

REPORT OF AUDIT

FREEHOLD TOWNSHIP SCHOOL DISTRICT

COUNTY OF MONMOUTH

FISCAL YEAR ENDED JUNE 30, 2016

SUMMARY

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2016

Exhibit B-1

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,331,081	\$ (3,904)	\$ 62,498	\$ 95,384	\$ 4,485,059
Cash on hand with fiscal agent	-	-	-	-	-
Investments	-	-	-	-	-
Capital reserve	9,792	-	-	-	9,792
Receivables, net	3,159	99	-	-	3,258
Due from other funds	3,500	-	-	-	3,500
Receivables - State	789,726	-	51,266	-	840,992
Receivables - Federal	-	151,621	-	-	151,621
Total assets	<u>\$ 5,137,258</u>	<u>\$ 147,816</u>	<u>\$ 113,764</u>	<u>\$ 95,384</u>	<u>\$ 5,494,222</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	-	-	-	-	-
Interfund payable	-	-	-	-	-
Deferred revenue	54,900	147,467	-	-	202,367
Due to grantor	-	349	-	-	349
Total liabilities	<u>54,900</u>	<u>147,816</u>	<u>-</u>	<u>-</u>	<u>202,716</u>
Fund Balances:					
Restricted for:					
Unexpended additional spending proposal	-	-	-	-	-
Capital reserve account	9,792	-	-	-	9,792
Maintenance reserve account	540,031	-	-	-	540,031
Emergency reserve account	611,301	-	-	-	611,301
Excess surplus	-	-	-	-	-
Excess surplus -- designated for subsequent year's expenditures	-	-	-	-	-
Committed to:					
Other purposes	267,337	-	-	-	267,337
Assigned to:					
Debt service fund	-	-	-	95,384	95,384
Designated by the BOE for subsequent year's expenditures	2,326,452	-	-	-	2,326,452
Capital projects fund	-	-	113,764	-	113,764
Other purposes	-	-	-	-	-
Unassigned to:					
General fund	1,327,445	-	-	-	1,327,445
Total Fund balances	<u>5,082,358</u>	<u>-</u>	<u>113,764</u>	<u>95,384</u>	<u>5,291,506</u>
Total liabilities and fund balances	<u>\$ 5,137,258</u>	<u>\$ 147,816</u>	<u>\$ 113,764</u>	<u>\$ 95,384</u>	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets are \$99,652,180 and the accumulated depreciation is \$44,947,296.	54,704,884
Deferred outflows related to the PERS pension plan	5,707,342
Deferred inflows related to the PERS pension plan	(505,748)
Bond issuance costs are being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$888,390.	712,647
Bond premium is being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$7,618,957.	(6,836,373)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(75,131,979)
Net position of governmental activities	<u>\$ (16,057,721)</u>

**FREEHOLD TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2016**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	GAAP Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 62,798,706	\$ -	\$ -	\$ 3,465,543	\$ 66,264,249
Tuition charges	205,059	-	-	-	205,059
Interest on investments	-	-	-	-	-
Interest earned on capital reserve funds	850	-	-	-	850
Transportation fees	405,785	-	-	-	405,785
Rents and royalties	104,384	-	-	-	104,384
Miscellaneous	171,949	-	-	-	171,949
Total - Local Sources	63,686,733	-	-	3,465,543	67,152,276
State sources	9,764,626	1,632	-	39,322	9,805,580
Federal sources	46,435	1,264,018	-	-	1,310,453
Total revenues	\$ 73,497,794	\$ 1,265,650	\$ -	\$ 3,504,865	\$ 78,268,309
<b>EXPENDITURES</b>					
Current:					
Regular instruction	\$ 19,446,016	\$ 1,124,999	\$ -	\$ -	\$ 20,571,015
Special education instruction	9,164,105	-	-	-	9,164,105
Other special instruction	1,171,105	-	-	-	1,171,105
Support services and undistributed costs:					
Instruction	1,035,016	-	-	-	1,035,016
Health services	728,830	-	-	-	728,830
Other support services	6,102,918	140,651	-	-	6,243,569
Educational media services	453,148	-	-	-	453,148
Instruction staff training	103,874	-	-	-	103,874
General administrative services	765,383	-	-	-	765,383
School administrative services	2,171,277	-	-	-	2,171,277
Allowed maintenance for school facilities	1,339,420	-	-	-	1,339,420
Other operation & maintenance of plant	4,038,844	-	-	-	4,038,844
Care and upkeep of grounds	299,311	-	-	-	299,311
Security	62,065	-	-	-	62,065
Student transportation services	3,439,011	-	-	-	3,439,011
Central services	840,801	-	-	-	840,801
Admin info technology	1,142,688	-	-	-	1,142,688
Unallocated employee benefits	15,611,347	-	-	-	15,611,347
Non-budgeted expenditures	4,766,772	-	-	-	4,766,772
Special schools	-	-	-	-	-
Transfer to charter school	-	-	-	-	-
Debt service:					
Principal	-	-	-	1,515,000	1,515,000
Interest and other charges	-	-	-	1,894,481	1,894,481
Capital outlay	1,324,943	-	36,316	-	1,361,259
Total expenditures	74,006,874	1,265,650	36,316	3,409,481	78,718,321
Excess (Deficiency) of revenues over expenditures	(509,080)	-	(36,316)	95,384	(450,012)
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond refunding	-	-	-	(28,565,000)	(28,565,000)
New bonds issued	-	-	-	23,775,000	23,775,000
Premium and costs for bond issuance	-	-	-	4,790,000	4,790,000
Transfer in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	(509,080)	-	(36,316)	95,384	(450,012)
Fund balance—July 1	5,591,438	-	150,080	-	5,741,518
Fund balance—June 30	\$ 5,082,358	\$ -	\$ 113,764	\$ 95,384	\$ 5,291,506

See accompanying notes to financial statements.

FREEHOLD TOWNSHIP SCHOOL DISTRICT  
SUMMARY  
JULY 1, 2015 THROUGH JUNE 30, 2016  
(Continued)

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Status of Prior Year's Findings/Recommendations

Corrected