

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
COUNTY OF MONMOUTH, NEW JERSEY

FISCAL YEAR ENDED JUNE 30, 2012

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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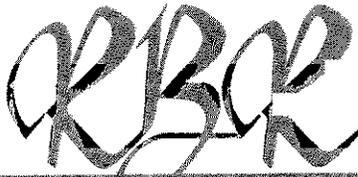
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## INTRODUCTORY SECTION

**Christina M. Galvao**  
School Business Administrator  
Board Secretary



101 Ridge Road  
Little Silver, New Jersey 07739  
Phone: (732) 842-8000 Ext. 1-218  
Fax: (732) 842-8504  
cgalvao@rbrhs.org

**RED BANK REGIONAL HIGH SCHOOL**

OUR MISSION: TO ENSURE THE ACADEMIC SUCCESS & PERSONAL GROWTH OF ALL STUDENTS WHILE DEVELOPING IN THEM A PASSION FOR LEARNING

January 16, 2013

Honorable President and  
Members of the Board of Education  
Red Bank Regional High School District  
Little Silver, New Jersey 07739

Dear Board Members:

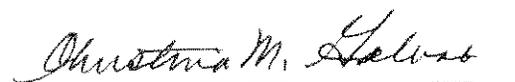
The comprehensive annual financial report of the Red Bank Regional High School District ("District") for the fiscal year ending June 30, 2012 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Red Bank Regional High School Board of Education ("Board"). To the best of our knowledge and belief, the 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 operation of the various funds and account groups 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: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a roster of principal officials and a list of consultants and advisors. The financial section includes the district-wide and fund financial statements and schedules, as well as the auditor's report and the Management's Discussion and Analysis. The statistical section includes selected financial statements and schedules as well as information generally presented on a multi-year basis.

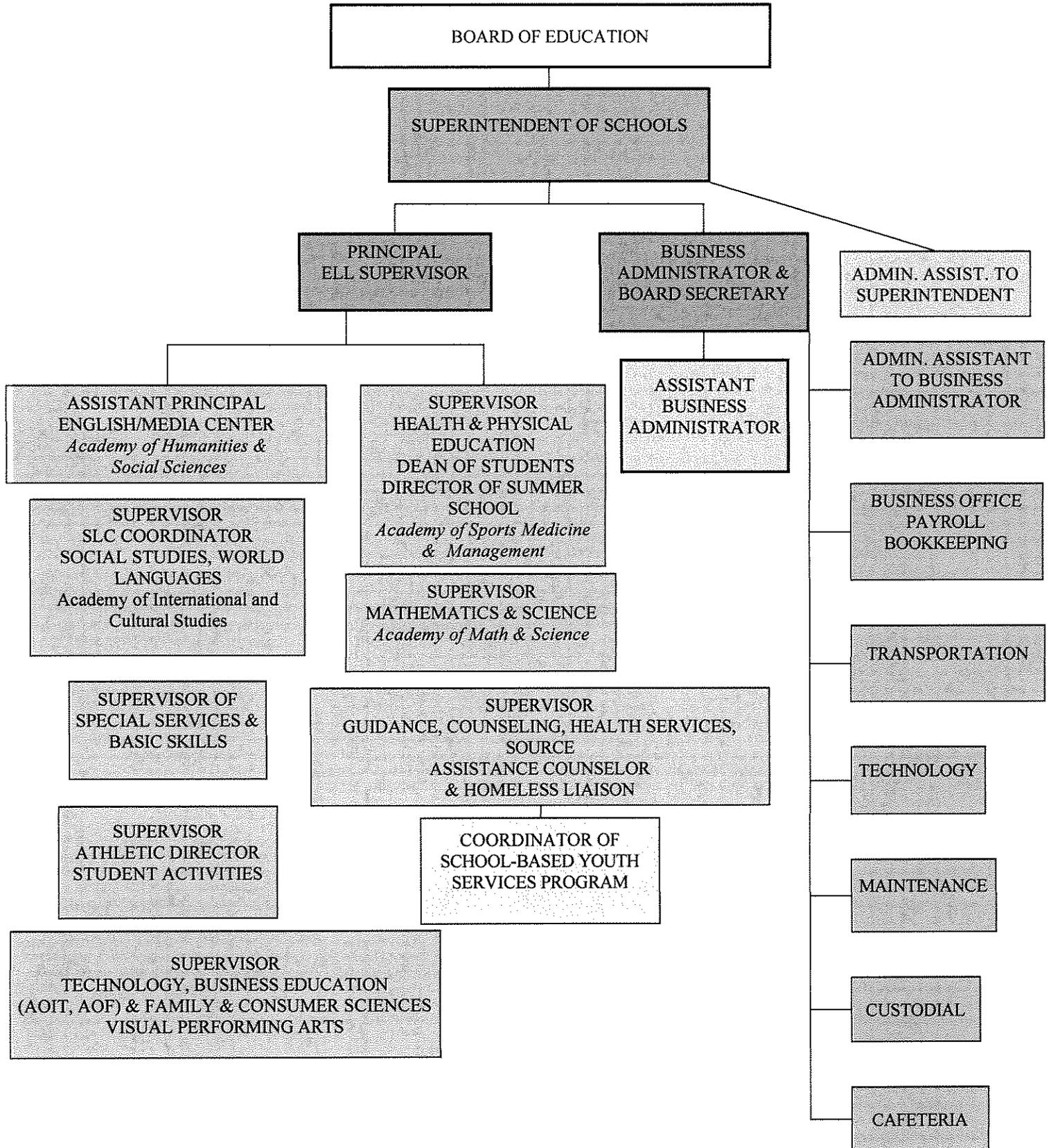
The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the State Treasury OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

Respectfully submitted,

  
James Stefankiewicz  
Superintendent of Schools

  
Christina M. Galvao  
Business Administrator/Board Secretary

**RED BANK REGIONAL HIGH SCHOOL  
ADMINISTRATIVE CHART  
2011-2012  
Approved 5/18/11**



RED BANK REGIONAL BOARD OF EDUCATION  
LITTLE SILVER, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2012

<u>Members of the Board of Education</u>	<u>Term Expires</u>
John Garofalo, President	2014
Emily A. Doherty, Vice-President	2013
Frank Neary, Jr.	2014
Seth Rosen	2014
Ronald S. Horton	2013
Ann Ciabattoni	2013
Michael N. Megill	2012
Nilsa Samol	2012
Randy Mendelson	2012

Other Officials

James M. Stefankiewicz Superintendent

Christina M. Galvao, Board Secretary/Business Administrator

Anthony Sciarrillo, Esq., Board Attorney

RED BANK REGIONAL BOARD OF EDUCATION  
LITTLE SILVER, NEW JERSEY

CONSULTANTS AND ADVISORS

JUNE 30, 2012

Architect

The Gibson Tarquini Group  
764 Cuthbert Boulevard  
Cherry Hill, New Jersey 08002

Accountant/Auditor

Robert W. Allison, CPA, RMA  
Hutchins, Farrell, Meyer & Allison, P.A.  
912 Highway 33, Suite 2  
Freehold, New Jersey 07728

Attorney

Anthony Sciarrillo, Esq.  
PO Box 2369  
Westfield, New Jersey 07091

Fiscal Agents

McManimon & Scotland  
1037 Raymond Boulevard, Suite 400  
Newark, New Jersey 07102

Official Depositories

TD Bank  
568 River Road  
Fair Haven, New Jersey 07704

Investors Savings Bank  
20 White Street  
Red Bank, New Jersey 07701

## FINANCIAL SECTION

# Hutchins, Farrell, Meyer & Allison, P.A.

Certified Public Accountants • Business & Financial Advisors

Robert H. Hutchins, CPA, CVA, CFF  
Eugene M. Farrell, CPA, RMA, CFP  
Robert W. Allison, CPA, RMA  
Alan E. Meyer, CPA/ABV, CFF  
Joann DiLieto, CPA

Patrice R. Antonucci, CPA  
Glenn G. VanPell, CPA  
Karen D. Davis, CPA, CVA  
Crystal L. Fitzpatrick, CPA  
Hélène T. Morizzo, CPA

Monmouth County Office  
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Ocean County Office  
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Toms River, NJ 08754  
(732) 240-5600  
Fax: (732) 505-8358

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Red Bank Regional School District  
County of Monmouth  
Little Silver, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of the Red Bank Regional School District, in the County of Monmouth, State of New Jersey as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Red Bank Regional Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Red Bank Regional Board of Education, in the County of Monmouth, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 19, 2012 on our consideration of the Red Bank Regional Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison information on pages 8 through 16 and 51 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted to 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Red Bank Regional Board of Education's financial statements as a whole. The Introductory Section, Combining and Individual Fund Financial Statements, and Statistical Section are presented for purposes of additional analysis and are not a required part of the financial statements. 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 ("OMB") Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid, respectively, and are also not a required part of the financial statements. The Combining and Individual Fund Financial Statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to

Honorable President and Members  
of the Board of Education  
Red Bank Regional School District  
County of Monmouth  
Page 3

prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The Introductory and Statistical Sections have 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 them.



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Robert W. Allison  
Licensed Public School Accountant  
No. 897  
Hutchins, Farrell, Meyer & Allison, P.A.

October 19, 2012

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**RED BANK REGIONAL HIGH SCHOOL DISTRICT  
101 RIDGE ROAD, LITTLE SILVER, NJ 07739**

**MONMOUTH COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Unaudited)**

**Introduction**

The discussion and analysis of Red Bank Regional High School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

The Statement of Net Assets presents the district's assets and liabilities in order of liquidity, except for liabilities with current and long-term elements that will be presented accordingly. Net assets represent the difference between assets and liabilities, and will be presented in three categories: invested in capital assets net of related debt, restricted assets and unrestricted assets. Using this methodology requires depreciation of capital assets.

The Statement of Activities provides an overview of the cost of providing educational services by major categories of expense and revenue. These two statements report the district's net assets and how they have changed year to year, reflecting a variety of influences such as the current change in educational philosophy (resulting in increased purchases of new materials, consultants, etc.), voter approval of tax levy, interest income, successful grant applications, etc. An additional factor influencing these results is the level of state funding received, which has remained at a flat level over the past five years.

**Financial Highlights**

Key financial highlights for 2012 are as follows:

- ◆ General revenues accounted for \$23,264,352.68 in revenue or 83.30% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,663,188.53 or 16.70% of total revenues of \$27,927,541.21.
- ◆ Total net assets increased by \$122,408.61.
- ◆ The School District had \$27,805,132.60 in expenses; only \$4,663,188.53 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$23,264,352.68 were adequate to provide for these programs.
- ◆ The General Fund had \$24,968,531.52 in revenues and \$25,157,296.71 in expenditures. The General Fund's balance decreased \$188,765.19 over 2012.

**Using this General Accepted Accounting Principles Report (GAAP)**

The Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets as of June 30, 2011 and June 30, 2012.

Table 1

Net Assets

	<u>2012</u>	<u>2011</u>
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 2,978,922.06	\$ 2,475,748.01
Interfund Receivable	30,575.72	300.00
Accounts Receivables	995,154.04	1,698,430.54
Inventory	951.75	936.97
Deferred Financing Costs, Net	112,267.66	123,493.83
Capital Assets, Net	<u>23,931,760.25</u>	<u>24,046,408.06</u>
<b>Total Assets</b>	<u>28,049,631.48</u>	<u>28,345,317.41</u>
<b>Liabilities:</b>		
Accounts Payable	342,198.74	160,259.14
Accrued Expenses	101,210.63	105,824.79
Interfunds Payable	30,575.72	300.00
Payable to Federal Government		6,378.32
Payable to State Government	14,671.21	7,980.96
Deferred Revenue	53,293.27	46,029.33
<b>Noncurrent Liabilities:</b>		
Due Within One Year	507,030.00	526,013.41
Due Beyond One Year	<u>5,541,287.62</u>	<u>6,155,575.78</u>
<b>Total Liabilities</b>	<u>6,590,267.19</u>	<u>7,008,361.73</u>
<b>Net Assets:</b>		
Invested in Capital Assets, Net of Related Debt	18,066,184.54	17,594,274.78
<b>Restricted for:</b>		
Capital Projects	958,736.19	510,227.73
General Fund	1,898,724.45	2,726,006.13
Debt Service Fund	27,987.88	
Unrestricted	<u>507,731.23</u>	<u>506,447.04</u>
<b>Total Net Assets</b>	<u>\$ 21,459,364.29</u>	<u>\$ 21,336,955.68</u>

Table 2

Changes in Net Assets

	<u>2012</u>	<u>2011</u>
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 4,309,668.45	\$ 4,306,586.08
Operating Grants and Contributions	353,520.08	127,371.46
Capital Grants and Contributions		(184,758.73)
General Revenues:		
Property Taxes	19,361,708.00	19,052,310.00
Grants and Entitlements	3,832,254.84	3,623,021.41
Other	<u>70,389.84</u>	<u>106,938.95</u>
 Total Revenues	 <u>27,927,541.21</u>	 <u>27,031,469.17</u>
<u>Program Expenses</u>		
Instruction	14,239,343.09	14,476,993.23
Support Services:		
Pupils and Instructional Staff	5,268,316.43	5,333,924.34
General Administration, School Administration, Business Operations and Maintenance of Facilities	5,129,737.44	4,401,524.29
Pupil Transportation	1,373,948.18	1,458,274.79
Special Schools	21,938.39	31,094.44
Interest on Long-Term Debt	162,953.27	122,677.58
Food Service	713,221.63	720,630.98
Other	<u>895,674.17</u>	<u>895,674.17</u>
 Total Expenses	 <u>27,805,132.60</u>	 <u>27,440,793.82</u>
 Increase/(Decrease) in Net Assets	 <u>\$ 122,408.61</u>	 <u>\$ (409,324.65)</u>

**Governmental Activities**

On February 1, 2012, the Board of Education approved eliminating the vote on its annual school budget that is within the statutory cap imposed by the State of New Jersey and moving the annual school election to November in accordance with Public Law S-1348. The decision was made based on the Board's determination that the statutory restrictions on the local tax levy increase for the annual school appropriations is appropriate and sufficient to control and maintain a thorough and efficient education for the students of the Red Bank Regional School District.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services, identifying the cost of these services supported by tax revenue and unrestricted State entitlements. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

Governmental Activities

	2012		2011	
	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>
Instruction	\$ 14,239,343.09	\$ 14,239,343.09	\$ 14,476,993.23	\$ 11,256,107.70
Support Services:				
Pupils and Instructional Staff	5,268,316.43	1,779,590.48	5,333,924.34	5,333,924.34
General Administration, School Administration, Business	2,365,021.00	2,365,021.00	2,171,234.09	2,171,234.09
Operation and Maintenance of Facilities	2,764,716.44	2,764,716.44	2,230,290.20	2,230,290.20
Pupil Transportation	1,373,948.18	939,677.55	1,458,274.79	1,162,146.27
Special Schools	21,938.39	21,938.39	31,094.44	31,094.44
Interest on Long-Term Debt	162,953.27	162,953.27	122,677.58	122,677.58
Other	<u>895,674.17</u>	<u>895,674.17</u>	<u>895,674.17</u>	<u>895,674.17</u>
Total Expenses	<u>\$ 27,091,910.97</u>	<u>\$ 23,168,914.39</u>	<u>\$ 26,720,162.84</u>	<u>\$ 23,203,148.79</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to pupils including curriculum and staff development. Curriculum and staff development includes expenses associated with research, planning, development and evaluation of educational materials and methodology intended to accomplish the District's mission "to ensure the academic success and personal growth of all students while developing a passion for learning."

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

Operation and maintenance of plant activities involve keeping the school grounds, buildings, and equipment operating efficiently and effectively. The district's in-house staff of maintenance workers and the contracted custodial service is charged with keeping the district's facilities functioning.

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. Additionally it provides for the transportation for those students attending out of district schools by school or parent designation.

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

Other includes unallocated depreciation.

## The School District's Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$27,187,349.26 and expenditures of \$27,570,462.51. This reflects the bond proceeds that are not included in revenue on the District's Statement of Activities.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding Capital Projects) for the fiscal year ended June 30, 2012, and the amount and percentage of increases and decreases in relation to prior-year revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2010/11</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 23,136,085.99	85.53%	\$ 288,817.43	1.25%
State Sources	3,125,010.29	11.55	469,976.37	15.04
Federal Sources	<u>789,087.06</u>	<u>2.92</u>	<u>(192,653.69)</u>	<u>(24.41)</u>
Total	<u>\$ 27,050,183.34</u>	<u>100.00%</u>	<u>\$ 566,140.11</u>	<u>2.09%</u>

The increase in Local Sources is attributed to an increase in tuition revenue and the school tax levy.

The increase in State Sources is attributed to an increase in state aid.

The decrease in Federal Sources is attributed to a decrease in federal grants.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2012:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2010/11</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 10,226,240.06	37.53%	\$ (468,929.17)	(4.59)%
Undistributed Expenditures	15,650,753.07	57.43	834,823.99	5.33
Capital Outlay	617,555.40	2.27	470,162.32	76.13
Debt Service:				
Principal	485,000.00	1.78	(30,000.00)	(6.19)
Interest	<u>269,125.00</u>	<u>0.99</u>	<u>30,671.25</u>	11.40
	<u>\$ 27,248,673.53</u>	<u>100.00%</u>	<u>\$ 836,728.39</u>	<u>3.07%</u>

The decrease in Instruction is attributed to a decrease in instructional salaries.

The increase in Undistributed Expenditures is due to an increase in construction projects.

The increase in Capital Outlay is due to an increase in capital outlay projects.

### **General Fund Budgeting Highlights**

The School District's budget is prepared according to New Jersey legislative code and Department of Education guidelines 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.

The original and final General Fund budget estimated revenue was \$22,803,787.00.

During fiscal year 2011-12, final budgetary area in the General Fund that exceeded the original budget was limited to Administration. These changes were based on an increase in legal costs.

## Capital Assets

At the end of the fiscal year 2012, the School District had \$23,846,119.99 invested in Land, Construction in Progress, Site Improvements, Building and Building Improvements, and Machinery and Equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Land	\$ 5,379,640.00	\$ 5,379,640.00
Construction in Progress	736,694.28	16,843.01
Site Improvements	1,355,469.00	1,466,508.00
Building and Improvements	15,670,659.00	16,422,837.00
Equipment and Machinery	<u>703,657.71</u>	<u>708,400.00</u>
Total	<u>\$ 23,846,119.99</u>	<u>\$ 23,994,228.01</u>

The District has continued to train its faculty on differentiated instruction to address the core of the District mission statement, "to ensure the academic success...of all students." The implementation of this training in the classroom relies heavily on a flexible technology infrastructure. The continued establishment of this infrastructure, including the purchase of new technology, has also contributed to the increased value of the District's Capital Assets.

## Debt Administration

At June 30, 2012, the District had a 17-year Refunding School Bond with an unpaid principal balance of \$945,000.00 for the refinancing of an early retirement pension obligation due to the State of New Jersey. The District also had a 12-year Refunding School Bond with an unpaid principal balance of \$4,855,000.00.

Table 5

Outstanding Debt at June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
2010 Refunding Bonds	\$ 4,855,000.00	\$ 5,260,000.00
2003 Refunding Bonds	<u>945,000.00</u>	<u>1,025,000.00</u>
Total	<u>\$ 5,800,000.00</u>	<u>\$ 6,285,000.00</u>

At June 30, 2012, the School District's overall legal debt margin was \$140,420,289.00.

## **Current Financial Issues and Concerns**

The Red Bank Regional High School District is in very good financial condition presently earning an AA bond rating from Standard and Poors in March 2010. A major concern is the funding mechanism for state aid to education that causes an increased reliance on local property taxes. The Red Bank Regional constituent towns (Little Silver, Red Bank and Shrewsbury) are primarily residential communities, with comparatively few commercial ratables; thus the burden is focused on homeowners to foot the tax burden.

The Board of Education and Administration annually conduct a review of cost centers in the District to determine where costs savings may be effectuated. Additionally, the District continues to add to the number of shared services agreements with other local school districts and municipalities that will result in cost savings to the residents of the District.

The Board and administration remain extremely sensitive to the financial concerns of the taxpayers, particularly those on fixed incomes, and will be diligently searching for alternate sources of revenue and cost reductions. Consistent with this concern, the District utilizes a five-year budget model that assesses the tactical and strategic impact that legislative changes and operational efficiencies place upon the District's future year budgets.

In general, the Red Bank Regional Board of Education has consistently committed itself to sound, conservative fiscal management, providing the most efficient and effective education possible given the demands and challenges associated with the need to improve students' academic performances, and there is no reason to believe that this commitment will not continue as the District moves forward.

## **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 questions on this report or need additional financial information, please contact Christina M. Galvao, School Business Administrator/Board Secretary at Red Bank Regional Board of Education, 101 Ridge Road, Little Silver, NJ 07739 or send an e-mail to [cgalvao@rbrhs.org](mailto:cgalvao@rbrhs.org).

## BASIC FINANCIAL STATEMENTS

## DISTRICT-WIDE FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities display information about the District. These Statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These Statements distinguish between the governmental and business-type activities of the District.

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

## STATEMENT OF NET ASSETS

June 30, 2012

	Governmental Activities	Business -Type Activities	Total
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 2,770,362.53	\$ 208,559.53	\$ 2,978,922.06
Accounts Receivable	946,295.86	48,858.18	995,154.04
Interfund Receivable		30,575.72	30,575.72
Deferred Financing Costs, Net	112,267.66		112,267.66
Inventory		951.75	951.75
Capital Assets, Net	<u>23,846,119.99</u>	<u>85,640.26</u>	<u>23,931,760.25</u>
<b>Total Assets</b>	<u>27,675,046.04</u>	<u>374,585.44</u>	<u>28,049,631.48</u>
<b>Liabilities:</b>			
Accounts Payable	153,811.05	188,387.69	342,198.74
Accrued Expenses	101,210.63		101,210.63
Interfunds Payable	30,575.72		30,575.72
Payable To State Government	14,671.21		14,671.21
Deferred Revenue	49,245.66	4,047.61	53,293.27
<b>Noncurrent Liabilities:</b>			
Due Within One Year	507,030.00		507,030.00
Due Beyond One Year	<u>5,541,287.62</u>		<u>5,541,287.62</u>
<b>Total Liabilities</b>	<u>6,397,831.89</u>	<u>192,435.30</u>	<u>6,590,267.19</u>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	17,980,544.28	85,640.26	18,066,184.54
<b>Restricted for:</b>			
Capital Projects	958,736.19		958,736.19
General Fund	1,898,724.45		1,898,724.45
Debt Service Fund	27,987.88		27,987.88
Unrestricted	<u>411,221.35</u>	<u>96,509.88</u>	<u>507,731.23</u>
<b>Total Net Assets</b>	<u>\$ 21,277,214.15</u>	<u>\$ 182,150.14</u>	<u>\$ 21,459,364.29</u>

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

RED BANK REGIONAL HIGH SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

For the fiscal year ended June 30, 2012

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>								
Instruction:								
Regular	\$ 7,879,495.26	\$ 3,089,431.14	\$ 10,968,926.40	\$ (10,968,926.40)	\$ (10,968,926.40)	\$ (10,968,926.40)		
Special Education	1,070,211.14	500,350.35	1,570,561.49	(1,570,561.49)	(1,570,561.49)	(1,570,561.49)		
Other Special Instruction	413,823.81	180,246.33	594,070.14	(594,070.14)	(594,070.14)	(594,070.14)		
Other Instruction	847,508.35	298,276.71	1,105,785.06	(1,105,785.06)	(1,105,785.06)	(1,105,785.06)		
Support Services:								
Tuition	1,178,396.15		1,178,396.15	3,488,725.95	2,310,329.80	2,310,329.80		
Student and Instruction Related Services	2,972,510.07	1,117,410.21	4,089,920.28	(4,089,920.28)	(4,089,920.28)	(4,089,920.28)		
School Administrative Services	585,147.41	254,819.82	839,967.23	(839,967.23)	(839,967.23)	(839,967.23)		
General Administration	659,053.93	324,438.17	983,492.10	(983,492.10)	(983,492.10)	(983,492.10)		
Central Services	435,967.77		435,967.77	(435,967.77)	(435,967.77)	(435,967.77)		
Admin Information Technology	105,593.90		105,593.90	(105,593.90)	(105,593.90)	(105,593.90)		
Plant Operations and Maintenance	2,533,427.41	231,289.03	2,764,716.44	(2,764,716.44)	(2,764,716.44)	(2,764,716.44)		
Pupil Transportation	1,349,730.35	24,217.83	1,373,948.18	(939,677.55)	(939,677.55)	(939,677.55)		
Special Schools	19,612.84	2,325.55	21,938.39	(21,938.39)	(21,938.39)	(21,938.39)		
Interest on Long-Term Debt	162,953.27		162,953.27	(162,953.27)	(162,953.27)	(162,953.27)		
Unallocated Depreciation and Amortization	11,226.17	884,448.00	895,674.17	(895,674.17)	(895,674.17)	(895,674.17)		
<b>Total Government Activities</b>	<b>20,224,657.83</b>	<b>6,867,253.14</b>	<b>27,091,910.97</b>	<b>3,703,988.15</b>	<b>219,008.43</b>	<b>(23,168,914.39)</b>		<b>(23,168,914.39)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>								
Food Service	713,221.63		713,221.63	605,680.30	134,511.65	26,970.32		26,970.32
<b>Total Business-Type Activities</b>	<b>713,221.63</b>		<b>713,221.63</b>	<b>605,680.30</b>	<b>134,511.65</b>	<b>26,970.32</b>		<b>26,970.32</b>
<b>Total Primary Government</b>	<b>20,937,879.46</b>	<b>6,867,253.14</b>	<b>27,805,132.60</b>	<b>4,309,668.45</b>	<b>353,520.08</b>	<b>(23,168,914.39)</b>	<b>0.00</b>	<b>(23,141,944.07)</b>
<b>GENERAL REVENUES</b>								
Property Taxes Levied for:								
General Purposes								
Debt Service								
Federal and State Aid Not Restricted								
Investment Earnings								
Miscellaneous Income								
<b>Total General Revenues</b>								
Change in Net Assets								
Net Assets - Beginning								
Net Assets - Ending								

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

## FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

## BALANCE SHEET

## GOVERNMENTAL FUNDS

For the fiscal year ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 2,289,759.96		\$ 452,614.69	\$ 27,987.88	\$ 2,770,362.53
Due From Other Funds	141,551.24				141,551.24
Receivables From Other Governments:					
State	185,201.41	\$ 6,159.43	30,257.00		221,617.84
Federal	34,347.70	205,612.60			239,960.30
Other Receivables	<u>453,786.01</u>	<u>30,931.71</u>			<u>484,717.72</u>
<b>Total Assets</b>	<u>3,104,646.32</u>	<u>242,703.74</u>	<u>482,871.69</u>	<u>27,987.88</u>	<u>3,858,209.63</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts Payable	116,575.42	37,235.63			153,811.05
Interfund Payable	30,575.72	141,551.24			172,126.96
Payable To State Government		14,671.21			14,671.21
Deferred Revenue		<u>49,245.66</u>			<u>49,245.66</u>
<b>Total Liabilities</b>	<u>147,151.14</u>	<u>242,703.74</u>			<u>389,854.88</u>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
<b>Reserved Excess Surplus:</b>					
Designated for Subsequent Year's Expenditures	331,019.64				331,019.64
Reserve for Excess Surplus	611,657.06				611,657.06
Capital Reserve	475,864.50				475,864.50
Maintenance Reserve	200,350.00				200,350.00
Emergency Reserve	124,448.00				124,448.00
Capital Projects Fund			482,871.69		482,871.69
Debt Service Fund				27,987.88	27,987.88
<b>Assigned:</b>					
Year-End Encumbrances	480,832.39				480,832.39
Designated for Subsequent Year's Expenditures	150,417.36				150,417.36
Unassigned	<u>582,906.23</u>				<u>582,906.23</u>
<b>Total Fund Balances</b>	<u>2,957,495.18</u>		<u>482,871.69</u>	<u>27,987.88</u>	<u>3,468,354.75</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,104,646.32</u>	<u>\$ 242,703.74</u>	<u>\$ 482,871.69</u>	<u>\$ 27,987.88</u>	

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

The costs associated with the issues of the various bonds are expensed in the governmental funds in the year the bonds are issued but are capitalized on the statement of net assets. The bond issuance cost are \$175,107.00 and the accumulated amortization is \$62,839.34.

112,267.66

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$39,389,852.39 and the accumulated depreciation is \$15,543,732.40 (See Note 11).

23,846,119.99

Accrued interest on long-term liabilities is not reported as liabilities in the fund.

(101,210.63)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the fund (See Note 12).

(6,048,317.62)

Net Assets of Governmental Activities

\$ 21,277,214.15

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

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

## GOVERNMENTAL FUNDS

For the fiscal year ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues:					
Local Sources:					
Local Tax Levy	\$ 18,617,308.00			\$ 744,400.00	\$ 19,361,708.00
Tuition Charges	3,488,725.95				3,488,725.95
Transportation Fees	215,262.20				215,262.20
Interest Earned on Capital Reserve Funds	636.77				636.77
Interest Earned on Emergency Reserve	150.00				150.00
Interest Earned on Maintenance Reserve	350.00				350.00
Miscellaneous	48,762.02	\$ 20,491.05			69,253.07
<b>Total - Local Sources</b>	<b>22,371,194.94</b>	<b>20,491.05</b>		<b>744,400.00</b>	<b>23,136,085.99</b>
State Sources	2,544,442.58	580,567.71	\$ 137,165.92		3,262,176.21
Federal Sources	52,894.00	736,193.06			789,087.06
<b>Total Revenues</b>	<b>24,968,531.52</b>	<b>1,337,251.82</b>	<b>137,165.92</b>	<b>744,400.00</b>	<b>27,187,349.26</b>
Expenditures:					
Current:					
Regular Instruction	6,890,389.87	995,289.39			7,885,679.26
Special Education Instruction	1,080,826.14				1,080,826.14
Other Special Instruction	412,226.31				412,226.31
Other Instruction	847,508.35				847,508.35
Support Services and Undistributed Costs:					
Tuition	1,178,396.15				1,178,396.15
Student and Instruction Related Services	2,641,105.14	341,962.43			2,983,067.57
General Administration	661,478.93				661,478.93
School Administrative Services	603,677.41				603,677.41
Central Services	435,967.77				435,967.77
Administrative Information Technology	105,593.90				105,593.90
Plant Operations and Maintenance	2,506,522.41				2,506,522.41
Pupil Transportation	1,349,730.35				1,349,730.35
Employee Benefits	5,806,705.74				5,806,705.74
Special Schools	19,612.84				19,612.84
Debt Service:					
Principal				485,000.00	485,000.00
Interest and Other Charges				269,125.00	269,125.00
Capital Outlay	617,555.40		321,788.98		939,344.38
<b>Total Expenditures</b>	<b>25,157,296.71</b>	<b>1,337,251.82</b>	<b>321,788.98</b>	<b>754,125.00</b>	<b>27,570,462.51</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(188,765.19)		(184,623.06)	(9,725.00)	(383,113.25)
Other Financing Sources/(Uses):					
Capital Outlay - Transfer to Capital Projects	(6,710.68)		6,710.68		
Capital Reserve - Transfer to Capital Projects	(235,000.00)		235,000.00		
<b>Total Other Financing Sources/(Uses)</b>	<b>(241,710.68)</b>		<b>241,710.68</b>		
<b>Net Change in Fund Balances</b>	<b>(430,475.87)</b>		<b>57,087.62</b>	<b>(9,725.00)</b>	<b>(383,113.25)</b>
Fund Balance - July 1	3,387,971.05		425,784.07	37,712.88	3,851,468.00
<b>Fund Balance - June 30</b>	<b>\$ 2,957,495.18</b>	<b>\$ 0.00</b>	<b>\$ 482,871.69</b>	<b>\$ 27,987.88</b>	<b>\$ 3,468,354.75</b>

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

For the fiscal year ended June 30, 2012

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ (383,113.25)
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, on 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 current fiscal year.		
Depreciation Expense	\$ (1,060,547.40)	
Capital Outlay	<u>912,439.38</u>	(148,108.02)
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.		485,000.00
Bond discount, bond premium, issuance costs and gain or loss on bond refundings are amortized over the lives of the bonds in the Statement of Activities but are recorded as an addition from the proceeds from sales of bonds in the governmental funds.		90,331.40
In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacation and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.		46,714.00
In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest from the previous year is an increase in the reconciliation.		<u>4,614.16</u>
Change in Net Assets of Governmental Activities		<u>\$ 95,438.29</u>

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

## STATEMENT OF FUND NET ASSETS

## PROPRIETARY FUNDS

For the fiscal year ended June 30, 2012

	<u>Business-Type Activities - Enterprise Funds</u>
Assets:	
Current Assets:	
Cash and Cash Equivalents	\$ 208,559.53
Accounts Receivable:	
State	129.25
Federal	4,103.68
Other	44,625.25
Interfund Receivable	30,575.72
Inventories	<u>951.75</u>
Total - Current Assets	<u>288,945.18</u>
Noncurrent Assets:	
Furniture, Machinery and Equipment	169,926.35
Less:	
Accumulated Depreciation	<u>(84,286.09)</u>
Total - Noncurrent Assets	<u>85,640.26</u>
Total Assets	<u><u>\$ 374,585.44</u></u>
Liabilities:	
Current Liabilities:	
Accounts Payable	\$ 188,387.69
Deferred Revenue	<u>4,047.61</u>
Total Liabilities	<u><u>\$ 192,435.30</u></u>
Net Assets:	
Invested in Capital Assets Net of Related Debt	\$ 85,640.26
Unrestricted	<u>96,509.88</u>
Total Net Assets	<u><u>\$ 182,150.14</u></u>

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

## PROPRIETARY FUNDS

For the fiscal year ended June 30, 2012

	Business-Type Activities - <u>Enterprise Funds</u> <u>Food Service</u>
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 143,240.13
Daily Sales - Non-Reimbursable Programs	216,285.74
Other LEAs	228,194.27
Miscellaneous	<u>17,960.16</u>
Total Operating Revenues	<u>605,680.30</u>
Operating Expenses:	
Salaries	259,158.72
Support Services - Employee Benefits	43,142.97
Purchased Professional/Technical Services	53,708.31
Other Purchased Services	22,168.02
Supplies and Materials	5,622.90
Depreciation	6,068.09
Cost of Sales	321,783.50
Miscellaneous Expenditures	<u>1,569.12</u>
Total Operating Expenses	<u>713,221.63</u>
Operating Loss	<u>(107,541.33)</u>
Nonoperating Revenues:	
State Sources:	
State School Lunch Program	3,729.31
Federal Sources:	
Federal School Lunch Program	87,536.56
Federal School Breakfast Program	18,330.13
Food Distribution Program	<u>24,915.65</u>
Total Nonoperating Revenues	<u>134,511.65</u>
Change in Net Assets	26,970.32
Total Net Assets - Beginning	<u>155,179.82</u>
Total Net Assets - Ending	<u>\$ 182,150.14</u>

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUNDS

For the fiscal year ended June 30, 2012

	Business-Type Activities - <u>Enterprise Funds</u> <u>Food Service</u>
Cash Flows From Operating Activities:	
Receipts From Customers	\$ 590,834.82
Payments To Employees	(205,773.51)
Payments For Employee Benefits	(33,188.52)
Payments To Suppliers	<u>(327,476.95)</u>
Net Cash Used For Operating Activities	<u>24,395.84</u>
Cash Flows From Noncapital Financing Activities:	
Federal and State Sources	<u>96,020.47</u>
Net Cash Provided By Noncapital Financing Activities	<u>96,020.47</u>
Cash Flows From Capital and Related Financing Activities:	
Purchases of Capital Assets	<u>(39,528.30)</u>
Net Cash Used For Capital and Related Financing Activities	<u>(39,528.30)</u>
Net Increase in Cash and Cash Equivalents	80,888.01
Balance - Beginning of Year	<u>127,671.52</u>
Balance - End of Year	<u><u>\$ 208,559.53</u></u>
Reconciliation of Operating Loss To Net Cash Used For Operating Activities:	
Operating Loss	\$ (107,541.33)
Adjustments To Reconcile Operating Loss To Net Cash Used For Operating Activities:	
Depreciation	6,068.09
Donated Commodities Received During the Year	24,915.65
(Increase)/Decrease in Interfund Receivable	(15,717.86)
(Increase)/Decrease in Accounts Receivable	(36,379.09)
(Increase)/Decrease in Inventories	(14.78)
Increase/(Decrease) in Accounts Payable	150,938.69
Increase/(Decrease) in Deferred Revenue	<u>2,126.47</u>
Total Adjustments	<u>131,937.17</u>
Net Cash Used For Operating Activities	<u><u>\$ 24,395.84</u></u>

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

## STATEMENT OF FIDUCIARY NET ASSETS

## FIDUCIARY FUNDS

June 30, 2012

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Agency Fund	Totals
Assets:				
Cash and Cash Equivalents	\$ 98,045.73	\$ 3,030,874.11	\$ 417,999.06	\$ 3,546,918.90
Due From Payroll Agency Fund	293.49			293.49
Due From Student Activities Fund			4,771.75	4,771.75
Other Accounts Receivable	<u>412.98</u>		<u>297.36</u>	<u>710.34</u>
Total Assets	<u>\$ 98,752.20</u>	<u>\$ 3,030,874.11</u>	<u>\$ 423,068.17</u>	<u>\$ 3,552,694.48</u>
Liabilities:				
Accounts Payable		\$ 1,395.00		\$ 1,395.00
Due To:				
Unemployment Trust Fund			\$ 293.49	293.49
State	\$ 2,411.09			2,411.09
Due to Payroll Agency Fund			4,771.75	4,771.75
Payable To Student Groups			188,572.12	188,572.12
Payroll Deductions and Withholdings			<u>229,430.81</u>	<u>229,430.81</u>
Total Liabilities	<u>2,411.09</u>	<u>1,395.00</u>	<u>423,068.17</u>	<u>426,874.26</u>
Net Assets:				
Held in Trust for Unemployment Claims and Other Purposes	96,341.11			96,341.11
Nonexpendable Scholarship Reserved for Scholarships		2,852,769.72		2,852,769.72
		<u>176,709.39</u>		<u>176,709.39</u>
Total Net Assets	<u>96,341.11</u>	<u>3,029,479.11</u>		<u>3,125,820.22</u>
Total Liabilities and Net Assets	<u>\$ 98,752.20</u>	<u>\$ 3,030,874.11</u>	<u>\$ 423,068.17</u>	<u>\$ 3,552,694.48</u>

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS

For the fiscal year ended June 30, 2012

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Fund</u>
Additions:		
Employee Contributions	\$ 26,890.96	<u>                    </u>
Total Contributions	<u>26,890.96</u>	<u>                    </u>
Investment Earnings:		
Interest	<u>119.94</u>	\$ 54,511.73
Net Investment Earnings	<u>119.94</u>	<u>54,511.73</u>
Total Additions	<u>27,010.90</u>	<u>54,511.73</u>
Deductions:		
Quarterly Contribution Reports	7,911.42	
Payment of Claims	48,917.72	
Scholarships Awarded		54,250.00
Administrative Expenses		<u>1,395.00</u>
Total Deductions	<u>56,829.14</u>	<u>55,645.00</u>
Change in Net Assets	(29,818.24)	(1,133.27)
Net Assets - Beginning of Year	<u>126,159.35</u>	<u>3,030,612.38</u>
Net Assets - End of Year	<u>\$ 96,341.11</u>	<u>\$ 3,029,479.11</u>

# RED BANK REGIONAL HIGH SCHOOL DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education ("Board") of the Red Bank Regional High School District ("District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("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 Red Bank Regional High 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 staggered terms. The purpose of the District is to educate students in grades 9-12. The Red Bank Regional High School District had an approximate enrollment of 1150 students at June 30, 2012.

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental 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

Based on the aforementioned criteria, the District has no component units.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Basis of Presentation, Basis of Accounting:**

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Assets and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information.

**Basis of Presentation**

District-Wide Statements: The Statement of Net Assets and the Statement of Activities display information about the District as a whole. These Statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These Statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Assets presents the financial condition of the governmental and business-type activity of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The Fund Financial Statements provide information about the District's funds, including its fiduciary funds. Separate statements for each Fund category – governmental, proprietary, and fiduciary – are presented. The New Jersey Department of Education ("NJDOE") 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 NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among District financial reporting models.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Basis of Presentation, Basis of Accounting (Cont'd):**

**Basis of Presentation (Cont'd):**

The District reports the following governmental funds:

**General Fund** - The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment, which are classified in the Capital Outlay subfund.

As required by the NJDOE, the District includes budgeted capital outlay in this Fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated Fund Balance. Expenditures are those that result in the acquisition of or additions to Fixed Assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**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). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Debt Service 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.

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Basis of Presentation, Basis of Accounting (Cont'd):**

**Basis of Presentation (Cont'd)**

The District reports the following proprietary fund:

**Enterprise (Food Service) Fund** - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

The District's Enterprise Fund is comprised of the Food Service Fund.

All Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary Fund-type operating statements present increases/(revenues) and decreases/(expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on Proprietary Fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of the equipment used in the operations of the Enterprise Funds are approximately 15 years.

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Basis of Presentation, Basis of Accounting (Cont'd):**

**Basis of Presentation (Cont'd):**

The District reports the following fiduciary funds:

**Trust and Agency Funds** - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**Expendable Trust Fund** - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Fund includes the Unemployment Compensation Insurance Fund.

**Nonexpendable Trust Fund** - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. At June 30, 2012, the District had a Non-Expendable Trust Fund – Scholarship Fund.

**Agency Funds** - 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. Agency Funds include Payroll and Student Activities Funds.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Basis of Presentation, Basis of Accounting (Cont'd):**

**Basis of Accounting**

Basis of Accounting determines when transactions are recorded in the financial records and reported on the financial statements.

**District-Wide, Proprietary, and Fiduciary Fund Financial Statements:** The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds use the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Governmental Fund Financial Statements:** Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and Enterprise Funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**C. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office. On February 1, 2012, the Board of Education approved eliminating the vote on its annual school budget that is within the statutory cap imposed by the State of New Jersey. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund. 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. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally-authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The Capital Project Fund presents the remaining project appropriations compared to current-year expenditures.

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 legally mandated revenue recognition of the last state aid payment for budgetary purposes only and 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 accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. At June 30, 2012, there was a reconciling difference of \$(61,963.00) between the budgetary basis and GAAP basis in the General Fund and of \$(13,940.60) in the Special Revenue Fund.

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 Budgetary Comparison Schedules - General and Special Revenue 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.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**C. Budgets/Budgetary Control (Cont'd):**

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>SOURCES/INFLOWS OF RESOURCES</b>		
Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules	\$ 25,030,494.52	\$ 1,351,192.42
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Less: Current Year Encumbrances		(38,940.77)
Add: Prior Year Encumbrances		25,000.17
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	16,252.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(78,215.00)</u>	<u>                    </u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 24,968,531.52</u>	<u>\$ 1,337,251.82</u>
<b>USES/OUTFLOWS OF RESOURCES</b>		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	\$ 25,157,296.71	\$ 1,351,192.42
Difference - 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.		
Less: Current Year Encumbrances		(38,940.77)
Add: Prior Year Encumbrances		<u>25,000.17</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 25,157,296.71</u>	<u>\$ 1,337,251.82</u>

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**D. Encumbrance Accounting:**

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.

**E. Assets, Liabilities, and Equity:**

**Interfund Transactions:**

Transfers between Governmental and Business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses in the Enterprise Fund. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Inventories:**

Inventory purchases, other than those recorded in the Enterprise Fund, are recorded as expenditures during the first year of purchase. Enterprise Fund inventories are valued at cost, which approximates market, using the first-in/first-out ("FIFO") method.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Assets, Liabilities, and Equity (Cont'd):**

**Capital Assets:**

The District has an established formal system of accounting for its Capital Assets. Purchased or constructed Capital Assets are reported at cost. Donated Capital Assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District does not possess any infrastructure.

All reported Capital Assets except for Land and Construction in Progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<b><u>Asset Class</u></b>	<b><u>Estimated Useful Lives</u></b>
Furniture, Office Equipment	5
Computer Hardware	5
Telephone Equipment	10
Motor Vehicles	8
Buildings	50
HVAC Systems	20
Roofing	20
Carpet Replacement	7
Kitchen Equipment	12
Engineering, Scientific Equipment	10
Recreational/Athletic Equipment	10
Custodial Equipment	12
Grounds Equipment	15

**Compensated Absences:**

The District accounts for Compensated Absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting 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 the employees earn the rights 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.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Assets, Liabilities, and Equity (Cont'd):**

**Compensated Absences (Cont'd):**

In the District-wide Statement of Net Assets, 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.

The liability for vested compensated absences of the proprietary fund-types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, no liability existed for compensated absences in the Food Service Fund.

**Deferred Revenue:**

Deferred Revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2012, but which were levied to finance fiscal year 2013 operations, have been recorded as Deferred Revenue. Grants and entitlement received before the eligibility requirements are met are also recorded as Deferred Revenue.

**Accrued Liabilities and Long-Term Obligations:**

All Payables, Accrued Liabilities, and Long-Term Obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually-required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**Net Assets:**

Net Assets represent the difference between assets and liabilities. Net Assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net Assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Assets are available.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Assets, Liabilities, and Equity (Cont'd):**

**Fund Balance Reserves:**

The District reserves those portions of Fund Balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved Fund Balance indicates that portion which is available for appropriation in future periods. A Fund Balance Reserve has been established for encumbrances, maintenance, capital and subsequent year's expenditures.

**Revenues – Exchange and Nonexchange Transactions:**

Revenue resulting from Exchange Transactions, in which each party gives and receives essentially equal value, is recorded on the actual accrual basis when the Exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year-end.

Nonexchange Transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from Nonexchange Transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Assets, Liabilities, and Equity (Cont'd):**

**Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

**Allocation of Indirect Expenses:**

The District reports all Direct Expenses by function in the Statement of Activities. Direct Expenses are those that are clearly identifiable with a function. Indirect Expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of Social Security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the Indirect Expense column of the Statement of Activities. Depreciation expense that could not be attributable to a specific function is considered an Indirect Expense and is reported separately in the Statement of Activities. Interest on long-term debt is considered an Indirect Expense and is reported separately on the Statement of Activities.

**Extraordinary and Special Items:**

Extraordinary Items are transactions or events that are unusual in nature and infrequent in occurrence. Special Items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**Management Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**2. CAPITAL RESERVE ACCOUNT**

A Capital Reserve Account was established by the Red Bank Regional Board of Education by the inclusion of a \$60,000.00 appropriation in their 2000/01 budget on March 1, 2000 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 or by transfer by Board Resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the excess 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, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011		\$ 510,227.73
Increased By:		
Transferred by Board Resolution		
June 13, 2012	\$ 200,000.00	
Interest Earned	<u>636.77</u>	
		<u>200,636.77</u>
		710,864.50
Decreased By:		
Withdrawals 2011/12 Budget		<u>235,000.00</u>
Ending Balance, June 30, 2012		<u>\$ 475,864.50</u>

The June 30, 2012 LRFP balance of local support costs of uncompleted Capital Projects is \$1,228,000.00.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**3. EMERGENCY RESERVE ACCOUNT**

An Emergency Reserve Account was established the Red Bank Regional Board of Education for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Emergency Reserve Account are to finance unanticipated General Fund expenditures required for a thorough and efficient education.

The activity of the Emergency Reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011	\$ 124,298.00
Increased By:	
Interest Earned	<u>150.00</u>
Ending Balance, June 30, 2012	<u>\$ 124,448.00</u>

**4. MAINTENANCE RESERVE:**

A Maintenance Reserve Account was established by the Red Bank Regional High School Board of Education by inclusion of \$250,000.00 for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Maintenance Reserve Account are restricted to the maintenance of completed Capital Projects in the District's LRFP.

The activity of the Maintenance Reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011	\$ 651,250.00
Increased By:	
Board Contributions	\$ 200,000.00
Interest Earned	<u>350.00</u>
	<u>200,350.00</u>
	851,600.00
Decreased By:	
Board Resolution – Outdoor Track Resurfacing Project	100,145.00
Board Resolution – Electrical Service Project	<u>551,105.00</u>
	<u>651,250.00</u>
Ending Balance, June 30, 2012	<u>\$ 200,350.00</u>

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**5. TRANSFERS TO CAPITAL OUTLAY**

During the year ending June 30, 2012, the District transferred \$272,321.90 to Capital Outlay, of which \$7,373.00 represented prior-year encumbrances, \$134,484.66 was for Equipment and \$130,464.24 was for Facilities Acquisition and Construction Services.

**6. DEPOSITS AND INVESTMENTS**

The Board of Education considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as Cash and Cash Equivalents.

Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by FDIC.

Bank balances at June 30, 2012 and 2011 are insured up to \$250,000.00 in the aggregate by the FDIC for each bank. At June 30, 2012 and 2011, the book value of the Board's deposits were \$6,525,840.96 and \$6,115,584.67, respectively.

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the risk that, in the event of a bank failure, the Board's deposits might not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the FDIC. Public funds owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

At June 30, 2012 and 2011, the Board's bank balances of \$7,369,696.77 and \$7,232,104.78, respectively, were exposed to Custodial Credit Risk as follows:

	<u>2012</u>	<u>2011</u>
Insured	\$ 7,296,995.85	\$ 7,074,191.91
Uninsured and Uncollateralized	<u>72,700.92</u>	<u>157,912.87</u>
	<u>\$ 7,369,696.77</u>	<u>\$ 7,232,104.78</u>

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**6. DEPOSITS AND INVESTMENTS (CONT'D)**

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully-collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2012, the Board had no investments.

Interest Rate Risk

The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

**7. RECEIVABLES**

Receivables at June 30, 2012, consisted of interfunds and other receivables. All Receivables are considered collectible in full. A summary of the principal items of receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>District-Wide Financial Statements</u>
Interfunds	\$ 141,551.24	
Receivables from Other Governments	464,578.14	\$ 465,811.07
Other Receivables	<u>484,717.72</u>	<u>529,342.97</u>
	1,087,847.10	995,154.04
Less Allowance for Uncollectibles	<u>0.00</u>	<u>0.00</u>
Total Receivables, Net	<u>\$ 1,087,847.10</u>	<u>\$ 995,154.04</u>

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**8. INTERFUND BALANCES AND TRANSFERS**

Balances due to/from other funds at June 30, 2012 consist of the following:

\$ 141,551.24	Due to General Operating Fund from Special Revenue Fund representing a cash advance.
293.49	Due to Unemployment Compensation Trust Fund from Payroll Agency Fund representing a cash advance.
4,771.75	Due to Payroll Agency Fund from Student Activities Fund representing a cash advance.
<u>30,575.72</u>	Due from General Operating Fund to Enterprise Fund representing a cash advance.
<u>\$ 177,192.20</u>	

Transfers

Not applicable.

**9. INVENTORY**

Inventory in the Food Service Fund at June 30, 2012 consisted of the following:

Food	<u>\$ 951.75</u>
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The value of Federal-donated commodities as reflected on Schedule A (required by the Single Audit Act of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**10. DEFERRED BOND ISSUANCE COSTS**

In the governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds. The amortization expense for the fiscal year ended June 30, 2012 amounted to \$11,226.17.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**11. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 5,379,640.00			\$ 5,379,640.00
Construction in Progress	16,843.01	\$ 719,851.27		736,694.28
Total Capital Assets Not Being Depreciated	<u>5,396,483.01</u>	<u>719,851.27</u>		<u>6,116,334.28</u>
Capital Assets Being Depreciated:				
Site Improvements	2,598,358.00			2,598,358.00
Building and Building Improvements	26,894,636.00			26,894,636.00
Machinery and Equipment	3,587,936.00	192,588.11		3,780,524.11
Totals at Historical Cost	<u>33,080,930.00</u>	<u>192,588.11</u>		<u>33,273,518.11</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,131,850.00)	(111,039.00)		(1,242,889.00)
Building and Building Improvements	(10,471,799.00)	(752,178.00)		(11,223,977.00)
Machinery and Equipment	(2,879,536.00)	(197,330.40)		(3,076,866.40)
Total Accumulated Depreciation	<u>(14,483,185.00)</u>	<u>(1,060,547.40)</u>		<u>(15,543,732.40)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>18,597,745.00</u>	<u>(867,959.29)</u>		<u>17,729,785.71</u>
Government Activity Capital Assets, Net	<u>23,994,228.01</u>	<u>(148,108.02)</u>		<u>23,846,119.99</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	130,398.05	39,528.30		169,926.35
Less Accumulated Depreciation	(78,218.00)	(6,068.09)		(84,286.09)
Enterprise Fund Capital Assets, Net	<u>\$ 52,180.05</u>	<u>\$ 33,460.21</u>	<u>\$ 0.00</u>	<u>\$ 85,640.26</u>

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**11. CAPITAL ASSETS (CONT'D)**

The NJ State Department of Education has set the capitalization threshold used by school districts in the State of New Jersey at \$2,000.00.

Depreciation expense was charged to functions as follows:

Instruction - Regular	\$ 78,047.59
Special Education	15,545.00
Other Instruction	16,624.00
Student and Instruction-Related Services	11,302.00
School Administrative Services	8,020.00
General and Business Administrative Services	16,925.00
Plant Operations and Maintenance	29,635.81
Unallocated	<u>884,448.00</u>
Total	<u>\$1,060,547.40</u>

**12. LONG-TERM OBLIGATIONS**

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 general obligation bonds.

**A. Long-Term Obligation Activity:**

Changes in Long-Term Obligations for the year ended June 30, 2012, are as follows:

	Balance June 30, <u>2011</u>	<u>Additions</u>	<u>Retired</u>	Balance June 30, <u>2012</u>	Amounts Due Within <u>One Year</u>
<u>Governmental Activities:</u>					
Bonds Payable	\$6,285,000.00		\$ 485,000.00	\$5,800,000.00	\$ 500,000.00
Compensated Absences Payable	<u>229,455.91</u>	<u>                    </u>	<u>46,714.00</u>	<u>182,741.91</u>	<u>7,030.00</u>
	<u>\$6,514,455.91</u>	<u>\$ 0.00</u>	<u>\$ 531,714.00</u>	<u>\$5,982,741.91</u>	<u>\$ 507,030.00</u>
Less:					
Net Premium/(Discount)				\$ 65,575.71	
Current Portion of Long Term Debt				<u>(507,030.00)</u>	
				<u>\$5,541,287.62</u>	

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**12. LONG-TERM OBLIGATIONS (CONT'D)**

**A. Long-Term Obligation Activity (Cont'd):**

Compensated absences and capital leases have been liquidated in the General Fund.

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bondholders are willing to accept a lower interest rate than they would taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The Federal Tax Code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the Federal Government based on requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally-allowable returns.

Rebatable arbitrage liabilities related to the District debt are not recorded in governmental funds. There is no recognition in the Balance Sheet or Income Statement until rebatable amounts are due and payable to the Federal Government.

	<u>Government Activities</u>			
	<u>Issue</u> <u>Dates</u>	<u>Interest</u> <u>Rates</u>	<u>Dates of</u> <u>Maturity</u>	<u>Balance</u> <u>June 30, 2012</u>
Bonds Payable	03/15/03	4.50-5.30%	07/15/12-20	\$ 945,000.00
	04/24/10	3.50-5.00%	02/15/13-22	<u>4,855,000.00</u>
Total Bonds				<u>\$ 5,800,000.00</u>

**B. Accrued Liability – Early Retirement Incentive Program** - On March 15, 2003, the District refinanced its Early Retirement Incentive Program obligation of \$1,534,406.00 with \$1,600,000.00 of Refunding School Bonds.

The District's obligation to the State carried an interest rate of 8.75-9.00%. The Refunding Bonds were sold at 1.5-5.3%. The gross and net present value savings as a result of this refunding were \$586,847.00 and \$379,932.00, respectively.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**12. LONG-TERM OBLIGATIONS (CONT'D)**

**C. 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 general obligation bonds.

Debt Service Requirements on serial bonds payable at June 30, 2012 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 500,000.00	\$ 259,305.00	\$ 759,305.00
2014	520,000.00	239,880.00	759,880.00
2015	535,000.00	218,540.00	753,540.00
2016	550,000.00	199,975.00	749,975.00
2017	575,000.00	176,475.00	751,475.00
2018	610,000.00	149,440.00	759,440.00
2019	620,000.00	125,580.00	745,580.00
2020	650,000.00	94,235.00	744,235.00
2021	675,000.00	61,375.00	736,375.00
2022	<u>565,000.00</u>	<u>28,250.00</u>	<u>593,250.00</u>
	<u>\$ 5,800,000.00</u>	<u>\$ 1,553,055.00</u>	<u>\$ 7,353,055.00</u>

**D. Bonds Authorized But Not Issued**

As of June 30, 2012, the District had no authorized but not issued bonds.

**E. Capital Leases**

As of June 30, 2012, the District had not entered into any Capital Lease arrangements.

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

#### **13. 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 New Jersey Division of Pension of 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 is required supplementary information for the Public Employees Retirement Systems and the Teachers' 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, 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 was established in January, 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 provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**13. PENSION PLANS (CONT'D)**

**Significant Legislation** - 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 contained 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.

**Contribution Requirements** - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions 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 6.5% 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 both 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.

**Three-Year Trend Information for PERS**

<b><u>Year Funding June 30,</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
2012	\$ 262,940.00	100.00%	\$ 0.00
2011	248,718.00	100.00	0.00
2010	189,562.00	100.00	0.00

**Three-Year Trend Information (Paid on Behalf of District)**

<b><u>Year Funding June 30,</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
2012	\$ 902,516.00	100.00%	\$ 0.00
2011	652,971.00	100.00	0.00
2010	618,472.00	100.00	0.00

During the year ended June 30, 2012, the State of New Jersey contributed \$29,056.00 to the TPAF for NCGI premiums, \$270,757.00 for normal contributions and \$602,703.00 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 \$700,501.15 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenues and expenditures in accordance with GASB 24.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**13. PENSION PLANS (CONT'D)**

**Contribution Requirements (Cont'd)**

Legislation enacted during 1991 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 1992 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 but less than 20 years of service. The District will assume the increased cost for the early retirement as it affects their district.

**14. 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, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. 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 premiums 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 free 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 \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2011.

The State will set the contribution rate based on the annual required contribution of the employers ("ARC"), an amount actuarially-determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed 30 years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2012, 2011 and 2010 were \$602,703.00, \$623,611.00, and \$618,472.00, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**15. DEFERRED COMPENSATION**

The Board offers its employees a choice of various Deferred Compensation Plans created in accordance with Internal Revenue Code Section 403(b). The Plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the Plans are not available to employees until termination, retirement, death or unforeseeable emergency. The Plan Administrators are as follows:

Met Life	Siracusa Benefits
AXA Equitable	Vanguard

**16. 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 has 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 table below is a summary of the 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 the previous two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011/12	\$ 0.00	\$ 26,890.96	\$ 48,917.72	\$ 96,341.11
2010/11	0.00	28,212.19	133,956.79	126,159.35
2009/10	0.00	34,159.72	8,381.50	239,864.89

**17. CONTINGENT LIABILITIES**

**Grant Programs**

The District participates in federally-assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**18. FUND BALANCE APPROPRIATED**

The District has implemented GASB 54 during fiscal year 2012.

As such, fund balance will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable Fund Balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed Fund Balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.
- Assigned Fund Balance – amounts a District *intends* to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board delegates the authority.
- Unassigned Fund Balance – amounts that are available for any purpose; these amounts are reported only in the General Fund.

Fund balance reporting is the result of State Statutes, New Jersey Department of Education regulations and motions (resolutions/ordinances) that are passed at Board meetings. The Board acts on these motions under the guidance of the District's Superintendent and Business Administrator.

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of each fiscal year, utilizing adjusting journal entries.

First, non-spendable fund balances are determined; then, restricted fund balances for specific purposes are determined (not including non-spendable amounts). Any remaining fund balance amounts for the non-General Funds are classified as restricted fund balances.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

**18. FUND BALANCE APPROPRIATED (CONT'D)**

There is a potential for the non-General Funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceed the positive fund balances for the non-General Funds.

Classification Totals

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<i>Fund Balances:</i>					
Restricted	\$ 1,743,339.20		\$ 27,987.88	\$ 482,871.69	\$ 2,254,198.77
Assigned	631,249.75				631,249.75
Unassigned	<u>582,906.23</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>582,906.23</u>
	<u>\$ 2,957,495.18</u>	<u>\$ 0.00</u>	<u>\$ 27,987.88</u>	<u>\$ 482,871.69</u>	<u>\$ 3,468,354.75</u>

**19. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended, 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. The excess fund balance at June 30, 2012 is \$611,657.06.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 18,617,308.00		\$ 18,617,308.00	\$ 18,617,308.00	
Tuition from Individuals	250,000.00		250,000.00	261,750.00	\$ 11,750.00
Tuition from Other LEA's within the State	3,032,000.00		3,032,000.00	3,212,775.95	180,775.95
Tuition from Summer School				14,200.00	14,200.00
Transportation Fees From Other LEAs	230,000.00		230,000.00	215,262.20	(14,737.80)
Interest Earned on Capital Reserve Funds	500.00		500.00	636.77	136.77
Interest Earned on Current Expense Emergency Reserve	150.00		150.00	150.00	
Interest Earned on Maintenance Reserve	350.00		350.00	350.00	
Unrestricted Miscellaneous Revenues	46,000.00		46,000.00	48,762.02	2,762.02
<b>Total Local Sources</b>	<b>22,176,308.00</b>		<b>22,176,308.00</b>	<b>22,371,194.94</b>	<b>194,886.94</b>
<b>State Sources:</b>					
Extraordinary Aid				180,096.00	180,096.00
Transportation Aid				213,903.00	213,903.00
Categorical Special Education Aid	477,227.00		477,227.00	477,227.00	
Categorical Security Aid	97,358.00		97,358.00	101,702.00	4,344.00
Adjustment Aid				25,355.00	25,355.00
Other State Aids				5,105.43	5,105.43
TPAF Contributions (On-Behalf - Non-Budgeted)				270,757.00	270,757.00
TPAF Pension NCGI Premium (On-Behalf - Non-Budgeted)				29,056.00	29,056.00
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				602,703.00	602,703.00
TPAF Social Security (Reimbursed - Non-Budgeted)				700,501.15	700,501.15
<b>Total State Sources</b>	<b>574,585.00</b>		<b>574,585.00</b>	<b>2,606,405.58</b>	<b>2,031,820.58</b>
Education Jobs Fund	51,287.00	\$ 1,607.00	52,894.00	52,894.00	
<b>Total Federal Sources</b>	<b>51,287.00</b>	<b>1,607.00</b>	<b>52,894.00</b>	<b>52,894.00</b>	
<b>Total Revenues</b>	<b>22,802,180.00</b>	<b>1,607.00</b>	<b>22,803,787.00</b>	<b>25,030,494.52</b>	<b>2,226,707.52</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction:</b>					
<b>Salaries of Teachers:</b>					
Grades 9-12	6,214,465.00	(3,335.55)	6,211,129.45	6,015,432.55	195,696.90
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	65,000.00	(30,482.06)	34,517.94	23,118.00	11,399.94
Other Purchased Services	5,000.00	9,165.90	14,165.90	14,165.90	
<b>Regular Programs - Undistributed Instruction:</b>					
Other Salaries for Instruction	240,000.00	(24,958.16)	215,041.84	211,353.62	3,688.22
Purchased Professional - Educational Services	11,650.00	(554.30)	11,095.70	8,855.00	2,240.70
Purchased Technical Services	61,300.00	12,929.85	74,229.85	70,868.38	3,361.47
Other Purchased Services	16,300.00	(4,428.00)	11,872.00	10,856.90	1,015.10
General Supplies	412,542.00	(11,404.34)	401,137.66	388,579.69	12,557.97
Textbooks	109,503.00	(20,383.96)	89,119.04	88,929.78	189.26
Other Objects	53,957.00	10,043.32	64,000.32	58,228.05	5,772.27
<b>Total Regular Programs - Instruction</b>	<b>7,189,717.00</b>	<b>(63,407.30)</b>	<b>7,126,309.70</b>	<b>6,890,389.87</b>	<b>235,919.83</b>
<b>Special Education - Instruction - Cognitive - Mild:</b>					
Salaries of Teachers	102,383.00	(1,400.00)	100,983.00	99,411.00	1,572.00
Other Salaries for Instruction		50,964.00	50,964.00	50,964.00	
General Supplies	4,000.00	(1,098.97)	2,911.03	2,911.03	
Textbooks	500.00	(500.00)			
<b>Total Special Education - Instruction - Cognitive - Mild</b>	<b>106,883.00</b>	<b>47,975.03</b>	<b>154,858.03</b>	<b>153,286.03</b>	<b>1,572.00</b>
<b>Special Educ. - Instruction - Resource Room/Resource Center:</b>					
Salaries of Teachers	651,144.00	(3,696.00)	647,448.00	647,448.00	
Other Salaries for Instruction	270,068.00	(24,244.22)	245,823.78	242,273.86	3,549.92
General Supplies	18,000.00	(7,621.50)	10,378.50	10,376.25	2.25
Textbooks	1,000.00	(1,000.00)			
<b>Total Spec. Educ. - Instruction - Resource Room/Resource Center</b>	<b>940,212.00</b>	<b>(36,561.72)</b>	<b>903,650.28</b>	<b>900,098.11</b>	<b>3,552.17</b>
<b>Home Instruction:</b>					
Salaries of Teachers		27,500.00	27,500.00	27,442.00	58.00
<b>Total Home Instruction</b>		<b>27,500.00</b>	<b>27,500.00</b>	<b>27,442.00</b>	<b>58.00</b>
<b>Total Special Education - Instruction</b>	<b>1,047,095.00</b>	<b>38,913.31</b>	<b>1,086,008.31</b>	<b>1,080,826.14</b>	<b>5,182.17</b>

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES (continued)</b>					
<b>Basic Skills/Remedial - Instruction:</b>					
Salaries of Teachers	50,756.00	3,110.58	53,866.58	51,005.00	2,861.58
Other Salaries for Instruction	54,810.00	810.00	55,620.00	54,000.00	1,620.00
General Supplies	400.00	(358.76)	41.24	41.24	
<b>Total Basic Skills/Remedial - Instruction</b>	<b>105,966.00</b>	<b>3,561.82</b>	<b>109,527.82</b>	<b>105,046.24</b>	<b>4,481.58</b>
<b>Bilingual Education - Instruction:</b>					
Salaries of Teachers	194,812.00	6,990.16	201,802.16	201,802.16	
Other Salaries for Instruction	133,825.00	(36,105.00)	97,720.00	96,196.88	1,523.12
General Supplies	6,600.00	(154.77)	6,345.23	6,345.23	
Textbooks	3,000.00	(350.00)	2,650.00	2,241.10	408.90
Other Objects	1,000.00	160.54	1,160.54	594.70	565.84
<b>Total Bilingual Education - Instruction</b>	<b>339,137.00</b>	<b>(29,459.07)</b>	<b>309,677.93</b>	<b>307,180.07</b>	<b>2,497.86</b>
<b>School Sponsored Co/Extra-Curricular Activities - Instruction:</b>					
Salaries	180,670.00	(2,400.00)	178,270.00	161,402.87	16,867.13
Purchased Services		2,400.00	2,400.00	2,305.00	95.00
<b>Total School Sponsored Co/Extra-Curr. Activities - Instruction</b>	<b>180,670.00</b>		<b>180,670.00</b>	<b>163,707.87</b>	<b>16,962.13</b>
<b>School Sponsored Athletics - Instruction:</b>					
Salaries	431,714.00	(600.00)	431,114.00	425,852.13	5,261.87
Purchased Services	149,950.00	(6,974.13)	142,975.87	142,622.09	353.78
Supplies and Materials	75,500.00	300.00	75,800.00	75,783.10	16.90
Other Objects	3,450.00		3,450.00	3,150.00	300.00
<b>Total School Sponsored Athletics - Instruction</b>	<b>660,614.00</b>	<b>(7,274.13)</b>	<b>653,339.87</b>	<b>647,407.32</b>	<b>5,932.55</b>
<b>Summer School - Instruction:</b>					
Salaries	90,000.00	(1,500.00)	88,500.00	36,217.29	52,282.71
General Supplies	500.00		500.00	175.67	324.33
<b>Total Summer School - Instruction</b>	<b>90,500.00</b>	<b>(1,500.00)</b>	<b>89,000.00</b>	<b>36,393.16</b>	<b>52,606.84</b>
<b>Total - Instruction</b>	<b>9,613,699.00</b>	<b>(59,165.37)</b>	<b>9,554,533.63</b>	<b>9,230,950.67</b>	<b>323,582.96</b>
<b>Undist. Expend. - Instruction:</b>					
Tuition To Other LEAs Within State - Special	20,900.00	(20,900.00)			
Tuition To County Voc. School District - Regular	380,600.00	14,500.00	395,100.00	390,344.60	4,755.40
Tuition To County Voc. School District - Special	71,400.00	(33,600.00)	37,800.00	32,500.00	5,300.00
Tuition To Private Schools for the Disabled Within State	746,127.00	43,500.00	789,627.00	755,551.55	34,075.45
<b>Total Undist. Expend. - Instruction</b>	<b>1,219,027.00</b>	<b>3,500.00</b>	<b>1,222,527.00</b>	<b>1,178,396.15</b>	<b>44,130.85</b>
<b>Undist. Expend. - Attendance and Social Work Services:</b>					
Salaries	158,416.00	851.14	159,267.14	156,918.53	2,348.61
Salaries of Community/School Coordinators	65,975.00		65,975.00	64,999.92	975.08
<b>Total Undist. Expend. - Attendance and Social Work Services</b>	<b>224,391.00</b>	<b>851.14</b>	<b>225,242.14</b>	<b>221,918.45</b>	<b>3,323.69</b>
<b>Undist. Expend. - Health Services:</b>					
Salaries	98,096.00	103.10	98,199.10	96,805.75	1,393.35
Purchased Professional and Technical Services	24,040.00	(3,845.00)	20,195.00	19,859.23	335.77
Supplies and Materials	3,000.00	(400.00)	2,600.00	1,538.34	1,061.66
Other Objects	350.00		350.00		350.00
<b>Total Undist. Expend. - Health Services</b>	<b>125,486.00</b>	<b>(4,141.90)</b>	<b>121,344.10</b>	<b>118,203.32</b>	<b>3,140.78</b>
<b>Undist. Expend. - Speech, OT, PT - Related Services:</b>					
Salaries	87,752.00	14.83	87,766.83	87,454.96	311.87
Purchased Professional - Educational Services		1,700.00	1,700.00	1,700.00	
<b>Total Undist. Expend. - Speech, OT, PT - Related Services</b>	<b>87,752.00</b>	<b>1,714.83</b>	<b>89,466.83</b>	<b>89,154.96</b>	<b>311.87</b>
<b>Other Support Services- Students - Extra Svc:</b>					
Salaries	222,468.00	(19,163.39)	203,304.61	193,987.15	9,317.46
<b>Total Undist. Expend. - Other Support Services - Students - Extra</b>	<b>222,468.00</b>	<b>(19,163.39)</b>	<b>203,304.61</b>	<b>193,987.15</b>	<b>9,317.46</b>
<b>Undist. Expend. - Other Support Serv. Students - Guidance:</b>					
Salaries of Other Professional Staff	478,717.00	10,688.81	489,405.81	482,381.18	7,024.63
Salaries of Secretarial and Clerical Assistants	102,789.00	(1,427.35)	101,361.65	101,361.65	
Purchased Professional - Educational Services	45,157.00	(18,000.00)	27,157.00	25,605.67	1,551.33
Other Purchased Professional and Technical Services	6,000.00	(700.00)	5,300.00	4,525.00	775.00
Other Purchased Services	8,700.00	(3,300.00)	5,400.00	3,239.00	2,161.00
Supplies and Materials	30,800.00	(5,065.00)	25,735.00	24,040.86	1,694.14
Other Objects	4,350.00	(480.00)	3,870.00	3,560.00	310.00
<b>Total Undist. Expend. - Other Support Serv. Students - Regular</b>	<b>676,513.00</b>	<b>(18,283.54)</b>	<b>658,229.46</b>	<b>644,713.36</b>	<b>13,516.10</b>

RED BANK REGIONAL HIGH SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (continued)					
Undist. Expend. - Other Support Serv. Students - Child Study Team:					
Salaries of Other Professional Staff	591,731.00	8,940.10	600,671.10	591,043.43	9,627.67
Salaries of Secretarial and Clerical Assistants	68,017.00	1,005.27	69,022.27	67,017.76	2,004.51
Other Purchased Professional and Technical Services	10,000.00	(7,400.00)	2,600.00	2,192.30	407.70
Supplies and Materials	2,000.00	291.40	2,291.40	2,228.06	63.34
Other Objects	1,250.00		1,250.00	1,101.40	148.60
Total Undist. Expend. - Other Support Serv. Students - Child Study	672,998.00	2,836.77	675,834.77	663,582.95	12,251.82
Undist. Expend. - Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	507,455.00	(110,189.36)	397,265.64	397,265.64	
Salaries of Secretarial and Clerical Assistants	107,988.00	117.06	108,105.06	106,509.18	1,595.88
Other Salaries	5,000.00	(5,000.00)			
Total Undist. Expend. - Improvement of Instructional Services	620,443.00	(115,072.30)	505,370.70	503,774.82	1,595.88
Undist. Expend. - Educational Media/School Library:					
Salaries	134,341.00		134,341.00	132,354.88	1,986.12
Other Purchased Services	500.00	48,140.00	48,640.00	47,209.79	1,430.21
Supplies and Materials	51,250.00	(51,250.00)			
Other Objects	339.00	(80.00)	259.00	259.00	
Total Undist. Expend. - Educational Media/School Library	186,430.00	(3,190.00)	183,240.00	179,823.67	3,416.33
Undist. Expend. - Instructional Staff Training Services:					
Purchased Professional - Educational Services	10,000.00	(4,300.00)	5,700.00	5,664.74	35.26
Other Purchased Services	31,095.00	(1,078.90)	30,016.10	29,281.72	9,734.38
Total Undist. Expend. - Instructional Staff Training Services	41,095.00	(5,378.90)	35,716.10	25,946.46	9,769.64
Undist. Expend. - Support Services - General Administration:					
Salaries	243,220.00	2,211.64	245,431.64	241,804.56	3,627.08
Legal Services	35,000.00	53,196.16	88,196.16	87,947.43	248.73
Audit Fees	36,000.00	(400.00)	35,600.00	35,600.00	
Other Purchased Professional Services	6,000.00	22,726.26	28,726.26	28,534.89	191.37
Communications/Telephone	16,000.00	(7,208.00)	8,792.00	3,552.25	5,239.75
BOE Other Purchased Services	1,600.00	(167.38)	1,432.62	1,432.62	
Miscellaneous Purchased Services	114,000.00	124,051.51	238,051.51	238,051.51	
General Supplies	2,500.00	697.88	3,197.88	3,119.24	78.64
BOE in-House Training/Meeting Supplies	1,000.00	1,000.00	2,000.00	1,870.10	129.90
Miscellaneous Expenditures	4,350.00	1,855.00	6,205.00	6,168.60	36.40
BOE Membership Dues and Fees	13,050.00	347.73	13,397.73	13,397.73	
Total Undist. Expend. - Support Services - General Administration	472,720.00	198,310.80	671,030.80	661,478.93	9,551.87
Undist. Expend. - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	365,407.00		365,407.00	360,006.72	5,400.28
Salaries of Secretarial and Clerical Assistants	196,037.00	(5,070.11)	190,966.89	188,401.33	2,565.56
Supplies and Materials	32,000.00	22,476.00	54,476.00	52,385.36	2,090.64
Other Objects	2,000.00	884.00	2,884.00	2,884.00	
Total Undist. Expend. - Support Services - School Administration	595,444.00	18,289.89	613,733.89	603,677.41	10,056.48
Undist. Expend. - Central Services:					
Salaries	382,539.00	494.51	383,033.51	377,898.96	5,134.55
Purchased Professional Services	2,000.00	(110.00)	1,890.00	1,890.00	
Purchased Technical Services	20,000.00	12,351.00	32,351.00	32,351.00	
Supplies and Materials	10,000.00	9,479.00	19,479.00	19,358.46	120.54
Other Objects	3,850.00	945.00	4,795.00	4,489.35	325.65
Total Undist. Expend. - Central Services	418,389.00	23,159.51	441,548.51	435,967.77	5,580.74
Undist. Expend. - Admin. Info. Technology:					
Salaries	113,290.00	(1,072.47)	112,217.53	105,593.90	6,623.63
Total Undist. Expend. - Admin. Info. Technology	113,290.00	(1,072.47)	112,217.53	105,593.90	6,623.63
Interest Earned on Maintenance Reserve:	350.00		350.00		350.00

RED BANK REGIONAL HIGH SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (continued)					
Undist. Expend. - Required Maintenance for School Facilities:					
Salaries	195,288.00	2,623.71	197,911.71	197,226.75	684.96
Cleaning, Repair and Maintenance Services	81,500.00	668,039.38	769,539.38	646,825.55	122,713.83
General Supplies	17,000.00	(1,750.00)	15,250.00	14,952.97	297.03
Total Undist. Expend. - Required Maintenance for School Facilities	293,788.00	668,913.09	982,701.09	859,005.27	123,695.82
Undist. Expend. - Custodial Services:					
Salaries	314,248.00	(35,135.99)	279,112.01	275,426.30	3,685.71
Purchased Professional and Technical Services	15,900.00	4,656.58	20,556.58	20,556.58	
Cleaning, Repair and Maintenance Services	354,000.00	91,793.98	445,793.98	444,409.60	1,384.38
Other Purchased Property Services	53,200.00	(185.63)	53,014.37	53,014.37	
Insurance	47,500.00	8,210.30	55,710.30	55,710.30	
General Supplies	90,000.00	33,117.00	123,117.00	117,175.24	5,941.76
Energy (Natural Gas)	130,000.00	(61,750.93)	68,249.07	68,216.77	32.30
Energy (Electricity)	500,000.00	(23,502.09)	476,497.91	476,496.86	1.05
Other Objects	400.00	(122.85)	277.15	277.15	
Total Undist. Expend. - Custodial Services	1,505,248.00	17,080.37	1,522,328.37	1,511,283.17	11,045.20
Undist. Expend. - Care & Upkeep of Grounds:					
Cleaning, Repair, & Maintenance Services	6,000.00	(188.11)	5,811.89	5,811.89	
General Supplies	18,000.00	9,802.88	27,802.88	27,802.88	
Total Undist. Expend. - Care & Upkeep of Grounds	24,000.00	9,614.77	33,614.77	33,614.77	
Undist. Expend. - Security:					
Salaries	49,210.00	(1,300.00)	47,910.00	47,619.20	290.80
Purchased Professional and Technical Services	51,000.00	4,000.00	55,000.00	55,000.00	
Total Undist. Expend. - Security	100,210.00	2,700.00	102,910.00	102,619.20	290.80
Total Undist. Expend. - Oper. & Maint. of Plant	1,923,246.00	718,308.23	2,641,554.23	2,506,522.41	135,031.82
Undist. Expend. - Student Transportation Services:					
Salaries for Pupil Transp (Bet. Home & School) - Regular	63,421.00	5.05	63,426.05	62,482.80	943.25
Contracted Services (Bet. Home & School) - Vendors	463,000.00	1,244.80	464,244.80	464,244.80	
Contracted Services (Other Than Bet. Home & School) - Vendors	172,984.00	(5,915.70)	167,068.30	164,908.28	2,160.02
Contracted Services (Special Ed. Students) - Vendors	68,954.00	30,786.57	99,740.57	99,724.72	15.85
Contracted Services (Regular Students) ESCs and CTSAs	340,000.00	(7,567.55)	332,432.45	319,974.01	12,458.44
Contracted Services (Special Ed. Students) ESCs and CTSAs	220,000.00	(21,436.57)	198,563.43	194,058.08	4,505.35
Contracted Services - Aid in Lieu of Payments - NonPub Sch	44,000.00	(7,914.12)	36,085.88	36,037.66	48.22
Misc. Purchased Services - Transportation	8,300.00		8,300.00	8,300.00	
Total Undist. Expend. - Student Transportation Services	1,380,659.00	(10,797.52)	1,369,861.48	1,349,730.35	20,131.13
Interest Earned on Current Expense Emergency Reserve	150.00		150.00		150.00
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	302,000.00	(13,860.00)	288,120.00	278,249.22	9,870.78
Other Retirement Contributions - Regular	280,000.00	(17,060.00)	262,940.00	262,940.00	
Unemployment Compensation	150,000.00	(110,000.00)	40,000.00		
Workmen's Compensation	140,000.00	(6,019.60)	133,980.40	133,980.40	
Health Benefits	3,520,000.00	(15,874.83)	3,504,125.17	3,414,297.36	89,827.81
Tuition Reimbursement	40,000.00	(4,050.00)	35,950.00	35,650.00	300.00
Other Employee Benefits	28,900.00	49,869.61	78,769.61	78,571.61	198.00
Total Unallocated Benefits - Employee Benefits	4,460,900.00	(117,014.82)	4,343,885.18	4,203,688.59	100,196.59
TPAF Contributions (On-Behalf - Non-Budgeted)				270,757.00	(270,757.00)
TPAF Pension NCGI Premium (On-Behalf - Non-Budgeted)				29,056.00	(29,056.00)
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				602,703.00	(602,703.00)
TPAF Social Security (Reimbursed - Non-Budgeted)				700,501.15	(700,501.15)
Total On-Behalf Contributions				1,603,017.15	(1,603,017.15)
Total Personal Services - Employee Benefits	4,460,900.00	(117,014.82)	4,343,885.18	5,806,705.74	(1,502,820.56)
Total Undistributed Expenditures	13,441,251.00	672,856.33	14,114,607.33	15,289,177.80	(1,214,570.47)
Total Expenditures - Current Expense	23,055,450.00	613,690.96	23,669,140.96	24,520,128.47	(890,987.51)

RED BANK REGIONAL HIGH SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
<b>CAPITAL OUTLAY</b>					
Increase in Capital Reserve	235,000.00		235,000.00		
Interest Deposit to Capital Reserve	500.00		500.00		500.00
<b>Equipment:</b>					
Grades 9-12	39,900.00	89,490.32	129,390.32	121,771.86	7,618.46
Undist. Expend. - Required Maint for School Fac.	20,000.00	(16,048.92)	3,951.08		3,951.08
Undist. Expend. - Custodial Services			63,416.26	63,416.26	
Undist. Expend. - Care and Upkeep of Grounds	3,500.00	5,000.00	8,500.00	7,399.99	1,100.01
<b>Total Equipment</b>	<b>63,400.00</b>	<b>141,857.66</b>	<b>205,257.66</b>	<b>192,588.11</b>	<b>12,669.55</b>
<b>Facilities Acquisition and Construction Services:</b>					
Other Purchased Professional & Tech. Services		37,029.92	37,029.92	36,447.54	582.38
Construction Services	300,000.00	93,434.32	393,434.32	361,614.75	31,819.57
Other Objects	26,905.00		26,905.00	26,905.00	
<b>Total Facilities Acquisition and Construction Services</b>	<b>326,905.00</b>	<b>130,464.24</b>	<b>457,369.24</b>	<b>424,967.29</b>	<b>32,401.95</b>
<b>Total Capital Outlay</b>	<b>625,805.00</b>	<b>272,321.90</b>	<b>898,126.90</b>	<b>617,555.40</b>	<b>45,571.50</b>
<b>Summer School - Support Services:</b>					
Other Purchased Services	500.00		500.00		500.00
Supplies and Materials	500.00		500.00		500.00
<b>Total Summer School - Support Services</b>	<b>1,000.00</b>		<b>1,000.00</b>		<b>1,000.00</b>
<b>Total Summer School</b>	<b>1,000.00</b>		<b>1,000.00</b>		<b>1,000.00</b>
<b>Adult Education - Local - Instruction:</b>					
Salaries of Teachers	12,000.00		12,000.00	6,000.00	6,000.00
General Supplies	7,000.00		7,000.00	136.70	6,863.30
Other Objects	7,000.00	(3,750.00)	3,250.00		3,250.00
<b>Total Adult Education - Local - Instruction</b>	<b>26,000.00</b>	<b>(3,750.00)</b>	<b>22,250.00</b>	<b>6,136.70</b>	<b>16,113.30</b>
<b>Adult Education - Local - Support Services:</b>					
Other Purchased Services	10,000.00	3,750.00	13,750.00	13,476.14	273.86
<b>Total Adult Education - Local - Support Services</b>	<b>10,000.00</b>	<b>3,750.00</b>	<b>13,750.00</b>	<b>13,476.14</b>	<b>273.86</b>
<b>Total Adult Education - Local</b>	<b>36,000.00</b>		<b>36,000.00</b>	<b>19,612.84</b>	<b>16,387.16</b>
<b>Total Special Schools</b>	<b>37,000.00</b>		<b>37,000.00</b>	<b>19,612.84</b>	<b>17,387.16</b>
<b>Total Expenditures</b>	<b>23,718,755.00</b>	<b>886,012.86</b>	<b>24,603,767.86</b>	<b>25,157,296.71</b>	<b>(553,528.85)</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>					
	(916,575.00)	(884,405.86)	(1,799,980.86)	(126,802.19)	1,673,178.67
<b>Other Financing Sources/(Uses):</b>					
<b>Operating Transfers:</b>					
Capital Outlay - Transfer to Capital Projects		(6,710.68)	(6,710.68)	(6,710.68)	
Capital Reserve - Transfer to Capital Projects	(235,000.00)		(235,000.00)	(235,000.00)	
<b>Total Other Financing Sources/(Uses)</b>	<b>(235,000.00)</b>	<b>(6,710.68)</b>	<b>(241,710.68)</b>	<b>(241,710.68)</b>	
<b>Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses</b>					
	(1,151,575.00)	(891,116.54)	(2,041,691.54)	(368,512.87)	1,673,178.67
<b>Fund Balances, July 1</b>	<b>3,404,223.05</b>		<b>3,404,223.05</b>	<b>3,404,223.05</b>	
<b>Fund Balances, June 30</b>	<b>\$ 2,252,648.05</b>	<b>\$ (891,116.54)</b>	<b>\$ 1,362,531.51</b>	<b>\$ 3,035,710.18</b>	<b>\$ 1,673,178.67</b>
<b>Recapitulation:</b>					
<b>Restricted:</b>					
<b>Reserved Excess Surplus:</b>					
Designated for Subsequent Year's Expenditures				\$ 331,019.64	
Reserve for Excess Surplus				611,657.06	
Capital Reserve				475,864.50	
Maintenance Reserve				200,350.00	
Emergency Reserve				124,448.00	
<b>Assigned:</b>					
Year-End Encumbrances				480,832.39	
Designated for Subsequent Year's Expenditures				150,417.36	
Unassigned				661,121.23	
				3,035,710.18	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Last State Aid Payment not recognized on GAAP Basis				(78,215.00)	
<b>Fund Balance per Governmental Funds (GAAP)</b>				<b>\$ 2,957,495.18</b>	

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

EDUCATION JOBS FUND PROGRAM  
BUDGET AND ACTUAL

Fiscal year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
REVENUES:					
Federal Sources:					
Education Job Fund	\$ 51,287.00	\$ 1,607.00	\$ 52,894.00	\$ 52,894.00	
Total Federal Sources	51,287.00	1,607.00	52,894.00	52,894.00	
Total Revenues	51,287.00	1,607.00	52,894.00	52,894.00	
EXPENDITURES:					
Current Expense:					
Other Support Services- Students - Extra Srvc:					
Salaries	29,895.00	1,607.00	31,502.00	31,502.00	
Total Other Support Services - Students - Extra Srvc	29,895.00	1,607.00	31,502.00	31,502.00	
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	2,287.00		2,287.00	2,287.00	
Health Benefits	19,105.00		19,105.00	19,105.00	
Total Unallocated Benefits - Employee Benefits	21,392.00		21,392.00	21,392.00	
Total Expenditures - Current Expense	51,287.00	1,607.00	52,894.00	52,894.00	
Total Expenditures	51,287.00	1,607.00	52,894.00	52,894.00	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures					
Fund Balances, July 1					
Fund Balances, June 30	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

## BUDGETARY COMPARISON SCHEDULE

## SPECIAL REVENUE FUND

Fiscal year ended June 30, 2012

	Final Budget	Actual	Variance Final To Actual
Revenues:			
Local Sources	\$ 8,238.37	\$ 8,238.37	
State Sources	610,556.63	603,677.37	\$ (6,879.26)
Federal Sources	<u>739,276.68</u>	<u>739,276.68</u>	
Total Revenues	<u>1,358,071.68</u>	<u>1,351,192.42</u>	<u>(6,879.26)</u>
Expenditures:			
Instruction:			
Salaries	315,047.82	315,047.82	
Salaries of Teachers	130,095.00	130,095.00	
Purchased Professional and Technical Services	350.00	350.00	
Purchased Services	264,771.02	258,000.12	6,770.90
Other Purchased Services	167,341.43	167,341.43	
Supplies	85,897.99	85,897.99	
Textbooks	50,982.00	50,982.00	
Other Objects	<u>4,075.47</u>	<u>4,075.47</u>	
Total Instruction	<u>1,018,560.73</u>	<u>1,011,789.83</u>	<u>6,770.90</u>
Support Services:			
Personal Services - Employee Benefits	16,825.57	16,825.57	
Professional and Technical Services	289,307.74	289,199.38	108.36
Other Purchased Services	15,372.43	15,372.43	
Supplies and Materials	2,026.00	2,026.00	
Other Objects	<u>15,979.21</u>	<u>15,979.21</u>	
Total Support Services	<u>339,510.95</u>	<u>339,402.59</u>	<u>108.36</u>
Total Expenditures	<u>1,358,071.68</u>	<u>1,351,192.42</u>	<u>6,879.26</u>
Total Outflows	<u>1,358,071.68</u>	<u>1,351,192.42</u>	<u>6,879.26</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

RED BANK REGIONAL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 BUDGET-TO-GAAP RECONCILIATION

Fiscal year ended June 30, 2012

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>SOURCES/INFLOWS OF RESOURCES</b>		
Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules	\$ 25,030,494.52	\$ 1,351,192.42
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Less: Current Year Encumbrances		(38,940.77)
Add: Prior Year Encumbrances		25,000.17
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	16,252.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(78,215.00)</u>	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 24,968,531.52</u>	<u>\$ 1,337,251.82</u>
<b>USES/OUTFLOWS OF RESOURCES</b>		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	\$ 25,157,296.71	\$ 1,351,192.42
Difference - 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.		
Less: Current Year Encumbrances		(38,940.77)
Add: Prior Year Encumbrances		<u>25,000.17</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 25,157,296.71</u>	<u>\$ 1,337,251.82</u>

## OTHER SUPPLEMENTARY INFORMATION

## SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS

For the fiscal year ending June 30, 2012

	Education Foundation	Comcast Grant	Textbooks	Nursing	Non-Public Aid			Handicapped Exam and Class	Supplementary Instruction	School Based Youth Services Program
					Auxiliary Services Compensatory Education	Home Instruction				
<u>Revenues</u>										
Local Sources	\$ 963.85	\$ 7,274.52	\$ 50,982.00	\$ 72,713.64	\$ 71,854.00	\$ 6,159.43	\$ 69,409.10	\$ 55,701.00	\$ 276,858.20	
State Sources										
Federal Sources										
Total Revenues	\$ 963.85	\$ 7,274.52	\$ 50,982.00	\$ 72,713.64	\$ 71,854.00	\$ 6,159.43	\$ 69,409.10	\$ 55,701.00	\$ 276,858.20	
<u>Expenditures</u>										
Instruction:										
Salaries									\$ 225,228.20	
Salaries of Teachers									350.00	
Purchased Professional and Technical Services					\$ 71,854.00	\$ 6,159.43	\$ 69,409.10	\$ 55,701.00		
Purchased Services									13,083.89	
Other Purchased Services										
Supplies	\$ 963.85	\$ 7,274.52	\$ 50,982.00							
Textbooks										
Other Objects										
Total Instruction	963.85	7,274.52	50,982.00		71,854.00	6,159.43	69,409.10	55,701.00	238,662.09	
Support Services:										
Personal Services - Employee Benefits									33,127.90	
Professional and Technical Services				\$ 72,713.64						
Other Purchased Services										
Supplies and Materials									5,068.21	
Other Objects										
Total Support Services				72,713.64					38,196.11	
Total Expenditures	\$ 963.85	\$ 7,274.52	\$ 50,982.00	\$ 72,713.64	\$ 71,854.00	\$ 6,159.43	\$ 69,409.10	\$ 55,701.00	\$ 276,858.20	



RED BANK REGIONAL HIGH SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS

For the fiscal year ending June 30, 2012

	I.D.E.A. Part B - Combined		Perkins Secondary	Smaller Learning Communities Program FY12	Smaller Learning Communities Supplementary	Smaller Learning Communities Program FY11	Smaller Learning Communities Supp. FY 11	Totals
	A.R.R.A. Basic	Basic Summer FY 11						
<u>Revenues</u>								
Local Sources								\$ 8,238.37
State Sources	\$ 41,652.11	\$ 30,033.08	\$ 10,892.85	\$ 184,667.36	\$ 1,326.57	\$ 46,291.06	\$ 1,170.69	603,677.37
Federal Sources	\$ 41,652.11	\$ 30,033.08	\$ 10,892.85	\$ 184,667.36	\$ 1,326.57	\$ 46,291.06	\$ 1,170.69	739,276.68
<u>Total Revenues</u>								\$ 1,351,192.42
<u>Expenditures</u>								
Instruction:								
Salaries	\$ 26,615.12	\$ 4,401.00		\$ 95,518.00	\$ 837.50	\$ 32,652.00	\$ 1,087.50	\$ 315,047.82
Salaries of Teachers								130,095.00
Purchased Professional and Technical Services								350.00
Purchased Services	4,633.60	\$ 1,600.00	\$ 727.99	47,225.00	425.00			258,000.12
Other Purchased Services	2,605.37	19.00	10,164.86	15,482.80		5,139.78		167,341.43
Supplies								85,897.99
Textbooks								50,982.00
Other Objects		836.97						4,075.47
<u>Total Instruction</u>	33,854.09	156,052.16	10,892.85	158,225.80	1,262.50	37,791.78	1,087.50	1,011,789.83
Support Services:								
Personal Services - Employee Benefits	2,036.06			7,307.13	64.07	2,497.88	83.19	16,825.57
Professional and Technical Services	5,761.96	25,859.08		10,084.00		1,201.40		289,199.38
Other Purchased Services		2,550.00		2,939.43				15,372.43
Supplies and Materials		385.00				4,800.00		2,026.00
Other Objects				6,111.00				15,979.21
<u>Total Support Services</u>	7,798.02	133,319.08		26,441.56	64.07	8,499.28	83.19	339,402.59
<u>Total Expenditures</u>	\$ 41,652.11	\$ 30,033.08	\$ 10,892.85	\$ 184,667.36	\$ 1,326.57	\$ 46,291.06	\$ 1,170.69	\$ 1,351,192.42

CAPITAL PROJECTS FUND  
DETAIL STATEMENTS

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY STATEMENT OF PROJECT EXPENDITURES  
 For the year ended June 30, 2012

<u>Project Title/Issue</u>	<u>Date</u>	<u>Original Appropriations</u>	<u>Expenditures To Date</u>		<u>Cancelled</u>	<u>Unexpended Balance</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Various Capital Improvements Replace Existing Doors/Frames, Renovate Restrooms & CCTV Security System Improvements	08/02	\$ 15,091,810.39	\$ 13,906,126.01		\$ 708,920.34	\$ 476,764.04
Auditorium Renovation	07/09	760,498.00	753,242.04	\$ (633.36)	7,889.32	6,107.65
Convert Intercom System to Voice Over IP (VOIP)	04/11	244,731.00	16,843.01	221,780.34		
		100,642.00		100,642.00		
		<u>\$ 16,197,681.39</u>	<u>\$ 14,676,211.06</u>	<u>\$ 321,788.98</u>	<u>\$ 716,809.66</u>	<u>\$ 482,871.69</u>
Unexpended Balance						<u>\$ 482,871.69</u>
Fund Balance (B-2)						<u>\$ 482,871.69</u>

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGETARY BASIS

For the year ended June 30, 2012

Revenues and Other Financing Sources:	
State Sources - SCC Grant	\$ 137,165.92
Transfer From Capital Reserve	235,000.00
Transfer From Capital Outlay	<u>6,710.68</u>
Total Revenues	<u>378,876.60</u>
Expenditures and Other Financing Sources:	
Purchased Professional and Technical Services	8,447.48
Construction Services	<u>313,341.50</u>
Total Expenditures	<u>321,788.98</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	57,087.62
Fund Balance - July 1	<u>425,784.07</u>
Fund Balance - June 30	<u><u>\$ 482,871.69</u></u>

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS

## VARIOUS CAPITAL IMPROVEMENTS

From inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ 5,301,010.74	\$ 26,792.92	\$ 5,327,803.66	\$ 5,327,803.66
Bond Proceeds and Transfers	8,500,000.00		8,500,000.00	8,500,000.00
Transfer From Capital Reserve	62,100.00		62,100.00	62,100.00
Transfer From Capital Outlay	492,986.39		492,986.39	492,986.39
	<u>14,356,097.13</u>	<u>26,792.92</u>	<u>14,382,890.05</u>	<u>14,382,890.05</u>
<b>Total Revenues</b>				
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	1,365,256.03		1,365,256.03	1,365,256.03
Construction Services	12,540,869.98		12,540,869.98	13,017,634.02
	<u>13,906,126.01</u>		<u>13,906,126.01</u>	<u>14,382,890.05</u>
<b>Total Expenditures</b>				
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 449,971.12</u>	<u>\$ 26,792.92</u>	<u>\$ 476,764.04</u>	<u>\$ 0.00</u>

## Additional Project Information:

Project Date	April 2002
Grant Date	August 2002
Bond Authorization Date	June 24, 2002
Bonds Authorized	8,500,000.00
Bonds Issued	8,500,000.00
Original Authorization Cost	15,091,810.39
Additional Authorization Cost	Not Applicable
Revised Authorization Cost	14,382,890.05

## Percentage Increase over Original

Authorized Cost	Not Applicable
Percentage Completion	97%
Original Target Completion Date	September 2005
Revised Target Completion Date	November 2010

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASISREPLACE EXIT DOORS/FRAMES, RENOVATE RESTROOMS &  
CLOSED CIRCUIT T.V. SECURITY SYSTEM IMPROVEMENTS

From inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ 260,298.00		\$ 260,298.00	\$ 260,298.00
Transfer From Capital Outlay	<u>485,600.00</u>	<u>\$ 6,710.68</u>	<u>492,310.68</u>	<u>492,310.68</u>
Total Revenues	<u>745,898.00</u>	<u>6,710.68</u>	<u>752,608.68</u>	<u>752,608.68</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	76,344.72	(633.36)	75,711.36	75,711.36
Construction Services	<u>676,897.32</u>		<u>676,897.32</u>	<u>676,897.32</u>
Total Expenditures	<u>753,242.04</u>	<u>(633.36)</u>	<u>752,608.68</u>	<u>752,608.68</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ (7,344.04)</u>	<u>\$ 7,344.04</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Additional Project Information:				
Project Date	February 2009			
Grant Date	July 2009			
Bond Authorization Date	Not Applicable			
Bonds Authorized	Not Applicable			
Bonds Issued	Not Applicable			
Original Authorization Cost	\$ 650,745.00			
Additional Authorization Cost	101,863.68			
Revised Authorization Cost	752,608.68			
Percentage Increase over Original Authorized Cost	Not Applicable			
Percentage Completion	100%			
Original Target Completion Date	September 2009			
Revised Target Completion Date	November 2010			

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

## CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS

## AUDITORIUM RENOVATIONS

From inception and for the year ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - ROD Grant		\$ 80,116.00	\$ 80,116.00	\$ 80,116.00
Transfer From Capital Reserve		164,615.00	164,615.00	164,615.00
Total Revenues		<u>244,731.00</u>	<u>244,731.00</u>	<u>244,731.00</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	\$ 16,843.01	9,080.84	25,923.85	25,923.85
Construction Services		212,699.50	212,699.50	218,807.15
Total Expenditures	<u>16,843.01</u>	<u>221,780.34</u>	<u>238,623.35</u>	<u>244,731.00</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ (16,843.01)</u>	<u>\$ 22,950.66</u>	<u>\$ 6,107.65</u>	<u>\$ 0.00</u>
Additional Project Information:				
Project Date		September 2010		
Grant Date		April 2011		
Bond Authorization Date		Not Applicable		
Bonds Authorized		Not Applicable		
Bonds Issued		Not Applicable		
Original Authorization Cost		\$ 200,290.00		
Additional Authorization Cost		44,441.00		
Revised Authorization Cost		244,731.00		
Percentage Increase over Original Authorized Cost		Not Applicable		
Percentage Completion		98%		
Original Target Completion Date		October 2011		
Revised Target Completion Date		Not Applicable		

RED BANK REGIONAL HIGH SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS

CONVERT INTERCOM SYSTEM TO VOICE  
OVER IP (VOIP)

From inception and for the year ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - ROD Grant		\$ 30,257.00	\$ 30,257.00	\$ 30,257.00
Transfer From Capital Reserve		70,385.00	70,385.00	70,385.00
Total Revenues		<u>100,642.00</u>	<u>100,642.00</u>	<u>100,642.00</u>
Expenditures and Other Financing Uses:				
Construction Services		100,642.00	100,642.00	100,642.00
Total Expenditures		<u>100,642.00</u>	<u>100,642.00</u>	<u>100,642.00</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Additional Project Information:

Project Date	September 2010
Grant Date	April 2011
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorization Cost	\$ 75,642.00
Additional Authorization Cost	25,000.00
Revised Authorization Cost	100,642.00
Percentage Increase over Original Authorized Cost	Not Applicable
Percentage Completion	100%
Original Target Completion Date	January 2012
Revised Target Completion Date	Not Applicable

PROPRIETARY FUND  
DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District's Board is that the costs of providing goods or services be financed through user charges.

FOOD SERVICE FUND

This Fund provides for the operation of food services within the School District.

This Section has already been included in Statements B-4, B-5, and B-6.

FIDUCIARY FUNDS  
DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the School District for a specific purpose.

Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund: This Agency Fund is used to account for student funds held at the schools.

Payroll Fund: This Agency Fund is used to account for the payroll transactions of the School District.

Scholarship Fund: This Fund is a Nonexpendable Trust Fund and limits expenses according to the Scholarship Agreement.

Unemployment Agency Fund: This Fund is used to account for assets to finance the cost of unemployment benefits.

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

June 30, 2012

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Fund</u>	Agency <u>Fund</u>	<u>Totals</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 98,045.73	\$ 3,030,874.11	\$ 417,999.06	\$ 3,546,918.90
Due From Payroll Agency Fund	293.49			293.49
Due From Student Activities Fund			4,771.75	4,771.75
Accounts Receivable	<u>412.98</u>		<u>297.36</u>	<u>710.34</u>
<b>Total Assets</b>	<b><u>\$ 98,752.20</u></b>	<b><u>\$ 3,030,874.11</u></b>	<b><u>\$ 423,068.17</u></b>	<b><u>\$ 3,552,694.48</u></b>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts Payable		\$ 1,395.00		\$ 1,395.00
Due To:				
Unemployment Trust Fund			\$ 293.49	293.49
State	\$ 2,411.09			2,411.09
Due To Payroll Agency Fund			4,771.75	4,771.75
Payable To Student Groups			188,572.12	188,572.12
Payroll Deductions and Withholdings			<u>229,430.81</u>	<u>229,430.81</u>
<b>Total Liabilities</b>	<b><u>2,411.09</u></b>	<b><u>1,395.00</u></b>	<b><u>423,068.17</u></b>	<b><u>426,874.26</u></b>
Net Assets:				
Held in Trust for Unemployment Claims and Other Purposes	96,341.11			96,341.11
Nonexpendable Scholarship		2,852,769.72		2,852,769.72
Reserved for Scholarships		<u>176,709.39</u>		<u>176,709.39</u>
<b>Total Net Assets</b>	<b><u>96,341.11</u></b>	<b><u>3,029,479.11</u></b>		<b><u>3,125,820.22</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 98,752.20</u></b>	<b><u>\$ 3,030,874.11</u></b>	<b><u>\$ 423,068.17</u></b>	<b><u>\$ 3,552,694.48</u></b>

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS

For the fiscal year ended June 30, 2012

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Fund</u>	<u>Totals</u>
Additions:			
Employee Contributions	\$ 26,890.96	_____	\$ 26,890.96
Total Contributions	<u>26,890.96</u>	_____	<u>26,890.96</u>
Investment Earnings:			
Interest	119.94	\$ 54,511.73	54,631.67
Total Investment Earnings	<u>119.94</u>	<u>54,511.73</u>	<u>54,631.67</u>
Total Additions	<u>27,010.90</u>	<u>54,511.73</u>	<u>81,522.63</u>
Deductions:			
Quarterly Contribution Reports	7,911.42		7,911.42
Payment of Claims	48,917.72		48,917.72
Scholarships Awarded		54,250.00	54,250.00
Administrative Expenses		1,395.00	1,395.00
Total Deductions	<u>56,829.14</u>	<u>55,645.00</u>	<u>112,474.14</u>
Change in Net Assets	(29,818.24)	(1,133.27)	(30,951.51)
Net Assets - Beginning of Year	<u>126,159.35</u>	<u>3,030,612.38</u>	<u>3,156,771.73</u>
Net Assets - End of Year	<u>\$ 96,341.11</u>	<u>\$ 3,029,479.11</u>	<u>\$ 3,125,820.22</u>

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 STUDENT ACTIVITY AGENCY FUND

For the fiscal year ended June 30, 2012

	Balance July 1, <u>2011</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance June 30, <u>2012</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 200,985.91	\$ 403,518.69	\$ 411,160.73	\$ 193,343.87
Total Assets	<u>\$ 200,985.91</u>	<u>\$ 403,518.69</u>	<u>\$ 411,160.73</u>	<u>\$ 193,343.87</u>
<u>Liabilities</u>				
Senior High School:				
Red Bank Regional	\$ 188,173.78	\$ 291,929.71	\$ 312,424.87	\$ 167,678.62
Red Bank Regional Athletic Fund	12,812.13	106,817.23	98,735.86	20,893.50
Due to Payroll Agency Fund	<u>                    </u>	<u>4,771.75</u>	<u>                    </u>	<u>4,771.75</u>
Total Liabilities	<u>\$ 200,985.91</u>	<u>\$ 403,518.69</u>	<u>\$ 411,160.73</u>	<u>\$ 193,343.87</u>

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
 PAYROLL AGENCY FUND  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS

For the fiscal year ended June 30, 2012

	Balance July 1, <u>2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2012</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 280,363.40	\$ 6,207,455.00	\$ 6,263,163.21	\$ 224,655.19
Due from Student Activities Fund		4,771.75		4,771.75
Other Accounts Receivable	<u>297.36</u>			<u>297.36</u>
Total Assets	<u>\$ 280,660.76</u>	<u>\$ 6,212,226.75</u>	<u>\$ 6,263,163.21</u>	<u>\$ 229,724.30</u>
<u>Liabilities</u>				
Due To Unemployment Trust Fund	\$ 293.49			\$ 293.49
Payroll Deductions and Withholdings	<u>280,367.27</u>	<u>\$ 6,212,226.75</u>	<u>\$ 6,263,163.21</u>	<u>229,430.81</u>
Total Liabilities	<u>\$ 280,660.76</u>	<u>\$ 6,212,226.75</u>	<u>\$ 6,263,163.21</u>	<u>\$ 229,724.30</u>

## LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding and obligations under capital leases.



## RED BANK REGIONAL HIGH SCHOOL DISTRICT

## BUDGETARY COMPARISON SCHEDULE

## DEBT SERVICE FUND

For the fiscal year ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive/(Negative) Final To Actual
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 744,400.00		\$ 744,400.00	\$ 744,400.00	
Total Revenues	<u>744,400.00</u>		<u>744,400.00</u>	<u>744,400.00</u>	
<u>Expenditures</u>					
Regular Debt Service:					
Interest on Early Retirement Bonds	49,375.00		49,375.00	49,375.00	
Redemption of Principal - Early Retirement Bonds	80,000.00		80,000.00	80,000.00	
Interest on Bonds	219,750.00		219,750.00	219,750.00	
Redemption of Principal	<u>405,000.00</u>		<u>405,000.00</u>	<u>405,000.00</u>	
Total Regular Debt Service	<u>754,125.00</u>		<u>754,125.00</u>	<u>754,125.00</u>	
Total Expenditures	<u>754,125.00</u>		<u>754,125.00</u>	<u>754,125.00</u>	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(9,725.00)</u>		<u>(9,725.00)</u>	<u>(9,725.00)</u>	
Fund Balance, July 1	<u>37,712.88</u>		<u>37,712.88</u>	<u>37,712.88</u>	
Fund Balance, June 30	<u>\$ 27,987.88</u>	<u>\$ 0.00</u>	<u>\$ 27,987.88</u>	<u>\$ 27,987.88</u>	<u>\$ 0.00</u>
Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures					
Budgeted Fund Balance	<u>\$ (9,725.00)</u>	<u>\$ 0.00</u>	<u>\$ (9,725.00)</u>	<u>\$ (9,725.00)</u>	<u>\$ 0.00</u>

## STATISTICAL SECTION

FINANCIAL TRENDS/INFORMATION SCHEDULES

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NET ASSETS BY COMPONENT

LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Government Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 7,931,802.00	\$ 11,840,609.00	\$ 16,298,632.00	\$ 16,740,772.33	\$ 17,116,153.84	\$ 17,278,930.00	\$ 17,586,972.00	\$ 17,771,775.15	\$ 17,542,094.73	\$ 17,980,544.28
Restricted	8,528,508.42	4,859,539.57	2,946,421.11	2,893,633.16	3,690,296.13	3,898,494.14	4,033,476.56	3,193,507.74	3,236,233.86	2,885,448.52
Unrestricted	637,619.93	26,694.61	(88,603.99)	(30,216.39)	243,702.44	873,306.92	27,751.77	637,371.40	403,447.27	411,221.35
<b>Total Government Activities Net Assets</b>	<b>\$ 17,097,930.35</b>	<b>\$ 16,726,843.18</b>	<b>\$ 19,156,449.12</b>	<b>\$ 19,604,189.10</b>	<b>\$ 21,050,152.41</b>	<b>\$ 22,050,731.06</b>	<b>\$ 21,648,200.33</b>	<b>\$ 21,602,654.29</b>	<b>\$ 21,181,775.86</b>	<b>\$ 21,277,214.15</b>
<b>Business-Type Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 3,980.73	\$ 3,706.19	\$ 22,170.65	\$ 20,604.11	\$ 19,037.57	\$ 39,704.36	\$ 36,604.49	\$ 52,168.53	\$ 52,180.05	\$ 85,640.26
Unrestricted	74,098.71	92,902.46	64,700.92	40,514.41	46,557.88	59,676.97	99,380.91	91,457.51	102,999.77	96,509.88
<b>Total Business-Type Activities Net Assets</b>	<b>\$ 78,079.44</b>	<b>\$ 96,608.65</b>	<b>\$ 86,871.57</b>	<b>\$ 61,118.52</b>	<b>\$ 65,595.45</b>	<b>\$ 99,381.33</b>	<b>\$ 135,985.40</b>	<b>\$ 143,626.04</b>	<b>\$ 155,179.82</b>	<b>\$ 182,150.14</b>
<b>District-wide:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 7,935,782.73	\$ 11,844,315.19	\$ 16,320,802.65	\$ 16,761,376.44	\$ 17,135,191.41	\$ 17,318,634.36	\$ 17,623,576.49	\$ 17,823,943.68	\$ 17,594,274.78	\$ 18,066,184.54
Restricted	8,528,508.42	4,859,539.57	2,946,421.11	2,893,633.16	3,690,296.13	3,898,494.14	4,033,476.56	3,193,507.74	3,236,233.86	2,885,448.52
Unrestricted	711,718.64	119,597.07	(23,903.07)	10,298.02	290,260.32	932,983.89	127,132.68	728,828.91	508,447.04	507,731.23
<b>Total District Net Assets</b>	<b>\$ 17,176,009.79</b>	<b>\$ 16,823,451.83</b>	<b>\$ 19,243,320.69</b>	<b>\$ 19,665,307.62</b>	<b>\$ 21,115,747.86</b>	<b>\$ 22,150,112.39</b>	<b>\$ 21,784,185.73</b>	<b>\$ 21,746,280.33</b>	<b>\$ 21,336,955.68</b>	<b>\$ 21,459,364.29</b>

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses:</b>										
Governmental Activities:										
Instruction:										
Regular	\$ (7,162,463.91)	\$ (7,716,292.00)	\$ (8,110,735.51)	\$ (8,374,358.71)	\$ (9,084,606.15)	\$ (9,841,069.59)	\$ (9,920,702.40)	\$ (10,616,755.56)	\$ (11,131,960.10)	\$ (10,968,926.40)
Special Education	(915,599.23)	(696,261.55)	(1,072,149.07)	(1,232,653.70)	(1,246,632.10)	(1,431,563.23)	(1,694,462.25)	(1,762,250.28)	(1,490,756.14)	(1,570,561.49)
Other Special Education	(301,094.02)	(390,168.25)	(421,058.38)	(391,220.10)	(575,572.94)	(671,303.50)	(605,405.76)	(600,640.01)	(603,075.71)	(594,070.14)
Other Instruction	(617,151.60)	(590,576.17)	(681,101.63)	(797,658.60)	(833,219.83)	(976,572.01)	(1,011,346.44)	(1,079,318.10)	(1,251,201.28)	(1,105,785.06)
Support Services:										
Tuition	(1,298,905.92)	(1,497,470.11)	(1,663,633.47)	(1,510,959.56)	(1,306,906.29)	(1,127,838.95)	(1,478,420.39)	(1,115,016.22)	(1,162,661.68)	(1,178,396.15)
Student and Instruction Related Services	(2,337,693.22)	(2,258,698.55)	(2,803,889.92)	(3,042,729.51)	(3,405,431.48)	(3,599,180.82)	(3,777,452.71)	(3,948,234.34)	(4,171,262.65)	(4,089,920.28)
School Administrative Services	(1,545,937.23)	(1,683,893.97)	(982,558.63)	(793,872.65)	(766,352.25)	(780,916.77)	(748,782.94)	(865,665.30)	(613,691.86)	(839,967.23)
General Administration	(986,282.60)	(920,739.74)	(930,777.35)	(1,162,715.97)	(506,624.47)	(342,588.37)	(674,677.70)	(837,403.52)	(803,417.59)	(983,482.10)
Central Services				(520,452.17)			(367,562.59)	(402,436.58)	(651,994.83)	(435,967.77)
Admin Information Technology				(2,098,027.53)	(2,197,948.29)	(2,306,582.21)	(2,744,542.10)	(100,317.45)	(102,129.81)	(105,593.90)
Plant Operations and Maintenance	(1,523,126.99)	(1,800,390.45)	(2,047,973.09)	(1,503,564.12)	(1,619,343.21)	(1,505,862.67)	(1,704,608.17)	(1,571,358.54)	(2,230,290.20)	(2,764,716.44)
Pupil Transportation	(1,284,226.10)	(1,210,778.44)	(1,386,366.64)	(1,219,207.96)	(1,294,227.93)	(270,426.99)	(309,475.60)	(223,801.73)	(31,094.44)	(21,938.39)
Special Schools	(265,620.18)	(202,957.15)	(182,951.22)	(377,745.90)	(349,180.12)	(333,497.51)	(349,180.12)	(316,949.38)	(122,677.59)	(162,953.27)
Interest on Long-Term Debt	(321,512.70)	(399,040.50)	(387,501.50)	(377,745.90)	(349,180.12)	(333,497.51)	(349,180.12)	(316,949.38)	(122,677.59)	(162,953.27)
Unallocated Depreciation	(307,301.00)	(316,072.00)	(310,026.00)	(296,881.00)	(312,514.00)	(786,334.00)	(810,877.00)	(625,075.00)	(895,674.17)	(895,674.17)
Total Governmental Activities Expenses	(18,865,914.70)	(19,663,338.56)	(20,990,722.41)	(21,791,995.57)	(23,033,953.95)	(24,705,662.52)	(26,181,813.55)	(26,537,148.60)	(26,720,162.84)	(27,091,910.97)
Business-Type Activities:										
Food Service	(549,596.59)	(574,099.19)	(601,548.90)	(620,819.80)	(605,127.63)	(716,173.87)	(684,412.52)	(656,605.98)	(720,630.98)	(713,221.63)
Total Business-Type Activities Expenses	(549,596.59)	(574,099.19)	(601,548.90)	(620,819.80)	(605,127.63)	(716,173.87)	(684,412.52)	(656,605.98)	(720,630.98)	(713,221.63)
Total District Expenses	\$ (19,415,511.29)	\$ (20,457,437.77)	\$ (21,592,271.31)	\$ (22,412,815.37)	\$ (23,639,081.21)	\$ (25,421,836.39)	\$ (26,866,226.07)	\$ (27,193,754.58)	\$ (27,440,793.82)	\$ (27,805,132.60)
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 3,308,552.84	\$ 3,199,857.60	\$ 2,897,045.84	\$ 2,741,737.22	\$ 2,676,494.99	\$ 3,064,078.24	\$ 3,306,939.62	\$ 3,194,333.00	\$ 3,405,644.26	\$ 3,486,725.95
Pupil Transportation	245,456.59	257,315.54	235,329.75	249,144.09	246,783.94	263,835.66	262,015.00	266,706.00	282,375.26	215,262.20
Central and Other Support Services	77,582.50	162,466.00	162,466.00	162,466.00	162,466.00	162,466.00	3,570.67	93,671.00	13,753.26	219,008.43
Operating Grants and Contributions	155,232.56	3,209,787.17	1,679,904.52	135,072.52	47,728.19			260,296.00	(184,758.73)	
Capital Grants and Contributions	305,632.78									
Total Governmental Activities Program Revenues	4,092,457.27	6,829,426.31	4,974,746.11	3,288,419.83	3,085,744.93	3,490,379.90	3,572,525.29	3,815,008.00	3,517,014.05	3,922,996.58
Business-Type Activities:										
Charges for Services:										
Food Service	515,618.41	555,107.19	548,456.77	545,111.76	561,876.38	662,972.00	632,160.31	566,365.92	618,566.58	605,680.30
Operating Grants and Contributions	36,344.21	37,521.21	43,355.05	48,730.95	47,728.19	63,987.75	84,580.53	93,532.20	113,618.20	134,511.65
Total Business-Type Activities Program Revenues	551,962.62	592,628.40	591,811.82	593,842.71	609,604.56	726,959.75	716,740.84	659,898.12	732,184.76	740,191.95
Total District Program Revenues	\$ 4,644,419.89	\$ 7,422,054.71	\$ 5,566,557.93	\$ 3,882,262.54	\$ 3,695,349.49	\$ 4,217,339.65	\$ 4,289,266.13	\$ 4,474,906.12	\$ 4,249,198.81	\$ 4,663,188.53

RED BANK REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET ASSETS

LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense)/Revenue:										
Governmental Activities	\$ (14,774,457.43)	\$ (13,053,912.27)	\$ (16,015,976.30)	\$ (18,503,575.74)	\$ (19,948,208.65)	\$ (21,215,282.62)	\$ (22,609,286.26)	\$ (22,722,140.60)	\$ (23,203,148.79)	\$ (23,168,914.39)
Business-Type Activities	2,366.03	18,529.21	(9,737.08)	(26,977.09)	4,476.93	10,785.89	32,326.32	3,292.14	11,553.78	26,970.32
Total District-wide Net (Expense)/Revenue	\$ (14,772,091.40)	\$ (13,035,383.06)	\$ (16,025,713.38)	\$ (18,530,552.83)	\$ (19,943,731.72)	\$ (21,204,496.74)	\$ (22,576,959.94)	\$ (22,718,848.46)	\$ (23,191,595.01)	\$ (23,141,944.07)
General Revenues and Other Changes in Net Assets:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 11,628,463.00	\$ 12,911,256.00	\$ 14,005,342.00	\$ 14,396,265.00	\$ 15,953,619.00	\$ 16,591,764.00	\$ 17,255,435.00	\$ 17,886,750.00	\$ 18,270,890.00	\$ 18,617,308.00
Taxes Levied for Debt Service	505,106.00	732,023.00	758,042.00	762,801.00	769,396.00	770,027.00	774,729.00	773,529.00	781,420.00	744,400.00
Unrestricted Grants and Contributions	2,923,698.27	3,270,489.94	3,482,561.69	3,658,614.26	4,425,868.61	4,703,127.34	4,057,633.17	3,824,491.85	3,623,021.41	3,832,254.84
Investment Earnings	103,526.00	29,047.73	40,006.95	108,365.29	157,840.80	114,688.62	23,893.87	19,967.81	8,473.20	4,986.81
Miscellaneous Income	174,567.92	107,154.92	161,629.60	43,714.19	87,826.55	59,254.31	99,540.24	176,204.40	98,465.75	65,433.03
Transfers				(1,224.04)		(23,000.00)	(4,275.75)			
Loss on Disposition of Assets				(17,220.00)						
Total Governmental Activities	15,335,361.19	17,049,971.59	18,447,582.24	18,951,315.72	21,394,171.96	22,215,881.27	22,206,757.53	22,676,594.56	22,782,270.36	23,264,352.68
Business-Type Activities:										
Transfers				1,224.04		23,000.00	4,275.75	4,348.50		
Total Business-Type Activities				1,224.04		23,000.00	4,275.75	4,348.50		
Total District-wide	\$ 15,335,361.19	\$ 17,049,971.59	\$ 18,447,582.24	\$ 18,952,539.76	\$ 21,394,171.96	\$ 22,238,881.27	\$ 22,211,033.28	\$ 22,680,943.06	\$ 22,782,270.36	\$ 23,264,352.68
Changes in Net Assets:										
Governmental Activities	\$ 560,903.76	\$ 3,996,059.32	\$ 2,431,605.94	\$ 447,739.98	\$ 1,445,963.31	\$ 1,000,578.65	\$ (402,530.73)	\$ (45,546.04)	\$ (420,876.43)	\$ 95,438.29
Business-Type Activities	2,366.03	18,529.21	(9,737.08)	(26,977.09)	4,476.93	33,785.88	36,604.07	7,640.64	11,553.78	26,970.32
Total District	\$ 563,269.79	\$ 4,014,588.53	\$ 2,421,868.86	\$ 420,762.89	\$ 1,450,440.24	\$ 1,034,364.53	\$ (365,926.66)	\$ (37,905.40)	\$ (409,322.65)	\$ 122,408.61

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
 (UNAUDITED)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:										
Reserved	\$ 454,772.06	\$ 1,315,900.73	\$ 1,259,046.95	\$ 1,821,459.51	\$ 2,849,054.84	\$ 3,891,068.59	\$ 3,374,056.71	\$ 2,469,445.30		
Unreserved	937,731.53	464,324.45	773,296.34	322,207.45	349,261.04	355,190.19	326,557.44	874,413.91		
Restricted									\$ 2,132,870.70	\$ 1,743,339.20
Assigned									639,866.21	631,249.75
Unassigned									615,234.14	582,906.23
<b>Total General Fund</b>	<b>\$ 1,392,503.59</b>	<b>\$ 1,780,225.18</b>	<b>\$ 2,032,343.29</b>	<b>\$ 2,143,666.96</b>	<b>\$ 3,198,315.88</b>	<b>\$ 4,246,258.78</b>	<b>\$ 3,700,614.15</b>	<b>\$ 3,343,859.21</b>	<b>\$ 3,387,971.05</b>	<b>\$ 2,957,495.18</b>
All Other Governmental Funds:										
Reserved				\$ 46,750.00		\$ 202,888.00	\$ 9,578.01	\$ 90,450.00		
Unreserved, Reported In:										
Special Revenue Fund	\$ (4,280.60)		\$ (2,465.40)		\$ (2,465.40)					
Capital Projects Fund	8,041,550.84	\$ 3,541,393.48	1,262,099.71	1,012,740.92	1,031,440.92	623,543.40	649,839.85	623,885.81		
Debt Service Fund	36,466.12	2,245.36	1.10	0.83	0.57	1.31	1.55	9,726.63		
Restricted for:										
Debt Service Fund									\$ 37,712.88	\$ 27,987.88
Capital Projects Fund									425,784.07	482,871.59
<b>Total All Other Governmental Funds</b>	<b>\$ 8,073,736.36</b>	<b>\$ 3,543,638.84</b>	<b>\$ 1,259,635.41</b>	<b>\$ 1,059,491.75</b>	<b>\$ 1,028,976.09</b>	<b>\$ 823,967.31</b>	<b>\$ 659,419.41</b>	<b>\$ 724,062.44</b>	<b>\$ 463,496.95</b>	<b>\$ 510,859.57</b>

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
 (UNAUDITED)

	2003*	2004*	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues:</b>										
Tax Levy	\$ 12,133,569.00	\$ 13,643,279.00	\$ 14,763,384.00	\$ 15,159,066.00	\$ 16,723,015.00	\$ 17,361,791.00	\$ 18,030,164.00	\$ 18,680,279.00	\$ 19,052,310.00	\$ 19,361,708.00
Tuition Charges	3,396,135.34	3,199,857.60	2,897,045.94	2,741,737.22	2,676,494.99	3,064,078.24	3,306,939.62	3,194,333.01	3,405,644.26	3,488,725.95
Transportation Fees					246,793.94	263,835.66	262,015.00	266,706.04	282,375.26	215,262.20
Interest Earnings	16,510.47	8,180.87	40,006.95	108,365.29	157,840.80	2,806.57	23,696.67	19,967.81	106,939.04	1,136.77
Miscellaneous	352,186.51	364,470.46	396,959.35	293,201.95	87,626.55	171,136.36	159,540.24	254,894.90	106,939.04	69,263.07
State Sources	2,741,231.46	3,103,599.77	5,042,652.23	3,562,893.80	4,128,449.67	4,346,253.04	3,394,943.11	3,315,869.71	2,470,275.19	3,262,176.21
Federal Sources	337,699.37	329,356.17	282,279.98	393,269.00	459,705.94	519,340.30	666,260.73	862,531.14	981,740.75	789,087.06
<b>Total Revenues</b>	<b>18,967,332.15</b>	<b>20,648,743.87</b>	<b>23,422,928.35</b>	<b>22,258,523.26</b>	<b>24,479,916.69</b>	<b>25,729,241.17</b>	<b>25,843,558.57</b>	<b>26,574,641.61</b>	<b>26,299,284.50</b>	<b>27,187,349.26</b>
<b>Expenditures:</b>										
Instruction:										
Regular	5,173,198.29	5,347,190.02	6,220,468.52	6,428,557.81	6,819,799.99	7,304,446.65	7,640,141.00	8,200,481.36	8,360,640.15	7,885,679.26
Special	699,592.52	662,279.01	785,315.97	903,120.35	891,213.18	1,012,461.42	1,250,600.69	1,278,933.11	1,056,555.49	1,080,826.14
Other	236,977.28	298,701.35	313,349.38	288,860.01	410,505.48	729,953.69	784,249.42	439,982.10	438,709.24	412,226.31
School-Sponsored/Other Instructional	508,620.14	473,610.33	542,750.12	629,255.85	644,806.55	491,269.00	454,041.88	830,842.85	939,264.35	847,508.35
Support Services:										
Tuition	1,298,905.92	1,487,470.11	1,663,633.47	1,510,959.56	1,306,906.29	1,127,638.95	1,478,420.39	1,115,016.22	1,162,661.68	1,178,396.15
Student and Instruction Related Services	1,591,733.89	1,584,983.68	2,222,722.95	2,386,433.12	2,661,357.84	2,744,913.69	2,942,691.32	2,984,940.13	3,152,272.48	2,963,067.57
School Administrative Services	1,219,188.57	1,289,794.15	749,470.87	647,450.68	619,723.58	582,005.00	578,907.36	641,532.25	623,754.76	603,677.41
General Administration	545,304.67	396,860.20	424,243.71	453,082.69	411,081.52	519,887.58	469,237.95	554,822.92	529,355.39	681,478.93
Central Services			326,595.56	508,271.80	394,585.46	342,588.37	367,562.58	402,436.58	436,364.12	435,967.77
Admin. Information Technology										
Plant Operations and Maintenance	1,437,821.80	1,690,472.98	1,681,009.48	1,880,059.22	1,963,694.42	2,070,074.13	2,526,539.14	2,065,735.65	2,010,369.17	1,055,983.90
Pupil Transportation	1,284,226.10	1,210,778.44	1,380,996.93	1,496,462.19	1,608,346.85	1,490,158.37	1,667,581.93	1,552,698.60	1,369,957.53	1,349,730.35
Business and Other Support Services:										
Other	376,809.85	352,570.52	284.04							
Employee Benefits	2,648,480.13	3,148,744.60	3,447,379.17	3,660,123.69	4,267,287.98	4,764,743.28	4,428,660.31	4,894,020.54	5,282,328.62	5,806,705.74
Special Schools	207,526.97	153,401.51	136,423.91	163,339.29	211,866.90	194,252.26	243,161.74	152,363.15	26,735.52	19,612.84
Capital Outlay	256,315.46	208,318.07	4,626,633.33	596,341.68	475,211.33	718,687.60	862,951.68	805,867.34	251,186.09	939,344.38
Special Revenue	955,940.00	917,887.18								
Debt Service:										
Principal	295,000.00	370,000.00	565,000.00	360,000.00	400,000.00	415,000.00	435,000.00	450,000.00	515,000.00	485,000.00
Interest and Other Charges	175,894.38	396,243.76	395,286.26	382,801.27	389,396.26	365,026.26	339,728.76	392,494.77	238,453.75	289,125.00
<b>Total Expenditures</b>	<b>18,911,525.97</b>	<b>19,997,905.91</b>	<b>25,481,563.67</b>	<b>22,346,119.21</b>	<b>23,455,783.63</b>	<b>24,863,306.25</b>	<b>26,489,476.15</b>	<b>26,662,405.02</b>	<b>26,515,738.15</b>	<b>27,570,462.51</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>55,806.18</b>	<b>651,437.96</b>	<b>(2,059,235.32)</b>	<b>(87,595.95)</b>	<b>1,024,133.26</b>	<b>865,934.92</b>	<b>(645,917.59)</b>	<b>(287,763.41)</b>	<b>(216,453.65)</b>	<b>(383,113.25)</b>
<b>Other Financing Sources/(Uses):</b>										
Proceeds From Borrowing			27,350.00							
Capital Leases (Non-Budgeted)										
Proceeds From Refunding										
Payments To Escrow Agent		20,866.86	253,585.54	2,806.57						
Transfers In		(314,623.39)	(253,585.54)	(1,224.04)						
Transfers Out										
<b>Total Other Financing Sources/(Uses)</b>			<b>27,350.00</b>	<b>(1,224.04)</b>	<b>(25,000.00)</b>	<b>(64,275.75)</b>	<b>(64,275.75)</b>	<b>(4,348.50)</b>		
<b>Net Change in Fund Balances</b>	<b>\$ 55,806.18</b>	<b>\$ 357,781.43</b>	<b>(2,031,885.32)</b>	<b>(86,819.99)</b>	<b>\$ 1,024,133.26</b>	<b>\$ 842,934.92</b>	<b>(710,193.34)</b>	<b>(292,111.91)</b>	<b>(216,453.65)</b>	<b>\$ (383,113.25)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>		2.52%	3.65%	3.51%	3.35%	3.19%	3.02%	3.23%	2.67%	2.83%
Source: District records										

Note: Noncapital expenditures are total expenditures less Capital Outlay.  
 Central Service and Administrative Information Technology account classifications were added beginning with year-end June 30, 2005.  
 \* Special Revenue allocation not available  
 \*\* Debt Service breakdown not available  
 \*\*\* Other Financing Sources/(Uses) not available

RED BANK REGIONAL HIGH SCHOOL DISTRICT

GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE

LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

Fiscal Year Ending June 30,	Refund of Prior Year Expenditure	Rentals	Interest on Investments	Miscellaneous	Interest Earned on Capital Reserve	Tuition	Transportation Fees	Annual Totals
2003	\$ 70,168.91	\$ 28,182.93	\$ 15,310.47	\$ 2,886.92	\$ 1,200.00	\$ 3,386,135.34	\$ 245,456.59	\$ 3,749,341.16
2004	61,550.59	18,860.03	8,180.87	18,697.16		3,199,857.60	257,315.54	3,564,461.79
2005	68,041.78	8,998.00	26,984.41	51,088.27		2,897,045.84	235,329.75	3,287,488.05
2006	18,635.21	1,320.00	95,844.56	9,788.59		2,741,737.22	249,144.09	3,116,469.67
2007	27,785.05	780.00	152,694.49	36,576.31		2,676,494.99	246,783.94	3,141,114.78
2008				151,607.53		3,064,078.24	263,835.66	3,479,521.43
2009	10,690.40	8,344.00	23,695.87	28,428.11		3,306,939.62	262,015.00	3,640,113.00
2010	12,800.56	8,604.25	19,967.81	104,030.31		3,194,333.01	266,706.04	3,606,441.98
2011	22,501.12	13,013.50	6,483.32	49,596.28	1,989.88	3,405,644.26	282,375.26	3,781,603.62
2012	14,746.15	4,780.50	4,444.09	25,291.28	636.77	3,488,725.95	215,262.20	3,753,886.94

Source: District records

## REVENUE CAPACITY INFORMATION

RED BANK REGIONAL HIGH SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS  
(UNAUDITED)

RED BANK BOROUGH

Fiscal Year Ending June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Less:		Total
								Total Assessed Value	Tax - Exempt Property	
2003	\$ 9,698,700	\$ 588,647,700	-	-	\$ 257,200,400	\$ 23,002,400	\$ 71,105,900			1.102
2004	10,705,100	595,665,000	-	-	256,157,100	24,464,900	70,342,400			1.135
2005	12,932,100	595,638,800	-	-	256,379,900	23,662,400	71,181,800			1.165
2006	13,292,600	602,331,300	-	-	260,839,600	22,019,300	70,357,500			1.200
2007	20,091,700	1,346,966,100	-	-	659,393,500	54,245,000	147,770,000			0.534
2008	20,991,400	1,353,253,700	-	-	685,713,600	54,293,500	148,477,600			0.538
2009	27,096,400	1,359,504,500	-	-	692,196,800	53,777,800	145,835,600			0.530
2010	18,514,900	1,369,449,500	-	-	676,474,300	52,048,700	142,895,200			0.556
2011	19,743,700	1,366,109,731	-	-	668,896,500	50,437,500	143,148,400			0.569
2012	24,247,600	1,355,504,971	-	-	663,883,700	49,873,800	143,218,400			0.588

Source: 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. Reassessment (R) occurs when the County Board of Taxation requests Treasury to order a reassessment.

- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b Tax rates are per \$100
- N/A At the time of CAFR Completion, this data was not yet available



RED BANK REGIONAL HIGH SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(UNAUDITED)

SHREWSBURY BOROUGH

Fiscal Year Ending June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Less:		Total Direct School Tax Rate <sup>b</sup>	
								Total Assessed Value	Tax-Exempt Property		Public Utilities <sup>a</sup>
2003	\$ 8,747,600	\$ 479,776,800	\$ 778,700	10,900	\$ 295,322,400	-	-	\$ 31,457,300	\$ 2,126,915	\$ 786,763,315	0.686
2004	8,317,600	485,228,700	778,700	10,900	295,480,800	-	-	31,950,800	2,170,990	791,987,690	0.722
2005	7,395,600	494,432,700	778,700	10,900	286,909,800	-	-	31,950,800	1,804,831	791,332,531	0.401
2006	8,101,300	500,826,900	778,700	10,900	284,952,800	-	-	31,950,800	1,583,800	796,254,400	0.792
2007	6,469,400	511,903,900	778,700	10,900	286,794,000	-	-	31,170,000	1,466,511	807,423,411	0.809
2008	5,154,200	517,858,900	778,700	10,900	286,898,200	-	-	31,639,100	1,437,683	812,138,583	0.835
2009	7,693,000	522,019,400	778,700	10,900	281,708,500	-	-	41,669,200	1,468,812	813,679,312	0.860
2010	7,668,100	518,386,500	914,500	10,900	276,625,900	-	-	41,125,500	1,560,706	805,166,606	0.885
2011	7,542,600	517,700,300	914,500	5,200	264,051,000	-	-	41,125,500	1,373,895	791,587,495	0.920
2012	13,612,600	516,029,100	914,500	5,200	258,315,600	-	-	41,641,900	1,391,280	790,268,280	0.934

Source: 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. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b Tax rates are per \$100
- N/A At the time of CAFR Completion, this data was not yet available

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS  
(RATE PER \$100 OF ASSESSED VALUE)  
(UNAUDITED)

RED BANK BOROUGH

Fiscal Year Ending June 30	School District Direct Rate				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct School Tax Rate	Borough of Red Bank	Regional School Rate	Monmouth County			
2003	\$ 1.056	\$ 0.046	\$ 1.102	\$ 0.734	\$ 0.646	\$ 0.492	\$	2.974	
2004	1.074	0.061	1.135	0.749	0.704	0.488		3.076	
2005	1.105	0.060	1.165	0.792	0.745	0.521		3.223	
2006	1.140	0.060	1.200	0.836	0.834	0.558		3.428	
2007	0.506	0.028	0.534	0.384	0.371	0.252		1.541	
2008	0.511	0.027	0.538	0.445	0.365	0.246		1.594	
2009	0.504	0.026	0.530	0.462	0.367	0.254		1.613	
2010	0.532	0.024	0.556	0.484	0.374	0.265		1.679	
2011	0.543	0.026	0.569	0.509	0.377	0.257		1.712	
2012	0.562	0.026	0.588	0.523	0.385	0.261		1.757	

Source: Municipal Tax Assessor

Note: N.J.S.A. 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 calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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.

N/A At the time of CAFR Completion, this data was not yet available

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS  
(RATE PER \$100 OF ASSESSED VALUE)  
(UNAUDITED)

LITTLE SILVER BOROUGH

Fiscal Year Ending June 30 <sup>a</sup>	School District Direct Rate				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	Obligation Debt Service <sup>b</sup>	General School Tax Rate	Total Direct School Tax Rate	Borough of Little Silver	Regional School Rate	Monmouth County		
2003	\$ 0.672	\$ 0.029	\$ 0.701	\$ 0.412	\$ 0.380	\$ 0.353	\$ 1.846		
2004	0.738	0.042	0.780	0.434	0.410	0.352	1.976		
2005	0.773	0.042	0.815	0.450	0.391	0.356	2.012		
2006	0.805	0.043	0.848	0.464	0.424	0.350	2.086		
2007	0.401	0.019	0.871	0.468	0.434	0.347	2.120		
2008	N/A	N/A	0.859	0.492	0.446	0.338	2.135		
2009	N/A	N/A	0.885	0.512	0.475	0.347	2.219		
2010	N/A	N/A	0.909	0.508	0.479	0.363	2.259		
2011	N/A	N/A	0.919	0.521	0.493	0.366	2.299		
2012	N/A	N/A	0.934	0.528	0.534	0.377	2.373		

Source: Municipal Tax Assessor

Note: N.J.S.A. 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 calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- 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.
- N/A At the time of CAFR Completion, this data was not yet available

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS  
(RATE PER \$100 OF ASSESSED VALUE)  
(UNAUDITED)

SHREWSBURY BOROUGH

Fiscal Year Ending June 30.	School District Direct Rate				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	Obligation Debt Service <sup>b</sup>	General School Tax Rate	Borough of Shrewsbury	Regional School Rate	Monmouth County			
2003	\$ 0.657	\$ 0.029	\$ 0.686	\$ 0.573	\$ 0.360	\$ 0.362	\$	1.981	
2004	0.683	0.039	0.722	0.609	0.376	0.357		2.064	
2005	0.380	0.021	0.738	0.650	0.401	0.363		2.152	
2006	0.752	0.040	0.792	0.689	0.423	0.363		2.267	
2007	0.398	0.019	0.809	0.724	0.452	0.371		2.356	
2008	N/A	N/A	0.835	0.745	0.511	0.363		2.454	
2009	N/A	N/A	0.860	0.755	0.540	0.399		2.554	
2010	N/A	N/A	0.885	0.786	0.570	0.393		2.634	
2011	N/A	N/A	0.920	0.802	0.591	0.396		2.709	
2012	N/A	N/A	0.934	0.819	0.554	0.387		2.694	

Source: Municipal Tax Assessor

Note: N.J.S.A. 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 calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- 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.
- N/A At the time of CAFR Completion, this data was not yet available

RED BANK REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

RED BANK BOROUGH

	2012			2003		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer 1	\$	1		\$	1	
Taxpayer 2		2			2	
Taxpayer 3		3			3	
Taxpayer 4		4			4	
Taxpayer 5		5			5	
Taxpayer 6		6			6	
Taxpayer 7		7			7	
Taxpayer 8		8			8	
Taxpayer 9		9			9	
Taxpayer 10		10			10	
Total	\$			\$		

DATA NOT AVAILABLE

RED BANK REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

LITTLE SILVER BOROUGH

	2012			2003		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer 1	\$	1			1	
Taxpayer 2		2			2	
Taxpayer 3		3			3	
Taxpayer 4		4			4	
Taxpayer 5		5			5	
Taxpayer 6		6			6	
Taxpayer 7		7			7	
Taxpayer 8		8			8	
Taxpayer 9		9			9	
Taxpayer 10		10			10	
Total	\$			\$		

9

DATA NOT AVAILABLE

Source: Municipal Tax Assessor

RED BANK REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

SHREWSBURY BOROUGH

	2012			2003		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer 1	\$	1			1	
Taxpayer 2		2			2	
Taxpayer 3		3			3	
Taxpayer 4		4			4	
Taxpayer 5		5			5	
Taxpayer 6		6			6	
Taxpayer 7		7			7	
Taxpayer 8		8			8	
Taxpayer 9		9			9	
Taxpayer 10		10			10	
Total	\$			\$		

DATA NOT AVAILABLE

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 12,133,569	\$ 12,133,569	100.00%	-
2004	13,643,279	13,643,279	100.00%	-
2005	14,763,384	14,763,384	100.00%	-
2006	15,159,066	15,159,066	100.00%	-
2007	17,337,509	17,337,509	100.00%	-
2008	17,361,791	17,361,791	100.00%	-
2009	18,030,164	18,030,164	100.00%	-
2010	18,660,279	18,660,279	100.00%	-
2011	19,052,310	19,052,310	100.00%	-
2012	19,361,708	19,361,708	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

- a 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, in the amount voted upon or certified prior to the end of the school year.

## DEBT CAPACITY INFORMATION

RED BANK REGIONAL HIGH SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ending June 30.	Governmental Activities				Business-Type Activities		Total District	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				
2003	\$ 9,805,000.00		\$ 250,000.00			\$ 10,055,000.00	1.07%	\$ 43,160.00	
2004	9,435,000.00		130,000.00			9,565,000.00	0.96%	45,784.00	
2005	9,070,000.00		27,350.00			9,097,350.00	N/A	N/A	
2006	8,690,000.00		17,437.67			8,707,437.67	N/A	N/A	
2007	8,290,000.00		9,094.16			8,299,094.16	N/A	N/A	
2008	7,875,000.00					7,875,000.00	N/A	N/A	
2009	7,440,000.00					7,440,000.00	N/A	N/A	
2010	6,800,000.00					6,800,000.00	N/A	N/A	
2011	6,285,000.00					6,285,000.00	N/A	N/A	
2012	5,800,000.00					5,800,000.00	0.62%	N/A	

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

a See Exhibit NJ J-14 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

N/A At the time of CAFR completion, data was not yet available

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

## RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2003	\$ 9,805,000.00		\$ 9,805,000.00	0.33%	\$ 450.14
2004	9,435,000.00		9,435,000.00	0.32%	604.03
2005	9,070,000.00		9,070,000.00	0.30%	416.92
2006	8,690,000.00		8,690,000.00	0.29%	394.43
2007	8,290,000.00		8,290,000.00	0.19%	373.88
2008	7,875,000.00		7,875,000.00	0.16%	354.73
2009	7,440,000.00		7,440,000.00	0.13%	306.01
2010	6,800,000.00		6,800,000.00	0.13%	N/A
2011	6,285,000.00		6,285,000.00	0.15%	514.40
2012	5,800,000.00		5,800,000.00	0.14%	N/A

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statement.

- a See Exhibit NJ J-6 for property tax data.
- b Population data can be found in Exhibit NJ J-14.

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2012  
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Red Bank Borough	\$ 12,089,612.00	100.00%	\$ 12,089,612.00
Little Silver Borough	4,190,170.80	100.00%	4,190,170.80
Shrewsbury Borough	9,305,795.11	100.00%	9,305,795.11
Monmouth County General Obligation Debt:			
Red Bank Borough (1.844065%)	456,874,186.00		8,425,056.96
Little Silver Borough (1.345915%)			6,149,138.20
Shrewsbury Borough (0.925680%)			<u>4,229,192.96</u>
Subtotal, Overlapping Debt			44,388,966.03
Red Bank Regional High School District Direct Debt			<u>5,800,000.00</u>
Total Direct and Overlapping Debt			<u>\$ 50,188,966.03</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation. Debt Outstanding data provided by each governmental unit.

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 Red Bank Borough, Little Silver Borough and Shrewsbury Borough. This process recognized 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.

N/A At the time of CAFR Completion, this data was not yet available



## DEMOGRAPHIC AND ECONOMIC STATISTICS

RED BANK REGIONAL HIGH SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS  
(UNAUDITED)

RED BANK BOROUGH

<u>Year</u>	<u>Population<sup>a</sup></u>	<u>Personal Income<sup>b</sup></u>	<u>Per Capita Personal Income<sup>c</sup></u>	<u>Unemployment Rate<sup>d</sup></u>
2003	11,928	\$ 514,812,480	\$ 43,160	5.20%
2004	11,965	547,805,560	45,784	4.40%
2005	12,042	N/A	N/A	5.60%
2006	12,105	N/A	N/A	5.60%
2007	12,124	N/A	N/A	5.10%
2008	12,144	N/A	N/A	6.50%
2009	12,146	N/A	N/A	N/A
2010	N/A	N/A	N/A	10.70%
2011	12,218	648,707,724	54,771	10.80%
2012	N/A	N/A	N/A	N/A

Source:

<sup>a</sup> Population information provided by the Monmouth County Planning Board 2009 Demographics

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the Monmouth County Planning Board 2009 Demographics  
N/A At the time of CAFR completion, data was not yet available

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

## DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS  
(UNAUDITED)

## LITTLE SILVER BOROUGH

<u>Year</u>	<u>Population<sup>a</sup></u>	<u>Personal Income<sup>b</sup></u>	<u>Per Capita Personal Income<sup>c</sup></u>	<u>Unemployment Rate<sup>d</sup></u>
2003	6,203	\$ 267,721,480	\$ 43,160	8.00%
2004	6,213	284,455,992	45,784	6.70%
2005	6,232	N/A	N/A	3.10%
2006	6,221	N/A	N/A	3.10%
2007	6,224	N/A	N/A	2.80%
2008	6,240	N/A	N/A	3.60%
2009	6,257	N/A	N/A	N/A
2010	N/A	N/A	N/A	6.10%
2011	5,956.00	N/A	N/A	6.10%
2012	N/A	N/A	N/A	N/A

## Source:

<sup>a</sup> Population information provided by the Monmouth County Planning Board 2009 Demographics

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the Monmouth County Planning Board 2009 Demographics  
N/A At the time of CAFR completion, data was not yet available

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

## DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS  
(UNAUDITED)

## SHREWSBURY BOROUGH

<u>Year</u>	<u>Population<sup>a</sup></u>	<u>Personal Income<sup>b</sup></u>	<u>Per Capita Personal Income<sup>c</sup></u>	<u>Unemployment Rate<sup>d</sup></u>
2003	3,686	\$ 159,087,760	\$ 43,160	9.20%
2004	3,747	171,552,648	45,784	7.70%
2005	3,784	N/A	N/A	1.20%
2006	3,796	N/A	N/A	1.20%
2007	3,825	N/A	N/A	1.10%
2008	3,816	N/A	N/A	1.40%
2009	3,819	N/A	N/A	N/A
2010	N/A	N/A	N/A	2.40%
2011	3,813	N/A	N/A	2.50%
2012	N/A	N/A	N/A	N/A

## Source:

<sup>a</sup> Population information provided by the Monmouth County Planning Board 2009 Demographics

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the Monmouth County Planning Board 2009 Demographics  
N/A At the time of CAFR completion, data was not yet available







## OPERATING INFORMATION

RED BANK REGIONAL HIGH SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>Function/Program</u>	<u>2003</u>	<u>2004</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>
Instruction:	118	119	132	132	133	132	132	132	129	129
Regular										
Special Education										
Other Special Education										
Vocational										
Other Instruction										
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student and Instruction Related Services	27	28	34	34	34	34	33	32	35	35
General Administration	2	2	2	2	2	2	3	3	3	3
School Administrative Services	20	20	9	6	8	8	8	8	7	7
Other Administrative Services										
Central Services	5	5	5	5	5	5	5	5	5	5
Administrative Information Technology							2	2	2	2
Plant Operations and Maintenance	6	6	10	11	12	12	12	12	11	11
Pupil Transportation	1	1	1	1	1	1	1	1	1	1
Other Support Services										
Special Schools										
Food Service										
Child Care										
<b>Total</b>	<b>179</b>	<b>181</b>	<b>193</b>	<b>191</b>	<b>195</b>	<b>194</b>	<b>196</b>	<b>195</b>	<b>193</b>	<b>193</b>

Source: District Personnel Records

RED BANK REGIONAL HIGH SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>d</sup>	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2003	1,187	\$ 17,480,265	\$ 14,733	12.06%	101	N/A	N/A	1:11.7	1,156.1	1,053.8	1.61%	91.15%
2004	1,173	18,866,937	16,091	9.22%	98	N/A	N/A	1:12.6	1,242.5	1,134.5	1.19%	91.31%
2005	1,148	19,803,564	17,258	7.25%	108	N/A	N/A	1:14	1,162.6	1,074.2	-5.31%	92.40%
2006	1,148	19,912,386	17,345	0.51%	112	N/A	N/A	1:10.3	1,150.5	1,070.0	-0.39%	93.00%
2007	1,086	22,639,637	20,847	20.19%	112	N/A	N/A	1:9.7	1,114.8	1,045.3	-2.31%	93.77%
2008	1,099	23,751,599	21,612	24.60%	111	N/A	N/A	1:9.9	1,113.0	1,047.8	0.24%	94.20%
2009	1,106	25,487,733	23,045	6.63%	126	N/A	N/A	1:8.8	1,115.6	1,054.2	0.61%	94.50%
2010	1,085	25,214,043	23,239	0.84%	126	N/A	N/A	1:8.6	1,097.7	1,039.7	-1.38%	94.70%
2011	1,142	25,511,098	22,339	-3.87%	125	N/A	N/A	1:9.1	1,122.0	1,061.1	2.06%	94.50%
2012	1,171	25,876,993	22,098	-1.08%	125	N/A	N/A	1:9.3	1,149.0	1,092.0	2.91%	95.10%

Note: Enrollment based on annual October District count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

RED BANK REGIONAL HIGH SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS  
(UNAUDITED)

District/Building	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
High School:										
Red Bank Regional High School (1975)										
Square Feet	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Capacity (Students)	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346
Enrollment	1,187	1,173	1,148	1,148	1,086	1,099	1,116	1,116	1,133	1,136
Other:										
Athletic Building (1980)										
Square Feet	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Central Administration (1975)										
Square Feet	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Self-Contained Special Education School (1995)										
Square Feet	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000

Number of Schools at June 30, 2012  
Senior High School = 1  
Other = 0

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October October District count.

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

## SCHEDULE OF REQUIRED MAINTENANCE

LAST TEN FISCAL YEARS  
(UNAUDITED)

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

	<u>*School Facilities</u>	Red Bank Regional High School	Total
	<u>Project # (s)</u>		
2003	N/A	\$ 89,366.04	\$ 89,366.04
2004	N/A	106,204.72	106,204.72
2005	N/A	133,267.81	133,267.81
2006	N/A	125,088.69	125,088.69
2007	N/A	151,475.50	151,475.50
2008	N/A	195,954.07	195,954.07
2009	N/A	507,472.10	507,472.10
2010	N/A	347,366.00	347,366.00
2011	N/A	337,442.12	337,442.12
2012	N/A	<u>859,005.27</u>	<u>859,005.27</u>
Total School Facilities		<u>\$ 2,852,642.32</u>	<u>\$ 2,852,642.32</u>

\* School facilities as defined under EFCFA.  
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26-1.3)

Source: District records

## RED BANK REGIONAL HIGH SCHOOL DISTRICT

## INSURANCE SCHEDULE

JUNE 30, 2012  
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1):		
Building and Contents (All Locations)	\$ 47,081,820	\$ 2,500
Boiler and Machinery	100,000,000	5,000
General Automobile Liability	11,000,000	1,000
School Board Legal Liability	2,000,000	5,000
Workers' Compensation	2,000,000	
Student Accident Insurance (2)	1,000,000	
Surety Bonds (3):		
Treasurer	250,000	
Board Secretary/Business Administrator	100,000	

- (1) New Jersey School Boards Ins. Assoc. Group  
(2) Markel  
(3) Selective

Source: District records

SINGLE AUDIT SECTION

Robert H. Hutchins, CPA, CVA, CFF  
Eugene M. Farrell, CPA, RMA, CFP  
Robert W. Allison, CPA, RMA  
Alan E. Meyer, CPA/ABV, CFF  
Joann DiLieto, CPA

Patrice R. Antonucci, CPA  
Glenn G. VanPell, CPA  
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REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

The Honorable President and  
Members of the Board of Education  
Red Bank Regional School District  
County of Monmouth  
Little Silver, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of the Red Bank Regional School District, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Board of Education of the Red Bank Regional School District's basic financial statements and have issued our report thereon dated October 19, 2012. We conducted our audit 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 audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Board of Education of the Red Bank Regional School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Red Bank Regional Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Red Bank Regional Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Red Bank Regional Board of Education's internal control over financial reporting.

*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 misstatements on a timely basis. *A material weakness* is

The Honorable President and  
Members of the Board of Education  
Red Bank Regional School District  
County of Monmouth  
Page 2

a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Board of Education's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Red Bank Regional Board of Education's financial statements are free of 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 and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

However, we noted certain other matters involving internal control that we have reported to the Board of Education of the Red Bank Regional School District in a separate Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance, dated October 19, 2012.

This report is intended for the information and use of management, the Red Bank Regional Board of Education, others within the entity, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.



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Robert W. Allison  
Licensed Public School Accountant  
No. 897  
Hutchins, Farrell, Meyer & Allison, P.A.

October 19, 2012

# Hutchins, Farrell, Meyer & Allison, P.A.

Certified Public Accountants • Business & Financial Advisors

Exhibit K-2  
Page 1 of 3

Robert H. Hutchins, CPA, CVA, CFF  
Eugene M. Farrell, CPA, RMA, CFP  
Robert W. Allison, CPA, RMA  
Alan E. Meyer, CPA/ABV, CFF  
Joann DiLieto, CPA

Patrice R. Antonucci, CPA  
Glenn G. VanPell, CPA  
Karen D. Davis, CPA, CVA  
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS THAT COULD HAVE A DIRECT  
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

The Honorable President and  
Members of the Board of Education  
Red Bank Regional School District  
County of Monmouth  
Little Silver, New Jersey

## Compliance

We have audited the compliance of the Board of Education of the Red Bank Regional School District, in the County of Monmouth, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget ("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 its major federal and state programs for the fiscal year ended June 30, 2012. Red Bank Regional Board of Education's major federal and state programs are identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the Red Bank Regional Board of Education's management. Our responsibility is to express an opinion on the Red Bank Regional Board of Education's compliance based on our audit.

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; the audit requirements as prescribed by the Division of 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 Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and New Jersey OMB 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 or state program occurred. An audit includes examining, on a test basis, evidence about the Red Bank Regional Board of Education'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. Our audit does not provide a legal determination of the Red Bank Regional Board of Education's compliance with those requirements.

The Honorable President and  
Members of the Board of Education  
Red Bank Regional School District  
County of Monmouth  
Page 2

In our opinion, the Board of Education of the Red Bank Regional School District, in the County of Monmouth, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012.

#### Internal Control Over Compliance

The management of the Board of Education of the Red Bank Regional School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the Red Bank Regional Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 Red Bank Regional Board of Education'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 or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

The Honorable President and  
Members of the Board of Education  
Red Bank Regional School District  
County of Monmouth  
Page 3

This report is intended solely for the information and use of management, the Red Bank Regional Board of Education, others within the entity, the New Jersey State Department of Education, and federal and state awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.



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Robert W. Allison  
Licensed Public School Accountant  
No. 897  
Hutchins, Farrell, Meyer & Allison, P.A.

October 19, 2012

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended June 30, 2012

Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Number	Program or Award Amount	Grant Period		Balance at June 30, 2011	Carryover	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2012	
				From	To							(Accounts Receivable)	Due To Grantor
<b>Enterprise Fund</b>													
U.S. Department of Agriculture: Passed Through State Department of Education: Food Donation	10.550	N/A	\$ 24,915.65	07/01/11	06/30/12			\$ 24,915.65	\$ (24,915.65)				
School Breakfast Program	10.553	N/A	18,330.13	07/01/11	06/30/12			17,245.00	(18,330.13)			\$ (1,056.58)	
School Breakfast Program	10.553	N/A	14,889.52	07/01/10	06/30/11	\$ (1,013.14)		1,013.14					
National School Lunch Program	10.555	N/A	87,536.56	07/01/11	06/30/12			84,489.46	(87,536.56)				
National School Lunch Program	10.555	N/A	84,421.40	07/01/10	06/30/11	(4,010.70)		4,010.70					
<b>Total U.S. Department of Agriculture</b>						<b>(5,023.84)</b>		<b>131,702.50</b>	<b>(130,782.34)</b>			<b>(4,103.68)</b>	
<b>Special Revenue Fund</b>													
U.S. Department of Education: Passed-Through State Department of Education: A.R.R.A. - Title I - Part A	84.389	NCLB436510	47,681.00	09/01/09	08/31/11	(2,990.68)		13,830.00	(10,839.32)				
Title I - Part A	84.010A	NCLB436512	112,603.00	09/01/11	08/31/12			17,245.00	(26,435.60)				
Title I - Part A	84.010A	NCLB436511	97,853.00	09/01/10	08/31/11	(36,065.24)	\$ 6,378.32	81,584.00	(52,146.76)	\$ 269.68		(9,190.60)	
Title I - Part A	84.010A	NCLB436510	88,368.00	09/01/09	08/31/10	6,378.32	(6,378.32)						
A.R.R.A. - Title I - SIA Part A	84.389	NCLB436510	6,565.00	09/01/09	08/31/11			5,243.00	(1,090.50)	0.50		(3,226.00)	
Title II - Part A Teacher and Principal Training	84.367A	NCLB436512	17,101.00	09/01/11	08/31/12			10,570.00	(8,469.00)				
Title II - Part A Teacher and Principal Training	84.367A	NCLB436511	39,134.00	09/01/10	08/31/11	(1,504.97)		189.00	(89.00)				
Title II - Part A Teacher and Principal Training	84.367A	NCLB436510	34,996.00	09/01/09	08/31/10	(189.00)		89.00					
Title II - Part D - Enhancing Education Through Technology	84.318X	NCLB436511	179.00	09/01/10	08/31/11			561.00					
Title II - Part D - Enhancing Education Through Technology	84.318X	NCLB436510	1,242.00	09/01/09	08/31/10	(561.00)		7,107.00	(8,309.02)			(1,202.02)	
Title III - English Language Acquisition	84.365A	NCLB436512	16,485.00	09/01/11	08/31/12			17,428.00	(17,427.52)	(0.48)			
Title III - English Language Acquisition	84.365A	NCLB436510	22,428.00	09/01/10	08/31/11	(13,326.55)	1,257.20	12,069.00		0.35			
Title III - English Language Acquisition	84.365A	NCLB436509	13,649.00	09/01/09	08/31/10		(1,257.20)						
Title III - English Language Acquisition	84.186A	NCLB436511	14,312.00	09/01/08	08/31/09	1,257.20							
Title IV - Safe and Drug-Free School Communities	84.391	NCLB436511	1,873.00	09/01/10	08/31/11	(125,429.94)		167,081.00	(41,652.11)	1.05		(117,733.24)	
I.D.E.A. Part B, Basic	84.027	IDEA436512	410,024.00	09/01/09	08/31/11		1,960.00	169,678.00	(289,371.24)				
I.D.E.A. Part B, Basic	84.027	IDEA436511	372,613.00	09/01/11	08/31/12	(23,889.14)	(1,960.00)	55,883.00	(30,033.08)	(0.78)			
Perkins Secondary Grant	84.048A	PERK436512	304,376.00	09/01/10	08/31/11			9,879.00	(10,892.85)			(1,013.85)	
Perkins Secondary Grant	84.048A	PERK436511	15,671.00	07/01/11	06/30/12	(963.82)		964.00		(0.18)			
Smaller Learning Communities Program (OESE)	84.215L	SZ15L070375	332,173.38	10/01/11	09/30/13			111,369.54	(184,667.36)			(72,757.82)	
Smaller Learning Communities Program (OESE)	84.215L	SZ15L070375A	5,135.30	10/01/11	09/30/12			837.50	(1,326.57)			(489.07)	
Smaller Learning Communities Program (OESE)	84.215L	SZ15L070375	557,939.00	10/01/10	09/30/12	(56,218.53)		104,509.59	(46,291.06)				
Smaller Learning Communities Program (OESE)	84.215L	SZ15L070375A	7,156.00	10/01/10	09/30/11	(425.00)		1,595.69	(1,170.69)				
<b>Total U.S. Department of Education</b>						<b>(255,948.35)</b>		<b>789,342.32</b>	<b>(739,276.68)</b>	<b>270.11</b>		<b>(205,612.60)</b>	
<b>U.S. Department of Education: General Fund: Education Jobs Fund</b>													
	84.410A	N/A	52,884.00	08/10/10	09/30/12			18,546.30	(52,894.00)			(34,347.70)	
<b>Total General Fund</b>								18,546.30	(52,894.00)			(34,347.70)	
<b>Total Federal Financial Awards</b>						<b>\$ (260,972.19)</b>	<b>\$ 0.00</b>	<b>\$ 939,591.12</b>	<b>\$ (922,953.02)</b>	<b>\$ 270.11</b>	<b>\$ 0.00</b>	<b>\$ (244,063.98)</b>	<b>\$ 0.00</b>

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
For the fiscal year ended June 30, 2012

State Grant/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Due To Grantor	Caryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2012		Memo
			From	To							(Accounts Receivable)	Deferred Revenue	
<b>State Department of Education</b>													
General Fund													
Transportation Aid	12-495-034-5120-014	213,903.00	07/01/11	06/30/12		\$ 213,903.00	\$ (213,903.00)				\$ 20,448.17	\$ 213,903.00	
Special Education Aid	12-495-034-5120-089	477,227.00	07/01/11	06/30/12		477,227.00	(477,227.00)				45,620.76	477,227.00	
Security Aid	12-495-034-5120-084	101,702.00	07/01/11	06/30/12		101,702.00	(101,702.00)				9,722.25	101,702.00	
Adjustment Aid	12-495-034-5120-085	25,355.00	07/01/11	06/30/12		25,355.00	(25,355.00)				2,423.92	25,355.00	
Reimbursement of Nonpublic Transportation	12103190	5,105.43	07/01/11	06/30/12			(5,105.43)					5,105.43	
Reimbursement of Nonpublic Transportation	11103160	13,753.26	07/01/10	06/30/11		13,753.26						13,753.26	
Extraordinary Aid	12-495-034-5120-473	180,096.00	07/01/11	06/30/12			(180,096.00)					180,096.00	
Extraordinary Aid	11-100-034-5120-473	164,792.00	07/01/10	06/30/11		164,792.00						164,792.00	
On-Behalf TPAF Pension System Contribution	12-495-034-5095-006	270,757.00	07/01/11	06/30/12		270,757.00	(270,757.00)					270,757.00	
On-Behalf TPAF Pension System Contribution - CCGI Premium	12-495-034-5095-007	29,056.00	07/01/11	06/30/12		29,056.00	(29,056.00)					29,056.00	
On-Behalf TPAF Pension System Contribution - Pension Statement	12-495-034-5095-001	602,703.00	07/01/11	06/30/12		602,703.00	(602,703.00)					602,703.00	
Reimbursed TPAF Social Security Contributions	12-100-034-5095-002	700,501.15	07/01/11	06/30/12		700,501.15	(700,501.15)					700,501.15	
Reimbursed TPAF Social Security Contributions	11-100-034-5095-002	746,460.94	07/01/10	06/30/11		37,289.15						746,460.94	
<b>Total General Fund</b>						<u>2,837,036.58</u>	<u>(2,606,405.58)</u>				<u>78,215.00</u>	<u>3,531,411.78</u>	
<b>Special Revenue Fund</b>													
N.J. Nonpublic Textbook Aid	12-100-034-5120-064	50,982.00	07/01/11	06/30/12		50,982.00	(50,982.00)					50,982.00	
N.J. Nonpublic Textbook Aid	11-100-034-5120-064	58,897.00	07/01/10	06/30/11									
N.J. Nonpublic Nursing Services Aid	12-100-034-5120-070	72,822.00	07/01/11	06/30/12		72,822.00	(72,713.64)				\$ 108.36	72,713.64	
N.J. Nonpublic Auxiliary Services Aid													
Compensatory Education	12-100-034-5120-067	71,854.00	07/01/11	06/30/12		71,854.00	(71,854.00)					71,854.00	
Home Instruction	12-100-034-5120-067	6,158.43	07/01/11	06/30/12			(6,158.43)					6,158.43	
Home Instruction	11-100-034-5120-067	3,484.07	07/01/10	06/30/11		3,484.07						3,484.07	
Home Instruction	07-100-034-5120-067	3,121.10	07/01/06	06/30/07				3,121.10					
N.J. Nonpublic Handicapped Aid													
Examination and Classification	12-100-034-5120-066	76,180.00	07/01/11	06/30/12		76,180.00	(69,409.10)					69,409.10	
Supplementary Instruction	12-100-034-5120-066	55,701.00	07/01/11	06/30/12		55,701.00	(55,701.00)					55,701.00	
School Based Youth Services Program	N/A	277,587.00	07/01/11	06/30/12		277,587.00	(277,587.00)						
School Based Youth Services Program	N/A	309,502.00	07/01/06	06/30/07							7,791.95		
<b>Total Special Revenue Fund</b>						<u>608,610.07</u>	<u>(604,406.17)</u>	<u>3,121.09</u>		<u>(189.00)</u>	<u>14,671.21</u>	<u>330,303.24</u>	
<b>Capital Projects Fund</b>													
N.J. Economic Development Authority													
EDA Grant	4385-050-0905	5,327,803.66	07/01/02	-		1,060,490.02		(26,792.92)				5,327,803.66	
SDA Grant	4385-050-0905	260,296.00	07/01/09	-		13,014.90						260,296.00	
SDA Grant	4385-050-10-GOPD	80,116.00	07/19/11	-		80,116.00	(80,116.00)					80,116.00	
SDA Grant	4385-050-10-GOPE	30,257.00	07/19/11	-			(30,257.00)					30,257.00	
<b>Total Capital Projects Fund</b>						<u>1,153,620.92</u>	<u>(110,373.00)</u>	<u>(26,792.92)</u>				<u>5,688,474.66</u>	
<b>Enterprise Fund</b>													
State School Lunch Program	12-100-010-3350-023	3,728.31	07/01/11	06/30/12		3,600.06	(3,729.31)					3,728.31	
State School Lunch Program	11-100-010-3350-023	3,685.33	07/01/10	06/30/11		191.42						3,685.33	
<b>Total Enterprise Fund</b>						<u>\$ 3,791.48</u>	<u>(3,729.31)</u>					<u>7,414.64</u>	
<b>Total State Financial Assistance</b>						<u>\$ 7,960.06</u>	<u>\$ (3,324,914.06)</u>	<u>\$ (23,671.93)</u>		<u>\$ (189.00)</u>	<u>\$ 14,671.21</u>	<u>\$ 9,567,604.32</u>	

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

June 30, 2012

1. General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state award activity of the Board of Education ("Board"), Red Bank Regional High School District ("District"). The Board is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

2. Basis of Accounting

The accompanying Schedules of Expenditures of Awards and Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

The basic 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 Special Revenue Fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(61,963.00) for the General Fund and \$(13,940.60) for the Special Revenue Fund. See the Notes to Required Supplementary Information 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 basic financial statements on a GAAP basis as presented on the following page:

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

June 30, 2012

3. Relationship to Basic Financial Statements (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 52,894.00	\$ 2,544,442.58	\$ 2,597,336.58
Special Revenue Fund	736,193.06	580,567.71	1,316,760.77
Capital Projects Fund		137,165.92	137,165.92
Food Service Fund	<u>130,782.34</u>	<u>3,729.31</u>	<u>134,511.65</u>
Total Awards and Financial Assistance	<u>\$ 919,869.40</u>	<u>\$ 3,265,905.52</u>	<u>\$ 4,185,774.92</u>

During the year ended June 30, 2012, the State of New Jersey contributed \$29,056.00 to the TPAF for NCGI premiums and \$270,757.00 for normal contributions, and \$602,703.00 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 \$700,501.15 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries.

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.

5. Federal and State Loans Outstanding

Not applicable.

6. Other

Revenue and expenditures reported under the Food Distribution Program represent current-year value received and current-year distributions respectively. 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, 2012. 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, 2012.



RED BANK REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Section I - Summary of Auditor's Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs? \$300,000.00

Auditee qualified as low-risk auditee?  X  yes   no

Type of auditor's report issued in compliance for major programs: Unqualified

Internal Control over major programs:

1) Material weakness(es) identified?   yes  X  no

2) Significant deficiencies identified that are not considered to be material weaknesses?   yes  X  none reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 04-04?   yes  X  no

Identification of major programs:

State Grant/Project Number(s)

12-495-034-5095-002  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name of State Program

Reimbursed TPAF Social Security Contributions  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(continued)

Section II - Financial Statement Findings

This section identifies the material weaknesses, significant deficiencies, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of Government Auditing Standards.

None reported.

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(continued)

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular 04-04.

None reported.

RED BANK REGIONAL HIGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

This section identifies the status of prior-year findings related to the general-purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, and OMB Circular A-133 (section .315 (a)(b) ) and NJOMB Circular 04-04.

STATUS OF PRIOR-YEAR FINDINGS

Not applicable.