (14,205)</u>	<u>\$ -</u>	<u>\$ (17,033)</u>
District's covered-employee payroll	\$ 9,903,070	\$ 9,699,657	\$ 10,218,973
Contributions as a percentage of covered-employee payroll	11.51%	12.66%	12.95%

* 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.

**Freehold Township School District
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-TPAF
For the Fiscal Year Ended June 30, 2017**

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability	0.2553368545%	0.2631888032%	0.2754899316%
District's proportionate share of the net pension liability	\$ 136,469,238	\$ 166,346,563	\$ 216,717,921
District's covered-employee payroll	28,272,442	29,143,617	29,311,118
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	482.69%	570.78%	13.53%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%

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.

Freehold Township School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2017

Assumptions

The collective total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.08 %
Salary increases: 2012-2021	1.65 - 4.15 % based on age
Thereafter	2.65 - 5.15 % based on age
Investment rate of return	7.65 %

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. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy 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, 2015 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.

OTHER SUPPLEMENTARY INFORMATION

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2017

	Title I Part A 16/17	Title II Part A 16/17	Title III Part A 16/17	Title III Immigrant 16/17	IDEA-Part B-Basic Reg Prog 16/17	IDEA-Part B-Preschool Reg Prog 16/17
Revenues:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	<u>239,736</u>	<u>61,500</u>	<u>9,874</u>	<u>1,968</u>	<u>868,376</u>	<u>38,515</u>
Total revenues	<u>239,736</u>	<u>61,500</u>	<u>9,874</u>	<u>1,968</u>	<u>868,376</u>	<u>38,515</u>
Expenditures:						
Instruction:						
Salaries of teachers	174,444	20,070	9,172	-	642,590	-
Other salaries/instruction	-	-	-	-	-	-
Purchased professional services	-	-	-	-	170,000	38,515
General supplies	12,700	-	-	-	-	-
Tuition	-	-	-	1,968	-	-
Textbooks	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total instruction	<u>187,144</u>	<u>20,070</u>	<u>9,172</u>	<u>1,968</u>	<u>812,590</u>	<u>38,515</u>
Support services:						
Other support services - students - special:						
Other professional staff salaries	-	11,730	-	-	-	-
Secretarial/Clerical salaries	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	-
Other purchased professional services	-	-	-	-	-	-
Purchased technical services	-	-	-	-	-	-
Employee benefits	52,592	2,600	702	-	55,786	-
Travel	-	-	-	-	-	-
Miscellaneous purchased services	-	27,100	-	-	-	-
General supplies	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total other support services - students - special	<u>52,592</u>	<u>41,430</u>	<u>702</u>	<u>-</u>	<u>55,786</u>	<u>-</u>
Total support services	<u>52,592</u>	<u>41,430</u>	<u>702</u>	<u>-</u>	<u>55,786</u>	<u>-</u>
Equipment:						
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 239,736</u>	<u>\$ 61,500</u>	<u>\$ 9,874</u>	<u>\$ 1,968</u>	<u>\$ 868,376</u>	<u>\$ 38,515</u>

(continued on next page)

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2017

(Continued from prior page)

	Nonpublic Technology 16/17	Nonpublic Textbook 16/17	Nonpublic Nursing 16/17	Nonpublic Security 16/17	Local 16/17	Total 2017
Revenues:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 79,058	\$ 79,058
State sources	466	1,315	1,915	1,950	-	5,646
Federal sources	-	-	-	-	-	1,219,969
Total revenues	<u>466</u>	<u>1,315</u>	<u>1,915</u>	<u>1,950</u>	<u>79,058</u>	<u>1,304,673</u>
Expenditures:						
Instruction:						
Salaries of teachers	-	-	-	-	36,546	882,822
Other salaries/instruction	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	208,515
General supplies	466	-	-	-	-	13,166
Tuition	-	-	-	-	-	1,968
Textbooks	-	1,315	-	-	-	1,315
Miscellaneous expenses	-	-	-	-	42,512	42,512
Total instruction	<u>466</u>	<u>1,315</u>	<u>-</u>	<u>-</u>	<u>79,058</u>	<u>1,150,298</u>
Support services:						
Other support services -						
students - special:						
Other professional staff salaries	-	-	-	-	-	11,730
Secretarial/Clerical salaries	-	-	-	-	-	-
Purchased professional services	-	-	1,915	-	-	1,915
Other purchased professional services	-	-	-	1,950	-	1,950
Purchased technical services	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	111,680
Travel	-	-	-	-	-	-
Miscellaneous purchased services	-	-	-	-	-	27,100
General supplies	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total other support services -	<u>-</u>	<u>-</u>	<u>1,915</u>	<u>1,950</u>	<u>-</u>	<u>154,375</u>
Total support services	<u>-</u>	<u>-</u>	<u>1,915</u>	<u>1,950</u>	<u>-</u>	<u>154,375</u>
Equipment:						
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 466</u>	<u>\$ 1,315</u>	<u>\$ 1,915</u>	<u>\$ 1,950</u>	<u>\$ 79,058</u>	<u>\$ 1,304,673</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary
For the Year Ended June 30, 2017

Revenues and Other Financing Sources

State Sources - SCC Grant	\$	33,167
Bond proceeds and transfers		-
Contribution from private source		-
Transfer from capital reserve		(146,931)
Transfer from capital outlay		-
Total revenues		<u>(113,764)</u>

Expenditures and Other Financing Uses

Purchased professional and technical services		-
Land and improvements		-
Construction services		-
Equipment purchases		-
Total expenditures		<u>-</u>

Excess (deficiency) of revenues over (under) expenditures (113,764)

Fund balance - beginning 113,764

Fund balance - ending \$ -

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund

Exhibit F-1a

Additions and Renovations to various Schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Erickson Middle School - Security Enhancements
From Inception and for the Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 17,564	\$ -	\$ 17,564	\$ 17,564
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	44,280	(9,404)	34,876	34,876
Transfer from capital outlay	-	-	-	-
Total revenues	<u>61,844</u>	<u>(9,404)</u>	<u>52,440</u>	<u>52,440</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	52,440	-	52,440	52,440
Equipment purchases	-	-	-	-
Total expenditures	<u>52,440</u>	<u>-</u>	<u>52,440</u>	<u>52,440</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 9,404</u>	<u>\$ (9,404)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	1660-025-14-1006-G04			
Grant Date	1/6/2013			
Bond Authorization Date	-			
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	\$ 71,049			
Additional Authorized Cost	(18,609)			
Revised Authorized Cost	\$ 52,440			
Percentage Increase over Original Authorized Cost	-26.2%			
Percentage Completion	100%			
Original target completion date	-			
Revised target completion date	-			

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Additions and Renovations for various schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Barkalow Middle School - Security Enhancements
From Inception and for the Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 19,292	\$ -	\$ 19,292	\$ 19,292
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	75,382	(5,991)	69,391	69,391
Transfer from capital outlay	-	-	-	-
Total revenues	<u>94,674</u>	<u>(5,991)</u>	<u>88,683</u>	<u>88,683</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	88,683	-	88,683	88,683
Equipment purchases	-	-	-	-
Total expenditures	<u>88,683</u>	<u>-</u>	<u>88,683</u>	<u>88,683</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 5,991</u>	<u>\$ (5,991)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

Project Number	1660-023-14-1004-G04
Grant Date	1/6/2014
Bond Authorization Date	-
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	\$ 78,038
Additional Authorized Cost	\$ 10,645
Revised Authorized Cost	\$ 88,683

Percentage Increase over Original Authorized Cost	13.6%
Percentage Completion	100%
Original target completion date	-
Revised target completion date	-

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Additions and Renovations for various schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Applegate Elementary School - Security Enhancements
From Inception and for the Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 17,564	\$ -	\$ 17,564	\$ 17,564
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	44,307	(8,031)	36,276	36,276
Transfer from capital outlay	-	-	-	-
Total revenues	<u>61,871</u>	<u>(8,031)</u>	<u>53,840</u>	<u>53,840</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	53,840	-	53,840	53,840
Equipment purchases	-	-	-	-
Total expenditures	<u>53,840</u>	<u>-</u>	<u>53,840</u>	<u>53,840</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 8,031</u>	<u>\$ (8,031)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	1660-021-14-1003-G04			
Grant Date	1/6/2014			
Bond Authorization Date	-			
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	\$ 71,049			
Additional Authorized Cost	(17,209)			
Revised Authorized Cost	\$ 53,840			
Percentage Increase over Original Authorized Cost	-24.2%			
Percentage Completion	100%			
Original target completion date	-			
Revised target completion date	-			

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Additions and Renovations for various schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Donovan Elementary School - Security Enhancements
From Inception and for the Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 14,328	\$ -	\$ 14,328	\$ 14,328
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	55,594	(1,998)	53,596	53,596
Transfer from capital outlay	-	-	-	-
Total revenues	<u>69,922</u>	<u>(1,998)</u>	<u>67,924</u>	<u>67,924</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	67,924	-	67,924	67,924
Equipment purchases	-	-	-	-
Total expenditures	<u>67,924</u>	<u>-</u>	<u>67,924</u>	<u>67,924</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 1,998</u>	<u>\$ (1,998)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	1660-026-14-1007-G04			
Grant Date	1/6/2014			
Bond Authorization Date	-			
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	\$ 57,959			
Additional Authorized Cost	\$ 9,965			
Revised Authorized Cost	\$ 67,924			
Percentage Increase over Original Authorized Cost	17.2%			
Percentage Completion	100.0%			
Original target completion date	-			
Revised target completion date	-			

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund

Exhibit F-1e

Additions and Renovations to various Schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Eisenhower Middle School - Security Enhancements
From Inception and for the Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 13,800	\$ -	\$ 13,800	\$ 13,800
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	95,754	(6,330)	89,424	89,424
Transfer from capital outlay	-	-	-	-
Total revenues	<u>109,554</u>	<u>(6,330)</u>	<u>103,224</u>	<u>103,224</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	103,224	-	103,224	103,224
Equipment purchases	-	-	-	-
Total expenditures	<u>103,224</u>	<u>-</u>	<u>103,224</u>	<u>103,224</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 6,330</u>	<u>\$ (6,330)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

Project Number	1660-024-14-1005-G04
Grant Date	1/6/2014
Bond Authorization Date	-
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	\$ 55,823
Additional Authorized Cost	47,401
Revised Authorized Cost	\$ 103,224

Percentage Increase over Original Authorized Cost	84.9%
Percentage Completion	100.0%
Original target completion date	-
Revised target completion date	-

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Additions and Renovations for various schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Early Childhood Learning Center - Security Enhancements
From Inception and for the Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 7,062	\$ -	\$ 7,062	\$ 7,062
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	46,409	(4,128)	42,281	42,281
Transfer from capital outlay	-	-	-	-
Total revenues	<u>53,471</u>	<u>(4,128)</u>	<u>49,343</u>	<u>49,343</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	49,343	-	49,343	49,343
Equipment purchases	-	-	-	-
Total expenditures	<u>49,343</u>	<u>-</u>	<u>49,343</u>	<u>49,343</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 4,128</u>	<u>\$ (4,128)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	1660-070-14-1009-G04			
Grant Date	1/6/2014			
Bond Authorization Date	-			
Bonds Authorized	-			
Bonds Issued	-			
Original Authorized Cost	\$ 26,566			
Additional Authorized Cost	22,777			
Revised Authorized Cost	\$ 49,343			
Percentage Increase over Original Authorized Cost	85.7%			
Percentage Completion	100.0%			
Original target completion date	-			
Revised target completion date	-			

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund

Exhibit F-1g

Additions and Renovations to various Schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Catina Elementary School - Security Enhancements
From Inception and for the Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 8,220	\$ -	\$ 8,220	\$ 8,220
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	20,714	(6,161)	14,553	14,553
Transfer from capital outlay	-	-	-	-
Total revenues	<u>28,934</u>	<u>(6,161)</u>	<u>22,773</u>	<u>22,773</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	22,773	-	22,773	22,773
Equipment purchases	-	-	-	-
Total expenditures	<u>22,773</u>	<u>-</u>	<u>22,773</u>	<u>22,773</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 6,161</u>	<u>\$ (6,161)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

Project Number	1660-020-14-1002-G04
Grant Date	1/6/2014
Bond Authorization Date	-
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	\$ 33,250
Additional Authorized Cost	(10,477)
Revised Authorized Cost	\$ 22,773

Percentage Increase over Original Authorized Cost	-31.5%
Percentage Completion	100%
Original target completion date	-
Revised target completion date	-

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund

Exhibit F-1h

Additions and Renovations to various Schools
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
Clifton T. Barkalow Middle School - Boiler/Asbestos
From Inception and for the Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 88,580	\$ 33,167	\$ 121,747	\$ 121,747
Bond proceeds and transfers	-	-	-	-
Contribution from private sources	-	-	-	-
Transfer from capital reserve	188,000	(104,888)	83,112	83,112
Transfer from capital outlay	-	-	-	-
Total revenues	<u>276,580</u>	<u>(71,721)</u>	<u>204,859</u>	<u>204,859</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Land and improvements	-	-	-	-
Construction services	204,859	-	204,859	204,859
Equipment purchases	-	-	-	-
Total expenditures	<u>204,859</u>	<u>-</u>	<u>204,859</u>	<u>204,859</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 71,721</u>	<u>\$ (71,721)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

Project Number	1660-023-14-1001-G04
Grant Date	1/6/2014
Bond Authorization Date	-
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	\$ 469,235
Additional Authorized Cost	(264,376)
Revised Authorized Cost	\$ 204,859

Percentage Increase over Original Authorized Cost	-56.3%
Percentage Completion	100%
Original target completion date	-
Revised target completion date	-

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Enterprise Fund
 Statement of Net Position
 June 30, 2017

	Food Service
Assets:	
Current assets:	
Cash and cash equivalents	\$ 235,119
Accounts receivable:	
State	750
Federal	18,841
Interfunds	20,217
Other	-
Inventories	11,915
 Total current assets	 286,842
 Fixed assets:	
Equipment	135,821
Accumulated depreciation	(120,067)
 Total fixed assets	 15,754
 Total assets	 302,596
 Liabilities and Net Position:	
Liabilities:	
Accounts payable	72,690
Deferred revenue	-
 Total liabilities	 72,690
 Net position:	
Net investment in capital assets	15,754
Restricted for other purposes	-
Contributed capital	-
Unrestricted net position	214,152
 Total net position	 229,906
 Total liabilities and net position	 \$ 302,596

**FREEHOLD TOWNSHIP SCHOOL DISTRICT
Food Services Enterprise Fund
Statement of Revenues, Expenses and
Changes in Net Position
for the Fiscal Year ended June 30, 2017**

	Food Service
Operating revenues:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ 443,934
Special milk program	-
Total-daily sales-reimbursable programs	443,934
Daily sales non-reimbursable programs	308,318
Total operating revenues	752,252
Operating expenses:	
Salaries	379,993
Employee benefits	66,741
Purchased property	-
Other purchased services	120,524
Supplies and materials	37,520
Depreciation	2,157
Cost of sales - reimbursable programs	356,758
Cost of sales - non-reimbursable programs	78,292
Total operating expenses	1,041,985
Operating loss	(289,733)
Nonoperating revenues:	
State sources:	
State school lunch program	9,556
Federal sources:	
National school lunch program	234,934
National School Breakfast program	8,812
U.S.D.A. commodities	85,134
Total nonoperating revenues	338,436
Change in net position	48,703
Total net position beginning	181,203
Total net position ending	\$ 229,906

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Food Services Enterprise Fund
Statement of Cash Flows
for the Fiscal Year ended June 30, 2017

	Food Service
Cash Flows from Operating Activities:	
Receipts from customers and other funds	\$ 732,035
Payments to employees	(379,993)
Payments for employee benefits	(66,741)
Payments to suppliers	(435,923)
Net cash provided by (used for) operating activities	(150,622)
Cash Flows from Noncapital Financing Activities:	
State sources	9,506
Federal sources	241,827
Operating subsidies	-
Net cash provided by (used for) noncapital financing activities	251,333
Cash Flows from Capital and Related Financing Activities:	
Purchases of fixed assets	-
Net cash provided by (used for) capital and related financing activities	-
Net increase (decrease) in cash and cash equivalents	100,711
Balances-beginning of the year	134,408
Balances-end of the year	235,119
 Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating loss	\$ (289,733)
Adjustments to reconcile operating loss to cash provided by (used for) operating activities:	
Depreciation	2,157
Federal commodities	85,134
Change in assets and liabilities:	
Decrease (increase) in interfund receivable	(20,217)
Decrease (increase) in accounts receivable	-
Decrease (increase) in inventory	(653)
Increase (decrease) in accounts payable	72,690
Total adjustments	139,111
Net cash provided by (used for) operating activities	\$ (150,622)

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Agency Fund Assets and Liabilities
Fiduciary Funds
June 30, 2017

	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll Agency</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 222,134	\$ 8,863	\$ 566,331	\$ 797,328
Intergovernmental Accounts Receivable	-	-	-	-
Interfund receivable	-	-	-	-
Total assets	<u>222,134</u>	<u>8,863</u>	<u>566,331</u>	<u>797,328</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll deductions and withholdings	-	-	543,831	543,831
Payable to student groups	-	8,863	-	8,863
Interfund payable	-	-	22,500	22,500
Other current liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>8,863</u>	<u>566,331</u>	<u>575,194</u>
NET POSITION				
Held in trust for unemployment claims and other purposes	222,134	-	-	222,134
Reserved for scholarships	-	-	-	-
Total net position	<u>222,134</u>	<u>-</u>	<u>-</u>	<u>222,134</u>
Total liabilities and net position	<u>\$ 222,134</u>	<u>\$ 8,863</u>	<u>\$ 566,331</u>	<u>\$ 797,328</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2017

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	\$ -
Other	-
Total Contributions	-
Investment earnings:	
Net increase (decrease) in fair value of investments	-
Interest	500
Dividends	-
Less investment expense	-
Net investment earnings	500
Total additions	500
DEDUCTIONS	
Quarterly contribution reports	-
Unemployment claims	58,808
Scholarships awarded	-
Refunds of contributions	-
Administrative expenses	-
Total deductions	58,808
Change in net position	(58,308)
Net position—beginning of the year	280,442
Net position—end of the year	\$ 222,134

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2017

	<u>Balance July 1, 2016</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance June 30, 2017</u>
Clifton T. Barkalow School	\$ 7,871	\$ 45,216	\$ 44,376	\$ 8,711
Dwight D. Eisenhower School	9,419	58,453	67,720	152
Total all schools	<u>\$ 17,290</u>	<u>\$ 103,669</u>	<u>\$ 112,096</u>	<u>\$ 8,863</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Payroll Agency Fund
 Schedule of receipts and disbursements
 For the Fiscal Year ended June 30, 2017

	<u>Balance July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2017</u>
Payroll deductions and withholdings	\$ 242,029	49,865,770	49,563,968	\$ 543,831
Due to General Fund	-	22,500	-	22,500
Total	<u>\$ 242,029</u>	<u>49,888,270</u>	<u>49,563,968</u>	<u>\$ 566,331</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Long-Term Debt
 Statement of Serial Bonds
 June 30, 2017

Issue	Date of Issue	Amount Of Issue	Annual Maturities		Interest Rate	Balance July 1, 2016	Issued	Retired	Balance June 30, 2017							
			Date	Amount												
Refunding of Additions and Renovations Bond issue (original issue 7/15/97)	4/17/2012	12,130,000	7/15/2017	915,000	4.000%	<u>9,590,000</u>	<u>-</u>	<u>875,000</u>	<u>8,715,000</u>							
			7/15/2018	955,000	4.000%											
			7/15/2019	1,000,000	4.000%											
			7/15/2020	1,050,000	4.500%											
			7/15/2021	1,105,000	5.000%											
			7/15/2022	1,165,000	5.000%											
			7/15/2023	1,225,000	5.000%											
			7/15/2024	1,300,000	5.000%											
			(Continued from prior page)													
			Refunding of Additions and Renovations Bond issue (original issue 3/9/05)		6,625,000					7/15/2025	1,540,000	4.000%	<u>6,580,000</u>	<u>-</u>	<u>-</u>	<u>6,580,000</u>
7/15/2026	1,610,000	4.000%														
7/15/2027	1,675,000	4.000%														
7/15/2028	1,755,000	4.000%														
Refunding School Bonds Series 2016	2/16/16	23,775,000	2/15/2018	680,000	4.000%	<u>23,775,000</u>	<u>-</u>	<u>615,000</u>	<u>23,160,000</u>							
			2/15/2019	760,000	4.000%											
			2/15/2020	845,000	5.000%											
			2/15/2021	950,000	5.000%											
			2/15/2022	1,060,000	5.000%											
			2/15/2023	1,180,000	5.000%											
			2/15/2024	1,320,000	5.000%											
			2/15/2025	1,455,000	5.000%											
			2/15/2026	1,615,000	5.000%											
			2/15/2027	1,785,000	5.000%											
			2/15/2028	1,970,000	5.000%											
			2/15/2029	2,170,000	5.000%											
			2/15/2030	2,330,000	5.000%											
			2/15/2031	2,460,000	5.000%											
			2/15/2032	2,580,000	5.000%											
						<u>\$ 39,945,000</u>	<u>\$ -</u>	<u>\$ 1,490,000</u>	<u>\$ 38,455,000</u>							

**FREEHOLD TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Capital Leases
Year Ended June 30, 2017**

<u>Purpose</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original</u>		<u>Interest Rate</u>	<u>Balance 06/30/16</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 06/30/17</u>
			<u>Principal</u>	<u>Interest</u>					
Equipment	11/10/2009	5 Years	\$ 776,000	\$ 81,709	2.00%	\$ -	-	-	\$ -
Equipment	10/20/2011	5 Years	\$ 544,000	\$ 56,253	2.00%	118,000	-	118,000	-
Equipment	9/24/2013	5 Years	\$ 350,000	\$ 49,644	various	218,000	-	69,000	149,000
Equipment	6/25/2014	5 Years	\$ 279,617	\$ 8,084	1.37%	168,391	-	55,368	113,023
						<u>\$ 504,391</u>	<u>-</u>	<u>242,368</u>	<u>\$ 262,023</u>

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,200,132	\$ -	\$ 3,200,132	\$ 3,200,132	\$ -
State Sources:					
Debt Service Aid Type II	35,807	-	35,807	35,807	-
Total - State Sources	35,807	-	35,807	35,807	-
Total Revenues	3,235,939	-	3,235,939	3,235,939	-
EXPENDITURES:					
Regular Debt Service:					
Interest	1,841,323	-	1,841,323	1,841,322	1
Redemption of Principal	1,490,000	-	1,490,000	1,490,000	-
Total Regular Debt Service	3,331,323	-	3,331,323	3,331,322	1
Total expenditures	3,331,323	-	3,331,323	3,331,322	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	(95,384)	-	(95,384)	(95,383)	(1)
Other Financing Sources (uses):					
Bond premium	-	-	-	-	-
Bond refunding costs	-	-	-	-	-
Interest on bond payoff	-	-	-	-	-
Payoff old bonds	-	-	-	-	-
Issue new bonds	-	-	-	-	-
Operating transfer in	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(95,384)	-	(95,384)	(95,383)	(1)
Fund Balance, July 1	95,384	-	95,384	95,384	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (1)</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ (95,384)</u>	<u>\$ -</u>	<u>\$ (95,384)</u>	<u>\$ -</u>	<u>\$ 95,384</u>

STATISTICAL SECTION

Freehold Township School District
Statistical Section

J series

Contents

Pages

Financial Trends

99-103

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

Revenue Capacity

104-107

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

Debt Capacity

108-111

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 additional debt in the future.

Demographic and Economic Information

112-113

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

Operating Information

114-119

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.

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information*

Freehold Township School District
Net Assets/ Position by Component
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 7,708,309	\$ 7,018,996	\$ 7,154,586	\$ 6,462,294	\$ 6,435,070	\$ 5,868,706	\$ 3,478,290	\$ 2,618,410	\$ 8,131,767	\$ 7,785,018
Restricted	7,018,644	6,594,534	6,503,398	4,260,324	7,834,549	7,786,350	5,574,187	5,227,613	3,964,061	6,710,601
Unrestricted	702,906	985,150	170,580	2,965,858	125,150	620,891	3,629,137	(24,135,848)	(28,153,549)	(29,547,677)
Total governmental activities net assets/position	\$ 15,429,859	\$ 14,598,680	\$ 13,828,564	\$ 13,688,476	\$ 14,394,769	\$ 14,275,947	\$ 12,681,614	\$ (16,289,825)	\$ (16,057,721)	\$ (15,052,058)
Business-type activities										
Net investment in capital assets	\$ 16,335	\$ 12,462	\$ 16,540	\$ 15,450	\$ 10,950	\$ 8,500	\$ 7,517	\$ 20,068	\$ 17,911	\$ 15,754
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	82,419	62,010	73,576	85,189	118,442	21,385	75,648	123,645	163,292	214,152
Total business-type activities net assets/position	\$ 98,754	\$ 74,472	\$ 90,116	\$ 100,639	\$ 129,392	\$ 29,885	\$ 83,165	\$ 143,713	\$ 181,203	\$ 229,906
District-wide										
Net investment in capital assets	\$ 7,724,644	\$ 7,031,458	\$ 7,171,126	\$ 6,477,744	\$ 6,446,020	\$ 5,877,206	\$ 3,485,807	\$ 2,638,478	\$ 8,149,678	\$ 7,800,772
Restricted	7,018,644	6,594,534	6,503,398	4,260,324	7,834,549	7,786,350	5,574,187	5,227,613	3,964,061	6,710,601
Unrestricted	785,325	1,047,160	244,156	3,051,047	243,592	642,276	3,704,785	(24,012,203)	(27,990,257)	(29,333,525)
Total district net assets/position	\$ 15,528,613	\$ 14,673,152	\$ 13,918,680	\$ 13,789,115	\$ 14,524,161	\$ 14,305,832	\$ 12,764,779	\$ (16,146,112)	\$ (15,876,518)	\$ (14,822,152)

Freehold Township School District
Changes in Net Assets/Position
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

Fiscal Year Ending June 30,

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction										
Regular	\$ 17,121,314	\$ 17,411,815	\$ 18,325,288	\$ 16,766,651	\$ 16,967,321	\$ 17,928,224	\$ 19,419,697	\$ 19,688,421	\$ 20,571,015	\$ 19,937,469
Special education	5,151,862	6,138,006	6,764,491	6,618,571	7,760,459	8,099,430	8,387,187	8,728,826	9,164,105	9,490,139
Other special education	1,132,928	1,178,085	1,051,618	935,634	1,118,409	1,351,171	1,405,281	1,266,482	1,171,105	1,176,013
Support Services:										
Instruction	2,472,231	2,975,952	2,707,378	2,510,459	2,154,962	1,468,708	1,264,988	1,229,804	1,035,016	1,024,940
Health services	668,865	738,305	748,168	607,047	636,295	624,192	690,829	732,481	728,830	749,466
Other support services	4,527,393	4,842,689	5,255,099	4,936,401	5,058,531	5,844,845	6,089,565	6,201,535	6,243,569	6,114,265
Educational media services	747,457	775,884	785,885	563,301	479,578	465,749	443,356	468,406	453,148	510,820
Instruction staff training	136,513	105,659	57,940	60,687	76,656	72,206	65,385	120,970	103,874	108,367
General administration	874,137	938,678	906,972	783,530	788,052	849,568	859,196	983,082	765,383	935,557
School administrative services	1,905,401	1,892,484	1,905,909	1,891,199	1,975,788	2,035,946	2,105,775	2,224,721	2,171,277	2,380,673
Central services	711,611	732,698	762,903	716,620	739,690	733,475	766,629	731,794	840,801	832,280
Plant operations and maintenance	7,503,164	7,047,418	6,748,566	7,467,048	6,746,080	6,868,380	7,610,419	7,731,436	7,852,078	7,846,846
Care & upkeep of grounds	-	-	269,162	301,312	274,790	225,360	199,820	260,084	299,311	300,872
Security	-	-	-	-	-	-	21,975	38,099	62,065	25,070
Administrative information technology	710,567	762,397	687,139	522,942	561,690	725,710	728,490	970,428	1,142,688	1,080,864
Pupil transportation	4,729,358	4,498,296	4,006,569	3,475,591	3,372,461	3,466,345	3,814,473	3,602,705	3,439,011	3,740,728
Special schools	177,658	17,236	18,793	15,266	8,812	6,634	16,514	-	-	-
Transfer to charter school	-	-	-	-	17,026	-	-	-	-	-
Interest on long-term debt	2,505,772	2,476,754	2,442,392	2,400,591	2,381,534	1,967,046	2,052,121	2,028,666	1,856,486	1,918,619
Unallocated employee benefits	12,231,548	13,004,256	13,859,389	14,809,335	14,713,885	15,084,741	14,810,078	15,520,745	15,369,671	15,716,903
Non-budgeted expenditures	5,206,363	3,250,119	3,511,005	3,509,504	4,283,874	5,355,028	4,938,450	4,699,742	4,766,772	4,725,857
Total governmental activities expenses	68,514,142	68,786,731	70,814,666	68,891,689	70,115,893	73,172,758	75,690,228	77,228,427	78,036,205	78,615,748
Business-type activities:										
Food service	1,058,446	1,066,717	1,027,458	936,407	956,840	1,027,533	896,916	969,567	1,031,483	1,041,985
Total business-type activities expense	1,058,446	1,066,717	1,027,458	936,407	956,840	1,027,533	896,916	969,567	1,031,483	1,041,985
Total district expenses	\$ 69,572,588	\$ 69,853,448	\$ 71,842,124	\$ 69,828,096	\$ 71,072,733	\$ 74,200,291	\$ 76,587,144	\$ 78,197,994	\$ 79,067,688	\$ 79,657,733
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ 70,615	\$ 196,205	\$ 30,328	\$ 164,972	\$ 350,386	\$ 180,214	\$ 211,413	\$ 205,059	\$ 119,856
Pupil transportation	-	-	-	-	-	-	245,249	283,042	405,785	400,942
Operating grants and contributions	5,206,363	3,250,119	3,511,005	3,509,504	4,283,874	5,355,028	4,938,450	4,699,742	4,766,772	4,725,857
Total governmental activities program revenues	5,206,363	3,320,734	3,707,210	3,539,832	4,448,846	5,705,414	5,363,913	5,194,197	5,377,616	5,246,655
Business-type activities:										
Charges for services										
Food service	837,999	817,453	787,844	724,789	735,708	660,219	669,462	723,824	748,900	752,252
Operating grants and contributions	223,037	224,982	255,258	222,141	249,885	267,807	280,734	306,291	320,073	338,436
Total business type activities program revenues	1,061,036	1,042,435	1,043,102	946,930	985,593	928,026	950,196	1,030,115	1,068,973	1,090,688
Total district program revenues	\$ 6,267,399	\$ 4,363,169	\$ 4,750,312	\$ 4,486,762	\$ 5,434,439	\$ 6,633,440	\$ 6,314,109	\$ 6,224,312	\$ 6,446,589	\$ 6,337,343
Net (Expense)/Revenue										
Governmental activities	\$ (63,307,779)	\$ (65,465,997)	\$ (67,107,456)	\$ (65,351,857)	\$ (65,667,047)	\$ (67,467,344)	\$ (70,326,315)	\$ (72,034,230)	\$ (72,658,589)	\$ (73,369,093)
Business-type activities	2,590	(24,282)	15,644	10,523	28,753	(99,507)	53,280	60,548	37,490	48,703
Total district-wide net expense	\$ (63,305,189)	\$ (64,490,279)	\$ (67,091,812)	\$ (65,341,334)	\$ (65,638,294)	\$ (67,566,851)	\$ (70,273,035)	\$ (71,973,682)	\$ (72,621,099)	\$ (73,320,390)
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes,	\$ 52,264,040	\$ 53,012,064	\$ 55,482,188	\$ 55,482,188	\$ 56,734,169	\$ 57,446,816	\$ 58,589,742	\$ 60,383,969	\$ 62,798,706	\$ 64,054,680
Taxes levied for debt service	3,263,588	3,329,353	3,364,984	3,405,674	3,449,149	3,312,772	3,365,692	3,418,018	3,465,543	3,200,132
Unrestricted grants and contributions	5,588,942	6,550,587	5,148,181	3,750,186	4,409,843	4,815,481	5,022,916	5,011,977	4,997,854	5,127,027
Restricted federal and state aid	-	-	-	-	190,864	4,644	11,894	46,397	46,435	106,675
Payments in lieu of taxes	1,357,330	1,380,082	2,059,711	2,322,181	1,363,672	1,349,981	1,360,397	1,330,508	1,304,972	1,198,342
Investment earnings	370,205	156,725	41,493	18,692	15,245	1,639	1,518	606	850	-
Rents and royalties	-	-	-	-	-	-	-	-	104,384	29,992
Miscellaneous income	164,403	206,007	240,783	232,848	210,398	417,189	379,823	626,384	171,949	657,908
Total governmental activities	63,008,508	64,634,818	66,337,340	65,211,769	66,373,340	67,348,522	68,731,982	70,817,859	72,890,693	74,374,756
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	-	-	-
Total district-wide	\$ 63,008,508	\$ 64,634,818	\$ 66,337,340	\$ 65,211,769	\$ 66,373,340	\$ 67,348,522	\$ 68,731,982	\$ 70,817,859	\$ 72,890,693	\$ 74,374,756
Change in Net Assets/Position										
Governmental activities	\$ (299,271)	\$ (831,179)	\$ (770,116)	\$ (140,088)	\$ 706,293	\$ (118,822)	\$ (1,594,333)	\$ (1,216,371)	\$ 232,104	\$ 1,005,663
Business-type activities	2,590	(24,282)	15,644	10,523	28,753	(99,507)	53,280	60,548	37,490	48,703
Total district	\$ (296,681)	\$ (855,461)	\$ (754,472)	\$ (129,565)	\$ 735,046	\$ (218,329)	\$ (1,541,053)	\$ (1,155,823)	\$ 269,594	\$ 1,054,366

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 7,448,760	\$ 6,267,325	\$ 6,098,783	\$ 5,124,013	\$ 7,622,450	\$ 7,786,350	\$ 5,003,747	\$ 5,077,533	\$ 3,754,913	\$ 6,710,600
Unreserved	1,128,349	2,173,000	1,306,080	2,123,205	1,699,768	1,610,980	1,080,496	513,905	1,327,445	1,813,863
Total general fund	<u>\$ 8,577,109</u>	<u>\$ 8,440,325</u>	<u>\$ 7,404,863</u>	<u>\$ 7,247,218</u>	<u>\$ 9,322,218</u>	<u>\$ 9,397,330</u>	<u>\$ 6,084,243</u>	<u>\$ 5,591,438</u>	<u>\$ 5,082,358</u>	<u>\$ 8,524,463</u>
All Other Governmental Funds										
Reserved	\$ 327,209	\$ 327,209	\$ 404,615	\$ 1,237,000	\$ 212,101	\$ -	\$ 570,440	\$ 150,080	\$ 209,148	\$ 1
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 327,209</u>	<u>\$ 327,209</u>	<u>\$ 404,615</u>	<u>\$ 1,237,000</u>	<u>\$ 212,101</u>	<u>\$ -</u>	<u>\$ 570,440</u>	<u>\$ 150,080</u>	<u>\$ 209,148</u>	<u>\$ 1</u>

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax levy	\$ 55,527,628	\$ 56,341,417	\$ 58,847,172	\$ 58,887,862	\$ 60,183,318	\$ 60,759,588	\$ 61,955,434	\$ 63,801,987	\$ 66,264,249	\$ 67,254,812
Tuition charges	-	70,615	74,213	5,110	121,431	244,773	180,214	211,413	205,059	119,856
Interest earnings	370,205	156,725	41,493	18,692	15,245	1,639	1,518	606	850	-
Rents and royalties	-	-	-	-	-	-	-	-	104,384	29,992
Miscellaneous	164,403	206,007	240,783	232,848	210,398	417,189	379,823	626,384	171,949	657,908
Transportation fees	-	-	121,992	25,218	43,541	105,613	245,249	283,042	405,785	400,942
State sources	11,020,925	10,078,133	8,807,607	7,817,815	8,740,386	10,216,029	9,998,352	9,938,008	9,805,500	9,927,504
Federal sources	1,131,710	1,102,655	1,911,290	1,764,056	1,507,867	1,309,105	1,335,305	1,150,616	1,310,453	1,230,397
Total revenue	68,214,871	67,955,552	70,044,550	68,751,601	70,822,186	73,053,936	74,095,895	76,012,056	78,268,309	79,621,411
Expenditures										
Instruction										
Regular Instruction	17,121,314	17,411,815	18,325,288	16,766,651	16,967,321	17,928,224	19,419,697	19,688,421	20,571,015	19,937,469
Special education instruction	5,151,862	6,138,006	6,764,491	6,618,571	7,760,459	8,099,430	8,387,187	8,728,826	9,164,105	9,490,139
Other special instruction	1,132,928	1,178,085	1,051,618	935,634	1,118,409	1,351,171	1,405,281	1,266,482	1,171,105	1,176,013
Support Services:										
Tuition	2,472,231	2,975,952	2,707,378	2,510,459	2,154,962	1,468,708	1,264,988	1,229,804	1,035,016	1,024,940
Student & inst. related services	1,552,835	1,619,848	1,591,993	1,231,035	1,192,529	1,162,147	1,199,570	1,321,857	1,285,852	1,368,653
General administration	874,137	938,678	906,972	783,530	788,052	849,568	859,196	983,082	765,383	935,557
School administrative services	1,905,401	1,892,484	1,905,909	1,891,199	1,975,788	2,035,946	2,105,775	2,224,721	2,171,277	2,380,673
Central services	711,611	732,698	762,903	716,620	739,690	733,475	766,629	731,794	840,801	832,280
Admin. information technology	710,567	762,397	687,139	522,942	561,690	725,710	728,490	970,428	1,142,688	1,080,864
Plant operations and maintenance	5,209,977	5,455,180	5,189,461	5,038,583	4,547,690	4,546,489	5,220,809	5,297,196	5,378,264	5,321,693
Pupil transportation	4,089,304	3,982,569	3,923,154	3,475,591	3,372,461	3,466,345	3,814,473	3,602,705	3,439,011	3,740,728
Other Support Services	4,527,393	4,842,689	5,255,099	4,936,401	5,058,531	5,844,845	6,089,565	6,201,535	6,243,569	6,114,265
Care & upkeep of grounds	-	-	269,162	301,312	274,790	225,360	199,820	260,084	299,311	300,872
Security	-	-	-	-	-	-	21,975	38,099	62,065	25,070
Employee benefits	12,023,947	12,999,174	13,911,739	14,686,799	14,397,301	15,061,040	14,703,141	15,258,401	15,611,347	13,836,357
Non-budgeted expenditures	5,206,363	3,250,119	3,511,005	3,509,504	4,283,874	5,355,028	4,938,450	4,699,742	4,766,772	4,725,857
Transfer to charter school	-	-	-	-	17,026	-	-	-	-	-
Special Schools	177,658	17,236	18,793	15,266	8,812	6,634	16,514	-	-	-
Capital outlay	640,054	515,727	805,185	688,248	1,060,584	975,065	2,296,167	964,704	1,361,259	765,701
Debt service:										
Principal	820,000	915,000	985,000	1,060,000	1,150,000	1,310,000	1,270,000	1,370,000	1,515,000	1,490,000
Interest and other charges	2,493,697	2,464,679	2,430,317	2,388,516	2,342,116	2,045,740	2,130,815	2,087,340	1,894,481	1,841,322
Total expenditures	66,821,279	68,092,336	71,002,606	68,076,861	69,772,085	73,190,925	76,838,542	76,925,221	78,718,321	76,388,453
Excess (Deficiency) of revenues over (under) expenditures	1,393,592	(136,784)	(958,056)	674,740	1,050,101	(136,989)	(2,742,647)	(913,165)	(450,012)	3,232,958
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	-	(13,310,000)	-	-	(7,255,000)	(28,565,000)	-
Proceeds from refunding	-	-	-	-	12,130,000	-	-	6,625,000	23,775,000	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
State school building aid - Section 15 grant	-	-	-	-	-	-	-	-	-	-
Premium and costs for bond issuance	-	-	-	-	1,180,000	-	-	630,000	4,790,000	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	570,442	570,442	-	146,931
Transfers out	-	-	-	-	-	-	(570,442)	(570,442)	-	(146,931)
Costs of issuance	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 1,393,592	\$ (136,784)	\$ (958,056)	\$ 674,740	\$ 1,050,101	\$ (136,989)	\$ (2,742,647)	\$ (2,742,647)	\$ (450,012)	\$ 3,232,958
Debt service as a percentage of noncapital expenditures	5.01%	5.00%	4.87%	5.12%	5.08%	4.65%	4.56%	4.55%	4.41%	4.41%
Source: District records										

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

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

Fiscal Year Ending June 30,	<u>Sale of Capital Assets</u>	<u>Donations</u>	<u>Rentals</u>	<u>Prior Year Refunds</u>	<u>Sale and Leaseback of Textbooks</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2008	-	-	-	-	-	72,945	72,945
2009	-	-	-	-	-	165,928	165,928
2010	-	-	-	-	-	155,267	155,267
2011	-	-	-	-	-	172,515	172,515
2012	-	-	-	-	-	108,823	108,823
2013	-	-	-	-	-	191,295	191,295
2014	69,300	-	81,539	-	-	39,103	189,942
2015	150,000	-	84,602	-	-	280,864	515,466
2016	-	-	104,384	-	-	140,886	245,270
2017	-	-	29,992	-	-	247,589	277,581

Source: District records

**Freehold Township School District
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2008	49,811,400	2,205,318,600	14,730,600	1,764,500	633,230,100	71,697,200	30,948,600	3,007,501,000	-	36,970,360	3,044,471,360	1.791	6,037,954,660
2009	43,886,000	2,245,621,400	14,932,600	1,700,500	644,466,200	74,628,300	30,165,900	3,055,400,900	-	32,780,996	3,088,181,896	1.792	6,427,750,216
2010	95,225,000	4,529,646,900	30,709,200	1,670,000	1,341,345,700	154,573,100	64,320,400	6,217,490,300	-	68,077,410	6,285,567,710	0.922	6,734,691,283
2011	79,832,500	4,549,534,600	30,233,300	1,654,900	1,291,205,600	154,573,100	61,500,000	6,168,534,000	-	49,220,887	6,217,754,887	0.936	6,647,432,225
2012	69,363,900	4,551,925,900	31,282,000	1,541,900	1,247,563,400	154,791,300	61,500,000	6,117,968,400	-	41,218,304	6,159,186,704	0.966	6,427,603,681
2013	67,931,000	4,548,659,400	32,524,700	1,509,700	1,245,930,300	156,782,100	61,500,000	6,114,837,200	-	-	6,114,837,200	0.983	6,197,354,750
2014	56,004,900	3,949,909,700	28,280,200	1,466,400	1,243,834,300	146,521,200	60,794,300	5,486,811,000	-	-	5,486,811,000	1.117	5,873,438,863
2015	50,881,700	3,955,292,200	27,666,200	1,440,900	1,239,936,400	146,563,700	60,794,300	5,482,575,400	-	-	5,482,575,400	1.151	5,837,654,006
2016	55,908,800	4,266,398,600	29,970,000	1,464,900	1,320,216,200	148,905,300	71,094,300	5,893,958,100	-	-	5,893,958,100	1.113	6,589,292,604
2017	52,922,000	4,425,631,400	29,682,700	1,444,500	1,396,897,600	154,513,500	84,791,800	6,145,883,500	-	-	6,145,883,500	1.107	-

Source: District records and Monmouth County Board of Taxation

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

Fiscal Year Ended June 30,	Freehold Township School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Freehold Regional School District	Freehold Township	Monmouth County	
2008	1.651	0.107	1.758	0.700	0.439	0.541	3.438
2009	1.684	0.107	1.791	0.707	0.475	0.523	3.496
2010	0.869	0.053	0.922	0.373	0.265	0.282	1.842
2011	0.882	0.054	0.936	0.39	0.28	0.286	1.892
2012	0.911	0.055	0.966	0.399	0.304	0.291	1.960
2013	0.929	0.054	0.983	0.411	0.324	0.292	2.010
2014	1.057	0.061	1.117	0.471	0.378	0.327	2.293
2015	1.089	0.062	1.151	0.48	0.388	0.33	2.349
2016	1.060	0.053	1.113	0.452	0.38	0.33	2.275
2017	1.059	0.054	1.113	0.455	0.37	0.29	2.228

Source: District Records and Municipal Tax Collector

Freehold Township School District
Principal Property Tax Payers,
Current Year and Nine Years Ago
UNAUDITED

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Freemall Associates	\$ 343,655,200	1	5.59%	\$160,755,300	0	5.28%
100 Lambert LLC % Eagle Rock Advisors	\$ 49,410,700	2	0.84%	\$0	0	0.00%
Iron Mountain	\$ 47,490,700	3	0.81%	\$22,374,200	0	0.73%
Freemall Associates	\$ 31,984,200	4	0.54%	\$0	0	0.00%
Applewood Center for Aging	\$ 31,288,000	5	0.53%	\$25,753,600		0.85%
Silver Shore Land CO.	\$ 26,028,400	6	0.44%			
Raintree Center Assoc.	\$ 24,771,800	7	0.42%	\$14,500,000	0	0.48%
Freehold Shopping Assoc.	\$ 24,515,200	8	0.42%			
Macy's East	\$ 23,939,000	9	0.41%			
Ronardi Freehold Enterprises	\$ 23,600,000	10	0.40%			
Avalon Bay Communities				\$25,065,900	0	0.82%
Verizon - New Jersey				\$16,390,498	0	0.54%
Verizon - New Jersey				\$16,390,498	0	0.54%
American Multi-Cinema, Inc				\$12,557,600	0	0.41%
New Jersey Bell Telephone Co				\$12,437,500	0	0.41%
Sam'S Real Estate Business Trust				\$11,913,300		
Total	\$ 626,683,200		11.35%	\$318,138,396		10.40%

Source: District CAFR & Municipal Tax Assessor

**Freehold Township School District
Property Tax Levies and Collections,
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentag e of Levy	
2008	55,527,628	55,527,628	100.00%	-
2009	56,341,417	56,341,417	100.00%	-
2010	58,847,172	58,847,172	100.00%	-
2011	58,887,862	58,887,862	100.00%	-
2012	60,183,318	60,183,318	100.00%	-
2013	60,759,588	60,759,588	100.00%	-
2014	61,955,434	61,955,434	100.00%	-
2015	63,801,987	63,801,987	100.00%	-
2016	67,254,812	67,254,812	100.00%	-
2017	68,682,971	68,682,971	100.00%	-

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

**Freehold Township School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
UNAUDITED**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	
2008	56,120,000	n/a	-	n/a	n/a	56,120,000
2009	55,205,000	n/a	-	n/a	n/a	55,205,000
2010	54,220,000	n/a	776,000	n/a	n/a	54,996,000
2011	53,160,000	n/a	641,000	n/a	n/a	53,801,000
2012	52,010,000	n/a	1,031,000	n/a	n/a	53,041,000
2013	49,520,000	n/a	776,000	n/a	n/a	50,296,000
2014	48,250,000	n/a	1,155,617	n/a	n/a	49,405,617
2015	46,250,000	n/a	751,617	n/a	n/a	47,001,617
2016	39,945,000	n/a	1,038,942	n/a	n/a	40,983,942
2017	38,455,000	n/a	871,372	n/a	n/a	39,326,372

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

Freehold Township School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2008	56,120,000	-	56,120,000	1.82%	\$ 1,609
2009	55,205,000	-	55,205,000	0.88%	\$ 1,590
2010	54,220,000	-	54,220,000	0.87%	\$ 1,568
2011	53,160,000	-	53,160,000	0.86%	\$ 1,469
2012	52,010,000	-	52,010,000	0.85%	\$ 1,436
2013	49,520,000	-	49,520,000	0.81%	\$ 1,372
2014	48,250,000	-	48,250,000	0.88%	\$ 1,333
2015	46,250,000	-	46,250,000	0.78%	\$ 1,278
2016	39,945,000	-	39,945,000	0.66%	\$ 1,116
2017	38,455,000	-	38,455,000	0.63%	\$ 1,079

**Freehold Township School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2016
UNAUDITED**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Freehold Township	\$33,561,032	100.000%	\$33,561,032
Other debt			
Water Sewer System	12,799,000	100.000%	12,799,000
Freehold Regional High School	19,300,000	20.557%	3,967,512
Manasquan River Regional Sewerage Authority	4,424,995	38.339%	1,696,481
Monmouth County	456,319,158	5.714%	<u>26,074,533</u>
Subtotal, overlapping debt			78,098,558
Freehold Township School District Direct Debt			<u>38,455,000</u>
Total direct and overlapping debt			<u><u>\$ 116,553,558</u></u>

Sources: Freehold Township Finance Officer, Monmouth County Finance Office and Utility Authorities

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

**Freehold Township School District
Legal Debt Margin Information,
Last Ten Fiscal Years
UNAUDITED**

Equalized valuation basis	
2017	\$ 6,145,883,500
2016	5,893,958,100
2015	5,482,575,400
[A]	<u>\$ 17,522,417,000</u>
[A/3]	\$ 5,840,805,667
[B]	175,224,170 ^a
[C]	-
[B-C]	<u>\$ 175,224,170</u>

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 179,689,425	\$ 194,773,177	\$ 135,475,345	\$ 199,751,382	\$ 192,723,907	\$ 175,224,170	\$ 179,084,476	\$ 170,842,236	\$ 168,633,445	\$ 175,224,170
Total net debt applicable to limit	<u>56,120,000</u>	<u>55,205,000</u>	<u>54,220,000</u>	<u>53,160,000</u>	<u>52,010,000</u>	<u>50,000,000</u>	<u>48,250,000</u>	<u>46,250,000</u>	<u>39,945,000</u>	<u>38,455,000</u>
Legal debt margin	<u>\$ 123,569,425</u>	<u>\$ 139,568,177</u>	<u>\$ 81,255,345</u>	<u>\$ 146,591,382</u>	<u>\$ 140,713,907</u>	<u>\$ 125,224,170</u>	<u>\$ 130,834,476</u>	<u>\$ 124,592,236</u>	<u>\$ 128,688,445</u>	<u>\$ 136,769,170</u>
Total net debt applicable to the limit as a percentage of debt limit	31.23%	28.34%	40.02%	26.61%	26.99%	28.53%	26.94%	27.07%	23.69%	21.95%

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

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

**Freehold Township School District
Demographic and Economic Statistics
Last Ten Fiscal Years
UNAUDITED**

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2008	34,875	-	-	4.1%
2009	34,730	-	-	4.2%
2010	34,589	-	-	7.5%
2011	36,184	-	-	7.7%
2012	36,219	-	-	8.2%
2013	36,806	-	-	7.0%
2014	36,184	-	-	5.0%
2015	35,812	-	-	4.7%
2016	35,807	-	-	4.4%
2017	35,623	-	-	4.1%

Source:

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

^b Personal income not available by municipality.

^c Per Capita Income not available by municipality.

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

**Freehold Township School District
Principal Employers
Current Year and Nine Years Ago
UNAUDITED**

Employer	2017			2008		
	Employees	Rank (Optional)	Percentage of Total Employment ^b	Employees	Rank (Optional)	Percentage of Total Employment ^b
CentraState Medical Center	2,178	1	11.66%	2,018	1	11.15%
YMCA of Freehold	0	-	0.00%			
iPlay America, Inc.	672	2	3.60%			
Center for Aging	481	3	2.57%	237	8	1.31%
Nordstrom	300	5	1.61%	382	4	
Macy's	200	10	1.07%	234	9	1.29%
IVC Industries, Inc.	317	4	1.70%	280	6	
Verizon		-	0.00%	675	2	3.73%
Shore Point Distributing Co., Inc.	273	7	1.46%			
Sam's Club		-	0.00%	283	5	1.56%
Asbury Park Press			0.00%	525	3	2.90%
Sears			0.00%	-	-	0.00%
WalMart	300	6	1.61%	250	7	1.38%
JC Penney Company	250	8	1.34%			0.00%
Lord & Taylor	225	9	1.20%			0.00%
Nestle Hills Coffee Company			0.00%	203	10	1.12%
	<u>5,196</u>		<u>27.82%</u>	<u>5,087</u>		<u>24.45%</u>

Source: Freehold Township Official Statement

^b Total labor force provided by U.S. Department of Labor, Bureau of Labor Statistics

**Freehold Township School District
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
UNAUDITED**

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Instruction										
Regular	295	284	277	271	271	282	298	295	295	361
Special education	153	186	187	195	191	200	214	221	220	125
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	89	67	72	66	69	80	82	84	82	74
General administrative services	5	5	5	4	4	4	4	4	4	5
School administrative services	25	24	24	24	30	29	26	27	27	27
Business administrative services	16	16	17	14	14	15	14	15	16	17
Plant operations and maintenance	74	73	71	75	73	75	67	82	82	81
Pupil transportation	90	92	89	66	71	67	72	69	76	81
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Total	<u>747</u>	<u>747</u>	<u>742</u>	<u>715</u>	<u>723</u>	<u>752</u>	<u>777</u>	<u>797</u>	<u>802</u>	<u>771</u>

Source: District Personnel Records

Freehold Township School District
 Operating Statistics
 Last Ten Fiscal Years
 UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2008	4,622	61,739,327	13,358	8.14%	332	17:01	24:01	4,622	4,428	-0.15%	95.80%
2009	4,512	62,143,910	13,773	3.11%	405	17:01	25:01	4,521	4,330	-2.23%	95.78%
2010	4,500	64,942,806	14,432	4.78%	341	17:01	24:01	4,500	4,312	-0.46%	95.82%
2011	4,375	61,778,766	14,121	-2.15%	338	17:01	25:01	4,365	4,170	-3.00%	95.53%
2012	4,276	62,963,967	14,725	4.28%	308	17:01	20:01	4,271	4,099	-2.15%	95.97%
2013	4,170	64,431,299	15,451	4.93%	353	17:01	16:01	4,155	3,970	-2.72%	95.55%
2014	4,042	66,902,931	16,552	7.13%	354	17:01	14:01	4,050	3,881	-2.53%	95.83%
2015	3,937	69,359,914	17,617	14.02%	367	11:01	10:01	3,921	3,748	-5.63%	95.59%
2016	3,855	70,388,447	18,259	10.31%	338	11:01	11:01	3,840	3,678	-5.19%	95.78%
2017	3,820	66,357,149	17,371	4.95%	343	11:01	11:01	3,805	3,628	-6.05%	95.35%

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

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1

b Teaching staff includes only full-time equivalents of certificated staff.

**Freehold Township School District
School Building Information
Last Ten Fiscal Years
UNAUDITED**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
District Building^a										
Early Learning Center										
Early Childhood Learning Center (1936) ^b										
Square Feet	37156	37156	37156	37156	37156	37156	37156	37156	37156	37156
Capacity (students)	127	127	127	127	127	127	127	127	127	127
Enrollment ^b	79	83	83	101	115	121	114	114	114	114
Elementary										
Joseph J. Catena (1951)										
Square Feet	76,045	76,045	76,045	76,045	76,045	76,045	76,045	76,045	76,045	76,045
Capacity (students)	633	633	633	633	633	633	633	633	633	633
Enrollment	602	561	561	518	492	491	511	511	511	511
C. Richard Applegate (1972)										
Square Feet	81,963	81,963	81,963	81,963	81,963	81,963	81,963	81,963	81,963	81,963
Capacity (students)	606	606	606	606	606	606	606	606	606	606
Enrollment	509	544	544	531	539	541	487	487	487	487
Marshall W. Errickson (1972)										
Square Feet	78,130	78,130	78,130	78,130	78,130	78,130	78,130	78,130	78,130	78,130
Capacity (students)	606	606	606	606	606	606	606	606	606	606
Enrollment	611	561	561	546	526	502	468	468	468	468
Laura Donovan (1968)										
Square Feet	76,491	76,491	76,491	76,491	76,491	76,491	76,491	76,491	76,491	76,491
Capacity (students)	653	653	653	653	653	653	653	653	653	653
Enrollment	531	537	537	508	485	487	488	488	488	488
West Freehold (9/04)										
Square Feet	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Capacity (students)	636	636	636	636	636	636	636	636	636	636
Enrollment	595	582	582	553	532	516	522	522	522	522
Middle School										
Clifton T. Barkalow (1965)										
Square Feet	110,553	110,553	110,553	110,553	110,553	110,553	110,553	110,553	110,553	110,553
Capacity (students)	831	831	831	831	831	831	831	831	831	831
Enrollment	853	822	822	808	803	763	752	752	752	752
Dwight D. Eisenhower (1971)										
Square Feet	114,979	114,979	114,979	114,979	114,979	114,979	114,979	114,979	114,979	114,979
Capacity (students)	863	863	863	863	863	863	863	863	863	863
Enrollment	827	822	822	800	784	749	700	700	700	700
Other										
Transportation & Maintenance Offices										
Square Feet	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800

Number of Schools at June 30, 2014
 Early Learning Center = 1
 Elementary = 5
 Middle School = 2
 Other = 1

Source: District records, ASSA

^a Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count (ASSA). Only 7 years of data required to be kept.

^b Prior to September 2004, the ECLC housed the West Freehold School. At the time of the ASSA in October 2004, the ECLC population was housed in the Joseph J. Catena & C. Richard Applegate Elementary Schools.

**FREEHOLD TOWNSHIP SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years
UNAUDITED**

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

* School Facilities Project # (s)	Joseph J. Catena Elementary N/A	C. Richard Applegate Elementary N/A	Clifton T. Barkalow Middle School N/A	Dwight D. Eisenhower Middle School N/A	Marshall W. Errickson Elementary N/A	Laura Donovan Elementary N/A	West Freehold Elementary N/A	Early Childhood Learning Center N/A	Total
2008	104,125	112,229	151,348	157,436	106,980	104,736	123,233	50,876	910,963
2009	111,559	120,240	162,153	168,675	114,617	112,213	132,031	54,508	975,996
2010	99,851	107,622	145,136	150,974	102,589	100,437	118,175	48,788	873,572
2011	99,633	107,387	144,819	150,644	102,365	100,217	117,917	48,681	871,663
2012	90,719	97,779	131,862	137,166	93,206	91,251	107,367	44,326	793,676
2013	43,820	47,231	63,694	66,256	45,022	44,077	51,862	21,411	383,373
2014	128,893	138,923	187,348	194,884	132,427	129,649	152,546	62,977	1,127,647
2015	138,630	149,418	201,501	209,606	142,431	139,443	164,070	67,735	1,212,834
2016	153,099	165,013	222,532	231,483	157,296	153,997	181,194	74,805	1,339,419
2017	138,388	149,157	201,149	209,240.27	142,182	139,199	163,783	67,617	1,210,716
Total School Facilities	<u>\$ 1,198,487</u>	<u>\$ 1,323,152</u>	<u>\$ 1,751,432</u>	<u>\$ 1,810,613</u>	<u>\$ 1,264,624</u>	<u>\$ 1,204,690</u>	<u>\$ 1,420,720</u>	<u>\$ 589,629</u>	<u>\$ 10,563,348</u>

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

Source: District records

**FREEHOLD TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED**

Company	Type of Coverage	Coverage	Deductible
Republic Franklin (Utica)	Property		
	Blanket Building & Contents	\$ 180,253,144	\$ 5,000
	Business Income & Extra Exp.	5,000,000	
	Data Processing Equipment	75,000	Per Building
	Data & Media	10,000	Per Building
	EDP - Chrome Books	142,000	-
	Flood	1,015,000	25,000
	Earthquake	1,000,000	25,000
	Equipment Breakdown (Blanket)	Included	
	Commercial Liability		
	Bodily Injury & Property Damage		
	Each Occurrence	1,000,000	
	General Aggregate	3,000,000	
	Products/Completed Operations	3,000,000	
	Damage to Premises Rented	1,000,000	
	Medical Payments	10,000	
	Personal & Advertising Injury	1,000,000	
Crime			
Employee Theft	4,000,000	5,000	
Forgery or Alteration	100,000		
Theft of Money & Securities	25,000	500	
School Board Legal			
Limit of Liability	1,000,000/3,000,000	10,000	
Graphic Arts (Utica)	Business Auto		
	Combined Single Limit	1,000,000	
	Personal Injury Protection	Statutory	
	Medical Payments	5,000	
	Uninsured & Underinsured	1,000,000	
	Comprehensive Deductible		1,000
	Collision Deductible		1,000

FREEHOLD TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

Company	Type of Coverage	Coverage	Deductible
NJSIG	Worker's Compensation Section A Section B	Statutory 200,000/200,000/200,000	
Chubb	Supplemental Worker's Compensation Maximum Benefit Period Waiting Period	52 Weeks 7 days	
McCloskey	Student Accident Maximum Benefit	1,000,000	
Selective	Bonds Business Adm./Board Sec'y.	350,000	
Commerce & Industry Insurance	Environmental Policy Each Incident Aggregate	1,000,000 1,000,000	10,000
Utica Mutual Ins. Co.	Excess Umbrella Limit of Liability Retention	10,000,000 10,000	
Fund Indemnity	CAP Program Each Occurrence Aggregate	50,000,000 50,000,000	

Source: District Records

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
Freehold Township School District
County of MONMOUTH
Freehold, New Jersey 07728

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 Freehold Township School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Freehold Township School District basic financial statements, and have issued our report thereon dated November 7, 2017.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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 Freehold Township School District financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Toms River, NJ
November 7, 2017

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

Honorable President and
Members of the Board of Education
Freehold Township School District
County of Monmouth
Freehold, New Jersey 07728

Report on Compliance for Each Major Federal and State Program

We have audited Freehold 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 Freehold Township School District's major federal and state programs for the year ended June 30, 2017. Freehold Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal and state programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, Freehold Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Freehold Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Freehold Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state 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 Freehold Township School District's internal control over compliance.

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

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.

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

November 7, 2017

FREEHOLD TOWNSHIP SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 for the Fiscal Year ended June 30, 2017

<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, 2016</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, 2017</u>	<u>(Accounts Receivable) at June 30, 2017</u>	<u>Due to Grantor at June 30, 2017</u>
General Fund:											
U.S Department of Education											
Medical Assistance Program	93.778	9/1/16-8/31/17	\$ 106,675	\$ -	\$ -	\$ 106,675	\$ (106,675)	\$ -	\$ -	\$ -	\$ -
				-	-	106,675	(106,675)	-	-	-	-
U.S. Department of Agriculture											
Passed-through State Department of Education:											
Food Distribution Program	10.550	7/1/16-6/30/17	85,134	-	-	85,134	(85,134)	-	-	-	-
National School Breakfast Program	10.553	7/1/16-6/30/17	8,812	-	-	8,126	(8,812)	-	-	(686)	-
National School Lunch Program	10.555	7/1/16-6/30/17	234,934	-	-	216,779	(234,934)	-	-	(18,155)	-
National School Breakfast Program	10.553	7/1/15-6/30/16	8,734	(634)	-	634	-	-	-	-	-
National School Lunch Program	10.555	7/1/15-6/30/16	227,043	(16,288)	-	16,288	-	-	-	-	-
Total U.S. Department of Agriculture				(16,922)	-	326,961	(328,880)	-	-	(18,841)	-
U.S. Department of Education											
Passed-through State Department of Education:											
Title I	84.010	7/1/16-6/30/17	246,888	-	-	148,915	(239,736)	-	-	(90,821)	-
Title I	84.010	7/1/15-6/30/16	228,610	(50,344)	-	50,344	-	-	-	-	-
Title II Part A	84.367A	7/1/16-6/30/17	63,698	-	-	47,170	(61,500)	-	-	(14,330)	-
Title II Part A	84.367A	7/1/15-6/30/16	61,515	(23,747)	-	23,747	-	-	-	-	-
Title III	84.365A	7/1/16-6/30/17	11,366	-	-	7,795	(9,874)	-	-	(2,079)	-
Title III	84.365A	7/1/15-6/30/16	11,176	(1,617)	-	1,617	-	-	-	-	-
Title III Immigrant	84.365A	7/1/16-6/30/17	1,968	-	-	1,968	(1,968)	-	-	-	-
I.D.E.A. Part B Basic Regular	84.027	7/1/15-6/30/16	905,791	(75,913)	-	75,913	-	-	-	-	-
I.D.E.A. Part B Basic Regular	84.027	7/1/16-6/30/17	868,376	-	-	796,656	(868,376)	-	-	(71,720)	-
I.D.E.A. Part B Preschool	84.173	7/1/16-6/30/17	38,515	-	-	38,515	(38,515)	-	-	-	-
Total U.S. Department of Education				(151,621)	-	1,192,640	(1,219,969)	-	-	(178,950)	-
Total Expenditures of Federal Awards				\$ (168,543)	\$ -	\$ 1,626,276	\$ (1,655,524)	\$ -	\$ -	\$ (197,791)	\$ -

FREEHOLD TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Awards
for the Fiscal Year ended June 30, 2017

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2016	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2017	(Accounts Receivable) at June 30, 2017	Due to Grantor at June 30, 2017	Budgetary Receivable	Total Expenditures
State Department of Education													
General Fund:													
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	333,183	-	-	300,757	(333,183)	-	-	-	-	(32,426)	333,183
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	300,655	(30,066)	-	30,066	-	-	-	-	-	-	-
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	2,615,763	-	-	2,381,000	(2,615,763)	-	-	-	-	(234,763)	2,615,763
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	2,597,902	(247,792)	-	247,792	-	-	-	-	-	-	-
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	1,100,169	-	-	993,045	(1,100,169)	-	-	-	-	(107,124)	1,100,169
Equalization Aid	16-495-034-5120-078	7/1/15-6/30/16	1,140,072	(102,806)	-	102,806	-	-	-	-	-	-	-
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	93,758	-	-	84,629	(93,758)	-	-	-	-	(9,129)	93,758
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	84,658	(8,466)	-	8,466	-	-	-	-	-	-	-
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	39,120	-	-	35,311	(39,120)	-	-	-	-	(3,809)	39,120
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	39,120	(3,912)	-	-	-	-	-	-	-	-	-
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	39,120	-	-	35,311	(39,120)	-	-	-	-	(3,809)	39,120
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	39,120	(3,912)	-	-	-	-	-	-	-	-	-
Professional Learning Comm Aid	17-495-034-5120-101	7/1/16-6/30/17	36,890	-	-	33,300	(36,890)	-	-	-	-	(3,590)	36,890
Additional Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	1	-	-	1	(1)	-	-	-	-	-	1
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17	847,878	-	-	-	(847,878)	-	-	(847,878)	-	-	847,878
Extraordinary Aid	16-495-034-5120-044	7/1/15-6/30/16	772,754	(772,754)	-	772,754	-	-	-	-	-	-	-
Nonpublic Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	18,841	-	-	-	(18,841)	-	-	(18,841)	-	-	18,841
Nonpublic Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	16,792	(16,972)	-	16,972	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contribution	17-495-034-5094-002	7/1/16-6/30/17	3,109,091	-	-	3,109,091	(3,109,091)	-	-	-	-	-	3,109,091
On-Behalf TPAF Long-Term Disability Ins	17-495-034-5094-004	7/1/16-6/30/17	7,383	-	-	7,383	(7,383)	-	-	-	-	-	7,383
On-Behalf TPAF Post-Retirement Medica	17-495-034-5094-001	7/1/16-6/30/17	2,590,580	-	-	2,590,580	(2,590,580)	-	-	-	-	-	2,590,580
Reimbursed TPAF Social Security Contribution	17-495-034-5094-003	7/1/16-6/30/17	2,127,894	-	-	2,026,067	(2,127,894)	-	-	(101,827)	-	-	2,127,894
Reimbursed TPAF Social Security Contribution	16-495-034-5094-003	7/1/15-6/30/16	2,140,417	-	-	-	-	-	-	-	-	-	-
Total General Fund				(1,186,680)	-	12,775,331	(12,959,671)	-	-	(968,546)	-	(394,650)	12,959,671
Enterprise Fund:													
State School Lunch Program	17-100-010-3350-023	7/1/16-6/30/17	9,556	-	-	8,806	(9,556)	-	-	(750)	-	-	9,556
State School Lunch Program	16-100-010-3350-023	7/1/15-6/30/16	9,724	(700)	-	700	-	-	-	-	-	-	-
Total Enterprise Fund				(700)	-	9,506	(9,556)	-	-	(750)	-	-	9,556
Capital Project Fund:													
SCC Grant	1660-023-14-1001-G04	7/1/16-6/30/17	121,747	-	-	33,167	(33,167)	-	-	-	-	-	33,167
Total Capital Projects Fund				-	-	33,167	(33,167)	-	-	-	-	-	33,167
Debt Service Fund:													
Debt service aid	17-495-034-5120-017	7/1/16-6/30/17	35,807	-	-	35,807	(35,807)	-	-	-	-	-	35,807
Total Debt Service Fund				-	-	35,807	(35,807)	-	-	-	-	-	35,807
Special Revenue Fund:													
N.J. Nonpublic Textbook Aid	17-100-034-5120-064	7/1/16-6/30/17	2,248	-	-	2,248	(1,315)	-	-	-	933	-	1,315
N.J. Nonpublic Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	571	48	-	-	-	(48)	-	-	-	-	-
N.J. Nonpublic Nursing Aid	17-100-034-5120-070	7/1/16-6/30/17	3,510	-	-	3,510	(1,915)	-	-	-	1,595	-	1,915
N.J. Nonpublic Nursing Aid	16-100-034-5120-070	7/1/15-6/30/16	900	49	-	-	-	(49)	-	-	-	-	-
N.J. Nonpublic Technology Aid	17-100-034-5120-373	7/1/16-6/30/17	1,014	-	-	1,014	(466)	-	-	-	548	-	466
N.J. Nonpublic Technology Aid	16-100-034-5120-373	7/1/15-6/30/16	260	2	-	-	-	(2)	-	-	-	-	-
N.J. Nonpublic Security Aid	17-100-034-5120-509	7/1/16-6/30/17	1,950	-	-	1,950	(1,950)	-	-	-	-	-	1,950
N.J. Nonpublic Security Aid	16-100-034-5120-509	7/1/15-6/30/16	250	250	-	-	-	(250)	-	-	-	-	-
Total Special Revenue Fund				349	-	8,722	(5,646)	(349)	-	-	3,076	-	5,646
Total Expenditures of State Awards				(1,187,031)	-	12,862,533	(13,043,847)	(349)	-	(969,296)	3,076	(394,650)	13,010,680
State Financial Assistance Not Subject to Single Audit Determination													
				-	-	(5,707,054)	5,707,054	-	-	-	-	-	(3,109,091)
Total Expenditures of State Awards Subject to Single Audit Determination													
				\$ (1,187,031)	-	7,155,479	(7,336,793)	(349)	-	(969,296)	3,076	(394,650)	9,901,589

See accompanying notes to schedules of expenditures.

Freehold Township School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2017

1. General

The accompanying schedules of expenditures of award present the activity of all federal and state awards of the Board of Education of Freehold 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.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(3,106,787) for the general fund, \$(96,247) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page.

Freehold Township School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2017

3. Relationship to Basic Financial Statements (cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 106,675	9,852,884	9,959,559
Special Revenue Fund	1,123,722	5,646	1,129,368
Debt Service Fund	-	35,807	35,807
Capital Projects Fund	-	33,167	33,167
Food Service Fund	<u>328,880</u>	<u>9,556</u>	<u>338,436</u>
Total awards and financial assistance	<u>\$ 1,559,277</u>	<u>9,937,060</u>	<u>\$ 11,496,337</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 and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2017.

The TPAF post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 15-08.

Freehold Township School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2017

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 no
- 2) Significant deficiencies identified
that are not considered to be
material weaknesses? yes none reported

Noncompliance material to general-purpose
financial statements noted? yes no

Federal Awards Section

Internal Control over major programs:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified
that are not considered to be
material weaknesses? yes none reported

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 2 CFR section .516(a) of the
Uniform Guidance? yes no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	I.D.E.A. - Part B
84.173	I.D.E.A. - Part B Preschool

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

Auditee qualified as low-risk auditee? yes no

Freehold Township School District
 Schedule of Finding and Questioned Costs
 June 30, 2017

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

State Awards Section

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

Auditee qualified as low-risk auditee? yes no

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

Internal Control over major programs:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified
 that are not considered to be material
 weaknesses? yes none reported

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

Identification of major programs:

GMIS Number(s)	Name of State Program
	State Aid - Public (Cluster)
495-034-5120-089	Special Education Categorical Aid
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness
495-034-5120-1010	Professional Learning Comm Aid

Section II - Financial Statement Findings

No matters were reported for the period ended June 30, 2017.

Prior Year Audit Findings - N/A

Freehold Township School District
Schedule of Finding and Questioned Costs (continued)

June 30, 2017

Section III -Federal Award and State Financial Assistance Findings and Questioned Costs

No matters were reported for the period ended June 30, 2017.

Status of Prior Year Findings

Finding #2016-01

Condition: The School District did not properly report student's intensive services and/or other services as listed on the student's IEP and/or received on the EXAID application.

Current Status: The School District implented controls to ensure only eligible costs are claimed on the application for EXAID and that documentation is retained to support such costs.