

SCHOOL DISTRICT
OF
HOWELL TOWNSHIP



HOWELL TOWNSHIP BOARD OF EDUCATION
HOWELL TOWNSHIP, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

HOWELL TOWNSHIP BOARD OF EDUCATION

HOWELL TOWNSHIP, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

PREPARED BY

**HOWELL TOWNSHIP BOARD OF EDUCATION
FINANCE DEPARTMENT**

HOWELL TOWNSHIP SCHOOL DISTRICT

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INTRODUCTORY SECTION

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 ADMINISTRATION BUILDING
 200 SQUANKUM/YELLOWBROOK ROAD
 HOWELL, N.J. 07731



Howell Township Public Schools

PROUD OF OUR SCHOOLS - CONCERNED FOR OUR CHILDREN

November 19, 2018

Honorable President and
 Members of the Board of Education
 Howell Township School District
 Howell, New Jersey

Dear Members of the Board of Education:

It is with pleasure that we submit the Comprehensive Annual Financial Report (CAFR) of the Howell Township School District for the fiscal year ended June 30, 2018. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

- ◆ The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- ◆ The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
- ◆ The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District, generally presented on a multi-year basis;
- ◆ The Single Audit Section – The District is required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1986, as amended, the U. S. Office of Management and Budget Title 2 Code of Federal Regulations, Part 200, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Howell Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The Howell Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of programs and services appropriate to grades K through 8. These include regular education, programs for all students including those most in need of challenge, those who are very able students (gifted and talented), as well as special education for children with disabilities in and out of district. Ten elementary schools (five primary and five elementary) and two middle schools comprise the district's facilities.

Supervising district-wide goals is a district superintendent, an assistant superintendent for curriculum and personnel, an assistant superintendent of pupil services, an assistant superintendent of business administration/board secretary, three district-wide curriculum supervisors, three supervisors of special education, and a director of innovative digital learning.

The Board of Education, comprised of nine members, each elected to three-year terms, meets on the first and third Wednesday of each month for the regular Board Meeting and other times each month for committee meetings. Each committee is comprised of three Board members, one serving as chair, and three appointed citizen members. During its meetings the board determines district goals and priorities and conducts the business of the Board of Education. Board and Board committee meetings are open to the public.

PTAs/PTOs/SEPAC (Special Education Parents Advisory Council) are highly active in the district and provide community support for a variety of programs and activities for the children.

To maintain effective communications, the district produces school and district newsletters. Howell Highlights, the district newsletter, is emailed to all parents in the community, in order to keep them well informed of school and district events. The district also utilizes its web site to publish the board agenda in an effort to keep all interested citizens apprised of district operations and activities. Parents with email addresses can sign up for Newsbytes and School Alerts. Further, parents can stay informed by signing up for the district's twitter account.

Each of the schools in the district follows the district-wide goals and educational curriculum in the education of children, while maintaining a unique personality that makes up that particular school. All curricula in the district have been aligned to the Common Core State Standards.

The mission of the Howell Township School District is to educate students at all grade levels to achieve the Standards and challenge them to become skillful communicators, independent thinkers, and life-long learners. In reaching their full potential, our children will develop individual, social, and civic responsibility as well as respect for themselves and their environment. To this end the district has developed a comprehensive curriculum for each grade and each subject area that is rich in content while focusing on the individual needs of the students.

Elementary Schools: Grades K through 5

Currently, there is one PreK to grade two elementary school (Land O'Pines), four grade K-2 elementary schools (Adelphia School, Greenville School, Griebing School, and Taunton School)

and five grade 3-5 elementary schools (Aldrich School, Ardena School, Memorial Elementary School, Newbury School, and Ramtown School)providing a comprehensive educational program.

The district's balanced literacy program focuses on the development of phonics, phonemic awareness, vocabulary, comprehension, and fluency. Literacy is taught through a writing workshop approach and is integrated throughout all disciplines. Emphasis is placed on growing joyful readers and writers through a community of collaboration.

Mathematics skills and concepts are presented using a variety of hands-on materials and activities. Technology is used as an instructional tool for the students through video tutorials, fluency practice, and problem solving. An emphasis is placed on providing real-life meaningful experiences so that students develop conceptual understanding and an appreciation for mathematics.

Inquiry and discovery are the foundations of the science program. The students develop a better understanding of the world around them by developing experiments and applying the scientific method.

The units of instruction for the social studies program are theme-based and promote literacy in the areas of geography, history, economics, and civics.

Students begin learning Spanish in kindergarten and continue through the fifth grade. The students learn the language through conversational techniques, as well as develop an appreciation for the cultures that speak Spanish. At the middle school level, all students participate in World Language instruction. Upon entering the middle school, students may elect to either continue their studies in Spanish, or begin studies in French.

All elementary schools (K-2 and 3-5) offer enrichment cluster grouping to students identified as gifted and talented. In addition, at one elementary (3-5) school, a self-contained 4th and 5th grade program is provided to identify students who demonstrate giftedness.

Howell Township Middle Schools: Grades 6 through 8

Grades six through eight are housed at the district's two middle schools. Each school is divided into "houses." Each "house" is designed as a "school within a school." The "houses" are further divided into teams. Each team has an assigned group of teachers and students. The team approach allows the faculty to develop positive relationships with a relatively small group of students. The district has found this team approach to be very successful at minimizing discipline problems and allowing the teachers to get a sense of each student's individual needs.

At the middle school the Gifted and Talented program is expanded to provide math acceleration in grades 6th, 7th and 8th, with a rigorous enrichment course of study in science, social studies and language arts.

Special Education

Special Education is an integral part of the educational system in the Howell Township Schools. Our school district educates approximately 885 students who receive services based on their eligibility for special education and related services. A full continuum of services is provided for students with disabilities. Class placements for students with IEPs include preschool disabled, integrated preschool, general education classes with specialized support, in-class and pull-out resource programs, and many special class programs. All students are included with typical peers to the maximum extent possible, and many students are fully included in general education classes

with the appropriate supplementary aids and services. Additionally, students with disabilities are encouraged to participate in extracurricular activities, and are afforded the support of peer mentors or paraprofessionals, as needed, in order to fully benefit from the activities offered. All students' programs are individualized based on their IEPs, which are developed by a multi-disciplinary team which includes their parent/s.

Core Curriculum Contents Standards

All district curricula is aligned with the Common Core State Standards/New Jersey Standards for Student Learners (NJSSL) for Mathematics and Language Arts Literacy, and the New Jersey Core Content Curriculum Standards for Visual and Performing Arts; Comprehensive Health and Physical Education; Science; Social Studies; World Languages; Technology; and 21st-Century Life and Careers. In grades 6-8, the science standards will transition to the Next Generation Science Standards in the Fall 2016.

Staff Development

The Howell Township Public Schools System provides its teaching and support staff with many opportunities for professional development.

All professional development in Howell Township addresses the Eight Key Elements of High Quality Professional Development. The professional learning opportunities align to the Standards for professional learning. To improve, impact, all professional development is developed using the Principals of Adult Learning Theory.

In the beginning of the school year all newly hired teachers receive intensive in-service, encompassing training in instructional strategies, classroom management, curriculum, Common Core/NJSSL State Standards, mentoring, technology, district policy and mandated trainings, such as Affirmative Action and Harassment, Intimidation and Bullying. Mentors are assigned to novice teachers to provide support throughout the school year.

Professional development days are built into the school calendar to enable teachers to attend sessions related to instructional strategies, curricular updates, content standards, data driven decision making, and district-wide grade level and department articulation meetings.

Buildings utilize PLC's to organize a collection of information regarding patterns of student performance. That data is synthesized by our SCIP's with data regarding patterns of instructional practice.

Technology

District-Wide technology is used to enrich teaching and learning, facilitate communication among all members of the educational community, and to increase productivity. All classrooms, computer labs, media centers, and offices in each of the twelve schools and administrative buildings are linked together via local and wide area voice and data networks. All administrators, teachers, and support staff members have computing capability with high speed Internet access and are provided email and voice mail accounts. To assist teachers and students in delivering content and collaborating with peers and colleagues, all classrooms in the district are equipped with ceiling

mounted LCD projectors and/or projection devices capable of presenting content via sources such as Apple TVs and/or document cameras.

In addition, all schools are equipped with mobile student laptops that connect wirelessly to the network. Students in grades K-2 are assigned an iPad at a shared ratio of 2:1 and students in grades 3-8 are assigned a laptop at a 1:1 ratio. All building administrators have access to laptop computers, allowing for complete mobility. Mobile tablet devices were provided to all observers in support of their work with AchieveNJ and School Improvement Panels.

Pupil Enrollment

The following details the changes in the student enrollment of the district over the last ten years. The table presents the actual historical pupil enrollment, as of October 15, for the school years 2005-2016 through 2017-2018.

<u>School Year</u>	<u>Enrollment As of October 15</u>
2005-06	7259
2006-07	7289
2007-08	7090
2008-09	6920
2009-10	6783
2010-11	6773
2011-12	6541
2012-13	6335
2013-14	6277
2014-15	6153
2015-16	6004
2016-17	5949
2017-18	5611

2. ECONOMIC CONDITION AND OUTLOOK

The rate of new home construction continues to stagnate and is reflected in a continued enrollment decline. Current housing continues to turn over but the movement of young families with children has slowed.

3. MAJOR INITIATIVES

Construction

District-wide roofing projects were completed, and masonry construction initiatives began during the 2014-2015 school year with the award of the NJ School Development Authority ROD grant funds. The district continues to address systematic upgrades/parking lots/roofing replacement and other building components on an ongoing basis.

Pupil Services

- ❖ Multi-sensory reading programs
- ❖ Assistive and instructional technology devices for students with disabilities
- ❖ Board Certified Behavior Analysts
- ❖ Ongoing training/professional development in all areas relative to working with students with special needs
- ❖ Inclusive classrooms
- ❖ Preschool Disabled and Integrated Preschool Programs
- ❖ Life Skills classrooms and instruction
- ❖ Crisis Management certification for staff
- ❖ Crisis Response Network
- ❖ Tools of the Mind Preschool curriculum
- ❖ Community-based instruction as appropriate
- ❖ Parent outreach services

Business

The Business Office continued to be busy in the 2017-2018 school year. Accomplishment/initiatives in this school year were as follows:

- ❖ Internal review and follow up for high dollar health insurance claims resulted in savings to the district
- ❖ The expansion of the district's central purchasing system implemented in 2014-2015 continues to result in savings for the district's common purchases
- ❖ The business office provided continued training and ongoing support to remote users of Systems 3000 to assure the procedures are in place
- ❖ The business office provided several training sessions to Administrators and support staff for compliance with New Jersey Public School Contract Laws Title 18A:18A, et. seq
- ❖ The Assistant Superintendent of Business Administration continues as the certified purchasing agent, with a bid threshold limit of \$40,000.
- ❖ Streamlining of business functions through increased applications of technology.
- ❖ Continued compliance with State and Federal mandates while minimizing impact on other business workflow.
- ❖ The district began implementation of its ESIP initiative which reduces waste and makes the district's schools more energy efficient and sustainable.

Personnel

The district employed 1162 persons during the 2016-2017 school year. The certificated staff numbered 626 including 36 administrators and supervisors and 590 classroom teachers and educational support personnel (nurses, guidance counselors, child study team members, etc.). 398 other employees, including instructional assistants, school aides, bus drivers and attendants, secretaries and clerk-typists, and custodial and maintenance employees were also part of the staff.

One of the greatest challenges in a school district is to maintain high standards for its staff, especially, during a period when acute teacher shortages in some areas persisted. The district was

able to accomplish this through a highly competitive recruitment and selection process. Additionally, an impressive array of in-service opportunities allowed staff members to stay current and to improve their instructional skills; a hallmark of a progressive and innovative school district.

The district, for example, continued its new teacher mentoring program. All newly certified teachers and most teachers new to the district were assigned mentors as well as supervisory advocates to assist them in their first year. District administrators further provided these teachers with an extensive in-service program designed to help them acclimate to their new working environment.

4. INTERNAL ACCOUNTING CONTROLS

Management of the district is responsible for establishing and maintaining an internal control system 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 system 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 awards, the district also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws, regulations, contracts and grants related to those programs. This internal control system is also subject to periodic evaluation by the district management.

As part of the District's single audit, described earlier, tests are made to determine adequacy of the internal control system, 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 controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the board of education. Annual appropriated budgets are adopted for the general fund, the special revenue funds, and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

6. CASH MANAGEMENT

The investment policy of the district is guided in large part by state statute. The district has adopted

a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provision of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

7. RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds and worker's compensation.

8. OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart & Company, CPA's, was selected by the Board to perform the audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet requirements of the Single Audit Act of 1996, as amended and the Title 2 U.S. Code of Federal Regulations, Part 200 and the New Jersey OMB Circular 04-04. The auditors' report on the basic financial statements and as well as both the required and other supplementary information 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.

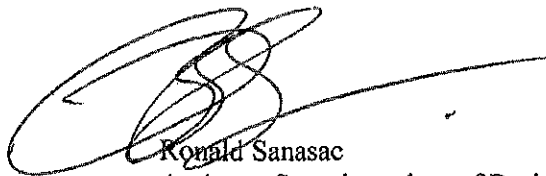
9. ACKNOWLEDGMENTS

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

Respectfully submitted,



Joseph J. Isola
Superintendent of Schools



Ronald Sanasac
Assistant Superintendent of Business
Administration/Board Secretary

**HOWELL TOWNSHIP BOARD OF EDUCATION
HOWELL TOWNSHIP, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2018**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Timothy P. O'Brien, Board President	2019
Mark Bonjavanni, Vice President	2020
Laurence Gurman	2020
Denise Lowe	2018
MaryRose Malley	2019
Cristy Mangano	2020
Albert Miller	2018
Jennifer Okerson	2019
Ira Thor	2021

Other Officials

Mr. Joseph Isola, Superintendent

Mr. Ronald Sanasac, Assistant Superintendent of Business Administration/Board Secretary

Mrs. Patricia Callander, Assistant Superintendent

Mr. Bruce Preston, Assistant Superintendent

HOWELL TOWNSHIP BOARD OF EDUCATION
Consultants and Advisors

Audit Firm

Robert A. Hulsart & Co.
2807 Hurley Pond Road
Wall, New Jersey 07719

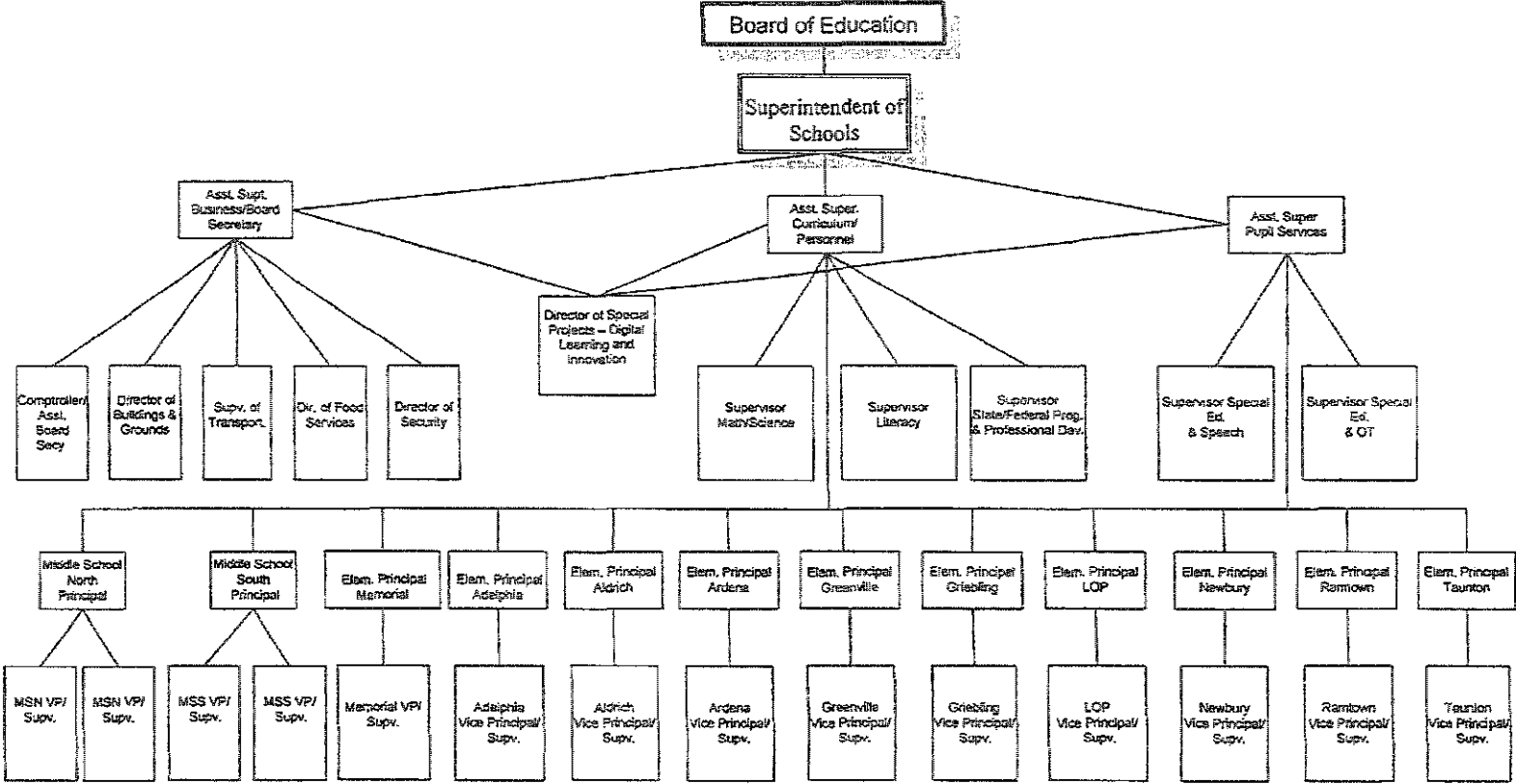
Attorney

Bathgate, Wegener, & Wolf
One Airport Road
Lakewood, New Jersey 08701

Official Depository

TD Bank
Howell, New Jersey 07731

Howell Township Public Schools Organizational Chart Administration 2017-2018



FINANCIAL SECTION

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Howell Township School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Howell Township School District, in the County of Monmouth, State of New Jersey, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2018 on our consideration of the Howell Township's Board of Education internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Howell Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

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

November 19, 2018

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**HOWELL TOWNSHIP PUBLIC SCHOOL DISTRICT
HOWELL TOWNSHIP**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

UNAUDITED

The discussion and analysis of Howell Township Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal that is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

The MD&A is a new element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – "Basic Financial Statement and Management's Discussion and Analysis – for State and Local Governments" issued in June 1999.

Financial Highlights

Key financial highlights for 2018 are as follows:

- ◆ General revenues accounted for \$128,289,451 in revenue or 96.5% percent of all revenues. Program specific revenue in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,650,223 or 3.5% percent to total revenues of \$132,939,674.
- ◆ Total assets of governmental activities increased by \$5,786,978 as cash and cash equivalents increased by \$3,472,099, receivables decreased by \$194,710 and capital assets increased by \$2,508,423.
- ◆ The School District had \$122,577,649 in expenses; only \$ 4,650,223 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$128,289,451 were adequate to provide for these programs.
- ◆ The General Fund had \$123,092,807 in revenues and \$120,258,213 in expenditures.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding this Management's 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.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during the 2017/2018 fiscal year?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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

Enterprise Fund

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

The School District as a Whole

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

Table 1 provides a summary of the School District's net position for the fiscal year 2018.

	2018
Assets	
Current and other assets	\$ 25,010,090
Capital assets, net	\$ 80,566,737
Total assets	\$105,576,827
Deferred Outflow of Resources	\$ 13,498,008
Deferred Inflows of Resources	\$ 11,377,358
Liabilities	
Long-term liabilities	\$ 65,435,857
Other liabilities	6,750,328
Total liabilities	\$ 72,186,185
Net Position	
Invested in capital assets, net of debt	\$ 64,929,737
Restricted	19,492,760
Unrestricted	(48,911,205)
Total Net Position	\$ 35,511,292

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 59% percent of revenues for governmental activities for the Howell Township Public School District for fiscal year 2018. Federal, state and local grants accounted for another 41%.

Business-Type Activities

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

- ◆ Food service expenditures exceeded revenues by (\$26,533).
- ◆ Charges for services represent \$894,726 of revenue. This represents amount paid by patrons for daily food services.
- ◆ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$603,530.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

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

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

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

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

Curriculum and staff development include expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

Extracurricular activities include expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

Other includes unallocated depreciation and amortization.

The School District's Funds

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Township of Howell's taxpayers and other entities, including the State of New Jersey and the Federal Government. 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 ending June 30, 2018, it reported a combined net position balance of \$35,511,292. The reconciliation of the Statement of Revenue Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities present the reader with a detailed explanation to the differences between the net change in fund balances and changes in net position.

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 the section of the CAFR entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

The excesses will be carried forward into the beginning fund balance for the 2017-2018 fiscal year and will be used to fund the 2018-2019 fiscal budget.

The increase in debt service is attributed to additional construction programs.

Capital Assets

At the June 30, 2018, the School District had approximately \$80,484,037 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. Table 2 below shows the net book value of capital assets at the end of the 2018 fiscal year.

Table 2
Capital Assets (Net of Depreciation) at June 30

	2018
Land	\$ 5,348,018
Building and improvements	\$ 66,188,102
Machinery and equipment	\$ 8,947,917
Totals	\$80,484,037

Debt Administration

At June 30, 2018, the School district had \$71,329,857 as outstanding debt. Of this amount, \$4,472,811 is for compensated absences, \$2,677,000 for capital leases, \$47,220,046 of pension obligations and the balance \$16,960,000 for bonds for school construction.

Economic Factors and Next Year's Budget

The Howell Township Public School District is in very good financial condition presently. Future finances are not without challenges as the community continues to grow and state funding is decreased.

The Township of Howell is primarily a residential community, with very few ratables, and is presently experiencing a slowing of what little ratable growth had been experienced. The majority of revenues needed to operate the District are derived from homeowners through property tax assessments and collections, which are voted by the residents annually.

The (\$48,714,939) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. This means that if the School Board had to pay off all bills today, including all of the School Board's non concurrent liabilities such as compensated absences, the School Board would have a deficit of (\$48,714,939). The district also has \$2,096,179 in capital reserve monies as well as the fair market value of the capital assets.

At this time, the most important factor affecting the budget is the unsettled situation with State Aid and Tax Levy caps. Since expenses continue to increase due to inflationary and legislative pressures and revenues are fixed, the district must reduce expenses to compensate.

The School Board cannot accurately forecast future enrollment, but presently is experiencing a reversal of the past growth trend.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School district's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or require additional information contact Ronald Sanasac, Business Administrator/Board Secretary at Howell Township Board of Education, P.O. Box 579, Howell, New Jersey 07731.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

HOWELL TOWNSHIP SCHOOL DISTRICT**STATEMENT OF NET POSITION**

Exhibit A-1

JUNE 30, 2018

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 22,035,395	126,524	22,161,919
Receivables, Net	2,758,060	52,377	2,810,437
Inventory		37,734	37,734
Restricted Assets:			
Cash and Cash Equivalents			-
Capital Assets-Non-Depreciable	5,348,018		5,348,018
Capital Assets, Net	75,136,019	82,700	75,218,719
Total Assets	<u>105,277,492</u>	<u>299,335</u>	<u>105,576,827</u>
Deferred Outflow of Resources			
Contribution to Pension Plan	<u>13,498,008</u>		<u>13,498,008</u>
Deferred Inflow of Resources			
Pension Deferrals	<u>11,377,358</u>		<u>11,377,358</u>
Liabilities			
Accounts Payable & Accrued Interest	384,164	412,901	797,065
Deferred Revenue	59,263		59,263
Noncurrent Liabilities:			
Due Within One Year	5,894,000		5,894,000
Due Beyond One Year	65,435,857		65,435,857
Total Liabilities	<u>71,773,284</u>	<u>412,901</u>	<u>72,186,185</u>
Net Positions			
Invested in Capital Assets, Net of Related Debt	64,847,037	82,700	64,929,737
Restricted For:			
Debt Service	7		7
Capital Projects	3,009,030		3,009,030
Other Purposes	16,483,723		16,483,723
Unrestricted	<u>(48,714,939)</u>	<u>(196,266)</u>	<u>(48,911,205)</u>
Total Net Position	<u>\$ 35,624,858</u>	<u>(113,566)</u>	<u>35,511,292</u>

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

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 23,477,168			(23,477,168)		(23,477,168)
Special Education	13,867,642			(13,867,642)		(13,867,642)
Other Special Instruction	2,480,847		1,748,681	(732,166)		(732,166)
Other Instruction	475,292			(475,292)		(475,292)
Support Services:						
Tuition	802,061	802,061		-		-
Student & Instruction Related Services	11,906,712		558,921	(11,347,791)		(11,347,791)
School Administrative Services	4,648,211			(4,648,211)		(4,648,211)
General and Business Administrative Services	1,173,766			(1,173,766)		(1,173,766)
Plant Operations and Maintenance	11,016,326			(11,016,326)		(11,016,326)
Pupil Transportation	8,564,076			(8,564,076)		(8,564,076)
Unallocated Benefits	38,076,496			(38,076,496)		(38,076,496)
Business & Other Support Services	2,351,092			(2,351,092)		(2,351,092)
Special Schools	241,642			(241,642)		(241,642)
Capital Outlay			13,295	13,295		13,295
Interest on Long-Term Debt	535,564			(535,564)		(535,564)
Unallocated Depreciation	1,406,956			(1,406,956)		(1,406,956)
Total Government Activities	121,023,851	802,061	2,320,897	(117,900,893)	-	(117,900,893)
Business-Type Activities:						
Food Service	1,585,536	894,726	603,530		(87,280)	(87,280)
Total Primary Government	122,609,387	1,696,787	2,924,427	(117,900,893)	(87,280)	(117,988,173)

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

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purpose, Net				\$ 72,459,479		72,459,479
Taxes Levied for Debt Service				5,607,056		5,607,056
Federal and State Aid Not Restricted				49,204,807		49,204,807
Miscellaneous Income				1,018,109		1,018,109
Total General Revenues, Special Items, Extraordinary Items and Transfers				<u>128,289,451</u>	<u>-</u>	<u>128,289,451</u>
Change in Net Position				<u>10,388,558</u>	<u>(87,280)</u>	<u>10,301,278</u>
Net Position - Beginning				<u>24,942,440</u>	<u>(87,033)</u>	<u>24,855,407</u>
Other Financing Sources (Uses):						
Transfer to Cover Deficit Food Service				(60,747)	60,747	-
Transfer from Fund 20				354,607		354,607
Total Other Financing Sources (Uses)				<u>293,860</u>	<u>60,747</u>	<u>354,607</u>
Net Position - Ending				<u>\$ 35,624,858</u>	<u>(113,566)</u>	<u>35,511,292</u>

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash - Unrestricted	\$ 20,309,713		1,725,675	7	22,035,395
Cash - Restricted					-
Receivables from Other Governments	539,455	445,098	1,349,213		2,333,766
Accounts Receivable	412,901	11,393			424,294
Interfund Receivable	358,117				358,117
Total Assets	\$ 21,620,186	456,491	3,074,888	7	25,151,572
Liabilities and Fund Balance					
Liabilities:					
Accounts Payable	\$ 33,600	39,111	65,858		138,569
Interfund Payable		358,117			358,117
Deferred Revenue		59,263			59,263
Total Liabilities	33,600	456,491	65,858	-	555,949
Fund Balance:					
Restricted for:					
Excess Surplus - Current Year	3,000,000				3,000,000
Committed To:					
Designated for Subsequent Years Expenditures - Excess Surplus	3,000,000				3,000,000
Maintenance Reserve	4,342,068				4,342,068
Designated for Subsequent Years Expenditures - Maintenance Reserve	2,959,476				2,959,476
Capital Reserve Account	2,096,179				2,096,179
Designated for Subsequent Years Expenditures - Capital Reserve	1,086,000				1,086,000
Assigned To:					
Other Purposes	6,453,670				6,453,670
Designated for Subsequent Years Expenditures by the BOE	80,119				80,119
Unassigned:					
General Fund	(1,430,926)				(1,430,926)
Capital Projects			3,009,030		3,009,030
Debt Service Fund				7	7
Total Fund Balances	21,586,586	-	3,009,030	7	24,595,623
Total Liabilities and Fund Balance	\$ 21,620,186	456,491	3,074,888	7	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$167,875,779 and the accumulated depreciation is \$87,391,742.

80,484,037

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.

(71,329,857)

Deferred outflow of resources - contributions to the pension plan

13,498,008

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

(11,377,358)

Accrued Interest

(245,595)

Net position of governmental activities

\$ 35,624,858

HOWELL TOWNSHIP SCHOOL DISTRICT

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Revenues					
Local Sources:					
Local Tax Levy	\$ 72,459,479			5,607,056	78,066,535
Tuition Charges	849,321				849,321
Miscellaneous - Building Use	147,728				147,728
Miscellaneous	823,121	9,626	-		832,747
Total Local Sources	74,279,649	9,626	-	5,607,056	79,896,331
State Sources	48,718,102	108,865		391,649	49,218,616
Federal Sources	95,056	2,202,406			2,297,462
Total Revenues	123,092,807	2,320,897	-	5,998,705	131,412,409
Expenditures					
Current:					
Regular Instruction	28,937,035				28,937,035
Special Education Instruction	12,118,961	1,748,681			13,867,642
Other Special Instruction	2,480,847				2,480,847
Other Instruction	475,292				475,292
Support Services and Undistributed Costs:					
Tuition	802,061				802,061
Student and Instruction Related Services	11,347,791	558,921			11,906,712
School Administrative Services	4,648,211				4,648,211
Other Administrative Services	1,173,766				1,173,766
Plant Operations and Maintenance	11,016,326				11,016,326
Pupil Transportation	8,564,076				8,564,076
Business and Other Support Services	2,351,092				2,351,092
Unallocated Benefits	35,723,553				35,723,553
Special Schools	241,642				241,642
Debt Service:					
Principal				5,360,000	5,360,000
Interest and Other Charges				638,706	638,706
Capital Outlay	377,560	13,295			390,855
Total Expenditures	120,258,213	2,320,897	-	5,998,706	128,577,816

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit B-2

Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	2,834,594	-	-	(1)	2,834,593
Other Financing Sources (Uses)					
Transfer to Cover Deficit Food Service	(60,747)				(60,747)
Transfer from Special Revenue	354,607				354,607
Total Other Financing Sources (Uses)	<u>293,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>293,860</u>
Fund Balance - July 1	<u>18,458,132</u>		<u>3,009,030</u>	<u>8</u>	<u>21,467,170</u>
Fund Balance - June 30	<u>\$ 21,586,586</u>	<u>-</u>	<u>3,009,030</u>	<u>7</u>	<u>24,595,623</u>

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

HOWELL TOWNSHIP SCHOOL DISTRICT**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES****AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS****Exhibit B-3****TO THE STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED JUNE 30, 2018**

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$ 3,128,453
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	(1,406,956)	
Capital Outlays	<u>5,850,722</u>	4,443,766
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		5,360,000
In the statement of activities certain operating expenses, compensated absences are measured by the amount earned during the year. In the government funds however, expenditures for these items are reported in the amount of financial resources paid.		(740,108)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position		(5,714,143)
Pension Related Deferrals		(9,414,912)
Net Pension Liability		13,516,220
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due.		<u>103,142</u>
Change in Net Position of Governmental Activities (A-2)		<u>\$ 10,682,418</u>

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

HOWELL TOWNSHIP SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDSJUNE 30, 2018

	<u>Enterprise Fund</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 126,524
Accounts Receivable:	
State	1,587
Federal	50,790
Inventory	37,734
Total Current Assets	<u>216,635</u>
Noncurrent Assets:	
Equipment	1,207,305
Accumulated Depreciation	<u>(1,124,605)</u>
Total Fixed Assets	<u>82,700</u>
Total Assets	<u>\$ 299,335</u>
<u>Liabilities</u>	
Accounts Payable	<u>\$ 412,901</u>
<u>Net Position</u>	
Investment in Capital Assets	\$ 82,700
Unrestricted	<u>(196,266)</u>
Total Net Position	<u>\$ (113,566)</u>

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

HOWELL TOWNSHIP SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES IN ACTIVITIES

Exhibit B-5

PROPRIETARY FUNDSJUNE 30, 2018

	<u>Enterprise Fund</u>
Operating Revenues:	
Daily Sales-Reimbursable Programs	\$ 550,791
Daily Sales-Non-Reimbursable Programs	321,128
Miscellaneous	22,807
Total Operating Revenues	<u>894,726</u>
Operating Expenses:	
Salaries & Benefits	882,089
Cost of Sales-Reimbursable Programs	333,482
Cost of Sales-Non-Rembursable Programs	195,855
Commodities Processing	106,752
Depreciation	17,454
Supplies	4,754
Equipment/Repairs	26,521
Miscellaneous	18,629
Operating Expenses	<u>1,585,536</u>
Operating Gain/(Loss)	(690,810)
Non-Operating Revenues:	
Board Subsidy	60,747
State Sources:	
State School Lunch Program	15,464
Federal Sources:	
National School Lunch Program	401,321
Breakfast Program	68,066
Federal HHFKA Program	17,907
Food Distribution Program	100,772
Total Non-Operating Revenues	<u>664,277</u>
Change in Net Position	(26,533)
Net Position - July 1	<u>(87,033)</u>
Net Position - June 30	<u>\$ (113,566)</u>

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

HOWELL TOWNSHIP SCHOOL DISTRICTSTATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDSJUNE 30, 2018

	<u>Enterprise Fund</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 894,726
Payments to Employees & Benefits	(882,089)
Payments to Supplies	(472,205)
Net Provided (Used) by Operating Activities	<u>(459,568)</u>
Cash Flows from Noncapital Financing Activities:	
Board Subsidy	60,747
State Sources	15,464
Federal Sources	487,294
Net Cash Provided by Noncapital Financing Activities	<u>563,505</u>
Net Increase (Decrease) in Cash and Cash Equivalents	103,937
Balance - July 1	<u>22,587</u>
Balance - June 30	<u>\$ 126,524</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (690,810)
Federal Commodities	100,772
Depreciation	17,454
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
Decrease/(Increase) in Inventory	(1,166)
(Decrease)/Increase in Accounts Payable	117,494
Decrease/(Increase) in Accounts Receivable	<u>(3,312)</u>
Net Provided (Used) by Operating Activities	<u>\$ (459,568)</u>

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

HOWELL TOWNSHIP SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

Exhibit B-7

JUNE 30, 2018

	<u>Unemployment Compensation Trust</u>
Assets:	
Cash and Cash Equivalents	\$ 182,104
Total Assets	<u>\$ 182,104</u>
Net Position:	
Reserved - Unemployment Claims	\$ 182,104
Total Net Position	<u>\$ 182,104</u>

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

HOWELL TOWNSHIP SCHOOL DISTRICT**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

Exhibit B-8

JUNE 30, 2018

	<u>Unemployment Compensation Trust</u>
<u>Additions</u>	
Contributions:	
Plan Member	\$ 169,094
Total Contributions	<u>169,094</u>
<u>Deductions</u>	
Unemployment Claims	<u>97,021</u>
Total Deductions	<u>97,021</u>
Change in Net Position	72,073
Net Position - July 1	<u>110,031</u>
Net Position - June 30	<u><u>\$ 182,104</u></u>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION

HOWELL TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Howell Township School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Howell Township School District had an approximate enrollment at June 30, 2018 of 5,790 students.

The students Grades 9-12 are educated by the Freehold Regional High School District of which Howell Township is a member.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government Accounting and Financial Reporting Standards, is whether:

- The organization is legally separate (can sue or be sued in their own name)
- The District holds the corporate powers of the organization
- The District appoints a voting majority of the organization's board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial/benefit/burden on the District
- There is a fiscal dependency by the organization on the District

B. Government-Wide Financial Statements

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

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

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

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

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

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

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

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

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

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

Governmental Fund Types

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

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

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

Debt Services 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.

Proprietary Fund Type

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

Fiduciary Fund Types

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Budgets/Budgetary Control:

Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2018 were insignificant.

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

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

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

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

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

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

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

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

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

G. Short-Term Interfund Receivables/Payables:

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

H. Inventories and Prepaid Expenses

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2018.

I. Capital Assets and Depreciation

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

The District contracted with an outside service company during the 2004 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2003-2004 fiscal year and prior with a historical cost of \$2,000 or more. The records have been updated to June 30, 2018. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2018</u>
Governmental Activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 5,348,018	_____	_____	5,348,018
Total Capital Assets Not Being Depreciated	<u>5,348,018</u>	_____	_____	<u>5,348,018</u>
Depreciable Assets:				
Site Improvements	9,330,337	246,100		9,576,437
Buildings	123,001,140	1,714,411		124,715,551
Machinery & Equip.	<u>26,918,834</u>	<u>1,316,939</u>	_____	<u>28,235,773</u>
Total	<u>159,250,311</u>	<u>3,277,450</u>	_____	<u>162,527,761</u>
Less: Accumulated Depreciation:				
Sites	(5,976,632)	(168,568)		(6,145,200)
Buildings	(61,372,545)	(586,141)		(61,958,686)
Machinery & Equip.	<u>(19,290,992)</u>	<u>(652,247)</u>	<u>655,383</u>	<u>(19,287,856)</u>
Total Accumulated Depreciation	<u>(86,640,169)</u>	<u>(1,406,956)</u>	<u>655,383</u>	<u>(87,391,742)</u>
Net Depreciable Assets	<u>72,610,142</u>	<u>1,870,494</u>	<u>655,383</u>	<u>75,136,019</u>
Governmental Activities Capital Assets (Net)	<u>\$ 77,958,160</u>	<u>1,870,494</u>	<u>655,383</u>	<u>80,484,037</u>

Depreciations expense was charged to governmental functions as follows:

Unallocated	<u>\$ 1,406,956</u>
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	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2018</u>
Business-Type Activities:				
Equipment	\$ 1,207,305			1,207,305
Less: Accumulated Depreciation:				
Equipment	<u>(1,107,151)</u>	<u>(17,454)</u>	_____	<u>(1,124,605)</u>
Business-Type Capital Assets (Net)	<u>\$ 100,154</u>	<u>(17,454)</u>	_____	<u>82,700</u>

NOTE 1: Summary of Significant Accounting Policies (Continued)

J. Compensated Absences

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

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

K. Deferred Revenue

Deferred revenue in the general and special revenue funds represent cash which has been received but not yet earned. Deferred revenue in the general fund represents monies received for fiscal year 2015. See Note 1(F) regarding the special revenue fund.

L. Fund Equity

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

M. Net Position

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

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

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

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

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

Fund Balance

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

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

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

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

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

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

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

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

NOTE 2: Cash and Cash Equivalents and Investments

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

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

Deposits

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

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

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

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

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

Investments

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

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

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

As of June 30, 2018, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents
Checking and Money Market Accounts	<u>\$ 22,934,213</u>

The carrying amount of the District's cash and cash equivalents at June 30, 2018 was \$22,934,213 and the bank balance was \$24,489,019. Of the bank balance, \$500,000 was covered by federal depository insurance and \$23,989,019 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Credit Risk Categories

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

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Insured:		
FDIC	\$ 500,000	500,000
GUDPA	23,989,019	20,098,234

Custodial Credit Risk – Deposits

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

The District had no uninsured deposits.

As of December 31, 2018 the District did not hold any long-term investments.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2018, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Long-Term</u> <u>Portion</u>	<u>2018-19</u> <u>Payment</u>
Pension Liability	\$ 60,736,266		(13,516,220)	47,220,046	47,220,046	
Compensated Absences Payable	3,732,703	740,108		4,472,811	4,472,811	
Capital Leases Payable	4,594,889		(1,917,889)	2,677,000	758,000	1,919,000
Bonds Payable	<u>22,320,000</u>	<u> </u>	<u>(5,360,000)</u>	<u>16,960,000</u>	<u>12,985,000</u>	<u>3,975,000</u>
	<u>\$ 91,383,858</u>	<u>740,108</u>	<u>(20,794,109)</u>	<u>71,329,857</u>	<u>65,435,857</u>	<u>5,894,000</u>

A. Bonds Payable

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

<u>School</u>	<u>Date of</u> <u>Issue</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>June 30, 2018</u>
Construction of 3 Schools	07-19-02	3.20% to 5.25%	\$ 8,685,000
ERIP (Refunded)	02-19-03	2.00% to 5.875%	1,180,000
2012A Refunding Bonds	05-22-12	2.00% to 5.00%	2,005,000
Pension Series 2005 Refunding	03-21-13	0.350% to 1.950%	<u>5,090,000</u>
			<u>\$ 16,960,000</u>

Maturity Schedule

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 3,975,000	519,181	4,494,181
2020	4,085,000	407,791	4,492,791
2021	4,220,000	276,923	4,496,923
2022	2,350,000	163,169	2,513,169
2023	2,050,000	64,766	2,114,766
2024-2028	<u>280,000</u>	<u>35,090</u>	<u>315,090</u>
	<u>\$ 16,960,000</u>	<u>1,466,920</u>	<u>18,426,920</u>

NOTE 3: General Long-Term Debt (Continued)**B. Capital Leases**

2013 equipment lease @ 5.00% interest for 5 years maturing 7/15/18 with a balance of \$1,567,000 at June 30, 2018.

2015 equipment lease @ 2.00% to 5.00% interest for 5 years maturing 10/1/20 with a balance of \$1,110,000 at June 30, 2018.

Future Minimum Lease Payments

2018-2019	\$ 2,004,875
2019-2020	398,650
2020-2021	<u>397,700</u>
	2,801,225
Less: Interest	<u>(124,225)</u>
Lease Payments	<u>\$ 2,677,000</u>

NOTE 4: Pension Plans

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

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

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

NOTE 4: Pension Plans (Continued)

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

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

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

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

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

NOTE 4: Pension Plans (Continued)

During the year ended June 30, 2018, the State of New Jersey contributed \$11,500,137 to the TPAF for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$3,506,092 during the year ended June 30, 2018 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

Three-Year Trend Information for PERS

Year	Annual	Percentage	Net
Funding	Pension	of APC	Pension
	Cost (APC)	Contributed	Obligation
6/30/18	\$ 1,686,706	100%	0
6/30/17	2,002,823	100%	0
6/30/16	1,979,687	100%	0

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

Year	Annual	Percentage	Net
Funding	Pension	of APC	Pension
	Cost (APC)	Contributed	Obligation
6/30/18	\$ 11,500,137	100%	0
6/30/17	10,049,096	100%	0
6/30/16	8,587,412	100%	0

Expense Deferred Outflows/Inflows – PERS**Plan Description**

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

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

The following represents the membership tiers for PERS:

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

NOTE 4: Pension Plans (Continued)

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

Basis of Presentation

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

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2016 through June 30, 2017. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2017 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2017.

NOTE 4: Pension Plans (Continued)

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

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

For the year ended June 30, 2018, the District recognized pension expense of \$1,686,709. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 1,111,869	
Changes of Assumptions	9,513,212	9,478,335
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	321,537	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	864,681	1,899,023
District Contributions Subsequent to the Measurement Date	<u>1,686,709</u>	
Total	<u>\$ 13,498,008</u>	<u>11,377,358</u>

\$13,498,008 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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

Collective balances at December 31, 2017 and 2016 are as follows:

	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>
Collective Deferred Outflows of Resources	\$ 13,498,008	19,212,151
Collective Deferred Inflows of Resources	11,377,358	1,962,446
Collective Net Pension Liability	47,220,046	60,736,266
District's Proportion	.20285%	.20507%

Components of Net Pension Liability

The components of the collective net pension liability of the participating employers as of June 30, 2017 were as follows:

	<u>2017</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 32,535,896,852	44,852,367,051	77,388,263,903
Plan Fiduciary Net Position	<u>6,890,274,055</u>	<u>21,573,965,463</u>	<u>28,464,239,518</u>
Net Pension Liability	<u>\$ 25,645,622,797</u>	<u>23,278,401,588</u>	<u>48,924,024,385</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	21.18%	48.10%	36.78%

The components of the collective net pension liability of the participating employers as of June 30, 2016 were as follows:

	<u>2016</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 36,295,189,928	49,474,698,146	85,769,888,074
Plan Fiduciary Net Position	<u>6,904,504,223</u>	<u>19,857,566,387</u>	<u>26,762,070,610</u>
Net Pension Liability	<u>\$ 29,390,685,705</u>	<u>29,617,131,759</u>	<u>59,007,817,464</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	19.02%	40.14%	31.20%

NOTE 4: Pension Plans (Continued)

The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

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

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

NOTE 4: Pension Plans (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

	<u>2017</u>		
	<u>At 1%</u>	<u>At Current</u>	<u>At 1%</u>
	<u>Decrease (4.00%)</u>	<u>Discount</u>	<u>Increase (6.00%)</u>
	<u>Rate (5.00%)</u>	<u>Rate (5.00%)</u>	<u>Increase (6.00%)</u>
State	\$ 29,818,581,732	25,645,622,797	22,179,578,513
Local	<u>28,878,437,027</u>	<u>23,278,401,588</u>	<u>18,612,878,069</u>
Total	<u>\$ 58,697,018,759</u>	<u>48,924,024,385</u>	<u>40,792,456,582</u>
	<u>2016</u>		
	<u>At 1%</u>	<u>At Current</u>	<u>At 1%</u>
	<u>Decrease (3.90%)</u>	<u>Discount</u>	<u>Increase (5.90%)</u>
	<u>Rate (4.90%)</u>	<u>Rate (4.90%)</u>	<u>Increase (5.90%)</u>
State	\$ 34,422,851,197	29,390,685,705	25,246,574,457
Local	<u>36,292,338,055</u>	<u>29,617,131,759</u>	<u>24,106,170,190</u>
Total	<u>\$ 70,715,189,252</u>	<u>59,007,817,464</u>	<u>49,352,744,647</u>

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

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

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

NOTE 4: Pension Plans (Continued)

The following represents the membership tiers for TPAF:

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

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

Basis of Presentation

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

Allocation Methodology

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2017. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

NOTE 4: Pension Plans (Continued)

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation had modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

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

Components of Net Pension Liability

The components of the net pension liability of the State as of June 30, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Total Pension Liability	\$ 90,726,371,000	101,746,770,000
Plan Fiduciary Net Position	<u>23,056,161,829</u>	<u>22,717,862,967</u>
Net Pension Liability	<u>\$ 67,670,209,171</u>	<u>79,028,907,033</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%

State Proportionate Share of Net Pension Liability Attributable to District

	<u>2017</u>	<u>2016</u>
District's Liability	<u>\$ 328,351,986</u>	<u>385,147,480</u>
District's Proportion	.48522%	.48735%

NOTE 4: Pension Plans (Continued)

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

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

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

The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

	<u>At 1% Decrease</u>	<u>At Current Discount Rate</u>	<u>At 1% Increase</u>
2017 (3.25%, 4.25%, 5.25%)	\$ 80,394,331,171	67,670,209,171	57,188,022,171
2016 (2.22%, 3.22%, 4.22%)	94,378,176,033	79,028,907,033	66,494,248,033

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

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

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

NOTE 5: Post-Retirement Benefits (Continued)

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

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

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

TPAF participant retirees:

As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf.

PERS participant retirees:

The State paid \$238.9 million toward Chapter 126 benefits for 209,913 eligible retired members in Fiscal Year 2017.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State's CAFR.

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation rate 2.50%

	<u>TPAF</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55% - 4.55% based on years of service	2.15% - 4.15% based on age
Thereafter	2.00% - 5.45% based on years of service	3.15% - 5.15% based on age

NOTE 5: Post-Retirement Benefits (Continued)

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF, PFRS and PERS, respectively.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

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

	Total OPEB Liability
Balance at 6/30/2016 Measurement Date	\$ 57,831,784,184
Changes for the Year:	
Service Cost	2,391,878,884
Interest on Total OPEB Liability	1,699,441,736
Change of Assumptions	(7,086,599,129)
Changes of Benefit Terms	
Differences Between Expected and Actual Experience	
Gross Benefit Payments	(1,242,412,566)
Contributions from the Member	<u>45,748,749</u>
Balance at 6/30/2017 Measurement Date	<u>\$ 53,639,841,858</u>

NOTE 5: Post-Retirement Benefits (Continued)

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

Year Ended June 30:	
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Thereafter	(2,629,618,547)

NOTE 6: Compensated Absences

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

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

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

NOTE 7: Capital Reserve Account

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A 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. 6:23A-5.1(d) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

NOTE 7: Capital Reserve Account (Continued)

The activity of the capital reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance July 1, 2017	\$ 1,126,844
Increase Per Board of Education	<u>2,055,335</u>
Ending Balance June 30, 2018	<u>\$ 3,182,179</u>

\$1,086,000 has been designated for use in the 2018-19 budget.

NOTE 8: Inventory

Inventory in the Food Service Fund at June 30, 2018 consisted of the following:

Food	\$ 29,882
Supplies	<u>7,852</u>
	<u>\$ 37,734</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 nonoperating revenue in the financial statements.

NOTE 9: Fund Balance Appropriated

General Fund – Of the \$24,867,055 General Fund fund balance at June 30, 2018, \$6,453,670 is reserved for encumbrances; \$2,096,179 is Capital Reserve; \$1,086,000 is capital reserve designated for subsequent years expenditures; \$3,000,000 is excess surplus designated for subsequent year's expenditures; \$3,000,000 is excess surplus – current year; \$2,959,476 is Maintenance Reserve designated for subsequent year's expenditures; \$4,342,068 is maintenance reserve; \$80,119 is designated for subsequent years expenditures and \$1,849,543 is unreserved and undesignated.

NOTE 10: Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was no excess fund balance at June 30, 2018.

NOTE 11: Contingent Liabilities

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

NOTE 12: Tuition Adjustments

Regulations specify that tuition adjustments for any given school year shall be remitted/received in the two following years after the tuition rate is certified. These adjustments have not been reflected on the June 30, 2018 financial statements.

NOTE 13: Economic Dependency

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

NOTE 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.

New Jersey Unemployment Compensation Insurance – The District 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 previous two years:

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2017-2018	\$ 101,865	67,229	97,021	182,104
2016-2017		56,192	121,728	110,031
2015-2016	191,801	60,559	139,772	175,567

NOTE 15: Refunding Bonds

Refunding bonds were issued dated 12/29/11 for \$2,355,000 to refund a portion of its 2003 refunding bonds and refunding bonds were issued dated 5/22/12 to refund a portion of its 2002 refunding bonds in the amount of \$8,825,000, both issues sold to the Monmouth County Improvement Authority.

Refunding bonds were issued dated 3/21/13 for \$9,110,000 to refund a portion of its 2005 Pension Series of 3/8/05.

Refunding bonds were issued 9/17/10 for \$16,250,000 to refund a portion of its 2002A Bonds.

NOTE 16: Contingent Liabilities

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

NOTE 17: Equity Balance

At June 30, 2018 the General Fund equity balance was as follows:

Capital Reserve – Designated for Subsequent Years Expenditures	\$ 1,086,000
Committed Fund Balance:	
Maintenance Reserve	4,342,068
Maintenance Reserve – Designated for Subsequent Year’s Expenditures	2,959,476
Capital Reserve	2,096,179
Excess Surplus – Designated for Subsequent Years Expenditures	3,000,000
Excess Surplus – Current Year	3,000,000
Assigned Fund Balances:	
Year-End Encumbrances	6,453,670
Unassigned Fund Balance	1,849,543
Designated for Subsequent Year’s Expenditures - BOE	<u>80,119</u>
	<u>\$ 24,867,055</u>

2% Calculation of Excess Surplus

2017-18 Total General Fund Expenditures Per the CAFR	\$ 105,312,731
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(15,006,229)</u>
Adjusted 2017-18 General Fund Expenditures	<u>\$ 90,306,502</u>
2% of Adjusted 2017-18 General Fund Expenditures	<u>\$ 1,806,130</u>
Enter Greater of Above or \$250,000	\$ 1,806,130
Increased by Allowable Adjustment	<u>43,413</u>
Maximum Unassigned Fund Balance	<u>\$ 1,849,543</u>

NOTE 17: Equity Balance (Continued)**Section 2**

Total General Fund – Fund Balance @ 6-30-18	\$ 24,867,055
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Decreased by:

Reserved by Encumbrances	(6,453,670)
Designated for Subsequent Year's Expenditures	(80,119)
Designated for Subsequent Year's Expenditures – Excess Surplus	(3,000,000)
Designated for Subsequent Year's Expenditures – Capital Reserve	(1,086,000)
Designated for Subsequent Year's Expenditures – Maintenance Reserve	(2,959,476)
Other Reserves	<u>(6,438,247)</u>

Total Unassigned Fund Balance	<u>\$ 4,849,543</u>
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Reserved Fund Balance – Excess Surplus	<u>\$ 3,000,000</u>
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Section 3

Excess Surplus – Current Year	\$ 3,000,000
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Reserved Fund Balance – Excess Surplus Designated for Subsequent Expenditures	<u>3,000,000</u>
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	<u>\$ 6,000,000</u>
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Detail of Allowable Adjustments

Non Public Transportation	<u>\$ 43,413</u>
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Detail of Other Reserved Fund Balances

Maintenance Reserve	\$ 4,342,068
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Capital Reserve	<u>2,096,179</u>
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	<u>\$ 6,438,247</u>
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NOTE 18: Interfund Receivables and Payables

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

There were interfunds as of June 30, 2018 as follows:

	<u>From</u>	<u>To</u>
General Fund	\$	358,117
Special Revenue Fund	<u>358,117</u>	_____
	<u>\$ 358,117</u>	<u>358,117</u>

NOTE 18: Interfund Receivables and Payables (Continued)

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

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

HOWELL TOWNSHIP SCHOOL DISTRICT

**Exhibit C-1
Sheet 1 of 14**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 72,459,479		72,459,479	72,459,479	-
Tuition	1,036,177		1,036,177	849,321	(186,856)
Miscellaneous - Building Use			-	147,728	147,728
Miscellaneous	996,492		996,492	823,121	(173,371)
Total Local Sources	<u>74,492,148</u>	<u>-</u>	<u>74,492,148</u>	<u>74,279,649</u>	<u>(212,499)</u>
State Sources:					
Special Education Aid	3,740,074		3,740,074	3,740,074	-
Equalization Aid	27,465,312		27,465,312	27,465,312	-
Extraordinary Aid	500,000		500,000	496,042	(3,958)
Security Aid	517,479		517,479	517,479	-
Transportation Aid	619,299		619,299	619,299	-
Additional Adjustment Aid	635,416		635,416	635,416	-
PARCC Reading aid	61,270		61,270	61,270	-
Per Pupil Growth Aid	61,270		61,270	61,270	-
Professional Learning Community Aid	58,000		58,000	58,000	-
Non Public Transportation			-	43,413	43,413
On Behalf of TPAF Pension Contribution (Non-Budgeted)			-	11,500,137	11,500,137
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	3,506,092	3,506,092
Total State Sources	<u>33,658,120</u>	<u>-</u>	<u>33,658,120</u>	<u>48,703,804</u>	<u>15,045,684</u>
Federal Sources					
Medicaid	60,996		60,996	95,056	34,060
Total Federal Sources	<u>60,996</u>	<u>-</u>	<u>60,996</u>	<u>95,056</u>	<u>34,060</u>
Total Revenues	<u>108,211,264</u>	<u>-</u>	<u>108,211,264</u>	<u>123,078,509</u>	<u>14,867,245</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

**Exhibit C-1
Sheet 2 of 14**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Distributed Expenditures:					
Current Expense:					
Instruction - Regular Programs:					
Preschool/Kindergarten	1,985,873	103,848	2,089,721	2,089,721	-
Grades 1-5	13,945,721	286,490	14,232,211	14,231,902	309
Grades 6-8	10,121,473	403,387	10,524,860	10,523,809	1,051
Regular Programs - Undistributed					
Instruction:					
Other Salaries for Instruction			-		-
Purchased Technical Services	215,496	120,108	335,604	213,385	122,219
Other Purchased Services	992,942		992,942	992,942	-
General Supplies	824,325	(75,617)	748,708	570,354	178,354
Textbooks	103,600	107,626	211,226	155,072	56,154
Other Objects	202,900	(15,030)	187,870	159,850	28,020
Total Regular Programs	<u>28,392,330</u>	<u>930,812</u>	<u>29,323,142</u>	<u>28,937,035</u>	<u>386,107</u>
Special Education:					
Cognitive - Mild:					
Instruction:					
Salaries of Teachers	144,325	53,500	197,825	197,825	-
Other Salaries for Instruction	53,660	(3,000)	50,660	32,351	18,309
General Supplies	2,250	2,029	4,279	108	4,171
Other Objects	1,000		1,000	75	925
Total Cognitive - Mild	<u>201,235</u>	<u>52,529</u>	<u>253,764</u>	<u>230,359</u>	<u>23,405</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Learning and/or Language Disabilities - Instruction:					
Salaries of Teachers	881,632	(132,141)	749,491	749,491	-
Other Salaries for Instruction	134,061	3,000	137,061	136,388	673
General Supplies	3,600	165	3,765		3,765
Other Objects	1,800	(165)	1,635	165	1,470
Total Learning/Language Disabilities	<u>1,021,093</u>	<u>(129,141)</u>	<u>891,952</u>	<u>886,044</u>	<u>5,908</u>
Behavioral Disabilities - Instruction:					
Salaries of Teachers	283,729	1,675	285,404	285,404	-
Other Salaries for Instruction	81,401	46,654	128,055	128,055	-
General Supplies	1,200		1,200	536	664
Other Objects	10,550		10,550	5,887	4,663
Total Behavioral Disabilities	<u>376,880</u>	<u>48,329</u>	<u>425,209</u>	<u>419,882</u>	<u>5,327</u>
Multiple Disabilities - Instruction:					
Salaries of Teachers	623,679	13,185	636,864	636,864	-
Other Salaries for Instruction	275,805	15,443	291,248	289,702	1,546
General Supplies	3,500	2,250	5,750	1,074	4,676
Other Objects	3,000	205	3,205	2,979	226
Total Multiple Disabilities	<u>905,984</u>	<u>31,083</u>	<u>937,067</u>	<u>930,619</u>	<u>6,448</u>
Resource Room/Resource Center - Instruction:					
Salaries of Teachers	5,760,247	603,916	6,364,163	6,363,580	583
Other Salaries for Instruction	1,075,537	115,147	1,190,684	1,190,684	-
Total Resource Room/Resource Center	<u>6,835,784</u>	<u>719,063</u>	<u>7,554,847</u>	<u>7,554,264</u>	<u>583</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

**Exhibit C-1
Sheet 4 of 14**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Autism - Instruction:					
Salaries of Teachers	408,945	5,393	414,338	414,338	-
Other Salaries for Instruction	236,665	15,626	252,291	252,181	110
General Supplies	3,600	315	3,915	3,290	625
Other Objects	1,500		1,500	1,022	478
Total Autism	<u>650,710</u>	<u>21,334</u>	<u>672,044</u>	<u>670,831</u>	<u>1,213</u>
Preschool Disabilities - Part-Time - Instruction:					
Salaries of Teachers	424,541	(373,819)	50,722	50,722	-
Other Salaries for Instruction	211,495	(24,000)	187,495	186,745	750
Other Objects	1,000		1,000	372	628
Total Preschool Disabilities - Part-Time	<u>637,036</u>	<u>(397,819)</u>	<u>239,217</u>	<u>237,839</u>	<u>1,378</u>
Preschool Disabilities-Full Time-Instruction:					
Salaries of Teachers	416,825	405,412	822,237	822,237	-
Other Salaries for Instruction	356,620	4,860	361,480	361,480	-
General Supplies	-	4,000	4,000		4,000
Other Objects	1,000	4,427	5,427	5,406	21
Total Preschool Disabilities-Full time	<u>774,445</u>	<u>418,699</u>	<u>1,193,144</u>	<u>1,189,123</u>	<u>4,021</u>
Total Special Education - Instruction	<u>11,403,167</u>	<u>764,077</u>	<u>12,167,244</u>	<u>12,118,961</u>	<u>48,283</u>
Basic Skills/Remedial Instruction:					
Salaries of Teachers	2,013,511	(33,724)	1,979,787	1,978,743	1,044
Other Salaries for Instruction		83,571	83,571	83,571	-
Total Basic Skills/Remedial	<u>2,013,511</u>	<u>49,847</u>	<u>2,063,358</u>	<u>2,062,314</u>	<u>1,044</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

**Exhibit C-1
Sheet 5 of 14**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Bilingual Education - Instruction:					
Salaries of Teachers	376,099	42,378	418,477	418,477	-
General Supplies	5,500	(1,350)	4,150	56	4,094
Textbooks	4,000	(4,000)	-	-	-
Total Bilingual Education	<u>385,599</u>	<u>37,028</u>	<u>422,627</u>	<u>418,533</u>	<u>4,094</u>
School Sponsored Co-Curricular Activities - Instruction:					
Purchased Services (300-500 Series)	224,949	13,711	238,660	194,686	43,974
General Supplies	2,000	1,000	3,000	1,595	1,405
Total School Sponsored Co-Curricular Activities	<u>226,949</u>	<u>14,711</u>	<u>241,660</u>	<u>196,281</u>	<u>45,379</u>
School Sponsored Athletics-Instruction					
Purchased Services (300-500 Series)	280,000		280,000	263,520	16,480
Supplies and Materials	44,980	(684)	44,296	15,491	28,805
Total School Sponsored Athletics	<u>324,980</u>	<u>(684)</u>	<u>324,296</u>	<u>279,011</u>	<u>45,285</u>
Total Instruction	<u>42,746,536</u>	<u>1,795,791</u>	<u>44,542,327</u>	<u>44,012,135</u>	<u>530,192</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs W/I State - Special	155,000	(22,000)	133,000	130,469	2,531
Tuition to Private School for the Disabled W/I State	603,746	82,000	685,746	671,592	14,154
Total Instruction	<u>758,746</u>	<u>60,000</u>	<u>818,746</u>	<u>802,061</u>	<u>16,685</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

**Exhibit C-1
Sheet 6 of 14**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Attendance and Social Work:					
Salaries	97,360		97,360	97,360	-
Total Attendance and Social Work	<u>97,360</u>	<u>-</u>	<u>97,360</u>	<u>97,360</u>	<u>-</u>
Health Services:					
Salaries	1,195,124	(4,763)	1,190,361	1,118,376	71,985
Purchase Prof/Tech. Services	20,000	5,023	25,023	21,445	3,578
Supplies and Materials	13,920	100	14,020	8,146	5,874
Other Objects	400	(305)	95	7	88
Total Health Services	<u>1,229,444</u>	<u>55</u>	<u>1,229,499</u>	<u>1,147,974</u>	<u>81,525</u>
Other Support Services - Students - Related Services:					
Salaries	2,029,918	13,477	2,043,395	1,987,379	56,016
Purchased Professional Educational Services	23,450	29,572	53,022	48,829	4,193
Supplies and Materials	12,000	1,645	13,645	11,363	2,282
Other Objects	1,500		1,500	1,500	-
Total Other Support Services - Students - Rel. Services	<u>2,066,868</u>	<u>44,694</u>	<u>2,111,562</u>	<u>2,049,071</u>	<u>62,491</u>
Other Support Services - Extraordinary Services:					
Salaries	812,040	100,578	912,618	912,449	169
Purchased Professional Educational Services	10,000		10,000	1,607	8,393
	<u>822,040</u>	<u>100,578</u>	<u>922,618</u>	<u>914,056</u>	<u>8,562</u>
Other Support Services Students - Regular:					
Salaries of Other Professional Staff	1,021,449	6,270	1,027,719	1,027,719	-
Supplies and Materials	6,000	(198)	5,802	3,425	2,377
Total Other Support Services Students-Regular	<u>1,027,449</u>	<u>6,072</u>	<u>1,033,521</u>	<u>1,031,144</u>	<u>2,377</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

**Exhibit C-1
Sheet 7 of 14**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Support Services - Special:					
Salaries of Other Professional Staff	2,920,858	76,882	2,997,740	2,994,225	3,515
Salaries - Secretarial and Clerical	521,161	27,771	548,932	383,073	165,859
Other Purchased Services (400-500 Series)	5,000	300	5,300	3,594	1,706
Supplies and Materials	12,000	(242)	11,758	10,895	863
Other Objects	10,325	(4,487)	5,838	5,838	-
Total Other Support Services - Special	<u>3,469,344</u>	<u>100,224</u>	<u>3,569,568</u>	<u>3,397,625</u>	<u>171,943</u>
Improvement of Instruction:					
Salaries - Supervisors	553,356	2,921	556,277	556,277	-
Salaries - Secretarial and Clerical	144,649	(2,921)	141,728	140,142	1,586
Salaries - Master Teachers	467,808		467,808	444,649	23,159
Purchased Professional Educational Services		12,000	12,000		12,000
Other Objects		1,000	1,000	575	425
Total Improvement of Instruction	<u>1,165,813</u>	<u>13,000</u>	<u>1,178,813</u>	<u>1,141,643</u>	<u>37,170</u>
Educational Media Services/School Library:					
Salaries	1,090,088	(19,500)	1,070,588	1,061,018	9,570
Salaries of Technology Coordinators	402,441		402,441	357,677	44,764
Supplies and Materials	91,169	(285)	90,884	27,602	63,282
Total Educational Media Services/School Library	<u>1,583,698</u>	<u>(19,785)</u>	<u>1,563,913</u>	<u>1,446,297</u>	<u>117,616</u>
Instructional Staff Training Services:					
Other Salaries	58,700	13,975	72,675	70,693	1,982
Other Objects	93,150	(1,973)	91,177	51,928	39,249
Total Instructional Staff Training Services	<u>151,850</u>	<u>12,002</u>	<u>163,852</u>	<u>122,621</u>	<u>41,231</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

**Exhibit C-1
Sheet 8 of 14**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services - General Administration:					
Salaries	613,819	29,898	643,717	643,717	-
Legal Services	160,000	(7,700)	152,300	129,316	22,984
Audit Fees	21,630		21,630	21,000	630
Purchased Professional Services	17,500		17,500	4,164	13,336
Purchased Technical Services	19,000	(13,912)	5,088		5,088
Communications - Telephone	480,900	(159,110)	321,790	304,969	16,821
Other Purchased Services	1,500	(700)	800	131	669
General Supplies	31,800	8,793	40,593	38,813	1,780
Other Objects	270	891	1,161	562	599
BOE Membership Dues And Fees	27,350	4,500	31,850	31,094	756
Total Support Services - General Administration	<u>1,373,769</u>	<u>(137,340)</u>	<u>1,236,429</u>	<u>1,173,766</u>	<u>62,663</u>
Support Services - School Administration:					
Salaries:					
Principals/Assistant Principals	3,419,850	25,663	3,445,513	3,445,052	461
Secretarial and Clerical	1,200,250	7,010	1,207,260	1,186,378	20,882
Other Purchased Services	14,550	2,017	16,567	11,715	4,852
Supplies & Materials	8,625		8,625	5,066	3,559
Total Support Services - School Administration	<u>4,643,275</u>	<u>34,690</u>	<u>4,677,965</u>	<u>4,648,211</u>	<u>29,754</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

**Exhibit C-1
Sheet 9 of 14**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Central Services:					
Salaries	1,005,869	(1,300)	1,004,569	1,003,466	1,103
Purchased Technical Services	45,834	500	46,334	36,678	9,656
Miscellaneous Purchased Services	264,413		264,413	264,403	10
Supplies and Materials	22,000	7,780	29,780	28,649	1,131
Sale and Lease Back Payments	89,260		89,260	89,259	1
Other Objects		161	161		161
Total Central Services	<u>1,427,376</u>	<u>7,141</u>	<u>1,434,517</u>	<u>1,422,455</u>	<u>12,062</u>
Administrative Information Technology:					
Salaries	283,776	39,722	323,498	323,498	-
Purchased Technical Services	380,501	185,597	566,098	526,888	39,210
Supplies and Materials	90,000	(8,246)	81,754	78,251	3,503
Total Administrative Information Technology	<u>754,277</u>	<u>217,073</u>	<u>971,350</u>	<u>928,637</u>	<u>42,713</u>
Required Maintenance for School Facilities:					
Salaries	1,042,675	(236,722)	805,953	805,625	328
Cleaning Repairs & Maintenance Services	3,208,911	1,903,178	5,112,089	2,997,657	2,114,432
General Supplies	141,500	3,248	144,748	108,038	36,710
Total Required Maintenance for School Facilities	<u>4,393,086</u>	<u>1,669,704</u>	<u>6,062,790</u>	<u>3,911,320</u>	<u>2,151,470</u>
Other Operating & Maintenance of Plant:					
Salaries	3,736,625	(17,000)	3,719,625	3,415,062	304,563
Cleaning Repairs & Maintenance	119,600	19,350	138,950	97,183	41,767
Other Purchased Property Services	348,355	54,600	402,955	285,181	117,774
Insurance	360,471	(27,128)	333,343	333,084	259
Purchased Services	22,000	1,840	23,840	16,090	7,750
General Supplies	275,000	111,115	386,115	249,972	136,143
Energy - Electricity	1,602,124	(102,500)	1,499,624	1,138,296	361,328
Energy - Natural Gas	928,277		928,277	619,877	308,400
Total Other Operating & Maintenance of Plant	<u>7,392,452</u>	<u>40,277</u>	<u>7,432,729</u>	<u>6,154,745</u>	<u>1,277,984</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

**Exhibit C-1
Sheet 10 of 14**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Care and Upkeep of Grounds:					
Salaries	438,375		438,375	422,791	15,584
Cleaning, Repair and Maintenance	37,000	30,798	67,798	52,435	15,363
General Supplies	87,200	5,006	92,206	74,656	17,550
Total Care and Upkeep of Grounds	<u>562,575</u>	<u>35,804</u>	<u>598,379</u>	<u>549,882</u>	<u>48,497</u>
Security					
Salaries-Director	75,000		75,000	73,500	1,500
Cleaning, Repair and Maintenance	560,745	(170,829)	389,916	312,632	77,284
Supplies	130,000		130,000	14,247	115,753
Total Security	<u>765,745</u>	<u>(170,829)</u>	<u>594,916</u>	<u>400,379</u>	<u>194,537</u>
Student Transportation Services:					
Salaries-Aides	492,900	16,183	509,083	508,745	338
Salaries - Pupil Trans. B/W Home & School - Regular	1,984,685	(28,483)	1,956,202	1,905,125	51,077
Cleaning Repairs and Maintenance	71,950	11,094	83,044	45,076	37,968
Rental Payments School Buses		6,300	6,300	6,300	-
Lease Purchase Payments-School Buses	439,940		439,940	439,939	1
Contracted Services B/W Home & School - Vendors	2,200,000	270,346	2,470,346	2,467,307	3,039
Contracted Services - Special Education - Vendors	1,254,000	269,089	1,523,089	1,498,358	24,731
Contracted Services - Joint Agreements	2,000		2,000		2,000
Contracted Services - Special Ed. - ESCs & CTSA's	748,500	137,343	885,843	885,591	252
Miscellaneous Purchased Services	406,293	(142,335)	263,958	261,597	2,361
General Supplies	20,500	1,105	21,605	18,457	3,148
Transportation Supplies	298,750	25,294	324,044	237,208	86,836
Other Objects	429,800	(7,885)	421,915	290,373	131,542
Total Student Transportation Services	<u>8,349,318</u>	<u>558,051</u>	<u>8,907,369</u>	<u>8,564,076</u>	<u>343,293</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

**Exhibit C-1
Sheet 11 of 14**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Unused Vacation Payments to Terminated/Retired Staff:					
Total Regular Programs-Instruction	39,500	(39,500)	-	-	-
Total Special Programs-Instruction	11,000	(11,000)	-	-	-
Total Health Services	27,170		27,170		27,170
Total Other Supp Serv-Students-Related Services	17,615		17,615		17,615
Total Other Supp Serv-Students-Special	13,000		13,000		13,000
Total Support Services -School Administration	16,500	(3,915)	12,585		12,585
Total Operation And Maintenance of Plant Service	32,250		32,250	32,000	250
Total Unused Vac. Payments to Terminated/Retired Staff	<u>157,035</u>	<u>(54,415)</u>	<u>102,620</u>	<u>32,000</u>	<u>70,620</u>
Student Transportation Services - Employee Benefits:					
Social Security	255,000		255,000	255,000	-
Workmen's Compensation	510,000		510,000	510,000	-
Health Benefits	133,000		133,000	133,000	-
Total Student Transportation - Employee Benefits	<u>898,000</u>	<u>-</u>	<u>898,000</u>	<u>898,000</u>	<u>-</u>
Personal Services - Employee Benefits:					
Social Security	1,578,000		1,578,000	1,266,261	311,739
TPAF Contributions - ERIP		78,396	78,396	78,396	-
Other Retirement Contributions - PERS	1,972,438		1,972,438	1,686,706	285,732
Other Contributions ERIP	158,000		158,000	14,754	143,246
Unemployment Compensation	35,000		35,000		35,000
Workmen's Compensation	236,900		236,900	199,096	37,804
Health Benefits	22,826,379	281,092	23,107,471	16,485,071	6,622,400
Tuition Reimbursements	100,000	8,344	108,344	57,040	51,304
Total Personal Services - Employee Benefits	<u>26,906,717</u>	<u>367,832</u>	<u>27,274,549</u>	<u>19,787,324</u>	<u>7,487,225</u>
On-Behalf TPAF Pension Contributions (Non-Budgeted)			-	11,500,137	(11,500,137)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	3,506,092	(3,506,092)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,006,229</u>	<u>(15,006,229)</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 12 of 14

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Special Schools					
Summer School Instruction					
Teachers Salaries	121,584		121,584	113,041	8,543
Other Salaries for Instruction	81,276		81,276	73,110	8,166
	<u>202,860</u>	<u>-</u>	<u>202,860</u>	<u>186,151</u>	<u>16,709</u>
Summer School- Support Services					
Other Salaries for Instruction	62,118		62,118	55,491	6,627
	<u>264,978</u>	<u>-</u>	<u>264,978</u>	<u>241,642</u>	<u>23,336</u>
Total Special Schools					
	<u>264,978</u>	<u>-</u>	<u>264,978</u>	<u>241,642</u>	<u>23,336</u>
Total Undistributed Expenditures	<u>70,261,215</u>	<u>2,884,828</u>	<u>73,146,043</u>	<u>75,868,518</u>	<u>(2,722,475)</u>
Total Expenditures - Current Expense	<u>113,007,751</u>	<u>4,680,619</u>	<u>117,688,370</u>	<u>119,880,653</u>	<u>(2,192,283)</u>
Capital Outlay:					
Equipment:					
School Buses		1,000,000	1,000,000		1,000,000
Undistributed Expenditures - Information Technology	174,000	216,479	390,479	234,479	156,000
Undistributed Expenditures - Required Maintenance		77,552	77,552	5,600	71,952
Total Equipment	<u>174,000</u>	<u>1,294,031</u>	<u>1,468,031</u>	<u>240,079</u>	<u>1,227,952</u>
Facilities Acquisition:					
Assessment for Debt Service on SDA Funding	137,481		137,481	137,481	-
Total Facilities Acquisition	<u>137,481</u>	<u>-</u>	<u>137,481</u>	<u>137,481</u>	<u>-</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

**Exhibit C-1
Sheet 13 of 14**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total Capital Outlay	311,481	1,294,031	1,605,512	377,560	1,227,952
Total Expenditures	113,319,232	5,974,650	119,293,882	120,258,213	(964,331)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(5,107,968)	(5,974,650)	(11,082,618)	2,820,296	13,902,914
Other Financing Sources (Uses)					
Transfer to Cover Deficit Food Service		(60,747)	(60,747)	(60,747)	
Transfer from Fund 20				354,607	354,607
Total Other Financing Sources (Uses)	-	(60,747)	(60,747)	293,860	354,607
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)	(5,107,968)	(6,035,397)	(11,143,365)	3,114,156	14,257,522
Fund Balance July 1	21,752,899		21,752,899	21,752,899	-
Fund Balance June 30	<u>\$ 16,644,931</u>	<u>(6,035,397)</u>	<u>10,609,534</u>	<u>24,867,055</u>	<u>14,257,522</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 14 of 14

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Committed Fund Balances:					
Maintenance Reserve - Designated for Subsequent Year's Expenditures				2,959,476	
Maintenance Reserve				4,342,068	
Capital Reserve				2,096,179	
Capital Reserve - Designated for Subsequent Year's Expenditures				1,086,000	
Excess Surplus - Designated For Subsequent Year's Expenditures				3,000,000	
Excess Surplus - Current Year				3,000,000	
Designated for Subsequent Year's Expenditures by the BOE				80,119	
Assigned Fund Balances:					
Year End Encumbrances				6,453,670	
Unassigned Fund Balance				<u>1,849,543</u>	
				24,867,055	
Reconciliation To Government Fund Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(3,280,469)</u>	
Fund Balance per Government Funds (GAAP)				<u>\$21,586,586</u>	

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
State Sources	\$ 108,865		108,865	108,865	
Local Sources	9,626		9,626	9,626	
Federal Sources	2,170,668		2,170,668	2,170,668	
Total Revenues	<u>\$ 2,289,159</u>	<u>-</u>	<u>2,289,159</u>	<u>2,289,159</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 243,985		243,985	243,985	
Other Salaries For Instruction	207,035		207,035	207,035	
General Supplies	72,478		72,478	72,478	
Textbooks	7,874		7,874	7,874	
Tuition	1,185,571		1,185,571	1,185,571	
Total Instruction	<u>1,716,943</u>	<u>-</u>	<u>1,716,943</u>	<u>1,716,943</u>	<u>-</u>
Support Services:					
Other Salaries for Instruction	44,538		44,538	44,538	
Personal Services - Employee Benefits	82,144		82,144	82,144	
Purchased Professional Services	351,484		351,484	351,484	
Other Purchased Services (400-500 Series)	23,618		23,618	23,618	
Supplies and Materials	56,737		56,737	56,737	
Other Objects	400		400	400	
Total Support Services	<u>558,921</u>	<u>-</u>	<u>558,921</u>	<u>558,921</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	13,295		13,295	13,295	
Total Expenditures	<u>\$ 2,289,159</u>	<u>-</u>	<u>2,289,159</u>	<u>2,289,159</u>	<u>-</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

HOWELL TOWNSHIP SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGET TO GAAP RECONCILIATION

NOTE TO RSI

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 123,078,509	2,289,159
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		31,738
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	3,294,767	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(3,280,469)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 123,092,807</u>	<u>2,320,897</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 120,258,213	2,289,159
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>31,738</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 120,258,213</u>	<u>2,320,897</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

HOWELL TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - PERS

Exhibit L-1

LAST FIVE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%	100.000%	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 47,220,046	60,736,266	48,161,168	38,400,197	39,981,991
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 47,220,046</u>	<u>60,736,266</u>	<u>48,161,168</u>	<u>38,400,197</u>	<u>39,981,991</u>
District's Covered-Employee Payroll	\$ 13,548,709	13,678,132	13,909,508	14,261,524	13,934,712
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	28.69%	22.52%	28.88%	37.14%	34.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	36.78%	31.20%	38.21%	42.74%	40.71%

HOWELL TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST FIVE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 2,002,823	2,002,823	1,735,224	1,994,422	1,668,245
Contributions in Relation to the Contractually Required Contribution	<u>2,002,823</u>	<u>2,002,823</u>	<u>1,735,224</u>	<u>1,994,422</u>	<u>1,668,245</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 13,548,709	13,678,132	13,909,508	14,261,524	13,934,712
Contributions as a Percentage of Covered-Employee Payroll	14.78%	14.64%	12.48%	13.98%	11.97%

HOWELL TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - TPAF

Exhibit L-3

LAST FIVE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	0.000%	0.000%	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	-	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>328,351,986</u>	<u>385,147,480</u>	<u>288,589,094</u>	<u>248,106,214</u>	<u>241,649,258</u>
Total	<u>\$ 328,351,986</u>	<u>385,147,480</u>	<u>288,589,094</u>	<u>248,106,214</u>	<u>241,649,258</u>
District's Covered-Employee Payroll	\$ 48,015,839	48,097,967	49,701,344	48,783,061	45,163,529
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	14.62%	12.49%	17.22%	19.66%	18.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%	28.71%	33.64%	33.76%

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

HOWELL TOWNSHIP SCHOOL DISTRICTSCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOSLAST TWO FISCAL YEARS

Exhibit M-1

	<u>2017</u>	<u>2016</u>
<u>State of New Jersey's Total OPEB Liability</u>		
Service Cost	\$ 2,391,878,884	1,723,999,319
Interest	1,699,441,736	1,823,643,792
Benefit Payments	(1,242,412,566)	(1,223,298,019)
Member Contributions	45,748,749	46,273,747
Change of Assumptions	(7,086,599,129)	8,611,513,521
Net Change in Total OPEB Liability	<u>(4,191,942,326)</u>	<u>10,982,132,360</u>
Total OPEB Liability - Beginning	<u>57,831,784,184</u>	<u>46,849,651,824</u>
Total OPEB Liability - Ending	<u>\$ 53,639,841,858</u>	<u>57,831,784,184</u>
<u>State's OPEB Liability Attributable to the District</u>		
Service Cost	\$ 11,025,387	*
Interest	8,849,433	*
Benefit Payments	(6,482,854)	*
Member Contributions	238,715	*
Change of Assumptions	(36,321,511)	*
Net Change in Total OPEB Liability	<u>(22,690,830)</u>	<u>*</u>
Total Attributable OPEB Liability - Beginning	<u>302,581,168</u>	<u>*</u>
Total Attributable OPEB Liability - Ending	<u>\$ 279,890,338</u>	<u>302,581,168</u>
District's Proportionate Share of Total OPEB Liability	Zero	Zero
District's Covered Payroll	\$ 61,564,548	61,776,099
District's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	0.00%	0.00%
District's Contribution	None	None
State Covered Employee Payroll (6/30/16 Census Data)	\$ 13,493,400,208	13,493,400,208
Total State OPEB Liability as a Percentage of its Covered-Employee Payroll	397.53%	428.59%

* - Information not available

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

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

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

HOWELL TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Non-Public								
	Chapter 192					Chapter 193			
	<u>Textbooks</u>	<u>Nursing</u>	<u>Technology</u>	<u>Compensatory Education</u>	<u>Transportation</u>	<u>Supplemental Instruction</u>	<u>Examination & Classification</u>		<u>Corrective Speech</u>
						<u>Initial</u>	<u>Annual</u>		
Revenues:									
Local Sources	\$ -								
State Sources	7,874	14,895	5,622	22,146	12,460	12,687	8,912	5,108	14,284
Federal Sources									
Total Revenues	\$ 7,874	14,895	5,622	22,146	12,460	12,687	8,912	5,108	14,284
Expenditures:									
Instruction:									
Salaries of Teachers	\$ -								
Other Salaries For Instruction									
General Supplies									
Textbooks	7,874								
Tuition									
Total Instruction	7,874	-	-	-	-	-	-	-	-
Support Services:									
Other Salaries									
Purchased Professional Services		14,895	5,622	22,146	12,460	12,687	8,912	5,108	14,284
Other Purchased Services									
Supplies and Materials									
Other Objects									
Personal Services - Employee Benefits									
Total Support Services	-	14,895	5,622	22,146	12,460	12,687	8,912	5,108	14,284
Facilities Acquisition and Construction Services:									
Instructional Equipment									
Total Expenditures	\$ 7,874	14,895	5,622	22,146	12,460	12,687	8,912	5,108	14,284

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit E-1
Sheet 2 of 2

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>I.D.E.A. Part B Regular</u>	<u>I.D.E.A. Preschool</u>	<u>Title III Immigrant</u>	<u>Safety Grant</u>	<u>ESL</u>	<u>Totals</u>
Revenues:									
Local Sources							9,626		9,626
State Sources								4,877	108,865
Federal Sources	431,161	95,557	25,988	1,517,360	97,533	3,069			2,170,668
Total Revenues	431,161	95,557	25,988	1,517,360	97,533	3,069	9,626	4,877	2,289,159
Expenditures:									
Instruction:									
Salaries of Teachers	155,606	52,000		2,125	34,254				243,985
Other Salaries for Instruction	176,856		20,028		10,151				207,035
General Supplies	31,091		1,800	29,267	10,320				72,478
Textbooks									7,874
Tuition				1,185,571					1,185,571
Total Instruction	363,553	52,000	21,828	1,216,963	54,725	-	-	-	1,716,943
Support Services:									
Other Salaries for Instruction	2,400		400	29,138	12,600				44,538
Purchased Professional Services				241,993	8,500			4,877	351,484
Other Purchased Services	11,000	7,648		4,970					23,618
Supplies and Materials	3,311	20,201	2,093	15,325	3,112	3,069	9,626		56,737
Other Objects				400					400
Personal Services - Employee Benefits	50,897	15,708	1,667	2,424	11,448				82,144
Total Support Services	67,608	43,557	4,160	294,250	35,660	3,069	9,626	4,877	558,921
Facilities Acquisition and Construction Services:									
Instructional Equipment				6,147	7,148				13,295
Total Expenditures	431,161	95,557	25,988	1,517,360	97,533	3,069	9,626	4,877	2,289,159

CAPITAL PROJECTS FUND – F

HOWELL TOWNSHIP SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Fund Balance - Beginning	<u>\$ 3,009,030</u>
Fund Balance - Ending	<u><u>\$ 3,009,030</u></u>

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit F-1a

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

ARDENA SCHOOL ROOF

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - SDA Grant	\$ 230,000		230,000	230,000
Local Share-Budget	345,000		345,000	345,000
Total Revenues	<u>575,000</u>	<u>-</u>	<u>575,000</u>	<u>575,000</u>
<u>Expenditures and Other Financing Uses</u>				
Construction Services	465,083		465,083	575,000
Total Expenditures	<u>465,083</u>	<u>-</u>	<u>465,083</u>	<u>575,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 109,917</u>	<u>-</u>	<u>109,917</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number's		2290-010-14-1004		
Grant Date		6/9/14		
Original Authorized Cost		\$ 575,000		
Percentage Increase Over Original Authorized Cost		0		
Percentage Completion		70%		
Original Target Completion Date		12/31/2014		
Revised Target Completion Date		12/31/2016		

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit F-1b

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

RAMTOWN SCHOOL MASONRY

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - SDA Grant	\$ 69,000		69,000	69,000
Local Budget	103,500		103,500	103,500
Total Revenues	<u>172,500</u>	<u>-</u>	<u>172,500</u>	<u>172,500</u>
<u>Expenditures and Other Financing Uses</u>				
Construction Services	139,054		139,054	172,500
Total Expenditures	<u>139,054</u>	<u>-</u>	<u>139,054</u>	<u>172,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 33,446</u>	<u>-</u>	<u>33,446</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number's		2290-035-14-1011		
Grant Date		6/9/14		
Original Authorized Cost		\$ 172,500		
Percentage Increase Over Original Authorized Cost		0		
Percentage Completion		90%		
Original Target Completion Date		12/31/2014		
Revised Target Completion Date		12/31/2016		

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit F-1c

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

TAUNTON SCHOOL ROOF

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - SDA Grant	\$ 502,780		502,780	502,780
Local Budget	754,170		754,170	754,170
Total Revenues	<u>1,256,950</u>	<u>-</u>	<u>1,256,950</u>	<u>1,256,950</u>
<u>Expenditures and Other Financing Uses</u>				
Construction Services	1,049,826		1,049,826	1,256,950
Total Expenditures	<u>1,049,826</u>	<u>-</u>	<u>1,049,826</u>	<u>1,256,950</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>\$ 207,124</u>	<u>-</u>	<u>207,124</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number's		2290-060-14-1015		
Grant Date		9/9/14		
Original Authorized Cost		\$1,256,950		
Percentage Increase Over Original Authorized Cost		0		
Percentage Completion		85%		
Original Target Completion Date		12/31/2014		
Revised Target Completion Date		12/31/2016		

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit F-1d

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISALDRICH SCHOOL MASONRYFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - SDA Grant	\$ 73,600		73,600	73,600
Local Budget	110,400		110,400	110,400
Total Revenues	<u>184,000</u>	<u>-</u>	<u>184,000</u>	<u>184,000</u>
<u>Expenditures and Other Financing Uses</u>				
Construction Services	166,433		166,433	184,000
Total Expenditures	<u>166,433</u>	<u>-</u>	<u>166,433</u>	<u>184,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 17,567</u>	<u>-</u>	<u>17,567</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number's		2290-005-14-1002		
Grant Date		6/9/14		
Original Authorized Cost		\$ 184,000		
Percentage Increase Over Original Authorized Cost		0		
Percentage Completion		95%		
Original Target Completion Date		12/31/2014		
Revised Target Completion Date		12/31/2016		

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit F-1e

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

NEWBURY SCHOOL MASONRY

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - SDA Grant	\$ 78,000		78,000	78,000
Local Budget	117,000		117,000	117,000
Total Revenues	<u>195,000</u>	<u>-</u>	<u>195,000</u>	<u>195,000</u>
<u>Expenditures and Other Financing Uses</u>				
Construction Services	1,688		1,688	195,000
Total Expenditures	<u>1,688</u>	<u>-</u>	<u>1,688</u>	<u>195,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 193,312</u>	<u>-</u>	<u>193,312</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number's		2290-032-14-1010		
Grant Date		6/9/14		
Original Authorized Cost		\$ 195,000		
Percentage Increase Over Original Authorized Cost		0		
Percentage Completion		5%		
Original Target Completion Date		12/31/2014		
Revised Target Completion Date		12/31/2016		

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit F-1f

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

RAMTOWN SCHOOL ROOF

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - SDA Grant	\$ 308,200		308,200	308,200
Local Budget	462,300		462,300	462,300
Total Revenues	<u>770,500</u>	<u>-</u>	<u>770,500</u>	<u>770,500</u>
<u>Expenditures and Other Financing Uses</u>				
Construction Services	634,724		634,724	770,500
Total Expenditures	<u>634,724</u>	<u>-</u>	<u>634,724</u>	<u>770,500</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>\$ 135,776</u>	<u>-</u>	<u>135,776</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number's		2290-035-14-1012		
Grant Date		6/9/14		
Original Authorized Cost		\$ 770,500		
Percentage Increase Over Original Authorized Cost		0		
Percentage Completion		95%		
Original Target Completion Date		12/31/2014		
Revised Target Completion Date		12/31/2016		

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit F-1g

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

NEWBURY WALL RESTORATION

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - SDA Grant	\$ 165,600		165,600	165,600
Local Budget	248,400		248,400	248,400
Total Revenues	<u>414,000</u>	<u>-</u>	<u>414,000</u>	<u>414,000</u>
<u>Expenditures and Other Financing Uses</u>				
Construction Services			-	414,000
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>414,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 414,000</u>	<u>-</u>	<u>414,000</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number's		2290-032-14-1022		
Grant Date		6/9/14		
Original Authorized Cost		\$ 413,400		
Percentage Increase Over Original Authorized Cost		0		
Percentage Completion		0%		
Original Target Completion Date		12/31/2014		
Revised Target Completion Date		12/31/2016		

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit F-1h

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

ARDENA BLOCK POINTING

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - SDA Grant	\$ 98,900		98,900	98,900
Local Budget	148,350		148,350	148,350
Total Revenues	<u>247,250</u>	<u>-</u>	<u>247,250</u>	<u>247,250</u>
<u>Expenditures and Other Financing Uses</u>				
Construction Services			-	247,250
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,250</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 247,250</u>	<u>-</u>	<u>247,250</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number's		2290-010-14-1003		
Grant Date		6/30/16		
Original Authorized Cost		\$ 247,250		
Percentage Increase Over Original Authorized Cost		0		
Percentage Completion		0%		
Original Target Completion Date		12/31/2017		
Revised Target Completion Date		12/31/2017		

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit F-1i

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

MIDDLE SCHOOL NORTH ROOF

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - SDA Grant	\$ 828,000		828,000	828,000
Local Budget	<u>1,242,000</u>		<u>1,242,000</u>	<u>1,242,000</u>
Total Revenues	<u>2,070,000</u>	-	<u>2,070,000</u>	<u>2,070,000</u>
<u>Expenditures and Other Financing Uses</u>				
Construction Services	<u>460,300</u>		<u>460,300</u>	<u>2,070,000</u>
Total Expenditures	<u>460,300</u>	-	<u>460,300</u>	<u>2,070,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,609,700</u>	<u>-</u>	<u>1,609,700</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number's		2290-025-14-1007		
Grant Date		6/30/16		
Original Authorized Cost		\$2,070,000		
Percentage Increase Over Original Authorized Cost		0		
Percentage Completion		20%		
Original Target Completion Date		12/31/2017		
Revised Target Completion Date		12/31/2017		

PROPRIETARY FUNDS – G

N/A

FIDUCIARY FUND – H

HOWELL TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION

Exhibit H-1

JUNE 30, 2018

	<u>Unemployment</u>	<u>Student Activity</u>	<u>Payroll Agency</u>	<u>Total</u>
Assets:				
Cash and Cash Equivalents	\$ 182,104	427,870	162,320	772,294
Total Assets	<u>\$ 182,104</u>	<u>427,870</u>	<u>162,320</u>	<u>772,294</u>
Liabilities:				
Payroll Deductions and Withholdings	\$ -		162,320	162,320
Due to Student Groups		427,870		427,870
Total Liabilities	<u>\$ -</u>	<u>427,870</u>	<u>162,320</u>	<u>590,190</u>
Net Position:				
Held in Trust for Unemployment Claims and Other Purposes	\$ 182,104			182,104
Total Net Position	<u>\$ 182,104</u>			<u>182,104</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

JUNE 30, 2018

Exhibit H-2

	<u>Unemployment Compensation Trust</u>	<u>Total</u>
Additions:		
Payroll Deductions and Withholdings	\$ 169,094	169,094
Total Additions	<u>169,094</u>	<u>169,094</u>
Deductions:		
Unemployment Claims and Bank Fees	97,021	97,021
Total Deductions	<u>97,021</u>	<u>97,021</u>
Change in Net Position	72,073	72,073
Net Position, June 30, 2016	<u>110,031</u>	<u>110,031</u>
Net Position, June 30, 2017	<u>\$ 182,104</u>	<u>182,104</u>

STUDENT ACTIVITY AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2018

	<u>Balance July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2018</u>
Total Schools	<u>\$ 564,278</u>	<u>360,343</u>	<u>496,751</u>	<u>427,870</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

PAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Assets:				
Cash and Cash Equivalents	<u>\$ 163,641</u>	<u>36,042,502</u>	<u>36,043,823</u>	<u>162,320</u>
Total Assets	<u><u>\$ 163,641</u></u>	<u><u>36,042,502</u></u>	<u><u>36,043,823</u></u>	<u><u>162,320</u></u>
Liabilities:				
Payroll Deductions and Withholdings	<u>\$ 163,641</u>	<u>36,042,502</u>	<u>36,043,823</u>	<u>162,320</u>
Total Liabilities	<u><u>\$ 163,641</u></u>	<u><u>36,042,502</u></u>	<u><u>36,043,823</u></u>	<u><u>162,320</u></u>

LONG-TERM DEBT - I

HOWELL TOWNSHIP SCHOOL DISTRICT

LONG-TERM DEBT

Exhibit I-1

SCHEDULE OF SERIAL BONDS

JUNE 30, 2018

	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Date</u>	<u>Maturity Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2017</u>	<u>Retired</u>	<u>Balance June 30, 2018</u>
School:								
2012A Refunding Bonds (Refunding)	5/22/12	\$ 8,825,000	12/1/2022	\$ 2,005,000	4.00%	\$ 3,475,000	1,470,000	2,005,000
Construction of 3 Schools (Refunding)	9/17/10	16,250,000	7/15/18	2,045,000	3.00%	10,675,000	1,990,000	8,685,000
			7/15/19	2,120,000	4.25%			
			7/15/20	2,215,000	4.00%			
			7/15/21	2,305,000	4.00%			
ERIP Refunding - 2012	12/29/11	2,355,000	10/1/18	260,000	3.310%	1,430,000	250,000	1,180,000
			10/1/19	270,000	3.590%			
			10/1/20	280,000	3.890%			
			10/1/21	45,000	4.840%			
			10/1/22	45,000	4.840%			
			10/1/23	50,000	4.840%			
			10/1/24	55,000	4.840%			
			10/1/25	55,000	4.840%			
			10/1/26	60,000	4.840%			
			10/1/27	60,000	4.840%			
Pension Series 2005 - Refunding	3/21/2013	9,110,000	7/15/18	1,670,000	1.450%	6,740,000	1,650,000	5,090,000
			7/15/19	1,695,000	1.700%			
			7/15/20	1,725,000	1.950%			
						<u>\$ 22,320,000</u>	<u>5,360,000</u>	<u>16,960,000</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

LONG-TERM DEBT

Exhibit I-2

SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2018

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2017</u>	<u>Retired</u>	<u>Amount Outstanding June 30, 2018</u>
MCIA 2013 Capital Equipment	1% to 5%	\$ 7,170,000	\$ 3,059,000	1,492,000	1,567,000
Xerox Copiers	3.94%	397,224	86,889	86,889	-
MCIA 2015 Capital Equipment	2-5%	1,757,000	1,449,000	339,000	1,110,000
			<u>\$ 4,594,889</u>	<u>1,917,889</u>	<u>2,677,000</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

LONG-TERM DEBT

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative) Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 5,607,056		5,607,056	5,607,056	
State Sources:					
Debt Service Aid Type II	391,649		391,649	391,649	
Total Revenues	<u>5,998,705</u>	<u>-</u>	<u>5,998,705</u>	<u>5,998,705</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	638,708		638,708	638,706	2
Redemption of Principal	5,360,000		5,360,000	5,360,000	-
Total Regular Debt Service	<u>5,998,708</u>	<u>-</u>	<u>5,998,708</u>	<u>5,998,706</u>	<u>2</u>
Total Expenditures	<u>5,998,708</u>	<u>-</u>	<u>5,998,708</u>	<u>5,998,706</u>	<u>2</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3)	-	(3)	(1)	2
Fund Balance July 1	<u>8</u>	<u>-</u>	<u>8</u>	<u>8</u>	<u>-</u>
Fund Balance June 30	<u>\$ 5</u>	<u>-</u>	<u>5</u>	<u>7</u>	<u>2</u>

STATISTICAL SECTION

(Unaudited)

Howell Township Board of Education
Net Position by Component,
Last Ten Fiscal Years (Unaudited)
(accrual basis of accounting)

Exhibit J-1 GASB B-1 New
--

	2009	2010	2011	2012	2013	Fiscal Year Ended 2014	2015	2016	2017	2018
Governmental activities										
Invested in capital assets, net of related debt	\$ 24,362,772	\$ 32,536,669	\$ 35,360,865	\$ 41,805,697	\$ 42,696,860	\$ 37,759,687	\$ 44,675,740	\$ 54,682,698	\$ 51,043,271	\$ 64,929,737
Restricted	3,298,844	3,255,977	6,542,075	11,960,173	13,017,348	22,111,377	14,502,249	19,119,143	22,418,589	19,492,760
Unrestricted	(10,500,691)	(3,480,855)	(3,644,835)	(4,721,787)	(4,814,598)	(4,564,772)	(43,413,513)	(51,103,141)	(48,519,420)	-
Total governmental activities net Position	\$ 17,160,925	\$ 32,311,791	\$ 38,258,105	\$ 49,044,083	\$ 50,899,610	\$ 55,306,292	\$ 15,764,476	\$ 22,698,700	\$ 24,942,440	\$ 84,422,497
Business-type activities										
Invested in capital assets, net of related debt	\$ 126,248	\$ 104,697	\$ 85,737	\$ 66,997	\$ 48,257	\$ 181,953	\$ 137,594	\$ 100,154	\$ 100,154	\$ 82,700
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	123,779	90,482	99,579	124,187	38,305	117,361	(48,647)	(144,425)	(187,187)	(196,266)
Total business-type activities net Position	\$ 250,027	\$ 195,179	\$ 185,316	\$ 191,184	\$ 86,562	\$ 299,314	\$ 88,947	\$ (44,271)	\$ (87,033)	\$ (113,566)
District-wide										
Invested in capital assets, net of related debt	\$ 24,489,020	\$ 32,641,366	\$ 35,446,602	\$ 41,872,694	\$ 42,745,117	\$ 37,941,640	\$ 44,813,334	\$ 54,782,852	\$ 51,143,425	\$ 65,012,437
Restricted	3,298,844	3,255,977	6,542,075	11,960,173	13,017,348	22,111,377	14,502,249	19,119,143	22,418,589	19,492,760
Unrestricted	(10,376,912)	(3,390,373)	(3,545,256)	(4,597,600)	(4,776,293)	(4,447,411)	(43,462,160)	(51,247,566)	(48,706,607)	(196,266)
Total district net Position	\$ 17,410,952	\$ 32,506,970	\$ 38,443,421	\$ 49,235,267	\$ 50,986,172	\$ 55,605,606	\$ 15,853,423	\$ 22,654,429	\$ 24,855,407	\$ 84,308,931

Source: CAFR Schedule A-1

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

Exhibit J-2
 GASB B-2
 New

	Fiscal Year Ended									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities										
Instruction										
Regular	\$ 27,936,074	\$ 17,561,296	\$ 26,061,560	\$ 27,692,356	\$ 28,172,640	\$ 27,467,243	\$ 28,426,049	\$ 28,179,042	\$ 28,500,018	\$ 23,477,168
Special education	11,747,024	9,937,300	12,623,357	13,254,196	12,430,632	13,129,364	13,811,055	13,920,095	13,315,894	13,867,642
Other special education	2,399,469	2,513,602	2,266,616	2,240,016	2,253,280	2,505,590	2,461,250	2,166,314	2,309,824	2,480,847
Other instruction	290,634	295,933	81,375	404,801	448,068	540,881	561,958	480,374	479,460	475,292
Support Services:										
Tuition	975,677	510,142	621,320	774,964	1,409,349	1,572,736	1,589,875	724,532	849,083	802,061
Student & instruction related services	10,730,418	9,924,376	10,333,948	10,131,392	9,971,784	12,166,003	11,643,109	11,426,696	11,558,781	11,906,712
General and Business Administrative Services	2,951,545	1,162,051	1,176,254	1,360,778	1,281,169	1,217,998	1,210,935	2,004,449	4,654,978	4,648,211
School administrative services	4,429,442	5,007,781	4,717,838	3,933,627	4,464,055	4,619,285	4,123,526	4,633,239	1,331,812	1,173,766
Other Administrative Services										
Plant operations and maintenance	8,857,930	9,006,679	8,501,202	9,031,221	7,781,764	8,419,741	9,606,472	9,212,484	9,342,486	11,016,326
Pupil transportation	8,583,385	7,729,313	7,443,099	7,933,520	8,222,068	7,607,477	7,321,656	7,304,051	8,018,845	8,564,076
Business and Other Support Services		1,219,959	1,262,335	1,928,778	1,050,020	1,063,730	1,769,253	1,202,250	2,058,037	2,351,092
Special Schools	-	-	-	-	-	-	-	218,607	251,672	-
Capital Outlay	-	-	-	-	-	-	-	-	610,311	241,642
Unallocated Benefits	23,717,984	24,143,002	24,082,978	24,548,579	31,140,403	28,699,235	31,999,474	35,023,399	38,722,415	38,076,496
Interest on long-term debt	3,164,645	2,735,159	2,185,528	1,885,334	1,581,657	1,074,376	1,131,957	892,225	750,384	535,564
ARRA - ESF		4,813,894								
ARRA - GSF		186,353								
Education Jobs				1,185,607	2,959					
Unallocated depreciation	3,626,689	3,611,275	3,353,902	3,245,670	3,353,901	5,784,396	4,934,193	2,779,125	4,457,479	1,406,956
Total governmental activities expenses	<u>109,410,916</u>	<u>100,358,115</u>	<u>104,711,312</u>	<u>109,550,839</u>	<u>113,563,749</u>	<u>115,868,055</u>	<u>120,590,762</u>	<u>120,166,882</u>	<u>127,211,479</u>	<u>121,023,851</u>
Business-type activities:										
Food service	2,033,504	2,013,467	1,927,989	2,021,093	1,933,964	1,855,657	1,871,185	1,708,774	1,591,533	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	<u>2,033,504</u>	<u>2,013,467</u>	<u>1,927,989</u>	<u>2,021,093</u>	<u>1,933,964</u>	<u>1,855,657</u>	<u>1,871,185</u>	<u>1,708,774</u>	<u>1,591,533</u>	<u>-</u>
Total district expenses	<u>\$ 111,444,420</u>	<u>\$ 102,371,582</u>	<u>\$ 106,639,301</u>	<u>\$ 111,571,932</u>	<u>\$ 115,497,713</u>	<u>\$ 117,723,712</u>	<u>\$ 122,461,947</u>	<u>\$ 121,875,656</u>	<u>\$ 128,803,012</u>	<u>\$ 121,023,851</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ 1,015,135	\$ 757,665	\$ 508,659	\$ 550,546	\$ -	\$ 849,083	\$ 802,061
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Business and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	1,579,357	3,295,689	2,797,099	3,976,794	2,219,717	2,308,712	2,411,918	2,492,170	2,332,351	2,320,897
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>1,579,357</u>	<u>3,295,689</u>	<u>2,797,099</u>	<u>4,991,929</u>	<u>2,977,382</u>	<u>2,817,371</u>	<u>2,962,464</u>	<u>2,492,170</u>	<u>3,181,434</u>	<u>3,122,958</u>
Business-type activities:										
Charges for services:										
Food service	1,577,323	1,479,324	1,422,437	1,465,088	1,306,912	1,290,686	1,106,621	999,936	965,544	894,726
Child care	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	410,354	478,841	495,608	563,873	522,430	612,412	554,197	575,620	583,227	603,530
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>1,987,677</u>	<u>1,958,165</u>	<u>1,918,045</u>	<u>2,028,961</u>	<u>1,829,342</u>	<u>1,903,098</u>	<u>1,660,818</u>	<u>1,575,556</u>	<u>1,548,771</u>	<u>1,498,256</u>
Total district program revenues	<u>\$ 3,567,034</u>	<u>\$ 5,253,854</u>	<u>\$ 4,715,144</u>	<u>\$ 7,018,890</u>	<u>\$ 4,806,724</u>	<u>\$ 4,720,469</u>	<u>\$ 4,623,282</u>	<u>\$ 4,067,726</u>	<u>\$ 4,730,205</u>	<u>\$ 4,621,214</u>
Net (Expense)/Revenue										
Governmental activities	\$ (107,831,559)	\$ (100,358,115)	\$ (101,914,213)	\$ (104,558,910)	\$ (110,586,367)	\$ (113,003,243)	\$ (117,628,298)	\$ (117,674,712)	\$ (117,674,712)	\$ (117,900,893)
Business-type activities	(45,827)	(55,302)	(9,944)	5,868	(104,622)	47,441	(210,367)	(133,218)	(133,218)	(87,280)
Total district-wide net expense	<u>\$ (107,877,386)</u>	<u>\$ (100,413,417)</u>	<u>\$ (101,924,157)</u>	<u>\$ (104,553,042)</u>	<u>\$ (110,690,989)</u>	<u>\$ (112,955,802)</u>	<u>\$ (117,838,665)</u>	<u>\$ (117,807,930)</u>	<u>\$ (117,807,930)</u>	<u>\$ (117,988,173)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										

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

Exhibit J-2
 GASB B-2
 New

	Fiscal Year Ended									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Property taxes levied for general purposes, net	\$ 62,108,664	\$ 63,777,301	\$ 64,464,148	\$ 64,464,148	\$ 63,460,383	\$ 65,287,734	\$ 67,540,789	\$ 68,864,597	\$ 71,157,372	\$ 72,459,479
Taxes levied for debt service	7,449,560	7,117,889	6,783,858	6,830,168	6,818,991	5,710,690	5,586,449	5,367,482	5,465,795	5,607,056
Unrestricted grants and contributions	41,265,362	43,278,554	38,574,243	41,077,646	44,662,910	44,351,670	44,160,944	47,214,461	47,901,068	49,204,807
Tuition	387,572	536,262	1,157,362							
Investment earnings	60,218	23,832	8,618	2,744	13,692					
Miscellaneous income	361,622	197,540	407,444	412,566	659,246	8,247,826	1,343,112	3,162,396	1,749,550	1,018,109
Other	1,239,444	2,023,855	7,464,854	3,554,580	(3,859,460)	696,481	-5,836,414			293,860
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	112,872,442	116,955,233	118,860,527	116,341,852	\$ 111,755,762	\$ 124,294,401	\$ 112,794,880	\$ 124,608,936	\$ 126,273,785	\$ 128,583,311
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	669	454	81	0	0	165,311				
Total business-type activities	669	454	81	0	0	165,311	0	0	0	0
Total district-wide	\$ 112,873,111	\$ 116,955,687	\$ 118,860,608	\$ 116,341,852	\$ 111,755,762	\$ 124,459,712	\$ -	\$ -	\$ -	\$ -
Change in Net Position										
Governmental activities	\$ 5,040,883	\$ 16,596,664	\$ 16,946,314	\$ 11,782,942	\$ 1,169,395	\$ 11,243,717	\$ (43,233,615) *	\$ 6,934,224	\$ 2,243,740	\$ 10,388,558
Business-type activities	(45,158)	(54,848)	(9,863)	5,868	(104,622)	212,752	-210,367	(133,218)	(42,762)	(87,280)
Total district	\$ 4,995,725	\$ 16,541,816	\$ 16,936,451	\$ 11,788,810	\$ 1,064,773	\$ 11,456,469	\$ (43,443,982)	\$ 6,801,006	\$ 2,200,978	\$ 10,301,278

*Due to Restatement for Pension - New Requirement per GASB # 68

Source: CAFR Schedule A-2

Howell Township Board of Education
Fund Balances, Governmental Funds,
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

Exhibit J-3
GASB B-3
New

	Fisca Year Ended									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 3,237,454	\$ 3,160,424	\$ 6,460,964	\$ 11,900,829	\$ 12,818,847	\$ 18,136,778	\$ 12,909,141	\$ 15,524,048	\$ 19,409,551	\$23,017,512
Unreserved	(900,057)	(730,305)	(984,164)	(4,721,787)	(4,814,598)	(4,564,772)	(1,110,175)	(1,065,104)	(951,419)	(1,430,926)
Total General fund	<u>\$ 2,337,397</u>	<u>\$ 2,430,119</u>	<u>\$ 5,476,800</u>	<u>\$ 7,179,042</u>	<u>\$ 8,004,249</u>	<u>\$ 13,572,006</u>	<u>\$ 11,798,966</u>	<u>\$ 14,458,944</u>	<u>\$ 18,458,132</u>	<u>\$21,586,586</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ 39,573	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund										
Capital projects fund	-	42,499	41,537	41,537	41,537	3,608,887	1,500,594	3,456,030	3,009,030	30,090,630
Debt service fund	61,390	53,054	1	17,807	156,964	365,612	365,517	139,065	8	7
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 61,390</u>	<u>\$ 95,553</u>	<u>\$ 81,111</u>	<u>\$ 59,344</u>	<u>\$ 198,501</u>	<u>\$ 3,974,499</u>	<u>\$ 1,866,111</u>	<u>\$ 3,595,095</u>	<u>\$ 3,009,038</u>	<u>\$30,090,637</u>

Source: CAFR Schedule B-1

Howell Township Board of Education
 Changes in Fund Balances, Governmental Funds,
 Last Ten Fiscal Years (Unaudited)

Exhibit J-4
 GASB B-4
 New

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax levy	\$ 69,558,224	\$ 70,895,190	\$ 71,248,006	\$ 71,294,316	\$ 70,279,374	\$ 70,998,424	\$ 73,127,238	\$ 74,232,079	\$ 76,623,167	\$ 78,066,535
Tuition charges	387,572	536,262	1,157,362	1,015,135	757,665	508,659	550,546	1,339,349	1,091,662	849,321
Interest earnings	60,218	23,832	8,618	2,744	13,692	0	0			
Miscellaneous	363,228	198,986	408,944	414,066	666,344	8,268,894	1,405,464	2,968,521	1,520,363	980,475
State sources	41,538,811	38,426,263	38,689,286	41,181,886	44,719,660	44,407,366	44,175,234	47,202,695	47,874,030	49,218,616
Federal sources	1,306,302	8,146,080	2,700,566	3,871,054	2,155,869	2,231,948	2,335,276	2,489,713	2,345,997	2,297,462
Total revenue	\$ 113,212,355	\$ 118,226,613	\$ 114,192,772	\$ 117,779,201	\$ 118,592,604	\$ 126,415,291	\$ 121,593,758	\$ 128,232,357	\$ 129,455,219	\$ 131,412,409
Expenditures										
Instruction										
Regular Instruction	\$ 26,777,938	\$ 24,411,380	\$ 26,151,439	\$ 27,466,657	\$ 28,010,491	\$ 27,051,981	\$ 28,426,049	\$ 28,394,241	\$ 28,500,018	\$ 28,937,035
Special education instruction	11,747,024	11,774,750	12,623,357	13,254,196	12,430,632	13,129,364	13,811,055	13,920,095	13,315,894	13,867,642
Other special instruction	2,399,469	2,513,602	2,266,616	2,240,016	2,263,280	2,605,590	2,461,250	2,166,314	2,309,824	2,480,847
Vocational education	-	-	-	-	-	-	-	-	-	-
Other instruction	290,634	295,933	81,375	404,801	448,068	540,881	561,958	480,374	479,460	475,292
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	975,677	510,142	621,320	774,964	1,409,349	1,572,736	1,589,875	724,532	849,083	802,061
Student & instruction related services	10,730,418	11,382,615	10,333,946	10,131,392	9,971,784	12,166,003	11,643,109	11,645,303	11,558,781	11,906,712
General administrative services	-	-	-	-	-	-	-	-	-	-
School Administrative services	4,429,442	1,162,051	4,717,838	1,360,778	1,281,169	1,217,998	1,210,935	4,633,239	4,654,978	4,648,211
Other Administrative services	1,063,135	5,007,781	1,176,254	3,933,627	4,464,056	4,619,285	4,123,526	2,004,449	1,331,812	1,173,766
Plant operations and maintenance	8,857,930	9,008,679	8,501,202	8,201,768	7,781,764	8,419,741	9,606,472	9,212,484	9,342,486	11,016,326
Pupil transportation	8,583,385	7,729,313	7,443,099	7,933,520	8,222,068	7,607,477	7,321,656	7,304,051	8,018,845	8,564,076
Business and Other Support Services	1,888,410	1,219,959	1,262,335	1,928,778	1,050,020	1,063,730	1,769,253	1,202,250	2,058,037	2,351,092
Unallocated employee benefits	23,717,984	24,143,002	24,082,978	24,548,579	31,140,403	28,699,235	31,735,519	34,481,737	34,662,586	35,723,553
ARRA-ESF	-	4,813,894	-	-	-	-	-	-	-	-
ARRA-GSF	-	186,353	-	-	-	-	-	-	-	-
Capital outlay	3,927,669	7,303,220	3,422,597	1,232,006	1,498,365	3,303,034	2,847,150	557,966	2,691,450	390,855
Education Jobs	-	-	-	1,185,607	2,959	0	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	251,672	241,642
Debt service:										
Principal	6,040,540	5,829,070	5,450,682	5,668,547	5,946,868	4,848,805	4,859,900	5,030,000	5,210,000	5,360,000
Interest and other charges	3,180,829	2,899,076	2,484,721	2,257,679	1,830,078	1,087,823	1,134,946	955,118	787,162	638,706
Total expenditures	\$ 114,610,484	\$ 120,188,819	\$ 110,619,761	\$ 112,522,915	\$ 117,741,353	\$ 117,833,683	\$ 123,102,653	\$ 122,712,153	\$ 126,042,088	\$ 128,577,816
Excess (Deficiency) of revenues over (under) expenditures	\$ (1,398,129)	\$ (1,962,206)	\$ 3,573,011	\$ 5,256,286	\$ 851,251	\$ 8,581,608	\$ (1,508,895)	\$ 5,520,204	\$ 3,413,131	\$ 2,834,593
Other Financing sources (uses)										
Capital leases (non-budgeted)	\$ 1,389,444	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,796,684)	\$ (1,309,759)	\$ -	\$ -
Capital Projects	-	1,093,717	-	-	-	-	-	-	-	-
Sale/Leaseback Proceeds	-	1,550,261	130	-	-	-	-	-	-	-
Leaseback Expenditures	-	(1,142,106)	(602,247)	-	-	-	-	-	-	-
Proceeds of refunding debt	-	-	-	-	-	-	-	-	-	-
Current/Anticipated Additional Surplus	-	432,868	-	-	-	500,000	-	-	-	-
Par amount of bonds	(150,000)	-	-	-	-	-	-	-	-	-
Accounts Receivable Cancelled	-	-	(1,416)	(800)	(45)	-	-	(8,074)	-	-
Accounts Payable Cancelled	-	-	88,424	-	-	196,481	-	110,003	-	-
Payroll Account	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Prior Year Adjustment	-	89,115	-	80,380	26,886	0	(39,730)	92,202	-	-
Transfers in	-	-	-	-	-	-	-	-	-	354,607
Transfers out	-	-	-	-	-	-	-	(15,623)	-	(60,747)
Total other financing sources (uses)	1,239,444	2,023,856	(515,109)	79,580	26,841	696,481	(5,836,414)	(1,131,251)	-	293,860
Net change in fund balances	\$ (158,685)	\$ 61,649	\$ 3,057,902	\$ 5,335,866	\$ 878,093	\$ 9,278,089	\$ (7,345,309)	\$ 4,388,953	\$ 3,413,131	\$ 3,128,453
Debt service as a percentage of noncapital expenditures	8.3%	7.7%	7.4%	7.1%	6.4%	5.1%	4.9	4.9	4.7	4.9

Source: CAFR Schedule B-2
 End of Yr. Rev. Funds 10,20,40 (A/P)
 End of Yr. Expenditure Budget Rprt & Funds 11,12,20,40 (A/P)

HOWELL TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
 LAST TEN FISCAL YEARS
 UNAUDITED

Exhibit J-5

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Capital Lease	Misc.	Total
2009	\$ 60,218	387,572	-	363,228	811,018
2010	23,832	536,262	-	197,086	757,180
2011	8,618	1,157,362	-	407,444	1,573,424
2012	2,744	1,015,135	-	438,300	1,456,179
2013	13,692	757,665	-	666,344	1,439,714
2014	-	508,659	7,170,000	1,098,894	8,777,553
2015	-	550,546	743,063	600,049	1,893,658
2016	-	1,339,349	1,946,490	719,639	4,005,478
2017	-	1,091,662	-	1,520,363	2,612,025
2018	-	849,321	-	980,475	1,829,796

Source: District Records - Audit B2

Howell Township Board of Education
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years (Unaudited)

Exhibit J-6
 GASB C-11
 NJ J-4

Fiscal Year Ended June 30.	Vacant Land	Residential	Farm Reg.	Qual Farm	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)
2009	253,365,700	5,735,865,900	104,001,400	2,426,100	662,057,600	109,299,300	-	6,867,016,000	0	10,565,151	6,877,581,151	1	7,091,186,316
2010	237,133,360	5,747,380,000	107,553,000	2,707,600	662,086,020	134,095,700	-	6,890,955,680					
2011	No Data Available												
2012	147,940,600	4,554,735,400	85,598,100	2,640,500	595,545,700	103,344,900		5,489,805,200		11,032,948	5,500,838,148	1	6,542,377,983
2013	155,567,400	4,579,708,000	89,858,000	2,768,800	594,385,000	101,856,600		5,524,143,800	0	8,867,486	5,533,011,286	1	6,247,117,756
2014	137,473,900	4,623,682,700	89,384,800	2,673,500	611,874,200	101,664,900		5,566,754,000	0	7,632,229	5,574,386,229	1	6,143,515,923
2015	127,426,600	5,157,744,800	98,908,600	2,755,700	616,492,200	107,704,400	32,259,800	6,143,292,100	0	8,470,420	6,151,762,520	1	6,452,258,346
2016	114,702,200	5,373,302,700	101,965,500	2,701,000	628,132,400	112,376,100	32,259,800	6,365,439,700	0	8,470,420	6,365,439,700	1	6,676,695,456
2017	118,523,800	5,654,440,800	98,312,200	2,397,100	6,264,784,300	104,535,300	37,293,500	6,642,287,000	0	0	6,642,287,000	1	6,833,823,093
2018	No Data Available												

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.
 Monmouth County Abstract of Ratables
 Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

2016 Public Utilities through Estimated Actual not available

**Howell Township Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years Unaudited)**

Exhibit J-7
GASB C-2
NJ J-5

(rate per \$100 of assessed value)
10-19 Emailed Lou

Fiscal Year Ended June 30,	Howell Township Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Freehold Regional School District	Howell Township	Library/Other		Monmouth County
2009	0.915	0.106	1.021	0.353	0.266	0.033	0.268	1.941
2010	0.928	0.101	1.029	0.385	0.326	0.034	0.277	2.051
2011			1.037	0.380	0.354	0.034	0.265	2.070
2012*	1.1653	0.1217	1.287	0.478	0.453	0.038	0.329	2.585
2013	1.138	0.139	1.277	0.483	0.457	0.037	0.331	2.585
2014	1.038	0.101	1.139	0.452	0.448	0.037	0.329	2.405
2015	1.104	0.091	1.195	0.432	0.398	0.036	0.310	2.371
2016	1.067	0.086	1.153	0.433	0.399	0.036	0.297	2.318
2017	1.165	0.086	1.251	0.436	0.397	0.018	0.263	2.365
2018	1.127	0.086	1.213	0.449	0.388	0.018	0.259	2.327

Source: District Records and Municipal Tax Collector
2012* Re-evaluation year

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

Howell Township Board of Education
Principal Property Tax Payers,
Current Year and Ten Years Ago
(Unaudited)

Exhibit J-8
GASB C-3
NJ J-11

Taxpayer	2016		2009 (2007 and 2008 were unavailable)	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Buffalo-Parkton & Feurstein & Wain Co	\$ 42,898,400	0.65%	Buffalo-Parkton & Feurstein & Wain Co	45,138,000 0.68
Howell Verdana LLC & Veronna LLC	\$ 37,293,500	0.59%	Home Depot USA Inc	17,160,000 0.26
Howell Friendship Real Estate Co	\$ 20,259,600	0.32%	Lowes Home Centers Inc	16,530,000 0.25
Home Depot USA Inc	\$ 15,687,400	0.25%	Fairfield Park LLC	16,190,200 0.24
DS & DJ Realty LLC	\$ 15,128,800	0.24%	DS & DJ Realty LLC	14,845,100 0.22
Lowes Home Centers Inc	\$ 14,861,300	0.23%	Target Corporation	14,800,000 0.22
WalMart Stores Inc	\$ 13,945,700	0.22%	Brochin Leona & Mur/Levin Mgmt Corp	14,000,000 0.21
Target Corporation	\$ 13,840,700	0.22%	Howell Associates LLC/Ramada Inn	13,705,500 0.21
Aldrich Plaza LLC	\$ 13,572,500	0.21%	Eagle Golf Enterprises	12,585,500 0.19
Eagle Golf Enterprises LLC	\$ 12,662,500	0.20%	Pinnacle Materials Inc	11,626,800 0.18
Total	\$ 200,150,400	3.12%		176,581,100 2.66

Source: District CAFR & Municipal Tax Assessor

**Howell Township Board of Education
Property Tax Levies and Collections,
Last Ten Fiscal Years (Unaudited)**

Exhibit J-9
GASB C-4
Expanded J-3

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	134,889,611	132,083,633	97.92%	
2009	137,155,943	135,312,221	98.66%	
2010	139,827,182	135,767,912	97.10%	
2011	146,277,469	143,240,560	97.92%	
2012	149,003,741	145,508,487	97.65%	
2013	149,375,012	146,642,161	98.17%	
2014	149,566,715	146,674,153	98.07%	
2015	153,354,583	150,319,630	98.02%	
2016	156,410,390	153,692,833	98.26%	
2017	159,575,286	153,692,833	96.31%	

Source: Howell Tax Collector/CFO

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

Howell Township Board of Education
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Exhibit J-10
 GASB D-1
 New

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2008	69,452,720	-	8,840,202	-	-	78,292,922	0.07%	57,353
2009	63,431,359	-	7,896,514	-	-	71,327,873	0.08%	54,771
2010	57,621,468	-	5,736,664	-	-	63,358,132	0.09%	55,764
2011	53,466,852	-	2,462,107	-	-	55,928,959	0.10%	56,955
2012	44,335,437	-	2,078,043	-	-	46,413,480	0.13%	58,355
2013	42,268,804	-	1,159,612	-	-	43,428,416	0.14%	61,426
2014	37,420,000	-	-	-	-	37,420,000	0.17%	62,901
2015	32,560,000	-	6,213,196	-	-	38,773,196	0.16%	61,968
2016	27,530,000	-	6,473,087	-	-	34,003,087	0.18%	61,968
2017	22,320,000	-	4,594,889	-	-	26,914,889	0.23%	61,968

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

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

- a See Exhibit NJ J-13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b Includes Early Retirement Incentive Plan (ERIP) refunding

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

Exhibit J-11
GASB D-2
NJ J-6 modified

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2008	69,452,720	-	69,452,720	1.01%	1,352
2009	63,431,359	-	63,431,359	0.93%	1,235
2010	57,639,666	-	57,639,666	0.84%	1,122
2011	53,466,852	-	53,466,852	0.78%	1,041
2012	44,329,371	-	44,329,371	0.80%	867
2013	42,268,804	-	42,268,804	0.76%	827
2015	38,773,196	-	38,773,196	2.32%	759
2016	34,003,087	-	34,003,087	2.32%	665
2017	28,715,988	-	28,715,988	2.30%	562

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-13.

Source: General Obligation Bonds, Debt Balance less EDA commitments

Howell Township Board of Education
 Ratios of Overlapping Governmental Activities Debt
 As of June 30, 2017

Exhibit J-12
 GASB D-3
 NJ J-8 modified

<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			
Howell Township	\$ 77,344,851	100.000%	77,344,851
Other debt			
Freehold Regional High School	2,269,559	20.379%	462,517
Monmouth County	435,341,390	5.720%	24,901,528
Subtotal, overlapping debt			102,708,896
Howell Township School District Direct Debt			77,344,851
Total direct and overlapping debt			\$ 180,053,747

Sources: Howell Township Finance Officer, Monmouth County Finance Office,
 Howell Township Website

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Howell. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. 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.

Howell Township Board of Education
 Legal Debt Margin Information,
 Last Ten Fiscal Years

Exhibit J-13
 GASB D-4
 NJ J-7 modified

Legal Debt Margin Calculation for Fiscal Year 2017

	Equalized valuation basis	
	2017	6,642,287,000
	2016	6,365,439,700
	2015	6,365,439,700
	[A]	<u>19,373,166,400</u>
Average equalized valuation of taxable prop	[A/3]	\$ 6,457,722,133
Debt limit (3 % of average equalization	[B]	193,731,664 ^a
Net bonded school debt	[C]	<u>69,089,436</u>
Legal debt margin	[B-C]	<u>\$ 124,642,228</u>

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 196,597,794	\$ 211,663,211	\$ 211,656,041	\$ 140,852,349	194,360,174	187,652,987	186,479,526	191,118,436	191,118,436	193,731,664
Total net debt applicable to limit	<u>75,692,322</u>	<u>75,692,322</u>	<u>64,576,880</u>	<u>53,466,852</u>	<u>37,388,311</u>	<u>44,522,619</u>	<u>58,496,451</u>	<u>69,089,436</u>	<u>69,089,436</u>	<u>69,089,436</u>
Legal debt margin	<u>\$ 120,905,472</u>	<u>\$ 135,970,889</u>	<u>\$ 147,079,161</u>	<u>\$ 87,385,497</u>	<u>156,971,863</u>	<u>143,030,368</u>	<u>127,983,075</u>	<u>122,029,000</u>	<u>122,029,000</u>	<u>124,642,228</u>
Total net debt applicable to the limit as a percentage of debt limit	38.50%	35.78%	30.51%	37.96%	19.24%	23.78%	31.37%	36.15%	36.15%	35.66%

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

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

Howell Township Board of Education
 Demographic and Economic Statistics
 Last Ten Fiscal Years

Exhibit J-14
 GASB E-1
 NJ J-10 modified

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^b	Unemployment Rate ^d
2008	51,297	2,942,036,841	57,353	3.5%
2009	51,551	2,823,499,821	54,771	9.2%
2010	51,119	2,850,599,916	55,764	9.1%
2011	51,127	2,911,938,285	56,955	8.9%
2012	51,109	2,982,465,695	58,355	8.8%
2013	51,732	3,177,689,832	61,426	7.6%
2014	51,897	3,264,373,197	62,901	6.2%
2015	52,104	3,439,853,976	66,019	5.1%
2016	52,245	3,237,518,160	61,968	4.7%
2017	51,765	2,030,430,360	39,224	4.3%

Source:

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

^b Personal income based on 3% increment

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

Howell Township Board of Education
Principal Employers,
Current Year and Ten Years Ago

Exhibit J-15

Employer	2018			2008		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Howell Township Board of Education	1,357	1	67.61%	-		0.00%
Township of Howell	220	2	10.96%	-		0.00%
Home Depot	155	3	7.72%	-		0.00%
Lowes	140	4	6.98%	-		0.00%
Kohls	135	5	6.73%	-		0.00%
	-			-		0.00%
			100.00%			
	<u>2,007</u>			<u>-</u>		<u>0.00%</u>

Source:

*Howell Township does not collect this information.

Howell Township Board of Education
 Full-time Equivalent District Employees by Function
 Last Ten Fiscal Years (Unaudited)

Exhibit J-16
 GASB F-1
 New

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction										
Regular	390	376	343	352	357	357	360	338	333	331
Special education	288	282	299	299	297	296	302	290	248	208
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	84	83	87	91	92	93	102	108	108	122
General administrative services	15	15	6	6	6	6	6	6	7	7
School administrative services	56	50	51	52	52	52	52	52	52	53
Business administrative services	15	14	16	16	16	16	14	14	14	13
Plant operations and maintenance	100	104	74	74	74	74	74	76	71	74
Pupil transportation	64	64	65	65	63	63	56	62	65	62
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	1,012	988	941	955	957	957	966	946	898	870

Source: District Personnel Records

Howell Township Board of Education
 Operating Statistics
 Last Ten Fiscal Years (Unaudited)

Exhibit J-17
 GASB F-6
 NJ J-12, 14

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff	Per Pupil Ratio	Average Daily Enrollment (ADE) ^b	Average Daily Attendance (ADA) ^b	% Change in Average Daily Enrollment	Student Attendance Percentage
2009	6,920	101,461,446	14,662	#REF!	540	1:13	6,903	6,575	-2.35%	95.2%
2010	6,783	104,157,454	15,356	4.73%	656	2:13	6,697	6,456	-2.98%	96.4%
2011	6,773	99,678,440	14,717	-4.16%	641	2:13	6,821	6,438	1.85%	94.4%
2012	6,541	104,653,420	16,000	8.71%	654	1:10	6,934	6,466	1.66%	93.3%
2013	6,277	104,913,365	16,714	4.46%	676	1:11	6,298	5,998	-9.17%	95.23%
2014	6,359	109,485,681	17,217	3.01%	662	1:10	6,148	5,850	-2.38%	95.15%
2015	6,153	114,260,657	18,570	7.86%	662	1:10	6,148	5,850	0.00%	95.15%
2016	6,004	103,890,078	17,303	-6.82%	628	1:10	6,011	5,704	-2.24%	94.90%
2017	5,923	103,726,447	17,512	1.21%	581	1:10	5,640	5,640	-6.17%	100.00%
2018	5,761	104,901,571	18,209	3.98%	578	1:10	5,790	5,479	2.66%	94.63%

Sources: District records, ASSA and Schedules J-12, J-1

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay and projects; B2
- b Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Howell Township Board of Education
 School Building Information
 Last Ten Fiscal Years

Exhibit J-18
 GASB F-4
 New

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Elementary										
Adelphia Elementary School										
Square Feet	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000
Capacity (students)	537	537	537	537	537	537	537	537	537	537
Enrollment	426	391	400	377	377	377	301	362	356	359
Aldrich Elementary School (1968)										
Square Feet	70,400	70,400	70,400	70,400	70,400	70,400	70,400	70,400	70,400	70,400
Capacity (students)	434	434	434	434	434	434	434	434	434	434
Enrollment a	389	562	558	565	565	565	545	429	431	428
Ardena Elementary School (1938)										
Square Feet	68,600	68,600	68,600	68,600	68,600	68,600	68,600	68,600	68,600	68,600
Capacity (students)	417	417	417	417	417	417	417	417	417	417
Enrollment	324	437	440	435	435	435	442	338	377	349
Greenville Elementary School										
Square Feet	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000
Capacity (students)	530	530	530	530	530	530	530	530	530	530
Enrollment	560	512	507	463	463	463	363	329	295	320
Gribling Elementary School (1960)										
Square Feet	89,187	89,187	89,187	89,187	89,187	89,187	89,187	89,187	89,187	89,187
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	568	517	510	501	501	501	545	305	278	252
Land O'Pines Elementary School (1960)										
Square Feet	92,983	92,983	92,983	92,983	92,983	92,983	92,983	92,983	92,983	92,983
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	541	513	542	521	521	521	538	495	520	515
Memorial Elementary School										
Square Feet								120,000	120,000	120,000
Capacity (students)								577	577	577
Enrollment								322	330	344
Newbury Elementary School (1964)										
Square Feet	79,850	79,850	79,850	79,850	79,850	79,850	79,850	79,850	79,850	79,850
Capacity (students)	477	477	477	477	477	477	477	477	477	477
Enrollment	369	405	424	412	412	412	359	435	420	399
Ramtown Elementary School (1964)										
Square Feet	99,899	99,899	99,899	99,899	99,899	99,899	99,899	99,899	99,899	99,899
Capacity (students)	705	705	705	705	705	705	705	705	705	705
Enrollment	513	484	494	459	459	459	438	427	388	356
Southard Elementary School (1954)										
Square Feet	73,940	73,940	73,940	73,940	73,940	73,940	73,940	73,940	73,940	73,940
Capacity (students)	392	392	392	392	392	392	392	392	392	392
Enrollment	325	-	-	-	-	-	-	-	-	-
Taunton Elementary School (1968)										
Square Feet	89,187	89,187	89,187	89,187	89,187	89,187	89,187	89,187	89,187	89,187
Capacity (students)	392	392	392	392	392	392	392	392	392	392
Enrollment	429	497	496	462	462	462	436	385	380	360
Middle School										
Howell Middle School North (1994)										
Square Feet	161,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000
Capacity (students)	900	900	900	900	900	900	900	900	900	900
Enrollment	859	849	850	826	826	826	802	1,168	1,166	1,135
Howell Middle School South										
Square Feet	162,000	162,000	162,000	162,000	162,000	162,000	162,000	162,000	162,000	162,000
Capacity (students)	980	980	980	980	980	980	980	980	980	980
Enrollment	1,034	878	885	832	832	832	751	982	982	944
Memorial Middle School										
Square Feet	120,000	120,000	120,000	120,000	120,000	120,000	120,000			
Capacity (students)	577	577	577	577	577	577	577			
Enrollment	559	653	651	666	666	666	627			
Other										
Administration Building										
Square Feet	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Transportation										
Square Feet	9,060	9,060	9,060	9,060	9,060	9,060	9,060	9,060	9,060	9,060
Maintenance Offices										
Square Feet	900	900	900	900	900	900	900	900	900	900

Number of Schools at June 30, 2017
 Elementary = 10
 Middle School = 2

Source: District records, ASSA

HOWELL TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST SIX FISCAL YEARS
 UNAUDITED

Exhibit J-19

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

School Facilities	Project # (s)	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	School % Square Foot
Adelphia School	N/A	241,720	166,343	139,879	156,361	111,729	102,392	\$ 105,789	\$ 105,286	\$ 99,133	\$ 106,810	\$ 109,139	0.0618
Aldrich School	N/A	217,861	149,924	126,073	140,928	100,700	92,285	\$ 95,347	94,893	89,348	96,267	98,366	0.0557
Ardena School	N/A	212,385	146,166	122,904	137,385	98,169	89,966	\$ 92,950	92,508	87,102	93,847	95,894	0.0543
Greenville School	N/A	241,720	166,343	139,879	156,361	111,729	102,392	\$ 105,789	105,286	99,133	106,810	109,139	0.0618
Griebling School	N/A	276,139	190,030	159,798	178,626	127,638	116,972	\$ 120,853	120,278	113,249	122,019	124,680	0.0706
Land O'Pines School	N/A	287,873	198,105	166,588	186,217	133,062	121,942	\$ 125,988	125,389	118,061	127,204	129,978	0.0736
Newbury School	N/A	247,195	170,112	143,048	159,904	114,260	104,711	\$ 108,185	107,671	101,379	109,229	111,612	0.0632
Ramtown School	N/A	309,385	212,909	179,037	200,132	143,005	131,055	\$ 135,403	134,759	126,884	136,710	139,691	0.0791
Southard School	N/A	228,812	157,461	132,410	148,012	105,763	96,924	\$ 100,140	99,664	93,839	101,106	103,311	0.0585
Taunton School	N/A	276,139	190,030	159,798	178,626	127,638	116,972	\$ 120,853	120,278	113,249	122,019	124,680	0.0706
Howell Middle School North	N/A	498,693	343,184	288,586	322,590	230,508	211,245	\$ 218,254	217,215	204,522	220,360	225,166	0.1275
Howell Middle School South	N/A	501,822	345,337	290,397	324,614	231,954	212,571	\$ 219,623	218,578	205,805	221,742	226,578	0.1283
Howell Memorial Middle School	N/A	371,575	255,706	215,025	240,361	171,751	157,399	\$ 162,620	161,847	152,369	164,190	167,770	0.0950
Total School Facilities		3,911,321	2,691,639	2,263,421	2,530,119	1,807,907	1,656,827	\$ 1,711,792	\$ 1,703,650	\$ 1,604,092	\$ 1,728,312	\$ 1,766,005	
Other Facilities													
Grand Total		3,911,321	2,691,639	2,263,421	2,530,119	1,807,907	1,656,827	\$ 1,711,792	\$ 1,703,650	\$ 1,604,092	\$ 1,728,312	\$ 1,766,005	

Source: Actual Expenditures and Encumbrances at end of year for Total Times the school square footage %.

HOWELL TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED

Company	Type of Coverage	Coverage
Utica National	Property Blanket Building & Contents- Replacement Cost Values -Additional Valuable Papers	246,480,224
Utica National	Umbrella Excess Liability -Each Occurrence Aggregate Limit of Liability General Liability Each Occurrence Aggregate Limit of Liability	\$ 20,000,000 \$ 20,000,000 \$ 1,000,000 \$ 3,000,000
Utica National	Automotive Coverage -Combined Single Limit -Hired/Non-Owned -Uninsured & Underinsured	\$ 1,000,000 \$ 1,000,000 \$ 1,000,000
Chubb Insurance Group	Inland Marine -Electronic Data Processing Equipment	\$ 4,000,000
Utica National	Crime Coverage -Blanket Employee coverage -Money & Securities On Premises Money & Securities Off Premises Forgery or Alteration	\$ 250,000 \$ 3,000 \$ 3,000
Utica National	Boiler & Machinery Coverage	268,264,211
Utica National	Board of Education -Educators Legal Liability Each Loss Aggregate	\$ 1,000,000 \$ 2,000,000
Utica National	Fidelity Bonds -Treasurer of School Monies -Business Administrator/Board Secretary	\$1,200 \$250
Brown & Brown	Workers' Compensation -Professional -\$ 53,858.824 -Non-Professional -\$5,517,245	

Source: District Records

Deductible

1,000

\$ 1,000

\$ 250

\$ 250

\$ 250

1,000

\$5,000.00

SINGLE AUDIT SECTION

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR., C.P.A., P.S.A.
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

K-1

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Howell Township Board of Education, County of Monmouth, State of New Jersey as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Howell Township Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated November 19, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

November 19, 2018

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR., C.P.A., P.S.A.
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE
FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

K-2

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Howell Township School District, County of Monmouth, State of New Jersey's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Howell Township School District, County of Monmouth, State of New Jersey's major state programs for the year ended June 30, 2018. The Board of Education of the Howell Township School District, County of Monmouth, State of New Jersey's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the Howell Township School District, County of Monmouth, State of New Jersey's, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

November 19, 2018

HOWELL TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Federal Fain Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2017	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	Balance at June 30, 2018		
					From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education:															
Passed-through Department of Education															
Special Revenue Fund															
Title I	84.010	S010A160030		461,334	07/01/2016	06/30/2017	\$ (127,845)		127,845						
Title I	84.010	S010A150030		434,531	07/01/2017	06/30/2018			263,240	(431,161)			(167,921)		
Title IIA	84.367A	S367A150029		118,083	07/01/2017	06/30/2018			44,924	(95,557)			(50,633)		
Title IIA	84.367A	S367A150029		148,505	07/01/2016	06/30/2017	(62,505)		62,505						
Title III	84.365	S365A150030		39,220	07/01/2016	06/30/2017	(11,101)		11,101						
Title III Immigrant	84.365	S365A150030		2,770	07/01/2016	06/30/2017	(2,763)		2,763						
Title III Immigrant	84.365	S365A150030		3,069	07/01/2017	06/30/2018				(3,069)			(3,069)		
Title III	84.365	S365A150030		27,348	07/01/2017	06/30/2018			16,749	(25,988)			(9,239)		
Special Education Cluster:															
IDEA Basic	84.027	H027A160100		1,673,482	07/01/2016	06/30/2017	(339,325)		339,325						
IDEA Basic	84.027	H027A150100		1,630,022	07/01/2017	06/30/2018			1,345,780	(1,517,360)			(171,580)		
IDEA Preschool	84.173	H173A150114		99,728	07/01/2017	06/30/2018			55,581	(97,533)			(41,952)		
Total Special Revenue Fund							(543,539)	-	2,269,813	(2,170,668)	-	-	(444,394)	-	
U.S. Department of Education:															
General Fund															
Medical Assistance Program	93.778	1705NIJSMAP		95,056	07/01/2017	06/30/2018			95,056	(95,056)					
Total General Fund							-	-	95,056	(95,056)	-	-	-	-	
U.S. Department of Agriculture -															
Passed Through State Department of Education:															
Child Nutrition Cluster:															
Food Distribution Program	10.550	171NJ304N1099		100,772	07/01/2017	06/30/2018			100,772	(100,772)					
National School Lunch Program	10.550	1616NJ304N1099		401,321	07/01/2017	06/30/2018			359,876	(401,321)			41,445		
National School Lunch Program	10.555	171NJ304N1099		410,064	07/01/2016	06/30/2017	(39,227)		39,227						
National School Breakfast Program	10.555	171NJ304N1099		60,476	07/01/2016	06/30/2017	(6,624)		6,624						
National School Breakfast Program	10.553	1616NJ304N1099		68,066	07/01/2017	06/30/2018			60,560	(68,066)			7,506		
HHFKA	10.555	1616NJ304N1099		17,907	07/01/2017	06/30/2018			16,069	(17,907)			1,838		
HHFKA	10.555	171NJ304N1099		19,168	07/01/2016	06/30/2017	(1,831)		1,831						
Total Enterprise Fund							(47,682)	-	584,959	(588,066)	-	-	30,789	-	
Total Federal Financial Awards							\$ (591,221)	-	2,949,828	(2,853,790)	-	-	(393,605)	-	

See accompanying notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

HOWELL TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/Program State Department of Education: General Fund	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2017		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	(Repayment) of Prior Years Balances	Balance at June 30, 2018			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Total Cumulative Expenditures
Equalization Aid	18-495-034-5120-078	\$ 27,465,312	07/01/2017	06/30/2018	\$			24,748,100	(27,465,312)				(2,717,212)	27,465,312	
Special Education Aid	18-495-034-5120-089	3,740,074	07/01/2017	06/30/2018				3,370,037	(3,740,074)				(370,037)	3,740,074	
Transportation Aid	18-495-034-5120-014	619,299	07/01/2017	06/30/2018				557,954	(619,299)				(61,345)	619,299	
Security Aid	18-495-034-5120-084	517,479	07/01/2017	06/30/2018				466,304	(517,479)				(51,175)	517,479	
Adjustment Aid	18-495-034-5120-085	635,416	07/01/2017	06/30/2018				572,431	(635,416)				(62,985)	635,416	
PARCC Readiness Aid	18-495-034-5120-098	61,270	07/01/2017	06/30/2018				55,365	(61,270)				(5,905)	61,270	
Per Pupil Growth Aid	18-495-034-5120-097	61,270	07/01/2017	06/30/2018				55,365	(61,270)				(5,905)	61,270	
Prof Learning Community Aid	18-495-034-5120-101	58,000	07/01/2017	06/30/2018				52,095	(58,000)				(5,905)	58,000	
Extraordinary Aid	17-495-034-5120-044	734,508	07/01/2016	06/30/2017		(734,508)		734,508							
Extraordinary Aid	18-495-034-5120-044	496,042	07/01/2017	06/30/2018					(496,042)		(496,042)			496,042	
Non-Public Transportation	17-495-034-5120-014	32,368	07/01/2016	06/30/2017		(32,368)		32,368							
Non-Public Transportation	18-495-034-5120-014	43,413	07/01/2017	06/30/2018					(43,413)		(43,413)			43,413	
On-Behalf TPAF Pension & Annuity	18-100-034-5095-002	11,500,137	07/01/2017	06/30/2018				11,500,137	(11,500,137)					11,500,137	
Reimbursed TPAF Social Security	18-100-034-5095-003		07/01/2017	06/30/2018				3,506,092	(3,506,092)					3,506,092	
Total General Fund						(766,876)		45,650,756	(48,703,804)		(539,185)		(3,280,469)	48,703,804	
Special Revenue Fund															
Textbook Aid	17-100-034-5120-064	9,741	07/01/2016	06/30/2017			24			(24)					
Textbook Aid	18-100-034-5120-064	9,094	07/01/2017	06/30/2018				9,094	(7,874)			1,220		7,874	
Auxiliary Services:															
Compensatory Education	18-100-034-5120-067	26,575	07/01/2017	06/30/2018				26,575	(22,146)			4,429		22,146	
English as a Second Language	18-100-034-5120-067	4,877	07/01/2017	06/30/2018				4,877	(4,877)					4,877	
Transportation	18-100-034-5120-067	12,460	07/01/2017	06/30/2018				12,460	(12,460)					12,460	
Handicapped Services:															
Supplementary Instruction	18-100-034-5120-066	15,066	07/01/2017	06/30/2018				15,066	(12,687)			2,379		12,687	
Examination and Classification - Initial	18-100-034-5120-066	11,458	07/01/2017	06/30/2018				11,458	(8,912)			2,546		8,912	
Examination and Classification - Annual	18-100-034-5120-066	5,108	07/01/2017	06/30/2018				5,108	(5,108)					5,108	
Corrective Speech	18-100-034-5120-066	16,070	07/01/2017	06/30/2018				16,070	(14,284)			1,786		14,284	
Security	17-100-034-5120-044	8,900	07/01/2016	06/30/2017			1,990			(1,990)					
Security	18-100-034-5120-044	12,450	07/01/2017	06/30/2018				12,450				12,450			
Technology Initiative	17-100-034-5120-373	4,628	07/01/2016	06/30/2017			124			(124)					
Technology Initiative	18-100-034-5120-373	6,142	07/01/2017	06/30/2018				6,142	(5,622)			520		5,622	
Nursing Services	17-100-034-5120-070	15,210	07/01/2016	06/30/2017			483			(483)					
Nursing Services	18-100-034-5120-070	16,102	07/01/2017	06/30/2018				16,102	(14,895)			1,207		14,895	
Total Special Revenue Fund							2,621	135,402	(108,865)	(2,621)		26,537		108,865	
Debt Service Aid Type II	18-495-034-5120-017	391,649	07/01/2017	06/30/2018				391,649	(391,649)					391,649	
Capital Projects:															
SDA Grant	2290-010-14-1004	230,000	06/09/2014	06/30/2015		(40,797)					(40,797)				
SDA Grant	2290-035-14-1012	308,200	06/09/2014	06/30/2015		(51,141)					(51,141)				
SDA Grant	2290-060-14-1015	502,780	06/09/2014	06/30/2015		(79,705)					(79,705)				
SDA Grant	2290-032-14-1010	78,000	06/09/2014	06/30/2015		(78,000)					(78,000)				
SDA Grant	2290-025-14-1011	69,000	06/09/2014	06/30/2015		(7,070)					(7,070)				
SDA Grant	2290-032-14-1022	165,600	06/09/2014	06/30/2015		(165,600)					(165,600)				
SDA Grant	2290-032-14-1003	98,900	07/15/2015	06/30/2016		(98,900)					(98,900)				
SDA Grant	2290-025-14-1007	828,000	07/15/2015	06/30/2016		(828,000)					(828,000)				
Total Capital Projects						(1,349,213)					(1,349,213)				
Enterprise Fund															
National School Lunch Program	17-100-010-3350-023	14,461	07/01/2016	06/30/2017		(1,382)		13,876	(15,463)		(1,587)			15,463	
National School Lunch Program	18-100-010-3350-023	15,463	07/01/2017	06/30/2018				13,876	(15,463)					15,463	
Total Enterprise Fund						(1,382)		13,876	(15,463)					15,463	
Total State Financial Assistance						\$ (2,117,471)	2,621	46,191,683	(49,219,781)	(2,621)	(1,889,985)	26,537	(3,280,469)	49,219,781	
Less on Behalf TPAF Pension System Contributions								11,500,137							
Total for State Financial Assistance-Major Program Determination								\$ (37,719,644)							

See accompanying Notes to Schedules of Federal Awards and State Financial Assistance.

BOARD OF EDUCATION

K-5

HOWELL TOWNSHIP SCHOOL DISTRICT**NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2018****NOTE 1: General**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Howell 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 awards and state financial assistance passed other government agencies is included on the schedule of federal awards and state financial assistance.

NOTE 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in the Note 1(C) to the Board's general-purpose financial statements.

NOTE 3: Relationship to General Purpose Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to 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 \$14,298 for the general fund and \$31,738 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as presented below:

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>					
Actual Amounts (Budgetary)					
“Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 48,703,804	108,865	391,649	15,463	49,219,781
Difference – Budget to “GAAP”					
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized					
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	14,298				14,298
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes Fund Balances	<u>\$ 48,718,102</u>	<u>108,865</u>	<u>391,649</u>	<u>15,463</u>	<u>49,234,079</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>					
Actual Amounts (Budgetary)					
“Revenues” from the Schedule of Expenditures of Federal Awards					
	\$ 95,056	2,170,668		588,066	2,853,790
Difference – Budget to “GAAP”					
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized					
	_____	31,738	_____	_____	31,738
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances					
	<u>\$ 95,056</u>	<u>2,202,406</u>	_____	<u>588,066</u>	<u>2,885,528</u>

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2018 TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2018. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

HOWELL TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Part 1 - Summary of Auditor's Results

Financial Statement Section

	<u>Unmodified</u>
(A) Type of auditor's report issued:	
(B) Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ Yes <u> x </u> No
2) Were reportable conditions(s) identified that were not considered to be material weaknesses?	_____ Yes <u> x </u> No
(C) Noncompliance material to general purpose financial statements noted?	_____ Yes <u> x </u> No

Federal Awards Section

(D) Dollar threshold used to determine Typed A programs:	<u>\$750,000</u>
(E) Auditee qualified as low-risk auditee?	<u> x </u> Yes _____ No
(F) Type of auditor's report on compliance for major programs:	<u>Unmodified</u>
(G) Internal control over compliance:	
1) Material weakness(es) identified?	_____ Yes <u> x </u> No
2) Were reportable condition(s) identified that were not considered to material weaknesses?	_____ Yes <u> x </u> No
(H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))?	_____ Yes <u> x </u> No

(I) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>I.D.E.A. Part B (Special Education Cluster)</u>
<u>84.173</u>	<u>IDEA-Preschool (Special Education Cluster)</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Part 1 - Summary of Auditor's Results (Continued)

State Awards Section

(J) Dollar threshold used to determine Type A programs: \$1,436,987

(K) Auditee qualified as low-risk auditee? x Yes No

(L) Type of auditor's report on compliance for major programs: Unmodified

(M) Internal control over compliance:

(1) Material Weakness(es) identified? Yes x No

(2) Were reportable condition(s) identified that were not considered to material weaknesses? Yes x No

(N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 15-08? Yes x No

(O) Identification of major programs:

GMIS Number(s)

Name of State Program

18-495-034-5120-089
18-495-034-5120-078
18-495-034-5095-002
18-495-034-5120-084
18-495-034-5120-014
18-495-034-5120-085
18-495-034-5120-098
18-495-034-5120-097
18-495-034-5120-101

Special Education Aid (Public Cluster)
Equalization Aid (Public Cluster)
Reimbursed Social Security
Security Aid (Public Cluster)
Transportation Aid
Adjustment Aid (Public Cluster)
PARCC Readiness Aid (Public Cluster)
Per Pupil Growth Aid (Public Cluster)
Professional Learning Growth Aid (Public Cluster)

HOWELL TOWNSHIP SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2018*Part 2 - Schedule of Financial Statement Findings*

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

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

HOWELL TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Part 3 - Schedule of Federal and State Award Findings and Questioned Costs

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

FEDERAL AWARDS

Finding: N/A

Federal program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

STATE AWARDS

Finding: None

State program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

HOWELL TOWNSHIP SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

K-7

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Prior Audit Findings:

None