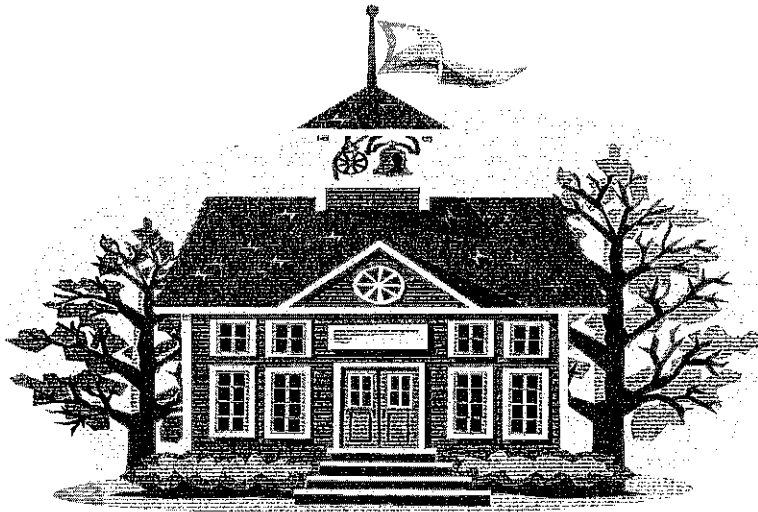


SCHOOL DISTRICT
OF
HOWELL TOWNSHIP



HOWELL TOWNSHIP BOARD OF EDUCATION
HOWELL TOWNSHIP, NEW JERSEY

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

HOWELL TOWNSHIP SCHOOL DISTRICT

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**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

OF THE

HOWELL TOWNSHIP BOARD OF EDUCATION

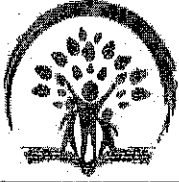
HOWELL TOWNSHIP, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PREPARED BY

**HOWELL TOWNSHIP BOARD OF EDUCATION
FINANCE DEPARTMENT**

INTRODUCTORY SECTION



Howell Township Public Schools

January 15, 2024

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 Annual Comprehensive Financial Report (ACFR) of the Howell Township School District for the fiscal year ended June 30, 2023. This ACFR 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 Annual Comprehensive 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 PreK 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, a director of pupil services, an assistant superintendent of business administration/board secretary, a director of innovative and digital learning, and three district-wide curriculum supervisors, two supervisors of special education, and.

The Board of Education, comprised of nine members, each elected to three-year terms, meets monthly, as designated for the regular Board Meeting and other times each month for committee meetings or Special Board of Education Meetings. All committees except Labor and Professional Learning are comprised of three Board members, one serving as chair, three appointed citizen members, and if available alternate 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 (except labor and PLC) 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 newsletters. The district 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 school and district news alerts. Further, parents can stay informed by signing up to receive updates from the district's social media accounts.

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 New Jersey Student Learning 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 PreK through 5

Currently, there are five PreK to grade two elementary schools (Land O'Pines, Adelpia 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 formally learning Spanish in second grade and continue through the 8th grade. The students learn the language through conversational techniques, as well as develop an appreciation for the cultures that speak Spanish. In the middle school level,

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

Howell Township Middle Schools: Grades 6 through 8

Grades six through eight are housed at the district's two middle schools. Each grade is organized by teams in which groups of teachers share the same students. This provides stronger student learning communities supported by caring adults who collaborate on students' behalf. The culture and climate of the school is strongly influenced by the districts goals associated with implementing restorative practices combined with the work of student leaders in the Dylan's Wings of Change program. Lastly, our academic programming is designed to provide flexible pathways for students to strive to their greatest abilities, progress based on their developmental readiness, and be supported regardless where they are on their learning journey.

Special Education

Special Education is an integral part of the educational system in the Howell Township Schools. Our school district educates approximately 950 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 multidisciplinary team which includes their parent/s.

New Jersey Student Learning Standards

All district curricula is aligned with the New Jersey Student Learning Standards (NJSLS).

Staff Development

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

All professional learning opportunities align to the Standards for Professional Learning. All professional learning opportunities are designed using the principles of adult learning Theory. The combination of standards-aligned and research-based practices

ensure impactful professional learning experiences. The district Professional Learning Plan is available on the District website.

In the beginning of the school year all newly hired teachers receive intensive in-service, encompassing training in instructional strategies, classroom management, curriculum, NJSLs, 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. Additionally, all new staff are invited to participate in the New Staff Academy or the New Leadership Academy.

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 Professional Learning Communities (PLC) to organize a collection of information regarding patterns of student performance.. That data is synthesized by our School Improvement Panels (SciP) with data regarding patterns of instructional practice.

Technology

Technology is used to enrich teaching and learning, facilitate communication among all members of the educational community, and to increase productivity. All buildings are linked together via local and wide area voice and data networks. The district's robust technology infrastructure includes high-speed internet access, network capabilities, and hardware resources. Recent changes made to enhance technological capabilities include a wireless infrastructure upgrade.

To assist in delivering content and collaborating with peers and colleagues, the district provides one-to-one devices for staff and students, ensuring each has access to a device for educational purposes. Digital tools and resources are available to students and staff. Use of our learning management systems, educational apps, online textbooks, and interactive multimedia content provides digital tools for centralized control over course content, communication, assessment, and analytics, while providing students with convenient access to learning materials, opportunities for interaction, feedback on their progress, and self-paced learning.

All classrooms 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. Student device ratio for grades K-8 is 1:1.

The district incorporates STEM (Science, Technology, Engineering, and Mathematics) education into the curriculum, including specialized programs such as robotics, coding classes, and technology-based afterschool programs. As a result of our robust technology

environment, the district educates students about responsible technology use, online safety, and digital citizenship, preparing them to navigate the digital world responsibly.

Howell Township Public School District is committed to technology integration and its positive impact on teaching, learning, and student success.

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 2012-2023.

<u>School Year</u>	<u>Enrollment As of October 15</u>
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
2021-22	5340
2022-23	5513
2023-24	5716

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 (regular operating district) 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. This year the Board has received ROD grants for numerous capital projects which will assist in maintaining the upgrades and capital improvements.

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 2022-2023 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 1062 people during the 2022-2023 school year. The certificated staff numbered 615 including 36 administrators and supervisors and 579 classroom teachers and educational support personnel (nurses, guidance counselors, child study team members, etc.). 447 other employees, including

instructional assistants, school aides, bus drivers and attendants, secretaries 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 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 for
Business Administration/Board
Secretary

HOWELL TOWNSHIP BOARD OF EDUCATION

HOWELL TOWNSHIP, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2023

Members of the Board of Education

Term Expires

Albert Miller	2024
Cristy Mangano	2026
Alexandria Langenberger	2026
Stephen Levine	2025
Denise Lowe	2024
MaryRose Malley	2025
Joseph Mauer	2026
Jennifer Okerson	2025
Ira Thor	2024

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

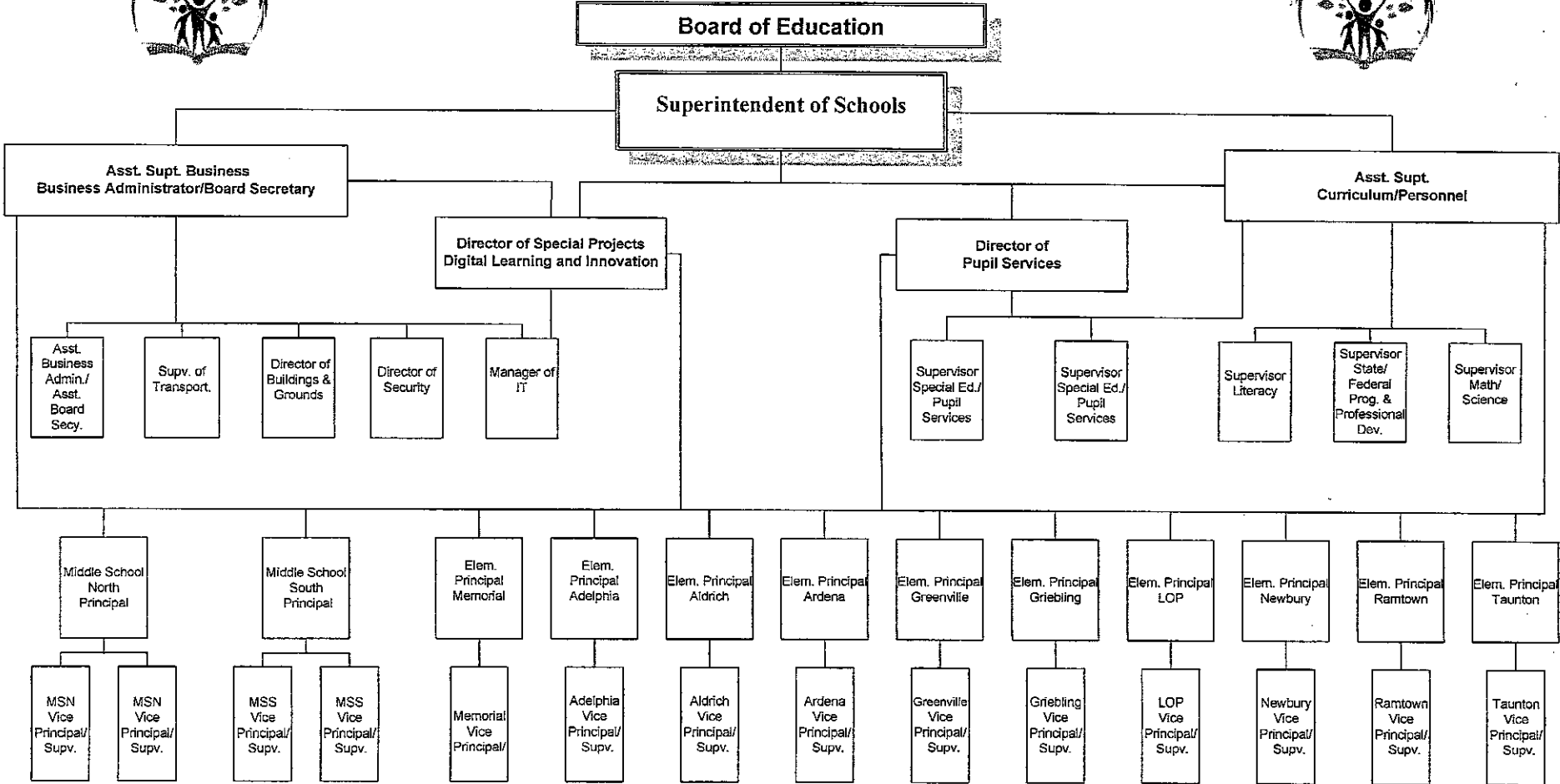
Cleary Giacobbe Alfieri Jacobs, LLC
955 Route 34, Suite 200
Matawan, New Jersey 07747

Official Depository

TD Bank
Howell, New Jersey 07731



Howell Township Public Schools Organizational Chart Administration 2022-2023



FINANCIAL SECTION

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Howell Township Board of Education, as of and for the year ended June 30, 2023, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Howell Township Board of Education, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section in our report. We are required to be independent of the Howell Township Board of Education, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error; a fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis, budgetary comparison information and pension and post-employment benefit trend information as noted in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Howell Township Board of Education's basic financial statements. The combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

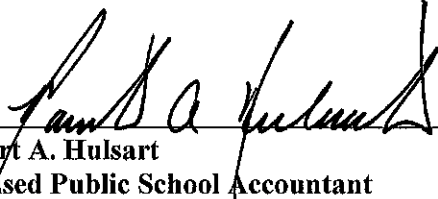
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists; we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated January 15, 2024, on our consideration of the District'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** the District's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY



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

January 15, 2024

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**HOWELL TOWNSHIP PUBLIC SCHOOL DISTRICT
HOWELL TOWNSHIP**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023. 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 Annual Comprehensive 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 2023 are as follows:

- ◆ General revenues accounted for \$138,683,736 in revenue or 93.7% 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 \$9,225,088 or 6.3% percent to total revenues of \$147,908,824.
- ◆ The School District had \$138,039,458 in expenses; only \$9,225,088 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$138,683,736 were adequate to provide for these programs.
- ◆ The General Fund had \$137,234,548 in revenues and \$136,117,344 in expenditures.

Using this Annual Comprehensive 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 2022/2023 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 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Assets		
Current and other assets	\$ 55,270,495	\$ 52,580,422
Capital assets, net	<u>85,112,752</u>	<u>83,958,402</u>
Total assets	<u>\$140,383,247</u>	<u>\$136,538,824</u>
Deferred Outflow of Resources	<u>\$ 3,631,375</u>	<u>\$ 2,529,170</u>
Deferred Inflows of Resources	<u>\$ 6,183,215</u>	<u>\$ 16,276,533</u>
Liabilities		
Long-term liabilities	\$ 45,914,520	\$ 2,062,810
Other liabilities	<u>4,682,920</u>	<u>43,364,050</u>
Total liabilities	<u>\$ 50,597,440</u>	<u>\$ 45,426,860</u>
Net Position		
Invested in capital assets, net of debt	\$ 69,795,752	\$ 64,896,402
Restricted	48,404,604	47,117,519
Unrestricted	<u>(30,966,389)</u>	<u>(34,649,320)</u>
Total Net Position	<u>\$ 87,233,967</u>	<u>\$ 77,364,601</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 61% percent of revenues for governmental activities for the Howell Township Public School District for fiscal year 2023. Federal, state and local grants accounted for another 39%.

Business-Type Activities

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

- ◆ Food service expenditures exceeded revenue by \$517,323.
- ◆ Charges for services represent \$1,305,954 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 \$1,412,962.

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, 2023, it reported a combined net position balance of \$87,233,967. 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 2022-2023 fiscal year and will be used to fund the 2023-2024 fiscal budget.

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

Capital Assets

At the June 30, 2023, the School District had approximately \$85,067,919 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 2023 and 2022 fiscal years.

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

	<u>2023</u>	<u>2022</u>
Land	\$ 5,348,018	\$ 5,348,018
Building and improvements	68,741,273	68,131,725
Machinery and equipment	<u>10,978,628</u>	<u>10,395,658</u>
Totals	<u>\$ 85,067,919</u>	<u>\$ 83,875,401</u>

Debt Administration

At June 30, 2023, the School district had \$45,914,520 as outstanding debt. Of this amount, \$3,925,311 is for compensated absences, \$1,632,000 for capital leases, \$26,672,209 of pension obligations and the balance \$13,685,000 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 (\$30,966,389) 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 (\$30,966,389).

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

STATEMENT OF NET POSITION

JUNE 30, 2023

**Exhibit A-1
Sheet 1 of 2**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 7,930,865	1,733,815	9,664,680
Receivables, Net	3,259,497	144,699	3,404,196
Inventory		3,350	3,350
Restricted Assets:			
Cash and Cash Equivalents	42,198,269		42,198,269
Capital Assets-Non-Depreciable	5,348,018		5,348,018
Capital Assets, Net	79,719,901	44,833	79,764,734
Total Assets	<u>138,456,550</u>	<u>1,926,697</u>	<u>140,383,247</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>3,631,375</u>		<u>3,631,375</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>6,183,215</u>		<u>6,183,215</u>
<u>Liabilities</u>			
Accounts Payable	2,408,638	552,319	2,960,957
Accrued Interest	304,931		304,931
Deferred Revenue	1,417,032		1,417,032
Noncurrent Liabilities:			
Due Within One Year	1,004,000		1,004,000
Due Beyond One Year	44,910,520		44,910,520
Total Liabilities	<u>50,045,121</u>	<u>552,319</u>	<u>50,597,440</u>

STATEMENT OF NET POSITION

JUNE 30, 2023

**Exhibit A-1
Sheet 2 of 2**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Net Positions</u>			
Invested in Capital Assets, Net of Related Debt	69,750,919	44,833	69,795,752
Restricted For:			
Debt Service	(1,089)		(1,089)
Capital Projects	25,335		25,335
Special Revenue	947,420		947,420
Other Purposes	5,222,631		5,222,631
Unrestricted	<u>9,914,373</u>	<u>1,329,545</u>	<u>11,243,918</u>
Total Net Position	<u>\$ 85,859,589</u>	<u>1,374,378</u>	<u>87,233,967</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, 2023

	<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>
Functions/Programs						
Governmental Activities:						
Instruction:						
Regular	\$ 24,471,287			(24,471,287)		(24,471,287)
Special Education	17,203,909		3,371,486	(13,832,423)		(13,832,423)
Other Special Instruction	2,763,476			(2,763,476)		(2,763,476)
Other Instruction	691,243			(691,243)		(691,243)
Support Services:						
Tuition	491,043	491,043		-		-
Student & Instruction Related Services	15,552,085		2,643,643	(12,908,442)		(12,908,442)
School Administrative Services	4,844,515			(4,844,515)		(4,844,515)
General and Business Administrative Services	3,406,377			(3,406,377)		(3,406,377)
Plant Operations and Maintenance	9,742,160			(9,742,160)		(9,742,160)
Pupil Transportation	9,724,586			(9,724,586)		(9,724,586)
Unallocated Benefits	42,176,755			(42,176,755)		(42,176,755)
Special Schools	458,673			(458,673)		(458,673)
Interest on Long-Term Debt	69,981			(69,981)		(69,981)
Unallocated Depreciation	3,207,129			(3,207,129)		(3,207,129)
Total Government Activities	134,803,219	491,043	6,015,129	(128,297,047)	-	(128,297,047)
Business-Type Activities:						
Food Service	3,236,239	1,305,954	1,412,962		(517,323)	(517,323)
Total Primary Government	138,039,458	1,796,997	7,428,091	(128,297,047)	(517,323)	(128,814,370)

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, 2023

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purpose, Net				\$ 81,142,185		81,142,185
Taxes Levied for Debt Service				1,437,067		1,437,067
Federal and State Aid Not Restricted				53,160,971		53,160,971
Miscellaneous Income				2,943,513		2,943,513
Total General Revenues, Special Items, Extraordinary Items and Transfers				<u>138,683,736</u>	<u>-</u>	<u>138,683,736</u>
Change in Net Position				10,386,689	(517,323)	9,869,366
Net Position - Beginning				<u>75,472,900</u>	<u>1,891,701</u>	<u>77,364,601</u>
Net Position - Ending				<u>\$ 85,859,589</u>	<u>1,374,378</u>	<u>87,233,967</u>

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash - Unrestricted	\$ 6,739,307		208,943	(1,089)	6,947,161
Cash - Restricted	41,990,415	1,191,558			43,181,973
Receivables from Other Governments	1,125,833				1,125,833
Accounts Receivable	218,998	1,622,599	292,067		2,133,664
Interfund Receivable	329,343				329,343
Total Assets	\$ 50,403,896	2,814,157	501,010	(1,089)	53,717,974
Liabilities and Fund Balance					
Liabilities:					
Accounts Payable	\$ 1,574,899	120,362	475,675		2,170,936
Interfund Payable		329,343			329,343
Payroll Withholdings and Deductions	237,702				237,702
Deferred Revenue		1,417,032			1,417,032
Total Liabilities	1,812,601	1,866,737	475,675	-	4,155,013
Fund Balance:					
Restricted for:					
Unemployment	329,843				329,843
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	7,214,779				7,214,779
Designated for Subsequent Years Expenditures - Maintenance Reserve	1,946,484				1,946,484
Capital Reserve Account	13,196,921				13,196,921
Designated for Subsequent Years Expenditures - Capital Reserve	10,000,000				10,000,000
Designated for Subsequent Years Expenditures - BOE	3,302,388				3,302,388
Student Activities		1,191,558			1,191,558
Assigned To:					
Other Purposes	5,222,631				5,222,631
Unassigned:					
General Fund	1,378,249				1,378,249
Special Revenue Fund		(244,138)			(244,138)
Capital Projects Fund			25,335		25,335
Debt Service Fund				(1,089)	(1,089)
Total Fund Balances	48,591,295	947,420	25,335	(1,089)	49,562,961
Total Liabilities and Fund Balance	\$ 50,403,896	2,814,157	501,010	(1,089)	

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 \$179,907,328 and the accumulated depreciation is \$94,839,409. 85,067,919

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. (45,914,520)

Deferred outflow of resources - contributions to the pension plan 3,631,375

Deferred inflow of resources - acquisition of assets applicable to future reporting periods (6,183,215)

Accrued Interest (304,931)

Net position of governmental activities \$ 85,859,589

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, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 81,142,185			1,437,067	82,579,252
Tuition Charges	1,233,046				1,233,046
Miscellaneous - Building Use	129,276				129,276
Miscellaneous - Restricted	74,038	785,074			859,112
Miscellaneous - Unrestricted	1,998,196				1,998,196
Total Local Sources	84,576,741	785,074	-	1,437,067	86,798,882
State Sources	52,490,891	2,220,117		503,164	55,214,172
Federal Sources	166,916	3,009,938			3,176,854
Total Revenues	<u>137,234,548</u>	<u>6,015,129</u>	<u>-</u>	<u>1,940,231</u>	<u>145,189,908</u>
<u>Expenditures</u>					
Current:					
Regular Instruction	27,020,657				27,020,657
Special Education Instruction	13,832,423	3,371,486			17,203,909
Other Special Instruction	2,763,476				2,763,476
Other Instruction	691,243				691,243
Support Services and Undistributed Costs:					
Tuition	491,043				491,043
Student and Instruction Related Services	13,111,905	2,440,180			15,552,085
School Administrative Services	4,844,515				4,844,515
Other Administrative Services	3,406,377				3,406,377
Plant Operations and Maintenance	9,742,160				9,742,160
Pupil Transportation	9,724,586				9,724,586
Unallocated Benefits	48,771,808				48,771,808
Special Schools	311,396				311,396
Charter School	147,277				147,277
Debt Service:					
Principal				2,050,000	2,050,000
Interest and Other Charges				110,855	110,855
Capital Outlay	1,258,478	315,707	276,092		1,850,277
Total Expenditures	<u>136,117,344</u>	<u>6,127,373</u>	<u>276,092</u>	<u>2,160,855</u>	<u>144,681,664</u>

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, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,117,204</u>	<u>(112,244)</u>	<u>(276,092)</u>	<u>(220,624)</u>	<u>508,244</u>
Net Change in Fund Balances	<u>1,117,204</u>	<u>(112,244)</u>	<u>(276,092)</u>	<u>(220,624)</u>	<u>508,244</u>
Fund Balance - July 1	<u>47,474,091</u>	<u>1,059,664</u>	<u>301,427</u>	<u>219,535</u>	<u>49,054,717</u>
Fund Balance - June 30	<u>\$ 48,591,295</u>	<u>947,420</u>	<u>25,335</u>	<u>(1,089)</u>	<u>49,562,961</u>

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

HOWELL TOWNSHIP SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Exhibit B-3

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$ 508,244
<p>Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:</p> <p>Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	(3,207,129)	
Capital Outlays	<u>4,859,647</u>	1,652,518
<p>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.</p>		
		2,475,000
<p>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.</p>		
		263,154
<p>Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position</p>		
		1,102,205
<p>Pension Related Deferrals</p>		
		10,093,318
<p>Net Pension Liability</p>		
		(5,748,624)
<p>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.</p>		
		<u>40,874</u>
Change in Net Position of Governmental Activities (A-2)		<u>\$ 10,386,689</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, 2023**

	<u>Enterprise Fund</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 1,733,815
Accounts Receivable:	
State	3,271
Federal	79,545
Other	61,883
Inventory	3,350
Total Current Assets	<u>1,881,864</u>
Noncurrent Assets:	
Equipment	1,211,695
Accumulated Depreciation	<u>(1,166,862)</u>
Total Fixed Assets	<u>44,833</u>
Total Assets	<u><u>\$ 1,926,697</u></u>
<u>Liabilities</u>	
Accounts Payable	<u><u>\$ 552,319</u></u>
<u>Net Position</u>	
Investment in Capital Assets	\$ 44,833
Unrestricted	<u>1,329,545</u>
Total Net Position	<u><u>\$ 1,374,378</u></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, 2023

	<u>Enterprise Fund</u>
Operating Revenues:	
Daily Sales-Reimbursable Programs	\$ 705,396
Daily Sales-Non-Reimbursable Programs	317,380
Miscellaneous	283,178
Total Operating Revenues	<u>1,305,954</u>
Operating Expenses:	
Salaries & Benefits	1,329,072
Cost of Sales-Reimbursable Programs	538,599
Cost of Sales-Non-Rembursable Programs	230,829
Management Fee	108,961
Other Purchased Services	707,843
Repairs	60,057
Depreciation	38,168
Miscellaneous	222,710
Operating Expenses	<u>3,236,239</u>
Operating Gain/(Loss)	(1,930,285)
Non-Operating Revenues:	
Interest	34,659
State Sources:	
State School Lunch Program	33,214
State Supplemental SSO Program	3,320
State Breakfast Program	2,790
Federal Sources:	
National School Lunch Program	756,717
Breakfast Program	168,617
HHFKA Program	26,991
Supply Chain Grant	264,393
Food Distribution Program	122,261
Total Non-Operating Revenues	<u>1,412,962</u>
Change in Net Position	(517,323)
Net Position - July 1	<u>1,891,701</u>
Net Position - June 30	<u>\$ 1,374,378</u>

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

STATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDS

JUNE 30, 2023

	<u>Enterprise Fund</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 1,305,957
Payments to Employees & Benefits	(1,329,072)
Payments to Supplies	(1,253,280)
Net Provided (Used) by Operating Activities	<u>(1,276,395)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	39,324
Federal Sources	1,216,718
Net Cash Provided by Noncapital Financing Activities	<u>1,256,042</u>
Cash Flows from Investing Activities:	
Interest	34,659
Net Cash Provided Investing Activities	<u>34,659</u>
Net Increase (Decrease) in Cash and Cash Equivalents	14,306
Balance - July 1	<u>1,719,509</u>
Balance - June 30	<u>\$ 1,733,815</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (1,930,285)
Depreciation	38,168
Federal Commodities	122,261
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
Decrease/(Increase) in Inventory	18,953
(Decrease)/Increase in Accounts Payable	256,866
Decrease/(Increase) in Accounts Receivable	217,642
Net Provided (Used) by Operating Activities	<u>\$ (1,276,395)</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, 2023

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, 2023 of 5,736 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, 2023 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, 2023.

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 2022-2023 fiscal year and prior with a historical cost of \$2,000 or more. The records have been updated to June 30, 2023. 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, 2023 was as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Adj.</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</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	11,450,081	35,084			11,485,165
Buildings	127,243,961	1,186,361			128,430,322
Machinery & Equip.	<u>34,014,207</u>	<u>629,616</u>	_____	_____	<u>34,643,823</u>
Total	<u>172,708,249</u>	<u>1,851,061</u>	_____	_____	<u>174,559,310</u>
Less: Accumulated Depreciation:					
Sites	(7,347,517)	(249,228)	226,715		(7,370,030)
Buildings	(63,214,800)	(2,157,629)	1,568,245		(63,804,184)
Machinery & Equip.	<u>(23,618,549)</u>	<u>(800,272)</u>	<u>753,626</u>	_____	<u>(23,665,195)</u>
Total Accumulated Depreciation	<u>(94,180,866)</u>	<u>(3,207,129)</u>	<u>2,548,586</u>	_____	<u>(94,839,409)</u>
Net Depreciable Assets	<u>78,527,383</u>	<u>(1,356,068)</u>	<u>2,548,586</u>	_____	<u>79,719,901</u>
Governmental Activities Capital Assets (Net)	<u>\$ 83,875,401</u>	<u>(1,356,068)</u>	<u>2,548,586</u>	_____	<u>85,067,919</u>

Depreciations expense was charged to governmental functions as follows:

Unallocated \$ 3,207,129

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2023</u>
Business-Type Activities:				
Equipment	\$ 1,211,695			1,211,695
Less: Accumulated Depreciation:				
Equipment	<u>(1,128,694)</u>	<u>(38,169)</u>	<u>38,169</u>	<u>(1,128,694)</u>
Business-Type Capital Assets (Net)	<u>\$ 83,001</u>	<u>(38,169)</u>	<u>38,169</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, 2023, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash
	<u>Equivalents</u>
Checking and Money Market Accounts	<u>\$ 51,862,949</u>

The carrying amount of the District's cash and cash equivalents at June 30, 2023 was \$51,862,949 and the bank balance was \$52,476,774. Of the bank balance, \$250,000 was covered by federal depository insurance and \$52,226,774 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, 2023</u>	<u>June 30, 2022</u>
Insured:		
FDIC	\$ 250,000	250,000
GUDPA	<u>52,226,774</u>	<u>50,883,882</u>
	<u>\$ 52,476,774</u>	<u>51,133,882</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 June 30, 2023 the District did not hold any long-term investments.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Long-Term</u> <u>Portion</u>	<u>2023-24</u> <u>Payment</u>
Pension Liability	\$ 20,923,585	5,748,624		26,672,209	26,672,209	
Compensated Absences Payable	4,188,465		(263,154)	3,925,311	3,925,311	
Capital Leases Payable	2,092,000		(460,000)	1,632,000	1,148,000	484,000
Bonds Payable	<u>16,160,000</u>		<u>(2,475,000)</u>	<u>13,685,000</u>	<u>13,165,000</u>	<u>520,000</u>
	<u>\$ 43,364,050</u>	<u>5,748,624</u>	<u>(3,198,154)</u>	<u>45,914,520</u>	<u>44,910,520</u>	<u>1,004,000</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, 2023</u>
ERIP (Refunded)	02-19-03	2.00% to 5.875%	\$ 280,000
ESIP 2018 Revenue Bonds	07-10-18	4.00% to 5.00%	<u>13,405,000</u>
			<u>\$ 13,685,000</u>

Maturity Schedule

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	510,000	546,156	1,056,156
2028	560,000	519,502	1,079,502
2029-2033	3,315,000	2,142,875	5,457,875
2034-2038	6,290,000	1,092,400	7,382,400
2039	<u>1,610,000</u>	<u>32,200</u>	<u>1,642,200</u>
	<u>\$ 13,685,000</u>	<u>6,111,315</u>	<u>19,796,315</u>

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

2019 equipment lease @ 5.00% interest for 7 years maturing 10/1/2026 with a balance of \$508,000 at June 30, 2023.

2021 equipment lease @ 4.00% to 5.00% interest for 5 years maturing 10/1/2026 with a balance of \$1,124,000 at June 30, 2023.

Future Minimum Lease Payments

2023-2024	\$ 550,480
2024-2025	549,680
2025-2026	359,830
2026-2027	<u>308,040</u>
	1,768,030
Less: Interest	<u>(136,030)</u>
Lease Payments	<u>\$ 1,632,000</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, 2023, the State of New Jersey contributed \$23,186,341 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 \$3,648,212 during the year ended June 30, 2023 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

<u>Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/23	\$ 2,234,670	100%	0
6/30/22	2,090,208	100%	0
6/30/21	2,137,518	100%	0

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

<u>Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/23	\$ 23,186,341	100%	0
6/30/22	23,426,060	100%	0
6/30/21	17,768,602	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). For additional information about PERS, please refer to the Division's annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

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

NOTE 4: Pension Plans (Continued)

The following represents the membership tiers for PERS:

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

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

Basis of Presentation

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

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2021 through June 30, 2022. 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, 2022 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2022.

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 and Chapter 133, P.L. 2001. The Chapter 366, P.L. 2001 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, 2022 State special funding situation net pension liability amount of \$127.8 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 special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$50.2 million, for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. 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 2022, the State's pension contribution was less than the actuarial determined amount.

NOTE 4: Pension Plans (Continued)

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

For the year ended June 30, 2023, the District recognized pension expense of \$2,234,671. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 192,508	169,765
Changes of Assumptions	82,639	3,993,886
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,103,939	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	17,618	2,019,564
District Contributions Subsequent to the Measurement Date	<u>2,234,671</u>	<u> </u>
Total	<u>\$ 3,631,375</u>	<u>6,183,215</u>

\$2,234,671 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, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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 <u>June 30,</u>	
2023	\$ (2,268,702)
2024	(1,155,827)
2025	(563,675)
2026	1,229,725
2027	<u>(2,701)</u>
	<u>\$ (2,761,180)</u>

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

Collective balances at December 31, 2022 and 2021 are as follows:

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Collective Deferred Outflows of Resources	\$ 3,631,375	2,539,170
Collective Deferred Inflows of Resources	6,183,215	16,276,533
Collective Net Pension Liability	26,672,209	20,923,585
District's Proportion	0.17525%	0.17476%

Components of Net Pension Liability

The components of the collective net pension liability of the participating employers as of June 30, 2022 were as follows:

	<u>2022</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 29,144,869,310	41,029,268,965	70,174,138,275
Plan Fiduciary Net Position	<u>6,758,038,264</u>	<u>25,810,084,045</u>	<u>32,568,122,309</u>
Net Pension Liability	<u>\$ 22,386,831,046</u>	<u>15,219,184,920</u>	<u>37,606,015,966</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	23.19%	62.91%	46.41%

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75% - 6.55% 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 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-Median 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-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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, 2022 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%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

NOTE 4: Pension Plans (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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.

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, 2022, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>2022</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District’s Proportionate Share Of the Net Pension Liability	<u>\$ 34,265,976</u>	<u>26,672,209</u>	<u>20,209,608</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). For additional information about TPAF, please refer to the Division’s annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

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

NOTE 4: Pension Plans (Continued)

The following represents the membership tiers for TPAF:

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

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

Basis of Presentation

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

Allocation Methodology

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2022. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

NOTE 4: Pension Plans (Continued)

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation had modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, 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. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Components of Net Pension Liability

The components of the net pension liability of the State as of June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Total Pension Liability	\$ 76,317,117,835	74,699,133,697
Plan Fiduciary Net Position	<u>24,640,530,532</u>	<u>26,533,142,515</u>
Net Pension Liability	<u>\$ 51,676,587,303</u>	<u>48,165,991,182</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%

State Proportionate Share of Net Pension Liability Attributable to District

	<u>2022</u>	<u>2021</u>
District's Liability	\$ 234,646,616	219,519,394
District's Proportion	.45407%	.45576%

NOTE 4: Pension Plans (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense (benefit) as follows:

Year Ending June 30:	
2023	\$ (12,072,863)
2024	(17,362,467)
2025	(15,216,267)
2026	(6,853,584)
2027	(7,481,797)
Thereafter	<u>(7,663,398)</u>
Total	<u>\$ (66,650,376)</u>

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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	2.75% - 5.65%
	Based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 4: Pension Plans (Continued)**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, 2022) 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, 2022 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%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 based on 100% 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. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the net pension liability of the State as of June 30, 2022 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>2022</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</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>275,128,144</u>	<u>234,646,616</u>	<u>200,546,016</u>
	<u>\$ 275,128,144</u>	<u>234,646,616</u>	<u>200,546,016</u>

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

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

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

NOTE 5: Post-Retirement Benefits (Continued)

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

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.

Additional information on Pensions and OPEB can be accessed at state.nj.us/treasury/pensions/financial-reports.shtml.

Total OPEB Liability

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 20, 2021, with was rolled forward to June 30, 2022. 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 OPEB Liability \$50,646,462,966

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases	2.75% – 4.25% based on years of service	2.75% - 6.55% based on years of service	3.25% - 16.25% based on years of service

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-2021. 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-2021. 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-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

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

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(b) Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the total OPEB Liability reported by the State of New Jersey:

	Total OPEB Liability
Balances at June 30, 2021	\$ 60,007,650,970
Changes for the Year:	
Service Cost	2,770,618,025
Interest	1,342,187,139
Change of Benefit Terms	
Difference Between Expected and Actual Experience	1,399,200,736
Changes in Assumptions or Other Inputs	(13,586,368,097)
Member Contributions	42,650,252
Benefit Payments	<u>(1,329,476,059)</u>
Balance at June 30, 2022	<u>\$ 50,646,462,966</u>

There were no changes in benefit terms between the June 30, 2021 measurement date and the June 30, 2022 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% percent in 2021 to 3.54% percent in 2022.

NOTE 5: Post-Retirement Benefits (Continued)

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:

	1% Decrease <u>(2.54%)</u>	Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 59,529,589,697</u>	<u>50,646,462,966</u>	<u>43,527,080,995</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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 41,862,397,291</u>	<u>50,646,462,966</u>	<u>62,184,866,635</u>

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

For the year ended June 30, 2022, the Board of Education recognized OPEB expense of \$6,192,442 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 Board of Education's proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows or resources. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 9,042,402,619	(15,462,950,679)
Changes in Proportion	<u>8,765,620,577</u>	<u>(17,237,289,230)</u>
Total	<u>\$ 17,808,023,196</u>	<u>(32,700,239,909)</u>

NOTE 5: Post-Retirement Benefits (Continued)

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

Year Ended June 30:	
2023	\$ (2,517,151,602)
2024	(2,517,151,602)
2025	(2,517,151,602)
2026	(2,175,449,761)
2027	(1,243,951,140)
Thereafter	<u>(3,921,361,006)</u>
	<u>\$ (14,892,216,713)</u>

NOTE 6: Compensated Absences

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

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

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

NOTE 7: Capital Reserve Account

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-5.1(d) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

NOTE 7: Capital Reserve Account (Continued)

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance July 1, 2022	\$ 20,205,121
Interest Earned	1,100
Increase Per Board of Education	4,456,918
Decreased Per Budget Appropriation 2022-2023	<u>(1,453,000)</u>
Ending Balance June 30, 2023	<u>\$ 23,210,139</u>

\$10,000,000 has been designated for use in the 2023-24 budget.

NOTE 8: Inventory

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Food	\$ 3,015
Supplies	<u>335</u>
	<u>\$ 3,350</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 \$50,833,284 General Fund fund balance at June 30, 2023, \$5,222,631 is reserved for encumbrances; \$13,196,921 is capital reserve; \$10,000,000 is capital reserve designated for subsequent years expenditures; \$3,000,000 is excess surplus designated for subsequent year's expenditures; \$1,946,484 is Maintenance Reserve designated for subsequent year's expenditures; \$7,214,779 is maintenance reserve; \$3,620,238 is unreserved and undesignated; unemployment is \$329,843; \$3,302,388 is designated for subsequent years expenditures by the BOE; 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, 2023.

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, 2023 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 Annual Comprehensive 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>
2022-2023	\$	74,038	173,235	329,843
2021-2022		237,214	5,722	429,040
2020-2021		49,206	100,275	197,548

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, 2023 the General Fund equity balance was as follows:

Capital Reserve – Designated for Subsequent Years Expenditures	\$ 10,000,000
Committed Fund Balance:	
Maintenance Reserve	7,214,779
Maintenance Reserve – Designated for Subsequent Year’s Expenditures	1,946,484
Capital Reserve	13,196,921
Excess Surplus – Current Year	3,000,000
Excess Surplus – Designated for Subsequent Years Expenditures	3,000,000
Designated for Subsequent Year’s Expenditures – BOE	3,302,388
Unemployment	329,843
Assigned Fund Balances – Year-End Encumbrances	5,222,631
Unassigned Fund Balance	<u>3,620,238</u>
	<u>\$ 50,833,284</u>
<u>2% Calculation of Excess Surplus</u>	
2022-23 Total General Fund Expenditures Per the ACFR	\$ 134,604,328
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(26,834,553)</u>
Adjusted 2022-23 General Fund Expenditures	<u>\$ 107,769,775</u>
2% of Adjusted 2022-23 General Fund Expenditures	<u>\$ 2,155,396</u>
Enter Greater of Above or \$250,000	\$ 2,155,396
Increased by Allowable Adjustment	<u>1,464,842</u>
Maximum Unassigned Fund Balance	<u>\$ 3,620,238</u>
<u>Section 2</u>	
Total General Fund – Fund Balance @ 6-30-23	\$ 50,833,284
Decreased by:	
Reserved by Encumbrances	(5,222,631)
Designated for Subsequent Year’s Expenditures – Excess Surplus	(3,000,000)
Designated for Subsequent Year’s Expenditures – Capital Reserve	(10,000,000)
Designated for Subsequent Year’s Expenditures – Maintenance Reserve	(1,946,484)
Designated for Subsequent Year’s Expenditures – BOE	(3,302,388)
Reserve for Unemployment	(329,843)
Other Reserves	<u>(20,411,700)</u>
Total Unassigned Fund Balance	<u>\$ 6,620,238</u>
Reserved Fund Balance – Excess Surplus	<u>\$ 3,000,000</u>

NOTE 16: Equity Balance (Continued)

Section 3

Reserved Fund Balance – Excess Surplus Designated for Subsequent Expenditures	\$ 3,000,000
Reserved Excess Surplus	<u>3,000,000</u>
	<u>\$ 6,000,000</u>

Detail of Allowable Adjustments

Non Public Transportation	\$ 111,384
Supplementary Stabilization Aid – April 2023	1,149,009
Extraordinary Aid	<u>204,449</u>
	<u>\$ 1,464,842</u>

Detail of Other Reserved Fund Balances

Capital Reserve	\$ 13,196,921
Maintenance Reserve	<u>7,214,779</u>
	<u>\$ 20,411,700</u>

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, 2023 as follows:

	<u>From</u>	<u>To</u>
General Fund	\$	329,343
Special Revenue Fund	<u>329,343</u>	<u> </u>
	<u>\$ 329,343</u>	<u>329,343</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: Subsequent Events

Subsequent events have been evaluated through January 15, 2024, 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, 2023

	<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	\$ 81,142,185		81,142,185	81,142,185	-
Tuition	633,468		633,468	1,233,046	599,578
Miscellaneous - Building Use	200,000		200,000	129,276	(70,724)
Miscellaneous	950,000		950,000	1,998,196	1,048,196
Other Restricted Miscellaneous Revenues			-	74,038	74,038
Total Local Sources	<u>82,925,653</u>	<u>-</u>	<u>82,925,653</u>	<u>84,576,741</u>	<u>1,651,088</u>
State Sources:					
Special Education Aid	3,740,074		3,740,074	3,740,074	-
Equalization Aid	17,180,918		17,180,918	17,180,918	-
Extraordinary Aid	700,000		700,000	1,014,449	314,449
Security Aid	517,479		517,479	517,479	-
Transportation Aid	903,761		903,761	903,761	-
Supplemental Stabilization Aid			-	1,939,009	1,939,009
Non Public Transportation			-	111,384	111,384
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	4,822,958	4,822,958
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	18,359,356	18,359,356
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	4,027	4,027
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	3,648,212	3,648,212
Total State Sources	<u>23,042,232</u>	<u>-</u>	<u>23,042,232</u>	<u>52,241,627</u>	<u>29,199,395</u>
Federal Sources					
Medicaid	60,786		60,786	166,916	106,130
Total Federal Sources	<u>60,786</u>	<u>-</u>	<u>60,786</u>	<u>166,916</u>	<u>106,130</u>
Total Revenues	<u>106,028,671</u>	<u>-</u>	<u>106,028,671</u>	<u>136,985,284</u>	<u>30,956,613</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<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	2,343,495	(247,746)	2,095,749	1,670,996	424,753
Grades 1-5	14,641,266	227,114	14,868,380	14,868,080	300
Grades 6-8	10,784,933	(595,791)	10,189,142	9,688,176	500,966
Regular Programs - Undistributed					
Instruction:					
Other Salaries for Instruction		230	230	230	-
General Supplies	674,794	100,311	775,105	569,297	205,808
Textbooks	102,820	(9,560)	93,260	47,770	45,490
Other Objects	194,945	6,154	201,099	176,108	24,991
Home Instruction	2,500	(175)	2,325		2,325
Total Regular Programs	<u>28,744,753</u>	<u>(519,463)</u>	<u>28,225,290</u>	<u>27,020,657</u>	<u>1,204,633</u>
Special Education:					
Cognitive - Mild:					
Instruction:					
Salaries of Teachers	229,486	(18,694)	210,792	164,895	45,897
Other Salaries for Instruction	175,365	(117,070)	58,295	53,650	4,645
General Supplies	3,000	(2,000)	1,000	880	120
Other Objects	2,200		2,200		2,200
Total Cognitive - Mild	<u>410,051</u>	<u>(137,764)</u>	<u>272,287</u>	<u>219,425</u>	<u>52,862</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<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	748,812	(94,972)	653,840	485,195	168,645
Other Salaries for Instruction	225,655	(27,513)	198,142	183,688	14,454
General Supplies	250		250	23	227
Textbooks			-		-
Other Objects	250		250		250
Total Learning/Language Disabilities	<u>974,967</u>	<u>(122,485)</u>	<u>852,482</u>	<u>668,906</u>	<u>183,576</u>
Emotional Regulation Impairment - Instruction:					
Salaries of Teachers	197,601	154,769	352,370	352,370	-
Other Salaries for Instruction	76,945	64,065	141,010	141,010	-
Purchased Professional Educational Services	302,270	(38,000)	264,270	264,270	-
Other Objects	15,500	(10,745)	4,755	4,468	287
Total Emotional Regulation Impairment	<u>592,316</u>	<u>170,089</u>	<u>762,405</u>	<u>762,118</u>	<u>287</u>
Multiple Disabilities - Instruction:					
Salaries of Teachers	1,073,373	23,688	1,097,061	1,097,061	-
Other Salaries for Instruction	701,370	(290,789)	410,581	338,156	72,425
General Supplies	10,445	9,357	19,802	10,342	9,460
Other Objects	2,000	18	2,018	379	1,639
Total Multiple Disabilities	<u>1,787,188</u>	<u>(257,726)</u>	<u>1,529,462</u>	<u>1,445,938</u>	<u>83,524</u>
Resource Room/Resource Center - Instruction:					
Salaries of Teachers	6,390,905	304,924	6,695,829	6,685,922	9,907
Other Salaries for Instruction	1,092,028	342,681	1,434,709	1,400,978	33,731
General Supplies	1,500	19	1,519	362	1,157
Total Resource Room/Resource Center	<u>7,484,433</u>	<u>647,624</u>	<u>8,132,057</u>	<u>8,087,262</u>	<u>44,795</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 4 of 14

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<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	633,515	(1,416)	632,099	478,903	153,196
Other Salaries for Instruction	373,285	1,416	374,701	374,700	1
General Supplies	6,675	6,380	13,055	11,789	1,266
Other Objects	2,200	1,000	3,200	1,870	1,330
Total Autism	<u>1,015,675</u>	<u>7,380</u>	<u>1,023,055</u>	<u>867,262</u>	<u>155,793</u>
Preschool Disabilities - Part-Time - Instruction:					
Salaries of Teachers	410,972		410,972	56,900	354,072
Other Salaries for Instruction	315,330		315,330	174,587	140,743
Other Objects	10,000	(2,000)	8,000	4,571	3,429
Total Preschool Disabilities - Part-Time	<u>736,302</u>	<u>(2,000)</u>	<u>734,302</u>	<u>236,058</u>	<u>498,244</u>
Preschool Disabilities-Full Time-Instruction:					
Salaries of Teachers	773,165	(46,630)	726,535	726,535	-
Other Salaries for Instruction	681,260	152,623	833,883	809,843	24,040
Other Objects	10,000	(500)	9,500	9,076	424
Total Preschool Disabilities-Full time	<u>1,464,425</u>	<u>105,493</u>	<u>1,569,918</u>	<u>1,545,454</u>	<u>24,464</u>
Total Special Education - Instruction	<u>14,465,357</u>	<u>410,611</u>	<u>14,875,968</u>	<u>13,832,423</u>	<u>1,043,545</u>
Basic Skills/Remedial Instruction:					
Salaries of Teachers	2,341,620	(39,355)	2,302,265	2,201,245	101,020
Other Salaries for Instruction	54,153		54,153	33,281	20,872
Total Basic Skills/Remedial	<u>2,395,773</u>	<u>(39,355)</u>	<u>2,356,418</u>	<u>2,234,526</u>	<u>121,892</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<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	489,595	39,355	528,950	528,950	-
General Supplies	2,000		2,000		2,000
Textbooks	2,000		2,000		2,000
Other Objects	1,000	(514)	486		486
Total Bilingual Education	<u>494,595</u>	<u>38,841</u>	<u>533,436</u>	<u>528,950</u>	<u>4,486</u>
School Sponsored Co-Curricular Activities - Instruction:					
Purchased Services (300-500 Series)	224,510	112,129	336,639	310,574	26,065
General Supplies	4,000		4,000	3,869	131
Total School Sponsored Co-Curricular Activities	<u>228,510</u>	<u>112,129</u>	<u>340,639</u>	<u>314,443</u>	<u>26,196</u>
School Sponsored Athletics-Instruction					
Purchased Services (300-500 Series)	232,000	144,800	376,800	376,800	-
Supplies and Materials	40,000	39,753	79,753		79,753
Total School Sponsored Athletics	<u>272,000</u>	<u>184,553</u>	<u>456,553</u>	<u>376,800</u>	<u>79,753</u>
Total Instruction	<u>46,600,988</u>	<u>187,316</u>	<u>46,788,304</u>	<u>44,307,799</u>	<u>2,480,505</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs W/I State - Special	31,944	(23,015)	8,929	8,929	-
Tuition to Private School for the Disabled W/I State		453,766	453,766	441,844	11,922
Tuition - State Facilities	40,270		40,270	40,270	-
Total Instruction	<u>72,214</u>	<u>430,751</u>	<u>502,965</u>	<u>491,043</u>	<u>11,922</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<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	406,380	(241,979)	164,401	114,900	49,501
Total Attendance and Social Work	<u>406,380</u>	<u>(241,979)</u>	<u>164,401</u>	<u>114,900</u>	<u>49,501</u>
Health Services:					
Salaries	1,212,480	71,927	1,284,407	1,272,655	11,752
Purchase Prof/Tech. Services	33,150	5,408	38,558	30,144	8,414
Supplies and Materials	34,450	1,486	35,936	30,076	5,860
Total Health Services	<u>1,280,080</u>	<u>78,821</u>	<u>1,358,901</u>	<u>1,332,875</u>	<u>26,026</u>
Other Support Services - Students - Related Services:					
Salaries	2,152,720	(47,302)	2,105,418	2,104,789	629
Purchased Professional Educational Services	36,600	15,831	52,431	21,660	30,771
Supplies and Materials	14,000	900	14,900	6,989	7,911
Other Objects		6,720	6,720	5,539	1,181
Total Other Support Services - Students - Rel. Services	<u>2,203,320</u>	<u>(23,851)</u>	<u>2,179,469</u>	<u>2,138,977</u>	<u>40,492</u>
Other Support Services - Extraordinary Services:					
Salaries	557,225	118,891	676,116	676,116	-
Other Purchased Services		129	129	129	-
	<u>557,225</u>	<u>119,020</u>	<u>676,245</u>	<u>676,245</u>	<u>-</u>
Other Support Services Students - Regular:					
Salaries of Other Professional Staff	1,145,127		1,145,127	1,141,598	3,529
Supplies and Materials	4,500		4,500	2,922	1,578
Total Other Support Services Students-Regular	<u>1,149,627</u>	<u>-</u>	<u>1,149,627</u>	<u>1,144,520</u>	<u>5,107</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<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	2,783,432	297,120	3,080,552	3,032,408	48,144
Salaries - Secretarial and Clerical	476,787	(120,490)	356,297	356,297	-
Purchased Professional Educational Services	2,000	19,372	21,372	6,953	14,419
Other Purchased Services (400-500 Series)	1,500	2,585	4,085	3,815	270
Supplies and Materials	5,700		5,700	2,256	3,444
Other Objects	26,510	1,948	28,458	10,691	17,767
Total Other Support Services - Special	3,295,929	200,535	3,496,464	3,412,420	84,044
Improvement of Instruction:					
Salaries - Supervisors	626,683	(44,785)	581,898	532,426	49,472
Salaries - Secretarial and Clerical	117,274	10,864	128,138	128,138	-
Other Salaries	63,875		63,875		63,875
Salaries - Master Teachers	594,973	104,876	699,849	699,849	-
Total Improvement of Instruction	1,402,805	70,955	1,473,760	1,360,413	113,347
Educational Media Services/School Library:					
Salaries	1,093,731	(227,192)	866,539	866,539	-
Salaries of Technology Coordinators	446,134	(5,992)	440,142	440,142	-
Supplies and Materials	27,800	2,959	30,759	23,224	7,535
Total Educational Media Services/School Library	1,567,665	(230,225)	1,337,440	1,329,905	7,535
Instructional Staff Training Services:					
Other Salaries	91,045	(310)	90,735	54,889	35,846
Other Purchased Services	2,000	1,000	3,000	1,958	1,042
Other Objects	79,642	(250)	79,392	31,787	47,605
Total Instructional Staff Training Services	172,687	440	173,127	88,634	84,493

HOWELL TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<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	674,398	10,087	684,485	684,485	-
Legal Services	300,000	132,906	432,906	87,992	344,914
Audit Fees	25,000		25,000	24,900	100
Purchased Professional Services		30,000	30,000	17,101	12,899
Other Purchased Professional Services	5,250		5,250	125	5,125
Communications - Telephone	480,000	132,200	612,200	570,817	41,383
Other Purchased Services	1,500	(34)	1,466		1,466
General Supplies	42,915	4,798	47,713	47,088	625
Miscellaneous Expenditures		170	170	170	-
BOE Membership Dues And Fees	27,000	3,828	30,828	30,828	-
Total Support Services - General Administration	<u>1,556,063</u>	<u>313,955</u>	<u>1,870,018</u>	<u>1,463,506</u>	<u>406,512</u>
Support Services - School Administration:					
Salaries:					
Principals/Assistant Principals	3,648,131	284,121	3,932,252	3,647,920	284,332
Secretarial and Clerical	1,259,322	25,879	1,285,201	1,194,051	91,150
Other Purchased Services	3,850		3,850	1,221	2,629
Supplies & Materials	4,400	249	4,649	1,323	3,326
Total Support Services - School Administration	<u>4,915,703</u>	<u>310,249</u>	<u>5,225,952</u>	<u>4,844,515</u>	<u>381,437</u>
Central Services:					
Salaries	923,318	219,117	1,142,435	943,288	199,147
Purchased Technical Services	37,600	16,014	53,614	53,614	-
Supplies and Materials	17,001	8,493	25,494	25,003	491
Miscellaneous Expenditures	230	1,824	2,054	2,054	-
Sale and Lease Back Payments	638,353	(49,614)	588,739	583,761	4,978
Total Central Services	<u>1,616,502</u>	<u>195,834</u>	<u>1,812,336</u>	<u>1,607,720</u>	<u>204,616</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 9 of 14

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<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	324,794	(4,619)	320,175	307,640	12,535
Supplies and Materials		27,663	27,663	27,511	152
Total Administrative Information Technology	<u>324,794</u>	<u>23,044</u>	<u>347,838</u>	<u>335,151</u>	<u>12,687</u>
Required Maintenance for School Facilities:					
Salaries	677,193	113,860	791,053	791,053	-
Cleaning Repairs & Maintenance Services	2,358,605	46,791	2,405,396	1,144,697	1,260,699
General Supplies	125,220	39,989	165,209	114,147	51,062
Other Objects	5,000	685	5,685	5,492	193
Total Required Maintenance for School Facilities	<u>3,166,018</u>	<u>201,325</u>	<u>3,367,343</u>	<u>2,055,389</u>	<u>1,311,954</u>
Other Operating & Maintenance of Plant:					
Salaries	3,393,879	(307,179)	3,086,700	2,941,952	144,748
Salaries of Non-Instructional Aides	301,085	10,213	311,298	311,298	-
Cleaning Repairs & Maintenance	145,430	171,389	316,819	226,266	90,553
Other Purchased Property Services	290,000	19,015	309,015	299,990	9,025
Insurance	484,700		484,700	477,744	6,956
Lease Purchase-Energy Savings	1,050,675	1,249	1,051,924	1,051,924	-
Miscellaneous Purchased Services	27,000	413	27,413	19,128	8,285
General Supplies	151,695	108,378	260,073	204,338	55,735
Energy - Natural Gas	578,673	367,829	946,502	749,511	196,991
Energy - Electricity	1,060,288	264,106	1,324,394	854,361	470,033
Total Other Operating & Maintenance of Plant	<u>7,483,425</u>	<u>635,413</u>	<u>8,118,838</u>	<u>7,136,512</u>	<u>982,326</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<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	328,001	8,417	336,418	280,667	55,751
Cleaning, Repair and Maintenance	47,000	737	47,737	21,469	26,268
General Supplies	71,700	(6,615)	65,085	40,053	25,032
Equipment		26,355	26,355	13,739	12,616
Total Care and Upkeep of Grounds	<u>446,701</u>	<u>28,894</u>	<u>475,595</u>	<u>355,928</u>	<u>119,667</u>
Security					
Salaries-Director	79,494	779	80,273	80,273	-
Purchased Professional & Technical Services		22,246	22,246		22,246
Cleaning, Repair and Maintenance	97,863	341,710	439,573	101,828	337,745
General Supplies	10,000	6,239	16,239	12,230	4,009
Total Security	<u>187,357</u>	<u>370,974</u>	<u>558,331</u>	<u>194,331</u>	<u>364,000</u>
Student Transportation Services:					
Salaries-Aides	610,189		610,189	531,255	78,934
Salaries - Pupil Trans. B/W Home & School - Regular	1,779,873	(18,046)	1,761,827	1,736,205	25,622
Salaries - Pupil Trans. B/W Home & School - Special Education	557,328	(549,684)	7,644		7,644
Other Purchased Professional & Technical Services	1,250	9,595	10,845	4,275	6,570
Cleaning Repairs and Maintenance	74,750	87,111	161,861	153,058	8,803
Lease Purchase Payments-School Buses		208,242	208,242		208,242
Contracted Services B/W Home & School - Vendors	1,906,120	949,643	2,855,763	2,785,947	69,816
Contracted Services - Special Education - Vendors	3,116,860	(712,744)	2,404,116	2,374,836	29,280
Contracted Services - Joint Agreements	4,141	(2,707)	1,434		1,434
Contracted Services - Special Ed. - ESCs & CTSAAs	303,478	686,836	990,314	990,083	231
Miscellaneous Purchased Services	394,194	86,000	480,194	435,107	45,087
General Supplies	26,767	(1,388)	25,379	15,754	9,625
Transportation Supplies	359,280	307,414	666,694	518,486	148,208
Miscellaneous Expenditures	249,480	(14,180)	235,300	179,580	55,720
Total Student Transportation Services	<u>9,383,710</u>	<u>1,036,092</u>	<u>10,419,802</u>	<u>9,724,586</u>	<u>695,216</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<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	157,323	10,205	167,528	97,900	69,628
Special Programs-Instruction	56,225		56,225	43,960	12,265
Educational Media Services-School Library	13,000	(5,465)	7,535	7,535	-
Support Services -School Administration	45,000	(3,135)	41,865		41,865
Operation And Maintenance of Plant Service	2,000	196,588	198,588	31,177	167,411
Total Unused Vac. Payments to Terminated/Retired Staff	<u>273,548</u>	<u>198,193</u>	<u>471,741</u>	<u>180,572</u>	<u>291,169</u>
Student Transportation Services - Employee Benefits:					
Social Security	113,297	(5)	113,292		113,292
Workmen's Compensation	500,000	32,005	532,005	489,719	42,286
Health Benefits	57,400		57,400		57,400
Unused Sick Benefit	78,782	(52,647)	26,135	3,135	23,000
Total Student Transportation - Employee Benefits	<u>749,479</u>	<u>(20,647)</u>	<u>728,832</u>	<u>492,854</u>	<u>235,978</u>
Personal Services - Employee Benefits:					
Social Security	799,214	624,529	1,423,743	1,241,555	182,188
TPAF Contributions - ERIP	85,000		85,000	35,255	49,745
Other Contributions ERIP	80,000	61,054	141,054	133,860	7,194
Other Retirement Contributions - PERS	2,000,000	234,671	2,234,671	2,234,670	1
Workmen's Compensation	200,000		200,000		200,000
Unemployment		173,235	173,235	173,235	-
Health Benefits	20,039,461	3,380,429	23,419,890	17,280,160	6,139,730
Tuition Reimbursements	75,341	17,933	93,274	36,266	57,008
Unused Sick Payment to Terminated/Retired Staff	31,000	398,883	429,883	128,828	301,055
Total Personal Services - Employee Benefits	<u>23,310,016</u>	<u>4,890,734</u>	<u>28,200,750</u>	<u>21,263,829</u>	<u>6,936,921</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 12 of 14

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<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)			-	4,822,958	(4,822,958)
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	18,359,356	(18,359,356)
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	4,027	(4,027)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	3,648,212	(3,648,212)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,834,553</u>	<u>(26,834,553)</u>
Special Schools:					
Summer School Instruction					
Teachers Salaries	169,000	(20,905)	148,095	148,095	-
Other Salaries for Instruction	57,600	(13,339)	44,261	42,780	1,481
Total Summer School Instruction	<u>226,600</u>	<u>(34,244)</u>	<u>192,356</u>	<u>190,875</u>	<u>1,481</u>
Summer School- Support Services					
Other Salaries for Instruction	26,700	93,821	120,521	120,521	-
Total Special Schools	<u>253,300</u>	<u>59,577</u>	<u>312,877</u>	<u>311,396</u>	<u>1,481</u>
Total Undistributed Expenditures	<u>65,774,548</u>	<u>8,648,104</u>	<u>74,422,652</u>	<u>88,890,774</u>	<u>(14,468,122)</u>
Total Expenditures - Current Expense	<u>112,375,536</u>	<u>8,835,420</u>	<u>121,210,956</u>	<u>133,198,573</u>	<u>(11,987,617)</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit C-1
Sheet 13 of 14

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Outlay:					
Equipment:					
Required Maintenance for School Facilities		53,200	53,200	37,157	16,043
Care and Upkeep of Grounds	20,000	(5,925)	14,075		14,075
School Buses - Regular	790,000		790,000		790,000
Total Equipment	<u>810,000</u>	<u>47,275</u>	<u>857,275</u>	<u>37,157</u>	<u>820,118</u>
Facilities Acquisition:					
Construction Services	1,453,000	637,574	2,090,574	1,083,840	1,006,734
Debt Service on SDA Funding	137,481		137,481	137,481	-
Total Facilities Acquisition	<u>1,590,481</u>	<u>637,574</u>	<u>2,228,055</u>	<u>1,221,321</u>	<u>1,006,734</u>
Total Capital Outlay	<u>2,400,481</u>	<u>684,849</u>	<u>3,085,330</u>	<u>1,258,478</u>	<u>1,826,852</u>
Transfer of Funds to Charter Schools	<u>174,036</u>		<u>174,036</u>	<u>147,277</u>	<u>26,759</u>
Total Expenditures	<u>114,950,053</u>	<u>9,520,269</u>	<u>124,470,322</u>	<u>134,604,328</u>	<u>(10,134,006)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(8,921,382)</u>	<u>(9,520,269)</u>	<u>(18,441,651)</u>	<u>2,380,956</u>	<u>20,822,607</u>
Other Financing Sources (Uses):					
Transfer to Fund 20 for Preschool Inclusion	<u>(1,513,016)</u>		<u>(1,513,016)</u>	<u>(1,513,016)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,513,016)</u>	<u>-</u>	<u>(1,513,016)</u>	<u>(1,513,016)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)	<u>(10,434,398)</u>	<u>(9,520,269)</u>	<u>(19,954,667)</u>	<u>867,940</u>	<u>20,822,607</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

Sheet 14 of 14

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<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	49,965,344		49,965,344	49,965,344	-
Fund Balance June 30	<u>\$ 39,530,946</u>	<u>(9,520,269)</u>	<u>30,010,677</u>	<u>50,833,284</u>	<u>20,822,607</u>
Recapitulation:					
Committed Fund Balances:					
Maintenance Reserve - Designated for Subsequent Year's Expenditures				\$ 1,946,484	
Maintenance Reserve				7,214,779	
Capital Reserve				13,196,921	
Capital Reserve - Designated for Subsequent Year's Expenditures				10,000,000	
Excess Surplus - Designated For Subsequent Year's Expenditures				3,000,000	
Excess Surplus - Current Year				3,000,000	
Designated for Subsequent Year's Expenditures by the BOE				3,302,388	
Unemployment Compensation				329,843	
Assigned Fund Balances:					
Year End Encumbrances				5,222,631	
Unassigned Fund Balance				<u>3,620,238</u>	
				50,833,284	
Reconciliation To Government Fund Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(2,241,989)</u>	
Fund Balance Per Government Funds (GAAP)				<u>\$ 48,591,295</u>	

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

Sheet 1 of 3

SPECIAL REVENUE FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources	<u>\$ 746,985</u>	<u></u>	<u>746,985</u>	<u>746,985</u>	<u></u>
State Source	<u>2,668,063</u>	<u></u>	<u>2,668,063</u>	<u>2,668,063</u>	<u></u>
Federal Sources:					
Title I, Part A	378,506		378,506	378,506	
Title IIA, Part A	4,896		4,896	4,896	
Title IV, Part A	68,137		68,137	68,137	
IDEA Part B, Basic	1,666,722		1,666,722	1,666,722	
IDEA Part B, Preschool	19,095		19,095	19,095	
ARP IDEA Part B, Basic	48,876		48,876	48,876	
ARP IDEA Part B, Preschool	10,653		10,653	10,653	
ARP ESSER	183,886		183,886	183,886	
ARP Learning Acceleration	63,215		63,215	63,215	
ARP Mental Health	22,525		22,525	22,525	
ARP Homeless	26,216		26,216	26,216	
CRRSA ESSER II	118,448		118,448	118,448	
CRRSA Learning Acceleration	5,900		5,900	5,900	
CRRSA Mental Health	3,078		3,078	3,078	
Total Federal Sources	<u>2,620,153</u>	<u>-</u>	<u>2,620,153</u>	<u>2,620,153</u>	<u>-</u>
Total Revenues	<u>6,035,201</u>	<u>-</u>	<u>6,035,201</u>	<u>6,035,201</u>	<u>-</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

Sheet 2 of 3

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Instruction:					
Salaries of Teachers	1,132,164		1,132,164	1,132,164	
Other Salaries for Instruction	504,240		504,240	504,240	
Purchased Professional and Technical Services	41,693		41,693	41,693	
General Supplies	254,718		254,718	254,718	
Tuition	1,326,638		1,326,638	1,326,638	
Total Instruction	<u>3,259,453</u>	<u>-</u>	<u>3,259,453</u>	<u>3,259,453</u>	<u>-</u>
Support Services:					
Other Salaries for Instruction	284,960		284,960	284,960	
Employee Benefits	475,760		475,760	475,760	
Purchased Technical Services	502,540		502,540	502,540	
Other Purchased Services	753,288		753,288	753,288	
Supplies and Materials	206,860		206,860	206,860	
Other Objects	400		400	400	
Student Activities	104,339		104,339	104,339	
Total Support Services	<u>2,328,147</u>	<u>-</u>	<u>2,328,147</u>	<u>2,328,147</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	84,899		84,899	84,899	
Construction Services	230,808		230,808	230,808	
Total Facilities Acquisition and Construction Services	<u>315,707</u>	<u>-</u>	<u>315,707</u>	<u>315,707</u>	<u>-</u>
Total Expenditures	<u>5,903,307</u>	<u>-</u>	<u>5,903,307</u>	<u>5,903,307</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>131,894</u>	<u>-</u>	<u>131,894</u>	<u>131,894</u>	<u>-</u>
Fund Balance, July 1				<u>1,059,664</u>	
Fund Balance, June 30				<u>\$ 1,191,558</u>	

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

Sheet 3 of 3

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Restricted:					
Student Activities				\$ 1,191,558	
Total Fund Balance				\$ 1,191,558	

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, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 136,985,284	6,035,201
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		224,066
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	2,491,253	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(2,241,989)</u>	<u>(244,138)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 137,234,548</u>	<u>6,015,129</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 134,604,328	5,903,307
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>224,066</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 134,604,328</u>	<u>6,127,373</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

HOWELL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - PERS
LAST TEN FISCAL YEARS

Exhibit L-1

	<u>2022</u>	<u>2021</u>	<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	0.17525%	0.17476%	0.18142%	0.19097%	0.19356%	0.20285%	0.20507%	0.21455%	0.20510%	0.20920%
District's Proportionate Share of the Net Pension Liability	<u>\$ 26,672,209</u>	<u>20,923,585</u>	<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	\$ 12,506,328	12,825,685	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 as a percentage of its Covered-Employee Payroll	46.89%	61.30%	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	46.41%	42.90%	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
LAST TEN FISCAL YEARS

Exhibit L-2

	<u>2022</u>	<u>2021</u>	<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	\$ 2,090,208	2,137,518	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>2,090,208</u>	<u>2,137,518</u>	<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>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 12,506,328	12,825,685	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	16.71%	16.67%	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

NET PENSION LIABILITY - TPAF

Exhibit L-3

LAST TEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<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	0.00%	0.00%	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	\$ -	-	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>234,646,616</u>	<u>219,519,394</u>	<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>\$ 234,646,616</u>	<u>219,519,394</u>	<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	\$ 50,977,353	55,587,923	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 as a percentage of its Covered-Employee Payroll	21.73%	25.32%	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	32.29%	32.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

HOWELL TOWNSHIP 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 TOWNSHIP SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III

L-5

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Public Employee’s Retirement System (PERS)

Changes in Benefit Terms – None

Changes in Assumptions – The discount rate remained at 7.00% as of June 30, 2021, and as of June 30, 2022, 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 remained at 7.00% as of June 30, 2021, and as of June 30, 2022, 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

Exhibit M-1

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST SEVEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's Proportionate Share of OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate of the Net OPEB Liability	\$ -	-	-	-	-	-	-
<u>State's OPEB Liability Attributable to the District</u>							
Service Cost	\$ 12,317,051	14,092,334	7,973,598	7,978,058	9,141,378	11,025,387	*
Interest	7,026,859	8,144,753	7,878,936	9,725,071	10,234,402	8,849,433	*
Change of Benefit Terms		(334,185)					*
Benefit Payments	(6,960,312)	(6,415,784)	(6,100,376)	(6,755,529)	(6,592,988)	(6,482,854)	*
Member Contributions	223,290	208,221	184,902	200,253	227,864	238,715	*
Difference between Expected and Actual Experience	9,704,815	(52,445,084)	56,395,164	(40,920,267)	(18,044,434)		*
Change of Assumptions	(71,129,794)	309,757	64,008,147	3,281,279	(28,294,258)	(36,321,511)	*
Net Change in Total OPEB Liability	(48,818,091)	(36,439,988)	130,340,371	(26,491,135)	(33,328,036)	(22,690,830)	*
Total Attributable OPEB Liability - Beginning	<u>313,971,550</u>	<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>	*
Total Attributable OPEB Liability - Ending	<u>\$ 265,153,459</u>	<u>313,971,550</u>	<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	\$ 63,483,681	68,413,608	63,853,697	63,268,246	62,859,947	61,564,548	61,776,099
District's Contribution	None	None	None	None	None	None	None
District's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of OPEB Liability as a Percentage of the District's Covered-Employee Payroll	417.67%	458.93%	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 seven 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, 2023**

Exhibit M-2

Change of Benefit Terms

Refer to Note 5 - Notes to Financial Statements

Difference Between Expected and Actual Experience

The change in the liability from June 30, 2021 to June 30, 2022 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The Discount Rate changed from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit E-1
Sheet 1 of 3

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Preschool</u>	<u>Nursing</u>	<u>CRRSA ESSER II</u>	<u>CRRSA Learning Acceleration</u>	<u>CRRSA Mental Health</u>	<u>I.D.E.A. Part B Regular</u>	<u>I.D.E.A. Preschool</u>
Revenues:							
Federal Sources	\$ -		118,448	5,900	3,078	1,666,722	19,095
State Sources	2,433,223	4,032					
Local Sources	507,241						
Total Revenues	<u>2,940,464</u>	<u>4,032</u>	<u>118,448</u>	<u>5,900</u>	<u>3,078</u>	<u>1,666,722</u>	<u>19,095</u>
Expenditures:							
Instruction:							
Salaries of Teachers	937,230					100	
Other Salaries For Instruction	\$ 415,855						
Purchased Professional and Technical Services							
General Supplies	91,049		32,751			34,374	12,266
Tuition						1,326,638	
Total Instruction	<u>1,444,134</u>	<u>-</u>	<u>32,751</u>	<u>-</u>	<u>-</u>	<u>1,361,112</u>	<u>12,266</u>
Support Services:							
Other Salaries	203,384				1,120		5,738
Purchased Professional Services	62,850	4,032	85,697			296,029	
Other Purchased Services	710,591					3,446	435
Supplies and Materials	2,833					5,643	
Other Objects						400	
Personal Services - Employee Benefits	431,773			5,900	1,958	92	656
Student Activities							
Total Support Services	<u>1,411,431</u>	<u>4,032</u>	<u>85,697</u>	<u>5,900</u>	<u>3,078</u>	<u>305,610</u>	<u>6,829</u>
Facilities Acquisition and Construction Services:							
Equipment	84,899						
Construction Services							
Total Facilities Acquisition and Construction Services	<u>84,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>2,940,464</u>	<u>4,032</u>	<u>118,448</u>	<u>5,900</u>	<u>3,078</u>	<u>1,666,722</u>	<u>19,095</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1							
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>ARP I.D.E.A. Part B Regular</u>	<u>ARP I.D.E.A. Preschool</u>	<u>ARP ESSER</u>	<u>ARP Learning Acceleration</u>	<u>ARP Mental Health</u>	<u>ARP Homeless</u>
Revenues:						
Federal Sources	48,876	10,653	183,886	63,215	22,525	26,216
State Sources						
Local Sources						
Total Revenues	<u>48,876</u>	<u>10,653</u>	<u>183,886</u>	<u>63,215</u>	<u>22,525</u>	<u>26,216</u>
Expenditures:						
Instruction:						
Salaries of Teachers	4,437					
Other Salaries for Instruction						
Purchased Professional and Technical Services						
General Supplies						
Tuition						
Total Instruction	<u>4,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support Services:						
Other Salaries for Instruction	22,902			47,316		
Purchased Professional Services	10,000	7,707			22,525	
Other Purchased Services				12,600		26,216
Supplies and Materials		2,946	183,886	3,145		
Other Objects						
Personal Services - Employee Benefits	11,537			154		
Student Activities						
Total Support Services	<u>44,439</u>	<u>10,653</u>	<u>183,886</u>	<u>63,215</u>	<u>22,525</u>	<u>26,216</u>
Facilities Acquisition and Construction Services:						
Equipment						
Construction Services						
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>48,876</u>	<u>10,653</u>	<u>183,886</u>	<u>63,215</u>	<u>22,525</u>	<u>26,216</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1						
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Title I</u>	<u>Title IIA</u>	<u>Title IV</u>	<u>SDA Emergent</u>	<u>Safety Grant</u>	<u>Student Activities</u>	<u>Totals</u>
Revenues:							
Federal Sources	378,506	4,896	68,137				2,620,153
State Sources				230,808			2,668,063
Local Sources					3,511	236,233	746,985
Total Revenues	<u>378,506</u>	<u>4,896</u>	<u>68,137</u>	<u>230,808</u>	<u>3,511</u>	<u>236,233</u>	<u>6,035,201</u>
Expenditures:							
Instruction:							
Salaries of Teachers	178,013		12,384				1,132,164
Other Salaries For Instruction	88,385						504,240
Purchased Professional and Technical Services			41,693				41,693
General Supplies	83,918		360				254,718
Tuition							1,326,638
Total Instruction	<u>350,316</u>	<u>-</u>	<u>54,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,259,453</u>
Support Services:							
Other Salaries	4,500						284,960
Purchased Professional Services			13,700				502,540
Other Purchased Services							753,288
Supplies and Materials		4,896			3,511		206,860
Other Objects							400
Personal Services - Employee Benefits	23,690						475,760
Student Activities						104,339	104,339
Total Support Services	<u>28,190</u>	<u>4,896</u>	<u>13,700</u>	<u>-</u>	<u>3,511</u>	<u>104,339</u>	<u>2,328,147</u>
Facilities Acquisition and Construction Services:							
Equipment							84,899
Construction Services				230,808			230,808
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,808</u>	<u>-</u>	<u>-</u>	<u>315,707</u>
Total Expenditures	<u>378,506</u>	<u>4,896</u>	<u>68,137</u>	<u>230,808</u>	<u>3,511</u>	<u>104,339</u>	<u>5,903,307</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,894</u>	<u>131,894</u>
Fund Balance, July 1						1,059,664	1,059,664
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,191,558</u>	<u>1,191,558</u>

HOWELL TOWNSHIP SCHOOL DISTRICT**SPECIAL REVENUE FUND**

Exhibit E-2

DEMONSTRABLY EFFECTIVE PROGRAM AID SCHEDULE OF EXPENDITURES -**BUDGETARY BASIS****FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	2023		
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 1,009,315	937,230	72,085
Other Salaries for Instruction	704,695	415,855	288,840
General Supplies	94,552	91,049	3,503
Other Objects	<u>1,808,562</u>	<u>1,444,134</u>	<u>364,428</u>
Total Instruction			
Support Services:			
Equipment	88,223	84,899	3,324
Salaries of Other Professional Staff	103,823	43,738	60,085
Salaries of Secretarial and Clerical Assistants	47,990	24,166	23,824
Other Salaries	208,000	84,561	123,439
Salaries of Community Involvement Specialists	15,269	15,269	
Salaries of Master Teachers	116,308	35,650	80,658
Employee Benefits	780,890	431,773	349,117
Other Purchased Professional Services	63,750	62,850	900
Contracted Services - Transportation	710,591	710,591	
General Supplies	2,833	2,833	-
Total Support Services	<u>2,137,677</u>	<u>1,496,330</u>	<u>641,347</u>
Total Expenditures	<u>\$ 3,946,239</u>	<u>2,940,464</u>	<u>1,005,775</u>

Calculation of Budget & Carryover

Total Revised 2022-23 Preschool Education Aid Allocation	\$ 2,433,223
Add: Budgeted Transfer from General Fund 2022-2023	<u>1,513,016</u>
Total Preschool Education Aid Funds Available for 2022-2023 Budget	<u>3,946,239</u>
Less: 2022-23 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<u>(3,946,239)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2023	-
Add: June 30, 2023 Unexpended Preschool Education Aid	1,005,775
2022-23 Carryover - Preschool Education Aid Program	<u>1,005,775</u>
2022-23 Preschool Education Aid Carryover Budgeted for Preschool Programs 2023-2024	<u>\$ -</u>

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, 2023

Expenditures and Other Financing Uses

Expenditures	<u>\$ 276,092</u>
Excess Revenue Over Expenditures	(276,092)
Fund Balance - Beginning	<u>301,427</u>
Fund Balance - Ending	<u><u>\$ 25,335</u></u>

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit F-1a

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISENERGY SAVINGS IMPROVEMENT PROGRAMFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
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>
<u>Expenditures and Other Financing Uses</u>				
Construction Services	16,488,040		16,488,040	16,513,375
Total Expenditures	<u>16,488,040</u>	<u>-</u>	<u>16,488,040</u>	<u>16,513,375</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 25,335</u>	<u>-</u>	<u>25,335</u>	<u>-</u>
<u>Additional Project Information</u>				
Original Authorized Cost		\$ -		
Percentage Increase Over Original Authorized Cost		0		
Percentage Completion		99%		
Original Target Completion Date		12/31/2019		
Revised Target Completion Date		12/31/2022		

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit F-1b

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,

AND PROJECT STATUS - BUDGETARY BASIS

ALYSSA'S LAW SECURITY GRANT

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
State Sources - Alyssa's Law Grant Grant	\$ 292,067		292,067	292,067
Total Revenues	<u>292,067</u>	<u>-</u>	<u>292,067</u>	<u>292,067</u>
<u>Expenditures and Other Financing Uses</u>				
Construction Services	15,975	276,092	292,067	292,067
Total Expenditures	<u>15,975</u>	<u>276,092</u>	<u>292,067</u>	<u>292,067</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>\$ 276,092</u>	<u>(276,092)</u>	<u>-</u>	<u>-</u>
<u>Additional Project Information</u>				
Project Number's		N/A		
Grant Date		9/1/21		
Original Authorized Cost		\$ 276,092		
Percentage Increase Over Original Authorized Cost		0		
Percentage Completion		100%		
Original Target Completion Date		12/31/2022		
Revised Target Completion Date		12/31/2022		

PROPRIETARY FUNDS – G

N/A

FIDUCIARY FUND – H

N/A

LONG-TERM DEBT – I

HOWELL TOWNSHIP SCHOOL DISTRICT

LONG-TERM DEBT

Exhibit I-1

SCHEDULE OF SERIAL BONDS

JUNE 30, 2023

	<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, 2022</u>	<u>Retired</u>	<u>Balance June 30, 2023</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	-
ERIP Refunding - 2012	12/29/11	2,355,000	10/1/23	50,000	4.840%	325,000	45,000	280,000
			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%			
ESIP-2018 Revenue Bonds	7/10/2018	\$14,925,000	7/15/2023	470,000	5.00%	13,830,000	425,000	13,405,000
			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>\$ 16,160,000</u>	<u>2,475,000</u>	<u>13,685,000</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

LONG-TERM DEBT

Exhibit I-2

SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2023

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Amount Outstanding June 30, 2023</u>
MCIA 2019 Capital Equipment	5.00%	1,100,000	\$ 720,000		212,000	508,000
MCIA 2021 Capital Equipment	4-5%	1,372,000	1,372,000		248,000	1,124,000
			<u>\$ 2,092,000</u>	<u>-</u>	<u>460,000</u>	<u>1,632,000</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

LONG-TERM DEBT

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<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	\$ 1,437,067		1,437,067	1,437,067	
State Sources:					
Debt Service Aid Type II	503,164		503,164	503,164	
Total Revenues	<u>1,940,231</u>	<u>-</u>	<u>1,940,231</u>	<u>1,940,231</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	110,855		110,855	110,855	-
Redemption of Principal	2,050,000		2,050,000	2,050,000	-
Total Regular Debt Service	<u>2,160,855</u>	<u>-</u>	<u>2,160,855</u>	<u>2,160,855</u>	<u>-</u>
Total Expenditures	<u>2,160,855</u>	<u>-</u>	<u>2,160,855</u>	<u>2,160,855</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(220,624)	-	(220,624)	(220,624)	-
Fund Balance July 1	<u>219,535</u>		<u>219,535</u>	<u>219,535</u>	
Fund Balance June 30	<u>\$ (1,089)</u>	<u>-</u>	<u>(1,089)</u>	<u>(1,089)</u>	<u>-</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

	Fiscal Year Ended									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets, net of related debt	\$ 37,759,687	\$ 44,675,740	\$ 54,682,698	\$ 51,043,271	\$ 64,929,737	\$ 54,528,058	\$ 58,385,680	\$ 62,923,560	\$ 64,813,401	\$ 69,750,919
Restricted	22,111,377	14,502,249	19,119,143	22,418,589	19,492,760	36,619,270	27,169,851	47,335,687	47,117,519	6,194,297
Unrestricted	(4,564,772)	(43,413,513)	(51,103,141)	(48,519,420)	-	(45,077,934)	(28,548,238)	(47,215,425)	(36,458,020)	9,914,373
Total governmental activities net Position	\$ 55,306,292	\$ 15,764,476	\$ 22,698,700	\$ 24,942,440	\$ 84,422,497	\$ 46,069,394	\$ 57,007,293	\$ 63,043,822	\$ 75,472,900	\$ 85,859,589
Business-type activities										
Invested in capital assets, net of related debt	\$ 181,953	\$ 137,594	\$ 100,154	\$ 100,154	\$ 82,700	\$ 82,700	\$ 82,700	\$ 83,001	\$ 83,001	\$ 44,833
Restricted										
Unrestricted	117,361	(48,647)	(144,425)	(187,187)	(196,266)	10,278	207,435	559,048	1,808,700	1,329,545
Total business-type activities net Position	\$ 299,314	\$ 88,947	\$ (44,271)	\$ (87,033)	\$ (113,566)	\$ 92,978	\$ 290,135	\$ 642,049	\$ 1,891,701	\$ 1,374,378
District-wide										
Invested in capital assets, net of related debt	\$ 37,941,640	\$ 44,813,334	\$ 54,782,852	\$ 51,143,425	\$ 65,012,437	\$ 54,610,758	\$ 58,468,380	\$ 63,006,561	\$ 64,896,402	\$ 69,795,752
Restricted	22,111,377	14,502,249	19,119,143	22,418,589	19,492,760	36,619,270	27,169,851	47,335,687	47,117,519	6,194,297
Unrestricted	(4,447,411)	(43,462,160)	(51,247,566)	(48,706,607)	(196,266)	(45,067,656)	(28,340,803)	(46,656,377)	(34,649,320)	11,243,918
Total district net Position	\$ 55,605,606	\$ 15,853,423	\$ 22,654,429	\$ 24,855,407	\$ 84,308,931	\$ 46,162,372	\$ 57,297,428	\$ 63,685,871	\$ 77,364,601	\$ 87,233,967

Source: ACFR 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

Expenses	Fiscal Year Ended									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Instruction										
Regular	\$ 27,467,243	\$ 28,426,049	\$ 28,179,042	\$ 28,500,018	\$ 23,477,168	\$ 29,998,441	\$ 28,150,976	\$ 26,229,754	\$ 26,043,532	\$ 24,471,287
Special education	13,129,364	13,811,055	13,920,095	13,315,894	13,867,642	14,101,765	15,105,371	15,728,468	15,679,914	17,203,909
Other special education	2,505,590	2,461,250	2,166,314	2,309,824	2,480,847	2,469,425	2,431,954	2,508,140	2,690,410	2,763,476
Other instruction	540,881	561,958	480,374	479,460	475,292	517,936	453,415	412,505	457,579	691,243
Support Services:										
Tuition	1,572,736	1,589,875	724,532	849,083	802,061	1,012,512	349,584	720,074	119,134	491,043
Student & instruction related services	12,166,003	11,643,109	11,426,696	11,558,781	11,906,712	12,091,100	12,011,526	12,185,209	12,859,602	15,552,085
General and Business Administrative Services	1,217,998	1,210,935	2,004,449	4,654,978	4,648,211	4,709,630	3,781,982	4,764,390	4,855,201	4,844,515
School administrative services	4,619,285	4,123,526	4,633,239	1,331,812	1,173,766	1,403,948	4,768,662	3,296,808	2,849,369	3,406,377
Other Administrative Services										
Plant operations and maintenance	8,419,741	9,606,472	9,212,484	9,342,486	11,016,326	9,829,575	9,287,228	9,725,182	8,927,021	9,742,160
Pupil transportation	7,607,477	7,321,656	7,304,051	8,018,845	8,564,076	8,560,330	6,339,576	7,975,284	8,711,715	9,724,586
Business and Other Support Services	1,063,730	1,769,253	1,202,250	2,058,037	2,351,092	1,685,237				
Special Schools			218,607	251,672		256,798	252,895	179,463	225,977	458,673
Capital Outlay				610,311	241,642	(2,056,400)	8,406,127			
Unallocated Benefits	28,699,235	31,999,474	35,023,399	38,722,415	38,076,496	36,054,630	28,908,651	47,501,582	40,928,629	42,176,755
Interest on long-term debt	1,074,376	1,131,957	892,225	750,384	535,564	1,050,614	77,645	187,420	141,326	69,981
ARRA - ESF										
ARRA - GSF										
Education Jobs										
Unallocated depreciation	5,784,396	4,934,193	2,779,125	4,457,479	1,406,956	3,115,593	3,129,635	3,166,506	3,184,861	3,207,129
Total governmental activities expenses	<u>115,868,055</u>	<u>120,590,762</u>	<u>120,166,882</u>	<u>127,211,479</u>	<u>121,023,851</u>	<u>124,801,134</u>	<u>123,455,226</u>	<u>134,580,785</u>	<u>127,674,270</u>	<u>134,803,219</u>
Business-type activities:										
Food service	1,855,657	1,871,185	1,708,774	1,591,533	1,585,536	1,672,513	1,236,244	2,354,893	2,756,222	3,236,239
Child Care										
Total business-type activities expense	<u>1,855,657</u>	<u>1,871,185</u>	<u>1,708,774</u>	<u>1,591,533</u>	<u>1,585,536</u>	<u>1,672,513</u>	<u>1,236,244</u>	<u>2,354,893</u>	<u>2,756,222</u>	<u>3,236,239</u>
Total district expenses	<u>\$ 117,723,712</u>	<u>\$ 122,461,947</u>	<u>\$ 121,875,656</u>	<u>\$ 128,803,012</u>	<u>\$ 122,609,387</u>	<u>\$ 126,473,647</u>	<u>\$ 124,691,470</u>	<u>\$ 136,935,678</u>	<u>\$ 130,430,492</u>	<u>\$ 138,039,458</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 508,659	\$ 550,546	\$ -	\$ 849,083	\$ 802,061	\$ 734,731	\$ 349,584	\$ 720,074	\$ 119,134	\$ 491,043
Pupil transportation										
Business and other support services										
Operating grants and contributions	2,308,712	2,411,918	2,492,170	2,332,351	2,320,897	2,217,876	2,254,002	3,009,357	3,784,562	6,015,129
Capital grants and contributions										
Total governmental activities program revenues	<u>2,817,371</u>	<u>2,962,464</u>	<u>2,492,170</u>	<u>3,181,434</u>	<u>3,122,958</u>	<u>2,952,607</u>	<u>2,603,586</u>	<u>3,729,431</u>	<u>3,903,696</u>	<u>6,506,172</u>
Business-type activities:										
Charges for services										
Food service	1,290,686	1,106,621	999,936	965,544	894,726	1,254,445	841,773	37,820	54,778	1,305,954
Child care										
Operating grants and contributions	612,412	554,197	575,620	583,227	603,530	624,612	591,628	2,630,518	3,951,096	1,412,962
Capital grants and contributions										
Total business type activities program revenues	<u>1,903,098</u>	<u>1,660,818</u>	<u>1,575,556</u>	<u>1,548,771</u>	<u>1,498,256</u>	<u>1,879,057</u>	<u>1,433,401</u>	<u>2,668,338</u>	<u>4,005,874</u>	<u>2,718,916</u>
Total district program revenues	<u>\$ 4,720,469</u>	<u>\$ 4,623,282</u>	<u>\$ 4,067,726</u>	<u>\$ 4,730,205</u>	<u>\$ 4,621,214</u>	<u>\$ 4,831,664</u>	<u>\$ 4,036,987</u>	<u>\$ 6,397,769</u>	<u>\$ 7,909,570</u>	<u>\$ 9,225,088</u>

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense)/Revenue										
Governmental activities	\$ (113,003,243)	\$ (117,628,298)	\$ (117,674,712)	\$ (117,674,712)	\$ (117,900,893)	\$ (121,848,500)	\$ (120,851,640)	\$ (130,851,354)	\$ (123,770,574)	\$ (128,297,047)
Business-type activities	47,441	(210,367)	(133,218)	(133,218)	(87,280)	206,544	197,157	313,445	1,249,652	(517,323)
Total district-wide net expense	<u>\$ (112,955,802)</u>	<u>\$ (117,838,665)</u>	<u>\$ (117,807,930)</u>	<u>\$ (117,807,930)</u>	<u>\$ (117,988,173)</u>	<u>\$ (121,641,956)</u>	<u>\$ (120,654,483)</u>	<u>\$ (130,537,909)</u>	<u>\$ (122,520,922)</u>	<u>\$ (128,814,370)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 65,287,734	\$ 67,540,789	\$ 68,864,597	\$ 71,157,372	\$ 72,459,479	\$ 73,908,669	\$ 75,998,435	\$ 77,991,335	\$ 79,551,162	\$ 81,142,185
Taxes levied for debt service	5,710,690	5,586,449	5,367,482	5,465,795	5,607,056	4,609,831	4,468,247	4,496,923	2,488,624	1,437,067
Unrestricted grants and contributions	44,351,670	44,160,944	47,214,461	47,901,068	49,204,807	50,476,532	49,626,327	51,282,662	53,587,866	53,160,971
Tuition										
Investment earnings										
Miscellaneous income	8,247,826	1,343,112	3,162,396	1,749,550	1,018,109	1,709,629	1,599,067	2,146,398	2,331,030	2,943,513
Other	696,481	-5,836,414			293,860	1,588,375	97,463			
Transfers										
Total governmental activities	<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>	<u>\$ 136,199,652</u>	<u>\$ 138,683,736</u>
Business-type activities:										
Investment earnings										
Miscellaneous Income	165,311						0	38,469		
Total business-type activities	<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>	<u>0</u>	<u>0</u>
Total district-wide	<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>	<u>\$ -</u>	<u>\$ -</u>
Change in Net Position										
Governmental activities	\$ 11,243,717	\$ (43,233,615) *	\$ 6,934,224	\$ 2,243,740	\$ 10,388,558	\$ 10,444,536	\$ 10,937,899	\$ 5,065,964	\$ 12,429,078	\$ 10,386,689
Business-type activities	212,752	-210,367	(133,218)	(42,762)	(87,280)	206,544	197,157	351,914	1,249,652	(517,323)
Total district	<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>	<u>\$ 13,678,730</u>	<u>\$ 9,869,366</u>

Source: ACFR 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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Reserved	\$ 18,136,778	\$ 12,909,141	\$ 15,524,048	\$ 19,409,551	\$23,017,512	\$ 28,216,372	\$ 36,731,100	\$ 43,003,146	\$ 45,536,893	\$ 47,213,046
Unreserved	(4,564,772)	(1,110,175)	(1,065,104)	(951,419)	(1,430,926)	(990,712)	(916,333)	1,576,770	1,937,198	1,378,249
Total General fund	<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>	<u>\$ 47,474,091</u>	<u>\$ 48,591,295</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund								921,743	1,059,664	947,420
Capital projects fund	3,608,887	1,500,594	3,456,030	3,009,030	30,090,630	15,827,557	5,834,367	3,236,263	301,427	25,335
Debt service fund	365,612	365,517	139,065	8	7	159,654	150,473	174,535	219,535	-1,089
Permanent fund										
Total all other governmental funds	<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>\$ 4,332,541</u>	<u>\$ 1,580,626</u>	<u>\$ 971,666</u>

Source: ACFR Schedule B-1

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

Exhibit J-4
 GASS B-4
 New

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 70,998,424	\$ 73,127,238	\$ 74,232,079	\$ 76,623,167	\$ 78,066,635	\$ 78,518,500	\$ 80,466,882	\$ 82,488,258	\$ 82,039,786	\$ 82,579,252
Tuition charges	508,669	550,546	1,339,349	1,091,662	849,321	734,731	875,430	941,019	923,442	1,233,046
Interest earnings	0	0								
Miscellaneous	8,268,894	1,405,464	2,988,521	1,520,363	980,475	1,723,667	1,073,221	1,925,453	1,526,722	2,986,584
State sources	44,407,366	44,175,234	47,202,696	47,874,030	49,218,616	50,492,028	49,657,912	51,360,030	53,675,430	55,214,172
Federal sources	2,231,948	2,335,276	2,489,713	2,345,697	2,297,462	2,188,342	2,222,417	2,931,989	3,696,998	3,176,854
Total revenue	\$ 126,415,291	\$ 121,593,758	\$ 128,232,357	\$ 129,455,219	\$ 131,412,409	\$ 133,667,268	\$ 134,295,662	\$ 139,646,749	\$ 141,862,378	\$ 145,189,908
Expenditures										
Instruction										
Regular instruction	\$ 27,051,981	\$ 28,426,049	\$ 28,394,241	\$ 28,500,018	\$ 28,937,035	\$ 29,008,253	\$ 28,015,253	\$ 28,836,658	\$ 27,261,746	\$ 27,020,657
Special education instruction	13,129,364	13,811,055	13,920,095	13,315,894	13,867,642	14,101,765	15,105,371	15,728,468	15,679,914	17,203,909
Other special instruction	2,505,590	2,461,250	2,166,314	2,309,824	2,480,847	2,469,425	2,431,954	2,508,140	2,690,410	2,763,476
Vocational education										
Other instruction	540,881	561,958	480,374	479,460	475,292	517,936	453,415	412,505	457,579	691,243
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition	1,572,736	1,589,875	724,532	849,083	802,061	1,012,512	349,584	720,074	119,134	491,043
Student & instruction related services	12,166,003	11,643,109	11,645,303	11,558,781	11,906,712	12,091,100	12,011,526	12,185,209	13,314,602	15,552,085
General administrative services										
School Administrative services	1,217,998	1,210,935	4,633,239	4,664,978	4,648,211	4,709,603	4,768,662	4,764,390	4,855,201	4,844,515
Other Administrative services	4,619,285	4,123,526	2,004,449	1,331,812	1,173,766	1,403,948	3,781,982	3,296,808	2,849,369	3,406,377
Plant operations and maintenance	8,419,741	9,606,472	9,212,484	9,342,486	11,016,326	9,829,575	9,287,228	9,725,182	8,927,021	9,742,160
Pupil transportation	7,607,477	7,321,666	7,304,051	8,018,845	8,564,076	8,560,330	6,339,575	7,975,284	8,711,715	9,724,686
Business and Other Support Services	1,063,730	1,769,253	1,202,250	2,068,037	2,351,092	1,685,237				
Unallocated employee benefits	28,899,235	31,735,519	34,481,737	34,682,586	35,723,553	36,424,170	36,516,387	41,797,877	50,493,763	48,771,808
ARRA-ESF										
ARRA-GSF										
Capital outlay	3,303,034	2,847,150	557,966	2,691,450	390,855	5,008,014	11,990,584	2,877,000	1,906,488	1,850,277
Education Jobs	0									
Special Schools				251,672	241,642	256,798	252,895	179,463	225,977	458,673
Debt service:										
Principal	4,848,805	4,859,900	5,030,000	5,210,000	5,360,000	3,975,000	4,085,000	4,220,482	2,305,000	2,050,000
Interest and other charges	1,087,823	1,134,946	955,118	787,162	638,706	499,729	416,973	276,923	163,169	110,855
Total expenditures	\$ 117,833,683	\$ 123,102,653	\$ 122,712,153	\$ 126,042,088	\$ 128,577,816	\$ 131,553,395	\$ 135,806,369	\$ 133,504,463	\$ 139,961,088	\$ 144,681,664
Excess (Deficiency) of revenues over (under) expenditures	\$ 8,581,608	\$ (1,508,895)	\$ 5,520,204	\$ 3,413,131	\$ 2,834,593	\$ 2,103,873	\$ (1,510,727)	\$ 6,142,286	\$ 1,901,290	\$ 508,244
Other Financing sources (uses)										
Capital leases (non-budgeted)	\$	\$ (5,796,684)	\$ (1,309,759)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects									(1,759,030)	
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	-	-	(8,074)							
Accounts Payable Cancelled	196481		110003							
Premium on Sale of Bonds						1,588,375				
Accrued interest										
Prior Year Adjustment	0	(39,730)	92,202				97,463			
Transfers in					354607					
Transfers out			(15,623)		(80,747)					
Total other financing sources (uses)	696,481	(5,836,414)	(1,131,251)	-	293,860	16,513,375	97,463	-	(1,759,030)	-
Net change in fund balances	\$ 9,278,089	\$ (7,345,309)	\$ 4,388,953	\$ 3,413,131	\$ 3,128,453	\$ 18,617,248	\$ (1,413,264)	\$ 6,142,286	\$ 142,260	\$ 508,244
Debt service as a percentage of noncapital expenditures	5.1%	4.9	4.9	4.7	4.9	3.5	3.8	3.6	1.8	1.5

Source: ACFR 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
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
2022		923,442		1,526,722	2,450,164
2023		1,233,046		2,201,510	3,434,556

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)
2014	137,473,900	4,623,682,700	89,384,800	2,873,500	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	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	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	0	0	7,701,927,693	1	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	0	0	7,546,137,900	1	7,814,841,301
2022	131,910,000	7,261,628,700	101,852,900	2,157,300	747,709,900	146,580,800	59,059,300	8,450,898,900	0	0	8,450,898,900	1	8,574,320,543
2023	166,276,700	8,545,155,300	110,875,800	2,122,100	813,006,700	160,374,400	60,785,600	9,858,596,600	0	0	9,858,596,600	1	9,528,091,257

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)

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 ^a	General Obligation Debt Service ^b	Total Direct	Freehold Regional School District	Howell Township	Library/Other		Monmouth County
	2014	1.038	0.101	1.139	0.452	0.448		0.037
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
2022	0.974	0.082	1.056	0.404	0.358	0.016	0.264	2.098
2023	0.847	0.082	0.929	0.358	0.336	0.014	0.232	1.869

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	2023		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Howell Verdana LLC & Veronna LLC	\$ 41,954,600	0.425	Buffalo-Parkton & Feurestein	\$ 45,138,000 0.231
Buffalo-Parkton & Feurstein & Wain Co	\$ 40,591,600	0.411	Centex Homes LLC	\$ 26,323,300 0.135
Howell Friendship Real Estate Co	\$ 22,814,500	0.231	Howell Friendship Real Estate	\$ 22,105,600 0.113
405 Colts Neck Rd	\$ 19,191,900	0.194	Home Depot, USA, Inc.	\$ 17,466,500 0.089
Countryside North American Partners	\$ 18,831,000	0.191	Lowe's Home Centers	\$ 16,171,000 0.083
Eagle Golf Enterprises, LLC	\$ 17,544,800	0.188	DS & DJ Realty LLC	\$ 15,305,700 0.078
AARSHW Property, LLC	\$ 16,110,500	0.185	Target Corp	\$ 13,800,000 0.071
DS & DJ Realty, LLC	\$ 15,912,700	0.172	Brocjin, Leon & Mur	\$ 13,500,000 0.069
Hurley Felds 1, LLC	\$ 15,799,300	0.167	Fairfield Park LLC	\$ 13,150,200 0.067
New Jersey American Water	\$ 15,797,700	0.166	Eagle Gold Enterprise	\$ 12,437,600 0.064
Total	\$ 224,548,600	2.33		195,397,900 1.00

Source: District ACFR & 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	
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%	
2021	174,076,363	170,960,291	98.21%	
2022	179,412,986	175,337,151	97.73%	
2023	186,245,183	183,150,351	98.34%	

Source: Howell Tax Collector/CFO

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

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

Exhibit J-10
 GASB D-1
 New

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
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	23,670,000		1,488,000			25,158,000	0.25%	61,968
2021	16,160,000		2,294,000			18,454,000	0.34%	61,968

Source: District ACFR 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		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2012	44,335,437		44,335,437	0.80%	867
2013	42,268,804		42,268,804	0.76%	827
2014	37,420,000		37,420,000		
2015	32,560,000		32,560,000	2.32%	637
2016	27,530,000		27,530,000	2.32%	539
2017	22,320,000		22,320,000	2.30%	437
2018	16,960,000		16,960,000	0.96%	332
2019	27,910,000		27,910,000	0.39%	546
2020	23,670,000		23,670,000	0.32%	463
2021	16,160,000		16,160,000	0.21%	280

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, 2023

Exhibit J-12 GASB D-3 NJ J-8 modified
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<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Howell Township	\$ 83,615,153	100.000%	83,615,153
Other debt			
Freehold Regional High School	13,400,000	22.929%	3,072,446
Monmouth County	29,030,454	5.720%	1,660,542
Subtotal, overlapping debt			88,348,141
Howell Township School District Direct Debt			<u>83,615,153</u>
Total direct and overlapping debt			<u><u>\$ 171,963,294</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 2021

	Equalized valuation basis	
	2022	8,450,898,900
	2021	7,546,137,900
	2020	7,388,630,600
	[A]	<u>23,385,667,400</u>
Average equalized valuation of taxable proper	[A/3]	\$ 7,795,222,467
Debt limit (3 % of average equalization value)	[B]	233,856,674 ^a
Net bonded school debt	[C]	<u>16,160,000</u>
Legal debt margin	[B-C]	<u>\$ 217,696,674</u>

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	187,652,987	186,479,526	191,118,436	191,118,436	193,731,664	133,092,838	133,092,838	209,348,496	221,304,360	233,856,674
Total net debt applicable to limit	<u>44,622,619</u>	<u>58,496,451</u>	<u>69,089,436</u>	<u>69,089,436</u>	<u>68,089,436</u>	<u>68,089,436</u>	<u>32,520,000</u>	<u>32,520,000</u>	<u>16,160,000</u>	<u>16,160,000</u>
Legal debt margin	<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>	<u>205,144,360</u>	<u>217,696,674</u>
Total net debt applicable to the limit as a percentage of debt limit	19.24%	23.78%	31.37%	36.15%	36.15%	35.66%	24.43%	15.53%	7.30%	6.91%

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

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

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

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^b	Unemployment Rate ^d
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%
2022	53,304	2,508,219,720	47,055	3.4%
2023	53,479	2,687,961,498	50,262	4.7%

Source:

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

^b Personal income based on 3% increment

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

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

Exhibit J-15 GASB E-2 NEW

Employer	2013			2003		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
		1	0.00%			0.00%
		2	0.00%			0.00%
		3	0.00%			0.00%
		4	0.00%			0.00%
		5	0.00%			0.00%
			0.00%			
	-			-		0.00%

Source:

*Howell Township does not collect this information.

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

Exhibit J-16
 GASB F-1
 New

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	357	360	338	331	339	336	348	344	332	336
Special education	296	302	290	208	244	223	231	230	243	239
Other special education										
Vocational										
Other instruction										
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition										
Student & instruction related services	93	102	108	122	124	127	127	130	149	145
General administrative services	6	6	6	7	7	7	7	7	6	6
School administrative services	52	52	52	53	53	53	52	52	52	51
Business administrative services	16	14	14	13	13	13	13	13	13	13
Plant operations and maintenance	74	74	76	74	74	84	86	87	78	80
Pupil transportation	63	56	62	62	63	72	72	69	64	64
Special Schools										
Food Service										
Child Care										
Total	957	966	946	870	917	915	936	932	937	934

Source: District Personnel Records

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

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff	Per Pupil Ratio	Average Daily Enrollment (ADE) ^b	Average Daily Attendance (ADA) ^b	% Change in Average Daily Enrollment	Student Attendance Percentage
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	2.02%	583	1:10	5,640	5,351	-2.60%	94.88%
2020	5,611	113,723,096	20,268	9.10%	559	1:10	5,638	5,433	-0.03%	96.36%
2021	5,600	113,007,346	20,180	-0.43%	568	1:09	5,453	5,270	-3.28%	96.64%
2022	5,513	112,676,035	20,438	1.28%	575	1:09	5,442	5,091	-0.19%	93.55%
2023	5,736	116,018,755	20,226	-1.04%	575	1:09	5,531	5,152	1.63%	93.15%

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Elementary										
Adelphia Elementary School										
Square Feet	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000
Capacity (students)	537	537	537	537	537	537	537	537	537	537
Enrollment	377	301	362	356	350	349	345	335	405	389
Aldrich Elementary School (1968)										
Square Feet	70,400	70,400	70,400	70,400	70,400	70,400	70,400	70,400	70,400	70,400
Capacity (students)	434	434	434	434	434	434	434	434	434	434
Enrollment	565	545	429	431	388	395	377	409	391	371
Ardena Elementary School (1938)										
Square Feet	68,600	68,600	68,600	68,600	68,600	68,600	68,600	68,600	68,600	68,600
Capacity (students)	417	417	417	417	417	417	417	417	417	417
Enrollment	435	442	338	377	336	317	324	340	339	323
Greenville Elementary School										
Square Feet	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000
Capacity (students)	530	530	530	530	530	530	530	530	530	530
Enrollment	463	363	329	295	311	329	318	331	362	448
Griebing Elementary School (1980)										
Square Feet	89,187	89,187	89,187	89,187	89,187	89,187	89,187	89,187	89,187	89,187
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	501	545	305	278	238	269	255	278	318	334
Land O'Pines Elementary School (1960)										
Square Feet	92,983	92,983	92,983	92,983	92,983	92,983	92,983	92,983	92,983	92,983
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	521	538	495	520	511	510	488	513	432	468
Memorial Elementary School										
Square Feet			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
Enrollment			322	330	301	286	258	253	271	283
Newbury Elementary School (1964)										
Square Feet	79,850	79,850	79,850	79,850	79,850	79,850	79,850	79,850	79,850	79,850
Capacity (students)	477	477	477	477	477	477	477	477	477	477
Enrollment	412	359	435	420	400	391	372	365	368	387
Ramtown Elementary School (1964)										
Square Feet	99,899	99,899	99,899	99,899	99,899	99,899	99,899	99,899	99,899	99,899
Capacity (students)	705	705	705	705	705	705	705	705	705	705
Enrollment	459	438	427	368	354	328	325	342	358	408
Southard Elementary School (1954)										
Square Feet	73,940	73,940	73,940	73,940	73,940	73,940	73,940	73,940	73,940	73,940
Capacity (students)	392	392	392	392	392	392	392	392	392	392
Enrollment	-	-	-	-	-	-	-	-	-	-
Taunton Elementary School (1968)										
Square Feet	89,187	89,187	89,187	89,187	89,187	89,187	89,187	89,187	89,187	89,187
Capacity (students)	392	392	392	392	392	392	392	392	392	392
Enrollment	462	436	385	380	386	379	362	378	423	447
Middle School										
Howell Middle School North (1994)										
Square Feet	161,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000
Capacity (students)	900	900	900	900	900	900	900	900	900	900
Enrollment	825	802	1,168	1,168	1,107	1,130	1,116	1,055	1,033	1,027
Howell Middle School South										
Square Feet	162,000	162,000	162,000	162,000	162,000	162,000	162,000	162,000	162,000	162,000
Capacity (students)	980	980	980	980	980	980	980	980	980	980
Enrollment	832	751	982	982	929	917	870	810	797	836
Memorial Middle School										
Square Feet	120,000	120,000								
Capacity (students)	577	577								
Enrollment	666	627								
Other										
Administration Building										
Square Feet	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Transportation										
Square Feet	9,060	9,060	9,060	9,060	9,060	9,060	9,060	9,060	9,060	9,060
Maintenance Offices										
Square Feet	900	900	900	900	900	900	900	900	900	900

Number of Schools at June 30, 2023
 Elementary = 10
 Middle School = 2

Source: District records, ASSA

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

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

School Facilities	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Adelphia School	134,679	133,127	162,825	196,928	199,803	241,720	166,343	139,879	156,361	111,729
Aldrich School	121,386	119,987	146,753	177,490	180,082	217,861	149,924	126,073	140,928	100,700
Ardena School	118,335	116,971	143,065	173,029	175,555	212,385	146,156	122,904	137,385	98,169
Greenville School	134,679	133,127	162,825	196,928	199,803	241,720	166,343	139,879	156,361	111,729
Griebling School	153,857	152,084	186,010	224,969	228,254	276,139	190,030	159,798	178,626	127,638
Land O'Pines School	160,395	158,546	193,914	234,529	237,953	287,873	198,105	166,588	186,217	133,062
Newbury School	137,730	136,143	166,513	201,389	204,330	247,195	170,112	143,048	159,904	114,260
Ramtown School	172,381	170,394	208,405	252,055	255,735	309,385	212,909	179,037	200,132	143,005
Southard School	127,488	126,018	154,130	186,412	189,134	228,812	157,461	132,410	148,012	105,763
Taunton School	153,857	152,084	186,010	224,969	228,254	276,139	190,030	159,798	178,626	127,638
Howell Middle School North	277,857	274,655	335,925	406,283	412,216	498,693	343,184	288,586	322,590	230,508
Howell Middle School South	279,601	276,379	338,033	408,832	414,802	501,822	345,337	290,397	324,614	231,954
Howell Memorial Middle School	207,031	204,645	250,297	302,721	307,141	371,575	255,706	215,025	240,361	171,751
Total School Facilities	2,179,274	2,154,160	2,634,707	3,186,535	3,233,062	3,911,321	2,691,639	2,263,421	2,530,119	1,807,907
Other Facilities										
Grand Total	2,179,274	2,154,160	2,634,707	3,186,535	3,233,062	3,911,321	2,691,639	2,263,421	2,530,119	1,807,907

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, 2023
UNAUDITED

Company	Type of Coverage	Coverage	Deductible
Utica National	Property Blanket Building & Contents- Replacement Cost Values -Additional Valuable Papers	283,375,867	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	283,375,867	1,000
Utica National	Board of Education -Educators Legal Liability Each Loss Aggregate	\$ 1,000,000 \$ 2,000,000	\$5,000.00
Utica National	Fidelity Bonds -Treasurer of School Monies -Business Administrator/Board Secretary	\$500,000 \$50,000	Bond Amount Bond Amount
Brown & Brown	Workers' Compensation -Professional -\$7,638,200 -Non-Professional -\$2,451,065		

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND REPORTING 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, 2023, 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 January 15, 2024.

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**

January 15, 2024

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

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
REQUIRED BY UNIFORM ADMINISTRATIVE AWARDS (UNIFORM GUIDANCE), AND
NEW JERSEY OMB'S 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 & State Program

Opinion on Each Major Federal & State Program

We have audited the Howell Township Board of Education's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Howell Township Board of Education's major federal and state programs for the year ended June 30, 2023. The Howell Township Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Howell Township Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and NJ OMB 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Howell Township Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Howell Township Board of Education's compliance with the requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to its Federal and State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above have occurred, whether due to fraud or error, and express an opinion on the Howell Township Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and NJ OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Howell Township Board of Education's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Howell Township Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Howell Township Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Howell Township Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or 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 federal or 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 or 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 over compliance was for the limited purposes described in the Auditor's Responsibilities for the Audit of Compliance 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

January 15, 2024

HOWELL TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2022	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	Balance at June 30, 2023		
					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	S010A220030		633,028	07/01/2022	09/30/2023	\$ -		362,288	(378,506)			(16,218)		
Title IIA	84.367A	S367A220029		50,640	07/01/2022	09/30/2023			4,896	(4,896)					
Title IV	84.424	S424A220031		146,748	07/01/2022	09/30/2023			68,137	(68,137)					
Special Education Cluster:															
IDEA Basic	84.027	H027A220100		1,645,313	07/01/2022	09/30/2023			1,666,722	(1,666,722)					
IDEA Basic	84.027	H027A210100		1,727,956	07/01/2021	09/30/2022	(292,729)		292,729						
IDEA Preschool	84.173	H173A220114		124,577	07/01/2022	09/30/2023			19,095	(19,095)					
IDEA Preschool	84.173	H173A210114		105,786	07/01/2021	09/30/2022	(28,709)		28,709						
ARP IDEA Basic	84.027X	H027X210100		249,243	07/01/2021	09/30/2023	(8,416)		45,948	(48,876)			(11,344)		
ARP IDEA Preschool	84.173X	H173X210114		21,245	07/01/2021	09/30/2023			2,164	(10,653)			(8,489)		
CRRSA ESSER II	84.425D	S425D210027		1,470,558	07/01/2021	09/30/2023	(180,146)		298,594	(118,448)					
CRRSA Accelerated Learning	84.425D	S425D210027		94,373	07/01/2021	09/30/2023			5,900	(5,900)					
CRRSA Mental Health	84.425D	S425D210027		45,000	07/01/2021	09/30/2023	(5,400)		8,478	(3,078)					
ARP ESSER	84.425U	S425U210027		3,304,985	03/13/2020	09/30/2024	(588,436)		772,322	(183,886)					
ARP Accelerated Learning	84.425U	S425U210027		478,327	03/13/2020	09/30/2024	(90,009)		105,908	(63,215)			(47,316)		
ARP Comprehensive	84.425U	S425U210027		40,000	03/13/2020	09/30/2024	(23,904)		23,904						
ARP Mental Health	84.425U	S425U210027		45,000	03/13/2020	09/30/2024	(17,934)		40,459	(22,525)					
ARP Homeless				26,216	03/13/2020	09/30/2024				(26,216)			(26,216)		
CARES Act	84.425D	S425D200027		351,856	07/01/2019	06/30/2020	(27,924)		27,924						
Total Special Revenue Fund							(1,263,607)	-	3,774,177	(2,620,153)	-	-	(109,583)	-	-
General Fund:															
US Department of Health & Human Services:															
Passed Through State Department of Education:															
Medical Assistance Program	93.778	2005NJ5MAP		166,916	07/01/2022	06/30/2023			166,916	(166,916)					
Total General Fund							-	-	166,916	(166,916)	-	-	-	-	-
U.S. Department of Agriculture -															
Passed Through State Department of Education:															
Child Nutrition Cluster:															
Food Distribution Program	10.550	221NJ304N1099		122,261	07/01/2022	06/30/2023			122,261	(122,261)					
National School Lunch Program	10.555	211NJ304N1099		2,890,511	07/01/2021	06/30/2022	(221,737)		221,737						
National School Lunch Program	10.555	221NJ304N1099		756,717	07/01/2022	06/30/2023			692,112	(756,717)			(64,605)		
National School Breakfast Program	10.553	221NJ304N1099		168,617	07/01/2022	06/30/2023			156,176	(168,617)			(12,441)		
National School Breakfast Program	10.553	211NJ304N1099		906,701	07/01/2021	06/30/2022	(73,618)		73,618						
PB Lunch	10.555	221NJ304N1099		26,992	07/01/2022	06/30/2023			24,493	(26,992)			(2,499)		
Total Enterprise Fund							(295,355)	-	1,290,397	(1,074,587)	-	-	(79,545)	-	-
Total Federal Financial Awards							\$ (1,558,962)	-	5,231,490	(3,861,656)	-	-	(189,128)	-	-

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, 2023

State Grantor/Program State Department of Education	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment	(Repayment) of Prior Years Balances	Balance at June 30, 2023			MEMO		
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Total Cumulative Expenditures	
General Fund																	
Equalization Aid	23-495-034-5120-078	\$ 17,180,918	07/01/2022	06/30/2023	\$			15,456,789	(17,180,918)						(1,724,129)	17,180,918	
Special Education Aid	23-495-034-5120-089	3,740,074	07/01/2022	06/30/2023				3,364,918	(3,740,074)						(375,156)	3,740,074	
Transportation Aid	23-495-034-5120-014	903,761	07/01/2022	06/30/2023				813,017	(903,761)						(90,744)	903,761	
Security Aid	23-495-034-5120-084	517,479	07/01/2022	06/30/2023				465,519	(517,479)						(51,960)	517,479	
Supplemental Stabilization Aid	23-495-034-5120-078	1,939,009	07/01/2022	06/30/2023				1,939,009	(1,939,009)							1,939,009	
Extraordinary Aid	23-495-034-5120-044	1,014,449	07/01/2022	06/30/2023					(1,014,449)			(1,014,449)				1,014,449	
Extraordinary Aid	22-495-034-5120-044	981,563	07/01/2021	06/30/2022	(981,563)			981,563									
Non-Public Transportation	23-495-034-5120-014	111,384	07/01/2022	06/30/2023					(111,384)			(111,384)				111,384	
Non-Public Transportation	22-495-034-5120-014	89,680	07/01/2021	06/30/2022	(89,680)			89,680									
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)	23-495-034-5094-001	4,822,958	07/01/2022	06/30/2023				4,822,958	(4,822,958)							4,822,958	
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	23-495-034-5094-002	18,359,356	07/01/2022	06/30/2023				18,359,356	(18,359,356)							18,359,356	
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability	23-495-034-5094-004	4,027	07/01/2022	06/30/2023				4,027	(4,027)							4,027	
Reimbursed TPAF Social Security	23-100-034-5095-003	3,648,212	07/01/2022	06/30/2023				3,648,212	(3,648,212)							3,648,212	
Reimbursed TPAF Social Security	22-100-034-5095-003	3,448,637	07/01/2021	06/30/2022	(179,872)			179,872									
Total General Fund					(1,251,115)	-	-	50,124,920	(52,241,627)	-	-	(1,125,833)	-	-	(2,241,989)	52,241,627	
Special Revenue Fund																	
Textbook Aid	23-100-034-5120-054	9,174	07/01/2022	06/30/2023				9,174									
Textbook Aid	22-100-034-5120-054	8,643	07/01/2021	06/30/2022			790				(790)			9,174			
Auxiliary Services:																	
Compensatory Education	23-100-034-5120-067	30,638	07/01/2022	06/30/2023				30,638						30,638			
English as a Second Language	23-100-034-5120-067	4,009	07/01/2022	06/30/2023				4,009						4,009			
Handicapped Services:																	
Supplementary Instruction	23-100-034-5120-056	11,564	07/01/2022	06/30/2023				11,564						11,564			
Examination and Classification	23-100-034-5120-056	17,248	07/01/2022	06/30/2023				17,248						17,248			
Corrective Speech	23-100-034-5120-066	1,860	07/01/2022	06/30/2023				1,860						1,860			
Corrective Speech	22-100-034-5120-066	6,510	07/01/2021	06/30/2022			3,497				(3,497)						
Security	23-100-034-5120-044	28,495	07/01/2022	06/30/2023				28,495						28,495			
Security	22-100-034-5120-044	25,200	07/01/2021	06/30/2022			25,200				(25,200)						
Technology Initiative	23-100-034-5120-373	5,838	07/01/2022	06/30/2023				5,838						5,838			
Technology Initiative	22-100-034-5120-373	6,048	07/01/2021	06/30/2022			6,048				(6,048)						
Nursing Services	23-100-034-5120-070	15,568	07/01/2022	06/30/2023				15,568	(4,032)					11,536		4,032	
Nursing Services	22-100-034-5120-070	16,128	07/01/2021	06/30/2022			13,408				(13,408)						
Preschool Education Program	23-495-034-5120-086	2,433,223	07/01/2022	06/30/2023				2,189,085	(2,433,223)						(244,138)	2,433,223	
SDA Emergent	NA	249,067	07/01/2022	06/30/2023				230,808	(230,808)							230,808	
Total Special Revenue Fund					-	48,943	-	2,544,287	(2,668,063)	-	(48,943)	-	-	120,362	(244,138)	2,668,063	
Debt Service Aid Type II	23-495-034-5120-017	503,164	07/01/2022	06/30/2023				503,164	(503,164)							503,164	
Enterprise Fund																	
National School Lunch Program	23-100-010-3350-023	33,215	07/01/2022	06/30/2023				30,231	(33,215)			(2,984)				33,215	
National School Breakfast Program	23-100-010-3350-023	2,790	07/01/2022	06/30/2023				2,503	(2,790)			(287)				2,790	
National School Lunch Program Supplemental	23-100-010-3350-023	3,320	07/01/2022	06/30/2023				3,320	(3,320)							3,320	
National School Lunch Program	22-100-010-3350-023	67,985	07/01/2021	06/30/2022	(5,103)			5,103									
Total Enterprise Fund					(5,103)	-	-	41,157	(39,325)	-	-	(3,271)	-	-	-	39,325	
Total State Financial Assistance					\$ (1,256,218)	48,943	-	53,213,528	(55,452,179)	-	(48,943)	(1,129,104)	-	120,362	(2,486,127)	55,452,179	
Less: State Financial Assistance Not Subject to Major Program Determination:																	
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)									4,822,958								
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)									18,359,356								
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability									4,027								
Total State Financial Assistance Subject to Major Program Determination									\$ (32,265,838)								

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

BOARD OF EDUCATION

K-5

HOWELL TOWNSHIP SCHOOL DISTRICT**NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2023****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 \$249,264 for the general fund and \$(85,161) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as presented below:

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>					
Actual Amounts (Budgetary)					
“Revenues” from the Schedule					
of Expenditures of State					
Financial Assistance	\$ 52,241,627	2,668,063	503,164	39,325	55,452,179
Difference – Budget to “GAAP”					
Grant Accounting Budgetary					
Basis Differs from GAAP					
in that Encumbrances are					
Recognized as Expenditures					
and the Related Revenue					
is Recognized					
		(203,808)			(203,808)
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>249,264</u>	<u>(244,138)</u>	_____	_____	<u>5,126</u>
Total State Revenue as Reported					
on the Statement of Revenues,					
Expenditures and Changes					
Fund Balances	<u>\$ 52,490,891</u>	<u>2,220,117</u>	<u>503,164</u>	<u>39,325</u>	<u>55,253,497</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>					
Actual Amounts (Budgetary)					
“Revenues” from the Schedule of Expenditures of Federal Awards					
	\$ 166,916	2,620,153		1,074,587	3,861,656
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>389,785</u>	_____	_____	<u>389,785</u>
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances					
	<u>\$ 166,916</u>	<u>3,009,938</u>	_____	<u>1,074,587</u>	<u>4,251,441</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, 2023 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, 2023. 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, 2023

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 x No

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

(C) Noncompliance material to general purpose financial statements noted? Yes x No

Federal Awards Section

(D) Dollar threshold used to determine Typed A programs: \$750,000

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

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

(H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))? Yes x No

(I) Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.027	I.D.E.A. Part B (Special Education Cluster)
84.173	IDEA-Preschool (Special Education Cluster)
84.027X	ARP IDEA Part B (Special Education Cluster)
84.173X	ARP IDEA Preschool (Special Education Cluster)
84.425D	CRRSA ESSER II (CRRSA Cluster)
84.425D	CRRSA Learning Acceleration (CRRSA Cluster)
84.425D	CRRSA Mental Health (CRRSA Cluster)
84.425U	ARP ESSER
84.425U	ARP Learning Acceleration
84.425U	ARP Summer Learning
84.425U	ARP Comprehensive
84.425U	ARP Mental Health
84.425U	ARP Homeless

HOWELL TOWNSHIP SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Part I - 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)

23-495-034-5120-089

23-495-034-5120-078

23-495-034-5120-084

23-495-034-5095-002

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

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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 DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023*Part 3 - Schedule of Federal and State Award Findings and Questioned Costs*

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

FEDERAL AWARDS

Finding: N/A

Federal program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

STATE AWARDS

Finding: None

State program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A

HOWELL TOWNSHIP SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

K-7

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prior Audit Findings:

None