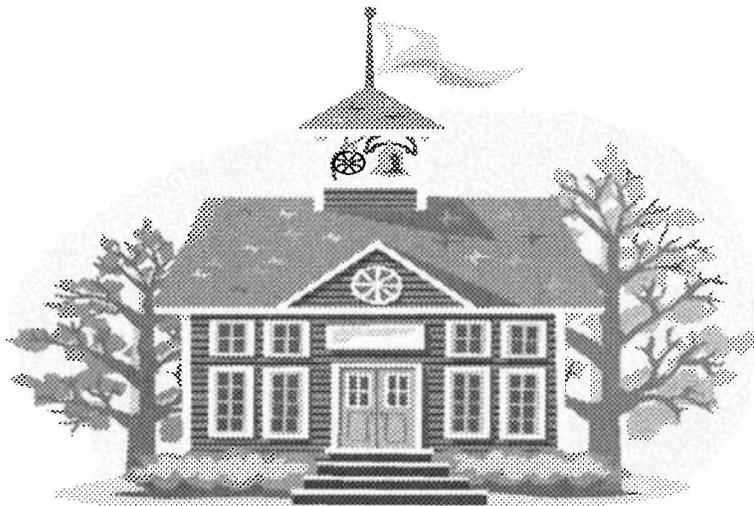


**SCHOOL DISTRICT**  
**OF**  
**HOWELL TOWNSHIP**



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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**HOWELL TOWNSHIP BOARD OF EDUCATION**

**HOWELL TOWNSHIP, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**PREPARED BY**

**HOWELL TOWNSHIP BOARD OF EDUCATION  
FINANCE DEPARTMENT**

**HOWELL TOWNSHIP SCHOOL DISTRICT**

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## **INTRODUCTORY SECTION**



# Howell Township Public Schools

PROUD OF OUR SCHOOLS — CONCERNED FOR OUR CHILDREN

December 18, 2015

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

Dear Members of the Board of Education:

It is with pleasure that we submit the Comprehensive Annual Financial Report (CAFR) of the Howell Township School District for the fiscal year ended June 30, 2015. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

- ◆ The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- ◆ The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
- ◆ The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the School District, generally presented on a multi-year basis;
- ◆ The Single Audit Section – The District is required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1986, as amended, the U. S. Office of Management and Budget Circular A-133, "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 continues to maintain a high quality of education, even though it is one of the largest K-8 districts in Monmouth County. The District provides a full range of programs and services appropriate to grades K through 8. These include regular education, programs for the very able students (gifted and talented), as well as special education for youngsters with disabilities in and out of district. Ten elementary schools and three middle schools comprise the district's facilities. Although Southard School remains an asset of the Howell Township Board of Education, the district consolidated the student population in the other nine elementary schools, and is not utilizing Southard School for classroom purposes this school year. The Board, in conjunction with Howell Township Police Athletic League and other community organizations, has created a community center with various opportunities for residents while increasing revenue to the district.

Supervising district-wide goals is a district superintendent, an assistant superintendent for curriculum and personnel, an assistant superintendent of pupil services, an assistant superintendent of business administration/board secretary, four district-wide curriculum supervisors, three supervisors of special education, and a director of technology. Each K-5 elementary school has its own principal. K-5 schools with enrollment greater than 500 students are assigned a full time vice-principal with district wide responsibilities. K-5 elementary schools that have less than 500 students have their own lead teacher working directly with the principal. Each of two Howell Township Middle Schools has one principal and two vice principals with district wide responsibilities. The third Howell Township Middle School has one principal and one vice principal who also has district wide responsibilities.

The Board of Education, comprised of nine members, each elected to three-year terms, meets on the first and third Wednesday of each month for the regular Board Meeting and other times each month for committee meetings. During its meetings the board determines district goals and priorities and conducts the business of the Board of Education. Board meetings are open to the public and begin at 7:30 PM.

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

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

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

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

### **Elementary Schools: Grades K through 5**

Currently, there are nine grade K-5 elementary schools (Adelphia School, Aldrich School, Ardena School, Greenville School, Griebbling School, Land O'Pines School, Newbury School, Ramtown School, and Taunton School) providing a comprehensive educational program.

The district's balanced literacy program focuses on the development of phonics, phonemic awareness, vocabulary, comprehension, and fluency. Writing is taught through a Writer's Workshop approach and is integrated throughout all disciplines.

Mathematics skills and concepts are presented using a variety of hands-on materials and activities. Stress is placed on providing real-life meaningful experiences so that students develop conceptual understanding and an appreciation for mathematics.

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

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

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

Throughout all K-5 schools enrichment cluster grouping is provided to students identified as gifted and talented. In addition, at the elementary level, a self contained 4<sup>th</sup> and 5<sup>th</sup> grade program is provided to those students who also demonstrate giftedness.

### **Howell Township Middle Schools: Grades 6 through 8**

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

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

### **Special Education**

Special Education is an integral part of the educational system in the Howell Township Schools. Our school district educates approximately 1,000 students classified eligible for special education and related services. A full continuum of services is provided for students with disabilities. Classes include preschool disabled, integrated preschool, general education classes with specialized support, in-class resource, resource center pull out services, and other special class programs. All students are included with their general education peers to the maximum extent possible, and many students are fully included in general education classes with assistance from paraprofessionals or special education teachers. Our middle school program prepares our students with disabilities for their transition to high school.

### **Core Curriculum Contents Standards**

All district curricula is aligned with the Common Core State Standards for Mathematics and Language Arts Literacy, and the New Jersey Core Content Curriculum Standards for Visual and Performing Arts; Comprehensive Health and Physical Education; Science; Social Studies; World Languages; Technology; and 21st-Century Life and Careers.

### **Staff Development**

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

All professional development in Howell Township addresses the Eight Key Elements of High Quality Professional Development. The professional learning opportunities are aligned with and support the New Jersey Professional Development Standards for Teachers.

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

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

### **Technology**

District-Wide technology is used to enrich teaching and learning, facilitate communication among all members of the educational community, and to increase productivity. All classrooms, computer

labs, media centers, and offices in each of the twelve schools and administrative buildings are linked together via local and wide area voice and data networks. All administrators, teachers, and support staff members have computing capability with high speed Internet access and are provided email and voice mail accounts. To assist teachers and students in presenting information and collaborating in Internet and other computer based projects together, all classrooms in the district are equipped with ceiling mounted LCD projectors and/or projection devices capable of presenting images via a computer, the Internet, cable TV, or local video sources such as VCR's and DVD players.

In addition, all schools are equipped with mobile student laptops that connect wirelessly to the network. All building administrators have access to laptop computers, allowing for complete mobility in utilizing technology for office productivity as well as teacher evaluation activities. Mobile tablet devices were provided to all observers in support of their work and compliance with AchieveNJ

### **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 2002-03 through 2012-13.

<u>School Year</u>	<u>Enrollment As of October 15</u>
2004-05	7,333.5
2005-06	7259
2006-07	7289
2007-08	7090
2008-09	6920
2009-10	6783
2010-11	6773
2011-12	6541
2012-13	6335
2013-2014	6277
2014-2015	6359

## **2. ECONOMIC CONDITION AND OUTLOOK**

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

## **3. MAJOR INITIATIVES**

### **Construction**

District-wide roofing projects were completed, and masonry construction initiatives began during the 2014-2015 school year with the award of the NJ School Development Authority ROD grant funds. The district continues to address ongoing required maintenance projects as needed.

### Pupil Services

- ❖ Multi-sensory reading programs
- ❖ Assistive and instructional technology devices for students with disabilities
- ❖ Teacher coach who is a Board certified Behavior Analyst
- ❖ 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 2014-2015 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 integration of a central purchasing system began in 2014-2015 and 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 \$36,000.
- ❖ Streamlining of business functions through increased applications of technology.
- ❖ Continued compliance with State and Federal mandates while minimizing impact on other business workflow.

### Personnel

The district employed 1013 persons during the 2014-2015 school year. The certificated staff numbered 624 including 36 administrators and supervisors and 588 classroom teachers and educational support personnel (nurses, guidance counselors, child study team members, etc.). 389 other employees, including instructional assistants, school aides, bus drivers and attendants, secretaries and clerk-typists, and custodial and maintenance employees were also part of the staff.

One of the greatest challenges in a school district is to retain high standards for its staff, especially, during a period when acute teacher shortages in some areas persisted. The district was able to accomplish this through a highly competitive recruitment and selection process. Additionally, an

impressive array of in-service opportunities allowed staff members to stay current and to improve their instructional skills; a hallmark of a progressive and innovative school district.

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

#### **4. INTERNAL ACCOUNTING CONTROLS**

Management of the district is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the district are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally-accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

#### **5. BUDGETARY CONTROLS**

In addition to internal accounting controls, the district maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the board of education. Annual appropriated budgets are adopted for the general fund, the special revenue funds, and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

#### **6. CASH MANAGEMENT**

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

## **7. RISK MANAGEMENT**

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

## **8. OTHER INFORMATION**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart & Company, CPA's, was selected by the Board to perform the audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet requirements of the Single Audit Act of 1996, as amended and the related OMB Circular A-133 and the New Jersey OMB Circular 04-04. The auditors' report on the basic financial statements and as well as both the required and other supplementary information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

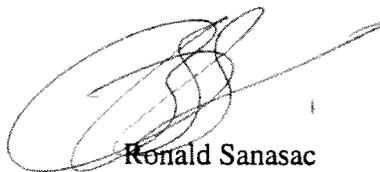
## **9. ACKNOWLEDGMENTS**

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

Respectfully submitted,



Joseph J. Isola  
Superintendent of Schools



Ronald Sanasac  
Assistant Superintendent of Business  
Administration/Board Secretary

**HOWELL TOWNSHIP BOARD OF EDUCATION  
Roster of Officials**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Timothy P. O'Brien, Board President	<b>2016</b>
Charles Welsh, Vice President	<b>2016</b>
Mark Bonjavanni	<b>2017</b>
Suzanne Brennan	<b>2017</b>
Mary Cerretani	<b>2017</b>
Jeanne DePompo	<b>2016</b>
Denise Lowe	<b>2018</b>
Albert Miller	<b>2018</b>
James Moretti	<b>2018</b>

**HOWELL TOWNSHIP BOARD OF EDUCATION  
Consultants and Advisors**

**Audit Firm**

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

**Attorney**

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

**Official Depository**

**TD Bank  
Howell, New Jersey 07731**



**FINANCIAL SECTION**

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

12.

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

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Howell Township School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### *Auditors Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Howell Township School District, in the County of Monmouth, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

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

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

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

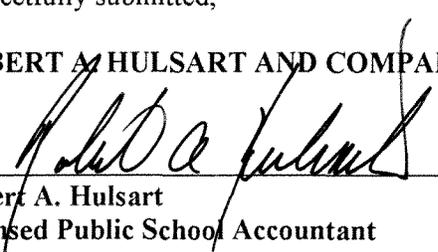
The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015 on our consideration of the Howell Township's Board of Education internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Howell Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**



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

December 18, 2015

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

HOWELL TOWNSHIP PUBLIC SCHOOL DISTRICT  
HOWELL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal that is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

The MD&A is an 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 2015 are as follows:

- ◆ General revenues accounted for \$112,794,880 in revenue or 96% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for 4% percent to total revenues of \$4,623,282.
- ◆ Total assets of governmental activities decreased by \$5,525,564 as cash and cash equivalents decreased by \$480,991 receivables decreased by \$6,272,607, capital assets increased by \$1,258,706, and inventory decreased by \$30,672.
- ◆ The School District had \$122,461,947 in expenses; only \$4,623,282 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$112,794,880 were adequate to provide for these programs.
- ◆ The General Fund had \$113,187,089 in revenues and in expenditures.

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

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

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

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

HOWELL TOWNSHIP PUBLIC SCHOOL DISTRICT  
HOWELL TOWNSHIP

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FOR THE FISCAL YEAR ENDED JUNE 30, 2015

UNAUDITED

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## **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 2014-2015". 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 those 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 2015.

Table 1  
Net Position

	<u>2015</u>
<b><u>Assets</u></b>	
Current and other assets	\$ 14,586,424
Capital assets, net	<u>83,586,530</u>
Total Assets	<u>\$ 98,172,954</u>
<b><u>Deferred Outflow of Resources</u></b>	
Contribution to Pension Plan	<u>\$ 2,942,732</u>
<b><u>Deferred Outflow of Resources</u></b>	
Pension Deferrals	<u>\$ 2,950,231</u>
<b><u>Liabilities</u></b>	
Current liabilities	\$ 1,226,100
Other liabilities	<u>80,893,630</u>
Total Liabilities	<u>\$ 82,119,730</u>
<b><u>Net Position</u></b>	
Invested in capital assets, net of debt	\$ 44,813,334
Restricted	14,502,249
Unrestricted	<u>(43,462,160)</u>
Total Net Position	<u>\$ 15,853,423</u>

## Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek budget approval for the School District operations. Property taxes made up 65% of revenues for governmental activities for the Howell Township Public School District for fiscal year 2015. Federal, state and local grants accounted for another 35%.

## 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 \$210,367.
- ◆ Charges for services represent \$1,106,621 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 \$554,197.

## **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, 2015, it reported a combined net position balance of \$15,853,423. The reconciliation of the Statement of Revenue Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities present the reader with a detailed explanation to the differences between the net change in fund balances and changes in net position.

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

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

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

The excesses will be carried forward into the beginning fund balance for the 2015-2016 fiscal year and will be used to fund the 2016-2017 fiscal budget.

## Capital Assets

At the June 30, 2015, the School District had approximately 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 2015 fiscal year.

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

	2015
Land	\$ 5,348,018
Site Improvements	3,751,918
Building	66,683,536
Machinery and equipment	7,665,464
Totals	\$ 83,448,936

## Debt Administration

At June 30, 2015, the School district had \$80,893,630 as outstanding debt. Of this amount, \$3,720,237 is for compensated absences, \$6,213,196 for capital leases, \$32,560,000 of installment obligations and the balance for bonds for school construction, and \$38,400,197 in a deferred pension liability.

## 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 population continues to fluctuate 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.

The 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 balance of \$15,853,423. The district also has \$1.00 in capital reserve monies as well as the fair market value of the capital assets.

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

The School Board cannot accurately forecast future enrollment, but presently is experiencing a continued 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**

Exhibit A-1

**JUNE 30, 2015**

	<b><u>Governmental</u></b>	<b><u>Business-Type</u></b>	<b><u>Total</u></b>
	<b><u>Activities</u></b>	<b><u>Activities</u></b>	
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 1,053,407	8,024	1,061,431
Receivables, Net	2,689,048	103,896	2,792,944
Inventory		31,735	31,735
Restricted Assets:			
Cash and Cash Equivalents	10,700,313		10,700,313
Capital Reserve Account-Cash	1		1
Capital Assets-Non-Depreciable	5,348,018		5,348,018
Capital Assets, Net	<u>78,100,918</u>	<u>137,594</u>	<u>78,238,512</u>
Total Assets	<u>97,891,705</u>	<u>281,249</u>	<u>98,172,954</u>
<b><u>Deferred Outflow of Resources</u></b>			
Contribution to Pension Plan	<u>2,942,732</u>		<u>2,942,732</u>
<b><u>Deferred Inflow of Resources</u></b>			
Pension Deferrals	<u>2,950,231</u>		<u>2,950,231</u>
<b><u>Liabilities</u></b>			
Accounts Payable & Accrued Interest	1,107,186		1,107,186
Deferred Revenue	118,914		118,914
Noncurrent Liabilities:			
Due Within One Year	6,534,452		6,534,452
Due Beyond One Year	<u>74,359,178</u>		<u>74,359,178</u>
Total Liabilities	<u>82,119,730</u>	<u>-</u>	<u>82,119,730</u>
<b><u>Net Positions</u></b>			
Invested in Capital Assets, Net of Related Debt	44,675,740	137,594	44,813,334
Restricted For:			
Debt Service	365,517		365,517
Capital Projects	1,500,591		1,500,591
Other Purposes	12,636,141		12,636,141
Unrestricted	<u>(43,413,513)</u>	<u>(48,647)</u>	<u>(43,462,160)</u>
Total Net Position	<u>\$ 15,764,476</u>	<u>88,947</u>	<u>15,853,423</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, 2015**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Functions/Programs</b>						
Governmental Activities:						
Instruction:						
Regular	\$ 28,426,049			(28,426,049)		(28,426,049)
Special Education	13,811,055		1,292,261	(12,518,794)		(12,518,794)
Other Special Instruction	2,461,250			(2,461,250)		(2,461,250)
Other Instruction	561,958			(561,958)		(561,958)
Support Services:						
Tuition	1,589,875	550,546		(1,039,329)		(1,039,329)
Student & Instruction Related Services	11,643,109		1,119,657	(10,523,452)		(10,523,452)
School Administrative Services	1,210,935			(1,210,935)		(1,210,935)
General and Business Administrative Services	4,123,526			(4,123,526)		(4,123,526)
Plant Operations and Maintenance	9,606,472			(9,606,472)		(9,606,472)
Pupil Transportation	7,321,656			(7,321,656)		(7,321,656)
Unallocated Benefits	31,999,474			(31,999,474)		(31,999,474)
Business & Other Support Services	1,769,253			(1,769,253)		(1,769,253)
Interest on Long-Term Debt	1,131,957			(1,131,957)		(1,131,957)
Unallocated Depreciation	4,934,193			(4,934,193)		(4,934,193)
Total Government Activities	<u>120,590,762</u>	<u>550,546</u>	<u>2,411,918</u>	<u>(117,628,298)</u>	<u>-</u>	<u>(117,628,298)</u>
Business-Type Activities:						
Food Service	<u>1,871,185</u>	<u>1,106,621</u>	<u>554,197</u>		<u>(210,367)</u>	<u>(210,367)</u>
Total Primary Government	<u>122,461,947</u>	<u>1,657,167</u>	<u>2,966,115</u>	<u>(117,628,298)</u>	<u>(210,367)</u>	<u>(117,838,665)</u>

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

**HOWELL TOWNSHIP SCHOOL DISTRICT**

Exhibit A-2

Sheet 2 of 2

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2015**

	<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				\$ 67,540,789		67,540,789
Taxes Levied for Debt Service				5,586,449		5,586,449
Federal and State Aid Not Restricted				44,160,944		44,160,944
Miscellaneous Income				1,343,112		1,343,112
Other				(5,836,414)		(5,836,414)
Total General Revenues, Special Items, Extraordinary Items and Transfers				<u>112,794,880</u>	<u>-</u>	<u>112,794,880</u>
Change in Net Position				(4,833,418)	(210,367)	(5,043,785)
Restatement for Pension				(38,400,197)		(38,400,197)
Net Position - Beginning				<u>58,998,091</u>	<u>299,314</u>	<u>59,297,405</u>
Net Position - Ending				<u>\$ 15,764,476</u>	<u>88,947</u>	<u>15,853,423</u>

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

**FUND FINANCIAL STATEMENTS – B**

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>					
Cash - Restricted	\$ 9,589,508		745,289	365,517	10,700,314
Cash - Unrestricted	1,053,407				1,053,407
Receivables from Other Governments	801,600				801,600
Accounts Receivable	695,532	247,642	944,274		1,887,448
Interfund Receivable	186,566				186,566
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total Assets	<u>\$12,326,613</u>	<u>247,642</u>	<u>1,689,563</u>	<u>365,517</u>	<u>14,629,335</u>
<b><u>Liabilities and Fund Balance</u></b>					
Liabilities:					
Accounts Payable	\$ 527,647	91,558	39,573		658,778
Interfund Payable		37,170	149,396		186,566
Deferred Revenue		118,914			118,914
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total Liabilities	<u>527,647</u>	<u>247,642</u>	<u>188,969</u>	<u>-</u>	<u>964,258</u>
Fund Balance:					
Restricted for:					
Excess Surplus - Current Year	2,525,181				2,525,181
Committed To:					
Designated for Subsequent Years Expenditures -					
Excess Surplus	2,500,000				2,500,000
Maintenance Reserve	3,428,462				3,428,462
Capital Reserve Account	1				1
Reserve For Lease	635,664				635,664
Assigned To:					
Other Purposes	3,319,833				3,319,833
Designated for Subsequent Years Expenditures by the BOE	500,000				500,000
Unassigned:					
General Fund	(1,110,175)				(1,110,175)
Capital Projects			1,500,594		1,500,594
Debt Service Fund				365,517	365,517
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total Fund Balances	<u>11,798,966</u>	<u>-</u>	<u>1,500,594</u>	<u>365,517</u>	<u>13,665,077</u>
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total Liabilities and Fund Balance	<u>\$12,326,613</u>	<u>247,642</u>	<u>1,689,563</u>	<u>365,517</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$162,852,501 and the accumulated depreciation is \$79,403,565 .	83,448,936
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.	(80,893,630)
Deferred outflow of resources - contributions to the pension plan	2,942,732
Deferred inflow of resources - acquisition of assets applicable to future reporting periods	(2,950,231)
Accrued Interest	<u>(448,408)</u>
Net position of governmental activities	<u>\$ 15,764,476</u>

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, 2015**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>	<b><u>Capital Projects Fund</u></b>	<b><u>Debt Service Fund</u></b>	<b><u>Total Governmental Funds</u></b>
<b><u>Revenues</u></b>					
Local Sources:					
Local Tax Levy	\$ 67,540,789			5,586,449	73,127,238
Tuition Charges	550,546				550,546
Capital Lease	743,063				743,063
ARRA/Semi-Prior	43,333				43,333
Miscellaneous	556,716	62,352	-		619,068
Total Local Sources	<u>69,434,447</u>	<u>62,352</u>	<u>-</u>	<u>5,586,449</u>	<u>75,083,248</u>
State Sources	43,659,227	107,705		408,302	44,175,234
Federal Sources	93,415	2,241,861			2,335,276
Total Revenues	<u>113,187,089</u>	<u>2,411,918</u>	<u>-</u>	<u>5,994,751</u>	<u>121,593,758</u>
<b><u>Expenditures</u></b>					
Current:					
Regular Instruction	28,426,049				28,426,049
Special Education Instruction	12,518,794	1,292,261			13,811,055
Other Special Instruction	2,461,250				2,461,250
Other Instruction	561,958				561,958
Support Services and Undistributed Costs:					
Tuition	1,589,875				1,589,875
Student and Instruction Related Services	10,523,452	1,119,657			11,643,109
School Administrative Services	1,210,935				1,210,935
Other Administrative Services	4,123,526				4,123,526
Plant Operations and Maintenance	9,606,472				9,606,472
Pupil Transportation	7,321,656				7,321,656
Business and Other Support Services	1,769,253				1,769,253
Unallocated Benefits	31,735,519				31,735,519
Debt Service:					
Principal				4,859,900	4,859,900
Interest and Other Charges				1,134,946	1,134,946
Capital Outlay	738,857		2,108,293		2,847,150
Total Expenditures	<u>112,587,596</u>	<u>2,411,918</u>	<u>2,108,293</u>	<u>5,994,846</u>	<u>123,102,653</u>

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

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

Exhibit B-2

Sheet 2 of 2

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2015**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>	<b><u>Capital Projects Fund</u></b>	<b><u>Debt Service Fund</u></b>	<b><u>Total Governmental Funds</u></b>
Excess (Deficiency) of Revenues Over Expenditures	<u>599,493</u>	<u>-</u>	<u>(2,108,293)</u>	<u>(95)</u>	<u>(1,508,895)</u>
Other Financing Sources (Uses):					
Capital Lease	(5,796,684)				(5,796,684)
Adjustment Prior Year	<u>(39,730)</u>				<u>(39,730)</u>
Total Other Financing Sources (Uses)	<u>(5,836,414)</u>			<u>-</u>	<u>(5,836,414)</u>
Net Change in Fund Balances	(5,236,921)	-	(2,108,293)	(95)	(7,345,309)
Fund Balance - July 1	<u>17,035,887</u>		<u>3,608,887</u>	<u>365,612</u>	<u>21,010,386</u>
Fund Balance - June 30	<u>\$ 11,798,966</u>	<u>-</u>	<u>1,500,594</u>	<u>365,517</u>	<u>13,665,077</u>

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (7,345,309)

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	(4,934,193)	
Capital Outlays	<u>2,847,150</u>	(2,087,043)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 4,859,900

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. (256,456)

Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position 2,942,732

Pension related deferrals (2,950,231)

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. 2,989

Change in Net Position of Governmental Activities (A-2) \$ (4,833,418)

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

STATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDS

JUNE 30, 2015

	<u>Enterprise Fund</u>
<b><u>Assets</u></b>	
Current Assets:	
Cash and Cash Equivalents	\$ 8,024
Accounts Receivable:	
State	3,201
Federal	100,695
Inventory	31,735
Total Current Assets	<u>143,655</u>
Noncurrent Assets:	
Equipment	1,207,305
Accumulated Depreciation	(1,069,711)
Total Fixed Assets	<u>137,594</u>
Total Assets	<u>\$ 281,249</u>
<b><u>Liabilities</u></b>	
Accounts Payable	<u>\$ 192,302</u>
<b><u>Net Position</u></b>	
Investment in Capital Assets	\$ 137,594
Unrestricted	(48,647)
Total Net Position	<u>\$ 88,947</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, 2015

	<u>Enterprise Fund</u>
Operating Revenues:	
Daily Sales	\$ 1,071,696
Miscellaneous	34,925
Total Operating Revenues	<u>1,106,621</u>
Operating Expenses:	
Salaries & Benefits	888,954
Cost of Sales	772,111
Supplies and Materials	24,759
Commodities Processing	86,646
Depreciation	44,359
Uniforms	6,347
Office Supplies	1,407
Equipment/Repairs	33,337
Miscellaneous	13,265
Operating Expenses	<u>1,871,185</u>
Operating Gain/(Loss)	(764,564)
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	16,731
Federal Sources:	
National School Lunch Program	428,184
Breakfast Program	58,463
Federal HHFKA Program	22,323
Food Distribution Program	28,496
Total Non-Operating Revenues	<u>554,197</u>
Change in Net Position	(210,367)
Net Position - July 1	<u>299,314</u>
Net Position' - June 30	<u>\$ 88,947</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, 2015**

	<b><u>Enterprise Fund</u></b>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 1,106,621
Payments to Employees & Benefits	(888,954)
Payments to Supplies	(742,270)
Net Provided (Used) by Operating Activities	<u>(524,603)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	16,731
Federal Sources	508,970
Net Cash Provided by Noncapital Financing Activities	<u>525,701</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,098
Balance - July 1	<u>6,926</u>
Balance - June 30	<u>\$ 8,024</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (764,564)
Depreciation	44,359
Federal Commodities	28,496
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:	
Decrease/(Increase) in Inventory	30,672
(Decrease)/Increase in Accounts Payable	192,302
Decrease/(Increase) in Accounts Receivable	(55,868)
Net Provided (Used) by Operating Activities	<u>\$ (524,603)</u>

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

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**STATEMENT OF FIDUCIARY NET POSITION**

**FIDUCIARY FUNDS**

**Exhibit B-7**

**JUNE 30, 2015**

	<b><u>Unemployment Compensation Trust</u></b>
Assets:	
Cash and Cash Equivalents	\$ 62,978
Total Assets	<u>\$ 62,978</u>
Net Position:	
Reserved - Unemployment Claims	\$ 62,978
Total Net Position	<u>\$ 62,978</u>

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

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

Exhibit B-8

**JUNE 30, 2015**

	<b><u>Unemployment Compensation Trust</u></b>
<b><u>Additions</u></b>	
Contributions:	
Plan Member	\$ -
Total Contributions	<u>-</u>
<b><u>Deductions</u></b>	
Unemployment Claims	<u>135,279</u>
Total Deductions	<u>135,279</u>
Change in Net Position	(135,279)
Net Position - July 1	<u>198,258</u>
Net Position - June 30	<u><u>\$ 62,979</u></u>

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

**NOTES TO FINANCIAL STATEMENTS**

**BOARD OF EDUCATION**  
**HOWELL TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2015**

**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, 2015 of 6,124 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 government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities such as student activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by state and federal aid, tuition and county tax levies, from business-type activities generally financed in whole or in part with fees charged to external parties.

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

**B. Government-Wide Financial Statements (Continued)**

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

**Fund Financial Statements**

Fund financial statements are provided for governmental, proprietary and fiduciary funds. The New Jersey Department of Education (the "Department") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

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

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

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.

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

C. **Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

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.

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.

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

**D. Fund Accounting (Continued):**

**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.

**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, 2015 were insignificant.

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

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

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

**NOTE 1: Summary of Significant Accounting Policies (Continued)****E. Budgets/Budgetary Control (Continued):**

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.

**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.

**NOTE 1: Summary of Significant Accounting Policies (Continued)****H. Inventories and Prepaid Expenses (Continued)**

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, 2015.

**I. Capital Assets and Depreciation**

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

The District contracted with an outside service company during the 2004 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2003-2004 fiscal year and prior with a historical cost of \$2,000 or more. The records have been updated to June 30, 2015. 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

Capital asset activity for the year ended June 30, 2015 was as follows:

	<b>Balance</b> <b><u>July 1, 2014</u></b>	<b><u>Additions</u></b>	<b><u>Adjustments</u></b>	<b>Balance</b> <b><u>June 30, 2015</u></b>
Governmental Activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 5,348,018	_____	_____	5,348,018
Total Capital Assets Not Being Depreciated	<u>5,348,018</u>	_____	_____	<u>5,348,018</u>
Depreciable Assets:				
Site Improvements	9,293,437	35,400		9,328,837
Buildings	122,306,174	175,044		122,481,218
Machinery & Equip.	<u>19,667,614</u>	<u>6,026,814</u>	_____	<u>25,694,428</u>
Total	<u>151,267,225</u>	<u>6,237,258</u>	_____	<u>157,504,483</u>

NOTE 1: Summary of Significant Accounting Policies (Continued)I. Capital Assets and Depreciation (Continued)

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2015</u>
Less: Accumulated Depreciation:				
Sites	(5,310,381)	(266,538)		(5,576,919)
Buildings	(52,298,218)	(3,499,464)		(55,797,682)
Machinery & Equip.	<u>(16,860,773)</u>	<u>(1,168,191)</u>	_____	<u>(18,028,964)</u>
Total Accumulated Depreciation	<u>(74,469,372)</u>	<u>(4,934,193)</u>	_____	<u>(79,403,565)</u>
Net Depreciable Assets	<u>76,797,853</u>	<u>1,303,065</u>	_____	<u>78,100,918</u>
Governmental Activities Capital Assets (Net)	<u>\$ 82,145,871</u>	<u>1,303,065</u>	=====	<u>83,448,936</u>

Depreciations expense was charged to governmental functions as follows:

Unallocated	<u>\$ 4,934,193</u>
-------------	---------------------

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2015</u>
Business-Type Activities:				
Equipment	\$ 1,207,305			1,207,305
Less: Accumulated Depreciation:				
Equipment	<u>1,025,352</u>	<u>44,359</u>	_____	<u>1,069,711</u>
Business-Type Capital Assets (Net)	<u>\$ 181,953</u>	<u>44,359</u>	=====	<u>137,594</u>

**NOTE 1: Summary of Significant Accounting Policies (Continued)****J. Compensated Absences**

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

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

**K. Deferred Revenue**

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

**L. Fund Equity**

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

**NOTE 2: Cash and Cash Equivalents and Investments**

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

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%.

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

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.

As of June 30, 2015, cash and cash equivalents and investments of the District consisted of the following:

	<b>Cash and Cash Equivalents</b>
Checking and Money Market Accounts	<u>\$ 12,294,867</u>

The carrying amount of the District's cash and cash equivalents at June 30, 2015 was \$12,294,867 and the bank balance was \$13,640,312. Of the bank balance, \$500,000 was covered by federal depository insurance and \$13,140,312 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:

<b><u>Depository Account</u></b>	<b><u>Bank Balance</u></b>	
	<b><u>June 30, 2015</u></b>	<b><u>June 30, 2014</u></b>
Insured:		
FDIC	\$ 500,000	500,000
GUDPA	13,140,312	14,041,245

**NOTE 2: Cash and Cash Equivalents and Investments (Continued)****Custodial Credit Risk – Deposits**

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

The District had no uninsured deposits.

As of December 31, 2015 the District did not hold any long-term investments.

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

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the general long-term debt account group:

	<b>Balance</b>			<b>Balance</b>	<b>Long-Term</b>	<b>2015-16</b>
	<b>June 30, 2014</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2015</b>	<b>Portion</b>	<b>Payment</b>
Compensated Absences Payable	\$ 3,463,781	256,456		3,720,237	3,720,237	
Capital Leases Payable	6,541,200		328,004	6,213,196	4,708,744	1,504,452
Bonds Payable	37,420,000		4,860,000	32,560,000	27,530,000	5,030,000
Pension Liability	<u>                    </u>	<u>38,400,197</u>	<u>                    </u>	<u>38,400,197</u>	<u>38,400,197</u>	<u>                    </u>
	<u>\$ 47,424,981</u>	<u>38,656,653</u>	<u>5,188,004</u>	<u>80,893,630</u>	<u>74,359,178</u>	<u>6,534,452</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.

<b><u>School</u></b>	<b><u>Date of Issue</u></b>	<b><u>Interest Rate</u></b>	<b><u>Balance</u></b>
			<b><u>June 30, 2015</u></b>
Construction of 3 Schools	07-19-02	3.20% to 5.25%	\$ 14,450,000
ERIP (Refunded)	02-19-03	2.00% to 5.875%	1,900,000
Pension Series 2005	03-08-05	3.70% to 5.35%	1,360,000
2012A Refunding Bonds	05-22-12	2.00% to 5.00%	6,245,000
Pension Series 2005 Refunding	03-21-13	0.350% to 1.950%	<u>8,605,000</u>
			<u>\$ 32,560,000</u>

**NOTE 3: General Long-Term Debt (Continued)****A. Bonds Payable (Continued)****Maturity Schedule**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2016	\$ 5,030,000	955,120	5,985,120
2017	5,210,000	787,165	5,997,165
2018	5,360,000	638,704	5,998,704
2019	3,975,000	519,181	4,494,181
2020	4,085,000	407,791	4,492,791
2022-2024	8,725,000	527,001	9,252,001
2025-2028	<u>175,000</u>	<u>12,947</u>	<u>187,947</u>
	<u>\$ 32,560,000</u>	<u>3,847,909</u>	<u>36,407,909</u>

**B. Capital Leases**

2011 Xerox @ 3.94% interest for 5 years maturing 7/15/16 with a balance of \$118,205 at June 30, 2015.

2013 equipment lease @ 5.00% interest for 5 years maturing 7/15/18 with a balance of \$5,847,000 at June 30, 2015.

2012 Xerox @ 4.15% interest for 5 years maturing 7/15/17 with a balance of \$247,991 at June 30, 2015.

**Future Minimum Lease Payments**

2015-2016	\$ 1,770,217
2016-2017	1,761,352
2017-2018	1,696,909
2018-2019	<u>1,606,176</u>
	6,834,654
Less: Interest	<u>(621,458)</u>
Lease Payments	<u>\$ 6,213,196</u>

**NOTE 4: Pension Plans**

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

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

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

**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.

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

**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 6.78% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

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

During the year ended June 30, 2015, the State of New Jersey contributed \$6,387,331 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 \$3,551,312 during the year ended June 30, 2015 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>
6/30/15	\$ 1,735,224	100%	0
6/30/14	1,994,422	100%	0
6/30/13	1,668,245	100%	0

**NOTE 4: Pension Plans (Continued)****Three-Year Trend Information for TPAF (Paid On-Behalf of the District)**

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/15	\$ 6,387,331	100%	0
6/30/14	5,183,714	100%	0
6/30/13	6,583,027	100%	0

**Pension Expense Deferred Outflows/Inflows – PERS**

For the year ended June 30, 2015, the District recognized pension expense of \$1,735,224. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u> <u>Outflows</u> <u>of Resources</u>	<u>Deferred</u> <u>Inflows</u> <u>of Resources</u>
Difference Between Expected and Actual Experience	\$	
Changes of Assumptions	1,207,508	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		2,288,443
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions		661,788
District Contributions Subsequent to the Measurement Date	<u>1,735,224</u>	<u>                    </u>
Total	<u>\$ 2,942,732</u>	<u>2,950,231</u>

\$2,942,732 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Additional Information**

Collective balances at December 31, 2013 and 2014 are as follows:

	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Collective Deferred Outflows of Resources	\$ 2,942,732	
Collective Deferred Inflows of Resources	2,950,231	
Collective Net Pension Liability	38,400,197	39,981,991
District's Proportion	.20510%	.20920%

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

The components of the net pension liability of the participating employers for PERS as of June 30, 2014 and 2013 are as follows:

	<b>2014</b>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,777,950,141	39,071,470,586	67,849,420,727
Plan Fiduciary Net Position	<u>8,650,846,191</u>	<u>20,348,735,583</u>	<u>28,999,581,774</u>
Net Pension Liability	<u>\$ 20,127,103,950</u>	<u>18,722,735,003</u>	<u>38,849,838,953</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	30.06%	52.08%	42.74%

	<b>2013</b>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 27,515,277,069	37,272,295,162	64,787,572,231
Plan Fiduciary Net Position	<u>8,216,653,950</u>	<u>18,160,308,251</u>	<u>26,376,962,201</u>
Net Pension Liability	<u>\$ 19,298,623,119</u>	<u>19,111,986,911</u>	<u>38,410,610,030</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	29.86%	48.72%	40.71%

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2103, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15% - 4.40% Based on Age
Thereafter	3.15% - 5.40% Based on Age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**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 is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

**Discount Rate**

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2014 and 2013, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<b>2014</b>		
	<b>At 1% Decrease (4.39%)</b>	<b>At Current Discount Rate (5.39%)</b>	<b>At 1% Increase (6.39%)</b>
State	\$ 23,772,450,916	20,127,103,950	17,069,920,644
Local	<u>23,553,838,159</u>	<u>18,722,735,003</u>	<u>14,665,837,859</u>
Total	<u>\$ 47,326,289,075</u>	<u>38,849,838,953</u>	<u>31,735,758,503</u>
	<b>2013</b>		
	<b>At 1% Decrease (4.55%)</b>	<b>At Current Discount Rate (5.55%)</b>	<b>At 1% Increase (6.55%)</b>
State	\$ 22,822,255,839	19,298,623,119	16,351,193,705
Local	<u>23,791,905,551</u>	<u>19,111,986,911</u>	<u>15,190,834,283</u>
Total	<u>\$ 46,614,161,390</u>	<u>38,410,610,030</u>	<u>31,542,027,988</u>

**Teachers Pensions and Annuity Fund (TPAF)****Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2014 and 2013 are as follows:

	<b>2014</b>	<b>2013</b>
Total Pension Liability	\$ 81,095,320,000	76,678,639,671
Plan Fiduciary Net Position	<u>27,282,252,461</u>	<u>25,888,126,040</u>
Net Pension Liability	<u>\$ 53,813,067,539</u>	<u>50,790,513,631</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

NOTE 4: Pension Plans (Continued)State Proportionate Share of Net Pension Liability Attributable to District

	<u>2014</u>	<u>2013</u>
District's Liability	<u>\$ 248,106,214</u>	<u>241,649,258</u>
District's Proportion	.46105%	.47578%

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvements. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**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 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, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

**Discount Rate**

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>At 1% Decrease</u>	<u>At Current Discount Rate</u>	<u>At 1% Increase</u>
2014 (3.68%, 4.68%, 5.68%)	\$ 64,722,984,539	53,813,067,539	44,738,870,539
2013 (3.95%, 4.95%, 5.95%)	61,017,578,926	50,790,513,631	42,351,665,847

**NOTE 5: Post-Retirement Benefits**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

**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.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance July 1, 2014	<u>\$ 1</u>
Ending Balance June 30, 2015	<u>\$ 1</u>

**NOTE 8: Inventory**

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food	\$ 19,923
Supplies	<u>11,812</u>
	<u>\$ 31,735</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 \$15,087,129 General Fund fund balance at June 30, 2015, \$3,319,833 is reserved for encumbrances; \$1 is Capital Reserve; \$500,000 has been appropriated and also included as anticipated revenue for the year ending June 30, 2016; \$2,500,000 is excess surplus designated for subsequent years expenditures; \$2,525,181 is excess surplus; \$3,428,462 is maintenance reserve; \$635,664 is capital lease reserve; and \$2,177,988 is unreserved and undesignated.

**NOTE 10: Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was an excess fund balance at June 30, 2015 of \$2,525,181.

**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, 2015 financial statements.

**NOTE 13: Economic Dependency**

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

**NOTE 14: Risk Management**

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

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

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

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2014-2015			135,279	62,979
2013-2014		473	115,429	198,258
2012-2013		33,463	155,295	313,214

**NOTE 15: Refunding Bonds**

Refunding bonds were sold on March 8, 2005 for \$19,080,000. The Boards unfunded accrued liability in the PERS and TPAF systems under ERI pension fund liabilities.

The bonds maturing prior to July 15, 2016 are not subject to redemption prior to their stated maturities. The bonds of this issue maturing on or after July 15, 2016 are subject to redemption prior to their stated maturity at the option of the Board, in whole or in part, on any date, on or after July 15, 2015 upon notice as required herein at 100% of the principal amount (the "Redemption Price"), plus in each case accrued interest to the date fixed for redemption.

Refunding revenue bonds were sold on March 15, 2006 for \$5,008,000 for restructuring purposes.

Refunding bonds were issued dated 12/29/11 for \$2,375,000 to refund a portion of its 2003 refunding bonds and refunding bonds were issued dated 5/22/12 to refund a portion of its 2002 refunding bonds in the amount of \$8,825,000, both issues sold to the Monmouth County Improvement Authority.

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

**NOTE 16: Contingent Liabilities**

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

**NOTE 17: Equity Balance**

At June 30, 2015 the General Fund equity balance was as follows:

Restricted Fund Balances:	
Excess Surplus – Current Year	\$ 2,525,181
Committed Fund Balance:	
Maintenance Reserve	1,700,000
Maintenance Reserve – Designated for Subsequent Year’s	
Expenditures	1,728,462
Capital Lease Reserve	635,664
Capital Reserve	1
Excess Surplus – Designated for Subsequent Years Expenditures	2,500,000
Assigned Fund Balances:	
Designated for Subsequent Years Expenditures	500,000
Year-End Encumbrances	3,319,833
Unassigned Fund Balance	<u>2,177,988</u>
	<u>\$ 15,087,129</u>

**NOTE 17: Equity Balance (Continued)****2% Calculation of Excess Surplus**

2014-15 Total General Fund Expenditures Per the CAFR \$ 112,587,596

Decreased by:

On-Behalf TPAF Pension & Social Security (9,938,643)Adjusted 2014-15 General Fund Expenditures \$ 102,648,9532% of Adjusted 2014-15 General Fund Expenditures \$ 2,052,979

Enter Greater of Above or \$250,000 \$ 2,052,979

Increased by Allowable Adjustment 125,009Maximum Unassigned Fund Balance \$ 2,177,988**Section 2**

Total General Fund – Fund Balance @ 6-30-15 \$ 15,087,129

Decreased by:

Reserved by Encumbrances (3,319,833)

Designated for Subsequent Year's Expenditures (500,000)

Designated for Subsequent Year's Expenditures – Excess Surplus (2,500,000)

Other Reserves (3,428,463)

Reserve for Capital Leases (635,664)Total Unassigned Fund Balance \$ 4,703,169Reserved Fund Balance – Excess Surplus \$ 2,525,181**Section 3**Reserved Fund Balance – Excess Surplus Designated for  
Subsequent Expenditures \$ 2,500,000Reserved Excess Surplus 2,525,181\$ 5,025,181**Detail of Allowable Adjustments**

Non Public Transportation \$ 32,052

Extraordinary Aid 92,957Total Adjustments \$ 125,009**Detail of Other Reserved Fund Balances**

Maintenance Reserve \$ 3,428,462

Capital Reserve 1\$ 3,428,463

**NOTE 18: Significant Account Pronouncements**

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2015. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2015 through December 18, 2015.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES – C**

**HOWELL TOWNSHIP SCHOOL DISTRICT**

Exhibit C-1  
Sheet 1 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<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	\$ 67,540,789		67,540,789	67,540,789	-
Tuition	610,000		610,000	550,546	(59,454)
Capital Lease		743,063	743,063	743,063	-
ARRA/Semi-Prior				43,333	43,333
Miscellaneous	784,600		784,600	556,716	(227,884)
Total Local Sources	<u>68,935,389</u>	<u>743,063</u>	<u>69,678,452</u>	<u>69,434,447</u>	<u>(244,005)</u>
State Sources:					
Special Education Aid	3,740,074		3,740,074	3,740,074	-
Equalization Aid	27,465,312		27,465,312	27,465,312	-
Extraordinary Aid	500,000		500,000	592,957	92,957
Extraordinary Aid - 2013-2014				6,609	6,609
Security Aid	517,479		517,479	517,479	-
Transportation Aid	619,299		619,299	619,299	-
Additional Adjustment Aid	635,416		635,416	635,416	-
PARCC Reading aid	61,270		61,270	61,270	-
Per Pupil Growth Aid	61,270		61,270	61,270	-
Non Public Transportation			-	32,052	32,052
On Behalf of TPAF Pension Contribution (Non-Budgeted)			-	6,387,331	6,387,331
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	3,551,312	3,551,312
Total State Sources	<u>33,600,120</u>	<u>-</u>	<u>33,600,120</u>	<u>43,670,381</u>	<u>10,070,261</u>
Federal Sources					
Medicaid	50,534		50,534	93,415	42,881
Total Federal Sources	<u>50,534</u>	<u>-</u>	<u>50,534</u>	<u>93,415</u>	<u>42,881</u>
Total Revenues	<u>102,586,043</u>	<u>743,063</u>	<u>103,329,106</u>	<u>113,198,243</u>	<u>9,869,137</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**Exhibit C-1**

**Sheet 2 of 13**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Distributed Expenditures:					
Current Expense:					
Instruction - Regular Programs:					
Preschool/Kindergarten	1,329,717		1,329,717	1,289,001	40,716
Grades 1-5	13,625,372	(275,591)	13,349,781	13,349,781	-
Grades 6-8	11,604,328	432,600	12,036,928	12,036,928	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	164,400		164,400	164,399	1
Other Purchased Services	1,369,603		1,369,603	337,536	1,032,067
General Supplies	1,101,429	49,618	1,151,047	1,023,304	127,743
Textbooks	146,997	(106,722)	40,275	36,016	4,259
Other Objects	210,620	(12,977)	197,643	189,084	8,559
Total Regular Programs	<u>29,552,466</u>	<u>86,928</u>	<u>29,639,394</u>	<u>28,426,049</u>	<u>1,213,345</u>
Special Education:					
Cognitive - Mild:					
Instruction:					
Salaries of Teachers	224,350		224,350	224,349	1
Other Salaries for Instruction	65,310		65,310	65,310	-
General Supplies	2,250		2,250	1,313	937
Other Objects	900		900	889	11
Total Cognitive - Mild	<u>292,810</u>	<u>-</u>	<u>292,810</u>	<u>291,861</u>	<u>949</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 3 of 13**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<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	1,184,315		1,184,315	1,184,315	-
Other Salaries for Instruction	356,925		356,925	356,849	76
General Supplies	10,000	(8,238)	1,762	982	780
Other Objects	1,000		1,000	473	527
Total Learning/Language Disabilities	<u>1,552,240</u>	<u>(8,238)</u>	<u>1,544,002</u>	<u>1,542,619</u>	<u>1,383</u>
Behavioral Disabilities - Instruction:					
Salaries of Teachers	211,445		211,445	211,445	-
Other Salaries for Instruction	97,965	(1,869)	96,096	95,433	663
General Supplies	1,200		1,200	178	1,022
Other Objects	8,800	3,764	12,564	12,564	-
Total Behavioral Disabilities	<u>319,410</u>	<u>1,895</u>	<u>321,305</u>	<u>319,620</u>	<u>1,685</u>
Multiple Disabilities - Instruction:					
Salaries of Teachers	260,825		260,825	260,825	-
Other Salaries for Instruction	106,393		106,393	106,393	-
General Supplies	1,250		1,250	458	792
Other Objects	2,000		2,000	173	1,827
Total Multiple Disabilities	<u>370,468</u>	<u>-</u>	<u>370,468</u>	<u>367,849</u>	<u>2,619</u>
Resource Room/Resource Center - Instruction:					
Salaries of Teachers	6,783,870		6,783,870	6,783,105	765
Other Salaries for Instruction	906,840		906,840	880,062	26,778
Total Resource Room/Resource Center	<u>7,690,710</u>	<u>-</u>	<u>7,690,710</u>	<u>7,663,167</u>	<u>27,543</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

Exhibit C-1  
Sheet 4 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Autism - Instruction:					
Salaries of Teachers	651,440		651,440	651,434	6
Other Salaries for Instruction	393,938		393,938	393,937	1
General Supplies	5,400		5,400	5,249	151
Other Objects	3,000		3,000	3,000	-
Total Autism	<u>1,053,778</u>	<u>-</u>	<u>1,053,778</u>	<u>1,053,620</u>	<u>158</u>
Preschool Disabilities - Part-Time - Instruction:					
Salaries of Teachers	273,075		273,075	273,073	2
Other Salaries for Instruction	204,885		204,885	204,884	1
General Supplies	4,000		4,000	1,891	2,109
Other Objects	1,000		1,000	632	368
Total Preschool Disabilities - Part-Time	<u>482,960</u>	<u>-</u>	<u>482,960</u>	<u>480,480</u>	<u>2,480</u>
Preschool Disabilities-Full Time-Instruction:					
Salaries of Teachers	476,240		476,240	476,240	-
Other Salaries for Instruction	318,960		318,960	318,956	4
General Supplies	4,000		4,000	3,754	246
Other Objects	1,000		1,000	628	372
Total Preschool Disabilities-Full time	<u>800,200</u>	<u>-</u>	<u>800,200</u>	<u>799,578</u>	<u>622</u>
Total Special Education - Instruction	<u>12,562,576</u>	<u>(6,343)</u>	<u>12,556,233</u>	<u>12,518,794</u>	<u>37,439</u>
Basic Skills/Remedial Instruction:					
Salaries of Teachers	2,218,050		2,218,050	2,218,049	1
Other Salaries for Instruction	37,000		37,000	5,331	31,669
Total Basic Skills/Remedial	<u>2,255,050</u>	<u>-</u>	<u>2,255,050</u>	<u>2,223,380</u>	<u>31,670</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 5 of 13**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<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	246,449		246,449	237,641	8,808
General Supplies	1,000		1,000	79	921
Textbooks	2,000	(1,300)	700		700
Other Objects	500		500	150	350
Total Bilingual Education	<u>249,949</u>	<u>(1,300)</u>	<u>248,649</u>	<u>237,870</u>	<u>10,779</u>
School Sponsored Co-Curricular Activities - Instruction:					
Purchased Services (300-500 Series)	186,600	178,594	365,194	364,429	765
General Supplies	1,000	800	1,800	1,649	151
Total School Sponsored Co-Curricular Activities	<u>187,600</u>	<u>179,394</u>	<u>366,994</u>	<u>366,078</u>	<u>916</u>
School Sponsored Athletics-Instruction					
Purchased Services (300-500 Series)	330,000	(123,407)	206,593	195,880	10,713
Supplies and Materials	12,000		12,000		12,000
Total School Sponsored Athletics	<u>342,000</u>	<u>(123,407)</u>	<u>218,593</u>	<u>195,880</u>	<u>22,713</u>
Total Instruction	<u>45,149,641</u>	<u>135,272</u>	<u>45,284,913</u>	<u>43,968,051</u>	<u>1,316,862</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs W/I State - Special	259,170	(6,839)	252,331	252,330	1
Tuition to Private School for the Disabled W/I State	1,327,327	72,473	1,399,800	1,337,545	62,255
Total Instruction	<u>1,586,497</u>	<u>65,634</u>	<u>1,652,131</u>	<u>1,589,875</u>	<u>62,256</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 6 of 13**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<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	89,591		89,591	89,590	1
Total Attendance and Social Work	<u>89,591</u>	<u>-</u>	<u>89,591</u>	<u>89,590</u>	<u>1</u>
Health Services:					
Salaries	1,223,200	(10,100)	1,213,100	1,213,099	1
Purchase Prof/Tech. Services	20,000		20,000	20,000	-
Supplies and Materials	11,755	1,052	12,807	10,447	2,360
Other Objects	500		500		500
Total Health Services	<u>1,255,455</u>	<u>(9,048)</u>	<u>1,246,407</u>	<u>1,243,546</u>	<u>2,861</u>
Other Support Services - Students - Related Services:					
Salaries	1,882,690	(16,200)	1,866,490	1,865,392	1,098
Purchased Professional Educational Services	1,500	16,200	17,700	17,254	446
Supplies and Materials	14,000		14,000	8,048	5,952
Other Objects	3,000	130	3,130	2,985	145
Total Other Support Services - Students - Rel. Services	<u>1,901,190</u>	<u>130</u>	<u>1,901,320</u>	<u>1,893,679</u>	<u>7,641</u>
Other Support Services - Extraordinary Services:					
Salaries	499,737	(1,000)	498,737	498,736	1
Purchased Professional Educational Services		5,000	5,000	4,519	481
	<u>499,737</u>	<u>4,000</u>	<u>503,737</u>	<u>503,255</u>	<u>482</u>
Other Support Services Students - Regular:					
Salaries of Other Professional Staff	899,525		899,525	898,401	1,124
Supplies and Materials	4,000	270	4,270	4,239	31
Total Other Support Services Students-Regular	<u>903,525</u>	<u>270</u>	<u>903,795</u>	<u>902,640</u>	<u>1,155</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit C-1  
Sheet 7 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<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	2,622,744		2,622,744	2,622,744	-
Salaries - Secretarial and Clerical	489,792		489,792	487,499	2,293
Other Purchased Services (400-500 Series)	5,000	(228)	4,772	1,918	2,854
Supplies and Materials	10,000		10,000	9,597	403
Other Objects	31,000		31,000	30,980	20
Total Other Support Services - Special	<u>3,158,536</u>	<u>(228)</u>	<u>3,158,308</u>	<u>3,152,738</u>	<u>5,570</u>
Improvement of Instruction:					
Salaries - Supervisors	533,936	(35,900)	498,036	498,001	35
Salaries - Secretarial and Clerical	146,862		146,862	146,862	-
Salaries - Master Teachers	431,700	61,815	493,515	493,515	-
Total Improvement of Instruction	<u>1,112,498</u>	<u>25,915</u>	<u>1,138,413</u>	<u>1,138,378</u>	<u>35</u>
Educational Media Services/School Library:					
Salaries	1,129,645		1,129,645	1,122,708	6,937
Salaries of Technology Coordinators	226,039		226,039	221,247	4,792
Supplies and Materials	119,075		119,075	85,832	33,243
Total Educational Media Services/School Library	<u>1,474,759</u>	<u>-</u>	<u>1,474,759</u>	<u>1,429,787</u>	<u>44,972</u>
Instructional Staff Training Services:					
Salaries	31,680	(31,680)	-	-	-
Other Salaries	151,400	(68,316)	83,084	82,659	425
Other Objects		93,231	93,231	87,180	6,051
Total Instructional Staff Training Services	<u>183,080</u>	<u>(6,765)</u>	<u>176,315</u>	<u>169,839</u>	<u>6,476</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 8 of 13**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Support Services - General Administration:					
Salaries	595,058		595,058	590,356	4,702
Legal Services	160,000	(97,461)	62,539	62,066	473
Audit Fees	21,000		21,000	21,000	
Purchased Professional Services	24,700	(5,080)	19,620	13,926	5,694
Purchased Technical Services	22,000	6,000	28,000	27,711	289
Communications - Telephone	461,000	(16,000)	445,000	378,104	66,896
Other Purchased Services	2,300	235	2,535	1,274	1,261
General Supplies	35,850	3,595	39,445	36,505	2,940
Judgments Against the School District	35,000	15,000	50,000	50,000	-
Other Objects	275		275		275
BOE Membership Dues And Fees	28,350	1,650	30,000	29,993	7
Total Support Services - General Administration	<u>1,385,533</u>	<u>(92,061)</u>	<u>1,293,472</u>	<u>1,210,935</u>	<u>82,537</u>
Support Services - School Administration:					
Salaries:					
Principals/Assistant Principals	2,901,166	102,000	3,003,166	3,000,165	3,001
Secretarial and Clerical	1,185,467		1,185,467	1,104,615	80,852
Other Purchased Services	20,100	(1,343)	18,757	8,424	10,333
Supplies & Materials	15,775	(1,000)	14,775	7,822	6,953
Other Objects		2,500	2,500	2,500	-
Total Support Services - School Administration	<u>4,122,508</u>	<u>102,157</u>	<u>4,224,665</u>	<u>4,123,526</u>	<u>101,139</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 9 of 13**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Central Services:					
Salaries	911,626		911,626	911,626	-
Purchased Professional Services	43,000	11,240	54,240	54,240	-
Supplies and Materials	21,000	17,150	38,150	34,431	3,719
Sale and Lease Back Payments	70,000	(36,577)	33,423	600	32,823
Total Central Services	<u>1,045,626</u>	<u>(8,187)</u>	<u>1,037,439</u>	<u>1,000,897</u>	<u>36,542</u>
Administrative Information Technology:					
Salaries	368,763	48,100	416,863	416,829	34
Purchased Technical Services	343,200	(7,883)	335,317	298,697	36,620
Other Purchased Services	5,000	822	5,822	5,821	1
Supplies and Materials	48,479	(1,470)	47,009	47,009	-
Total Administrative Information Technology	<u>765,442</u>	<u>39,569</u>	<u>805,011</u>	<u>768,356</u>	<u>36,655</u>
Required Maintenance for School Facilities:					
Salaries	976,861	(20,000)	956,861	956,860	1
Cleaning Repairs & Maintenance Services	827,274	866,041	1,693,315	1,531,626	161,689
General Supplies	159,100	(42,997)	116,103	109,067	7,036
Total Required Maintenance for School Facilities	<u>1,963,235</u>	<u>803,044</u>	<u>2,766,279</u>	<u>2,597,553</u>	<u>168,726</u>
Other Operating & Maintenance of Plant:					
Salaries	2,806,560	471,747	3,278,307	3,277,388	919
Purchased Professional And Technical Services	7,821		7,821	1,990	5,831
Cleaning Repairs & Maintenance	157,034	(13,633)	143,401	100,795	42,606
Other Purchased Property Services	218,822	(7,800)	211,022	173,445	37,577
Insurance	322,752	(4,270)	318,482	306,298	12,184
Purchased Services	23,200	7,270	30,470	28,293	2,177

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 10 of 13**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Operating & Maintenance of Plant (Continued):					
General Supplies	263,500	131,035	394,535	331,884	62,651
Energy - Electricity	1,775,046	(410,108)	1,364,938	1,237,012	127,926
Energy - Natural Gas	947,557	(46,980)	900,577	727,001	173,576
Total Other Operating & Maintenance of Plant	<u>6,522,292</u>	<u>127,261</u>	<u>6,649,553</u>	<u>6,184,106</u>	<u>465,447</u>
Care and Upkeep of Grounds:					
Salaries	478,650	(50,000)	428,650	428,650	-
Cleaning, Repair and Maintenance	47,000	(4,300)	42,700	35,763	6,937
General Supplies	100,700	2,931	103,631	89,094	14,537
Total Care and Upkeep of Grounds	<u>626,350</u>	<u>(51,369)</u>	<u>574,981</u>	<u>553,507</u>	<u>21,474</u>
Security					
Salaries-Director	65,000		65,000	65,000	-
Cleaning, Repair and Maintenance	250,747	37,901	288,648	120,463	168,185
Supplies		85,950	85,950	85,843	107
Total Security	<u>315,747</u>	<u>123,851</u>	<u>439,598</u>	<u>271,306</u>	<u>168,292</u>
Student Transportation Services:					
Salaries-Aides	447,191		447,191	397,075	50,116
Salaries - Pupil Trans. B/W Home & School - Regular	1,663,099	250,500	1,913,599	1,913,594	5
Cleaning Repairs and Maintenance	68,400	1,000	69,400	47,512	21,888
Lease Purchase Payments-School Buses	85,415	1,029,314	1,114,729	785,714	329,015
Contracted Services B/W Home & School - Vendors	1,706,054	(96,613)	1,609,441	1,434,492	174,949
Contracted Services - Special Education - Vendors	1,303,141	(15,000)	1,288,141	1,190,468	97,673
Contracted Services - Joint Agreements	2,000	(1,326)	674		674
Contracted Services - Special Ed. - ESCs & CTSA's	700,000	193,385	893,385	891,773	1,612
Miscellaneous Purchased Services	361,900	(81,946)	279,954	278,749	1,205
General Supplies	588,150	65,897	654,047	318,398	335,649
Other Objects	377,580	(215,800)	161,780	63,881	97,899
Total Student Transportation Services	<u>7,302,930</u>	<u>1,129,411</u>	<u>8,432,341</u>	<u>7,321,656</u>	<u>1,110,685</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 11 of 13**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Student Transportation Services - Employee Benefits:					
Social Security	255,000	(255,000)	-	-	-
Workmen's Compensation	510,000	(510,000)	-	-	-
Health Benefits	361,260	(361,260)	-	-	-
Total Student Transportation - Employee Benefits	<u>1,126,260</u>	<u>(1,126,260)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Personal Services - Employee Benefits:					
Social Security	1,750,000	255,000	2,005,000	1,665,439	339,561
TPAF Contributions - ERIP	85,000		85,000		85,000
Other Retirement Contributions - PERS	1,793,760	(58,000)	1,735,760	1,735,224	536
Other Contributions ERIP	98,000	276,151	374,151	301,276	72,875
Workmen's Compensation	190,000	464,900	654,900	588,687	66,213
Health Benefits	18,980,370	1,837,471	20,817,841	17,453,385	3,364,456
Tuition Reimbursements	60,000		60,000	52,865	7,135
Total Personal Services - Employee Benefits	<u>22,957,130</u>	<u>2,775,522</u>	<u>25,732,652</u>	<u>21,796,876</u>	<u>3,935,776</u>
On-Behalf TPAF Pension Contributions (Non-Budgeted)			-	6,387,331	(6,387,331)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			-	3,551,312	(3,551,312)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,938,643</u>	<u>(9,938,643)</u>
Total Undistributed Expenditures	<u>60,297,921</u>	<u>3,902,846</u>	<u>64,200,767</u>	<u>67,880,688</u>	<u>(3,679,921)</u>
Total Expenditures - Current Expense	<u>105,447,562</u>	<u>4,038,118</u>	<u>109,485,680</u>	<u>111,848,739</u>	<u>(2,363,059)</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 12 of 13**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Outlay:					
Equipment:					
Undistributed Expenditures - Other Instructional		22,969	22,969	22,911	58
Undistributed Expenditures - Security Equipment		169,524	169,524	128,094	41,430
Undistributed Expenditures - Required Maintenance		200,252	200,252		200,252
Undistributed Expenditures-Capital Lease		743,063	743,063	107,399	635,664
Total Equipment	<u>-</u>	<u>1,135,808</u>	<u>1,135,808</u>	<u>258,404</u>	<u>877,404</u>
Facilities Acquisition:					
Construction Services		84,568	84,568	84,568	-
Assessment for Debt Service on SDA Funding	137,481		137,481	137,481	-
Total Facilities Acquisition	<u>137,481</u>	<u>84,568</u>	<u>222,049</u>	<u>222,049</u>	<u>-</u>
Total Capital Outlay	<u>137,481</u>	<u>1,220,376</u>	<u>1,357,857</u>	<u>738,857</u>	<u>877,404</u>
Total Expenditures	<u>105,585,043</u>	<u>5,258,494</u>	<u>110,843,537</u>	<u>112,587,596</u>	<u>(1,485,655)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(2,999,000)</u>	<u>(4,515,431)</u>	<u>(7,514,431)</u>	<u>610,647</u>	<u>8,383,482</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Financing Sources (Uses)					
Adjustment Prior Year				(39,730)	39,730
Capital Lease				(5,796,684)	5,796,684
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,836,414)</u>	<u>5,836,414</u>
Excess (Deficiency) of Revenues Over/(Under)					
Expenditures and Other Financing Sources (Uses)	(2,999,000)	(4,515,431)	(7,514,431)	(5,225,767)	14,219,896
Fund Balance July 1	<u>20,312,896</u>		<u>20,312,896</u>	<u>20,312,896</u>	<u>-</u>
Fund Balance June 30	<u>\$ 17,313,896</u>	<u>(4,515,431)</u>	<u>12,798,465</u>	<u>15,087,129</u>	<u>14,219,896</u>
Recapitulation:					
Restricted Funds:					
Excess Surplus-Current Year				\$ 2,525,181	
Committed Fund Balances:					
Capital Lease Reserve				635,664	
Maintenance Reserve				1,700,000	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				1,728,462	
Capital Reserve				1	
Excess Surplus - Designated For Subsequent Year's Expenditures				2,500,000	
Assigned Fund Balances:					
Year End Encumbrances				3,319,833	
Designated For Subsequent Year's Expenditures				500,000	
Unassigned Fund Balance				<u>2,177,988</u>	
				15,087,129	
Reconciliation To Government Fund Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(3,288,163)</u>	
Fund Balance per Government Funds (GAAP)				<u>\$ 11,798,966</u>	

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**Exhibit C-2**

**BUDGETARY COMPARISON SCHEDULE**

**SPECIAL REVENUE FUND**

**BUDGETARY BASIS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Revenues:					
State Sources	\$ -	154,989	154,989	107,705	47,284
Local Sources		74,553	74,553	62,352	12,201
Federal Sources		2,561,294	2,561,294	2,263,883	297,411
Total Revenues	<u>\$ -</u>	<u>2,790,836</u>	<u>2,790,836</u>	<u>2,433,940</u>	<u>356,896</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	543,810	543,810	515,195	28,615
Other Salaries For Instruction		182,723	182,723	179,409	3,314
Purchased Professional and Technical Services		2,891	2,891	2,891	-
General Supplies		165,388	165,388	109,335	56,053
Textbooks		14,538	14,538	7,062	7,476
Tuition		501,500	501,500	498,444	3,056
Other Objects		4,000	4,000	1,947	2,053
Total Instruction	<u>-</u>	<u>1,414,850</u>	<u>1,414,850</u>	<u>1,314,283</u>	<u>100,567</u>
Support Services:					
Other Salaries for Instruction		407,322	407,322	383,443	23,879
Personal Services - Employee Benefits		312,474	312,474	291,205	21,269
Purchased Professional Services		568,843	568,843	381,493	187,350
Other Purchased Services (400-500 Series)		24,607	24,607	9,855	14,752
Supplies and Materials		60,240	60,240	51,424	8,816
Other Objects		2,500	2,500	2,237	263
Total Support Services	<u>-</u>	<u>1,375,986</u>	<u>1,375,986</u>	<u>1,119,657</u>	<u>256,329</u>
Total Expenditures	<u>\$ -</u>	<u>2,790,836</u>	<u>2,790,836</u>	<u>2,433,940</u>	<u>356,896</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**HOWELL TOWNSHIP SCHOOL DISTRICT****REQUIRED SUPPLEMENTARY INFORMATION**

Exhibit C-3

**BUDGET TO GAAP RECONCILIATION****NOTE TO RSI****FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b><u>Sources/Inflows of Resources</u></b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 113,198,243	2,433,940
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		22,022
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	3,277,009	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(3,288,163)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 113,187,089</u>	<u>2,455,962</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 112,587,596	2,433,940
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>22,022</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 112,587,596</u>	<u>2,455,962</u>

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

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

**HOWELL TOWNSHIP SCHOOL DISTRICT****SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE****NET PENSION LIABILITY - PERS****Exhibit L-1****LAST TWO FISCAL YEARS**

	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 38,400,197	39,981,991
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>-</u>	<u>-</u>
Total	<u>\$ 38,400,197</u>	<u>39,981,991</u>
District's Covered-Employee Payroll	\$ 14,261,524	13,934,712
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	37.14%	34.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.74%	40.71%

**HOWELL TOWNSHIP SCHOOL DISTRICT****SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS****Exhibit L-2****LAST TWO FISCAL YEARS**

	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 1,994,422	1,668,245
Contributions in Relation to the Contractually Required Contribution	<u>1,994,422</u>	<u>1,668,245</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 14,261,524	13,934,712
Contributions as a Percentage of Covered-Employee Payroll	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 TWO FISCAL YEARS**

	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>248,106,214</u>	<u>241,649,258</u>
Total	<u>\$ 248,106,214</u>	<u>241,649,258</u>
District's Covered-Employee Payroll	\$ 48,783,061	45,163,529
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	19.66%	18.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

**OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES – D**

**N/A**

**SPECIAL REVENUE FUND – E**

HOWELL TOWNSHIP SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Non-Public								
	Chapter 192					Chapter 193			
	<u>Textbooks</u>	<u>Nursing</u>	<u>Technology</u>	<u>Compensatory Education</u>	<u>Transportation</u>	<u>Supplemental Instruction</u>	<u>Examination &amp; Classification</u>		<u>Corrective Speech</u>
						<u>Initial</u>	<u>Annual</u>		
Revenues:									
Local Sources	\$ -								
State Sources	7,062	22,036	7,687	23,291	12,600	12,555	5,040	4,332	12,369
Federal Sources									
<b>Total Revenues</b>	<b>\$ 7,062</b>	<b>22,036</b>	<b>7,687</b>	<b>23,291</b>	<b>12,600</b>	<b>12,555</b>	<b>5,040</b>	<b>4,332</b>	<b>12,369</b>
Expenditures:									
Instruction:									
Salaries of Teachers	\$ -								
Other Salaries For Instruction									
General Supplies									
Textbooks	7,062								
Purchased Professional Services									
Tuition									
Other Objects									
<b>Total Instruction</b>	<b>7,062</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Support Services:									
Other Salaries									
Purchased Professional Services		22,036	7,687	23,291	12,600	12,555	5,040	4,332	12,369
Other Purchased Services									
Supplies and Materials									
Other Objects									
Personal Services - Employee Benefits									
<b>Total Support Services</b>	<b>-</b>	<b>22,036</b>	<b>7,687</b>	<b>23,291</b>	<b>12,600</b>	<b>12,555</b>	<b>5,040</b>	<b>4,332</b>	<b>12,369</b>
<b>Total Expenditures</b>	<b>\$ 7,062</b>	<b>22,036</b>	<b>7,687</b>	<b>23,291</b>	<b>12,600</b>	<b>12,555</b>	<b>5,040</b>	<b>4,332</b>	<b>12,369</b>

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit E-1

SPECIAL REVENUE FUND

Sheet 2 of 2

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>I.D.E.A. Part B Regular</u>	<u>I.D.E.A. Preschool</u>	<u>Howell Basketball</u>	<u>Smart Lunch</u>	<u>Project Use</u>	<u>Safety Grant</u>	<u>Home Instr.</u>	<u>Totals</u>
Revenues:											
Local Sources					-	30,000	1,999	1,800	28,553		62,352
State Sources										733	107,705
Federal Sources	307,150	146,247	18,190	1,703,987	88,309						2,263,883
Total Revenues	<u>307,150</u>	<u>146,247</u>	<u>18,190</u>	<u>1,703,987</u>	<u>88,309</u>	<u>30,000</u>	<u>1,999</u>	<u>1,800</u>	<u>28,553</u>	<u>733</u>	<u>2,433,940</u>
Expenditures:											
Instruction:											
Salaries of Teachers	65,803	100,000	1,570	311,751	34,196		1,875				515,195
Other Salaries for Instruction	72,512		15,786	71,111	20,000						179,409
General Supplies	22,137		584	50,305	4,385	30,000	124	1,800			109,335
Textbooks											7,062
Purchased Professional Educational Services	2,891										2,891
Tuition				498,444							498,444
Other Objects				1,947							1,947
Total Instruction	<u>163,343</u>	<u>100,000</u>	<u>17,940</u>	<u>933,558</u>	<u>58,581</u>	<u>30,000</u>	<u>1,999</u>	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>1,314,283</u>
Support Services:											
Other Salaries for Instruction	58,220		250	314,775	10,198						383,443
Purchased Professional Services	6,000			256,850	18,000					733	381,493
Other Purchased Services		6,480		3,375							9,855
Supplies and Materials	62	1,887		20,922					28,553		51,424
Other Objects				2,237							2,237
Personal Services - Employee Benefits	79,525	37,880		172,270	1,530						291,205
Total Support Services	<u>143,807</u>	<u>46,247</u>	<u>250</u>	<u>770,429</u>	<u>29,728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,553</u>	<u>733</u>	<u>1,119,657</u>
Total Expenditures	<u>307,150</u>	<u>146,247</u>	<u>18,190</u>	<u>1,703,987</u>	<u>88,309</u>	<u>30,000</u>	<u>1,999</u>	<u>1,800</u>	<u>28,553</u>	<u>733</u>	<u>2,433,940</u>

**CAPITAL PROJECTS FUND – F**

HOWELL TOWNSHIP SCHOOL DISTRICTCAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGESIN FUND BALANCE - BUDGETARY BASISFOR THE FISCAL YEAR ENDED JUNE 30, 2015

Expenditures:		
Construction		<u>\$ 2,108,293</u>
Fund Balance - Beginning		<u>3,608,887</u>
Fund Balance - Ending		<u><u>\$ 1,500,594</u></u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

Exhibit F-1a

**CAPITAL PROJECTS FUND****SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,****AND PROJECT STATUS - BUDGETARY BASIS****ARDENA SCHOOL ROOF****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
State Sources - SDA Grant	\$ 230,000		230,000	230,000
Local Share-Budget	345,000		345,000	345,000
Total Revenues	<u>575,000</u>	<u>-</u>	<u>575,000</u>	<u>575,000</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Construction Services		459,620	459,620	575,000
Total Expenditures	<u>-</u>	<u>459,620</u>	<u>459,620</u>	<u>575,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 575,000</u>	<u>(459,620)</u>	<u>115,380</u>	<u>-</u>
<b><u>Additional Project Information</u></b>				
Project Number's		2290-010-14-1004		
Grant Date		6/9/14		
Original Authorized Cost		\$ 575,000		
Percentage Increase Over Original Authorized Cost		0		
Percentage Completion		70%		
Original Target Completion Date		12/31/2014		
Revised Target Completion Date		12/31/2015		

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit F-1b

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISRAMTOWN SCHOOL MASONAEYFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
State Sources - SDA Grant	\$ 69,000		69,000	69,000
Local Budget	103,500		103,500	103,500
Total Revenues	<u>172,500</u>	<u>-</u>	<u>172,500</u>	<u>172,500</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Construction Services			-	172,500
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 172,500</u>	<u>-</u>	<u>172,500</u>	<u>-</u>
<b><u>Additional Project Information</u></b>				
Project Number's		2290-035-14-1011		
Grant Date		6/9/14		
Original Authorized Cost		\$ 172,500		
Percentage Increase Over Original Authorized Cost		0		
Percentage Completion		0%		
Original Target Completion Date		12/31/2014		
Revised Target Completion Date		12/31/2015		

**HOWELL TOWNSHIP SCHOOL DISTRICT**

Exhibit F-1c

**CAPITAL PROJECTS FUND****SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,****AND PROJECT STATUS - BUDGETARY BASIS****TAUNTON SCHOOL ROOF****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
State Sources - SDA Grant	\$ 502,780		502,780	502,780
Local Budget	754,170		754,170	754,170
Total Revenues	<u>1,256,950</u>	<u>-</u>	<u>1,256,950</u>	<u>1,256,950</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Construction Services		1,027,706	1,027,706	1,256,950
Total Expenditures	<u>-</u>	<u>1,027,706</u>	<u>1,027,706</u>	<u>1,256,950</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,256,950</u>	<u>(1,027,706)</u>	<u>229,244</u>	<u>-</u>
<b><u>Additional Project Information</u></b>				
Project Number's		2290-060-14-1015		
Grant Date		9/9/14		
Original Authorized Cost		\$1,256,950		
Percentage Increase Over Original Authorized Cost		0		
Percentage Completion		80%		
Original Target Completion Date		12/31/2014		
Revised Target Completion Date		12/31/2015		

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit F-1d

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISALDRICH SCHOOL MASONRYFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
State Sources - SDA Grant	\$ 73,600		73,600	73,600
Local Budget	110,400		110,400	110,400
Total Revenues	<u>184,000</u>	<u>-</u>	<u>184,000</u>	<u>184,000</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Construction Services			-	184,000
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 184,000</u>	<u>-</u>	<u>184,000</u>	<u>-</u>
<b><u>Additional Project Information</u></b>				
Project Number's		2290-005-14-1002		
Grant Date		2009-2010		
Original Authorized Cost		\$ 184,000		
Percentage Increase Over Original Authorized Cost		0		
Percentage Completion		0%		
Original Target Completion Date		12/31/2014		
Revised Target Completion Date		12/31/2015		

**HOWELL TOWNSHIP SCHOOL DISTRICT**

Exhibit F-1e

**CAPITAL PROJECTS FUND**

**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,**

**AND PROJECT STATUS - BUDGETARY BASIS**

**NEWBURY SCHOOL MASONRY**

**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
State Sources - SDA Grant	\$ 78,000		78,000	78,000
Local Budget	117,000		117,000	117,000
Total Revenues	<u>195,000</u>	<u>-</u>	<u>195,000</u>	<u>195,000</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Construction Services			-	195,000
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 195,000</u>	<u>-</u>	<u>195,000</u>	<u>-</u>
<b><u>Additional Project Information</u></b>				
Project Number's		2290-032-14-1010		
Grant Date		6/9/14		
Original Authorized Cost		\$ 195,000		
Percentage Increase Over Original Authorized Cost		0		
Percentage Completion		0%		
Original Target Completion Date		12/31/2014		
Revised Target Completion Date		12/31/2015		

HOWELL TOWNSHIP SCHOOL DISTRICT

Exhibit F-1f

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISRAMTOWN SCHOOL ROOFFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
State Sources - SDA Grant	\$ 308,200		308,200	308,200
Local Budget	462,300		462,300	462,300
Total Revenues	<u>770,500</u>	<u>-</u>	<u>770,500</u>	<u>770,500</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Construction Services		620,967	620,967	770,500
Total Expenditures	<u>-</u>	<u>620,967</u>	<u>620,967</u>	<u>770,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 770,500</u>	<u>(620,967)</u>	<u>149,533</u>	<u>-</u>
<b><u>Additional Project Information</u></b>				
Project Number's		2290-035-14-1012		
Grant Date		6/9/14		
Original Authorized Cost		\$ 770,500		
Percentage Increase Over Original Authorized Cost		0		
Percentage Completion		80%		
Original Target Completion Date		12/31/2014		
Revised Target Completion Date		12/31/2015		

**HOWELL TOWNSHIP SCHOOL DISTRICT**

Exhibit F-1g

**CAPITAL PROJECTS FUND****SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,****AND PROJECT STATUS - BUDGETARY BASIS****NEWBURY WALL RESTORATION****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
State Sources - SDA Grant	\$ 165,000		165,000	165,000
Local Budget	248,400		248,400	248,400
Total Revenues	<u>413,400</u>	<u>-</u>	<u>413,400</u>	<u>413,400</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Construction Services			-	413,400
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>413,400</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 413,400</u>	<u>-</u>	<u>413,400</u>	<u>-</u>
<b><u>Additional Project Information</u></b>				
Project Number's		2290-032-14-1022		
Grant Date		6/9/14		
Original Authorized Cost		\$ 413,400		
Percentage Increase Over Original Authorized Cost		0		
Percentage Completion		0%		
Original Target Completion Date		12/31/2014		
Revised Target Completion Date		12/31/2015		

**PROPRIETARY FUNDS – G**

N/A

**FIDUCIARY FUND – H**

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION**

**Exhibit H-1**

**JUNE 30, 2015**

	<b><u>Unemployment</u></b>	<b><u>Student Activity</u></b>	<b><u>Payroll Agency</u></b>	<b><u>Total</u></b>
Assets:				
Cash and Cash Equivalents	<u>\$ 62,978</u>	<u>311,939</u>	<u>158,205</u>	<u>533,122</u>
Total Assets	<u><u>\$ 62,978</u></u>	<u><u>311,939</u></u>	<u><u>158,205</u></u>	<u><u>533,122</u></u>
Liabilities:				
Payroll Deductions and Withholdings Due to Student Groups	<u>\$ -</u>	<u>311,939</u>	<u>158,205</u>	<u>311,939</u>
Total Liabilities	<u><u>\$ -</u></u>	<u><u>311,939</u></u>	<u><u>158,205</u></u>	<u><u>470,144</u></u>
Net Position:				
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 62,978</u>			<u>62,978</u>
Total Net Position	<u><u>\$ 62,978</u></u>			<u><u>62,978</u></u>

HOWELL TOWNSHIP SCHOOL DISTRICT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

JUNE 30, 2015

Exhibit H-2

	<u>Unemployment Compensation Trust</u>	<u>Total</u>
Additions:		
Payroll Deductions and Withholdings	\$ -	-
Total Additions	<u>-</u>	<u>-</u>
Deductions:		
Unemployment Claims	135,279	135,279
Total Deductions	<u>135,279</u>	<u>135,279</u>
Change in Net Position	(135,279)	(135,279)
Net Position, June 30, 2014	<u>198,258</u>	<u>198,258</u>
Net Position, June 30, 2015	<u><u>\$ 62,979</u></u>	<u><u>62,979</u></u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**Exhibit H-3**

**STUDENT ACTIVITY AGENCY FUND**

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**

**JUNE 30, 2015**

	<b><u>Balance</u></b> <b><u>July 1, 2014</u></b>	<b><u>Cash</u></b> <b><u>Receipts</u></b>	<b><u>Cash</u></b> <b><u>Disbursements</u></b>	<b><u>Balance</u></b> <b><u>June 30, 2015</u></b>
Total Schools	<u>\$ 184,594</u>	<u>392,424</u>	<u>265,079</u>	<u>311,939</u>

HOWELL TOWNSHIP SCHOOL DISTRICT

PAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Assets:				
Cash and Cash Equivalents	\$ 741,926	35,824,721	36,408,442	158,205
Total Assets	<u>\$ 741,926</u>	<u>35,824,721</u>	<u>36,408,442</u>	<u>158,205</u>
Liabilities:				
Payroll Deductions and Withholdings	\$ 741,926	35,824,721	36,408,442	158,205
Total Liabilities	<u>\$ 741,926</u>	<u>35,824,721</u>	<u>36,408,442</u>	<u>158,205</u>

**LONG-TERM DEBT - I**

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**LONG-TERM DEBT**

**SCHEDULE OF SERIAL BONDS**

Exhibit I-1  
Sheet 1 of 2

**JUNE 30, 2015**

	<b><u>Date of Issue</u></b>	<b><u>Amount of Issue</u></b>	<b><u>Annual Date</u></b>	<b><u>Maturity Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Balance June 30, 2014</u></b>	<b><u>Retired</u></b>	<b><u>Balance June 30, 2015</u></b>
School:								
2012A Refunding Bonds (Refunding)	5/22/12	\$ 8,825,000	12/1/2015	\$ 1,355,000	4.00%	7,550,000	1,305,000	6,245,000
			12/1/2016	1,415,000	4.00%			
			12/1/2017	1,470,000	4.00%			
			12/1/2022	2,005,000	5.00%			
Construction of 3 Schools (Refunding)	9/17/10	18,600,000	7/15/15	1,855,000	3.00%	16,250,000	1,800,000	14,450,000
			7/15/16	1,920,000	4.00%			
			7/15/17	1,990,000	3.00%			
			7/15/18	2,045,000	3.00%			
			7/15/19	2,120,000	4.25%			
			7/15/20	2,215,000	4.00%			
			7/15/21	2,305,000	4.00%			
ERIP Refunding - 2012	12/29/11	2,375,000	10/1/15	230,000	2.310%	2,130,000	230,000	1,900,000
			10/1/16	240,000	2.660%			
			10/1/17	250,000	2.960%			
			10/1/18	260,000	3.310%			
			10/1/19	270,000	3.590%			
			10/1/20	280,000	3.890%			
			10/1/21	45,000	4.840%			
			10/1/22	45,000	4.840%			
			10/1/23	50,000	4.840%			
			10/1/24	55,000	4.840%			
			10/1/25	55,000	4.840%			
			10/1/26	60,000	4.840%			
			10/1/27	60,000	4.840%			

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**LONG-TERM DEBT**

**SCHEDULE OF SERIAL BONDS**

Exhibit I-1  
Sheet 2 of 2

**JUNE 30, 2015**

	<b><u>Date of Issue</u></b>	<b><u>Amount of Issue</u></b>	<b><u>Annual Date</u></b>	<b><u>Maturity Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Balance June 30, 2014</u></b>	<b><u>Retired</u></b>	<b><u>Balance June 30, 2015</u></b>
Pension Series 2005	3/8/05	\$19,080,000	7/15/15	\$ 1,360,000	4.950%	2,655,000	1,295,000	1,360,000
Pension Series 2005 - Refunding	3/21/2013	9,110,000	7/15/15	230,000	0.600%	8,835,000	230,000	8,605,000
			7/15/16	1,635,000	0.750%			
			7/15/17	1,650,000	1.150%			
			7/15/18	1,670,000	1.450%			
			7/15/19	1,695,000	1.700%			
			7/15/20	1,725,000	1.950%			
						<u>\$ 37,420,000</u>	<u>4,860,000</u>	<u>32,560,000</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**LONG-TERM DEBT**

Exhibit I-2

**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES**

**JUNE 30, 2015**

<b><u>Series</u></b>	<b><u>Interest Rate</u></b>	<b><u>Amount of Original Issue</u></b>	<b><u>Amount Outstanding June 30, 2014</u></b>	<b><u>Retired</u></b>	<b><u>Amount Outstanding June 30, 2015</u></b>
2010 Equipment Lease	2.91%	1,550,000	\$ 328,004	328,004	-
MCIA 2013 Capital Equipment	5.00%	7,170,000	5,847,000		5,847,000
Xerox Copiers	3.94%	279,234	118,205		118,205
Xerox Copiers	3.94%	397,224	247,991		247,991
			<u>\$ 6,541,200</u>	<u>328,004</u>	<u>6,213,196</u>

**HOWELL TOWNSHIP SCHOOL DISTRICT**

**Exhibit I-3**

**LONG-TERM DEBT**

**BUDGETARY COMPARISON SCHEDULE**

**DEBT SERVICE FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative) Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 5,586,449		5,586,449	5,586,449	
State Sources:					
Debt Service Aid Type II	408,302		408,302	408,302	
Total Revenues	<u>5,994,751</u>	<u>-</u>	<u>5,994,751</u>	<u>5,994,751</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	1,134,951		1,134,951	1,134,946	5
Redemption of Principal	4,998,957		4,998,957	4,859,900	139,057
Total Regular Debt Service	<u>6,133,908</u>	<u>-</u>	<u>6,133,908</u>	<u>5,994,846</u>	<u>139,062</u>
Total Expenditures	<u>6,133,908</u>	<u>-</u>	<u>6,133,908</u>	<u>5,994,846</u>	<u>139,062</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(139,157)	-	(139,157)	(95)	139,062
Fund Balance July 1	<u>365,612</u>		<u>365,612</u>	<u>365,612</u>	
Fund Balance June 30	<u>\$ 226,455</u>	<u>-</u>	<u>226,455</u>	<u>365,517</u>	<u>139,062</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 Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 17,718,711	\$ 16,185,105	\$ 20,630,083	\$ 24,362,772	\$ 32,536,669	\$ 35,360,865	\$ 41,805,697	\$ 42,696,860	\$ 37,759,687	\$ 44,675,740
Restricted	2,917,204	5,462,806	1,472,443	3,298,844	3,255,977	6,542,075	11,960,173	13,017,348	22,111,377	14,502,249
Unrestricted	(5,368,691)	(8,258,031)	(7,357,469)	(10,500,691)	(3,480,855)	(3,644,835)	(4,721,787)	(4,814,598)	(4,564,772)	(43,413,513)
<b>Total governmental activities net Position</b>	<b>\$ 15,267,224</b>	<b>\$ 13,391,880</b>	<b>\$ 14,745,057</b>	<b>\$ 17,160,925</b>	<b>\$ 32,311,791</b>	<b>\$ 38,258,105</b>	<b>\$ 49,044,083</b>	<b>\$ 50,899,610</b>	<b>\$ 55,306,292</b>	<b>\$ 15,764,476</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 225,424	\$ 190,198	\$ 155,707	\$ 126,248	\$ 104,697	\$ 85,737	\$ 66,997	\$ 48,257	\$ 181,953	\$ 137,594
Restricted										
Unrestricted	372,309	295,026	139,478	123,779	90,482	99,579	124,187	38,305	117,361	(48,647)
<b>Total business-type activities net Position</b>	<b>\$ 597,733</b>	<b>\$ 485,224</b>	<b>\$ 295,185</b>	<b>\$ 250,027</b>	<b>\$ 195,179</b>	<b>\$ 185,316</b>	<b>\$ 191,184</b>	<b>\$ 86,562</b>	<b>\$ 299,314</b>	<b>\$ 88,947</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 17,944,135	\$ 16,375,303	\$ 20,785,790	\$ 24,489,020	\$ 32,641,366	\$ 35,446,602	\$ 41,872,694	\$ 42,745,117	\$ 37,941,640	\$ 44,813,334
Restricted	2,917,204	5,462,806	1,472,443	3,298,844	3,255,977	6,542,075	11,960,173	13,017,348	22,111,377	14,502,249
Unrestricted	(4,996,382)	(7,961,005)	(7,217,991)	(10,376,912)	(3,390,373)	(3,545,256)	(4,597,600)	(4,776,293)	(4,447,411)	(43,462,160)
<b>Total district net Position</b>	<b>\$ 15,864,957</b>	<b>\$ 13,877,104</b>	<b>\$ 15,040,242</b>	<b>\$ 17,410,952</b>	<b>\$ 32,506,970</b>	<b>\$ 38,443,421</b>	<b>\$ 49,235,267</b>	<b>\$ 50,986,172</b>	<b>\$ 55,605,606</b>	<b>\$ 15,853,423</b>

Source: CAFR Schedule A-1

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

**Exhibit J-2**  
**GASB B-2**  
**New**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 25,161,461	\$ 26,477,395	\$ 25,324,402	\$ 27,936,074	\$ 17,561,296	\$ 26,061,560	\$ 27,692,356	\$ 28,172,640	\$ 27,467,243	\$ 28,426,049
Special education	11,036,324	12,155,584	11,738,231	11,747,024	9,937,300	12,623,357	13,254,196	12,430,632	13,129,364	13,811,055
Other special education	1,546,550	2,079,102	2,316,377	2,399,469	2,513,602	2,266,616	2,240,016	2,253,280	2,505,590	2,461,250
Other instruction	374,090	445,292	286,406	290,634	295,933	81,375	404,801	448,068	540,881	561,958
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	1,349,826	190,382	1,498,748	975,677	510,142	621,320	774,964	1,409,349	1,572,736	1,589,875
Student & instruction related services	8,997,790	9,962,179	10,757,868	10,730,418	9,924,376	10,333,948	10,131,392	9,971,784	12,166,003	11,643,109
General and Business Administrative Services	1,798,540	1,105,534	1,126,895	2,951,545	1,162,051	1,176,254	1,360,778	1,281,169	1,217,998	1,210,935
School administrative services	5,538,363	6,581,249	6,838,228	4,429,442	5,007,781	4,717,838	3,933,627	4,464,055	4,619,285	4,123,526
Other Administrative Services	-	-	-	-	-	-	-	-	-	-
Plant operations and maintenance	8,735,101	8,664,787	8,865,965	8,857,930	9,006,679	8,501,202	9,031,221	7,781,764	8,419,741	9,606,472
Pupil transportation	8,617,601	9,233,863	9,500,796	8,583,385	7,729,313	7,443,099	7,933,520	8,222,068	7,607,477	7,321,656
Business and Other Support Services	-	-	-	-	1,219,959	1,262,335	1,928,778	1,050,020	1,063,730	1,769,253
Special Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Unallocated Benefits	18,757,558	23,023,894	25,512,465	23,717,984	24,143,002	24,082,978	24,548,579	31,140,403	28,699,235	31,999,474
Interest on long-term debt	4,008,693	3,553,091	2,894,312	3,164,645	2,735,159	2,185,528	1,885,334	1,581,657	1,074,376	1,131,957
ARRA - ESF	-	-	-	-	4,813,894	-	-	-	-	-
ARRA - GSF	-	-	-	-	186,353	-	-	-	-	-
Education Jobs	-	-	-	-	-	-	1,185,607	2,959	-	-
Unallocated depreciation	3,092,920	5,593,058	3,728,678	3,626,689	3,611,275	3,353,902	3,245,670	3,353,901	5,784,396	4,934,193
Total governmental activities expenses	99,014,817	109,065,410	110,389,371	109,410,916	100,358,115	104,711,312	109,550,839	113,563,749	115,868,055	120,590,762
Business-type activities:										
Food service	1,802,727	2,070,277	2,152,537	2,033,504	2,013,467	1,927,989	2,021,093	1,933,964	1,855,657	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	1,802,727	2,070,277	2,152,537	2,033,504	2,013,467	1,927,989	2,021,093	1,933,964	1,855,657	0
Total district expenses	\$ 100,817,544	\$ 111,135,687	\$ 112,541,908	\$ 111,444,420	\$ 102,371,582	\$ 106,639,301	\$ 111,571,932	\$ 115,497,713	\$ 117,723,712	\$ 120,590,762
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,015,135	\$ 757,665	\$ 508,659	\$ 550,546
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Business and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	2,803,207	2,455,617	2,616,997	1,579,357	3,295,689	2,797,099	3,976,794	2,219,717	2,308,712	2,411,918
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	2,803,207	2,455,617	2,616,997	1,579,357	3,295,689	2,797,099	4,991,929	2,977,382	2,817,371	2,962,464
Business-type activities:										
Charges for services										
Food service	359,365	373,792	1,556,102	1,577,323	1,479,324	1,422,437	1,465,088	1,306,912	1,290,686	1,106,621
Child care	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	401,329	410,354	478,841	495,608	563,873	522,430	612,412	554,197
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	359,365	373,792	1,957,431	1,987,677	1,958,165	1,918,045	2,028,961	1,829,342	1,903,098	1,660,818
Total district program revenues	\$ 3,162,572	\$ 2,829,409	\$ 4,574,428	\$ 3,567,034	\$ 5,253,854	\$ 4,715,144	\$ 7,018,890	\$ 4,806,724	\$ 4,720,469	\$ 4,623,282
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (96,211,610)	\$ (106,609,793)	\$ (107,772,374)	\$ (107,831,559)	\$ (100,358,115)	\$ (101,914,213)	\$ (104,558,910)	\$ (110,586,367)	\$ (113,003,243)	\$ (117,628,298)
Business-type activities	71,242	(125,118)	(195,106)	(45,827)	(55,302)	(9,944)	5,868	(104,622)	47,441	(210,367)
Total district-wide net expense	\$ (96,140,368)	\$ (106,734,911)	\$ (107,967,480)	\$ (107,877,386)	\$ (100,413,417)	\$ (101,924,157)	\$ (104,553,042)	\$ (110,690,989)	\$ (112,955,802)	\$ (117,838,665)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 51,820,898	\$ 58,528,618	\$ 59,922,847	\$ 62,108,664	\$ 63,777,301	\$ 64,464,148	\$ 64,464,148	\$ 63,460,383	\$ 65,287,734	\$ 67,540,789

**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**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Taxes levied for debt service	6,866,138	7,761,356	7,726,098	7,449,560	7,117,889	6,783,858	6,830,168	6,818,991	5,710,690	5,586,449
Unrestricted grants and contributions	38,339,231	41,823,009	42,802,763	41,265,362	43,278,554	38,574,243	41,077,646	44,662,910	44,351,670	44,160,944
Tuition	141,490	295,236	171,476	387,572	536,262	1,157,362				
Investment earnings	283,125	339,056	187,787	60,218	23,832	8,618	2,744	13,692		
Miscellaneous income	2,179,692	86,328	68,994	361,622	197,540	407,444	412,566	659,246	8,247,826	1,343,112
Other	(1,064,289)	4,446,105	521,545	1,239,444	2,023,855	7,464,854	3,554,580	(3,859,460)	696,481	-5,836,414
Transfers										
<b>Total governmental activities</b>	<b>98,566,285</b>	<b>113,279,708</b>	<b>111,401,510</b>	<b>112,872,442</b>	<b>116,955,233</b>	<b>118,860,527</b>	<b>116,341,852</b>	<b>\$ 111,755,762</b>	<b>\$ 124,294,401</b>	<b>\$ 112,794,880</b>
Business-type activities:										
Investment earnings										
Miscellaneous Income		12,609	5,067	669	454	81	0	0	165,311	
<b>Total business-type activities</b>		<b>12,609</b>	<b>5,067</b>	<b>669</b>	<b>454</b>	<b>81</b>	<b>0</b>	<b>0</b>	<b>165,311</b>	<b>0</b>
<b>Total district-wide</b>	<b>\$ 98,566,285</b>	<b>\$ 113,292,317</b>	<b>\$ 111,406,577</b>	<b>\$ 112,873,111</b>	<b>\$ 116,955,687</b>	<b>\$ 118,860,608</b>	<b>\$ 116,341,852</b>	<b>\$ 111,755,762</b>	<b>\$ 124,459,712</b>	<b>\$ -</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 2,354,675	\$ 6,669,915	\$ 3,629,136	\$ 5,040,883	\$ 16,596,664	\$ 16,946,314	\$ 11,782,942	\$ 1,169,395	\$ 11,243,717	\$ (43,233,615) *
Business-type activities	71,242	(112,509)	(190,039)	(45,158)	(54,848)	(9,863)	5,868	(104,622)	212,752	-210,367
<b>Total district</b>	<b>\$ 2,425,917</b>	<b>\$ 6,557,406</b>	<b>\$ 3,439,097</b>	<b>\$ 4,995,725</b>	<b>\$ 16,541,816</b>	<b>\$ 16,936,451</b>	<b>\$ 11,788,810</b>	<b>\$ 1,064,773</b>	<b>\$ 11,456,469</b>	<b>\$ (43,443,982)</b>

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

Source: CAFR Schedule A-2

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

<b>Exhibit J-3</b>
GASB B-3
New

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>										
Reserved	\$ 4,526,550	\$ 4,866,301	\$ 4,746,389	\$ 3,237,454	\$ 3,160,424	\$ 6,460,964	\$ 11,900,829	\$ 12,818,847	\$ 18,136,778	\$ 12,909,141
Unreserved	2,631,574	824,307	2,461,452	(900,057)	(730,305)	(984,164)	(4,721,787)	(4,814,598)	(4,564,772)	(1,110,175)
<b>Total General fund</b>	<u>\$ 7,158,124</u>	<u>\$ 5,690,608</u>	<u>\$ 7,207,841</u>	<u>\$ 2,337,397</u>	<u>\$ 2,430,119</u>	<u>\$ 5,476,800</u>	<u>\$ 7,179,042</u>	<u>\$ 8,004,249</u>	<u>\$ 13,572,006</u>	<u>\$ 11,798,966</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ 367,193	\$ 596,570	\$ 305,392	\$ -	\$ -	\$ 39,573	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	(7,826)	(7,625)	(7,870)	-	-	-	-	-	-	-
Capital projects fund				-	42,499	41,537	41,537	41,537	3,608,887	1,500,594
Debt service fund	7,559	7,559	61,390	61,390	53,054	1	17,807	156,964	365,612	365,517
Permanent fund				-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<u>\$ 366,926</u>	<u>\$ 596,504</u>	<u>\$ 358,912</u>	<u>\$ 61,390</u>	<u>\$ 95,553</u>	<u>\$ 81,111</u>	<u>\$ 59,344</u>	<u>\$ 198,501</u>	<u>\$ 3,974,499</u>	<u>\$ 1,866,111</u>

Source: CAFR Schedule B-1

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

Exhibit J-4  
 GASB B-4  
 New

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Tax levy	\$ 58,687,036	\$ 66,289,974	\$ 67,648,945	\$ 69,558,224	\$ 70,895,190	\$ 71,248,006	\$ 71,294,316	\$ 70,279,374	\$ 70,998,424	\$ 73,127,238
Tuition charges	141,490	295,235	171,476	387,572	536,262	1,157,362	1,015,135	757,665	508,659	550,546
Interest earnings	283,125	339,056	187,787	60,218	23,832	8,618	2,744	13,692	0	0
Miscellaneous	2,291,820	99,290	72,013	363,228	198,986	408,944	414,066	666,344	8,268,894	1,405,464
State sources	38,815,776	42,326,139	43,248,009	41,536,811	38,426,263	38,669,286	41,181,886	44,719,660	44,407,366	44,175,234
Federal sources	2,214,534	1,939,325	2,168,732	1,306,302	8,146,080	2,700,556	3,871,054	2,155,869	2,231,948	2,335,276
<b>Total revenue</b>	<b>\$102,433,781</b>	<b>\$111,289,019</b>	<b>\$113,496,962</b>	<b>\$113,212,355</b>	<b>\$118,226,613</b>	<b>\$114,192,772</b>	<b>\$117,779,201</b>	<b>\$118,592,604</b>	<b>\$126,415,291</b>	<b>\$121,593,758</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	\$ 24,725,729	\$ 24,976,233	\$ 25,962,242	\$ 26,777,938	\$ 24,411,380	\$ 26,151,439	\$ 27,466,657	\$ 28,010,491	\$ 27,051,981	\$ 28,426,049
Special education instruction	11,036,324	12,155,584	11,738,231	11,747,024	11,774,750	12,623,357	13,254,196	12,430,632	13,129,364	13,811,055
Other special instruction	1,546,550	2,079,102	2,316,377	2,399,469	2,513,602	2,266,616	2,240,016	2,253,280	2,505,590	2,461,250
Vocational education	-	-	-	-	-	-	-	-	-	-
Other instruction	374,090	445,292	286,406	290,634	295,933	81,375	404,801	448,068	540,881	561,958
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
<b>Support Services:</b>										
Tuition	1,349,826	190,382	1,498,748	975,677	510,142	621,320	774,964	1,409,349	1,572,736	1,589,875
Student & instruction related services	8,997,790	9,962,179	10,757,868	10,730,418	11,382,615	10,333,948	10,131,392	9,971,784	12,166,003	11,643,109
General administrative services	-	-	-	-	-	-	-	-	-	-
School Administrative services	5,538,363	6,581,249	1,126,895	4,429,442	1,162,051	4,717,838	1,360,778	1,281,169	1,217,998	1,210,935
Other Administrative services	1,798,540	1,105,534	4,303,469	1,063,135	5,007,781	1,176,254	3,933,627	4,464,055	4,619,285	4,123,526
Plant operations and maintenance	8,735,101	8,664,787	8,865,965	8,857,930	9,006,679	8,501,202	8,201,768	7,781,764	8,419,741	9,606,472
Pupil transportation	8,617,601	9,233,863	9,500,796	8,583,385	7,729,313	7,443,099	7,933,520	8,222,068	7,607,477	7,321,656
Business and Other Support Services	-	-	2,534,759	1,888,410	1,219,959	1,262,335	1,928,778	1,050,020	1,063,730	1,769,253
Unallocated employee benefits	18,757,558	23,023,894	25,512,465	23,717,984	24,143,002	24,082,978	24,548,579	31,140,403	28,699,235	31,735,519
ARRA-ESF	-	-	-	-	4,813,894	-	-	-	-	-
ARRA-GSF	-	-	-	-	186,353	-	-	-	-	-
Capital outlay	897,672	8,818,071	3,768,240	3,927,669	7,303,220	3,422,597	1,232,006	1,498,365	3,303,034	2,847,150
Education Jobs	-	-	-	-	-	-	1,185,607	2,959	0	-
Special Revenue	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	4,970,650	6,024,695	6,183,047	6,040,540	5,829,070	5,450,682	5,668,547	5,946,868	4,848,805	4,859,900
Interest and other charges	3,816,611	3,713,641	3,392,440	3,180,829	2,899,075	2,484,721	2,257,679	1,830,078	1,087,823	1,134,946
<b>Total expenditures</b>	<b>\$101,162,405</b>	<b>\$116,974,506</b>	<b>\$117,747,948</b>	<b>\$114,610,484</b>	<b>\$120,188,819</b>	<b>\$110,619,761</b>	<b>\$112,522,915</b>	<b>\$117,741,353</b>	<b>\$117,833,683</b>	<b>\$123,102,653</b>
Excess (Deficiency) of revenues over (under) expenditures	\$ 1,271,376	\$ (5,685,487)	\$ (4,250,986)	\$ (1,398,129)	\$ (1,962,206)	\$ 3,573,011	\$ 5,256,286	\$ 851,251	\$ 8,581,608	\$ -
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)	\$ -	\$ 6,200,000	\$ 640,120	\$ 1,389,444	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,796,684)
Capital Projects	-	-	-	-	1,093,717	-	-	-	-	-
Sale/Leaseback Proceeds	(1,162,383)	(1,982,030)	(118,575)	-	1,550,261	130	-	-	-	-
Leaseback Expenditures	-	-	-	-	(1,142,106)	(602,247)	-	-	-	-
Proceeds of refunding debt	-	-	-	-	-	-	-	-	-	-
Current/Anticipated Additional Surplus	-	-	-	-	432,868	-	-	-	500,000	-
Par amount of bonds	-	-	-	(150,000)	-	-	-	-	-	-
Accounts Receivable Cancelled	-	-	-	-	-	(1,416)	(800)	(45)	-	-
Accounts Payable Cancelled	-	-	-	-	-	88,424	-	-	196,481	-
Payroll Account	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Prior Year Adjustment	-	-	-	-	89,115	-	80,380	26,886	0	-39,730
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(1,162,383)</b>	<b>4,217,970</b>	<b>521,545</b>	<b>1,239,444</b>	<b>2,023,855</b>	<b>(515,109)</b>	<b>79,580</b>	<b>26,841</b>	<b>696,481</b>	<b>(39,730)</b>
<b>Net change in fund balances</b>	<b>\$ 108,993</b>	<b>\$ (1,467,517)</b>	<b>\$ (3,729,441)</b>	<b>\$ (158,685)</b>	<b>\$ 61,649</b>	<b>\$ 3,057,902</b>	<b>\$ 5,335,866</b>	<b>\$ 878,093</b>	<b>\$ 9,278,089</b>	<b>\$ (7,345,309)</b>
Debt service as a percentage of noncapital expenditures	8.8%	9.0%	8.4%	8.3%	7.7%	7.4%	7.1%	6.4%	5.1%	4.9

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

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

Exhibit J-5

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Capital Lease	Misc.	Total
2006	\$ 283,125	141,490	-	2,291,820	2,716,435
2007	339,056	295,235	-	86,127	720,418
2008	179,086	183,909	-	68,494	431,488
2009	60,218	387,572	-	363,228	811,018
2010	23,832	536,262	-	197,086	757,180
2011	8,618	1,157,362	-	407,444	1,573,424
2012	2,744	1,015,135	-	438,300	1,456,179
2013	13,692	757,665	-	666,344	1,439,714
2014	-	508,659	7,170,000	1,098,894	8,777,553
2015	-	550,546	743,063	600,049	1,893,658

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
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Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qual Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2001	102,415,150	2,185,309,240	35,640,800	2,878,119	225,699,100	56,817,850	0	2,608,760,259	0	8,413,414	2,617,173,673	1.572	2,907,971,330
2002	92,838,850	2,257,106,240	36,076,300	2,784,919	246,563,100	58,033,850	0	2,693,403,259	0	7,904,466	2,701,307,725	1.664	3,265,035,465
2003	116,491,150	2,276,816,540	38,719,400	2,814,319	255,402,100	57,578,250	0	2,747,821,759	0	7,595,629	2,755,417,388	1.795	3,702,612,690
2004	117,997,150	2,324,256,240	51,243,300	2,666,300	259,498,000	57,078,250	0	2,812,739,240	0	6,303,982	2,819,043,222	1.933	4,340,461,555
2005	120,597,750	2,375,496,640	43,161,300	2,551,300	296,105,200	57,612,450	-	2,895,524,640	0	5,407,198	2,900,931,838	1.990	5,046,054,306
2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	N/A
2007	249,995,100	5,667,270,700	108,077,700	2,510,100	703,025,300	115,926,300	-	6,846,805,200	0	8,875,863	6,855,681,063	0.977	6,721,434,951
2008	264,011,700	5,707,045,800	107,499,400	2,543,100	667,961,100	111,543,900	-	6,860,605,000	0	9,626,317	6,870,231,317	0.999	7,080,369,254
2009	253,365,700	5,735,865,900	104,001,400	2,426,100	662,057,600	109,299,300	-	6,867,016,000	0	10,565,151	6,877,581,151	1.021	7,091,186,316
2010	237,133,360	5,747,380,000	107,553,000	2,707,600	662,086,020	134,095,700	-	6,890,955,680					
2011	No Data Available												
2012	147,940,600	4,554,735,400	85,598,100	2,640,500	595,545,700	103,344,900		5,489,805,200		11,032,948	5,500,838,148	1.287	6,542,377,983
2013	155,567,400	4,579,708,000	89,858,000	2,768,800	594,385,000	101,856,600		5,524,143,800	0	8,867,486	5,533,011,286	1.277	6,247,117,756
2014	137,473,900	4,623,682,700	89,384,800	2,673,500	611,874,200	101,664,900		5,566,754,000	0	7,632,229	5,574,386,229	1.293	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	1.198	6452258346

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

**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 <sup>a</sup>	General Obligation Debt	Total Direct	Freehold Regional School District	Howell Township	Library/Other		Monmouth County
		Service <sup>b</sup>						
2001	N/A	N/A	N/A	0.583	0.429	0.039	0.582	N/A
2002	N/A	N/A	N/A	0.722	0.439	0.040	0.603	N/A
2003	N/A	N/A	N/A	0.769	0.439	0.031	0.632	N/A
2004	N/A	N/A	N/A	0.790	0.453	0.032	0.635	N/A
2005	N/A	N/A	1.990	0.724	0.457	0.029	0.578	3.788
2006	N/A	N/A	2.123	0.786	0.533	0.030	0.590	4.062
2007	0.865	0.113	0.978	0.353	0.266	0.033	0.267	1.897
2008	0.888	0.111	0.999	0.371	0.266	0.030	0.232	1.898
2009	0.915	0.106	1.021	0.353	0.266	0.033	0.268	1.941
2010	0.928	0.101	1.029	0.385	0.326	0.034	0.277	2.051
2011			1.037	0.380	0.354	0.034	0.265	2.070
2012*	1.1653	0.1217	1.287	0.478	0.453	0.038	0.329	2.585
2013	1.138	0.139	1.277	0.483	0.457	0.037	0.331	2.585
2014	1.104	0.092	1.196	0.452	0.448	0.037	0.329	2.462

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)**

<b>Exhibit J-8</b>
GASB C-3
NJ J-11

Taxpayer	2015		2005	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Buffalo-Parkton & Feurestein	\$ 39,285,000	0.71	Howell Friendship R.E.	14,194,800 0.53
Sunnyside @ Howell LLC	\$ 25,892,000	0.47	WDH LLC	12,613,100 0.47
Howell Friendship Real Estate	\$ 20,568,300	0.37	Home Depot, USA, Inc	11,380,000 0.42
Home Depot, USA, Inc.	\$ 17,450,600	0.31	US Home Corp	11,040,800 0.41
Lanes Mill Association, LLC	\$ 17,273,500	0.31	Target Corp	9,900,000 0.37
Lowe's Home Centers, Inc	\$ 16,671,600	0.30	Buffalo -Parkton	9,000,000 0.33
Hurley Fields I, LLC	\$ 16,372,300	0.29	Wal-Mart Stores, Inc	8,488,700 0.31
DS & DJ Realty	\$ 15,128,800	0.27	Crawford Holdings	7,467,000 0.28
Brochin, Leon, Mur	\$ 13,714,600	0.25	Fairfield Park	6,828,000 0.25
Wal-Mart Stores, Inc	\$ 13,679,100	0.25	Eagle Golf Enterprises	6,466,500 0.24
<b>Total</b>	<b>\$ 196,035,800</b>	<b>3.53</b>		<b>97,378,900 3.61</b>

Source: District CAFR & Municipal Tax Assessor

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

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	\$ 89,471,456	86,947,589	97.18%	-
2003	97,990,979	96,268,659	98.24%	-
2004	109,252,648	106,068,245	97.09%	-
2005	115,268,414	112,415,070	97.52%	-
2006	115,268,414	112,415,070	97.52%	-
2007	125,813,658	122,649,197	97.48%	-
2008	134,889,611	132,083,633	97.92%	-
2009	137,155,943	135,312,221	98.66%	-
2010	139,827,182	135,767,912	97.10%	-
2011	146,277,469	143,240,560	97.92%	-
2012	149,003,741	145,508,487	97.65%	-
2013	149,375,012	146,642,161	98.17%	-
2014	149,566,715	146,674,153	98.07%	-

Source: Howell Tax Collector/CFO

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

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

**Exhibit J-10**

GASB D-1 New
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Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2002	\$ 43,381,774	-	\$ 3,897,651	-	-	\$ 47,279,425	0.09%	43,387
2003	75,887,255	-	2,686,295	-	-	78,573,550	0.06%	43,634
2004	72,040,799	-	7,078,107	-	-	79,118,906	0.06%	46,545
2005	86,402,356	-	7,846,580	-	-	94,248,936	0.05%	48,072
2006	81,622,102	-	6,153,428	-	-	87,775,530	0.06%	52,499
2007	75,616,585	-	10,306,406	-	-	85,922,991	0.06%	55,826
2008	69,452,720	-	8,840,202	-	-	78,292,922	0.07%	57,353
2009	63,431,359	-	7,896,514	-	-	71,327,873	0.08%	54,771
2010	57,621,468	-	5,736,664	-	-	63,358,132	0.09%	55,764
2011	53,466,852	-	2,462,107	-	-	55,928,959	0.10%	56,955
2012	44,335,437	-	2,078,043	-	-	46,413,480	0.13%	58,355
2013	42,268,804	-	1,159,612	-	-	43,428,416	0.14%	61,426
2014	37,420,000	-	-	-	-	37,420,000	0.17%	62,901

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

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

**a** See Exhibit NJ J-13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**b** Includes Early Retirement Incentive Plan (ERIP) refunding

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2003	75,887,255	-	75,887,255	2.81%	1,522
2004	82,776,978	-	82,776,978	3.00%	1,651
2005	86,402,356	-	86,402,356	2.98%	1,724
2006	81,622,101	-	81,622,101	2.65%	-
2007	75,616,585	-	75,616,585	1.10%	1,507
2008	69,452,720	-	69,452,720	1.01%	1,352
2009	63,431,359	-	63,431,359	0.93%	1,235
2010	57,639,666	-	57,639,666	0.84%	1,122
2011	53,466,852	-	53,466,852	0.78%	1,041
2012	44,329,371	-	44,329,371	0.80%	867
2013	42,268,804	-	42,268,804	0.76%	827
2014					

**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, 2014

<b>Exhibit J-12</b> GASB D-3 NJ J-8 modified
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<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Howell Township	\$ 58,496,451	100.000%	58,496,451
<b>Other debt</b>			
Freehold Regional High School	23,540,000	21.237%	4,999,190
Monmouth County	428,759,490	4.973%	21,322,209
Subtotal, overlapping debt			84,817,850
Howell Township School District Direct Debt			<u>58,496,451</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 143,314,301</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 2011

	Equalized valuation basis	
	2014	6,380,964,154
	2013	6,078,503,301
	2012	6,188,485,176
	[A]	<u>\$ 18,647,952,631</u>
Average equalized valuation of taxable prop	[A/3]	\$ 6,215,984,210
Debt limit (3 % of average	[B]	186,479,526 <sup>a</sup>
Net bonded school debt	[C]	<u>58,496,451</u>
Legal debt margin	[B-C]	<u>\$ 127,983,075</u>

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 169,657,616	\$ 165,538,500	\$ 183,886,637	\$ 196,597,794	\$ 211,663,211	\$ 211,656,041	\$ 140,852,349	194,360,174	187,652,987	186,479,526
Total net debt applicable to limit	<u>86,402,356</u>	<u>81,622,102</u>	<u>75,692,322</u>	<u>75,692,322</u>	<u>75,692,322</u>	<u>64,576,880</u>	<u>53,466,852</u>	<u>37,388,311</u>	<u>44,622,619</u>	<u>58,496,451</u>
Legal debt margin	<u>\$ 83,255,260</u>	<u>\$ 83,916,398</u>	<u>\$ 108,194,315</u>	<u>\$ 120,905,472</u>	<u>\$ 135,970,889</u>	<u>\$ 147,079,161</u>	<u>\$ 87,385,497</u>	<u>156,971,863</u>	<u>143,030,368</u>	<u>127,983,075</u>
Total net debt applicable to the limit as a percentage of debt limit	50.93%	49.31%	41.16%	38.50%	35.76%	30.51%	37.96%	19.24%	23.78%	31.37%

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

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

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

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

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>b</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2001	49,873	\$ 2,187,579,399	43,863	3.8%
2002	50,165	2,176,508,855	43,387	4.2%
2003	50,450	2,201,335,300	43,634	5.4%
2004	50,807	2,364,811,815	46,545	3.9%
2005	51,017	2,452,489,224	48,072	3.3%
2006	51,135	2,684,536,365	52,499	3.7%
2007	51,274	2,862,422,324	55,826	4.3%
2008	51,297	2,942,036,841	57,353	3.5%
2009	51,551	2,823,499,821	54,771	9.2%
2010	51,119	2,850,599,916	55,764	9.1%
2011	51,127	2,911,938,285	56,955	8.9%
2012	51,109	2,982,465,695	58,355	8.8%
2013	51,732	3,177,689,832	61,426	7.6%
2014	51,897	3,264,373,197	62,901	6.2%

**Source:**

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

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

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

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

Exhibit J-15 GASB E-2 NEW
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Employer	2013			2003		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Howell Township Board of Education	1,357	1	67.61%	-		0.00%
Township of Howell	220	2	10.96%	-		0.00%
Home Depot	155	3	7.72%	-		0.00%
Lowe's	140	4	6.98%	-		0.00%
Kohn's	135	5	6.73%	-		0.00%
	-			-		0.00%
	<u>2,007</u>		<u>100.00%</u>	<u>-</u>		<u>0.00%</u>

Source:

\*Howell Township does not collect this information.

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

Exhibit J-16  
 GASB F-1  
 New

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction											
Regular	432	432	431	429	390	376	343	352	357	357	360
Special education	289	289	287	285	288	282	299	299	297	296	302
Other special education	-	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-	-
Support Services:											
Tuition	-	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	101	101	99	98	84	83	87	91	92	93	102
General administrative services	17	17	17	16	15	15	6	6	6	6	6
School administrative services	65	66	63	63	56	50	51	52	52	52	52
Business administrative services	16	16	15	15	15	14	16	16	16	16	14
Plant operations and maintenance	178	178	165	161	100	104	74	74	74	74	74
Pupil transportation	75	75	74	72	64	64	65	65	63	63	56
Special Schools	-	-	-	-	-	-	-	-	-	-	-
Food Service											
Child Care											
Total	<u>1,173</u>	<u>1,174</u>	<u>1,151</u>	<u>1,139</u>	<u>1,012</u>	<u>988</u>	<u>941</u>	<u>955</u>	<u>957</u>	<u>957</u>	<u>966</u>

Source: District Personnel Records

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

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

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff	Per Pupil Ratio	Average Daily Enrollment (ADE) <sup>b</sup>	Average Daily Attendance (ADA) <sup>b</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2002	7,379	72,419,701	9,814	7.76%	517	1:14	7,341	6,986	-0.77%	94.9%
2003	7,424	77,062,946	10,380	5.77%	527	1:14	7,442	7,085	1.38%	94.9%
2004	7,416	85,946,907	11,589	11.65%	537	1:13	7,356	7,001	-1.16%	95.2%
2005	7,334	88,296,336	12,039	3.88%	568	1:13	7,279	6,932	-1.05%	95.2%
2006	7,259	91,477,472	12,602	4.67%	568	1:13	7,269	6,938	-0.14%	95.4%
2007	7,289	98,418,097	13,502	7.14%	543	1:13	7,283	6,944	0.19%	95.3%
2008	7,090	104,244,723	14,703	8.89%	542	1:13	7,069	6,745	-2.94%	95.4%
2009	6,920	101,461,446	14,662	-0.28%	540	1:13	6,903	6,575	-2.35%	95.2%
2010	6,783	104,157,454	15,356	4.73%	656	2:13	6,697	6,456	-2.98%	96.4%
2011	6,773	99,678,440	14,717	-4.16%	641	2:13	6,821	6,438	1.85%	94.4%
2012	6,541	104,653,420	16,000	8.71%	654	1:10	6,934	6,466	1.66%	93.3%
2013	6,277	104,913,365	16,714	4.46%	676	1:11	6,298	5,998	-9.17%	95.23%
2014	6,359	109,485,681	17,217	3.01%	662	1:10	6,148	5,850	-2.38%	95.15%

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Elementary</b>										
Adelphia Elementary School										
Square Feet	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000
Capacity (students)	537	537	537	537	537	537	537	537	537	537
Enrollment	482	476	456	426	391	400	377	377	377	301
Aldrich Elementary School (1968)										
Square Feet	70,400	70,400	70,400	70,400	70,400	70,400	70,400	70,400	70,400	70,400
Capacity (students)	434	434	434	434	434	434	434	434	434	434
Enrollment a	388	397	392	389	562	558	565	565	565	545
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	347	340	336	324	437	440	435	435	435	442
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	555	570	583	560	512	507	463	463	463	363
Griebling Elementary School (1960)										
Square Feet	89,187	89,187	89,187	89,187	89,187	89,187	89,187	89,187	89,187	89,187
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	493	505	563	568	517	510	501	501	501	545
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	573	561	553	541	513	542	521	521	521	538
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	488	459	426	369	405	424	412	412	412	359
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	581	557	542	513	484	494	459	459	459	438
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	364	352	329	325	-	-	-	-	-	-
Taunton Elementary School (1968)										
Square Feet	89,187	89,187	89,187	89,187	89,187	89,187	89,187	89,187	89,187	89,187
Capacity (students)	392	392	392	392	392	392	392	392	392	392
Enrollment	477	452	450	429	497	496	462	462	462	436
<b>Middle School</b>										
Howell Middle School North (1994)										
Square Feet	161,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000	161,000
Capacity (students)	900	900	900	900	900	900	900	900	900	900
Enrollment	956	967	902	859	849	850	826	826	826	802
Howell Middle School South										
Square Feet	162,000	162,000	162,000	162,000	162,000	162,000	162,000	162,000	162,000	162,000
Capacity (students)	980	980	980	980	980	980	980	980	980	980
Enrollment	1,037	1,071	1,012	1,034	878	885	832	832	832	751
Memorial Middle School										
Square Feet	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Capacity (students)	577	577	577	577	577	577	577	577	577	577
Enrollment	569	600	556	559	653	651	666	666	666	627
<b>Other</b>										
Administration Building										
Square Feet	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
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, 2011  
 Elementary = 9  
 Middle School = 3

Source: District records, ASSA

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

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

School Facilities	Project # (s)	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	School % Square Foot
Adelphia School	N/A	156,361	111,729	102,392	\$ 105,789	\$ 105,286	\$ 99,133	\$ 106,810	\$ 109,139	\$ 34,326	\$ 61,031	0.0618
Aldrich School	N/A	140,928	100,700	92,285	\$ 95,347	94,893	89,348	96,267	98,366	34,326	170,074	0.0557
Ardena School	N/A	137,385	98,169	89,966	\$ 92,950	92,508	87,102	93,847	95,894	18,906	151,795	0.0543
Greenville School	N/A	156,361	111,729	102,392	\$ 105,789	105,286	99,133	106,810	109,139	19,106	68,179	0.0618
Griebing School	N/A	178,626	127,638	116,972	\$ 120,853	120,278	113,249	122,019	124,680	18,906	344,693	0.0706
Land O'Pines School	N/A	186,217	133,062	121,942	\$ 125,988	125,389	118,061	127,204	129,978	18,906	327,794	0.0736
Newbury School	N/A	159,904	114,260	104,711	\$ 108,185	107,671	101,379	109,229	111,612	18,906	74,954	0.0632
Ramtown School	N/A	200,132	143,005	131,055	\$ 135,403	134,759	126,884	136,710	139,691	18,906	256,688	0.0791
Southard School	N/A	148,012	105,763	96,924	\$ 100,140	99,664	93,839	101,106	103,311	18,906	278,294	0.0585
Taunton School	N/A	178,626	127,638	116,972	\$ 120,853	120,278	113,249	122,019	124,680	18,906	127,179	0.0706
Howell Middle School North	N/A	322,590	230,508	211,245	\$ 218,254	217,215	204,522	220,360	225,166	44,341	78,107	0.1275
Howell Middle School South	N/A	324,614	231,954	212,571	\$ 219,623	218,578	205,805	221,742	226,578	52,659	75,816	0.1283
Howell Memorial Middle School	N/A	240,361	171,751	157,399	\$ 162,620	161,847	152,389	164,190	167,770	44,656	19,952	0.0950
<b>Total School Facilities</b>		<b>2,530,119</b>	<b>1,807,907</b>	<b>1,656,827</b>	<b>\$ 1,711,792</b>	<b>\$ 1,703,650</b>	<b>\$ 1,604,092</b>	<b>\$ 1,728,312</b>	<b>\$ 1,766,005</b>	<b>\$ 361,756</b>	<b>\$ 2,034,556</b>	
Other Facilities				-	-	-	-	-	-	-	-	
<b>Grand Total</b>		<b>2,530,119</b>	<b>1,807,907</b>	<b>1,656,827</b>	<b>\$ 1,711,792</b>	<b>\$ 1,703,650</b>	<b>\$ 1,604,092</b>	<b>\$ 1,728,312</b>	<b>\$ 1,766,005</b>	<b>\$ 361,756</b>	<b>2,034,556</b>	

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

HOWELL TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

J-20

115.

Company	Type of Coverage	Coverage	Deductible
Utica National	Property Blanket Building & Contents- Replacement Cost Values -Additional Valuable Papers	229,473,806	1,000
Utica National	Umbrella Excess Liability -Each Occurrence	\$ 20,000,000	
	Aggregate Limit of Liability	\$ 20,000,000	
	General Liability Each Occurrence	\$ 1,000,000	
	Aggregate Limit of Liability	\$ 3,000,000	
Utica National	Automotive Coverage -Combined Single Limit	\$ 1,000,000	
	-Hired/Non-Owned	\$ 1,000,000	
	-Uninsured & Underinsured	\$ 1,000,000	
Chubb Insurance Group	Inland Marine -Electronic Data Processing Equipment	\$ 4,000,000	\$ 1,000
Utica National	Crime Coverage -Blanket Employee coverage	\$ 250,000	\$ 500
	-Money & Securities On Premises	\$ 25,000	\$ 500
	Money & Securities Off Premises	\$ 25,000	\$ 500
	Forgery or Alteration	\$ 100,000	\$ 500
Utica National	Boiler & Machinery Coverage	229,473,806	
Utica National	Board of Education -Educators Legal Liability		
	Each Loss	\$ 1,000,000	\$5,000.00
	Aggregate	\$ 2,000,000	
Utica National	Fidelity Bonds -Treasurer of School Monies	\$500,000	
	-Business Administrator/Board Secretary	\$50,000	
Brown & Brown	Workers' Compensation -Professional -\$ 59,107,897 -Non-Professional -\$5,769,277		

Source: District Records

**SINGLE AUDIT SECTION**

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

ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.

ROBERT A. HULSART, JR., C.P.A., P.S.A.

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

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

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, 2015, 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 December 18, 2015.

**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, 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 its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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**

December 18, 2015

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

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED  
BY OMB CIRCULAR A-133**

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

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

We have audited the Board of Education of the Howell Township School District, County of Monmouth, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Howell Township School District, County of Monmouth, State of New Jersey's major federal and state programs for the year ended June 30, 2015. The Board of Education of the Howell Township School District, County of Monmouth, State of New Jersey's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the Board of Education of the Howell Township School District, County of Monmouth, State of New Jersey's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Howell Township School District, County of Monmouth, State of New Jersey's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### *Opinion on Each Major Federal and State Program*

In our opinion, the Board of Education of the Howell Township School District, County of Monmouth, State of New Jersey's, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

Management of the Board of Education of the Howell Township School District, County of Monmouth, State of New Jersey's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education of the Howell Township School District, County of Monmouth, State of New Jersey's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Howell Township School District, County of Monmouth, State of New Jersey's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. 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**

December 18, 2015

HOWELL TOWNSHIP SCHOOL DISTRICT

Schedule A

K-3

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Award Amount	Grant Period	Balance June 30, 2014	(Walkover) Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	Balance at June 30, 2015		
										(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education:												
Passed-through Department of Education												
Special Revenue Fund												
Title I	84.010	\$ 243,281	9-1-12 to 8-31-13	\$ (497)							(497)	
Title I	84.010	214,421	9-1-13 to 8-31-14	(84,382)		116,825	(32,443)					
Title I	84.010	295,037	9-1-11 to 8-31-12	(90,805)		40,016					(50,789)	
Title I	84.010	326,104	9-1-14 to 8-31-15			226,437	(274,707)				(48,270)	
Title IIA	84.367A	153,799	9-1-14 to 8-31-15			145,173	(145,173)					
Title IIA	84.367A	152,530	9-1-13 to 8-31-14	(50,695)		51,769	(1,074)					
Title III	84.365	24,542	9-1-12 to 8-31-15			18,190	(18,190)					
Title III	84.365	29,878	9-1-13 to 8-31-14	(13,865)		13,865						
Special Education Cluster:												
IDEA Basic	84.027	1,580,860	9-1-14 to 8-31-15			1,406,389	(1,513,934)				(107,545)	
IDEA Basic	84.027	1,523,129	9-1-13 to 8-31-14	(454,703)		644,756	(190,053)					
IDEA Preschool	84.173	81,826	9-1-14 to 8-31-15			66,696	(66,696)					
IDEA Preschool	84.173	81,936	9-1-13 to 8-31-14	9,199		12,414	(21,613)					
Total Special Revenue Fund				(685,748)	-	2,742,530	(2,263,883)	-	-	(207,101)	-	-
U.S. Department of Education:												
General Fund												
Medical Assistance Program	93.778	93,415	7-1-14 to 6-30-15			93,415	(93,415)					
Total General Fund				-	-	93,415	(93,415)	-	-	-	-	-
U.S. Department of Agriculture -												
Passed Through State Department of Education:												
Child Nutrition Cluster:												
Food Distribution Program	10.550	28,496	7-1-14 to 6-30-15			28,496	(28,496)					
National School Lunch Program	10.550	443,562	7-1-13 to 6-30-14	(39,859)		39,859						
National School Lunch Program	10.555	428,183	7-1-14 to 6-30-15			344,668	(428,183)			(83,515)		
National School Breakfast Program	10.553	58,463	7-1-14 to 6-30-15			45,541	(58,463)			(12,922)		
National School Breakfast Program	10.553	24,975	7-1-13 to 6-30-14	(2,192)		2,192						
HHFKA	10.555	22,323	7-1-14 to 6-30-15			18,065	(22,323)			(4,258)		
Special Milk Program	10.556	40,426	7-1-12 to 6-30-13	(4,343)		4,343						
Total Enterprise Fund				(46,394)	-	483,164	(537,465)	-	-	(100,695)	-	-
Total Federal Financial Awards				\$ (732,142)	-	3,319,109	(2,894,763)	-	-	(307,796)	-	-

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

**HOWELL TOWNSHIP SCHOOL DISTRICT**

Schedule B  
K-4

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

State Grantor/Program State Department of Education: General Fund	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	(Repayment) of Prior Years Balances	Balance at June 30, 2015			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Total Cumulative Expenditures
Equalization Aid	15-495-034-5120-078	\$ 27,465,312	7-1-14	6-30-15	\$			27,465,312	(27,465,312)					(2,728,191)	27,465,312
Special Education Aid	15-495-034-5120-089	3,740,074	7-1-14	6-30-15				3,740,074	(3,740,074)					(371,562)	3,740,074
Transportation Aid	15-495-034-5120-014	619,299	7-1-14	6-30-15				619,299	(619,299)					(61,488)	619,299
Security Aid	15-495-034-5120-084	517,479	7-1-14	6-30-15				517,479	(517,479)					(51,295)	517,479
Adjustment Aid	15-495-034-5120-085	635,416	7-1-14	6-30-15				635,416	(635,416)					(63,133)	635,416
PARCC Readiness Aid	15-495-034-5120-098	61,270	7-1-14	6-30-15				61,270	(61,270)					(6,247)	61,270
Per Pupil Growth Aid	15-495-034-5120-097	61,270	7-1-14	6-30-15				61,270	(61,270)					(6,247)	61,270
Extraordinary Aid	14-495-034-5120-044	633,128	7-1-13	6-30-14	(633,128)			633,128							
Extraordinary Aid	15-495-034-5120-044	592,957	7-1-14	6-30-15					(592,257)		(592,257)				592,257
Non-Public Transportation	15-495-034-5120-014	32,052	7-1-14	6-30-15					(32,052)		(32,052)				32,052
Non-Public Transportation	14-495-034-5120-014	26,492	7-1-13	6-30-14	(26,492)			26,492							
Reimbursed TPAF Social Security	14-100-034-5095-002	3,585,555	7-1-13	6-30-14	(178,535)										
Reimbursed TPAF Social Security	15-100-034-5095-002	3,551,312	7-1-14	6-30-15				3,374,721	(3,551,312)		(176,591)				3,551,312
Total General Fund					(838,155)	-	-	37,134,461	(37,275,741)	-	(800,900)	-	-	(3,288,163)	37,275,741
<b>Special Revenue Fund</b>															
Textbook Aid	15-100-034-5120-064	14,538	7-1-14	6-30-15				14,538	(7,062)				7,476		7,062
Textbook Aid	14-100-034-5120-064	16,839	7-1-13	6-30-14	2,156					(2,156)					
Auxiliary Services:															
Compensatory Education	14-100-034-5120-067	44,511	7-1-13	6-30-14	5,992					(5,992)					
Compensatory Education	15-100-034-5120-067	51,956	7-1-14	6-30-15				51,956	(23,291)				28,665		23,291
English as a Second Language	14-100-034-5120-067	873	7-1-13	6-30-14	873					(873)					
Transportation	15-100-034-5120-067	12,600	7-1-14	6-30-15				12,600	(12,600)						12,600
Home Instruction	15-100-034-5120-067	733	7-1-14	6-30-15					(733)		(733)				733
Handicapped Services:															
Supplementary Instruction	15-100-034-5120-066	14,909	7-1-14	6-30-15				14,909	(12,555)				2,354		12,555
Supplementary Instruction	14-100-034-5120-066	15,264	7-1-13	6-30-14	5,551					(5,551)					
Examination and Classification - Initial	15-100-034-5120-066	12,599	7-1-14	6-30-15				12,599	(5,040)				7,559		5,040
Examination and Classification - Annual	15-100-034-5120-066	4,332	7-1-14	6-30-15				4,332	(4,332)						4,332
Examination and Classification - Initial	14-100-034-5120-066	13,368	7-1-13	6-30-14	7,798					(7,798)					
Examination and Classification - Annual	14-100-034-5120-066	4,788	7-1-13	6-30-14	1,596					(1,596)					
Corrective Speech	15-100-034-5120-066	12,369	7-1-14	6-30-15				12,369	(12,369)						12,369
Corrective Speech	14-100-034-5120-066	15,624	7-1-13	6-30-14	8,593					(8,593)					
Technology Initiative	15-100-034-5120-373	7,808	7-1-14	6-30-15				7,808	(7,687)				121		7,687
Technology Initiative	14-100-034-5120-373	6,140	7-1-13	6-30-14	20					(20)					
Nursing Services	15-100-034-5120-070	23,144	7-1-14	6-30-15				23,144	(22,036)				1,108		22,036
Nursing Services	14-100-034-5120-070	23,701	7-1-13	6-30-14	228					(228)					
Total Special Revenue Fund					32,807	-	-	154,255	(107,705)	(32,807)	(733)	-	47,283	-	107,705
Debt Service Aid Type II	15-495-034-5120-017	408,302	7-1-14	6-30-15				408,302	(408,302)						408,302
<b>Enterprise Fund</b>															
National School Lunch Program	15-100-010-3350-023	16,731	7-1-14	6-30-15				13,530	(16,731)		(3,201)				16,731
National School Lunch Program	14-100-010-3350-023	18,557	7-1-13	6-30-14	(1,634)			1,634							
Total Enterprise Fund					(1,634)	-	-	15,164	(16,731)	-	(3,201)	-	-	-	16,731
Total State Financial Assistance					\$ (806,982)	-	-	37,712,182	(37,808,479)	(32,807)	(804,834)	-	47,283	(3,288,163)	37,808,479

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

**BOARD OF EDUCATION**

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**HOWELL TOWNSHIP SCHOOL DISTRICT****NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2015****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 \$6,376,177 for the general fund and \$(22,022) for the special revenue fund. See Note 1 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	\$ 37,275,741	107,705	408,302	16,731	37,808,479
Difference – Budget to “GAAP”					
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized					
On Behalf Payments Recognized for GAAP Statements but Not Included in the Schedule of Expenditures of State Financial Assistance	6,387,331				6,387,331
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>(11,154)</u>	_____	_____	_____	<u>(11,154)</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes Fund Balances	<u>\$ 43,651,918</u>	<u>107,705</u>	<u>408,302</u>	<u>16,731</u>	<u>44,184,656</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>Federal Assistance</u></b>					
Actual Amounts (Budgetary)					
“Revenues” from the Schedule					
of Expenditures of Federal					
Awards	\$ 93,415	2,263,883		537,465	2,894,763
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>22,022</u>	_____	_____	<u>22,022</u>
Total Federal Revenue as					
Reported on the Statement					
of Revenue, Expenditures,					
and Changes in Fund					
Balances	<u>\$ 93,415</u>	<u>2,285,905</u>	_____	<u>537,465</u>	<u>2,916,785</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, 2015 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, 2015. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2015

*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:           \$300,000          

(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**

84.010	Title I
84.027	I.D.E.A. Part B (Special Education Cluster)
84.173	IDEA-Preschool (Special Education Cluster)
10.550	Food Distribution (Child Nutrition Cluster)
10.553	School Breakfast Program (Child Nutrition Cluster)
10.555	National School Lunch Program (Child Nutrition Cluster)
10.556	Special Milk Program (Child Nutrition Cluster)

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**State Awards Section**

(J) Dollar threshold used to determine Type A programs: \$1,134,254.00

(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 04-04?   Yes  x  No

(O) Identification of major programs:

**GMIS Number(s)**

- 15-495-034-5120-089
- 15-495-034-5120-078
- 15-495-034-5120-044
- 15-495-034-5095-002
- 15-495-034-5120-084
- 15-495-034-5120-014
- 15-495-034-5120-085
- 15-495-034-5120-098
- 15-495-034-5120-097

**Name of State Program**

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2015

*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

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FOR THE FISCAL YEAR ENDED JUNE 30, 2015*Part 3 - Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

**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**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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**Prior Audit Findings:**

None