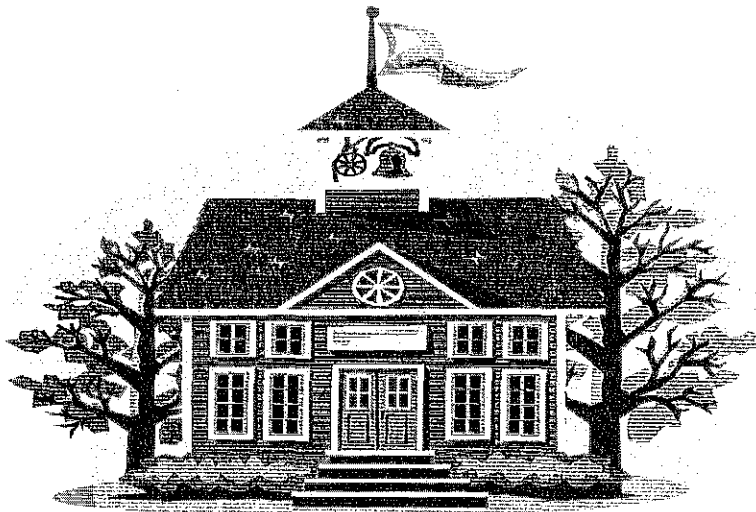


**SCHOOL DISTRICT**  
**OF**  
**HOWELL TOWNSHIP**



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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**OF THE**

**HOWELL TOWNSHIP BOARD OF EDUCATION**

**HOWELL TOWNSHIP, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**PREPARED BY**

**HOWELL TOWNSHIP BOARD OF EDUCATION  
FINANCE DEPARTMENT**

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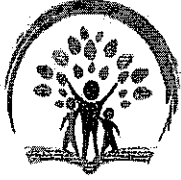
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## **INTRODUCTORY SECTION**



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# Howell Township Public Schools

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February 11, 2022

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, 2021. 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 4<sup>th</sup> and 5<sup>th</sup> 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 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup>, 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 2011-2020.

<u>School Year</u>	<u>Enrollment As of October 15</u>
2011-12	6541
2012-13	6335
2013-14	6277
2014-15	6153
2015-16	6004
2016-17	5949
2017-18	5923
2020-19	5611
2019-20	5611
2020-21	5600

## **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 implemented ESIP in the 2017-2018 school year and the project was completed in the 2020-2021 school year. 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 2020-2021 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 \$44,000.
- ❖ 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 Has completed implementation of its ESIP initiative which reduces waste and makes the district's schools more energy efficient and sustainable.

### **Personnel**

The district employed approximately 1000 persons during the 2020-2021 school year. The certificated staff numbered 706 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.

### **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.

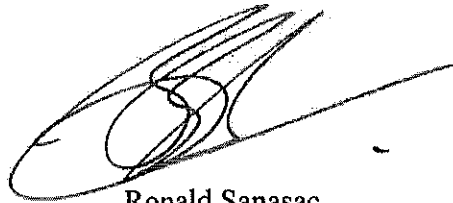
## **9. ACKNOWLEDGMENTS**

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, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mark Bonjavanni, President	2021
Albert Miller, Vice President	2023
Laurence Gurman	2023
Scott Jeffrey	2022
Denise Lowe	2021
MaryRose Malley	2022
Cristy Mangano	2023
Jennifer Okerson	2022
Ira Thor	2021

**Other Officials**

Mr. Joseph Isola, Superintendent

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

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

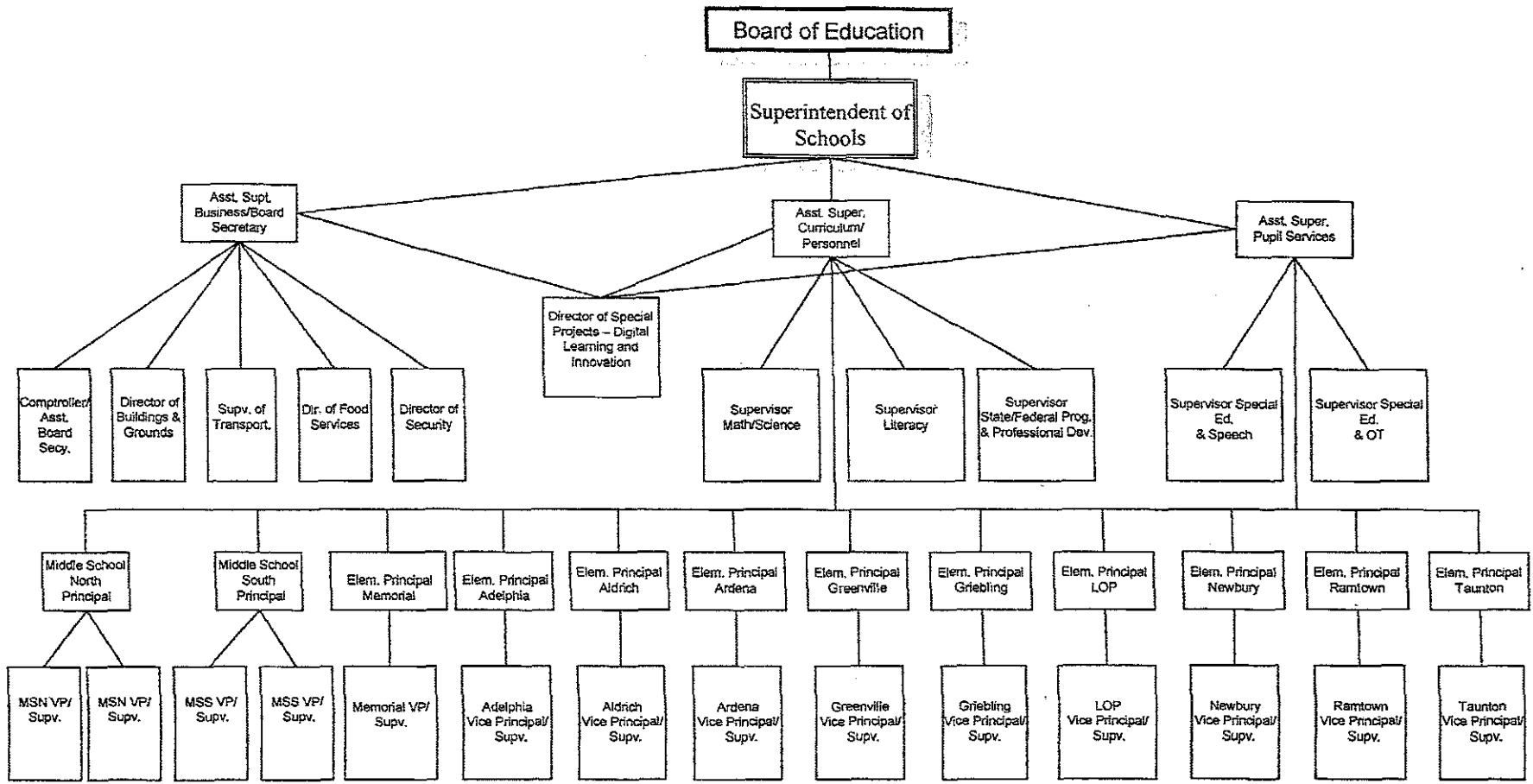
**Attorney**

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 2020 - 2021



## **FINANCIAL SECTION**

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

## INDEPENDENT AUDITOR'S REPORT

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, 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, 2021, 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, 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, 2021, 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*

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Howell Township School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of federal awards and the schedule of state financial assistance as required by NJ OMB 15-08 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 standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

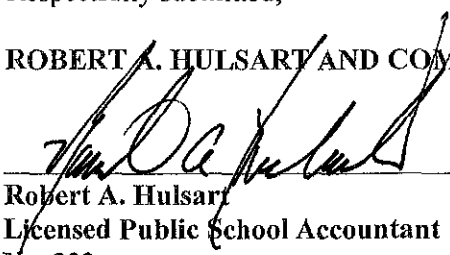
The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2022 on our consideration of the Howell Township Board of Education's 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

February 11, 2022



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

**HOWELL TOWNSHIP PUBLIC SCHOOL DISTRICT  
HOWELL TOWNSHIP**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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, 2021. 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 (ACFR) 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 2021 are as follows:

- ◆ General revenues accounted for \$135,917,318 in revenue or 97.3% 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 \$3,729,431 or 2.7% percent to total revenues of \$139,646,749.
- ◆ The School District had \$134,580,785 in expenses; only \$ 3,729,431 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$135,917,318 were adequate to provide for these programs.
- ◆ The General Fund had \$131,916,129 in revenues and \$123,399,597 in expenditures.

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

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 Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during the 2020/2021 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 2020 and 2021.

	2021	2020
<b>Assets</b>		
Current and other assets	\$ 50,942,491	\$ 42,902,501
Capital assets, net	<u>84,220,561</u>	<u>83,626,380</u>
Total assets	<u>\$135,163,052</u>	<u>\$126,528,881</u>
Deferred Outflow of Resources	<u>\$ 2,604,837</u>	<u>\$ 4,752,616</u>
Deferred Inflows of Resources	<u>\$ 15,783,876</u>	<u>\$ 7,226,296</u>
<b>Liabilities</b>		
Long-term liabilities	\$ 56,459,508	\$ 60,089,162
Other liabilities	<u>1,838,634</u>	<u>6,668,611</u>
Total liabilities	<u>\$ 58,298,142</u>	<u>\$ 66,757,773</u>
<b>Net Position</b>		
Invested in capital assets, net of debt	\$ 63,006,561	\$ 58,468,380
Restricted	47,335,687	27,169,851
Unrestricted	<u>(46,656,377)</u>	<u>(28,340,803)</u>
Total Net Position	<u>\$ 63,685,871</u>	<u>\$ 57,297,428</u>

## Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 59% percent of revenues for governmental activities for the Howell Township Public School District for fiscal year 2021. 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 revenues exceeded expenditures by \$313,445.
- ◆ Charges for services represent \$37,820 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 \$2,630,518.

## **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, 2021, it reported a combined net position balance of \$62,715,306. 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 ACFR 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 2020-2021 fiscal year and will be used to fund the 2021-2022 fiscal budget.

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

### Capital Assets

At the June 30, 2021, the School District had approximately \$84,220,561 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 2020 and 2021 fiscal years.

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

	2021	2020
Land	\$ 5,348,018	\$ 5,348,018
Building and improvements	67,962,351	67,783,013
Machinery and equipment	10,910,192	10,495,349
Totals	<u>\$ 84,220,561</u>	<u>\$ 83,626,380</u>

### Debt Administration

At June 30, 2021, the School district had \$56,459,508 as outstanding debt. Of this amount, \$5,428,063 is for compensated absences, \$2,294,000 for capital leases, \$29,817,445 of pension obligations and the balance \$18,920,000 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 (\$47,215,425) 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 (\$47,215,425).

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****JUNE 30, 2021****Exhibit A-1  
Sheet 1 of 2**

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 12,334,512	898,041	13,232,553
Receivables, Net	3,659,681	240,192	3,899,873
Inventory		3,581	3,581
Restricted Assets:			
Cash and Cash Equivalents	33,806,484		33,806,484
Capital Assets-Non-Depreciable	5,348,018		5,348,018
Capital Assets, Net	78,789,542	83,001	78,872,543
Total Assets	<u>133,938,237</u>	<u>1,224,815</u>	<u>135,163,052</u>
<b><u>Deferred Outflow of Resources</u></b>			
Contribution to Pension Plan	<u>2,604,837</u>		<u>2,604,837</u>
<b><u>Deferred Inflow of Resources</u></b>			
Pension Deferrals	<u>15,783,876</u>		<u>15,783,876</u>
<b><u>Liabilities</u></b>			
Accounts Payable	675,867	582,766	1,258,633
Accrued Interest	367,648		367,648
Deferred Revenue	212,353		212,353
Noncurrent Liabilities:			
Due Within One Year	2,962,000		2,962,000
Due Beyond One Year	53,497,508		53,497,508
Total Liabilities	<u>57,715,376</u>	<u>582,766</u>	<u>58,298,142</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT****STATEMENT OF NET POSITION****JUNE 30, 2021****Exhibit A-1  
Sheet 2 of 2**

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b><u>Net Positions</u></b>			
Invested in Capital Assets, Net of Related Debt	62,923,560	83,001	63,006,561
Restricted For:			
Debt Service	174,535		174,535
Capital Projects	3,236,263		3,236,263
Other Purposes	43,924,889		43,924,889
Unrestricted	<u>(47,215,425)</u>	<u>559,048</u>	<u>(46,656,377)</u>
Total Net Position	<u>\$ 63,043,822</u>	<u>642,049</u>	<u>63,685,871</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, 2021**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>Functions/Programs</u></b>						
Governmental Activities:						
Instruction:						
Regular	\$ 26,229,754			(26,229,754)		(26,229,754)
Special Education	15,728,468			(15,728,468)		(15,728,468)
Other Special Instruction	2,508,140		2,339,628	(168,512)		(168,512)
Other Instruction	412,505			(412,505)		(412,505)
Support Services:						
Tuition	720,074	720,074		-		-
Student & Instruction Related Services	12,185,209		669,729	(11,515,480)		(11,515,480)
School Administrative Services	4,764,390			(4,764,390)		(4,764,390)
General and Business Administrative Services	3,296,808			(3,296,808)		(3,296,808)
Plant Operations and Maintenance	9,725,182			(9,725,182)		(9,725,182)
Pupil Transportation	7,975,284			(7,975,284)		(7,975,284)
Unallocated Benefits	47,501,582			(47,501,582)		(47,501,582)
Special Schools	179,463			(179,463)		(179,463)
Interest on Long-Term Debt	187,420			(187,420)		(187,420)
Unallocated Depreciation	3,166,506			(3,166,506)		(3,166,506)
Total Government Activities	<u>134,580,785</u>	<u>720,074</u>	<u>3,009,357</u>	<u>(130,851,354)</u>	<u>-</u>	<u>(130,851,354)</u>
Business-Type Activities:						
Food Service	<u>2,354,893</u>	<u>37,820</u>	<u>2,630,518</u>		<u>313,445</u>	<u>313,445</u>
Total Primary Government	<u>136,935,678</u>	<u>757,894</u>	<u>5,639,875</u>	<u>(130,851,354)</u>	<u>313,445</u>	<u>(130,537,909)</u>

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, 2021

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</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			\$ 77,991,335		77,991,335
Taxes Levied for Debt Service			4,496,923		4,496,923
Federal and State Aid Not Restricted			51,282,662		51,282,662
Miscellaneous Income			2,146,398	38,469	2,184,867
Total General Revenues, Special Items, Extraordinary Items and Transfers			135,917,318	38,469	135,955,787
Change in Net Position			5,065,964	351,914	5,417,878
Net Position - Beginning			57,007,293	290,135	57,297,428
Prior Period Adjustment			970,565		
Net Position - Ending			\$ 63,043,822	642,049	62,715,306

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

**FUND FINANCIAL STATEMENTS – B**

## HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Cash - Unrestricted	\$ 12,334,512				12,334,512
Cash - Restricted	30,757,298	921,743	1,952,908	174,535	33,806,484
Receivables from Other Governments	938,033	570,860	1,349,213		2,858,106
Accounts Receivable	438,147	11,561			449,708
Interfund Receivable	351,867				351,867
<b>Total Assets</b>	<u>\$ 44,819,857</u>	<u>1,504,164</u>	<u>3,302,121</u>	<u>174,535</u>	<u>49,800,677</u>
<b>Liabilities and Fund Balance</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ -	18,201	65,858		84,059
Interfund Payable		351,867			351,867
Payroll Withholdings and Deductions	239,941				239,941
Deferred Revenue		212,353			212,353
<b>Total Liabilities</b>	<u>239,941</u>	<u>582,421</u>	<u>65,858</u>	<u>-</u>	<u>888,220</u>
<b>Fund Balance:</b>					
<b>Restricted for:</b>					
Unemployment	197,548				197,548
Designated for Subsequent Years Expenditures - Excess Surplus	3,000,000				3,000,000
Excess Surplus - Current Year	3,000,000				3,000,000
Maintenance Reserve	8,762,381				8,762,381
Designated for Subsequent Years Expenditures - Maintenance Reserve	2,683,921				2,683,921
Capital Reserve Account	12,145,507				12,145,507
Designated for Subsequent Years Expenditures - Capital Reserve	728,000				728,000
Student Activities		921,743			921,743
<b>Assigned To:</b>					
Other Purposes	12,485,789				12,485,789
<b>Unassigned:</b>					
General Fund	1,576,770				1,576,770
Capital Projects			3,236,263		3,236,263
Debt Service Fund				174,535	174,535
<b>Total Fund Balances</b>	<u>44,579,916</u>	<u>921,743</u>	<u>3,236,263</u>	<u>174,535</u>	<u>48,912,457</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 44,819,857</u>	<u>1,504,164</u>	<u>3,302,121</u>	<u>174,535</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$177,775,644 and the accumulated depreciation is \$93,638,084.

84,137,560

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.

(56,459,508)

Deferred outflow of resources - contributions to the pension plan

2,604,837

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

(15,783,876)

Accrued Interest

(367,648)

Net position of governmental activities

\$ 63,043,822

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

**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, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Local Sources:					
Local Tax Levy	\$ 77,991,335			4,496,923	82,488,258
Tuition Charges	941,019				941,019
Miscellaneous - Building Use	70,064				70,064
Miscellaneous - Restricted	49,206	270,133	-		319,339
Miscellaneous - Unrestricted	1,536,050		-		1,536,050
Total Local Sources	80,587,674	270,133	-	4,496,923	85,354,730
State Sources	51,211,232	124,253		24,545	51,360,030
Federal Sources	117,223	2,814,766			2,931,989
Total Revenues	131,916,129	3,209,152	-	4,521,468	139,646,749
<b>Expenditures</b>					
Current:					
Regular Instruction	26,836,658				26,836,658
Special Education Instruction	13,388,840	2,339,628			15,728,468
Other Special Instruction	2,508,140				2,508,140
Other Instruction	412,505				412,505
Support Services and Undistributed Costs:					
Tuition	720,074				720,074
Student and Instruction Related Services	11,515,480	669,729			12,185,209
School Administrative Services	4,764,390				4,764,390
Other Administrative Services	3,296,808				3,296,808
Plant Operations and Maintenance	9,725,182				9,725,182
Pupil Transportation	7,975,284				7,975,284
Unallocated Benefits	41,797,877				41,797,877
Special Schools	179,463				179,463
Debt Service:					
Principal				4,220,482	4,220,482
Interest and Other Charges				276,923	276,923
Capital Outlay	278,896		2,598,104		2,877,000
Total Expenditures	123,399,597	3,009,357	2,598,104	4,497,405	133,504,463

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



**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, 2021**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>	<b><u>Capital Projects Fund</u></b>	<b><u>Debt Service Fund</u></b>	<b><u>Total Governmental Funds</u></b>
Excess (Deficiency) of Revenues Over Expenditures	<u>8,516,532</u>	<u>199,795</u>	<u>(2,598,104)</u>	<u>24,063</u>	<u>6,142,286</u>
Net Change in Fund Balances	<u>8,516,532</u>	<u>199,795</u>	<u>(2,598,104)</u>	<u>24,063</u>	<u>6,142,286</u>
Fund Balance - July 1	35,814,767		5,834,367	150,472	41,799,606
Prior Period Adjustment	<u>248,617</u>	<u>721,948</u>			<u>970,565</u>
Fund Balance, July 1, Restated	<u>36,063,384</u>	<u>721,948</u>	<u>5,834,367</u>	<u>150,472</u>	<u>42,770,171</u>
Fund Balance - June 30	<u>\$ 44,579,916</u>	<u>921,743</u>	<u>3,236,263</u>	<u>174,535</u>	<u>48,912,457</u>

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

HOWELL TOWNSHIP SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2021

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$ 6,142,286
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	(3,166,506)	
Capital Outlays	<u>2,954,385</u>	
		(212,121)
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.		4,750,000
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.		170,659
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position		(2,147,779)
Pension Related Deferrals		(8,557,580)
Net Pension Liability		4,830,995
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>89,504</u>
Change in Net Position of Governmental Activities (A-2)		<u>\$ 5,065,964</u>

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

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

Exhibit B-4

**PROPRIETARY FUNDS****JUNE 30, 2021**

	<b><u>Enterprise Fund</u></b>
<b><u>Assets</u></b>	
Current Assets:	
Cash and Cash Equivalents	\$ 898,041
Accounts Receivable:	
State	6,988
Federal	171,321
Other	61,883
Inventory	3,581
Total Current Assets	<u>1,141,814</u>
Noncurrent Assets:	
Equipment	1,211,695
Accumulated Depreciation	<u>(1,128,694)</u>
Total Fixed Assets	<u>83,001</u>
Total Assets	<u>\$ 1,224,815</u>
<b><u>Liabilities</u></b>	
Accounts Payable	<u>\$ 582,766</u>
<b><u>Net Position</u></b>	
Investment in Capital Assets	\$ 83,001
Unrestricted	<u>559,048</u>
Total Net Position	<u>\$ 642,049</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, 2021

	<u>Enterprise Fund</u>
Operating Revenues:	
Daily Sales-Reimbursable Programs	\$ 7,851
Miscellaneous	29,969
Total Operating Revenues	<u>37,820</u>
Operating Expenses:	
Salaries & Benefits	835,541
Cost of Sales-Reimbursable Programs	978,205
Cost of Sales-Non-Rembursable Programs	19,963
Management Fee	166,532
Other Purchased Services	221,205
Utilities	67,411
Depreciation	38,168
Miscellaneous	27,868
Operating Expenses	<u>2,354,893</u>
Operating Gain/(Loss)	(2,317,073)
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	64,122
State School Lunch Program - Extra Subsidy	4,306
Federal Sources:	
National School Lunch Program	1,436,131
Breakfast Program	854,166
Federal HHFKA Program	28,641
After School Snack	94,296
Food Distribution Program	148,856
Total Non-Operating Revenues	<u>2,630,518</u>
Change in Net Position	313,445
Adjustment for Fixed Assets	38,469
Net Position - July 1	<u>290,135</u>
Net Position - June 30	<u>\$ 642,049</u>

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

**HOWELL TOWNSHIP SCHOOL DISTRICT****STATEMENT OF CASH FLOWS****Exhibit B-6****PROPRIETARY FUNDS****JUNE 30, 2021**

	<b>Enterprise Fund</b>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 37,820
Payments to Employees & Benefits	(835,541)
Payments to Supplies	(1,301,995)
Net Provided (Used) by Operating Activities	<u>(2,099,716)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	68,428
Federal Sources	2,413,234
Net Cash Provided by Noncapital Financing Activities	<u>2,481,662</u>
Net Increase (Decrease) in Cash and Cash Equivalents	381,946
Balance - July 1	<u>516,095</u>
Balance - June 30	<u>\$ 898,041</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (2,317,073)
Federal Commodities	148,856
Depreciation	38,168
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
Decrease/(Increase) in Inventory	29,263
(Decrease)/Increase in Accounts Payable	197,982
Decrease/(Increase) in Accounts Receivable	(196,912)
Net Provided (Used) by Operating Activities	<u>\$ (2,099,716)</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, 2021**

**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, 2021 of 5,600 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, 2021 are shown on Exhibit C-1.

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, 2021.

**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 maintains reports with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2020-2021 fiscal year and prior with a historical cost of \$2,000 or more. The records have been updated to June 30, 2021. 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, 2021 was as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Adj.</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</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	10,857,631	259,831			11,117,462
Buildings	126,972,822	171,386			127,144,208
Machinery & Equip.	<u>32,912,978</u>	<u>1,252,978</u>			<u>34,165,956</u>
Total	<u>170,743,431</u>	<u>1,684,195</u>			<u>172,427,626</u>
Less: Accumulated Depreciation:					
Sites	(6,967,342)	(241,249)		74,515	(7,134,076)
Buildings	(63,080,098)	(2,136,023)		2,050,878	(63,165,243)
Machinery & Equip.	<u>(22,500,329)</u>	<u>(789,234)</u>	<u>(49,202)</u>		<u>(23,338,765)</u>
Total Accumulated Depreciation	<u>(92,547,769)</u>	<u>(3,166,506)</u>	<u>(49,202)</u>	<u>2,125,393</u>	<u>(93,638,084)</u>
Net Depreciable Assets	<u>78,195,662</u>	<u>(1,482,311)</u>	<u>(49,202)</u>	<u>2,125,393</u>	<u>78,789,542</u>
Governmental Activities Capital Assets (Net)	<u>\$ 83,543,680</u>	<u>(1,482,311)</u>	<u>(49,202)</u>	<u>2,125,393</u>	<u>84,137,560</u>

Depreciations expense was charged to governmental functions as follows:

Unallocated \$ 3,166,506

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2021</u>
Business-Type Activities:				
Equipment	\$ 1,207,305	4,390		1,211,695
Less: Accumulated Depreciation:				
Equipment	<u>(1,124,605)</u>	<u>(38,168)</u>	<u>34,079</u>	<u>(1,128,694)</u>
Business-Type Capital Assets (Net)	<u>\$ 82,700</u>	<u>(33,778)</u>	<u>34,079</u>	<u>83,001</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 2020. 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, 2021, cash and cash equivalents and investments of the District consisted of the following:

	<b>Cash and Cash Equivalents</b>
Checking and Money Market Accounts	<u>\$ 47,039,037</u>

The carrying amount of the District's cash and cash equivalents at June 30, 2021 was \$47,039,037 and the bank balance was \$48,925,387. Of the bank balance, \$250,000 was covered by federal depository insurance and \$48,675,387 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, 2021</u>	<u>June 30, 2020</u>
Insured:		
FDIC	\$ 250,000	253,007
GUDPA	<u>48,675,387</u>	<u>42,330,424</u>
	<u>\$ 48,925,387</u>	<u>42,583,431</u>

**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, 2021 the District did not hold any long-term investments.



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

During the fiscal year ended June 30, 2021, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Long-Term</u> <u>Portion</u>	<u>2021-22</u> <u>Payment</u>
Pension Liability	\$ 34,648,440		(4,830,995)	29,817,445	29,817,445	
Compensated Absences Payable	5,598,722		(170,659)	5,428,063	5,428,063	
Capital Leases Payable	1,488,000	1,372,000	(566,000)	2,294,000	2,092,000	202,000
Bonds Payable	<u>23,670,000</u>	<u>          </u>	<u>(4,750,000)</u>	<u>18,920,000</u>	<u>16,160,000</u>	<u>2,760,000</u>
	<u>\$ 65,405,162</u>	<u>1,372,000</u>	<u>(10,317,654)</u>	<u>56,459,508</u>	<u>53,497,508</u>	<u>2,962,000</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, 2021</u>
Construction of 3 Schools	07-19-02	3.20% to 5.25%	\$ 2,305,000
ERIP (Refunded)	02-19-03	2.00% to 5.875%	370,000
2012A Refunding Bonds	05-22-12	2.00% to 5.00%	2,005,000
ESIP 2018 Revenue Bonds			<u>14,240,000</u>
			<u>\$ 18,920,000</u>

**Maturity Schedule**

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,760,000	809,719	3,569,719
2023	2,475,000	690,441	3,165,441
2024	520,000	615,642	1,135,642
2025	420,000	592,226	1,012,226
2026	460,000	570,314	1,030,314
2027-2031	2,880,000	2,452,058	5,332,058
2032-2036	4,875,000	1,594,225	6,469,225
2037-2039	<u>4,530,000</u>	<u>286,850</u>	<u>4,816,850</u>
	<u>\$ 18,920,000</u>	<u>7,611,475</u>	<u>26,531,475</u>

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

2015 equipment lease @ 2.00% to 5.00% interest for 5 years maturing 10/1/20 with a balance of \$-0- at June 30, 2021.

2019 equipment lease @ 5.00% interest for 7 years maturing 10/1/2026 with a balance of \$922,000 at June 30, 2021.

2021 equipment lease @ 4.00% to 5.00% interest for 5 years maturing 10/1/2026 with a balance of \$1,372,000 at June 30, 2021.

**Future Minimum Lease Payments**

2021-2022	\$ 243,050
2022-2023	583,052
2023-2024	550,480
2024-2025	549,680
2025-2026	359,830
2026-2027	<u>308,040</u>
	2,594,132
Less: Interest	<u>(300,132)</u>
Lease Payments	<u>\$ 2,294,000</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.

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

**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.

**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.

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

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.

During the year ended June 30, 2021, the State of New Jersey contributed \$17,768,602 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 \$3,973,170 during the year ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

**Three-Year Trend Information for PERS**

<b>Year</b>	<b>Annual</b>	<b>Percentage</b>	<b>Net</b>
<b><u>Funding</u></b>	<b><u>Pension</u></b>	<b><u>of APC</u></b>	<b><u>Pension</u></b>
	<b><u>Cost (APC)</u></b>	<b><u>Contributed</u></b>	<b><u>Obligation</u></b>
6/30/21	\$ 2,137,518	100%	0
6/30/20	1,664,274	100%	0
6/30/19	1,641,395	100%	0

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

<b>Year</b>	<b>Annual</b>	<b>Percentage</b>	<b>Net</b>
<b><u>Funding</u></b>	<b><u>Pension</u></b>	<b><u>of APC</u></b>	<b><u>Pension</u></b>
	<b><u>Cost (APC)</u></b>	<b><u>Contributed</u></b>	<b><u>Obligation</u></b>
6/30/21	\$ 17,768,602	100%	0
6/30/20	14,109,114	100%	0
6/30/19	13,367,586	100%	0

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

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

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

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 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, 2019 through June 30, 2020. 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.

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

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, 2020 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2020.

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by Local employers under Chapter 366, P.L. 2001. This legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for Prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a County that resulted from the enrollment of Prosecutors in the Prosecutors Part. The June 30, 2020 State special funding situation net pension liability amount of \$128.2 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$11 million, for the fiscal year ending June 30, 2020, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2020. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

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

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

For the year ended June 30, 2021, the District recognized pension expense of \$75,414. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 542,927	105,447
Changes of Assumptions	967,312	12,484,847
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,019,184	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions		3,193,582
District Contributions Subsequent to the Measurement Date	<u>75,414</u>	<u>                    </u>
Total	<u>\$ 2,604,837</u>	<u>15,783,876</u>

\$75,414 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2021, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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

2021	\$ (3,712,359)
2022	(3,384,542)
2023	(1,934,179)
2024	(782,150)
2025	<u>(169,162)</u>
	<u>\$ (9,982,392)</u>

**Additional Information**

Collective balances at December 31, 2020 and 2019 are as follows:

	<b><u>Dec. 31, 2020</u></b>	<b><u>Dec. 31, 2019</u></b>
Collective Deferred Outflows of Resources	\$ 2,604,837	4,752,616
Collective Deferred Inflows of Resources	15,783,876	7,226,296
Collective Net Pension Liability	29,817,445	34,648,440
District's Proportion	.18142%	.19097%

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

The components of the collective net pension liability of the participating employers as of June 30, 2020 were as follows:

	<u>2020</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,272,160,382	39,432,792,871	67,704,953,253
Plan Fiduciary Net Position	<u>6,048,192,857</u>	<u>22,997,176,445</u>	<u>29,045,369,302</u>
Net Pension Liability	<u>\$ 22,223,967,525</u>	<u>16,435,616,426</u>	<u>38,659,583,951</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	21.39%	58.32%	42.90%

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Medial Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Medial Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.



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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<b>2020</b>		
	<b>At 1% Decrease (6.00%)</b>	<b>At Current Discount Rate (7.00%)</b>	<b>At 1% Increase (8.00%)</b>
School District's Proportionate Share Of the Net Pension Liability	<u>\$ 37,535,189</u>	<u>29,817,445</u>	<u>23,268,728</u>

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

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

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 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.

**NOTE 4: Pension Plans (Continued)****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, 2020. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation had modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, 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.

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

The components of the net pension liability of the State as of June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Total Pension Liability	\$ 87,522,678,686	84,215,846,719
Plan Fiduciary Net Position	<u>21,529,179,998</u>	<u>22,696,734,276</u>
Net Pension Liability	<u>\$ 65,993,498,688</u>	<u>61,519,112,443</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%

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

	<u>2020</u>	<u>2019</u>
District's Liability	<u>\$ 303,421,605</u>	<u>280,978,320</u>
District's Proportion	.45977%	.45673%

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

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

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 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 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, 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, 2020 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>2020</u>		
	<u>At 1%</u>	<u>At Current</u>	<u>At 1%</u>
	<u>Decrease (4.40%)</u>	<u>Rate (5.40%)</u>	<u>Increase (6.40%)</u>
School District's Proportionate Share Of the Net Pension Liability	\$ 0	0	0
State of New Jersey's Proportionate Share Of the District's Net Pension Liability	<u>356,404,210</u>	<u>303,421,605</u>	<u>259,428,444</u>
	<u>\$ 356,404,210</u>	<u>303,421,605</u>	<u>259,428,444</u>

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

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

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

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

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

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 20, 2019, with was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total Nonemployer OPEB Liability     \$67,809,962,608

Inflation rate     2.50%

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

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 – 4.45% based on service years	2.00% - 6.00% based on service years	3.25% - 15.25% based on service years
Thereafter	1.55 – 4.45% based on service years	3.00% - 7.00% based on service years	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

***(a) Health Care Trend Assumptions***

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

***(b) Discount Rate***

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.



**NOTE 5: Post-Retirement Benefits**

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

	<b>Total OPEB Liability</b>
Balances at June 30, 2019	\$ 220,071,167
Changes for the Year:	
Service Cost	7,973,598
Interest	7,878,936
Difference Between Expected and Actual Experience	56,395,164
Changes in Assumptions or Other Inputs	64,008,147
Benefit Payments	(6,100,376)
Member Contributions	<u>184,902</u>
Balance at June 30, 2020	<u>\$ 350,411,538</u>

There were no changes in benefit terms between the June 30, 2019 measurement date and the June 30, 2020 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% percent in 2019 to 2.21% percent in 2020.

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

	<b>1% Decrease (1.21%)</b>	<b>Discount Rate (2.21%)</b>	<b>1% Increase (3.21%)</b>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 422,439,196</u>	<u>350,411,538</u>	<u>294,092,847</u>

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 282,864,010</u>	<u>350,411,538</u>	<u>430,845,631</u>

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

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended June 30, 2020, the Board of Education recognized OPEB expense of \$15,530,731 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Howell Township Board of Education proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference Between Expected and Actual Experience	\$ 53,201,600	47,390,092
Changes in Proportion	5,305,554	9,681,115
Changes of Assumptions or Other Inputs	<u>59,603,848</u>	<u>39,983,941</u>
Total	<u>\$ 118,111,002</u>	<u>97,055,148</u>

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

Year Ended June 30:	
2022	\$ 2,477,159
2023	2,477,159
2024	2,477,159
2025	2,477,159
2026	2,477,159
Thereafter	<u>8,670,059</u>
	<u>\$ 21,055,854</u>

**NOTE 6: Compensated Absences**

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

**NOTE 6: Compensated Absences (Continued)**

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.

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance July 1, 2020	\$ 7,799,281
Increase Per Board of Education	8,074,226
Decreased Per Budget Appropriation 2020-2021	<u>(3,000,000)</u>
Ending Balance June 30, 2021	<u>\$ 12,873,507</u>

\$728,000 has been designated for use in the 2021-22 budget.

**NOTE 8: Inventory**

Inventory in the Food Service Fund at June 30, 2021 consisted of the following:

Food	\$ 2,213
Supplies	<u>1,369</u>
	<u>\$ 3,582</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 \$47,370,601 General Fund fund balance at June 30, 2021, \$12,485,789 is reserved for encumbrances; \$12,145,507 is capital reserve; \$728,000 is capital reserve designated for subsequent years expenditures; \$3,000,000 is excess surplus designated for subsequent year's expenditures; \$2,683,921 is Maintenance Reserve designated for subsequent year's expenditures; \$8,762,381 is maintenance reserve; \$4,367,455 is unreserved and undesignated; unemployment is \$197,548; and \$3,000,000 is excess surplus – current year.

**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, 2021.

**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, 2021 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>
2020-2021	\$	49,206	100,275	197,548
2019-2020		118,715	68,808	248,617
2018-2019		103,486	86,880	198,710

**NOTE 15: 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 16: Equity Balance**

At June 30, 2021 the General Fund equity balance was as follows:

Capital Reserve – Designated for Subsequent Years Expenditures	\$ 728,000
Committed Fund Balance:	
Maintenance Reserve	8,762,381
Maintenance Reserve – Designated for Subsequent Year's Expenditures	2,683,921
Capital Reserve	12,145,507
Excess Surplus – Current Year	3,000,000
Excess Surplus – Designated for Subsequent Years Expenditures	3,000,000
Unemployment	197,548
Assigned Fund Balances – Year-End Encumbrances	12,485,789
Unassigned Fund Balance	<u>4,367,455</u>
	<u>\$ 47,370,601</u>

**NOTE 16: Equity Balance Continued****4% Calculation of Excess Surplus**

2020-21 Total General Fund Expenditures Per the ACFR	\$ 123,399,597
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Decreased by:

On-Behalf TPAF Pension & Social Security	<u>(21,741,772)</u>
--	---------------------

Adjusted 2020-21 General Fund Expenditures	<u>\$ 101,657,825</u>
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4% of Adjusted 2020-21 General Fund Expenditures	<u>\$ 4,066,313</u>
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Enter Greater of Above or \$250,000	\$ 4,066,313
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Increased by Allowable Adjustment	<u>301,142</u>
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Maximum Unassigned Fund Balance	<u>\$ 4,367,455</u>
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**Section 2**

Total General Fund – Fund Balance @ 6-30-21	\$ 47,370,601
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Decreased by:

Reserved by Encumbrances	(12,485,789)
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Excess Surplus – Current Year	(3,000,000)
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Designated for Subsequent Year's Expenditures – Excess Surplus	(3,000,000)
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Designated for Subsequent Year's Expenditures – Capital Reserve	(728,000)
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Designated for Subsequent Year's Expenditures – Maintenance Reserve	(2,683,921)
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Reserve for Unemployment	(197,548)
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Other Reserves	<u>(20,907,888)</u>
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Total Unassigned Fund Balance	<u>\$ 4,367,455</u>
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Reserved Fund Balance – Excess Surplus	<u>\$ 0</u>
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**Section 3**

Reserved Fund Balance – Excess Surplus Designated for Subsequent Expenditures	\$ 3,000,000
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Reserved Excess Surplus	<u>0</u>
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	<u>\$ 3,000,000</u>
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**Detail of Allowable Adjustments**

Non Public Transportation	\$ 66,120
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Extraordinary Aid	<u>235,022</u>
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	<u>\$ 301,142</u>
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**Detail of Other Reserved Fund Balances**

Maintenance Reserve	\$ 8,762,381
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Capital Reserve	<u>12,145,507</u>
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	<u>\$ 20,907,888</u>
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**NOTE 17: 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, 2021 as follows:

	<u>From</u>	<u>To</u>
General Fund	\$	351,867
Special Revenue Fund	<u>351,867</u>	<u>          </u>
	<u>\$ 351,867</u>	<u>351,867</u>

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.

**NOTE 18: COVID-19**

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

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

**NOTE 19: Prior Period Adjustment/Restatement of Fund Balance and Net Position**

Net position as of July 1, 2020, has been restated as follows for the implementation of GASB Statement No. 84, *Fiduciary Funds*.

Net Position as Previously Reported At June 30, 2020	\$ 57,007,293
Prior Period Adjustment – Implementation of GASB 84:	
Restricted Fund Balance – Unemployment	248,617
Restricted Fund Balance – Student Activities	<u>721,948</u>
Total Prior Period Adjustment	<u>970,565</u>
Net Position as Restated, July 1, 2020	<u>\$ 57,977,858</u>

Fund Balance in the General Fund and the Special Revenue Fund as of July 1, 2020, has been restated as follows for the implementation of GASB Statement No. 84, *Fiduciary Funds*.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Fund Balance as Previously Reported at June 30, 2020	\$ 35,814,767	
Prior Period Adjustments:		
Implementations of GASB 84:		
Restricted Fund Balance - Unemployment	248,617	
Restricted Fund Balance – Student Activities		<u>721,948</u>
Total Prior Period Adjustment	<u>248,617</u>	<u>721,948</u>
Fund Balance as Restated, July 1, 2020	<u>\$ 36,063,384</u>	<u>721,948</u>

**NOTE 20: Subsequent Events**

Subsequent events have been evaluated through February 11, 2022, which is the date the financial statements were available to be issued. No additional subsequent event disclosures are required.



**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, 2021**

	<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	\$ 77,991,335		77,991,335	77,991,335	-
Tuition	818,014		818,014	941,019	123,005
Miscellaneous - Building Use	200,000		200,000	70,064	(129,936)
Miscellaneous	950,000		950,000	1,536,050	586,050
Other Restricted Miscellaneous Revenues			-	49,206	49,206
Total Local Sources	<u>79,959,349</u>	<u>-</u>	<u>79,959,349</u>	<u>80,587,674</u>	<u>628,325</u>
State Sources:					
Special Education Aid	3,740,074		3,740,074	3,740,074	-
Equalization Aid	23,025,016		23,025,016	23,025,016	-
Extraordinary Aid	700,000		700,000	935,022	235,022
Security Aid	517,479		517,479	517,479	-
Transportation Aid	903,761		903,761	903,761	-
Non Public Transportation			-	66,120	66,120
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	4,238,788	4,238,788
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	13,525,840	13,525,840
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	3,974	3,974
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	3,973,170	3,973,170
Total State Sources	<u>28,886,330</u>	<u>-</u>	<u>28,886,330</u>	<u>50,929,244</u>	<u>22,042,914</u>
Federal Sources					
Medicaid	<u>73,174</u>	<u>-</u>	<u>73,174</u>	<u>117,223</u>	<u>44,049</u>
Total Federal Sources	<u>73,174</u>	<u>-</u>	<u>73,174</u>	<u>117,223</u>	<u>44,049</u>
Total Revenues	<u>108,918,853</u>	<u>-</u>	<u>108,918,853</u>	<u>131,634,141</u>	<u>22,715,288</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<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	2,187,500		2,187,500	1,884,736	302,764
Grades 1-5	14,790,494	(114,560)	14,675,934	14,222,898	453,036
Grades 6-8	10,964,017	(2,750)	10,961,267	9,994,200	967,067
Regular Programs - Undistributed Instruction:					
Purchased Technical Services		1,065,248	1,065,248		1,065,248
General Supplies	666,278	5,468	671,746	454,443	217,303
Textbooks	73,700	59,457	133,157	98,548	34,609
Other Objects	177,245	120,539	297,784	181,833	115,951
Total Regular Programs	<u>28,859,234</u>	<u>1,133,402</u>	<u>29,992,636</u>	<u>26,836,658</u>	<u>3,155,978</u>
Special Education:					
Cognitive - Mild:					
Instruction:					
Salaries of Teachers	282,000	(117,712)	164,288	160,264	4,024
Other Salaries for Instruction	49,900	21,563	71,463	71,463	-
General Supplies	3,000		3,000	3,000	-
Other Objects	600		600	600	-
Total Cognitive - Mild	<u>335,500</u>	<u>(96,149)</u>	<u>239,351</u>	<u>235,327</u>	<u>4,024</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<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	589,085	74,689	663,774	663,774	-
Other Salaries for Instruction	141,300	21,460	162,760	162,760	-
General Supplies	1,491		1,491	1,491	-
Other Objects	495		495		495
Total Learning/Language Disabilities	<u>732,371</u>	<u>96,149</u>	<u>828,520</u>	<u>828,025</u>	<u>495</u>
Behavioral Disabilities - Instruction:					
Salaries of Teachers	320,350	28	320,378	320,378	-
Other Salaries for Instruction	112,550	1,570	114,120	114,120	-
Purchased Professional Educational Services	260,000	263,361	523,361	207,272	316,089
General Supplies		599	599	599	-
Other Objects	13,200	(6,233)	6,967	517	6,450
Total Behavioral Disabilities	<u>706,100</u>	<u>259,325</u>	<u>965,425</u>	<u>642,886</u>	<u>322,539</u>
Multiple Disabilities - Instruction:					
Salaries of Teachers	980,125	(143,839)	836,286	792,241	44,045
Other Salaries for Instruction	344,675	80,562	425,237	395,702	29,535
General Supplies	4,800	(309)	4,491	1,221	3,270
Other Objects		939	939	891	48
Total Multiple Disabilities	<u>1,329,600</u>	<u>(62,647)</u>	<u>1,266,953</u>	<u>1,190,055</u>	<u>76,898</u>
Resource Room/Resource Center - Instruction:					
Salaries of Teachers	6,552,760	(25,191)	6,527,569	6,525,552	2,017
Other Salaries for Instruction	1,348,975	25,191	1,374,166	1,362,639	11,527
General Supplies		1,692	1,692	1,688	4
Total Resource Room/Resource Center	<u>7,901,735</u>	<u>1,692</u>	<u>7,903,427</u>	<u>7,889,879</u>	<u>13,548</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<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	409,850	(15,711)	394,139	394,139	-
Other Salaries for Instruction	277,265	78,988	356,253	356,253	-
General Supplies	12,621	(1,692)	10,929	8,539	2,390
Other Objects	600	45	645	597	48
Total Autism	<u>700,336</u>	<u>61,630</u>	<u>761,966</u>	<u>759,528</u>	<u>2,438</u>
Preschool Disabilities - Part-Time - Instruction:					
Salaries of Teachers	114,625	(107,000)	7,625	6,828	797
Other Salaries for Instruction	167,405	10,571	177,976	177,976	-
Total Preschool Disabilities - Part-Time	<u>282,030</u>	<u>(96,429)</u>	<u>185,601</u>	<u>184,804</u>	<u>797</u>
Preschool Disabilities-Full Time-Instruction:					
Salaries of Teachers	907,615	161,425	1,069,040	1,066,840	2,200
Other Salaries for Instruction	711,940	(64,996)	646,944	574,476	72,468
General Supplies	3,405	(3,405)	-	-	-
Other Objects	3,750	13,405	17,155	17,020	135
Total Preschool Disabilities-Full time	<u>1,626,710</u>	<u>106,429</u>	<u>1,733,139</u>	<u>1,658,336</u>	<u>74,803</u>
Total Special Education - Instruction	<u>13,614,382</u>	<u>270,000</u>	<u>13,884,382</u>	<u>13,388,840</u>	<u>495,542</u>
Basic Skills/Remedial Instruction:					
Salaries of Teachers	2,393,575		2,393,575	1,955,383	438,192
Other Salaries for Instruction	101,986		101,986	87,611	14,375
Total Basic Skills/Remedial	<u>2,495,561</u>	<u>-</u>	<u>2,495,561</u>	<u>2,042,994</u>	<u>452,567</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<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	475,025		475,025	465,146	9,879
Total Bilingual Education	475,025	-	475,025	465,146	9,879
School Sponsored Co-Curricular Activities - Instruction:					
Salaries Day Care		116,532	116,532	116,532	-
Purchased Services (300-500 Series)	226,000	(105,797)	120,203	119,977	226
General Supplies	4,000	(812)	3,188	2,508	680
Total School Sponsored Co-Curricular Activities	230,000	9,923	239,923	239,017	906
School Sponsored Athletics-Instruction					
Purchased Services (300-500 Series)	280,000	(137,813)	142,187	95,800	46,387
Supplies and Materials	40,000		40,000		40,000
Total School Sponsored Athletics	320,000	(137,813)	182,187	95,800	86,387
Other Alternative Educational Program:					
Purchased Services		80,000	80,000	77,688	2,312
Total Instruction	45,994,202	1,355,512	47,349,714	43,146,143	4,203,571
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs W/I State - Special	88,684	5,624	94,308	94,308	-
Tuition to Private School for the Disabled W/I State		663,918	663,918	625,766	38,152
Total Instruction	88,684	669,542	758,226	720,074	38,152

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<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	103,316		103,316	103,316	-
Total Attendance and Social Work	<u>103,316</u>	<u>-</u>	<u>103,316</u>	<u>103,316</u>	<u>-</u>
Health Services:					
Salaries	1,205,331	29,545	1,234,876	1,222,869	12,007
Purchase Prof/Tech. Services	36,303	400	36,703	28,040	8,663
Supplies and Materials	35,671	(5,442)	30,229	15,600	14,629
Other Objects	150	(150)			
Total Health Services	<u>1,277,455</u>	<u>24,353</u>	<u>1,301,808</u>	<u>1,266,509</u>	<u>35,299</u>
Other Support Services - Students - Related Services:					
Salaries	2,227,175		2,227,175	2,105,834	121,341
Purchased Professional Educational Services	48,600	(5,000)	43,600	29,029	14,571
Supplies and Materials	4,180	100	4,280	4,246	34
Other Objects	600	5	605	592	13
Total Other Support Services - Students - Rel. Services	<u>2,280,555</u>	<u>(4,895)</u>	<u>2,275,660</u>	<u>2,139,701</u>	<u>135,959</u>
Other Support Services - Extraordinary Services:					
Salaries	936,990		936,990	837,820	99,170
Purchased Professional Educational Services	250		250	77	173
	<u>937,240</u>	<u>-</u>	<u>937,240</u>	<u>837,897</u>	<u>99,343</u>
Other Support Services Students - Regular:					
Salaries of Other Professional Staff	1,093,125		1,093,125	1,050,173	42,952
Other Purchased Services	2,000		2,000		2,000
Supplies and Materials	2,124		2,124	634	1,490
Total Other Support Services Students-Regular	<u>1,097,249</u>	<u>-</u>	<u>1,097,249</u>	<u>1,050,807</u>	<u>46,442</u>



**HOWELL TOWNSHIP SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<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	2,824,190	374,571	3,198,761	2,923,276	275,485
Salaries - Secretarial and Clerical	552,771	(195,108)	357,663	310,320	47,343
Other Purchased Services (400-500 Series)	1,800		1,800	713	1,087
Supplies and Materials	10,500	(6,995)	3,505	3,088	417
Other Objects	1,850	26,444	28,294	8,705	19,589
Total Other Support Services - Special	<u>3,391,111</u>	<u>198,912</u>	<u>3,590,023</u>	<u>3,246,102</u>	<u>343,921</u>
Improvement of Instruction:					
Salaries - Supervisors	597,117		597,117	596,384	733
Salaries - Secretarial and Clerical	120,626	39,258	159,884	159,884	-
Salaries - Master Teachers	483,665	73,650	557,315	557,315	-
Total Improvement of Instruction	<u>1,201,408</u>	<u>112,908</u>	<u>1,314,316</u>	<u>1,313,583</u>	<u>733</u>
Educational Media Services/School Library:					
Salaries	1,091,885	(862)	1,091,023	1,056,460	34,563
Salaries of Technology Coordinators	461,371	(458)	460,913	426,121	34,792
Supplies and Materials	29,805	487	30,292	19,011	11,281
Total Educational Media Services/School Library	<u>1,583,061</u>	<u>(833)</u>	<u>1,582,228</u>	<u>1,501,592</u>	<u>80,636</u>
Instructional Staff Training Services:					
Other Salaries	57,500	(3,650)	53,850	35,132	18,718
Other Purchased Services	2,000		2,000	884	1,116
Other Objects	136,900	(9,611)	127,289	19,957	107,332
Total Instructional Staff Training Services	<u>196,400</u>	<u>(13,261)</u>	<u>183,139</u>	<u>55,973</u>	<u>127,166</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<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	754,437		754,437	647,241	107,196
Legal Services	160,000	204,839	364,839	330,403	34,436
Audit Fees	21,630	3,270	24,900	24,900	-
Purchased Professional Services	22,750	(12,100)	10,650	4,528	6,122
Purchased Technical Services		500	500	500	-
Communications - Telephone	480,000	(55,080)	424,920	415,037	9,883
Other Purchased Services	1,500		1,500		1,500
General Supplies	46,665	(3,597)	43,068	27,799	15,269
Judgments		174,419	174,419	174,419	
BOE Membership Dues And Fees	34,770		34,770	30,828	3,942
Total Support Services - General Administration	<u>1,521,752</u>	<u>312,251</u>	<u>1,834,003</u>	<u>1,655,655</u>	<u>178,348</u>
Support Services - School Administration:					
Salaries:					
Principals/Assistant Principals	3,625,800		3,625,800	3,610,400	15,400
Secretarial and Clerical	1,191,354		1,191,354	1,148,933	42,421
Other Purchased Services	8,700	(100)	8,600	1,981	6,619
Supplies & Materials	4,500	856	5,356	3,076	2,280
Total Support Services - School Administration	<u>4,830,354</u>	<u>756</u>	<u>4,831,110</u>	<u>4,764,390</u>	<u>66,720</u>
Central Services:					
Salaries	873,525	151,401	1,024,926	1,024,375	551
Purchased Technical Services	50,071		50,071	38,277	11,794
Supplies and Materials	17,297	745	18,042	16,462	1,580
Other Objects	230	1,770	2,000	2,000	-
Sale and Lease Back Payments	33,647	(33,647)	-	-	-
Total Central Services	<u>974,770</u>	<u>120,269</u>	<u>1,095,039</u>	<u>1,081,114</u>	<u>13,925</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Administrative Information Technology:					
Salaries	262,000	24,364	286,364	286,364	-
Purchased Technical Services	707,005	(116,767)	590,238	273,675	316,563
Supplies and Materials	89,000	7,210	96,210		96,210
Total Administrative Information Technology	<u>1,058,005</u>	<u>(85,193)</u>	<u>972,812</u>	<u>560,039</u>	<u>412,773</u>
Required Maintenance for School Facilities:					
Salaries	970,306	(2,640)	967,666	796,759	170,907
Cleaning Repairs & Maintenance Services	4,721,454	57,921	4,779,375	1,596,690	3,182,685
General Supplies		163,220	163,220	147,054	16,166
Other Objects	5,000		5,000	3,400	1,600
Total Required Maintenance for School Facilities	<u>5,696,760</u>	<u>218,501</u>	<u>5,915,261</u>	<u>2,543,903</u>	<u>3,371,358</u>
Other Operating & Maintenance of Plant:					
Salaries	3,112,849	273,968	3,386,817	3,109,547	277,270
Purchased Professional & Technical Services	88,320	(10,041)	78,279	42,770	35,509
Cleaning Repairs & Maintenance	552,967	76,323	629,290	415,565	213,725
Other Purchased Property Services	27,000	(1,200)	25,800	19,680	6,120
Insurance	394,118	5,370	399,488	399,075	413
Lease Purchase-Energy Savings	1,200,050	1,232	1,201,282	1,201,282	-
General Supplies	219,950	(44,070)	175,880	164,005	11,875
Energy - Natural Gas	678,673	(23,519)	655,154	589,051	66,103
Energy - Electricity	1,060,282	(73,533)	986,749	613,985	372,764
Total Other Operating & Maintenance of Plant	<u>7,334,209</u>	<u>204,530</u>	<u>7,538,739</u>	<u>6,554,960</u>	<u>983,779</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<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	341,627	11,370	352,997	352,997	-
Cleaning, Repair and Maintenance	47,000	(43,363)	3,637	2,239	1,398
General Supplies	71,700	100,512	172,212	39,826	132,386
Equipment		98,331	98,331		98,331
Total Care and Upkeep of Grounds	<u>460,327</u>	<u>166,850</u>	<u>627,177</u>	<u>395,062</u>	<u>232,115</u>
Security					
Salaries-Director	76,408		76,408	76,407	1
Cleaning, Repair and Maintenance	223,617		223,617	151,452	72,165
Supplies	10,000	695	10,695	3,398	7,297
Total Security	<u>310,025</u>	<u>695</u>	<u>310,720</u>	<u>231,257</u>	<u>79,463</u>
Student Transportation Services:					
Salaries-Aides	628,777		628,777	537,110	91,667
Salaries - Pupil Trans. B/W Home & School - Regular	1,801,961		1,801,961	1,618,558	183,403
Other Purchased Professional & Technical Services	1,000	2,250	3,250	2,013	1,237
Cleaning Repairs and Maintenance	58,800	(250)	58,550	27,448	31,102
Rental Payments School Buses	21,000		21,000		21,000
Lease Purchase Payments-School Buses	304,517		304,517		304,517
Contracted Services B/W Home & School - Vendors	2,594,802	(398,901)	2,195,901	1,801,251	394,650
Contracted Services - Special Education - Vendors	1,580,770	1,532,092	3,112,862	2,804,097	308,765
Contracted Services - Joint Agreements	3,992		3,992		3,992
Contracted Services - Special Ed. - ESCs & CTSA's	978,694	219,055	1,197,749	600,204	597,545
Miscellaneous Purchased Services	381,012	33,022	414,034	333,116	80,918
General Supplies	26,767		26,767	15,848	10,919
Transportation Supplies	337,780	60,725	398,505	212,572	185,933
Miscellaneous Expenditures	252,480	(16,000)	236,480	23,067	213,413
Total Student Transportation Services	<u>8,972,352</u>	<u>1,431,993</u>	<u>10,404,345</u>	<u>7,975,284</u>	<u>2,429,061</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<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:					
Regular Programs-Instruction	154,000	(23,965)	130,035	129,235	800
Special Programs-Instruction	25,000	33,390	58,390	58,095	295
Other Supp Serv-Students-Related Services	5,000	(5,000)	-	-	-
Other Supp Serv-Students-Regular		13,000	13,000	13,000	-
Other Supp Serv-Students-Special	15,000	(2,082)	12,918	12,918	-
Support Services -School Administration	72,000	32,820	104,820	104,820	-
Operation And Maintenance of Plant Service	8,000	52,578	60,578	60,578	-
Media Services		11,000	11,000	11,000	-
Total Unused Vac. Payments to Terminated/Retired Staff	<u>279,000</u>	<u>111,741</u>	<u>390,741</u>	<u>389,646</u>	<u>1,095</u>
Student Transportation Services - Employee Benefits:					
Social Security	113,297		113,297		113,297
Workmen's Compensation	540,600		540,600	473,040	67,560
Health Benefits	57,400		57,400		57,400
Unused Sick Benefit		19,315	19,315	19,315	
Total Student Transportation - Employee Benefits	<u>711,297</u>	<u>19,315</u>	<u>730,612</u>	<u>492,355</u>	<u>238,257</u>
Personal Services - Employee Benefits:					
Social Security	1,088,460	338,538	1,426,998	1,338,723	88,275
TPAF Contributions - ERIP	85,000	85,000	170,000		170,000
Other Retirement Contributions - PERS	100,000	(8,000)	92,000	75,414	16,586
Other Contributions ERIP	1,649,522	496,514	2,146,036	2,137,518	8,518
Workmen's Compensation	200,931		200,931		200,931
Unemployment				100,275	(100,275)
Health Benefits	20,948,804	6,140,229	27,089,033	15,403,956	11,685,077
Tuition Reimbursements	100,000	7,718	107,718	89,409	18,309
Unused Sick Payment to Terminated/Retired Staff	20,261	445,002	465,263	28,809	436,454
Total Personal Services - Employee Benefits	<u>24,192,978</u>	<u>7,505,001</u>	<u>31,697,979</u>	<u>19,174,104</u>	<u>12,523,875</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 12 of 14**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	4,238,788	(4,238,788)
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	13,525,840	(13,525,840)
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	3,974	(3,974)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	3,973,170	(3,973,170)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,741,772</u>	<u>(21,741,772)</u>
Special Schools:					
Summer School Instruction					
Teachers Salaries	111,604	16,197	127,801	127,801	-
Other Salaries for Instruction	73,271	(16,197)	57,074	38,062	19,012
Total Summer School Instruction	<u>184,875</u>	<u>-</u>	<u>184,875</u>	<u>165,863</u>	<u>19,012</u>
Summer School- Support Services					
Other Salaries for Instruction	<u>67,600</u>		<u>67,600</u>	<u>13,600</u>	<u>54,000</u>
Total Special Schools	<u>252,475</u>	<u>-</u>	<u>252,475</u>	<u>179,463</u>	<u>73,012</u>
Total Undistributed Expenditures	<u>68,750,783</u>	<u>10,993,435</u>	<u>79,744,218</u>	<u>79,974,558</u>	<u>(230,340)</u>
Total Expenditures - Current Expense	<u>114,744,985</u>	<u>12,348,947</u>	<u>127,093,932</u>	<u>123,120,701</u>	<u>3,973,231</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Outlay:					
Equipment:					
Special Education		2,321	2,321	2,321	
Technology	180,000	143,878	323,878	1	323,877
School Fac.	150,000	26,251	176,251		189,042
School Buses	225,000		225,000		225,000
Total Equipment	<u>555,000</u>	<u>172,450</u>	<u>727,450</u>	<u>2,322</u>	<u>737,919</u>
Facilities Acquisition:					
Construction	3,000,000	6,078	3,006,078	139,093	2,866,985
Debt Service on SDA Funding	137,481		137,481	137,481	-
Total Facilities Acquisition	<u>3,137,481</u>	<u>6,078</u>	<u>3,143,559</u>	<u>276,574</u>	<u>2,866,985</u>
Total Capital Outlay	<u>3,692,481</u>	<u>178,528</u>	<u>3,871,009</u>	<u>278,896</u>	<u>3,604,904</u>
Total Expenditures	<u>118,437,466</u>	<u>12,527,475</u>	<u>130,964,941</u>	<u>123,399,597</u>	<u>7,578,135</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(9,518,613)</u>	<u>(12,527,475)</u>	<u>(22,046,088)</u>	<u>8,234,544</u>	<u>30,293,423</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit C-1  
Sheet 14 of 14

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Fund Balance July 1	38,887,440		38,887,440	38,887,440	-
Prior Period Adjustment				248,617	
Fund Balance, July 1, Restated	38,887,440	-	38,887,440	39,136,057	-
Fund Balance June 30	<u>\$ 29,368,827</u>	<u>(12,527,475)</u>	<u>16,841,352</u>	<u>47,370,601</u>	<u>30,293,423</u>
Recapitulation:					
Committed Fund Balances:					
Maintenance Reserve - Designated for Subsequent Year's Expenditures				\$ 2,683,921	
Maintenance Reserve				8,762,381	
Capital Reserve				12,145,507	
Capital Reserve - Designated for Subsequent Year's Expenditures				728,000	
Excess Surplus - Designated For Subsequent Year's Expenditures				3,000,000	
Excess Surplus - Current Year				3,000,000	
Unemployment Compensation				197,548	
Assigned Fund Balances:					
Year End Encumbrances				12,485,789	
Unassigned Fund Balance				4,367,455	
				<u>47,370,601</u>	
Reconciliation To Government Fund Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(2,790,685)</u>	
Fund Balance Per Government Funds (GAAP)				<u>\$ 44,579,916</u>	



**HOWELL TOWNSHIP SCHOOL DISTRICT**

Exhibit C-2

Sheet 1 of 2

**BUDGETARY COMPARISON SCHEDULE**

**SPECIAL REVENUE FUND**

**JUNE 30, 2021**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Revenues:					
Local Sources	<u>\$ -</u>	<u></u>	<u>-</u>	<u>268,950</u>	<u>(268,950)</u>
State Source	<u>\$ 124,253</u>	<u></u>	<u>124,253</u>	<u>124,253</u>	<u>-</u>
Federal Sources:					
Title I, Part A	432,606		432,606	432,606	-
Title IIA, Part A	69,198		69,198	69,198	-
Title III	49,756		49,756	49,756	-
Title III Immigrant	5,345		5,345	5,345	-
Title IV, Part A	85,846		85,846	85,846	-
IDEA Part B, Basic	1,359,981		1,359,981	1,359,981	-
IDEA Part B, Preschool	68,126		68,126	68,126	-
Educational Stabilization Fund (CARES Act)	13,085		13,085	13,085	-
Educational Stabilization Fund (Digital Divide)	226,209		226,209	226,209	-
Coronavirus Relief Fund	265,847		265,847	265,847	-
Total Federal Sources	<u>2,575,999</u>	<u>-</u>	<u>2,575,999</u>	<u>2,575,999</u>	<u>-</u>
Total Revenues	<u>2,700,252</u>	<u>-</u>	<u>2,700,252</u>	<u>2,969,202</u>	<u>(268,950)</u>
Expenditures:					
Instruction:					
Salaries of Teachers	113,334		113,334	113,334	-
Other Salaries for Instruction	231,088		231,088	231,088	-
General Supplies	605,698		605,698	605,698	-
Textbooks	11,092		11,092	11,092	-
Tuition	1,138,466		1,138,466	1,138,466	-
Total Instruction	<u>2,099,678</u>	<u>-</u>	<u>2,099,678</u>	<u>2,099,678</u>	<u>-</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE**

**SPECIAL REVENUE FUND**

**JUNE 30, 2021**

**Exhibit C-2**

**Sheet 2 of 2**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Support Services:					
Other Salaries for Instruction	90,365		90,365	90,365	-
Employee Benefits	101,474		101,474	101,474	-
Purchased Technical Services	347,888		347,888	347,888	-
Other Purchased Services	3,018		3,018	3,018	-
Supplies and Materials	74,614		74,614	74,614	-
Other Objects	400		400	400	-
Student Activities	51,970		51,970	51,970	-
Total Support Services	<u>669,729</u>	<u>-</u>	<u>669,729</u>	<u>669,729</u>	<u>-</u>
Total Expenditures	<u>2,769,407</u>	<u>-</u>	<u>2,769,407</u>	<u>2,769,407</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(69,155)</u>	<u>-</u>	<u>(69,155)</u>	<u>199,795</u>	<u>(268,950)</u>
Fund Balance, July 1					
Prior Period Adjustment				721,948	
Fund Balance, July 1 (Restated)				<u>721,948</u>	
Fund Balance, June 30				<u>\$ 921,743</u>	
Recapitulation:					
Restricted:					
Student Activities				<u>\$ 921,743</u>	
Total Fund Balance				<u>\$ 921,743</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, 2021**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>
<b><u>Sources/Inflows of Resources</u></b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 131,634,141	2,969,202
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		239,950
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	3,072,673	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(2,790,685)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 131,916,129</u>	<u>3,209,152</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 123,399,597	2,769,407
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>239,950</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 123,399,597</u>	<u>3,009,357</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**

**Exhibit L-1**

**NET PENSION LIABILITY - PERS**

**LAST EIGHT FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
District's Proportionate Share of the Net Pension Liability (Asset)	\$29,817,445	34,648,440	38,110,531	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	-	-	-	-	-	-	-	-
Total	<u>\$29,817,445</u>	<u>34,648,440</u>	<u>38,110,531</u>	<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	\$12,922,526	13,020,555	13,392,221	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	43.34%	37.58%	35.14%	28.69%	22.52%	28.88%	37.14%	34.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS**

**Exhibit L-2**

**LAST EIGHT FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 1,664,274	1,641,395	1,686,706	2,002,823	2,002,823	1,735,224	1,994,422	1,668,245
Contributions in Relation to the Contractually Required Contribution	<u>1,664,274</u>	<u>1,641,395</u>	<u>1,686,706</u>	<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>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 12,922,526	13,020,555	13,392,221	13,548,709	13,678,132	13,909,508	14,261,524	13,934,712
Contributions as a Percentage of Covered-Employee Payroll	12.88%	12.61%	12.59%	14.78%	14.64%	12.48%	13.98%	11.97%



**HOWELL TOWNSHIP SCHOOL DISTRICT**

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

Exhibit L-3

**NET PENSION LIABILITY - TPAF**

**LAST EIGHT FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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>303,421,605</u>	<u>280,978,320</u>	<u>294,572,857</u>	<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>\$ 303,421,605</u>	<u>280,978,320</u>	<u>294,572,857</u>	<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	\$ 50,931,171	50,247,691	49,467,726	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	16.79%	17.88%	16.79%	14.62%	12.49%	17.22%	19.66%	18.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

L-4

This schedule is not applicable.

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

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

**HOWELL SCHOOL DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III**

L-5

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Public Employee's Retirement System (PERS)**

*Changes in Benefit Terms* – None

*Changes in Assumptions* – The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June 30, 2020, in accordance with Paragraph 44 of GASB Statement No. 67.

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

*Changes in Benefit Terms* – None

*Changes in Assumption* – The discount rate changed from 5.60% as of June 30, 2019, to 5.40% as of June 30, 2020, in accordance with Paragraph 44 of GASB Statement No. 67.

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

**HOWELL TOWNSHIP SCHOOL DISTRICT**

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

Exhibit M-1

**LAST FIVE FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b><u>State's OPEB Liability Attributable to the District</u></b>					
Service Cost	\$ 7,973,598	7,978,058	9,141,378	11,025,387	*
Interest	7,878,936	9,725,071	10,234,402	8,849,433	*
Benefit Payments	(6,100,376)	(6,755,529)	(6,592,988)	(6,482,854)	*
Member Contributions	184,902	200,253	227,864	238,715	*
Difference between Expected and Actual Experience	56,395,164	(40,920,267)	(18,044,434)		*
Change of Assumptions	64,008,147	3,281,279	(28,294,258)	(36,321,511)	*
Net Change in Total OPEB Liability	130,340,371	(26,491,135)	(33,328,036)	(22,690,830)	*
Total Attributable OPEB Liability - Beginning	220,071,167	246,562,302	279,890,338	302,581,168	*
Total Attributable OPEB Liability - Ending	<u>\$ 350,411,538</u>	<u>220,071,167</u>	<u>246,562,302</u>	<u>279,890,338</u>	<u>302,581,168</u>
District's Covered Payroll	\$ 63,853,697	63,268,246	62,859,947	61,564,548	61,776,099
District's Contribution	None	None	None	None	None
State's Proportionate Share of OPEB Liability as a Percentage of the District's Covered-Employee Payroll	548.77%	347.84%	392.24%	454.63%	489.80%

\* - 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.

**HOWELL TOWNSHIP SCHOOL DISTRICT****NOTES TO REQUIRED SUPPLEMENTARY INFORMATION****FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Exhibit M-2

Change of Benefit Terms

None

Difference Between Expected and Actual Experience

The change in the liability from June 30, 2019 to June 30, 2020 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The Discount Rate changed from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020.

**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, 2021

	Non-Public							
	Chapter 192				Chapter 193			
	Textbooks	Nursing	Security	Compensatory Education	ESL	Supplemental Instruction	Examination & Classification	Corrective Speech
Revenues:								
Federal Sources	\$ -							
State Sources	11,092	19,182	26,889	32,746	3,606	11,333	16,926	2,479
Local Sources								
Total Revenues	<u>11,092</u>	<u>19,182</u>	<u>26,889</u>	<u>32,746</u>	<u>3,606</u>	<u>11,333</u>	<u>16,926</u>	<u>2,479</u>
Expenditures:								
Instruction:								
Salaries of Teachers	-							
Other Salaries For Instruction								
General Supplies								
Textbooks	11,092							
Tuition								
Total Instruction	<u>11,092</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support Services:								
Other Salaries								
Purchased Professional Services		19,182		32,746	3,606	11,333	16,926	2,479
Other Purchased Services								
Supplies and Materials			26,889					
Other Objects								
Personal Services - Employee Benefits								
Student Activities								
Total Support Services	<u>-</u>	<u>19,182</u>	<u>26,889</u>	<u>32,746</u>	<u>3,606</u>	<u>11,333</u>	<u>16,926</u>	<u>2,479</u>
Total Expenditures	<u>11,092</u>	<u>19,182</u>	<u>26,889</u>	<u>32,746</u>	<u>3,606</u>	<u>11,333</u>	<u>16,926</u>	<u>2,479</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1								
Prior Period Adjustment								
Fund Balance, July 1 (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

\*Represents scholarship fund net position as of June 30, 202 per Exhibit H-2

\*\*Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

HOWELL TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title IV</u>	<u>CARES Act</u>	<u>I.D.E.A. Part B Regular</u>	<u>LD.E.A. Preschool</u>	<u>Title III Immigrant</u>	<u>CARES Digital Divide</u>	<u>Coronavirus Relief Fund</u>	<u>Safety Grant</u>	<u>Student Activities</u>	<u>Totals</u>
Revenues:													
Federal Sources	432,606	69,198	49,756	85,846	13,085	1,359,981	68,126	5,345	226,209	265,847			2,575,999
State Sources													124,253
Local Sources											17,185	251,765	268,950
Total Revenues	<u>432,606</u>	<u>69,198</u>	<u>49,756</u>	<u>85,846</u>	<u>13,085</u>	<u>1,359,981</u>	<u>68,126</u>	<u>5,345</u>	<u>226,209</u>	<u>265,847</u>	<u>17,185</u>	<u>251,765</u>	<u>2,969,202</u>
Expenditures:													
Instruction:													
Salaries of Teachers	57,150	31,493					24,691						113,334
Other Salaries for Instruction	196,272		34,816										231,088
General Supplies	58,380		7,243	24,881	13,085	4,699	5,354		226,209	265,847			605,698
Textbooks													11,092
Tuition						1,138,466							1,138,466
Total Instruction	<u>311,802</u>	<u>31,493</u>	<u>42,059</u>	<u>24,881</u>	<u>13,085</u>	<u>1,143,165</u>	<u>30,045</u>	<u>-</u>	<u>226,209</u>	<u>265,847</u>	<u>-</u>	<u>-</u>	<u>2,099,678</u>
Support Services:													
Other Salaries for Instruction	58,175					32,190							90,365
Purchased Professional Services		3,859		52,834		177,923	27,000						347,888
Other Purchased Services		1,935				1,083							3,018
Supplies and Materials		10,351	4,054	8,131		1,578	1,081	5,345			17,185		74,614
Other Objects						400							400
Personal Services - Employee Benefits	62,629	21,560	3,643			3,642	10,000						101,474
Student Activities												51,970	51,970
Total Support Services	<u>120,804</u>	<u>37,705</u>	<u>7,697</u>	<u>60,965</u>	<u>-</u>	<u>216,816</u>	<u>38,081</u>	<u>5,345</u>	<u>-</u>	<u>-</u>	<u>17,185</u>	<u>51,970</u>	<u>669,729</u>
Total Expenditures	<u>432,606</u>	<u>69,198</u>	<u>49,756</u>	<u>85,846</u>	<u>13,085</u>	<u>1,359,981</u>	<u>68,126</u>	<u>5,345</u>	<u>226,209</u>	<u>265,847</u>	<u>17,185</u>	<u>51,970</u>	<u>2,769,407</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,795</u>	<u>199,795</u>
Fund Balance, July 1												721,948	
Prior Period Adjustment													
Fund Balance, July 1 (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>721,948</u>	<u>-</u>
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>921,743</u>	<u>199,795</u>

\*Represents scholarship fund net position as of June 30, 202 per Exhibit H-2

\*\*Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

**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, 2021

Expenditures and Other Financing Uses

Expenditures	<u>\$ 2,598,104</u>
Excess Revenue Over Expenditures	(2,598,104)
Fund Balance - Beginning	<u>5,834,367</u>
Fund Balance - Ending	<u><u>\$ 3,236,263</u></u>

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit F-1a

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISARDENA SCHOOL ROOFFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
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>
<b><u>Expenditures and Other Financing Uses</u></b>				
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>
<b><u>Additional Project Information</u></b>				
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		100%		
Original Target Completion Date		12/31/2014		
Revised Target Completion Date		12/31/2016		

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit F-1b

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISRAMTOWN SCHOOL MASONRYFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
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>
<b><u>Expenditures and Other Financing Uses</u></b>				
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>
<b><u>Additional Project Information</u></b>				
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		100%		
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, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
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>
<b><u>Expenditures and Other Financing Uses</u></b>				
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>
<b><u>Additional Project Information</u></b>				
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		100%		
Original Target Completion Date		12/31/2014		
Revised Target Completion Date		12/31/2016		



**HOWELL TOWNSHIP SCHOOL DISTRICT**

Exhibit F-1d

**CAPITAL PROJECTS FUND****SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,****AND PROJECT STATUS - BUDGETARY BASIS****ALDRICH SCHOOL MASONRY****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
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>
<b><u>Expenditures and Other Financing Uses</u></b>				
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>
<b><u>Additional Project Information</u></b>				
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		100%		
Original Target Completion Date		12/31/2014		
Revised Target Completion Date		12/31/2016		

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit F-1e

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISNEWBURY SCHOOL MASONRYFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
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>
<b><u>Expenditures and Other Financing Uses</u></b>				
Construction Services	1,688		1,688	
Total Expenditures	<u>1,688</u>	<u>-</u>	<u>1,688</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 193,312</u>	<u>-</u>	<u>193,312</u>	<u>195,000</u>
<b><u>Additional Project Information</u></b>				
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, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
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>
<b><u>Expenditures and Other Financing Uses</u></b>				
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>
<b><u>Additional Project Information</u></b>				
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		100%		
Original Target Completion Date		12/31/2014		
Revised Target Completion Date		12/31/2016		

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit F-1g

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISNEWBURY WALL RESTORATIONFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
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>
<b><u>Expenditures and Other Financing Uses</u></b>				
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>
<b><u>Additional Project Information</u></b>				
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 FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISARDENA BLOCK POINTINGFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
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>
<b><u>Expenditures and Other Financing Uses</u></b>				
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>
<b><u>Additional Project Information</u></b>				
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 FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISMIDDLE SCHOOL NORTH ROOFFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
State Sources - SDA Grant	\$ 828,000		828,000	828,000
Local Budget	1,242,000		1,242,000	1,242,000
Total Revenues	<u>2,070,000</u>	<u>-</u>	<u>2,070,000</u>	<u>2,070,000</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Construction Services	460,300		460,300	247,250
Total Expenditures	<u>460,300</u>	<u>-</u>	<u>460,300</u>	<u>247,250</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,609,700</u>	<u>-</u>	<u>1,609,700</u>	<u>1,822,750</u>
<b><u>Additional Project Information</u></b>				
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		

**HOWELL TOWNSHIP SCHOOL DISTRICT**

Exhibit F-1j

**CAPITAL PROJECTS FUND****SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,****AND PROJECT STATUS - BUDGETARY BASIS****ENERGY SAVINGS IMPROVEMENT PROGRAM****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
Sale of Revenue Bonds	\$16,513,375		16,513,375	16,513,375
Total Revenues	<u>16,513,375</u>	<u>-</u>	<u>16,513,375</u>	<u>16,513,375</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Construction Services	13,688,038	2,598,104	16,286,142	16,513,375
Total Expenditures	<u>13,688,038</u>	<u>2,598,104</u>	<u>16,286,142</u>	<u>16,513,375</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,825,337</u>	<u>(2,598,104)</u>	<u>227,233</u>	<u>-</u>
<b><u>Additional Project Information</u></b>				
Original Authorized Cost		\$ 16,513,375		
Percentage Increase Over Original Authorized Cost		0		
Percentage Completion		99%		
Original Target Completion Date		12/31/2019		
Revised Target Completion Date		12/31/2020		

**PROPRIETARY FUNDS – G**

N/A



**FIDUCIARY FUND – H**

N/A

**LONG-TERM DEBT – I**

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**LONG-TERM DEBT**

**SCHEDULE OF SERIAL BONDS**

**Exhibit I-1  
Sheet 1 of 2**

**JUNE 30, 2021**

	<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, 2020</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
School:								
2012A Refunding Bonds (Refunding)	5/22/12	\$ 8,825,000	12/1/2022	\$ 2,005,000	4.00%	\$ 2,005,000		2,005,000
Construction of 3 Schools (Refunding)	9/17/10	16,250,000	7/15/21	2,305,000	4.00%	4,520,000	2,215,000	2,305,000
ERIP Refunding - 2012	12/29/11	2,355,000	10/1/21	45,000	4.840%	650,000	280,000	370,000
			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				1,725,000	1,725,000	-

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**LONG-TERM DEBT**

**SCHEDULE OF SERIAL BONDS**

Exhibit I-1  
Sheet 2 of 2

**JUNE 30, 2021**

	<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, 2020</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
ESIP-2018 Revenue Bonds	7/10/2018	\$14,925,000	7/15/2021	\$ 410,000	5.00%	14,770,000	530,000	14,240,000
			7/15/2022	425,000				
			7/15/2023	470,000				
			7/15/2024	365,000				
			7/15/2025	405,000				
			7/15/2026	450,000				
			7/15/2027	500,000				
			7/15/2028	550,000				
			7/15/2029	600,000				
			7/15/2030	660,000				
			7/15/2031	720,000				
			7/15/2032	785,000				
			7/15/2033	845,000				
			7/15/2034	1,215,000	4.00%			
			7/15/2035	1,310,000	5.00%			
			7/15/2036	1,410,000				
			7/15/2037	1,510,000	4.00%			
			7/15/2038	1,610,000				
						<u>\$ 23,670,000</u>	<u>4,750,000</u>	<u>18,920,000</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**LONG-TERM DEBT**

Exhibit I-2

**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES**

**JUNE 30, 2021**

<b><u>Series</u></b>	<b><u>Interest Rate</u></b>	<b><u>Amount of Original Issue</u></b>	<b><u>Amount Outstanding June 30, 2020</u></b>	<b><u>Issued</u></b>	<b><u>Retired</u></b>	<b><u>Amount Outstanding June 30, 2021</u></b>
MCIA 2015 Capital Equipment	2-5%	\$ 1,757,000	\$ 388,000		388,000	-
MCIA 2019 Capital Equipment	5.00%	1,100,000	1,100,000		178,000	922,000
MCIA 2019 Capital Equipment	4-5%	1,372,000	-	1,372,000	-	1,372,000
			<u>\$ 1,488,000</u>	<u>1,372,000</u>	<u>566,000</u>	<u>2,294,000</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

LONG-TERM DEBT

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<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	\$ 4,496,923		4,496,923	4,496,923	
State Sources:					
Debt Service Aid Type II	24,545		24,545	24,545	
Total Revenues	<u>4,521,468</u>	<u>-</u>	<u>4,521,468</u>	<u>4,521,468</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	276,923		276,923	276,923	-
Redemption of Principal	4,244,546		4,244,546	4,220,482	24,064
Total Regular Debt Service	<u>4,521,469</u>	<u>-</u>	<u>4,521,469</u>	<u>4,497,405</u>	<u>24,064</u>
Total Expenditures	<u>4,521,469</u>	<u>-</u>	<u>4,521,469</u>	<u>4,497,405</u>	<u>24,064</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1)	-	(1)	24,063	24,064
Fund Balance July 1	<u>150,472</u>		<u>150,472</u>	<u>150,472</u>	
Fund Balance June 30	<u>\$ 150,471</u>	<u>-</u>	<u>150,471</u>	<u>174,535</u>	<u>24,064</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
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	Fiscal Year Ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2020
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 41,805,697	\$ 42,696,860	\$ 37,759,687	\$ 44,675,740	\$ 54,682,698	\$ 51,043,271	\$ 64,929,737	\$ 54,528,058	\$ 58,385,680	\$ 62,923,560
Restricted	11,960,173	13,017,348	22,111,377	14,502,249	19,119,143	22,418,589	19,492,760	36,619,270	27,169,851	47,335,687
Unrestricted	(4,721,787)	(4,814,598)	(4,564,772)	(43,413,513)	(51,103,141)	(48,519,420)	-	(45,077,934)	(28,548,238)	(47,215,425)
<b>Total governmental activities net Position</b>	<b>\$ 49,044,083</b>	<b>\$ 50,899,610</b>	<b>\$ 55,306,292</b>	<b>\$ 15,764,476</b>	<b>\$ 22,698,700</b>	<b>\$ 24,942,440</b>	<b>\$ 84,422,497</b>	<b>\$ 46,069,394</b>	<b>\$ 57,007,293</b>	<b>\$ 63,043,822</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$66,997	\$ 48,257	\$ 181,953	\$ 137,594	\$ 100,154	\$ 100,154	\$ 82,700	\$ 82,700	\$ 82,700	\$ 83,001
Restricted										
Unrestricted	124,187	38,305	117,361	(48,647)	(144,425)	(187,187)	(196,266)	10,278	207,435	559,048
<b>Total business-type activities net Position</b>	<b>\$191,184</b>	<b>\$ 86,562</b>	<b>\$ 299,314</b>	<b>\$ 88,947</b>	<b>\$ (44,271)</b>	<b>\$ (87,033)</b>	<b>\$ (113,566)</b>	<b>\$ 92,978</b>	<b>\$ 290,135</b>	<b>\$ 642,049</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 41,872,694	\$ 42,745,117	\$ 37,941,640	\$ 44,813,334	\$ 54,782,852	\$ 51,143,425	\$ 65,012,437	\$ 54,610,758	\$ 58,468,380	\$ 63,006,561
Restricted	11,960,173	13,017,348	22,111,377	14,502,249	19,119,143	22,418,589	19,492,760	36,619,270	27,169,851	47,335,687
Unrestricted	(4,597,600)	(4,776,293)	(4,447,411)	(43,462,160)	(51,247,566)	(48,706,607)	(196,266)	(45,067,656)	(28,340,803)	#####
<b>Total district net Position</b>	<b>\$ 49,235,267</b>	<b>\$ 50,986,172</b>	<b>\$ 55,605,606</b>	<b>\$ 15,853,423</b>	<b>\$ 22,654,429</b>	<b>\$ 24,855,407</b>	<b>\$ 84,308,931</b>	<b>\$ 46,162,372</b>	<b>\$ 57,297,428</b>	<b>\$ 63,685,871</b>

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
<b>Governmental activities</b>										
<b>Instruction</b>										
Regular	\$ 27,692,356	\$ 28,172,640	\$ 27,467,243	\$ 28,426,049	\$ 28,179,042	\$ 28,500,018	\$ 23,477,168	\$ 29,998,441	\$ 28,150,976	\$ 26,229,754
Special education	13,254,196	12,430,632	13,129,364	13,811,055	13,920,095	13,315,894	13,867,642	14,101,765	15,105,371	15,728,468
Other special education	2,240,016	2,253,280	2,506,590	2,461,250	2,166,314	2,309,824	2,480,847	2,469,425	2,431,954	2,508,140
Other instruction	404,801	448,068	540,881	561,958	480,374	479,460	475,292	517,936	453,416	412,506
<b>Support Services:</b>										
Tuition	774,964	1,409,349	1,572,736	1,589,875	724,532	849,083	802,061	1,012,512	349,584	720,074
Student & instruction related services	10,131,392	9,971,784	12,166,003	11,643,109	11,426,696	11,558,781	11,906,712	12,091,100	12,011,526	12,185,209
General and Business Administrative Services	1,360,778	1,281,169	1,217,998	1,210,935	2,004,449	4,654,978	4,648,211	4,709,630	3,781,982	4,764,390
School administrative services	3,933,627	4,464,055	4,619,285	4,123,526	4,633,239	1,331,812	1,173,766	1,403,948	4,768,662	3,296,808
Other Administrative Services										
Plant operations and maintenance	9,031,221	7,781,764	8,419,741	9,606,472	9,212,484	9,342,486	11,016,326	9,829,575	9,287,228	9,725,182
Pupil transportation	7,933,520	8,222,068	7,607,477	7,321,656	7,304,051	8,018,845	8,564,076	8,560,330	6,339,575	7,975,284
Business and Other Support Services	1,928,778	1,050,020	1,063,730	1,769,253	1,202,250	2,058,037	2,351,092	1,685,237		
<b>Special Schools</b>										
Capital Outlay					218,607	251,672		256,798	252,895	179,463
Unallocated Benefits	24,548,579	31,140,403	28,669,235	31,999,474	35,023,399	38,722,415	38,076,496	36,054,630	28,908,651	47,501,582
Interest on long-term debt	1,885,334	1,581,657	1,074,376	1,131,957	892,225	750,384	535,564	1,050,614	77,645	187,420
ARRA - ESF										
ARRA - GSF										
Education Jobs	1,185,607	2,959								
Unallocated depreciation	3,245,670	3,353,901	5,784,396	4,934,193	2,779,125	4,457,479	1,406,956	3,115,593	3,129,635	3,166,506
<b>Total governmental activities expenses</b>	<b>109,550,839</b>	<b>113,563,749</b>	<b>115,868,055</b>	<b>120,590,762</b>	<b>120,166,882</b>	<b>127,211,479</b>	<b>121,023,851</b>	<b>124,801,134</b>	<b>123,455,226</b>	<b>134,580,785</b>
<b>Business-type activities:</b>										
Food service	2,021,093	1,933,964	1,855,657	1,871,185	1,708,774	1,591,533	1,585,536	1,672,513	1,236,244	2,354,893
Child Care										
<b>Total business-type activities expense</b>	<b>2,021,093</b>	<b>1,933,964</b>	<b>1,855,657</b>	<b>1,871,185</b>	<b>1,708,774</b>	<b>1,591,533</b>	<b>1,585,536</b>	<b>1,672,513</b>	<b>1,236,244</b>	<b>2,354,893</b>
<b>Total district expenses</b>	<b>\$ 111,571,932</b>	<b>\$ 115,497,713</b>	<b>\$ 117,723,712</b>	<b>\$ 122,461,947</b>	<b>\$ 121,875,656</b>	<b>\$ 128,803,012</b>	<b>\$ 122,609,387</b>	<b>\$ 126,473,647</b>	<b>\$ 124,691,470</b>	<b>\$ 136,935,678</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
Instruction (tuition)	\$ 1,015,135	\$ 757,665	\$ 508,659	\$ 550,546	\$ -	\$ 849,083	\$ 802,061	\$ 734,731	\$ 349,584	\$ 720,074
Pupil transportation										
Business and other support services										
Operating grants and contributions	3,976,794	2,219,717	2,308,712	2,411,918	2,492,170	2,332,351	2,320,897	2,217,876	2,254,002	3,009,357
Capital grants and contributions										
<b>Total governmental activities program revenues</b>	<b>4,991,929</b>	<b>2,977,382</b>	<b>2,817,371</b>	<b>2,962,464</b>	<b>2,492,170</b>	<b>3,181,434</b>	<b>3,122,958</b>	<b>2,952,607</b>	<b>2,603,586</b>	<b>3,729,431</b>
<b>Business-type activities:</b>										
<b>Charges for services</b>										
Food service	1,465,088	1,306,912	1,290,686	1,106,621	999,936	965,544	894,726	1,254,445	841,773	37,820
Child care										
Operating grants and contributions	563,873	522,430	612,412	554,197	575,620	583,227	603,530	624,612	591,628	2,630,518
Capital grants and contributions										
<b>Total business type activities program revenues</b>	<b>2,028,961</b>	<b>1,829,342</b>	<b>1,903,098</b>	<b>1,660,818</b>	<b>1,575,556</b>	<b>1,548,771</b>	<b>1,498,256</b>	<b>1,879,057</b>	<b>1,433,401</b>	<b>2,668,338</b>
<b>Total district program revenues</b>	<b>\$ 7,018,890</b>	<b>\$ 4,806,724</b>	<b>\$ 4,720,469</b>	<b>\$ 4,623,282</b>	<b>\$ 4,067,726</b>	<b>\$ 4,730,205</b>	<b>\$ 4,621,214</b>	<b>\$ 4,831,664</b>	<b>\$ 4,036,987</b>	<b>\$ 6,397,769</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (104,568,910)	\$ (110,586,367)	\$ (113,003,243)	\$ (117,628,298)	\$ (117,674,712)	\$ (117,674,712)	\$ (117,900,893)	\$ (121,848,500)	\$ (120,851,640)	\$ (130,851,354)
Business-type activities	5,868	(104,622)	47,441	(210,367)	(133,218)	(133,218)	(87,280)	206,544	197,157	313,445
<b>Total district-wide net expense</b>	<b>\$ (104,553,042)</b>	<b>\$ (110,690,989)</b>	<b>\$ (112,955,802)</b>	<b>\$ (117,838,665)</b>	<b>\$ (117,807,930)</b>	<b>\$ (117,807,930)</b>	<b>\$ (117,988,173)</b>	<b>\$ (121,641,956)</b>	<b>\$ (120,654,483)</b>	<b>\$ (130,537,909)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Property taxes levied for general purposes, net	\$ 64,464,148	\$ 63,480,383	\$ 65,287,734	\$ 67,540,789	\$ 68,864,597	\$ 71,157,372	\$ 72,459,479	\$ 73,908,669	\$ 75,998,435	\$ 77,991,339
Taxes levied for debt service	6,830,168	6,818,991	5,710,690	5,586,449	5,367,482	5,465,795	5,607,056	4,609,831	4,468,247	4,496,923

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Unrestricted grants and contributions	41,077,646	44,662,910	44,351,670	44,160,944	47,214,461	47,901,068	49,204,807	50,476,532	49,626,327	51,282,662
Tuition										
Investment earnings	2,744	13,692								
Miscellaneous income	412,566	659,246	8,247,826	1,343,112	3,162,396	1,749,550	1,018,109	1,709,629	1,599,067	2,146,398
Other	3,554,580	(3,859,460)	696,481	(5,836,414)			293,860	1,588,375	97,463	
Transfers										
<b>Total governmental activities</b>	<u>116,341,852</u>	<u>\$ 111,755,762</u>	<u>\$ 124,294,401</u>	<u>\$ 112,794,880</u>	<u>\$ 124,608,936</u>	<u>\$ 126,273,785</u>	<u>\$ 128,583,311</u>	<u>\$ 132,293,036</u>	<u>\$ 131,789,539</u>	<u>\$ 135,917,318</u>
Business-type activities:										
Investment earnings										
Miscellaneous income	0	0	165,311						0	38,469
<b>Total business-type activities</b>	<u>0</u>	<u>0</u>	<u>165,311</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>38,469</u>
<b>Total district-wide</b>	<u>\$ 116,341,852</u>	<u>\$ 111,755,762</u>	<u>\$ 124,459,712</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,025,738</u>	<u>\$ 135,955,787</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 11,782,942	\$ 1,169,395	\$ 11,243,717	\$ (43,233,615) *	\$ 6,934,224	\$ 2,243,740	\$ 10,388,558	\$ 10,444,536	\$ 10,937,899	\$ 5,065,964
Business-type activities	5,868	(104,622)	212,752	(210,367)	(133,218)	(42,762)	(87,280)	206,544	197,157	351,914
<b>Total district</b>	<u>\$ 11,788,810</u>	<u>\$ 1,064,773</u>	<u>\$ 11,456,469</u>	<u>\$ (43,443,982)</u>	<u>\$ 6,801,006</u>	<u>\$ 2,200,978</u>	<u>\$ 10,301,278</u>	<u>\$ 10,651,080</u>	<u>\$ 11,135,056</u>	<u>\$ 5,417,878</u>

\*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

	Fiscal Year Ended									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Reserved	\$ 11,900,829	\$ 12,818,847	\$ 18,136,778	\$ 12,909,141	\$ 15,524,048	\$ 19,409,551	\$23,017,512	\$ 28,216,372	\$ 36,731,100	\$ 43,003,146
Unreserved	(4,721,787)	(4,814,598)	(4,564,772)	(1,110,175)	(1,065,104)	(951,419)	(1,430,926)	(990,712)	(916,333)	1,576,770
Total General fund	<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>	<u>\$ 27,225,660</u>	<u>\$ 35,814,767</u>	<u>\$ 44,579,916</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund										921,743
Capital projects fund	41,537	41,537	3,608,887	1,500,594	3,456,030	3,009,030	30,090,630	15,827,557	5,834,367	3,236,263
Debt service fund	17,807	156,964	365,612	365,517	139,065	8	7	159,654	150,473	174,535
Permanent fund										
Total all other governmental funds	<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>	<u>\$ 15,987,211</u>	<u>\$ 5,984,840</u>	<u>\$ 3,410,798</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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Tax levy	\$ 71,294,316	\$ 70,279,374	\$ 70,998,424	\$ 73,127,238	\$ 74,232,079	\$ 76,623,167	\$ 78,066,535	\$ 78,518,500	\$ 80,466,682	\$ 82,488,258
Tuition charges	1,015,135	757,665	508,659	550,546	1,339,349	1,091,662	849,321	734,731	875,430	941,019
Interest earnings	2,744	13,692	0	0						
Miscellaneous	414,066	666,344	8,268,894	1,405,464	2,968,521	1,520,363	980,475	1,723,667	1,073,221	1,925,453
State sources	41,181,886	44,719,660	44,407,366	44,175,234	47,202,695	47,874,030	49,218,616	50,492,028	49,657,912	51,360,030
Federal sources	3,871,054	2,155,869	2,231,948	2,335,276	2,489,713	2,345,997	2,297,462	2,188,342	2,222,417	2,931,989
<b>Total revenue</b>	<b>\$ 117,779,201</b>	<b>\$ 118,592,604</b>	<b>\$ 126,415,291</b>	<b>\$ 121,593,758</b>	<b>\$ 128,232,357</b>	<b>\$ 129,455,219</b>	<b>\$ 131,412,409</b>	<b>\$ 133,657,268</b>	<b>\$ 134,295,662</b>	<b>\$ 139,646,749</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	\$ 27,466,657	\$ 28,010,491	\$ 27,051,961	\$ 28,426,049	\$ 28,394,241	\$ 28,500,018	\$ 28,937,035	\$ 29,008,253	\$ 28,015,253	\$ 26,836,658
Special education instruction	13,254,196	12,430,632	13,129,364	13,811,055	13,920,095	13,315,894	13,867,642	14,101,765	15,105,371	15,728,466
Other special instruction	2,240,016	2,253,280	2,505,590	2,461,250	2,166,314	2,309,824	2,480,847	2,469,425	2,431,954	2,508,140
Vocational education										
Other instruction	404,801	448,068	540,881	561,958	480,374	479,460	475,292	517,936	453,415	412,505
Nonpublic school programs										
Adult/continuing education programs										
<b>Support Services:</b>										
Tuition	774,964	1,409,349	1,572,736	1,589,875	724,532	849,083	802,061	1,012,512	349,584	720,074
Student & instruction related services	10,131,392	9,971,784	12,166,003	11,643,109	11,645,303	11,558,781	11,906,712	12,091,100	12,011,526	12,185,209
General administrative services										
School Administrative services	1,360,778	1,281,169	1,217,998	1,210,935	4,633,239	4,654,978	4,648,211	4,709,603	4,768,662	4,764,390
Other Administrative services	3,933,627	4,464,055	4,619,285	4,123,526	2,004,449	1,331,812	1,173,766	1,403,948	3,781,982	3,296,808
Plant operations and maintenance	8,201,788	7,781,764	8,419,741	9,606,472	9,212,484	9,342,486	11,016,326	9,829,575	9,287,228	9,725,182
Pupil transportation	7,933,520	8,222,068	7,607,477	7,321,656	7,304,051	8,018,845	8,564,076	8,560,330	6,339,575	7,975,284
Business and Other Support Services	1,928,778	1,050,020	1,063,730	1,769,253	1,202,250	2,058,037	2,351,092	1,685,237		
Unallocated employee benefits	24,548,579	31,140,403	28,699,235	31,735,519	34,481,737	34,682,586	35,723,553	36,424,170	36,516,387	41,797,877
ARRA-ESF										
ARRA-GSF										
Capital outlay	1,232,006	1,498,365	3,303,034	2,847,150	557,966	2,691,450	390,855	5,008,014	11,990,584	2,877,000
Education Jobs	1,185,607	2,959	0							
Special Schools						251,672	241,642	256,798	252,895	179,463
Debt service:										
Principal	5,668,547	5,946,868	4,848,805	4,859,900	5,030,000	5,210,000	5,360,000	3,975,000	4,085,000	4,220,482
Interest and other charges	2,257,679	1,830,078	1,087,823	1,134,946	955,118	787,162	638,706	499,729	416,973	276,923
<b>Total expenditures</b>	<b>\$ 112,522,915</b>	<b>\$ 117,741,353</b>	<b>\$ 117,833,683</b>	<b>\$ 123,102,653</b>	<b>\$ 122,712,153</b>	<b>\$ 126,042,088</b>	<b>\$ 128,577,816</b>	<b>\$ 131,553,395</b>	<b>\$ 135,806,389</b>	<b>\$ 133,504,463</b>
Excess (Deficiency) of revenues over (under) expenditures	\$ 5,256,286	\$ 851,251	\$ 8,581,608	\$ (1,508,895)	\$ 5,520,204	\$ 3,413,131	\$ 2,834,593	\$ 2,103,873	\$ (1,510,727)	\$ 6,142,286
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)	\$	\$	\$	\$ (5,796,684)	\$ (1,309,759)	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects										
Sale/Leaseback Proceeds										
Leaseback Expenditures										
Proceeds of refunding debt										
Current/Anticipated Additional Surplus			500,000							
Par amount of bonds								14,925,000		
Accounts Receivable Cancelled	(800)	(45)	-	-	(8,074)					
Accounts Payable Cancelled			196,481		110,003					
Premium on Sale of Bonds								1,588,375		
Accrued interest										
Prior Year Adjustment	80,380	26,886	0	(39,730)	92,202				97,463	
Transfers in							354,807			
Transfers out					(15,623)		(80,747)			
<b>Total other financing sources (uses)</b>	<b>79,580</b>	<b>26,841</b>	<b>696,481</b>	<b>(5,836,414)</b>	<b>(1,131,251)</b>	<b>-</b>	<b>293,860</b>	<b>16,513,375</b>	<b>97,463</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 5,335,866</b>	<b>\$ 878,093</b>	<b>\$ 9,278,089</b>	<b>\$ (7,345,309)</b>	<b>\$ 4,388,953</b>	<b>\$ 3,413,131</b>	<b>\$ 3,128,453</b>	<b>\$ 18,617,248</b>	<b>\$ (1,413,264)</b>	<b>\$ 6,142,286</b>
Debt service as a percentage of noncapital expenditures	7.1%	6.4%	5.1%	4.9	4.9	4.7	4.9	3.5	3.8	3.6

Source: CAFR Schedule B-2  
 End of Yr Rev. Funds 10,20,40 (A/P)  
 End of Yr. Expenditure Budget Rpt & 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
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
2019		-		1,723,667	1,723,667
2020		-		1,073,221	1,073,221
2021		-		1,925,453	1,925,453

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)
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	585,545,700	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	626,784,300	104,535,300	37,293,500	6,642,287,000	0	0	6,642,287,000	1	6,833,823,093
2018	114,774,900	5,878,284,700	98,123,400	2,624,600	668,590,600	105,862,100	38,671,700	6,903,932,000	0		6,903,932,000	1	7,210,500,749
2019	112,105,800	6,149,486,400	98,207,200	2,669,500	682,217,500	111,137,700	39,843,400	7,195,667,500	0		7,195,667,500	1	7,543,419,122
2020	101,852,000	6,318,620,400	102,076,600	2,432,200	710,135,200	113,613,300	39,900,900	7,388,630,600			7,701,927,693		
2021	113,286,200	6,449,143,300	103,553,500	2,349,700	713,280,800	124,386,400	40,138,000	7,546,137,900			7,546,137,900		7,814,841,301

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)**

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

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

Fiscal Year Ended June 30,	Howell Township Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Freehold Regional School District	Howell Township	Library/Other		Monmouth County
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
2019	1.127	0.082	1.209	0.449	0.395	0.000	0.250	2.303
2020	1.095	0.082	1.177	0.432	0.395	0.018	0.246	2.268
2021	1.089	0.082	1.171	0.428	0.387	0.018	0.237	2.241

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 calcu

**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	2020		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Buffalo-Parkton & Feurstein & Wain Co	\$ 43,693,800	0.591	Buffalo-Parkton & Feurstein & Wain Co	45,138,000 0.68
Howell Verdana LLC & Veronna LLC	\$ 39,900,900	0.54	Home Depot USA Inc	17,160,000 0.26
Howell Friendship Real Estate Co	\$ 21,639,500	0.293	Lowe's Home Centers Inc	16,530,000 0.25
Eagle Golf Enterprises, LLC	\$ 16,945,200	0.272	Fairfield Park LLC	16,190,200 0.24
DS & DJ Realty, LLC	\$ 15,996,100	0.216	DS & DJ Realty LLC	14,845,100 0.22
Home Depot USA Inc	\$ 15,412,400	0.210	Target Corporation	14,800,000 0.22
Lowe's Home Center Inc	\$ 14,961,400	0.202	Brochin Leona & Mur/Levin Mgmt Corp	14,000,000 0.21
Target Corporation	\$ 14,268,900	0.193	Howell Associates LLC/Ramada Inn	13,705,500 0.21
Walmart Stores	\$ 14,188,300	0.192	Eagle Golf Enterprises	12,585,500 0.19
Aldrich Plaza	\$ 14,144,100	0.191	Pinnacle Materials Inc	11,626,800 0.18
Total	\$ 211,150,600	1.131	Total	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	
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%	
2018	165,162,860	162,472,842	98.37%	
2019	171,081,842	168,691,289	98.60%	
2020	172,389,520	169,629,264	98.40%	

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
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Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
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
2018	16,960,000		4,594,889			21,554,889	0.29%	61,968
2019	27,910,000		758,000			28,668,000	0.22%	61,968
2020	8,315,000		1,488,000			9,803,000	0.63%	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 <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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
2018	16,960,000		16,960,000	0.96%	332
2019	32,520,000		32,520,000	0.45%	636
2020	32,228,448		32,228,448	0.44%	631

**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

<b>Exhibit J-12</b> GASB D-3 NJ J-8 modified
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<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Howell Township	\$ 65,735,749	100.000%	65,735,749
<b>Other debt</b>			
Freehold Regional High School	0	22.721%	0
Monmouth County	29,030,454	5.720%	1,660,542
Subtotal, overlapping debt			67,396,291
Howell Township School District Direct Debt			<u>65,735,749</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 133,132,040</u></u>

**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	
	2020	7,388,630,600
	2019	6,903,932,000
	2018	6,642,287,000
	[A]	<u>20,934,849,600</u>
Average equalized valuation of taxable pro	[A/3]	\$ 6,978,283,200
Debt limit (3 % of average	[B]	209,348,496 <sup>a</sup>
Net bonded school debt	[C]	32,520,000
Legal debt margin	[B-C]	<u>\$ 176,828,496</u>

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 211,656,041	\$ 140,852,349	\$ 194,360,174	187,652,987	186,479,526	191,118,436	191,118,436	193,731,664	133,092,838	133,092,838	209,348,496
Total net debt applicable to limit	<u>64,576,880</u>	<u>53,466,852</u>	<u>37,388,311</u>	<u>44,622,619</u>	<u>58,496,451</u>	<u>69,089,436</u>	<u>69,089,436</u>	<u>69,089,436</u>	<u>69,089,436</u>	<u>32,520,000</u>	<u>32,520,000</u>
Legal debt margin	<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>	<u>64,003,402</u>	<u>100,572,838</u>	<u>176,828,496</u>
Total net debt applicable to the limit as a percentage of debt limit	35.76%	30.51%	37.96%	19.24%	23.78%	31.37%	36.15%	36.15%	35.66%	24.43%	15.53%

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

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 8 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 <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>b</sup>	Unemployment Rate <sup>d</sup>
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%
2018	52,114	2,142,250,198	41,107	3.7%
2019	52,007	2,176,492,950	41,850	4.7%
2020	51,958	2,207,695,420	42,490	16.8%
2021	57,754	2,374,093,678	41,107	7.1%

**Source:**

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

<sup>b</sup> Personal income based on 3% increment

<sup>d</sup> 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 GASB E-2 NEW
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Employer	2013			2003		
	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%
Kohnls	135	5	6.73%	-		0.00%
	-			-		0.00%
	2,007		100.00%	-		0.00%

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	2010	2011	2012	2013	2014	2015	2016 #	2017	2018	2019	2020
Instruction											
Regular	376	343	352	357	357	360	338 #	331	339	336	348
Special education	282	299	299	297	296	302	290 #	208	244	223	231
Other special education	-	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-	-
Support Services:											
Tuition	-	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	83	87	91	92	93	102	108 #	122	124	127	127
General administrative services	15	6	6	6	6	6	6 7	7	7	7	7
School administrative services	50	51	52	52	52	52	52 #	53	53	53	52
Business administrative services	14	16	16	16	16	14	14 #	13	13	13	13
Plant operations and maintenance	104	74	74	74	74	74	76 #	74	74	84	86
Pupil transportation	64	65	65	63	63	56	62 #	62	63	72	72
Special Schools	-	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>988</b>	<b>941</b>	<b>955</b>	<b>957</b>	<b>957</b>	<b>966</b>	<b>946 #</b>	<b>870</b>	<b>917</b>	<b>915</b>	<b>936</b>

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 <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff	Per Pupil Ratio	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
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%
2019	5,611	104,238,529	18,578	6.08%	583	1:10	5,640	5,351	-0.01%	94.88%
2020	5,611	113,723,096	20,268	11.31%	559	1:10	5,638	5,433	-2.62%	96.36%
2021	5,600	113,007,346	20,180	8.63%	568	1:09	5,453	5,270	-3.31%	96.64%

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Elementary</b>											
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	78,000
Capacity (students)	537	537	537	537	537	537	537	537	537	537	537
Enrollment	391	400	377	377	377	301	352	356	350	349	345
Aldrich Elementary School (1938)											
Square Feet	70,400	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	434
Enrollment a	562	558	565	565	565	545	429	431	388	395	377
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	68,600
Capacity (students)	417	417	417	417	417	417	417	417	417	417	417
Enrollment	437	440	435	435	435	442	338	377	336	317	324
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	78,000
Capacity (students)	530	530	530	530	530	530	530	530	530	530	530
Enrollment	512	507	463	463	463	363	329	295	311	329	318
Griebling 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	89,187
Capacity (students)	550	550	550	550	550	550	550	550	550	550	550
Enrollment	517	510	501	501	501	545	305	278	238	269	255
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	92,983
Capacity (students)	550	550	550	550	550	550	550	550	550	550	550
Enrollment	513	542	521	521	521	538	495	520	511	510	486
Memorial Elementary School											
Square Feet							120,000	120,000	120,000	120,000	120,000
Capacity (students)							577	577	577	577	577
Enrollment							322	330	301	286	258
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	79,850
Capacity (students)	477	477	477	477	477	477	477	477	477	477	477
Enrollment	405	424	412	412	412	359	435	420	400	391	372
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	99,899
Capacity (students)	705	705	705	705	705	705	705	705	705	705	705
Enrollment	484	494	459	459	459	438	427	388	354	328	325
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	73,940
Capacity (students)	392	392	392	392	392	392	392	392	392	392	392
Enrollment	-	-	0	-	0	-	-	-	-	-	-
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	89,187
Capacity (students)	392	392	392	392	392	392	392	392	392	392	392
Enrollment	497	496	462	462	462	436	385	380	386	379	362
<b>Middle School</b>											
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	161,000
Capacity (students)	900	900	900	900	900	900	900	900	900	900	900
Enrollment	849	850	826	826	826	802	1,168	1,166	1,107	1,130	1,116
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	162,000
Capacity (students)	980	980	980	980	980	980	980	980	980	980	980
Enrollment	878	885	832	832	832	751	982	982	929	917	870
Memorial Middle School											
Square Feet	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Capacity (students)	577	577	577	577	577	577	577	577	577	577	577
Enrollment	653	651	666	666	666	627					
<b>Other</b>											
Administration Building											
Square Feet	8,000	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	9,060
Maintenance Offices											
Square Feet	900	900	900	900	900	900	900	900	900	900	900

1,263,046

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 NONE

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

School Facilities	Project # (s)	2,021	2,020	2,019	2,018	2,017	2016	2015	2014	2013	2012	2011	School % Square Foot
Adelphia School	N/A	162,825	196,928	199,803	241,720	166,343	139,879	156,361	111,729	102,392	\$ 105,789	\$ 105,286	0.0618
Aldrich School	N/A	146,753	177,490	180,082	217,861	149,924	126,073	140,928	100,700	92,285	\$ 95,347	\$ 94,893	0.0557
Ardena School	N/A	143,065	173,029	175,555	212,385	146,156	122,904	137,385	98,169	89,966	\$ 92,950	\$ 92,508	0.0543
Greenville School	N/A	162,825	196,928	199,803	241,720	166,343	139,879	156,361	111,729	102,392	\$ 105,789	\$ 105,286	0.0618
Griebling School	N/A	186,010	224,969	228,254	276,139	190,030	159,798	178,626	127,638	116,972	\$ 120,853	\$ 120,278	0.0706
Land O'Pines School	N/A	193,914	234,529	237,953	287,873	198,105	166,588	186,217	133,062	121,942	\$ 125,988	\$ 125,389	0.0736
Newbury School	N/A	166,513	201,389	204,330	247,195	170,112	143,048	159,904	114,260	104,711	\$ 108,185	\$ 107,671	0.0632
Ramtown School	N/A	208,405	252,055	255,735	309,385	212,909	179,037	200,132	143,005	131,055	\$ 135,403	\$ 134,759	0.0791
Southard School	N/A	154,130	186,412	189,134	228,812	157,461	132,410	148,012	105,763	96,924	\$ 100,140	\$ 99,664	0.0585
Taunton School	N/A	186,010	224,969	228,254	276,139	190,030	159,798	178,626	127,638	116,972	\$ 120,853	\$ 120,278	0.0706
Howell Middle School North	N/A	335,925	406,283	412,216	498,693	343,184	288,586	322,590	230,508	211,245	\$ 218,254	\$ 217,215	0.1275
Howell Middle School South	N/A	338,033	408,832	414,802	501,822	345,337	290,397	324,614	231,954	212,571	\$ 219,623	\$ 218,578	0.1283
Howell Memorial Middle School	N/A	250,297	302,721	307,141	371,575	255,706	215,025	240,361	171,751	157,399	\$ 162,620	\$ 161,847	0.0950
<b>Total School Facilities</b>		<b>2,634,707</b>	<b>3,186,535</b>	<b>3,233,062</b>	<b>3,911,321</b>	<b>2,691,639</b>	<b>2,263,421</b>	<b>2,530,119</b>	<b>1,807,907</b>	<b>1,656,827</b>	<b>\$ 1,711,792</b>	<b>\$ 1,703,650</b>	
Other Facilities													
<b>Grand Total</b>		<b>2,634,707</b>	<b>3,186,535</b>	<b>3,233,062</b>	<b>3,911,321</b>	<b>2,691,639</b>	<b>2,263,421</b>	<b>2,530,119</b>	<b>1,807,907</b>	<b>1,656,827</b>	<b>\$ 1,711,792</b>	<b>\$ 1,703,650</b>	

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, 2021  
UNAUDITED

J-20

Company	Type of Coverage	Coverage	Deductible
Utica National	Property Blanket Building & Contents- Replacement Cost Values -Additional Valuable Papers	246,117,922	1,000
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	\$ 1,000
Utica National	Crime Coverage -Blanket Employee coverage -Money & Securities On Premises Money & Securities Off Premises Forgery or Alteration	\$ 250,000 \$ 3,000 \$ 3,000	\$ 250 \$ 250 \$ 250
Utica National	Boiler & Machinery Coverage	264,117,822	1,000
Utica National	Board of Education -Educators Legal Liability Each Loss Aggregate	\$ 1,000,000 \$ 1,000,000	\$5,000.00
Utica National	Fidelity Bonds -Treasurer of School Monies -Business Administrator/Board Secretary	\$1,200 \$250	
Brown & Brown	Workers' Compensation -Professional -\$69,253,137 -Non-Professional -\$2,403,005		

Source: District Records

**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.  
RICHARD J. HELLENBRECHT, 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, 2021, 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 February 11, 2022.

**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**

February 11, 2022

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

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

**INDEPENDENT AUDITOR'S REPORT 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, 2021. 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 federal and 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, 2021.

### **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**

February 11, 2022

HOWELL TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2020	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	Balance at June 30, 2021		
					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	S010A200030		514,231	07/01/2020	06/30/2021	\$ -		266,903	(432,606)			(165,703)		
Title I	84.010	S010A190030		518,576	07/01/2019	06/30/2020	(137,475)		137,475						
Title IIA	84.367A	S367A190029		144,288	07/01/2019	06/30/2020	(31,038)		31,038						
Title IIA	84.367A	S367A200029		91,561	07/01/2020	06/30/2021			70,621	(69,198)				1,423	
Title III Immigrant	84.365	S365A200030		7,124	07/01/2020	06/30/2021			5,226	(5,345)			(119)		
Title III	84.365	S365A200030		67,792	07/01/2020	06/30/2021			24,186	(49,756)			(25,570)		
Title III	84.365	S365A170030			07/01/2020	06/30/2021	(17,960)		17,960						
Title IV	84.424	S424A190031		25,570	07/01/2019	06/30/2020	(3,705)		3,705						
Title IV	84.424	S424A200031		109,976	07/01/2020	06/30/2021			31,563	(85,846)			(54,283)		
Special Education Cluster:															
IDEA Basic	84.027	H027A200100		1,690,912	07/01/2020	06/30/2021			1,082,881	(1,359,981)			(277,100)		
IDEA Basic	84.027	H027A190100		1,601,504	07/01/2019	06/30/2020	(333,904)		333,904						
IDEA Preschool	84.173	H173A200114		87,680	07/01/2020	06/30/2021			33,126	(68,126)			(35,000)		
IDEA Preschool	84.173	H173A190114		93,301	07/01/2019	06/30/2020	(18,883)		18,883						
CARES Act	84.425D	S425D200027		351,856	07/01/2019	06/30/2020	(338,767)		338,767	(13,085)			(13,085)		
Coronavirus Relief Fund	21.019	STL0040		265,847	09/20/2020	12/01/2020			265,847	(265,847)					
CARES Digital Divide	84.425D	S425D200027		227,531	07/16/2020	10/31/2020			226,209	(226,209)					
Total Special Revenue Fund							(881,732)	-	2,888,294	(2,575,999)	-	-	(570,860)	1,423	-
U.S. Department of Education:															
General Fund															
Medical Assistance Program	93.778	2005NJ5MAP		107,866	07/01/2020	06/30/2021			107,866	(107,866)					
CARES Act - Supplemental SEMI	93.778	2005NJ5MAP		9,357	07/01/2020	06/30/2021			9,357	(9,357)					
Total General Fund							-	-	117,223	(117,223)	-	-	-	-	-
U.S. Department of Agriculture -															
Passed Through State Department															
of Education:															
Child Nutrition Cluster:															
Food Distribution Program	10.550	211NJ304N1099		148,856	07/01/2020	06/30/2021			148,856	(148,856)					
National School Lunch Program	10.555	201NJ304N1099		379,801	07/01/2019	06/30/2020	(27,457)		27,457						
National School Lunch Program	10.555	211NJ304N1099		1,436,131	07/01/2020	06/30/2021			1,339,950	(1,436,131)			(96,181)		
National School Breakfast Program	10.553	211NJ304N1099		854,166	07/01/2020	06/30/2021			798,997	(854,166)			(55,169)		
National School Breakfast Program	10.553	201NJ304N1099		92,567	07/01/2019	06/30/2020	(14,816)		14,816						
HHFKA	10.555	201NJ304N1099		17,341	07/01/2019	06/30/2020	(564)		564						
HHFKA	10.555	211NJ304N1099		28,641	07/01/2020	06/30/2021			26,723	(28,641)			(1,918)		
Total Enterprise Fund							(42,837)	-	2,357,363	(2,467,794)	-	-	(153,268)	-	-
Total Federal Financial Awards							\$ (924,569)	-	5,362,880	(5,161,016)	-	-	(724,128)	1,423	-

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, 2021

State Grant or Program State Department of Education	Grant or State Program or Award Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2020 (Accounts Receivable)	Carryover/ (Waiver) Amount	Cash Received	Budgetary Expenditures	(Repayment) of Prior Years Balances	Balance at June 30, 2021 (Accounts Receivable)	Deferred Revenue	Due to Grantor	MEMO	
												Budgetary Receivable	Total Cumulative Expenditures
General Fund	21-495-034-5120-078	\$ 23,025,016	07/01/2020			20,745,305	(23,025,016)		(2,279,711)			(2,279,711)	23,025,016
Equalization Aid	21-495-034-5120-089	3,740,074	07/01/2020			3,369,750	(3,740,074)		(370,324)			(370,324)	3,740,074
Special Education Aid	20-495-034-5120-014	903,761	07/01/2020			814,180	(903,761)		(89,581)			(89,581)	903,761
Transportation Aid	20-495-034-5120-084	517,479	07/01/2020			466,130	(517,479)		(51,349)			(51,349)	517,479
Security Aid	21-495-034-5120-044	935,022	07/01/2020			65,109	(935,022)		(871,913)			(871,913)	935,022
Extraordinary Aid	20-495-034-5120-044	630,050	07/01/2020	(630,050)		630,050							66,120
Non-Public Transportation	21-495-034-5120-014	66,120	07/01/2020		(250)	250	(66,120)						66,120
On-Behalf TPAF Pension Contributions -	20-495-034-5120-014	250	07/01/2019										
Post Retirement Medical (non-budgeted)	21-495-034-5094-001	4,238,788	07/01/2020			4,238,788	(4,238,788)						4,238,788
On-Behalf TPAF Pension Contributions -	21-495-034-5094-002	13,525,840	07/01/2020			13,525,840	(13,525,840)						13,525,840
Normal Cost (non-budgeted)	21-495-034-5094-004	3,974	07/01/2020			3,974	(3,974)						3,974
Long Term Disability	21-100-034-5095-003	3,973,170	07/01/2020			3,973,170	(3,973,170)						3,973,170
Reimbursed TPAF Social Security				(630,300)		47,830,546	(50,929,243)		(938,023)			(938,023)	30,629,244
Total General Fund													
Special Revenue Fund	21-100-034-5120-064	11,546	07/01/2020			11,546	(11,092)	(264)			454		11,092
Textbook Aid	20-100-034-5120-064	16,815	07/01/2019	264									3,974
Antennary Services	21-100-034-5120-067	32,746	07/01/2020			32,746	(32,746)				835		32,746
Compensatory Education	21-100-034-5120-067	4,441	07/01/2020			4,441	(3,606)						3,606
English as a Second Language	21-100-034-5120-066	11,333	07/01/2020			11,333	(11,333)						11,333
Supplementary Instruction	20-100-034-5120-066	17,276	07/01/2020			17,276	(16,926)				350		16,926
Examination and Classification	20-100-034-5120-066	6,107	07/01/2019	718				(718)					6,107
Corrective Speech	21-100-034-5120-066	12,759	07/01/2020			12,759	(2,479)				10,280		2,479
Corrective Speech	21-100-034-5120-064	33,075	07/01/2020			33,075	(26,889)				6,186		26,889
Security	20-100-034-5120-064	47,850	07/01/2019	14,502				(14,502)					47,850
Technology Initiative	20-100-034-5120-070	11,484	07/01/2020	198				(198)					11,484
Nursing Services	21-100-034-5120-070	19,278	07/01/2020			19,278	(19,278)						19,278
Nursing Services	20-100-034-5120-070	30,943	07/01/2019	58				(58)					30,943
Total Special Revenue Fund				15,740		142,454	(124,349)	(15,740)			18,105		124,349
Debt Service Aid Type II	21-495-034-5120-017	24,545	07/01/2020			24,545	(24,545)						24,545
Capital Projects	2290-010-14-1004	230,000	06/09/2014	(40,797)					(40,797)				230,000
SDA Grant	2290-035-14-1012	308,200	06/09/2014	(51,141)					(51,141)				308,200
SDA Grant	2290-065-14-1015	502,780	06/09/2014	(79,705)					(79,705)				502,780
SDA Grant	2290-032-14-1010	78,000	06/09/2014	(78,000)					(78,000)				78,000
SDA Grant	2290-035-14-1011	69,000	06/09/2014	(7,070)					(7,070)				69,000
SDA Grant	2290-032-14-1022	165,600	06/09/2014	(165,600)					(165,600)				165,600
SDA Grant	2290-032-14-1003	98,900	07/15/2015	(98,900)					(98,900)				98,900
SDA Grant	2290-025-14-1007	828,000	07/15/2015	(828,000)					(828,000)				828,000
Total Capital Projects				(1,349,213)					(1,349,213)				
Enterprise Fund	21-100-010-3350-023	68,428	07/01/2020	(443)		61,440	(68,428)		(6,988)				68,428
National School Lunch Program	20-100-010-3350-023	12,881	07/01/2019	(443)		443	(68,428)		(6,988)				68,428
Total Enterprise Fund						61,883	(68,428)		(6,988)				68,428
Total State Financial Assistance				\$ (1,964,216)		\$ 48,659,498	(51,146,566)	(15,740)	(2,294,234)		18,105	(2,790,965)	\$ 51,146,566
Less on Behalf TPAF Pension System Contributions													
Total for State Financial Assistance-Major Program Determination													\$ (33,377,964)

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

**BOARD OF EDUCATION**

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**HOWELL TOWNSHIP SCHOOL DISTRICT****NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2021****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 \$281,988 for the general fund and \$238,767 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>
<b><u>State Assistance</u></b>					
Actual Amounts (Budgetary)					
“Revenues” from the Schedule					
of Expenditures of State					
Financial Assistance	\$ 50,929,244	124,349	24,545	68,428	51,146,566
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)	<u>281,988</u>	_____	_____	_____	<u>281,988</u>
Total State Revenue as Reported					
on the Statement of Revenues,					
Expenditures and Changes					
Fund Balances	<u>\$ 51,211,232</u>	<u>124,349</u>	<u>24,545</u>	<u>68,428</u>	<u>51,428,554</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>
<b><u>Federal Assistance</u></b>					
Actual Amounts (Budgetary)					
“Revenues” from the Schedule					
of Expenditures of Federal					
Awards	\$ 117,223	2,575,999		2,467,794	5,161,016
Difference – Budget to “GAAP”					
Grant Accounting Budgetary					
Basis Differs from GAAP in that					
Encumbrances are Recognized as					
Expenditures, and the Related					
Revenue is Recognized	_____	<u>238,767</u>	_____	_____	<u>238,767</u>
Total Federal Revenue as					
Reported on the Statement					
of Revenue, Expenditures,					
and Changes in Fund					
Balances	<u>\$ 117,223</u>	<u>2,814,766</u>	_____	<u>2,467,794</u>	<u>5,399,783</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, 2021. 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, 2021. 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, 2021**

*Part 1 - Summary of Auditor's Results*

**Financial Statement Section**

	Unmodified
(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:	\$750,000
(E) Auditee qualified as low-risk auditee?	_____ <u>  x  </u> Yes    _____ No
(F) Type of auditor's report on compliance for major programs:	Unmodified
(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:

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



**HOWELL TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**State Awards Section**

(J) Dollar threshold used to determine Type A programs: \$1,113,004

(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)**

21-495-034-5120-089  
21-495-034-5120-078  
21-495-034-5120-084  
21-495-034-5095-002  
   
   
 

**Name of State Program**

Special Education Aid (Public Cluster)  
Equalization Aid (Public Cluster)  
Security Aid (Public Cluster)  
Reimbursed Social Security

**HOWELL TOWNSHIP SCHOOL DISTRICT****SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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**FOR THE FISCAL YEAR ENDED JUNE 30, 2021*****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**

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**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*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

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FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Prior Audit Findings:

None