

RED BANK REGIONAL HIGH SCHOOL DISTRICT

Little Silver, New Jersey
County of Monmouth

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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INTRODUCTORY SECTION

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Christina M. Galvao
School Business Administrator
Board Secretary



101 Ridge Road
Little Silver, New Jersey 07739
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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.

December 4, 2013

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

Dear Board Members:

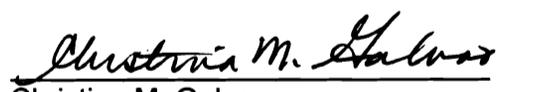
The comprehensive annual financial report of the Red Bank Regional High School District ("District") for the fiscal year ending June 30, 2013 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with 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.

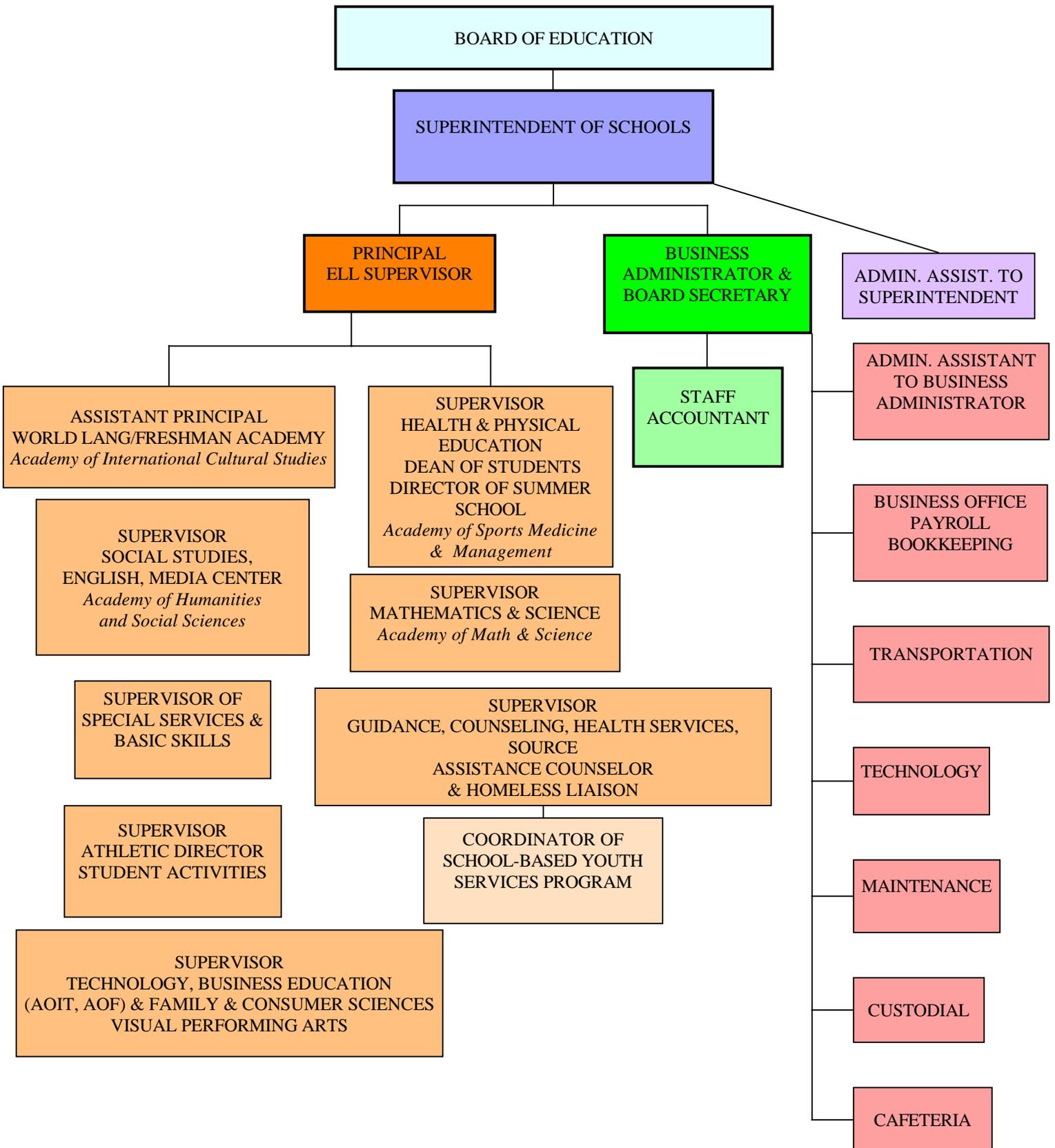
Respectfully submitted,


James Stefankiewicz
Superintendent of Schools


Christina M. Galvao
Business Administrator/Board Secretary

OVER 100 YEARS OF ACADEMIC EXCELLENCE

**RED BANK REGIONAL HIGH SCHOOL
ADMINISTRATIVE CHART
2012-2013**



**RED BANK REGIONAL BOARD OF EDUCATION
LITTLE SILVER, NEW JERSEY**

ROSTER OF OFFICIALS

June 30, 2013

| <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 | 2015 |
| Patrick Noble | 2015 |
| Randy Mendelson | 2015 |

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, 2013

ARCHITECT

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

AUDITOR/AUDIT FIRM

Robert W. Allison, CPA, RMA
Holman Frenia Allison, P. C.
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 DEPOSITORY

TD Bank
568 River Road
Fair Haven, New Jersey 07704

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

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Red Bank Regional School District, County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Red Bank Regional School District, County of Monmouth, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 13 through 20 and 81 through 89 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Red Bank Regional Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the financial statements.

The combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of federal and state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the accompanying

schedule of expenditures of federal and state financial assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section, and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2013 on our consideration of the Board of Education of the Red Bank Regional School District'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Board of Education of the Red Bank Regional School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.



Robert W. Allison
Public School Accountant
Certified Public Accountant
No. 897

Freehold, New Jersey
December 12, 2013

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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**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, 2013
(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, 2013. 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 Position 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 position represents 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 position 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 2013 are as follows:

- ◆ General revenues accounted for \$22,101,509.43 in revenue or 76.02% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$6,970,713.07 or 23.98% of total revenues of \$29,072,222.50.
- ◆ Total net position increased by \$1,245,092.08.
- ◆ The School District had \$27,827,130.42 in expenses; only \$6,970,713.07 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$22,101,509.28 were adequate to provide for these programs.
- ◆ The General Fund (Budgetary Basis) had \$26,340,029.32 in revenues and other financing sources and \$24,617,369.59 in expenditures. The General Fund's balance increased \$1,722,659.73 over 2013.

Using this General Accepted Accounting Principles Report (GAAP)

The Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position as of June 30, 2012 and June 30, 2013.

Table 1

Net Position

| | <u>2013</u> | <u>2012</u> |
|--|-----------------------------|-----------------------------|
| Assets: | | |
| Cash and Cash Equivalents | \$ 4,528,902.06 | \$ 2,978,922.06 |
| Interfunds Receivable | 30,949.28 | 30,575.72 |
| Accounts Receivables | 1,001,314.12 | 995,154.04 |
| Inventory | 5,093.18 | 951.75 |
| Deferred Financing Costs, Net | 101,041.50 | 112,267.66 |
| Capital Assets, Net | <u>23,055,043.00</u> | <u>23,931,760.25</u> |
| Total Assets | <u>28,722,343.14</u> | <u>28,049,631.48</u> |
| Liabilities: | | |
| Accounts Payable | 299,185.29 | 342,198.74 |
| Accrued Expenses | 93,607.50 | 101,210.63 |
| Interfunds Payable | 30,949.28 | 30,575.72 |
| Payable to State Government | 20,812.37 | 14,671.21 |
| Deferred Revenue | 55,121.69 | 53,293.27 |
| Noncurrent Liabilities: | | |
| Due Within One Year | 520,000.00 | 507,030.00 |
| Due Beyond One Year | <u>4,998,210.64</u> | <u>5,541,287.62</u> |
| Total Liabilities | <u>6,017,886.77</u> | <u>6,590,267.19</u> |
| Net Position: | | |
| Invested in Capital Assets, Net of Related Debt | 17,696,024.86 | 18,066,184.54 |
| Restricted for: | | |
| Capital Projects | 1,325,562.77 | 958,736.19 |
| General Fund | 3,257,337.52 | 1,898,724.45 |
| Debt Service Fund | .38 | 27,987.88 |
| Unrestricted | <u>425,530.84</u> | <u>507,731.23</u> |
| Total Net Position | <u>\$ 22,704,456.37</u> | <u>\$ 21,459,364.29</u> |

Table 2

Changes in Net Position

| | <u>2013</u> | <u>2012</u> |
|--|------------------------|----------------------|
| <u>Revenues</u> | | |
| Program Revenues: | | |
| Charges for Services | \$ 4,497,868.30 | \$ 4,309,668.45 |
| Operating Grants and Contributions | 2,472,844.77 | 353,520.08 |
| General Revenues: | | |
| Property Taxes | 19,719,059.00 | 19,361,708.00 |
| Grants and Entitlements | 2,205,897.36 | 3,832,254.84 |
| Other | <u>176,553.07</u> | <u>70,389.84</u> |
| Total Revenues | <u>29,072,222.50</u> | <u>27,927,541.21</u> |
| <u>Program Expenses</u> | | |
| Instruction | 10,414,506.15 | 14,239,343.09 |
| Support Services: | | |
| Pupils and Instructional Staff | 4,252,650.06 | 5,268,316.43 |
| General Administration, School Administration, Business Operations and Maintenance of Facilities | 3,691,652.92 | 5,129,737.44 |
| Pupil Transportation | 1,313,757.18 | 1,373,948.18 |
| Employee Benefits | 6,101,162.77 | |
| Special Schools | 14,112.96 | 21,938.39 |
| Interest on Long-Term Debt | 264,995.63 | 162,953.27 |
| Food Service | 719,844.72 | 713,221.63 |
| Other | <u>1,054,448.03</u> | <u>895,674.17</u> |
| Total Expenses | <u>27,827,130.42</u> | <u>27,805,132.60</u> |
| Increase/(Decrease) in Net Position | <u>\$ 1,245,092.08</u> | <u>\$ 122,408.61</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

| | <u>2013</u> | | <u>2012</u> | |
|---|-------------------------------|-----------------------------|-------------------------------|-----------------------------|
| | <u>Total Cost of Services</u> | <u>Net Cost of Services</u> | <u>Total Cost of Services</u> | <u>Net Cost of Services</u> |
| Instruction | \$ 10,414,506.15 | \$6,594,749.38 | \$ 14,239,343.09 | \$ 14,239,343.09 |
| Support Services: | | | | |
| Pupils and Instructional Staff | 4,252,650.06 | 4,252,650.06 | 5,268,316.43 | 1,779,590.48 |
| General Administration, School Administration, Business | 1,807,130.82 | 1,807,130.82 | 2,365,021.00 | 2,365,021.00 |
| Operation and Maintenance of Facilities | 1,884,522.10 | 1,884,522.10 | 2,764,716.44 | 2,764,716.44 |
| Pupil Transportation | 1,313,757.18 | 923,327.05 | 1,373,948.18 | 939,677.55 |
| Employee Benefits | 6,101,162.77 | 4,003,997.84 | | |
| Special Schools | 14,112.96 | 14,112.96 | 21,938.39 | 21,938.39 |
| Interest on Long-Term Debt | 264,995.63 | 264,995.63 | 162,953.27 | 162,953.27 |
| Other | <u>1,054,448.03</u> | <u>1,054,448.03</u> | <u>895,674.17</u> | <u>895,674.17</u> |
| Total Expenses | <u>\$ 27,107,258.70</u> | <u>\$ 20,799,933.87</u> | <u>\$ 27,091,910.97</u> | <u>\$ 23,168,914.39</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 is included in the 2011-12 comprehensive annual financial report as presented by the School District. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$28,408,861.26 and expenditures of \$26,763,120.49. 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, 2013, 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 2011/12</u> | <u>Percent of Increase/ (Decrease)</u> |
|-----------------|-------------------------|-------------------------|--|--|
| Local Sources | \$ 23,831,430.71 | 83.95% | \$ 695,344.72 | 2.92% |
| State Sources | 3,902,040.73 | 13.75 | 639,864.52 | 16.40 |
| Federal Sources | <u>651,580.32</u> | <u>2.30</u> | <u>(137,506.74)</u> | (21.10) |
| Total | <u>\$ 28,385,051.76</u> | <u>100.00%</u> | <u>\$ 1,197,702.50</u> | 4.22% |

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, 2013:

| <u>Expenditures</u> | <u>Amount</u> | <u>Percent of Total</u> | <u>Increase/ (Decrease) From 2011/12</u> | <u>Percent of Increase/ (Decrease)</u> |
|----------------------------|-------------------------|-------------------------|--|--|
| Current Expense: | | | | |
| Instruction | \$ 10,393,992.25 | 38.89% | \$ 167,752.19 | 1.61% |
| Undistributed Expenditures | 15,357,812.30 | 57.46 | (292,940.77) | (1.91) |
| Capital Outlay | 218,317.98 | 0.82 | (399,237.42) | (182.87) |
| Debt Service: | | | | |
| Principal | 500,000.00 | 1.87 | 15,000.00 | 3.00 |
| Interest | <u>257,392.50</u> | <u>0.96</u> | <u>(11,732.50)</u> | <u>(4.56)</u> |
| | <u>\$ 26,727,515.03</u> | <u>100.00%</u> | <u>\$ (521,158.50)</u> | <u>(1.95)%</u> |

The increase in Instruction is attributed to an increase in co-curricular and athletics expenses.

The decrease in Undistributed Expenditures is due to a decrease in maintenance expenses.

The decrease in Capital Outlay is due to a decrease in capital outlay projects.

The decrease in debt service is due to a decrease in interest payments.

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 \$22,727,973.00.

During fiscal year 2012-13, 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 and insurance premiums.

Capital Assets

At the end of the fiscal year 2013, the School District had \$22,975,470.83 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, 2013 and 2012

| | <u>2013</u> | <u>2012</u> |
|---------------------------|-------------------------|-------------------------|
| Land | \$ 5,379,640.00 | \$ 5,379,640.00 |
| Construction in Progress | 66,831.72 | 736,694.28 |
| Site Improvements | 1,244,430.00 | 1,355,469.00 |
| Building and Improvements | 15,693,724.27 | 15,670,659.00 |
| Equipment and Machinery | <u>590,844.84</u> | <u>703,657.71</u> |
| Total | <u>\$ 22,975,470.83</u> | <u>\$ 23,846,119.99</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, 2013, the District had a 17-year Refunding School Bond with an unpaid principal balance of \$860,000.00 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 \$4,440,000.00.

Table 5

Outstanding Debt at June 30, 2013 and 2012

| | <u>2013</u> | <u>2012</u> |
|----------------------|------------------------|------------------------|
| 2010 Refunding Bonds | \$ 4,440,000.00 | \$ 4,855,000.00 |
| 2003 Refunding Bonds | <u>860,000.00</u> | <u>945,000.00</u> |
| Total | <u>\$ 5,300,000.00</u> | <u>\$ 5,800,000.00</u> |

At June 30, 2013, the School District's overall legal debt margin was \$89,843,792.00.

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 Poor's in August 2013. 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.

BASIC FINANCIAL STATEMENTS

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A. District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District. These Statements include the financial activities of the overall District, except for fiduciary activities. These Statements distinguish between the governmental and business-type activities of the district.

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RED BANK REGIONAL HIGH SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2013

| | Governmental Activities | Business -Type Activities | Total |
|--|----------------------------|------------------------------|-------------------------|
| Assets: | | | |
| Cash and Cash Equivalents | \$ 4,459,228.68 | \$ 69,673.38 | \$ 4,528,902.06 |
| Accounts Receivable | 939,094.56 | 62,219.56 | 1,001,314.12 |
| Interfund Receivable | | 30,949.28 | 30,949.28 |
| Deferred Financing Costs, Net | 101,041.50 | | 101,041.50 |
| Inventory | | 5,093.18 | 5,093.18 |
| Capital Assets, Net | <u>22,975,470.83</u> | <u>79,572.17</u> | <u>23,055,043.00</u> |
| Total Assets | <u>28,474,835.57</u> | <u>247,507.57</u> | <u>28,722,343.14</u> |
| Liabilities: | | | |
| Accounts Payable | 177,344.38 | 121,840.91 | 299,185.29 |
| Accrued Expenses | 93,607.50 | | 93,607.50 |
| Interfunds Payable | 30,949.28 | | 30,949.28 |
| Payable To State Government | 20,812.37 | | 20,812.37 |
| Deferred Revenue | 55,121.69 | | 55,121.69 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 553,765.00 | | 553,765.00 |
| Due Beyond One Year | <u>4,964,445.64</u> | | <u>4,964,445.64</u> |
| Total Liabilities | <u>5,896,045.86</u> | <u>121,840.91</u> | <u>6,017,886.77</u> |
| Net Position: | | | |
| Invested in Capital Assets, Net of Related Debt | 17,616,452.69 | 79,572.17 | 17,696,024.86 |
| Restricted for: | | | |
| Capital Projects | 1,325,562.77 | | 1,325,562.77 |
| Debt Service Fund | 0.38 | | 0.38 |
| General Fund | 3,257,337.52 | | 3,257,337.52 |
| Unrestricted | <u>379,436.35</u> | <u>46,094.49</u> | <u>425,530.84</u> |
| Total Net Position | <u>\$ 22,578,789.71</u> | <u>\$ 125,666.66</u> | <u>\$ 22,704,456.37</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, 2013

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| GOVERNMENTAL ACTIVITIES | | | | | | | |
| Instruction: | | | | | | | |
| Regular | \$ 7,928,482.58 | \$ 3,819,756.77 | | | \$ (4,108,725.81) | \$ | (4,108,725.81) |
| Special Education | 1,089,032.32 | | | | (1,089,032.32) | | (1,089,032.32) |
| Other Special Instruction | 400,070.98 | | | | (400,070.98) | | (400,070.98) |
| Other Instruction | 996,920.27 | | | | (996,920.27) | | (996,920.27) |
| Support Services: | | | | | | | |
| Tuition | 1,304,222.47 | | | | (1,304,222.47) | | (1,304,222.47) |
| Student and Instruction Related Services | 2,948,427.59 | | | | (2,948,427.59) | | (2,948,427.59) |
| General Administration | 673,264.68 | | | | (673,264.68) | | (673,264.68) |
| School Administrative Services | 577,587.48 | | | | (577,587.48) | | (577,587.48) |
| Central Services | 418,632.12 | | | | (418,632.12) | | (418,632.12) |
| Admin Information Technology | 137,646.54 | | | | (137,646.54) | | (137,646.54) |
| Plant Operations and Maintenance | 1,884,522.10 | | | | (1,884,522.10) | | (1,884,522.10) |
| Pupil Transportation | 1,313,757.18 | 139,871.37 | \$ 250,558.76 | | (923,327.05) | | (923,327.05) |
| Employee Benefits | 6,101,162.77 | | 2,097,164.93 | | (4,003,997.84) | | (4,003,997.84) |
| Special Schools | 14,112.96 | | | | (14,112.96) | | (14,112.96) |
| Interest on Long-Term Debt | 264,995.63 | | | | (264,995.63) | | (264,995.63) |
| Unallocated Depreciation and Amortization | 1,054,448.03 | | | | (1,054,448.03) | | (1,054,448.03) |
| Total Government Activities | 27,107,285.70 | 3,959,628.14 | 2,347,723.69 | | (20,799,933.87) | | (20,799,933.87) |
| BUSINESS-TYPE ACTIVITIES | | | | | | | |
| Food Service | 719,844.72 | 538,240.16 | 125,121.08 | | (56,483.48) | | (56,483.48) |
| Total Business-Type Activities | 719,844.72 | 538,240.16 | 125,121.08 | | (56,483.48) | | (56,483.48) |
| Total Primary Government | \$ 27,827,130.42 | \$ 4,497,868.30 | \$ 2,472,844.77 | \$ 0.00 | \$ (20,799,933.87) | \$ | (20,856,417.35) |
| GENERAL REVENUES | | | | | | | |
| Property Taxes Levied for: | | | | | | | |
| General Purposes | | | | | \$ 18,989,654.00 | | \$ 18,989,654.00 |
| Debt Service | | | | | 729,405.00 | | 729,405.00 |
| Federal and State Aid Not Restricted | | | | | 2,205,897.36 | | 2,205,897.36 |
| Investment Earnings | | | | | 2,682.04 | | 2,682.04 |
| Special Items: | | | | | | | |
| FEMA reimbursements | | | | | 4,691.94 | | 4,691.94 |
| Insurance reimbursements | | | | | 19,117.56 | | 19,117.56 |
| Miscellaneous Income | | | | | 150,061.53 | | 150,061.53 |
| Total General Revenues | | | | | 22,101,509.43 | | 22,101,509.43 |
| Change in Net Position | | | | | 1,301,575.56 | \$ (56,483.48) | 1,245,092.08 |
| Net Position - Beginning | | | | | 21,277,214.15 | | 21,459,364.29 |
| Net Position - Ending | | | | | 22,578,789.71 | \$ 125,666.66 | 22,704,456.37 |

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

B. 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.

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Governmental Funds

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RED BANK REGIONAL HIGH SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

For the fiscal year ended June 30, 2013

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|--|------------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| Assets: | | | | | |
| Cash and Cash Equivalents | \$ 4,453,830.40 | | \$ 417,009.23 | \$ 0.38 | \$ 4,870,840.01 |
| Receivables From Other Governments: | | | | | |
| State | 172,331.76 | \$ 20,917.51 | 30,257.00 | | 223,506.27 |
| Federal | | 447,231.95 | | | 447,231.95 |
| Other Receivables | <u>238,886.15</u> | <u>29,470.19</u> | | | <u>268,356.34</u> |
| Total Assets | <u>4,865,048.31</u> | <u>497,619.65</u> | <u>447,266.23</u> | <u>0.38</u> | <u>5,809,934.57</u> |
| Liabilities and Fund Balances: | | | | | |
| Liabilities: | | | | | |
| Cash Deficit | | 411,611.33 | | | 411,611.33 |
| Accounts Payable | 154,757.12 | 22,587.26 | | | 177,344.38 |
| Interfund Payable | 30,949.28 | | | | 30,949.28 |
| Payable To State Government | | 20,812.37 | | | 20,812.37 |
| Deferred Revenue | <u>12,513.00</u> | <u>42,608.69</u> | | | <u>55,121.69</u> |
| Total Liabilities | <u>198,219.40</u> | <u>497,619.65</u> | | | <u>695,839.05</u> |
| Fund Balances: | | | | | |
| Restricted: | | | | | |
| Reserved Excess Surplus: | | | | | |
| Designated for Subsequent Year's Expenditures | 611,657.06 | | | | 611,657.06 |
| Reserve for Excess Surplus | 885,682.67 | | | | 885,682.67 |
| Capital Reserve | 878,296.54 | | | | 878,296.54 |
| Maintenance Reserve | 600,475.00 | | | | 600,475.00 |
| Emergency Reserve | 124,573.00 | | | | 124,573.00 |
| Capital Projects Fund | | | 447,266.23 | | 447,266.23 |
| Debt Service Fund | | | | 0.38 | 0.38 |
| Assigned: | | | | | |
| Year-End Encumbrances | 858,016.85 | | | | 858,016.85 |
| Designated for Subsequent Year's Expenditures | 176,932.94 | | | | 176,932.94 |
| Unassigned | <u>531,194.85</u> | | | | <u>531,194.85</u> |
| Total Fund Balances | <u>4,666,828.91</u> | | <u>447,266.23</u> | <u>0.38</u> | <u>5,114,095.52</u> |
| Total Liabilities and Fund Balances | <u>\$ 4,865,048.31</u> | <u>\$ 497,619.65</u> | <u>\$ 447,266.23</u> | <u>\$ 0.38</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 \$74,065.50. 101,041.50

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 \$39,584,198.93 and the accumulated depreciation is \$16,618,728.10 (See Note 9). 22,975,470.83

Accrued interest on long-term liabilities is not reported as liabilities in the fund. (93,607.50)

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 10). (5,518,210.64)

Net Assets of Governmental Activities \$ 22,578,789.71

RED BANK REGIONAL HIGH SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the fiscal year ended June 30, 2013

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---|------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 18,989,654.00 | | | \$ 729,405.00 | \$ 19,719,059.00 |
| Tuition Charges | 3,819,756.77 | | | | 3,819,756.77 |
| Transportation Fees | 139,871.37 | | | | 139,871.37 |
| Interest Earned on Capital Reserve Funds | 2,432.04 | | | | 2,432.04 |
| Interest Earned on Emergency Reserve | 125.00 | | | | 125.00 |
| Interest Earned on Maintenance Reserve | 125.00 | | | | 125.00 |
| Miscellaneous | 99,752.95 | \$ 50,308.58 | | | 150,061.53 |
| Total - Local Sources | 23,051,717.13 | 50,308.58 | | 729,405.00 | 23,831,430.71 |
| State Sources | 3,251,176.69 | 650,864.04 | | | 3,902,040.73 |
| Federal Sources | | 651,580.32 | | | 651,580.32 |
| Total Revenues | 26,302,893.82 | 1,352,752.94 | | 729,405.00 | 28,385,051.76 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Regular Instruction | 6,955,004.48 | 952,964.20 | | | 7,907,968.68 |
| Special Education Instruction | 1,089,032.32 | | | | 1,089,032.32 |
| Other Special Instruction | 400,070.98 | | | | 400,070.98 |
| Other Instruction | 996,920.27 | | | | 996,920.27 |
| Support Services and Undistributed Costs: | | | | | |
| Tuition | 1,304,222.47 | | | | 1,304,222.47 |
| Student and Instruction Related Services | 2,569,152.75 | 379,274.84 | | | 2,948,427.59 |
| General Administration | 673,264.68 | | | | 673,264.68 |
| School Administrative Services | 577,587.48 | | | | 577,587.48 |
| Central Services | 418,632.12 | | | | 418,632.12 |
| Administrative Information Technology | 137,646.54 | | | | 137,646.54 |
| Plant Operations and Maintenance | 1,845,459.10 | | | | 1,845,459.10 |
| Pupil Transportation | 1,313,757.18 | | | | 1,313,757.18 |
| Employee Benefits | 6,124,702.18 | | | | 6,124,702.18 |
| Special Schools | 14,112.96 | | | | 14,112.96 |
| Debt Service: | | | | | |
| Principal | | | | 500,000.00 | 500,000.00 |
| Interest and Other Charges | | | | 257,392.50 | 257,392.50 |
| Capital Outlay | 197,804.08 | 20,513.90 | \$ 35,605.46 | | 253,923.44 |
| Total Expenditures | 24,617,369.59 | 1,352,752.94 | 35,605.46 | 757,392.50 | 26,763,120.49 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | 1,685,524.23 | | (35,605.46) | (27,987.50) | 1,621,931.27 |
| Other Financing Sources/(Uses): | | | | | |
| FEMA reimbursements | 4,691.94 | | | | 4,691.94 |
| Insurance reimbursements | 19,117.56 | | | | 19,117.56 |
| Total Other Financing Sources/(Uses) | 23,809.50 | | | | 23,809.50 |
| Net Change in Fund Balances | 1,709,333.73 | | (35,605.46) | (27,987.50) | 1,645,740.77 |
| Fund Balance - July 1 | 2,957,495.18 | | 482,871.69 | 27,987.88 | 3,468,354.75 |
| Fund Balance - June 30 | \$ 4,666,828.91 | \$ 0.00 | \$ 447,266.23 | \$ 0.38 | \$ 5,114,095.52 |

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

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, 2013

| | | |
|--|---------------------|------------------------|
| Total Net Change in Fund Balances - Governmental Funds (from B-2) | | \$ 1,645,740.77 |
| 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 | \$ (1,064,995.70) | |
| Capital Outlay | <u>194,346.54</u> | (870,649.16) |
| 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. | | |
| | | 500,000.00 |
| 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. | | |
| | | 10,547.67 |
| 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. | | |
| Current Year | (159,192.50) | |
| Prior Year | <u>182,731.91</u> | 23,539.41 |
| 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. | | |
| Prior Year | 93,607.50 | |
| Current Year | <u>(101,210.63)</u> | <u>(7,603.13)</u> |
| Change in Net Assets of Governmental Activities | | <u>\$ 1,301,575.56</u> |

Proprietary Funds

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RED BANK REGIONAL HIGH SCHOOL DISTRICT

STATEMENT OF FUND NET POSITION

PROPRIETARY FUNDS

For the fiscal year ended June 30, 2013

| | <u>Business-Type Activities - Enterprise Funds</u> |
|--|--|
| Assets: | |
| Current Assets: | |
| Cash and Cash Equivalents | \$ 69,673.38 |
| Accounts Receivable: | |
| State | 186.60 |
| Federal | 6,868.92 |
| Other | 55,164.04 |
| Interfund Receivable | 30,949.28 |
| Inventories | <u>5,093.18</u> |
| Total - Current Assets | <u>167,935.40</u> |
| Noncurrent Assets: | |
| Furniture, Machinery and Equipment | 169,926.35 |
| Less: | |
| Accumulated Depreciation | <u>(90,354.18)</u> |
| Total - Noncurrent Assets | <u>79,572.17</u> |
| Total Assets | <u><u>\$ 247,507.57</u></u> |
| Liabilities: | |
| Current Liabilities: | |
| Accounts Payable | <u>\$ 121,840.91</u> |
| Total Liabilities | <u><u>\$ 121,840.91</u></u> |
| Net Position: | |
| Invested in Capital Assets Net of Related Debt | \$ 79,572.17 |
| Unrestricted | <u>46,094.49</u> |
| Total Net Position | <u><u>\$ 125,666.66</u></u> |

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

RED BANK REGIONAL HIGH SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS

For the fiscal year ended June 30, 2013

| | Business-Type Activities - <u>Enterprise Funds</u> <u>Food Service</u> |
|---|---|
| Operating Revenues: | |
| Charges for Services: | |
| Daily Sales - Reimbursable Programs | \$ 105,403.15 |
| Daily Sales - Non-Reimbursable Programs | 221,872.01 |
| Other LEAs | 204,944.42 |
| Special Functions | 5,157.11 |
| Miscellaneous | <u>863.47</u> |
| Total Operating Revenues | <u>538,240.16</u> |
| Operating Expenses: | |
| Purchased Professional/Technical Services | 341,183.65 |
| Purchased Property Services | 11,637.79 |
| Other Purchased Services | 22,991.84 |
| Supplies and Materials | 9,678.29 |
| Depreciation | 6,068.09 |
| Cost of Sales | <u>328,285.06</u> |
| Total Operating Expenses | <u>719,844.72</u> |
| Operating Loss | <u>(181,604.56)</u> |
| Nonoperating Revenues: | |
| State Sources: | |
| State School Lunch Program | 3,177.87 |
| Federal Sources: | |
| Federal School Lunch Program | 95,311.04 |
| Federal School Breakfast Program | 8,638.43 |
| Food Distribution Program | <u>17,993.74</u> |
| Total Nonoperating Revenues | <u>125,121.08</u> |
| Change in Net Position | (56,483.48) |
| Total Net Position - Beginning | <u>182,150.14</u> |
| Total Net Position - Ending | <u><u>\$ 125,666.66</u></u> |

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

RED BANK REGIONAL HIGH SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the fiscal year ended June 30, 2013

| | Business-Type Activities - <u>Enterprise Funds</u> <u>Food Service</u> |
|---|---|
| Cash Flows From Operating Activities: | |
| Receipts From Customers | \$ 554,612.65 |
| Payments To Suppliers | <u>(797,429.99)</u> |
| Net Cash Used For Operating Activities | <u>(242,817.34)</u> |
| Cash Flows From Noncapital Financing Activities: | |
| Federal and State Sources | 73,655.03 |
| Transfers From Other Funds | <u>30,276.16</u> |
| Net Cash Provided By Noncapital Financing Activities | <u>103,931.19</u> |
| Net Increase in Cash and Cash Equivalents | (138,886.15) |
| Balance - Beginning of Year | <u>208,559.53</u> |
| Balance - End of Year | <u><u>\$ 69,673.38</u></u> |
| Reconciliation of Operating Loss To Net Cash Used For Operating Activities: | |
| Operating Loss | \$ (181,604.56) |
| Adjustments To Reconcile Operating Loss To Net Cash Used For Operating Activities: | |
| Depreciation | 6,068.09 |
| Donated Commodities Received During the Year | 17,993.74 |
| (Increase)/Decrease in Accounts Receivable | (10,538.79) |
| (Increase)/Decrease in Inventories | (4,141.43) |
| Increase/(Decrease) in Accounts Payable | (66,546.78) |
| Increase/(Decrease) in Deferred Revenue | <u>(4,047.61)</u> |
| Total Adjustments | <u>(61,212.78)</u> |
| Net Cash Used For Operating Activities | <u><u>\$ (242,817.34)</u></u> |

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

Fiduciary Fund

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RED BANK REGIONAL HIGH SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

June 30, 2013

| | Unemployment Compensation Trust | Private Purpose Scholarship Fund | Agency Fund | Totals |
|---|---------------------------------------|---|----------------------|------------------------|
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 102,224.78 | \$ 3,034,753.52 | \$ 388,788.66 | \$ 3,525,766.96 |
| Due From Payroll Agency Fund | 293.49 | | | 293.49 |
| Due From Unemployment Trust Fund | | | 11,397.34 | 11,397.34 |
| Due From Student Activities Fund | | | 9,543.50 | 9,543.50 |
| Accounts Receivable | 412.98 | | 297.36 | 710.34 |
| Total Assets | \$ 102,931.25 | \$ 3,034,753.52 | \$ 410,026.86 | \$ 3,547,711.63 |
| Liabilities: | | | | |
| Due To: | | | | |
| Unemployment Trust Fund | | | \$ 293.49 | \$ 293.49 |
| State | \$ 2,627.35 | | | 2,627.35 |
| Due to Payroll Agency Fund | 11,397.34 | | 9,543.50 | 20,940.84 |
| Payable To Student Groups | | | 212,636.19 | 212,636.19 |
| Payroll Deductions and Withholdings | | | 187,553.68 | 187,553.68 |
| Total Liabilities | 14,024.69 | | 410,026.86 | 424,051.55 |
| Net Position: | | | | |
| Held in Trust for Unemployment Claims and Other Purposes | 88,906.56 | | | 88,906.56 |
| Nonexpendable Scholarship | | \$ 2,852,769.72 | | 2,852,769.72 |
| Reserved for Scholarships | | 181,983.80 | | 181,983.80 |
| Total Net Position | 88,906.56 | 3,034,753.52 | | 3,123,660.08 |
| Total Liabilities and Net Position | \$ 102,931.25 | \$ 3,034,753.52 | \$ 410,026.86 | \$ 3,547,711.63 |

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

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

For the fiscal year ended June 30, 2013

| | <u>Unemployment Compensation Trust</u> | <u>Private Purpose Scholarship Fund</u> |
|----------------------------------|--|---|
| Additions: | | |
| Employee Contributions | \$ 28,118.22 | |
| Donations | | \$ 50.00 |
| | <hr/> | <hr/> |
| Total Contributions | 28,118.22 | 50.00 |
| | <hr/> | <hr/> |
| Investment Earnings: | | |
| Interest | 84.76 | 55,285.91 |
| | <hr/> | <hr/> |
| Net Investment Earnings | 84.76 | 55,285.91 |
| | <hr/> | <hr/> |
| Total Additions | 28,202.98 | 55,335.91 |
| | <hr/> | <hr/> |
| Deductions: | | |
| Quarterly Contribution Reports | 8,269.69 | |
| Payment of Claims | 27,367.84 | |
| Scholarships Awarded | | 48,704.00 |
| Administrative Expenses | | 1,357.50 |
| | <hr/> | <hr/> |
| Total Deductions | 35,637.53 | 50,061.50 |
| | <hr/> | <hr/> |
| Change in Net Position | (7,434.55) | 5,274.41 |
| Net Position - Beginning of Year | 96,341.11 | 3,029,479.11 |
| | <hr/> | <hr/> |
| Net Position - End of Year | <u>\$ 88,906.56</u> | <u>\$ 3,034,753.52</u> |

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

RED BANK REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013

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RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Board of Education ("Board") of the Red Bank Regional High School District ("District") have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued Statement 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. This statement established new financial reporting requirements for state and local governmental entities throughout the United States. It also required new information and restructured much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

The District implemented these standards for the fiscal year-ending June 30, 2003, with the implementation of GASB Statement 34; the District has prepared required supplementary information titled Management's Discussion and Analysis, which precedes the basic financial statements.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. The District has implemented the following GASB Statements in the current fiscal year: Statement 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No.65 reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this Statement but it is expected to have a material impact on the financial statements for the year ended June 30, 2014.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2013.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

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 1176 students at June 30, 2013.

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, 2013

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 Position 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 Position 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 Position 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, 2013

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 Capital 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, 2013

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 capital 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, 2013

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, 2013, 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, 2013

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, 2013

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, 2013, there was a reconciling difference of \$(13,326.00) between the budgetary basis and GAAP basis in the General Fund and of \$4,393.30 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, 2013

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 | General <u>Fund</u> | Special Revenue <u>Fund</u> |
|---|-------------------------|--------------------------------|
| SOURCES/INFLOWS OF RESOURCES | | |
| Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules | \$ 26,316,219.82 | \$1,348,359.64 |
| 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 | | (34,266.47) |
| Add: Prior Year Encumbrances | | 38,659.77 |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | 78,215.00 | |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year. | <u>(91,541.00)</u> | <u> </u> |
| Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. | <u>\$ 26,302,893.82</u> | <u>\$ 1,352,752.94</u> |
| USES/OUTFLOWS OF RESOURCES | | |
| Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule | \$ 24,617,369.59 | \$ 1,348,359.64 |
| 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 | | (34,266.47) |
| Add: Prior Year Encumbrances | | <u>38,659.77</u> |
| Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. | <u>\$ 24,617,369.59</u> | <u>\$ 1,352,752.94</u> |

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

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, 2013

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:

| <u>Asset Class</u> | <u>Estimated Useful Lives</u> |
|-----------------------------------|--------------------------------------|
| 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, 2013

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 Position, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

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, 2013, 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, 2013, but which were levied to finance fiscal year 2014 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 Position:

Net Position represents the difference between assets and liabilities. Net Position 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 Position is 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 Position is available.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

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, 2013

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, 2013

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

F. FUND EQUITY

The District has implemented GASB 54 during fiscal year 2013.

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.

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.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

2. RESERVE ACCOUNTS

A. 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, 2012 to June 30, 2013 fiscal year is as follows:

| | | |
|---------------------------------|-----------------|----------------------|
| Beginning Balance, July 1, 2012 | | \$ 475,864.50 |
| Increased By: | | |
| Transferred by Board Resolution | | |
| June 19, 2013 | \$ 400,000.00 | |
| Interest Earned | <u>2,432.04</u> | |
| | | <u>402,432.04</u> |
| Ending Balance, June 30, 2013 | | <u>\$ 878,296.54</u> |

The June 30, 2013 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, 2013

2. RESERVE ACCOUNTS (CONT'D)

B. Maintenance Reserve Account:

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.

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may only increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (N.J.A.C. 6A:23A-14.2) or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end. The board resolution for deposit at year end into a maintenance reserve account must be made between June 1 and June 30 of the budget year. EFCFA requires that upon District completion of a school facilities project, the district must submit a plan for the maintenance of that facility. Auditors and District staff should refer to the regulations, N.J.A.C.6A:26A, for further guidance. A separate line is provided in the Audsum for this reserve account.

The activity of the Maintenance Reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

| | | |
|---------------------------------|---------------|----------------------|
| Beginning Balance, July 1, 2012 | | \$ 200,350.00 |
| Increased By: | | |
| Transferred by Board Resolution | | |
| June 19, 2013 | \$ 400,000.00 | |
| Interest Earned | <u>125.00</u> | |
| | | <u>400,125.00</u> |
| Ending Balance, June 30, 2013 | | <u>\$ 600,475.00</u> |

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

2. RESERVE ACCOUNTS (CONT'D)

C. Emergency Reserve Account:

An Emergency Reserve Account was established the Red Bank Regional Board of Education for the accumulation of funds for use in subsequent fiscal years. The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

The emergency reserve account is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

The activity of the Emergency Reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

| | |
|---------------------------------|----------------------|
| Beginning Balance, July 1, 2012 | \$ 124,448.00 |
| Interest earned | <u>125.00</u> |
| Ending Balance, June 30, 2013 | <u>\$ 124,573.00</u> |

3. TRANSFERS TO CAPITAL OUTLAY

During the year ending June 30, 2013, the District transferred \$81,521.40 to Capital Outlay, of which \$4,112.50 represented prior-year encumbrances, \$67,367.40 was for Equipment, \$10,041.50 was for facilities acquisition and construction services.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

4. 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, 2013 and 2012 are insured up to \$250,000.00 in the aggregate by the FDIC for each bank. At June 30, 2013 and 2012, the book value of the Board's deposits were \$8,053,318.46 and \$6,525,840.96, 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, 2013 and 2012, the Board's bank balances of \$8,812,526.21 and \$7,369,696.77, respectively, were exposed to Custodial Credit Risk as follows:

| | <u>2013</u> | <u>2012</u> |
|--------------------------------|------------------------|------------------------|
| Insured | \$ 8,756,220.58 | \$ 7,296,995.85 |
| Uninsured and Uncollateralized | <u>56,305.63</u> | <u>72,700.92</u> |
| | <u>\$ 8,812,526.21</u> | <u>\$ 7,369,696.77</u> |

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.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

4. DEPOSITS AND INVESTMENTS (CONT'D)

As of June 30, 2013, 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.

5. RECEIVABLES

Receivables at June 30, 2013, consisted of federal and state aid 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> |
|-----------------------------------|---|---|
| Governmental Activities: | | |
| Federal Aid | \$ 447,231.95 | 447,231.95 |
| State Aid | 223,506.27 | 223,506.27 |
| Other Receivables | <u>268,356.34</u> | <u>268,356.34</u> |
| | 939,094.56 | 939,094.56 |
| Less Allowance for Uncollectibles | <u>0.00</u> | <u>0.00</u> |
| Total Receivables, Net | <u>\$ 939,094.56</u> | <u>\$ 939,094.56</u> |

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

6. INTERFUND BALANCES AND TRANSFERS

Balances due to/from other funds at June 30, 2013 consist of the following:

| | |
|---------------------|---|
| \$ 11,397.34 | Due to Payroll Agency Fund from Unemployment Compensation Trust Fund representing a cash advance. |
| 293.49 | Due to Unemployment Compensation Trust Fund from Payroll Agency Fund representing a cash advance. |
| 9,543.50 | Due to Payroll Agency Fund from Student Activities Fund representing a cash advance. |
| <u>30,949.28</u> | Due from General Operating Fund to Enterprise Fund representing a cash advance. |
| <u>\$ 52,183.61</u> | |

Transfers

Not applicable.

7. INVENTORY

Inventory in the Food Service Fund at June 30, 2013 consisted of the following:

| | |
|----------|--------------------|
| Food | \$ 3,415.55 |
| Supplies | <u>1,677.63</u> |
| | <u>\$ 5,093.18</u> |

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.

8. 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, 2013 amounted to \$11,226.17.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

9. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

| | <u>Beginning Balance</u> | <u>Transfers</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 | <u>736,694.28</u> | \$ (719,851.27) | \$ 49,988.71 | | <u>66,831.72</u> |
| Total Capital Assets Not Being Depreciated | <u>6,116,334.28</u> | <u>(719,851.27)</u> | <u>49,988.71</u> | | <u>5,446,471.72</u> |
| Capital Assets Being Depreciated: | | | | | |
| Site Improvements | 2,598,358.00 | | | | 2,598,358.00 |
| Building and Building Improvements | 26,894,636.00 | 719,851.27 | 55,392.00 | | 27,669,879.27 |
| Machinery and Equipment | <u>3,780,524.11</u> | | <u>88,965.83</u> | | <u>3,869,489.94</u> |
| Totals at Historical Cost | <u>33,273,518.11</u> | <u>719,851.27</u> | <u>144,357.83</u> | | <u>34,137,727.21</u> |
| Less Accumulated Depreciation for: | | | | | |
| Site Improvements | (1,242,889.00) | | (111,039.00) | | (1,353,928.00) |
| Building and Building Improvements | (11,223,977.00) | | (752,178.00) | | (11,976,155.00) |
| Machinery and Equipment | <u>(3,076,866.40)</u> | | <u>(201,778.70)</u> | | <u>(3,278,645.10)</u> |
| Total Accumulated Depreciation | <u>(15,543,732.40)</u> | | <u>(1,064,995.70)</u> | | <u>(16,608,728.10)</u> |
| Total Capital Assets Being Depreciated, Net of Accumulated Depreciation | <u>17,729,785.71</u> | <u>719,851.27</u> | <u>(920,637.87)</u> | | <u>17,528,999.11</u> |
| Government Activity Capital Assets, Net | <u>23,846,119.99</u> | | <u>(870,649.16)</u> | | <u>22,975,470.83</u> |
| Business-Type Activities: | | | | | |
| Capital Assets Being Depreciated: | | | | | |
| Equipment | 169,926.35 | | | | 169,926.35 |
| Less Accumulated Depreciation | <u>(84,286.09)</u> | | <u>(6,068.09)</u> | | <u>(90,354.18)</u> |
| Enterprise Fund Capital Assets, Net | <u>\$ 85,640.26</u> | <u>\$ 0.00</u> | <u>\$ (6,068.09)</u> | <u>\$ 0.00</u> | <u>\$ 79,572.17</u> |

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

9. 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 for the fiscal year ended June 30, 2013 amounted to \$1,064,995.70 for governmental funds and \$6,068.09 for business-type funds. The District determined that it was impractical to allocate depreciation to the various governmental activities as the assets serve various functions.

10. 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, 2013, are as follows:

| | Balance June 30, <u>2012</u> | <u>Additions</u> | <u>Retired</u> | Balance June 30, <u>2013</u> | Amounts Due Within <u>One Year</u> |
|-------------------------------------|------------------------------------|-----------------------------|----------------------|------------------------------------|--|
| <u>Governmental Activities:</u> | | | | | |
| Bonds Payable | \$5,800,000.00 | | \$500,000.00 | \$5,300,000.00 | \$ 520,000.00 |
| Compensated Absences Payable | <u>182,741.91</u> | <u> </u> | <u>23,539.41</u> | <u>159,192.50</u> | <u>33,765.00</u> |
| | <u>\$5,982,741.91</u> | <u>\$ 0.00</u> | <u>\$ 523,539.41</u> | <u>\$5,459,192.50</u> | <u>\$ 553,765.00</u> |
| Less: | | | | | |
| Net Premium/(Discount) | | | | \$ 59,018.14 | |
| Current Portion of Long Term Debt | | | | <u>(553,765.00)</u> | |
| | | | | <u>\$4,964,445.64</u> | |

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

10. 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 Dates</u> | <u>Interest Rates</u> | <u>Dates of Maturity</u> | <u>Balance June 30, 2012</u> |
| Bonds Payable | 03/15/03 | 4.50-5.30% | 07/15/12-20 | \$ 860,000.00 |
| | 04/24/10 | 3.50-5.00% | 02/15/13-22 | <u>4,440,000.00</u> |
| Total Bonds | | | | <u>\$ 5,300,000.00</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, 2013

10. 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, 2013 are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|------------------------|------------------------|------------------------|
| 2014 | \$ 520,000.00 | \$ 237,810.00 | \$ 757,810.00 |
| 2015 | 535,000.00 | 216,307.50 | 751,307.50 |
| 2016 | 550,000.00 | 197,600.00 | 747,600.00 |
| 2017 | 575,000.00 | 173,692.50 | 748,692.50 |
| 2018 | 610,000.00 | 147,245.00 | 757,245.00 |
| 2019 | 620,000.00 | 122,532.50 | 742,532.50 |
| 2020 | 650,000.00 | 91,054.70 | 741,054.00 |
| 2021 | 675,000.00 | 58,062.80 | 733,062.80 |
| 2022 | <u>565,000.00</u> | <u>28,250.00</u> | <u>593,250.00</u> |
| | <u>\$ 5,300,000.00</u> | <u>\$ 1,272,554.30</u> | <u>\$ 6,572,554.30</u> |

D. Bonds Authorized But Not Issued

As of June 30, 2013, the District had no authorized but not issued bonds.

E. Capital Leases

As of June 30, 2013, the District had not entered into any Capital Lease arrangements.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

11. 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 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, 2013

11. 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

| <u>Year Funding June 30,</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|----------------------------------|--|--|---------------------------------------|
| 2013 | \$ 244,893.00 | 100.00% | \$ 0.00 |
| 2012 | 262,940.00 | 100.00 | 0.00 |
| 2011 | 248,718.00 | 100.00 | 0.00 |

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

| <u>Year Funding June 30,</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|----------------------------------|--|--|---------------------------------------|
| 2013 | \$ 1,419,008.00 | 100.00% | \$ 0.00 |
| 2012 | 902,516.00 | 100.00 | 0.00 |
| 2011 | 652,971.00 | 100.00 | 0.00 |

During the year ended June 30, 2013, the State of New Jersey contributed \$33,288.00 to the TPAF for NCGI premiums, \$632,680.00 for normal contributions and \$753,040.00 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 \$678,156.93 during the year ended June 30, 2013 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, 2013

11. 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.

12. 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, 2012, there were 97,661 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 \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2012.

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, 2013, 2012 and 2011 were \$753,040.00, \$602,703.00, and \$623,611.00, 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, 2013

13. 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 |

14. RISK MANAGEMENT

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

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

New Jersey Unemployment Compensation Insurance - The District 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> |
|--------------------|-------------------------------|-------------------------------|--------------------------|-----------------------|
| 2012/13 | \$ 0.00 | \$ 28,118.22 | \$ 27,367.84 | \$ 88,906.56 |
| 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 |

15. 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, 2013

16. FUND BALANCE DISCLOSURE

Fund balance will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purpose for which resources can be used:

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Debt Service Fund</u> | <u>Capital Projects Fund</u> | <u>Total</u> |
|----------------|-------------------------|-------------------------------------|----------------------------------|--------------------------------------|------------------------|
| Fund Balances: | | | | | |
| Restricted | \$ 3,100,684.27 | | \$.38 | \$ 447,266.23 | \$ 3,547,950.88 |
| Assigned | 1,034,949.79 | | | | 1,034,949.79 |
| Unassigned | <u>531,194.85</u> | | | | <u>531,194.85</u> |
| | <u>\$ 4,666,828.91</u> | <u>\$ 0.00</u> | <u>\$.38</u> | <u>\$ 447,266.23</u> | <u>\$ 5,114,095.52</u> |

17. 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, 2013 is \$885,682.67.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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RED BANK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Fiscal year ended June 30, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|--|----------------------|---------------------|----------------------|----------------------|--------------------------------|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 18,989,654.00 | | \$ 18,989,654.00 | \$ 18,989,654.00 | \$ 108,495.00 |
| Tuition from Individuals | 232,200.00 | | 232,200.00 | 340,695.00 | 170,661.77 |
| Tuition from Other LEA's within the State | 3,301,800.00 | | 3,301,800.00 | 3,472,461.77 | 6,600.00 |
| Tuition from Summer School | | | | 6,600.00 | (38,691.63) |
| Transportation Fees From Other LEAs | 178,563.00 | | 178,563.00 | 139,871.37 | 1,932.04 |
| Interest Earned on Capital Reserve Funds | 500.00 | | 500.00 | 2,432.04 | |
| Interest Earned on Current Expense Emergency Reserve | 125.00 | | 125.00 | 125.00 | |
| Interest Earned on Maintenance Reserve | 125.00 | | 125.00 | 125.00 | |
| Unrestricted Miscellaneous Revenues | 30,000.00 | | 30,000.00 | 99,752.95 | 69,752.95 |
| Total Local Sources | 22,732,967.00 | | 22,732,967.00 | 23,051,717.13 | 318,750.13 |
| State Sources: | | | | | |
| Extraordinary Aid | | | | 167,414.00 | 167,414.00 |
| Categorical Special Education Aid | 514,378.00 | | 514,378.00 | 514,378.00 | |
| Equalization Aid | 110,122.00 | | 110,122.00 | 110,122.00 | |
| Categorical Security Aid | 104,581.00 | | 104,581.00 | 104,581.00 | |
| Adjustment Aid | 20,284.00 | | 20,284.00 | 20,284.00 | |
| Other State Aids | | | | 4,917.76 | 4,917.76 |
| Categorical Transportation Aid | 245,641.00 | | 245,641.00 | 245,641.00 | |
| TPAF Contributions (On-Behalf - Non-Budgeted) | | | | 632,680.00 | 632,680.00 |
| TPAF Pension NCGI Premium (On-Behalf - Non-Budgeted) | | | | 33,288.00 | 33,288.00 |
| TPAF Post Retirement Medical (On-Behalf - Non-Budgeted) | | | | 753,040.00 | 753,040.00 |
| TPAF Social Security (Reimbursed - Non-Budgeted) | | | | 678,156.93 | 678,156.93 |
| Total State Sources | 995,006.00 | | 995,006.00 | 3,264,502.69 | 2,269,496.69 |
| Total Revenues | 23,727,973.00 | | 23,727,973.00 | 26,316,219.82 | 2,588,246.82 |
| EXPENDITURES: | | | | | |
| Current Expense: | | | | | |
| Regular Programs - Instruction: | | | | | |
| Salaries of Teachers: | | | | | |
| Grades 9-12 | 6,241,000.00 | 169,209.83 | 6,410,209.83 | 5,993,006.87 | 417,202.96 |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of Teachers | 65,000.00 | (13,749.60) | 51,250.40 | 35,912.00 | 15,338.40 |
| Other Purchased Services | 5,000.00 | 7,920.00 | 12,920.00 | 10,811.00 | 2,109.00 |
| Regular Programs - Undistributed Instruction: | | | | | |
| Other Salaries for Instruction | 313,370.00 | (7,554.78) | 305,815.22 | 268,486.31 | 37,328.91 |
| Purchased Professional - Educational Services | 22,306.00 | (4,283.00) | 18,023.00 | 14,672.00 | 3,351.00 |
| Purchased Technical Services | 74,300.00 | 10,135.39 | 84,435.39 | 69,196.16 | 15,239.23 |
| Other Purchased Services | 15,950.00 | (447.80) | 15,502.20 | 12,106.74 | 3,395.46 |
| General Supplies | 592,857.00 | (56,777.41) | 536,079.59 | 421,989.56 | 114,090.03 |
| Textbooks | 65,000.00 | 1,914.34 | 66,914.34 | 59,589.05 | 7,325.29 |
| Other Objects | 59,400.00 | 22,528.46 | 81,928.46 | 69,234.79 | 12,693.67 |
| Total Regular Programs - Instruction | 7,454,183.00 | 128,895.43 | 7,583,078.43 | 6,955,004.48 | 628,073.95 |
| Special Education - Instruction - Cognitive - Mild: | | | | | |
| Salaries of Teachers | 103,500.00 | 1,572.00 | 105,072.00 | 95,620.23 | 9,451.77 |
| Other Salaries for Instruction | 42,100.00 | 39,643.24 | 81,743.24 | 74,370.52 | 7,372.72 |
| General Supplies | 2,500.00 | | 2,500.00 | 2,485.30 | 14.70 |
| Textbooks | 500.00 | | 500.00 | | 500.00 |
| Total Special Education - Instruction - Cognitive - Mild | 148,600.00 | 41,215.24 | 189,815.24 | 172,476.05 | 17,339.19 |
| Special Educ. - Instruction - Resource Room/Resource Center: | | | | | |
| Salaries of Teachers | 648,000.00 | 39,309.10 | 687,309.10 | 654,578.35 | 32,730.75 |
| Other Salaries for Instruction | 290,500.00 | (22,618.41) | 267,881.59 | 251,438.75 | 16,442.84 |
| General Supplies | 7,000.00 | (900.00) | 6,100.00 | 5,921.86 | 178.14 |
| Textbooks | 1,000.00 | | 1,000.00 | 547.31 | 452.69 |
| Total Spec. Educ. - Instruction - Resource Room/Resource Center | 946,500.00 | 15,790.69 | 962,290.69 | 912,486.27 | 49,804.42 |
| Special Educ. - Instruction - Home Instruction: | | | | | |
| Salaries of Teachers | 500.00 | 3,658.00 | 4,158.00 | 4,070.00 | 88.00 |
| Total Special Educ. - Instruction - Home Instruction | 500.00 | 3,658.00 | 4,158.00 | 4,070.00 | 88.00 |
| Total Special Education - Instruction | 1,095,600.00 | 60,663.93 | 1,156,263.93 | 1,089,032.32 | 67,231.61 |
| EXPENDITURES (continued) | | | | | |
| Basic Skills/Remedial - Instruction: | | | | | |
| Salaries of Teachers | 52,300.00 | 679.08 | 52,979.08 | 50,005.00 | 2,974.08 |
| Other Salaries for Instruction | 55,500.00 | 2,060.94 | 57,560.94 | 54,000.00 | 3,560.94 |
| General Supplies | 900.00 | | 900.00 | 764.20 | 135.80 |
| Total Basic Skills/Remedial - Instruction | 108,700.00 | 2,740.02 | 111,440.02 | 104,769.20 | 6,670.82 |
| Bilingual Education - Instruction: | | | | | |
| Salaries of Teachers | 199,000.00 | 3,901.87 | 202,901.87 | 192,717.87 | 10,184.00 |
| Other Salaries for Instruction | 136,000.00 | (32,958.87) | 103,041.13 | 96,107.76 | 6,933.37 |
| General Supplies | 5,000.00 | | 5,000.00 | 4,904.19 | 95.81 |
| Textbooks | 2,000.00 | | 2,000.00 | 1,418.96 | 581.04 |
| Other Objects | 800.00 | | 800.00 | 153.00 | 647.00 |
| Total Bilingual Education - Instruction | 342,800.00 | (29,057.00) | 313,743.00 | 295,301.78 | 18,441.22 |

RED BANK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Fiscal year ended June 30, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|--|--------------------|---------------------|-----------------|--------------|--------------------------------|
| School Sponsored Co/Extra-Curricular Activities - Instruction: | | | | | |
| Salaries | 185,000.00 | 37,904.69 | 222,904.69 | 222,904.69 | |
| Total School Sponsored Co/Extra-Curr. Activities - Instruction | 185,000.00 | 37,904.69 | 222,904.69 | 222,904.69 | |
| School Sponsored Athletics - Instruction: | | | | | |
| Salaries | 432,050.00 | 51,763.69 | 483,813.69 | 482,864.94 | 948.75 |
| Purchased Services | 153,450.00 | (10,607.06) | 142,842.94 | 142,842.94 | |
| Supplies and Materials | 80,000.00 | 6,406.91 | 86,406.91 | 86,406.91 | |
| Other Objects | 3,450.00 | (212.07) | 3,237.93 | 3,237.93 | |
| Total School Sponsored Athletics - Instruction | 668,950.00 | 47,351.47 | 716,301.47 | 715,352.72 | 948.75 |
| Summer School - Instruction: | | | | | |
| Salaries | 90,000.00 | (30,097.84) | 59,902.16 | 58,662.86 | 1,239.30 |
| Total Summer School - Instruction | 90,000.00 | (30,097.84) | 59,902.16 | 58,662.86 | 1,239.30 |
| Total - Instruction | 9,945,233.00 | 218,400.70 | 10,163,633.70 | 9,441,028.05 | 722,605.65 |
| Undist. Expend. - Instruction: | | | | | |
| Tuition To Other LEAs Within State - Special | | 22,360.00 | 22,360.00 | 21,169.58 | 1,190.42 |
| Tuition To County Voc. School District - Regular | 365,800.00 | (14,037.00) | 351,763.00 | 342,535.00 | 9,228.00 |
| Tuition To County Voc. School District - Special | 66,300.00 | 36,000.00 | 102,300.00 | 72,407.66 | 29,892.34 |
| Tuition To Private Schools for the Disabled Within State | 787,699.00 | 134,015.31 | 921,714.31 | 827,640.23 | 94,074.08 |
| Tuition - State Facilities | 40,470.00 | | 40,470.00 | 40,470.00 | |
| Total Undist. Expend. - Instruction | 1,260,269.00 | 178,338.31 | 1,438,607.31 | 1,304,222.47 | 134,384.84 |
| Undist. Expend. - Attendance and Social Work Services: | | | | | |
| Salaries | 160,500.00 | 28,449.74 | 188,949.74 | 177,134.24 | 11,815.50 |
| Salaries of Community/School Coordinators | 66,700.00 | 2,424.98 | 69,124.98 | 64,999.92 | 4,125.06 |
| Total Undist. Expend. - Attendance and Social Work Services | 227,200.00 | 30,874.72 | 258,074.72 | 242,134.16 | 15,940.56 |
| Undist. Expend. - Health Services: | | | | | |
| Salaries | 99,000.00 | 8,281.03 | 107,281.03 | 96,829.03 | 10,452.00 |
| Purchased Professional and Technical Services | 24,040.00 | (4,212.00) | 19,828.00 | 16,921.65 | 2,906.35 |
| Supplies and Materials | 3,000.00 | 4,345.00 | 7,345.00 | 7,119.61 | 225.39 |
| Other Objects | 350.00 | | 350.00 | | 350.00 |
| Total Undist. Expend. - Health Services | 126,390.00 | 8,414.03 | 134,804.03 | 120,870.29 | 13,933.74 |
| Undist. Expend. - Speech, OT, PT - Related Services: | | | | | |
| Salaries | 88,700.00 | 960.00 | 89,660.00 | 87,455.00 | 2,205.00 |
| Total Undist. Expend. - Speech, OT, PT - Related Services | 88,700.00 | 960.00 | 89,660.00 | 87,455.00 | 2,205.00 |
| Other Support Services- Students - Extra Srvc: | | | | | |
| Salaries | 190,070.00 | (7,000.00) | 183,070.00 | 172,591.66 | 10,478.34 |
| Total Undist. Expend. - Other Support Services - Students - Extra | 190,070.00 | (7,000.00) | 183,070.00 | 172,591.66 | 10,478.34 |
| Undist. Expend. - Other Support Serv. Students - Guidance: | | | | | |
| Salaries of Other Professional Staff | 484,000.00 | (12,779.98) | 471,220.02 | 453,806.38 | 17,413.64 |
| Salaries of Secretarial and Clerical Assistants | 104,000.00 | 7,058.82 | 111,058.82 | 104,906.66 | 6,152.16 |
| Purchased Professional - Educational Services | 50,885.00 | 495.00 | 51,380.00 | 30,110.08 | 21,269.92 |
| Other Purchased Professional and Technical Services | 6,200.00 | 2,500.00 | 8,700.00 | 8,588.00 | 112.00 |
| Other Purchased Services | 8,650.00 | (1,480.00) | 7,170.00 | 4,905.60 | 2,264.40 |
| Supplies and Materials | 30,050.00 | (2,441.92) | 27,608.08 | 21,636.05 | 5,972.03 |
| Other Objects | 4,350.00 | (1,700.00) | 2,650.00 | 1,246.00 | 1,404.00 |
| Total Undist. Expend. - Other Support Serv. Students - Regular | 688,135.00 | (8,348.08) | 679,786.92 | 625,198.77 | 54,588.15 |
| EXPENDITURES (continued) | | | | | |
| Undist. Expend. - Other Support Serv. Students - Child Study Team: | | | | | |
| Salaries of Other Professional Staff | 598,000.00 | (32,468.55) | 565,531.45 | 540,754.57 | 24,776.88 |
| Salaries of Secretarial and Clerical Assistants | 87,000.00 | (21,981.08) | 65,018.92 | 63,533.92 | 1,485.00 |
| Other Purchased Professional and Technical Services | 20,000.00 | | 20,000.00 | 15,770.70 | 4,229.30 |
| Supplies and Materials | 5,000.00 | 12.76 | 5,012.76 | 4,479.74 | 533.02 |
| Other Objects | 3,000.00 | | 3,000.00 | 1,557.73 | 1,442.27 |
| Total Undist. Expend. - Other Support Serv. Students - Child Study | 713,000.00 | (54,436.87) | 658,563.13 | 626,096.66 | 32,466.47 |
| Undist. Expend. - Improvement of Instructional Services: | | | | | |
| Salaries of Supervisors of Instruction | 408,000.00 | (20,000.00) | 388,000.00 | 373,038.30 | 14,961.70 |
| Salaries of Secretarial and Clerical Assistants | 109,500.00 | 1,595.88 | 111,095.88 | 101,384.31 | 9,711.57 |
| Other Salaries | 20,000.00 | (3,062.50) | 16,937.50 | 3,240.00 | 13,697.50 |
| Total Undist. Expend. - Improvement of Instructional Services | 537,500.00 | (21,466.62) | 516,033.38 | 477,662.61 | 38,370.77 |

RED BANK REGIONAL HIGH SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|---|---------------------|---------------------|---------------------|---------------------|--------------------------------|
| Undist. Expend. - Educational Media/School Library: | | | | | |
| Salaries | 135,750.00 | 6,949.12 | 142,699.12 | 132,940.57 | 9,758.55 |
| Other Purchased Services | 500.00 | | 500.00 | | 500.00 |
| Supplies and Materials | 48,050.00 | (376.53) | 47,673.47 | 47,178.04 | 495.43 |
| Other Objects | 300.00 | (250.00) | 50.00 | 50.00 | |
| Total Undist. Expend. - Educational Media/School Library | 184,600.00 | 6,322.59 | 190,922.59 | 180,168.61 | 10,753.98 |
| Undist. Expend. - Instructional Staff Training Services: | | | | | |
| Purchased Professional - Educational Services | 45,000.00 | (4,087.95) | 40,912.05 | 13,089.05 | 27,823.00 |
| Other Purchased Services | 27,870.00 | 6,767.10 | 34,637.10 | 23,885.94 | 10,751.16 |
| Total Undist. Expend. - Instructional Staff Training Services | 72,870.00 | 2,679.15 | 75,549.15 | 36,974.99 | 38,574.16 |
| Undist. Expend. - Support Services - General Administration: | | | | | |
| Salaries | 247,200.00 | 2,490.26 | 249,690.26 | 241,804.56 | 7,885.70 |
| Legal Services | 20,000.00 | 91,000.00 | 111,000.00 | 110,790.75 | 209.25 |
| Audit Fees | 37,000.00 | (500.00) | 36,500.00 | 36,500.00 | |
| Other Purchased Professional Services | 6,700.00 | 3,500.00 | 10,200.00 | 10,182.38 | 17.62 |
| Communications/Telephone | 10,000.00 | 16,402.89 | 26,402.89 | 19,583.57 | 6,819.32 |
| BOE Other Purchased Services | 1,500.00 | (213.31) | 1,286.69 | 1,088.16 | 198.53 |
| Miscellaneous Purchased Services | 180,000.00 | 55,225.00 | 235,225.00 | 235,206.86 | 18.14 |
| General Supplies | 500.00 | 82.58 | 582.58 | 582.58 | |
| BOE In-House Training/Meeting Supplies | 1,250.00 | 385.77 | 1,635.77 | 1,635.77 | |
| Miscellaneous Expenditures | 3,900.00 | 1,044.00 | 4,944.00 | 4,835.85 | 108.15 |
| BOE Membership Dues and Fees | 13,350.00 | (2,100.00) | 11,250.00 | 11,054.20 | 195.80 |
| Total Undist. Expend. - Support Services - General Administration | 521,400.00 | 167,317.19 | 688,717.19 | 673,264.68 | 15,452.51 |
| Undist. Expend. - Support Services - School Administration: | | | | | |
| Salaries of Principals/Assistant Principals | 369,000.00 | (12,899.06) | 356,100.94 | 340,137.90 | 15,963.04 |
| Salaries of Secretarial and Clerical Assistants | 197,800.00 | 2,899.83 | 200,699.83 | 190,421.70 | 10,278.13 |
| Supplies and Materials | 16,450.00 | 30,769.50 | 47,219.50 | 43,164.88 | 4,054.62 |
| Other Objects | 4,324.00 | | 4,324.00 | 3,863.00 | 461.00 |
| Total Undist. Expend. - Support Services - School Administration | 587,574.00 | 20,770.27 | 608,344.27 | 577,587.48 | 30,756.79 |
| Undist. Expend. - Central Services: | | | | | |
| Salaries | 388,100.00 | (17,089.95) | 371,010.05 | 355,903.62 | 15,106.43 |
| Purchased Professional Services | 2,500.00 | (500.00) | 2,000.00 | 1,933.00 | 67.00 |
| Purchased Technical Services | 23,400.00 | 18,429.00 | 41,829.00 | 41,525.14 | 303.86 |
| Supplies and Materials | 4,000.00 | 12,213.77 | 16,213.77 | 14,812.90 | 1,400.87 |
| Other Objects | 3,800.00 | 675.00 | 4,475.00 | 4,457.46 | 17.54 |
| Total Undist. Expend. - Central Services | 421,800.00 | 13,727.82 | 435,527.82 | 418,632.12 | 16,895.70 |
| Undist. Expend. - Admin. Info. Technology: | | | | | |
| Salaries | 150,000.00 | 6,809.75 | 156,809.75 | 137,646.54 | 19,163.21 |
| Total Undist. Expend. - Admin. Info. Technology | 150,000.00 | 6,809.75 | 156,809.75 | 137,646.54 | 19,163.21 |
| Interest Earned on Maintenance Reserve | 125.00 | | 125.00 | | 125.00 |
| Increase in Maintenance Reserve | 190,000.00 | | 190,000.00 | | 190,000.00 |
| EXPENDITURES (continued) | | | | | |
| Undist. Expend. - Required Maintenance for School Facilities: | | | | | |
| Salaries | 200,000.00 | 92,271.29 | 292,271.29 | 251,461.79 | 40,809.50 |
| Cleaning, Repair and Maintenance Services | 73,000.00 | 136,559.12 | 209,559.12 | 205,466.27 | 4,092.85 |
| General Supplies | 19,000.00 | (108.95) | 18,891.05 | 18,591.05 | 300.00 |
| Total Undist. Expend. - Required Maintenance for School Facilities | 292,000.00 | 228,721.46 | 520,721.46 | 475,519.11 | 45,202.35 |
| Undist. Expend. - Custodial Services: | | | | | |
| Salaries | 283,500.00 | 5,116.87 | 288,616.87 | 230,235.33 | 58,381.54 |
| Purchased Professional and Technical Services | 27,000.00 | (11,500.00) | 15,500.00 | 6,735.00 | 8,765.00 |
| Cleaning, Repair and Maintenance Services | 464,000.00 | (58,686.84) | 405,313.16 | 395,208.91 | 10,104.25 |
| Other Purchased Property Services | 56,000.00 | (234.28) | 55,765.72 | 54,229.19 | 1,536.53 |
| Insurance | 64,000.00 | (1,000.00) | 63,000.00 | 56,989.91 | 6,010.09 |
| General Supplies | 100,000.00 | 10,591.76 | 110,591.76 | 89,519.90 | 21,071.86 |
| Energy (Natural Gas) | 115,000.00 | 28,577.00 | 143,577.00 | 90,116.44 | 53,460.56 |
| Energy (Electricity) | 515,000.00 | (96,130.00) | 418,870.00 | 303,812.09 | 115,057.91 |
| Other Objects | 500.00 | 323.00 | 823.00 | 803.00 | 20.00 |
| Total Undist. Expend. - Custodial Services | 1,625,000.00 | (122,942.49) | 1,502,057.51 | 1,227,649.77 | 274,407.74 |
| Undist. Expend. - Care & Upkeep of Grounds: | | | | | |
| Cleaning, Repair, & Maintenance Services | 6,000.00 | | 6,000.00 | 3,786.86 | 2,213.14 |
| General Supplies | 20,000.00 | 10,140.26 | 30,140.26 | 30,140.26 | |
| Total Undist. Expend. - Care & Upkeep of Grounds | 26,000.00 | 10,140.26 | 36,140.26 | 33,927.12 | 2,213.14 |
| Undist. Expend. - Security: | | | | | |
| Salaries | 48,700.00 | 2,893.20 | 51,593.20 | 48,363.10 | 3,230.10 |
| Purchased Professional and Technical Services | 60,000.00 | | 60,000.00 | 60,000.00 | |
| Total Undist. Expend. - Security | 108,700.00 | 2,893.20 | 111,593.20 | 108,363.10 | 3,230.10 |
| Total Undist. Expend. - Oper. & Maint. of Plant | 2,051,700.00 | 118,812.43 | 2,170,512.43 | 1,845,459.10 | 325,053.33 |
| Undist. Expend. - Student Transportation Services: | | | | | |
| Salaries for Pupil Transp (Bet. Home & School) - Regular | 64,000.00 | | 64,000.00 | 47,799.86 | 16,200.14 |
| Contracted Services (Bet. Home & School) - Vendors | 474,500.00 | (14,270.79) | 460,229.21 | 422,139.20 | 38,090.01 |
| Contracted Services (Other Than Bet. Home & School) - Vendors | 152,350.00 | 19,646.30 | 171,996.30 | 162,712.23 | 9,284.07 |
| Contracted Services (Special Ed. Students) - Vendors | 85,000.00 | 29,311.00 | 114,311.00 | 100,585.48 | 13,725.52 |
| Contracted Services (Regular Students) ESCs and CTSAs | 340,000.00 | 40,597.79 | 380,597.79 | 328,478.53 | 52,119.26 |
| Contracted Services (Special Ed. Students) ESCs and CTSAs | 220,000.00 | 78,118.92 | 298,118.92 | 226,814.88 | 71,304.04 |
| Contracted Services - Aid in Lieu of Payments - NonPub Sch | 35,000.00 | (10,250.00) | 24,750.00 | 16,763.40 | 7,986.60 |
| Misc. Purchased Services - Transportation | 8,300.00 | 163.60 | 8,463.60 | 8,463.60 | |
| Total Undist. Expend. - Student Transportation Services | 1,379,150.00 | 143,316.82 | 1,522,466.82 | 1,313,757.18 | 208,709.64 |
| Interest Earned on Current Expense Emergency Reserve | 125.00 | | 125.00 | | 125.00 |

RED BANK REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Fiscal year ended June 30, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|--|----------------------|---------------------|----------------------|----------------------|--------------------------------|
| Unallocated Benefits - Employee Benefits: | | | | | |
| Social Security Contributions | 275,000.00 | 34,634.32 | 309,634.32 | 299,463.40 | 10,170.92 |
| Other Retirement Contributions - Regular | 280,000.00 | (8,640.21) | 271,359.79 | 244,893.00 | 26,466.79 |
| Unemployment Compensation | | | | | |
| Workmen's Compensation | 138,000.00 | | 138,000.00 | 134,834.00 | 3,166.00 |
| Health Benefits | 3,987,000.00 | (483,408.82) | 3,503,591.18 | 3,286,029.81 | 217,561.37 |
| Tuition Reimbursement | 30,000.00 | 8,900.00 | 38,900.00 | 37,993.55 | 906.45 |
| Other Employee Benefits | 8,000.00 | 16,333.49 | 24,333.49 | 24,323.49 | 10.00 |
| Total Unallocated Benefits - Employee Benefits | 4,718,000.00 | (432,181.22) | 4,285,818.78 | 4,027,537.25 | 258,281.53 |
| TPAF Contributions (On-Behalf - Non-Budgeted) | | | | 632,680.00 | (632,680.00) |
| TPAF Pension NCGI Premium (On-Behalf - Non-Budgeted) | | | | 33,288.00 | (33,288.00) |
| TPAF Post Retirement Medical (On-Behalf - Non-Budgeted) | | | | 753,040.00 | (753,040.00) |
| TPAF Social Security (Reimbursed - Non-Budgeted) | | | | 678,156.93 | (678,156.93) |
| Total On-Behalf Contributions | | | | 2,097,164.93 | (2,097,164.93) |
| Total Personal Services - Employee Benefits | 4,718,000.00 | (432,181.22) | 4,285,818.78 | 6,124,702.18 | (1,838,883.40) |
| Total Undistributed Expenditures | 13,918,358.00 | 174,910.29 | 14,093,268.29 | 14,964,424.50 | (871,156.21) |
| Total Expenditures - Current Expense | 24,053,841.00 | 393,310.99 | 24,447,151.99 | 24,405,452.55 | 41,699.44 |
| CAPITAL OUTLAY | | | | | |
| Interest Deposit to Capital Reserve | 500.00 | | 500.00 | | 500.00 |
| Equipment: | | | | | |
| Grades 9-12 | 43,500.00 | 24,120.76 | 67,620.76 | 64,186.69 | 3,434.07 |
| School Sponsored & Other Instr. Programs | | 9,618.94 | 9,618.94 | 9,618.94 | |
| Undist. Expend. - General Administration | | 7,661.20 | 7,661.20 | 7,661.20 | |
| Undist. Expend. - Custodial Services | | 22,580.00 | 22,580.00 | | 22,580.00 |
| Undist. Expend. - Care and Upkeep of Grounds | | 7,499.00 | 7,499.00 | 7,499.00 | |
| Total Equipment | 43,500.00 | 71,479.90 | 114,979.90 | 88,965.83 | 26,014.07 |
| Facilities Acquisition and Construction Services: | | | | | |
| Other Purchased Professional & Tech. Services | | 15,155.50 | 15,155.50 | 14,383.25 | 772.25 |
| Construction Services | 60,506.00 | (5,114.00) | 55,392.00 | 55,392.00 | |
| Assessment for Debt Service on SDA Funding | 39,063.00 | | 39,063.00 | 39,063.00 | |
| Total Facilities Acquisition and Construction Services | 99,569.00 | 10,041.50 | 109,610.50 | 108,838.25 | 772.25 |
| Total Capital Outlay | 143,569.00 | 81,521.40 | 225,090.40 | 197,804.08 | 27,286.32 |
| Adult Education - Local - Instruction: | | | | | |
| Salaries of Teachers | 12,000.00 | (5,087.00) | 6,913.00 | 3,913.00 | 3,000.00 |
| Total Adult Education - Local - Instruction | 12,000.00 | (5,087.00) | 6,913.00 | 3,913.00 | 3,000.00 |
| Adult Education - Local - Support Services: | | | | | |
| Other Purchased Services | | 11,087.00 | 11,087.00 | 10,199.96 | 887.04 |
| Total Adult Education - Local - Support Services | | 11,087.00 | 11,087.00 | 10,199.96 | 887.04 |
| Total Adult Education - Local | 12,000.00 | 6,000.00 | 18,000.00 | 14,112.96 | 3,887.04 |
| Total Special Schools | 12,000.00 | 6,000.00 | 18,000.00 | 14,112.96 | 3,887.04 |
| Total Expenditures | 24,209,410.00 | 480,832.39 | 24,690,242.39 | 24,617,369.59 | 72,872.80 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | (481,437.00) | (480,832.39) | (962,269.39) | 1,698,850.23 | 2,661,119.62 |
| Other Financing Sources/(Uses): | | | | | |
| FEMA reimbursements | | | | 4,691.94 | |
| Insurance reimbursements | | | | 19,117.56 | 19,117.56 |
| Total Other Financing Sources/(Uses) | | | | 23,809.50 | 19,117.56 |
| Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses | (481,437.00) | (480,832.39) | (962,269.39) | 1,722,659.73 | 2,684,929.12 |
| Fund Balances, July 1 | 3,035,710.18 | | 3,035,710.18 | 3,035,710.18 | |
| Fund Balances, June 30 | \$ 2,554,273.18 | \$ (480,832.39) | \$ 2,073,440.79 | \$ 4,758,369.91 | \$ 2,684,929.12 |
| Recapitulation: | | | | | |
| Restricted: | | | | | |
| Reserved Excess Surplus: | | | | | |
| Designated for Subsequent Year's Expenditures | | | | \$ 611,657.06 | |
| Reserve for Excess Surplus | | | | 885,682.67 | |
| Capital Reserve | | | | 878,296.54 | |
| Maintenance Reserve | | | | 600,475.00 | |
| Emergency Reserve | | | | 124,573.00 | |
| Tuition reserve | | | | | |
| Assigned: | | | | | |
| Year-End Encumbrances | | | | 858,016.85 | |
| Designated for Subsequent Year's Expenditures | | | | 176,932.94 | |
| Unassigned | | | | 622,735.85 | |
| | | | | 4,758,369.91 | |
| Reconciliation to Governmental Funds Statements (GAAP): | | | | | |
| Last State Aid Payment not recognized on GAAP Basis | | | | (91,541.00) | |
| Fund Balance per Governmental Funds (GAAP) | | | | \$ 4,666,828.91 | |

RED BANK REGIONAL HIGH SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

Fiscal year ended June 30, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|---|---------------------|---------------------|---------------------|---------------------|--------------------------------|
| Revenues: | | | | | |
| Local Sources | \$ 7,937.95 | \$ 47,271.65 | \$ 55,209.60 | \$ 46,316.98 | (8,892.62) |
| State Sources | 533,023.00 | 115,098.51 | 648,121.51 | 627,309.04 | \$ (20,812.47) |
| Federal Sources | 479,453.96 | 371,180.42 | 850,634.38 | 674,733.62 | (175,900.76) |
| Total Revenues | 1,020,414.91 | 533,550.58 | 1,553,965.49 | 1,348,359.64 | (205,605.85) |
| Expenditures: | | | | | |
| Instruction: | | | | | |
| Salaries | 310,248.00 | 149,990.28 | 460,238.28 | 385,207.04 | 75,031.24 |
| Purchased Services | 272,032.57 | (66,368.43) | 205,664.14 | 186,433.54 | 19,230.60 |
| Other Purchased Services | 6,524.00 | 183,949.56 | 190,473.56 | 189,097.54 | 1,376.02 |
| Supplies | 22,312.09 | 150,957.39 | 173,269.48 | 122,395.74 | 50,873.74 |
| Textbooks | 40,224.00 | 15,364.00 | 55,588.00 | 55,488.37 | 99.63 |
| Other Objects | | 547.45 | 547.45 | 547.45 | |
| Total Instruction | 651,340.66 | 434,440.25 | 1,085,780.91 | 939,169.68 | 146,611.23 |
| Support Services: | | | | | |
| Salaries | | 477.00 | 477.00 | 1,399.00 | (922.00) |
| Personal Services - Employee Benefits | 9,664.95 | 4,607.29 | 14,272.24 | 7,531.99 | 6,740.25 |
| Professional and Technical Services | 305,549.73 | 58,566.14 | 364,115.87 | 323,333.23 | 40,782.64 |
| Other Purchased Services | 785.57 | 39,641.02 | 40,426.59 | 31,952.96 | 8,473.63 |
| Supplies and Materials | 3,920.00 | | 3,920.00 | | 3,920.00 |
| Other Objects | 49,154.00 | (24,695.12) | 24,458.88 | 24,458.88 | |
| Total Support Services | 369,074.25 | 78,596.33 | 447,670.58 | 388,676.06 | 58,994.52 |
| Facilities Acquisition and Construction Services: | | | | | |
| Construction Services | | | | | |
| Non-Instructional Equipment | | 20,514.00 | 20,514.00 | 20,513.90 | 0.10 |
| Total Facilities Acquisition and Construction Services | | 20,514.00 | 20,514.00 | 20,513.90 | 0.10 |
| Total Expenditures | 1,020,414.91 | 533,550.58 | 1,553,965.49 | 1,348,359.64 | 205,605.85 |
| Total Outflows | 1,020,414.91 | 533,550.58 | 1,553,965.49 | 1,348,359.64 | 205,605.85 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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RED BANK REGIONAL HIGH SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

BUDGET-TO-GAAP RECONCILIATION

Fiscal year ended June 30, 2013

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

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|---|-------------------------|---------------------------------|
| SOURCES/INFLOWS OF RESOURCES | | |
| Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules | \$ 26,316,219.82 | \$ 1,348,359.64 |
| 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 | | (34,266.47) |
| Add: Prior Year Encumbrances | | 38,659.77 |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | 78,215.00 | |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year. | <u>(91,541.00)</u> | <u> </u> |
| Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. | <u>\$ 26,302,893.82</u> | <u>\$ 1,352,752.94</u> |
| USES/OUTFLOWS OF RESOURCES | | |
| Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule | \$ 24,617,369.59 | \$ 1,348,359.64 |
| 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 | | (34,266.47) |
| Add: Prior Year Encumbrances | | 38,659.77 |
| Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. | <u>\$ 24,617,369.59</u> | <u>\$ 1,352,752.94</u> |

OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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.

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RED BANK REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS

For the fiscal year ending June 30, 2013

| | Non-Public Aid | | | | | | | School Based Youth Services Program |
|---|---------------------|---------------------|---------------------|---|---------------------|---------------------|---|---|
| | Textbooks | Nursing | Technology | Auxiliary Services Compensatory Education | Home Instruction | Exam and Class | Handicapped Supplementary Instruction | |
| Revenues | | | | | | | | |
| Local Sources | \$ 55,488.37 | \$ 76,785.13 | \$ 20,513.90 | \$ 52,673.13 | \$ 18,617.51 | \$ 70,401.00 | \$ 50,443.00 | \$ 282,387.00 |
| State Sources | | | | | | | | |
| Federal Sources | | | | | | | | |
| Total Revenues | <u>\$ 55,488.37</u> | <u>\$ 76,785.13</u> | <u>\$ 20,513.90</u> | <u>\$ 52,673.13</u> | <u>\$ 18,617.51</u> | <u>\$ 70,401.00</u> | <u>\$ 50,443.00</u> | <u>\$ 282,387.00</u> |
| Expenditures | | | | | | | | |
| Instruction: | | | | | | | | |
| Salaries | | | | | | | | \$ 225,463.08 |
| Purchased Services | | | | | | | | 42,995.20 |
| Other Purchased Services | | | | | | | | 8,159.68 |
| Supplies | \$ 55,488.37 | | | | | | | |
| Textbooks | | | | | | | | |
| Other Objects | | | | | | | | |
| Total Instruction | <u>55,488.37</u> | | | <u>52,673.13</u> | <u>18,617.51</u> | | <u>50,443.00</u> | <u>276,617.96</u> |
| Support Services: | | | | | | | | |
| Salaries | | | | | | | | |
| Personal Services - Employee Benefits | | | | | | | | |
| Professional and Technical Services | | \$ 76,785.13 | | | | \$ 70,401.00 | | |
| Other Purchased Services | | | | | | | | |
| Supplies and Materials | | | | | | | | 5,769.04 |
| Other Objects | | | | | | | | |
| Total Support Services | | <u>76,785.13</u> | | | | <u>70,401.00</u> | | <u>5,769.04</u> |
| Facilities Acquisition and Construction Services: | | | | | | | | |
| Instructional Equipment | | | \$ 20,513.90 | | | | | |
| Total Facilities Acquisition and Construction Services | | | <u>20,513.90</u> | | | | | |
| Total Expenditures | <u>\$ 55,488.37</u> | <u>\$ 76,785.13</u> | <u>\$ 20,513.90</u> | <u>\$ 52,673.13</u> | <u>\$ 18,617.51</u> | <u>\$ 70,401.00</u> | <u>\$ 50,443.00</u> | <u>\$ 282,387.00</u> |

RED BANK REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS

For the fiscal year ending June 30, 2013

| | No Child Left Behind | | | I.D.E.A. PART B - Combined | | Smaller Learning Communities Program |
|--|----------------------------|-----------------------------|--------------------|----------------------------|--------------------------|--------------------------------------|
| | Title I Summer FY 12 | Title II Part A FY 12 | Title III FY 12 | Basic | Basic Summer FY 12 | |
| Revenues | | | | | | |
| Local Sources | | | | | | |
| State Sources | | | | | | |
| Federal Sources | | | | | | |
| Total Revenues | \$ 53,331.25 | \$ 21,179.92 | \$ 9,813.48 | \$ 316,124.35 | \$ 37,772.46 | \$ 149,558.28 |
| | \$ 53,331.25 | \$ 21,179.92 | \$ 9,813.48 | \$ 316,124.35 | \$ 37,772.46 | \$ 149,558.28 |
| Expenditures | | | | | | |
| Instruction: | | | | | | |
| Salaries | \$ 23,143.76 | \$ 6,226.10 | | | \$ 12,052.36 | \$ 81,933.74 |
| Purchased Services | | | | | | 21,704.70 |
| Other Purchased Services | | | \$ 1,423.98 | \$ 186,998.58 | 195.00 | |
| Supplies | 8,105.34 | | 6,639.50 | 10,443.78 | 1,100.29 | 11,438.00 |
| Textbooks | | | | | | |
| Other Objects | | | | 547.45 | | |
| Total Instruction | 31,249.10 | 6,226.10 | 8,063.48 | 197,989.81 | 13,347.65 | 115,076.44 |
| Support Services: | | | | | | |
| Salaries | | | | 477.00 | 922.00 | 2,580.00 |
| Personal Services - Employee Benefits | 1,656.00 | 476.00 | | 36.49 | | 9,339.18 |
| Professional and Technical Services | 15,000.00 | 31.13 | | 114,067.10 | 21,794.81 | 3,872.82 |
| Other Purchased Services | 5,426.15 | 8,667.04 | 1,750.00 | 3,553.95 | 1,708.00 | |
| Supplies and Materials | | | | | | |
| Other Objects | | | | | | 18,689.84 |
| Total Support Services | 22,082.15 | 21,179.92 | 1,750.00 | 118,134.54 | 24,424.81 | 34,481.84 |
| Facilities Acquisition and Construction Services: | | | | | | |
| Instructional Equipment | | | | | | |
| Total Facilities Acquisition and Construction Services | | | | | | |
| Total Expenditures | \$ 53,331.25 | \$ 21,179.92 | \$ 9,813.48 | \$ 316,124.35 | \$ 37,772.46 | \$ 149,558.28 |

RED BANK REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS

For the fiscal year ending June 30, 2013

| | Smaller Learning Communities Supplementary | Race To The Top | Education Foundation | Comcast Grant | Totals |
|--|---|-----------------------|-------------------------|------------------|-----------------|
| <u>Revenues</u> | | | | | |
| Local Sources | | | \$ 44,354.31 | \$ 1,962.67 | \$ 46,316.98 |
| State Sources | \$ 1,123.00 | \$ 3,402.00 | | | 627,309.04 |
| Federal Sources | | | | | 674,733.62 |
| Total Revenues | \$ 1,123.00 | \$ 3,402.00 | \$ 44,354.31 | \$ 1,962.67 | \$ 1,348,359.64 |
| <u>Expenditures</u> | | | | | |
| Instruction: | | | | | |
| Salaries | | | | | \$ 385,207.04 |
| Purchased Services | | | | | 186,433.54 |
| Other Purchased Services | | | | | 189,097.54 |
| Supplies | 1,123.00 | | \$ 44,354.31 | 1,962.67 | 122,395.74 |
| Textbooks | | | | | 55,488.37 |
| Other Objects | | | | | 547.45 |
| Total Instruction | 1,123.00 | | 44,354.31 | 1,962.67 | 939,169.68 |
| Support Services: | | | | | |
| Salaries | | | | | 1,399.00 |
| Personal Services - Employee Benefits | | | | | 7,531.99 |
| Professional and Technical Services | | 3,402.00 | | | 323,333.23 |
| Other Purchased Services | | | | | 31,952.96 |
| Supplies and Materials | | | | | |
| Other Objects | | | | | 24,458.88 |
| Total Support Services | | 3,402.00 | | | 388,676.06 |
| Facilities Acquisition and Construction Services: | | | | | |
| Instructional Equipment | | | | | 20,513.90 |
| Total Facilities Acquisition and Construction Services | | | | | 20,513.90 |
| Total Expenditures | \$ 1,123.00 | \$ 3,402.00 | \$ 44,354.31 | \$ 1,962.67 | \$ 1,348,359.64 |

F. Capital Projects Fund

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.

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RED BANK REGIONAL HIGH SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SUMMARY STATEMENT OF PROJECT EXPENDITURES

For the year ended June 30, 2013

| <u>Project Title/Issue</u> | <u>Date</u> | <u>Original Appropriations</u> | <u>Cancelled Prior Years</u> | <u>Expenditures To Date</u> | | <u>Unexpended Balance</u> |
|------------------------------|-------------|--------------------------------|------------------------------|-----------------------------|---------------------|---------------------------|
| | | | | <u>Prior Years</u> | <u>Current Year</u> | |
| Various Capital Improvements | 08/02 | \$ 15,091,810.39 | \$ 708,920.34 | \$ 13,906,126.01 | \$ 35,605.46 | \$ 441,158.58 |
| Auditorium Renovation | 04/11 | 244,731.00 | | 238,623.35 | | 6,107.65 |
| | | <u>\$ 15,336,541.39</u> | <u>\$ 708,920.34</u> | <u>\$ 14,144,749.36</u> | <u>\$ 35,605.46</u> | <u>\$ 447,266.23</u> |
| Unexpended Balance | | | | | | <u>\$ 447,266.23</u> |
| Fund Balance (B-2) | | | | | | <u>\$ 447,266.23</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, 2013

| | |
|--|-----------------------------|
| Expenditures and Other Financing Sources: | |
| Purchased Professional and Technical Services | <u>\$ 35,605.46</u> |
| Total Expenditures | <u>35,605.46</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | (35,605.46) |
| Fund Balance - July 1 | <u>482,871.69</u> |
| Fund Balance - June 30 | <u><u>\$ 447,266.23</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, 2013

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|--|----------------------|-----------------------|----------------------|-------------------------------|
| Revenues and Other Financing Sources: | | | | |
| State Sources - SCC Grant | \$ 5,327,803.66 | | \$ 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 |
| Total Revenues | <u>14,382,890.05</u> | | <u>14,382,890.05</u> | <u>14,382,890.05</u> |
| Expenditures and Other Financing Uses: | | | | |
| Purchased Professional and Technical Services | 1,365,256.03 | \$ 35,605.46 | 1,400,861.49 | 1,400,861.49 |
| Construction Services | 12,540,869.98 | | 12,540,869.98 | 12,982,028.56 |
| Total Expenditures | <u>13,906,126.01</u> | <u>35,605.46</u> | <u>13,941,731.47</u> | <u>14,382,890.05</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | <u>\$ 476,764.04</u> | <u>\$ (35,605.46)</u> | <u>\$ 441,158.58</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 BASIS

AUDITORIUM RENOVATIONS

From inception and for the year ended June 30, 2013

| | <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 | <u>164,615.00</u> | | <u>164,615.00</u> | <u>164,615.00</u> |
| 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 | \$ 25,923.85 | | 25,923.85 | 25,923.85 |
| Construction Services | <u>212,699.50</u> | | <u>212,699.50</u> | <u>218,807.15</u> |
| Total Expenditures | <u>238,623.35</u> | | <u>238,623.35</u> | <u>244,731.00</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | <u>\$ 6,107.65</u> | <u>\$</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 | | | |

G. Proprietary Funds

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 Statement B-4, B-5, and B-6.

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Enterprise Funds

H. Fiduciary Fund

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.

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

Scholarship Fund: This Fund is an Expendable Trust Fund and limits expenses according to the Scholarship Agreement.

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

FIDUCIARY FUNDS

June 30, 2013

| | 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 | \$ 102,224.78 | \$ 3,034,753.52 | \$ 388,788.66 | \$ 3,525,766.96 |
| Due From Payroll Agency Fund | 293.49 | | | 293.49 |
| Due From Unemployment Trust Fund | | | 11,397.34 | 11,397.34 |
| Due From Student Activities Fund | | | 9,543.50 | 9,543.50 |
| Accounts Receivable | <u>412.98</u> | | <u>297.36</u> | <u>710.34</u> |
| Total Assets | <u>\$ 102,931.25</u> | <u>\$ 3,034,753.52</u> | <u>\$ 410,026.86</u> | <u>\$ 3,547,711.63</u> |
| <u>Liabilities and Fund Balances</u> | | | | |
| Liabilities: | | | | |
| Due To: | | | | |
| Unemployment Trust Fund | | | \$ 293.49 | \$ 293.49 |
| State | \$ 2,627.35 | | | 2,627.35 |
| Due To Payroll Agency Fund | 11,397.34 | | 9,543.50 | 20,940.84 |
| Payable To Student Groups | | | 212,636.19 | 212,636.19 |
| Payroll Deductions and Withholdings | | | <u>187,553.68</u> | <u>187,553.68</u> |
| Total Liabilities | <u>14,024.69</u> | | <u>410,026.86</u> | <u>424,051.55</u> |
| Net Position: | | | | |
| Held in Trust for Unemployment Claims and Other Purposes | 88,906.56 | | | 88,906.56 |
| Nonexpendable Scholarship | | \$ 2,852,769.72 | | 2,852,769.72 |
| Reserved for Scholarships | | <u>181,983.80</u> | | <u>181,983.80</u> |
| Total Net Position | <u>88,906.56</u> | <u>3,034,753.52</u> | | <u>3,123,660.08</u> |
| Total Liabilities and Net Position | <u>\$ 102,931.25</u> | <u>\$ 3,034,753.52</u> | <u>\$ 410,026.86</u> | <u>\$ 3,547,711.63</u> |

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

FIDUCIARY FUNDS

For the fiscal year ended June 30, 2013

| | Unemployment Compensation Trust | Private Purpose Scholarship Fund | Totals |
|----------------------------------|---------------------------------------|---|-----------------|
| Additions: | | | |
| Employee Contributions | \$ 28,118.22 | | \$ 28,118.22 |
| Donations | | \$ 50.00 | 50.00 |
| | <hr/> | <hr/> | <hr/> |
| Total Contributions | 28,118.22 | 50.00 | 28,168.22 |
| | <hr/> | <hr/> | <hr/> |
| Investment Earnings: | | | |
| Interest | 84.76 | 55,285.91 | 55,370.67 |
| | <hr/> | <hr/> | <hr/> |
| Total Investment Earnings | 84.76 | 55,285.91 | 55,370.67 |
| | <hr/> | <hr/> | <hr/> |
| Total Additions | 28,202.98 | 55,335.91 | 83,538.89 |
| | <hr/> | <hr/> | <hr/> |
| Deductions: | | | |
| Quarterly Contribution Reports | 8,269.69 | | 8,269.69 |
| Payment of Claims | 27,367.84 | | 27,367.84 |
| Scholarships Awarded | | 48,704.00 | 48,704.00 |
| Administrative Expenses | | 1,357.50 | 1,357.50 |
| | <hr/> | <hr/> | <hr/> |
| Total Deductions | 35,637.53 | 50,061.50 | 85,699.03 |
| | <hr/> | <hr/> | <hr/> |
| Change in Net Position | (7,434.55) | 5,274.41 | (2,160.14) |
| | <hr/> | <hr/> | <hr/> |
| Net Position - Beginning of Year | 96,341.11 | 3,029,479.11 | 3,125,820.22 |
| | <hr/> | <hr/> | <hr/> |
| Net Position - End of Year | \$ 88,906.56 | \$ 3,034,753.52 | \$ 3,123,660.08 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

RED BANK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

STUDENT ACTIVITY AGENCY FUND

For the fiscal year ended June 30, 2013

| | Balance July 1, <u>2012</u> | Cash <u>Receipts</u> | Cash <u>Disbursements</u> | Balance June 30, <u>2013</u> |
|---------------------------------|-----------------------------------|-------------------------|------------------------------|------------------------------------|
| <u>Assets</u> | | | | |
| Cash and Cash Equivalents | \$ 193,343.87 | \$ 373,251.35 | \$ 344,415.53 | \$ 222,179.69 |
| Total Assets | <u>\$ 193,343.87</u> | <u>\$ 373,251.35</u> | <u>\$ 344,415.53</u> | <u>\$ 222,179.69</u> |
| <u>Liabilities</u> | | | | |
| Senior High School: | | | | |
| Red Bank Regional | \$ 167,678.62 | \$ 290,728.63 | \$ 248,780.20 | \$ 209,627.05 |
| Red Bank Regional Athletic Fund | 20,893.50 | 77,750.97 | 95,635.33 | 3,009.14 |
| Due to Payroll Agency Fund | <u>4,771.75</u> | <u>4,771.75</u> | <u> </u> | <u>9,543.50</u> |
| Total Liabilities | <u>\$ 193,343.87</u> | <u>\$ 373,251.35</u> | <u>\$ 344,415.53</u> | <u>\$ 222,179.69</u> |

RED BANK REGIONAL HIGH SCHOOL DISTRICT

PAYROLL AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

For the fiscal year ended June 30, 2013

| | Balance July 1, <u>2012</u> | <u>Additions</u> | <u>Deletions</u> | Balance June 30, <u>2013</u> |
|--|-----------------------------------|------------------------|------------------------|------------------------------------|
| <u>Assets</u> | | | | |
| Cash and Cash Equivalents | \$ 224,655.19 | \$ 6,288,771.08 | \$ 6,346,817.30 | \$ 166,608.97 |
| Due from Student Activities Fund | 4,771.75 | 4,771.75 | | 9,543.50 |
| Due from Unemployment Trust Fund | | 11,397.34 | | 11,397.34 |
| Other Accounts Receivable | <u>297.36</u> | | | <u>297.36</u> |
| Total Assets | <u>\$ 229,724.30</u> | <u>\$ 6,304,940.17</u> | <u>\$ 6,346,817.30</u> | <u>\$ 187,847.17</u> |
| <u>Liabilities</u> | | | | |
| Due To Unemployment Trust Fund | \$ 293.49 | | | \$ 293.49 |
| Payroll Deductions and Withholdings | <u>229,430.81</u> | <u>\$ 6,304,940.17</u> | <u>\$ 6,346,817.30</u> | <u>187,553.68</u> |
| Total Liabilities | <u>\$ 229,724.30</u> | <u>\$ 6,304,940.17</u> | <u>\$ 6,346,817.30</u> | <u>\$ 187,847.17</u> |

I. Long-Term Debt

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.

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RED BANK REGIONAL HIGH SCHOOL DISTRICT

SCHEDULE OF SERIAL BONDS

As of June 30, 2013

| Issue | Date of Issue | Amount of Issue | Annual Maturities | | Interest Rate | Balance July 1, 2012 | Retired Current Year | Balance June 30, 2013 |
|---|---------------|-----------------|-------------------|--------------|---------------|----------------------|----------------------|-----------------------|
| | | | Date | Amount | | | | |
| Refunding School Bonds (Pension Series 2003) | 03/15/03 | \$ 1,600,000.00 | 07/15/13 | \$ 90,000.00 | 4.60% | | | |
| | | | 07/15/14 | 95,000.00 | 4.70% | | | |
| | | | 07/15/15 | 100,000.00 | 4.75% | | | |
| | | | 07/15/16 | 105,000.00 | 5.30% | | | |
| | | | 07/15/17 | 110,000.00 | 5.30% | | | |
| | | | 07/15/18 | 115,000.00 | 5.30% | | | |
| | | | 07/15/19 | 120,000.00 | 5.30% | | | |
| | | | 07/15/20 | 125,000.00 | 5.30% | \$ 945,000.00 | \$ 85,000.00 | \$ 860,000.00 |
| | | | | | | | | |
| | | | | | | | | |
| Refunding School Bonds | 04/24/10 | 5,300,000.00 | 02/15/14 | 430,000.00 | 4.000% | | | |
| | | | 02/15/15 | 200,000.00 | 2.250% | | | |
| | | | | 240,000.00 | 4.000% | | | |
| | | | 02/15/16 | 250,000.00 | 3.500% | | | |
| | | | | 200,000.00 | 5.000% | | | |
| | | | 02/15/17 | 200,000.00 | 3.625% | | | |
| | | | | 270,000.00 | 5.000% | | | |
| | | | 02/15/18 | 500,000.00 | 3.750% | | | |
| | | | 02/15/19 | 505,000.00 | 5.000% | | | |
| | | | 02/15/20 | 530,000.00 | 5.000% | | | |
| | | 02/15/21 | 100,000.00 | 4.000% | | | | |
| | | | 450,000.00 | 5.000% | | | | |
| | | | 565,000.00 | 5.000% | | | | |
| | | | | | | 4,855,000.00 | 415,000.00 | 4,440,000.00 |
| | | | | | | \$ 5,800,000.00 | \$ 500,000.00 | \$ 5,300,000.00 |

RED BANK REGIONAL HIGH SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

For the fiscal year ended June 30, 2013

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Positive/(Negative) Final To Actual |
|---|-----------------------|---------------------|-----------------------|-----------------------|--|
| <u>Revenues</u> | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 729,405.00 | _____ | \$ 729,405.00 | \$ 729,405.00 | _____ |
| Total Revenues | <u>729,405.00</u> | _____ | <u>729,405.00</u> | <u>729,405.00</u> | _____ |
| <u>Expenditures</u> | | | | | |
| Regular Debt Service: | | | | | |
| Interest on Early Retirement Bonds | 45,743.00 | | 45,743.00 | 45,742.50 | \$ 0.50 |
| Redemption of Principal - Early Retirement Bonds | 85,000.00 | | 85,000.00 | 85,000.00 | |
| Interest on Bonds | 211,650.00 | | 211,650.00 | 211,650.00 | |
| Redemption of Principal | <u>415,000.00</u> | _____ | <u>415,000.00</u> | <u>415,000.00</u> | _____ |
| Total Regular Debt Service | <u>757,393.00</u> | _____ | <u>757,393.00</u> | <u>757,392.50</u> | <u>0.50</u> |
| Total Expenditures | <u>757,393.00</u> | _____ | <u>757,393.00</u> | <u>757,392.50</u> | <u>0.50</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | <u>(27,988.00)</u> | _____ | <u>(27,988.00)</u> | <u>(27,987.50)</u> | <u>(0.50)</u> |
| Fund Balance, July 1 | <u>27,987.88</u> | _____ | <u>27,987.88</u> | <u>27,987.88</u> | _____ |
| Fund Balance, June 30 | <u>\$ (0.12)</u> | <u>\$ 0.00</u> | <u>\$ (0.12)</u> | <u>\$ 0.38</u> | <u>\$ 0.00</u> |
| Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures | | | | | |
| Budgeted Fund Balance | <u>\$ (27,988.00)</u> | <u>\$ 0.00</u> | <u>\$ (27,988.00)</u> | <u>\$ (27,987.50)</u> | <u>\$ (0.50)</u> |

STATISTICAL SECTION (Unaudited)

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FINANCIAL TRENDS/INFORMATION SCHEDULES

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RED BANK REGIONAL HIGH SCHOOL DISTRICT

NET POSITION BY COMPONENT
 LAST TEN FISCAL YEARS
 (ACCURAL BASIS OF ACCOUNTING)
 (UNAUDITED)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Government Activities: | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 11,840,609.00 | \$ 16,298,632.00 | \$ 16,740,772.33 | \$ 17,116,153.84 | \$ 17,278,930.00 | \$ 17,586,972.00 | \$ 17,771,776.15 | \$ 17,542,094.73 | \$ 17,980,544.28 | \$ 17,616,452.69 |
| Restricted | 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 | 4,562,900.67 |
| Unrestricted | 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 | 379,436.35 |
| Total Government Activities Net Position | \$ 16,726,843.18 | \$ 19,156,449.12 | \$ 19,604,189.10 | \$ 21,050,152.41 | \$ 22,050,731.06 | \$ 21,648,200.33 | \$ 21,602,654.29 | \$ 21,181,775.86 | \$ 21,277,214.15 | \$ 22,578,789.71 |
| Business-Type Activities: | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 3,706.19 | \$ 22,170.65 | \$ 20,604.11 | \$ 19,037.57 | \$ 39,704.36 | \$ 36,604.49 | \$ 52,168.53 | \$ 52,180.05 | \$ 65,640.26 | \$ 79,572.17 |
| Unrestricted | 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 | 46,094.49 |
| Total Business-Type Activities Net Position | \$ 96,608.65 | \$ 86,871.57 | \$ 61,118.52 | \$ 65,595.45 | \$ 99,381.33 | \$ 135,985.40 | \$ 143,626.04 | \$ 155,179.82 | \$ 182,150.14 | \$ 125,666.66 |
| District-wide: | | | | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 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 | \$ 17,696,024.86 |
| Restricted | 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 | 4,562,900.67 |
| Unrestricted | 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 | 425,530.84 |
| Total District Net Position | \$ 16,823,451.83 | \$ 19,243,320.69 | \$ 19,665,307.62 | \$ 21,115,747.86 | \$ 22,150,112.39 | \$ 21,784,185.73 | \$ 21,746,280.33 | \$ 21,336,955.68 | \$ 21,459,364.29 | \$ 22,704,456.37 |

RED BANK REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET POSITION

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

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Expenses: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ (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) | \$ (7,928,482.58) |
| Special Education | (896,261.55) | (1,072,149.07) | (1,232,853.70) | (1,246,832.10) | (1,431,563.23) | (1,694,462.25) | (1,762,250.28) | (1,490,756.14) | (1,570,561.49) | (1,089,032.32) |
| Other Special Education | (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) | (400,070.98) |
| Other Instruction | (590,576.17) | (681,101.63) | (797,858.80) | (833,219.63) | (976,572.01) | (1,011,346.44) | (1,079,318.10) | (1,251,201.28) | (1,105,785.06) | (898,920.27) |
| Support Services: | | | | | | | | | | |
| Tuition | (1,497,470.11) | (1,663,633.47) | (1,510,959.56) | (1,306,906.29) | (1,127,839.95) | (1,478,420.39) | (1,115,016.22) | (1,162,661.68) | (1,178,396.15) | (1,304,222.47) |
| Student and Instruction Related Services | (2,259,698.55) | (2,803,889.92) | (3,042,729.51) | (3,405,431.48) | (3,599,180.82) | (3,777,452.71) | (3,948,234.34) | (4,171,262.66) | (4,089,920.28) | (2,948,427.59) |
| General Administration | (920,739.74) | (930,777.35) | (1,162,715.97) | (506,624.47) | (716,243.29) | (674,677.70) | (837,403.52) | (803,417.59) | (983,492.10) | (673,264.68) |
| School Administrative Services | (1,683,893.67) | (982,558.63) | (793,872.65) | (766,352.25) | (780,916.77) | (748,782.94) | (865,665.30) | (613,691.86) | (639,967.23) | (577,587.48) |
| Central Services | | | | (520,452.17) | (342,588.37) | (367,562.58) | (402,436.58) | (651,994.83) | (435,967.77) | (418,632.12) |
| Admin Information Technology | | | | | | | (100,317.45) | (102,129.81) | (105,593.90) | (137,646.54) |
| Plant Operations and Maintenance | (1,800,390.45) | (2,047,973.09) | (2,088,027.53) | (2,197,949.29) | (2,306,582.21) | (2,744,542.10) | (2,270,926.59) | (2,230,290.20) | (2,764,716.44) | (1,884,522.10) |
| Pupil Transportation | (1,210,778.44) | (1,396,366.64) | (1,503,564.12) | (1,619,343.21) | (1,505,862.67) | (1,704,608.17) | (1,571,358.54) | (1,458,274.79) | (1,373,948.18) | (1,313,757.18) |
| Unallocated Benefits | | | | | | | | | | (6,101,162.77) |
| Special Schools | (202,957.15) | (182,951.22) | (219,207.96) | (294,227.93) | (270,426.99) | (309,475.60) | (223,801.73) | (31,094.44) | (21,938.39) | (14,112.96) |
| Interest on Long-Term Debt | (399,040.50) | (387,501.50) | (377,745.96) | (363,921.47) | (349,180.12) | (333,497.51) | (316,949.38) | (122,677.58) | (162,953.27) | (264,995.63) |
| Unallocated Depreciation | (316,072.00) | (310,026.00) | (296,881.00) | (312,514.00) | (786,334.00) | (810,877.00) | (626,075.00) | (695,674.17) | (695,674.17) | (1,054,448.03) |
| Total Governmental Activities Expenses | (19,883,338.58) | (20,990,722.41) | (21,791,995.57) | (23,033,953.88) | (24,705,662.52) | (26,181,813.55) | (26,537,148.60) | (26,720,162.84) | (27,091,910.97) | (27,107,285.70) |
| Business-Type Activities: | | | | | | | | | | |
| Food Service | (574,099.19) | (601,548.90) | (620,819.80) | (605,127.63) | (716,173.87) | (684,412.52) | (656,605.98) | (720,630.98) | (715,221.63) | (719,844.72) |
| Total Business-Type Activities Expenses | (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) | (719,844.72) |
| Total District Expenses | (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) | (27,827,130.42) |
| Program Revenues: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Instruction (Tuition) | \$ 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 | \$ 3,406,644.26 | \$ 3,488,725.95 | \$ 3,819,756.77 |
| Pupil Transportation | 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 | 139,871.37 |
| Central and Other Support Services | 162,466.00 | 162,466.00 | 162,466.00 | 162,466.00 | 162,466.00 | 3,570.87 | 93,671.00 | 13,753.26 | 219,008.43 | 2,347,723.69 |
| Operating Grants and Contributions | 3,209,787.17 | 1,678,904.52 | 135,072.52 | | | | 280,298.00 | (184,758.73) | | |
| Capital Grants and Contributions | | | | | | | | | | |
| Total Governmental Activities Program Revenues | 6,829,426.31 | 4,974,746.11 | 3,288,419.83 | 3,065,744.93 | 3,490,379.90 | 3,572,525.29 | 3,815,008.00 | 3,517,014.05 | 3,922,996.58 | 6,307,351.83 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Food Service | 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 | 538,240.16 |
| Operating Grants and Contributions | 37,521.21 | 43,355.05 | 48,730.95 | 47,728.18 | 63,987.75 | 84,580.53 | 93,532.20 | 113,618.20 | 134,511.65 | 125,121.08 |
| Total Business-Type Activities Program Revenues | 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 | 663,361.24 |
| Total District Program Revenues | 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 | 6,970,713.07 |
| Net (Expense)/Revenue: | (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) | (20,856,417.35) |
| Governmental Activities | \$ (13,053,912.27) | \$ (16,015,976.30) | \$ (18,503,575.74) | \$ (19,948,208.65) | \$ (21,215,282.62) | \$ (22,609,288.26) | \$ (22,722,140.60) | \$ (23,203,148.79) | \$ (23,168,914.39) | \$ (20,799,933.87) |
| Business-Type Activities | 18,529.21 | (9,237.08) | (26,977.09) | 4,476.93 | 10,785.88 | 32,328.32 | 3,292.14 | 11,553.78 | 26,970.32 | (56,483.48) |
| Total District-wide Net (Expense)/Revenue | (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) | (20,856,417.35) |

RED BANK REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET POSITION

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

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| General Revenues and Other Changes in Net Assets: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes Levied for General Purposes, Net | \$ 12,911,256.00 | \$ 14,006,342.00 | \$ 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 | \$ 18,989,654.00 |
| Taxes Levied for Debt Service | 739,023.00 | 758,042.00 | 762,801.00 | 769,396.00 | 770,027.00 | 774,729.00 | 773,529.00 | 781,420.00 | 744,400.00 | 729,405.00 |
| Unrestricted Grants and Contributions | 3,270,489.94 | 3,482,561.69 | 3,658,614.28 | 4,425,689.61 | 4,703,127.34 | 4,057,633.17 | 3,824,491.85 | 3,623,021.41 | 3,832,254.84 | 2,205,897.36 |
| Investment Earnings | 29,047.73 | 40,006.95 | 108,365.29 | 157,840.80 | 114,688.62 | 23,695.87 | 19,967.81 | 8,473.20 | 4,956.81 | 2,682.04 |
| Special Items: | | | | | | | | | | |
| FEMA reimbursements | | | 43,714.19 | 87,626.55 | 59,254.31 | 99,540.24 | 176,204.40 | 98,465.75 | | 4,691.94 |
| Insurance reimbursements | 107,154.92 | 161,629.60 | (1,224.04) | | (23,000.00) | (4,275.75) | (4,348.50) | | 65,433.03 | 19,117.56 |
| Miscellaneous income | | | | | | | | | | 150,061.53 |
| Transfers | | | | | | | | | | |
| Loss on Disposition of Assets | | | | | | | | | | |
| Total Governmental Activities | 17,049,971.59 | 18,447,582.24 | 18,951,315.72 | 21,394,171.96 | 22,215,861.27 | 22,206,757.53 | 22,676,594.56 | 22,782,270.36 | 23,264,352.68 | 22,101,509.43 |
| 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 | \$ 17,049,971.59 | \$ 18,447,582.24 | \$ 18,952,539.76 | \$ 21,394,171.96 | \$ 22,238,861.27 | \$ 22,211,033.28 | \$ 22,680,943.06 | \$ 22,782,270.36 | \$ 23,264,352.68 | \$ 22,101,509.43 |
| Changes in Net Position: | | | | | | | | | | |
| Governmental Activities | \$ 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) | \$ (420,878.43) | \$ 95,438.29 | \$ 1,301,575.56 |
| Business-Type Activities | 18,529.21 | (9,737.09) | (25,753.05) | 4,476.93 | 33,785.88 | 36,604.07 | 7,640.64 | 11,553.78 | 26,970.32 | (56,483.48) |
| Total District | \$ 4,014,588.53 | \$ 2,421,868.86 | \$ 421,986.93 | \$ 1,450,440.24 | \$ 1,034,364.53 | \$ (365,926.66) | \$ (37,895.40) | \$ (409,324.65) | \$ 122,408.61 | \$ 1,245,092.08 |

RED BANK REGIONAL HIGH SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS

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

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| General Fund: | | | | | | | | | | |
| Reserved | \$ 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 | 484,324.45 | 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 | \$ 3,100,684.27 |
| Assigned | | | | | | | | 639,866.21 | 631,249.75 | 1,034,949.79 |
| Unassigned | | | | | | | | 615,234.14 | 582,906.23 | 531,194.85 |
| Total General Fund | \$ 1,780,225.18 | \$ 2,032,343.29 | \$ 2,143,666.96 | \$ 3,198,315.88 | \$ 4,246,258.78 | \$ 3,700,614.15 | \$ 3,343,859.21 | \$ 3,387,971.05 | \$ 2,957,495.18 | \$ 4,666,828.91 |
| All Other Governmental Funds: | | | | | | | | | | |
| Reserved | | | \$ 46,750.00 | | \$ 202,888.00 | \$ 9,578.01 | \$ 90,450.00 | | | |
| Unreserved, Reported In: | | | | | | | | | | |
| Special Revenue Fund | | \$ (2,465.40) | | \$ (2,465.40) | | | | | | |
| Capital Projects Fund | \$ 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 | 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 | \$ 0.38 |
| Capital Projects Fund | | | | | | | | 425,784.07 | 482,871.69 | 447,266.23 |
| Total All Other Governmental Funds | \$ 3,543,638.84 | \$ 1,259,635.41 | \$ 1,059,491.75 | \$ 1,028,976.09 | \$ 823,967.31 | \$ 659,419.41 | \$ 724,062.44 | \$ 463,496.95 | \$ 510,859.57 | \$ 447,266.61 |

RED BANK REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

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

| | 2004* | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--|----------------------|--------------------------|-----------------------|------------------------|----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Revenues: | | | | | | | | | | | |
| Tax Levy | \$ 13,643,279.00 | \$ 14,763,384.00 | \$ 15,159,086.00 | \$ 16,723,015.00 | \$ 17,361,791.00 | \$ 18,030,164.00 | \$ 18,860,279.00 | \$ 19,052,310.00 | \$ 19,361,708.00 | \$ 19,719,059.00 | \$ 19,719,059.00 |
| Tuition Charges | 3,199,857.60 | 2,897,045.84 | 2,741,737.22 | 2,676,484.99 | 3,064,076.24 | 3,306,939.62 | 3,194,333.01 | 3,405,644.26 | 3,488,725.95 | 3,819,756.77 | 3,819,756.77 |
| Transportation Fees | | | | 246,783.94 | 263,835.66 | 262,015.00 | 266,706.04 | 282,375.26 | 215,262.20 | 139,871.37 | 139,871.37 |
| Interest Earnings | 8,180.87 | 40,006.95 | 108,365.29 | 157,840.80 | 2,806.57 | 23,695.87 | 19,987.81 | 1,136.77 | 1,136.77 | 2,682.04 | 2,682.04 |
| Miscellaneous | 364,470.46 | 396,959.35 | 293,201.95 | 87,626.55 | 171,136.36 | 159,540.24 | 254,894.90 | 106,939.04 | 69,253.07 | 190,061.53 | 190,061.53 |
| State Sources | 3,103,599.77 | 5,042,652.23 | 3,562,883.80 | 4,128,449.77 | 4,346,253.04 | 3,394,943.11 | 3,315,869.71 | 2,470,275.19 | 3,262,176.21 | 3,902,040.73 | 3,902,040.73 |
| Federal Sources | 329,356.17 | 282,279.98 | 393,269.00 | 459,705.94 | 519,340.30 | 666,260.73 | 862,591.14 | 981,740.75 | 789,087.06 | 651,580.32 | 651,580.32 |
| Total Revenues | 20,648,743.87 | 23,422,328.35 | 22,258,523.26 | 24,479,916.89 | 25,729,241.17 | 25,843,558.57 | 26,574,641.61 | 26,299,284.50 | 27,187,349.26 | 28,385,051.76 | 28,385,051.76 |
| Expenditures: | | | | | | | | | | | |
| Instruction: | | | | | | | | | | | |
| Regular | 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 | 7,907,968.68 | 7,907,968.68 |
| Special | 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 | 1,089,032.32 | 1,089,032.32 |
| Other | 296,701.35 | 313,349.38 | 288,860.01 | 410,505.48 | 729,953.69 | 784,249.42 | 439,882.10 | 438,709.24 | 412,226.31 | 400,070.98 | 400,070.98 |
| School-Sponsored/Other Instructional | 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 | 996,920.27 | 996,920.27 |
| Support Services: | | | | | | | | | | | |
| Tuition | 1,497,470.11 | 1,663,633.47 | 1,510,959.56 | 1,306,906.29 | 1,127,939.95 | 1,478,420.39 | 1,115,016.22 | 1,162,661.68 | 1,178,396.15 | 1,304,222.47 | 1,304,222.47 |
| Student and Instruction Related Services | 1,584,983.68 | 2,222,722.95 | 2,386,433.12 | 2,661,387.84 | 2,744,913.69 | 2,942,691.32 | 2,984,940.13 | 3,152,272.48 | 2,983,067.57 | 2,948,427.59 | 2,948,427.59 |
| General Administration | 396,860.20 | 424,243.71 | 453,082.69 | 411,081.52 | 519,887.58 | 469,237.95 | 554,822.92 | 529,355.39 | 661,478.93 | 673,264.68 | 673,264.68 |
| School Administrative Services | 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 | 577,587.48 | 577,587.48 |
| Central Services | | 328,595.56 | 509,271.80 | 394,585.46 | 342,588.37 | 367,562.58 | 402,436.58 | 436,364.12 | 435,967.77 | 418,632.12 | 418,632.12 |
| Admin. Information Technology | | 1,881,009.48 | 1,880,059.22 | 1,963,694.42 | 2,070,074.13 | 2,526,539.14 | 100,317.45 | 102,129.81 | 105,593.90 | 137,646.54 | 137,646.54 |
| Plant Operations and Maintenance | 1,690,472.98 | 1,380,996.93 | 1,496,462.19 | 1,608,346.85 | 1,490,158.37 | 1,687,581.93 | 2,065,735.65 | 2,010,369.17 | 2,506,522.41 | 1,845,459.10 | 1,845,459.10 |
| Pupil Transportation | 1,210,776.44 | | | | | | 1,552,698.60 | 1,389,957.53 | 1,349,730.35 | 1,313,757.18 | 1,313,757.18 |
| Business and Other Support Services: | | | | | | | | | | | |
| Other | 352,570.52 | 284.04 | | | | | | | | | |
| Employee Benefits | 3,148,744.60 | 3,447,379.17 | 3,690,123.69 | 4,267,287.98 | 4,764,743.28 | 4,428,660.31 | 4,894,020.54 | 5,282,328.62 | 5,806,705.74 | 6,124,702.18 | 6,124,702.18 |
| Special Schools | 153,401.51 | 136,423.91 | 163,339.29 | 211,866.90 | 194,252.26 | 243,161.74 | 152,383.15 | 26,735.52 | 19,612.84 | 14,112.96 | 14,112.96 |
| Capital Outlay | 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 | 253,923.44 | 253,923.44 |
| Special Revenue | 917,887.18 | | | | | | | | | | |
| Debt Service: | | | | | | | | | | | |
| Principal | 370,000.00 | 365,000.00 | 380,000.00 | 400,000.00 | 415,000.00 | 435,000.00 | 450,000.00 | 515,000.00 | 485,000.00 | 500,000.00 | 500,000.00 |
| Interest and Other Charges | 396,243.76 | 395,286.26 | 382,801.27 | 389,396.26 | 355,026.26 | 339,728.76 | 392,494.77 | 238,453.75 | 289,125.00 | 297,392.50 | 297,392.50 |
| Total Expenditures | 19,997,305.91 | 25,481,563.67 | 22,346,119.21 | 23,455,763.63 | 24,863,306.25 | 26,489,476.15 | 26,862,405.02 | 26,515,738.15 | 27,570,462.51 | 26,763,120.49 | 26,763,120.49 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | 651,437.96 | (2,059,235.32) | (87,595.95) | 1,024,133.26 | 865,934.92 | (645,917.59) | (287,763.41) | (216,453.65) | (383,113.25) | 1,621,931.27 | 1,621,931.27 |
| Other Financing Sources/(Uses): | | | | | | | | | | | |
| FEMA reimbursements | | | | | | | | | | | |
| Insurance reimbursements | | | | | | | | | | | |
| Capital Leases (Non-Budgeted) | | | | | | | | | | | |
| Proceeds From Refunding | 27,350.00 | | | | | | | | | | |
| Payments To Escrow Agent | | | | | | | | | | | |
| Transfers In | 20,866.86 | 253,585.54 | | 2,806.57 | | (4,275.75) | | | | | |
| Transfers Out | (314,523.39) | (253,585.54) | (1,224.04) | (25,806.57) | | (60,000.00) | | | | | |
| Total Other Financing Sources/(Uses) | (293,656.53) | 27,350.00 | (1,224.04) | (23,000.00) | (4,348.50) | (64,275.75) | (4,348.50) | (216,453.65) | (383,113.25) | 23,809.50 | 23,809.50 |
| Net Change in Fund Balances | \$ 557,781.43 | \$ (2,031,885.32) | \$ (86,819.99) | \$ 1,024,133.26 | \$ 842,934.92 | \$ (710,193.34) | \$ (292,111.91) | \$ (216,453.65) | \$ (383,113.25) | \$ 1,645,740.77 | \$ 1,645,740.77 |
| Debt Service as a Percentage of Noncapital Expenditures | 3.87% | 3.65% | 3.51% | 3.35% | 3.19% | 3.02% | 3.23% | 2.87% | 2.83% | 2.86% | 2.86% |
| 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 |
|--------------------------------|--|--------------|----------------------------|---------------|--|-----------------|------------------------|------------------|
| 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 |
| 2013 | 14,026.83 | 59,979.00 | 250.00 | 25,747.12 | 2,432.04 | 3,819,756.77 | 139,871.37 | 4,062,063.13 |

Source: District records

REVENUE CAPACITY INFORMATION

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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 |
|--------------------------------|------------------|----------------|--------------|----------------|---|---|---------------|
| 2004 | \$ 10,705,100 | \$ 595,665,000 | - | - | \$ 256,157,100 | \$ 24,464,900 | \$ 70,342,400 |
| 2005 | 12,932,100 | 595,638,800 | - | - | 256,379,900 | 23,662,400 | 71,181,800 |
| 2006 | 13,292,600 | 602,331,300 | - | - | 260,839,600 | 22,019,300 | 70,357,500 |
| 2007 | 20,091,700 | 1,346,966,100 | - | - | 659,393,500 | 54,245,000 | 147,770,000 |
| 2008 | 20,991,400 | 1,353,253,700 | - | - | 685,713,600 | 54,293,500 | 148,477,600 |
| 2009 | 27,096,400 | 1,359,504,500 | - | - | 692,196,800 | 53,777,800 | 145,835,600 |
| 2010 | 18,514,900 | 1,369,449,500 | - | - | 676,474,300 | 52,048,700 | 142,895,200 |
| 2011 | 19,743,700 | 1,366,109,731 | - | - | 668,896,500 | 50,437,500 | 143,148,400 |
| 2012 | 24,247,600 | 1,355,504,971 | - | - | 663,883,700 | 49,873,800 | 143,218,400 |
| 2013 | 27,456,500 | 1,341,471,541 | - | - | 663,668,500 | 44,789,400 | 142,412,000 |
| | | | | | | Total | |
| | | | | | Estimated Actual (County Equalized) Value | Direct School Tax Rate ^b | |
| 2004 | \$ 1,132,445,900 | \$ 175,111,400 | \$ 6,441,734 | \$ 963,776,234 | \$ 1,329,993,994 | 1.135 | |
| 2005 | 1,134,906,400 | 175,111,400 | 5,309,265 | 965,104,265 | 1,587,644,649 | 1.165 | |
| 2006 | 1,150,821,600 | 181,981,300 | 4,333,343 | 973,173,643 | 1,941,693,630 | 1.200 | |
| 2007 | 2,610,186,300 | 381,720,000 | 10,065,629 | 2,238,531,929 | 2,206,288,322 | 0.534 | |
| 2008 | 2,644,113,800 | 381,384,000 | 8,998,871 | 2,271,728,671 | 2,329,032,383 | 0.538 | |
| 2009 | 2,651,659,800 | 373,248,700 | 9,345,276 | 2,287,756,376 | 2,391,495,945 | 0.530 | |
| 2010 | 2,633,662,800 | 374,280,200 | 9,542,164 | 2,268,924,764 | 2,350,735,911 | 0.556 | |
| 2011 | 2,622,772,331 | 374,436,500 | 10,721,303 | 2,259,057,134 | 2,233,687,962 | 0.569 | |
| 2012 | 2,610,849,771 | 374,121,300 | 10,572,944 | 2,247,301,415 | 2,143,209,232 | 0.588 | |
| 2013 | 2,598,058,441 | 378,260,500 | 8,348,145 | 2,228,146,086 | 2,013,589,296 | 0.616 | |

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)

LITTLE SILVER BOROUGH

| Fiscal Year Ending June 30, | Vacant Land Value | Residential Property | Farm Reg. Value | Qfarm Value | Commercial Value | Industrial Value | Apartment Value | Less: | | Total Direct School Tax Rate ^b |
|--------------------------------|----------------------|-------------------------|--------------------|----------------|---------------------|---------------------|--------------------|------------------------|----------------------------------|--|
| | | | | | | | | Tax-Exempt Property | Public Utilities ^a | |
| 2004 | \$ 9,825,800 | \$ 1,125,391,300 | \$ 3,376,500 | \$ 15,800 | \$ 81,976,200 | - | - | | | 0.780 |
| 2005 | 11,932,100 | 1,127,214,700 | 3,376,500 | 15,800 | 81,976,200 | - | - | | | 0.815 |
| 2006 | 10,674,300 | 1,137,660,400 | 3,376,500 | 15,800 | 83,486,600 | - | - | | | 0.848 |
| 2007 | 13,882,900 | 1,144,025,300 | 3,376,500 | 15,800 | 83,976,300 | - | - | | | 0.871 |
| 2008 | 15,409,600 | 1,149,913,900 | 3,376,500 | 15,800 | 83,930,100 | - | - | | | 0.859 |
| 2009 | 14,215,700 | 1,134,855,600 | 3,376,500 | 15,800 | 84,643,500 | - | - | | | 0.885 |
| 2010 | 9,474,700 | 1,146,434,300 | 3,376,500 | 15,800 | 84,557,900 | - | - | | | 0.909 |
| 2011 | 9,557,900 | 1,152,263,400 | 3,376,500 | 15,500 | 84,557,900 | - | - | | | 0.919 |
| 2012 | 11,934,400 | 1,152,141,400 | 3,376,500 | 15,500 | 84,456,800 | - | - | | | 0.934 |
| 2013 | 15,317,400 | 1,233,714,800 | 4,051,200 | 17,300 | 100,897,600 | - | - | | | 0.882 |

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

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 ^b |
|--------------------------------|--------------|----------------|------------|-----------|----------------|------------|-----------|-------------------------|------------------------|----------------------------------|--|
| | | | | | | | | Total Assessed Value | Tax-Exempt Property | Public Utilities ^a | |
| 2004 | \$ 8,317,600 | \$ 485,228,700 | \$ 778,700 | \$ 10,900 | \$ 295,480,800 | - | - | | | | 0.722 |
| 2005 | 7,395,600 | 494,432,700 | 778,700 | 10,900 | 286,909,800 | - | - | | | | 0.401 |
| 2006 | 8,101,300 | 500,826,900 | 778,700 | 10,900 | 284,952,800 | - | - | | | | 0.792 |
| 2007 | 6,469,400 | 511,903,900 | 778,700 | 10,900 | 286,794,000 | - | - | | | | 0.809 |
| 2008 | 5,154,200 | 517,858,900 | 778,700 | 10,900 | 286,898,200 | - | - | | | | 0.835 |
| 2009 | 7,693,000 | 522,019,400 | 778,700 | 10,900 | 281,708,500 | - | - | | | | 0.860 |
| 2010 | 7,668,100 | 518,386,500 | 914,500 | 10,900 | 276,625,900 | - | - | | | | 0.885 |
| 2011 | 7,542,600 | 517,700,300 | 914,500 | 5,200 | 264,051,000 | - | - | | | | 0.920 |
| 2012 | 13,612,600 | 516,029,100 | 914,500 | 5,200 | 258,315,600 | - | - | | | | 0.934 |
| 2013 | R 21,767,200 | 616,776,800 | 1,119,600 | 12,000 | 360,260,400 | - | - | | | | 0.749 |

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 ^a | General Obligation Debt Service ^b | Total Direct School Tax Rate | Borough of Red Bank | Regional School Rate | Monmouth County | |
| 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 |
| 2013 | 0.593 | 0.023 | 0.616 | 0.555 | 0.384 | 0.255 | 1.810 |

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, | School District Direct Rate | | | | Overlapping Rates | | | |
|--------------------------------|-----------------------------|--|------------------------------|-----------------------------------|----------------------------|--------------------|---|--|
| | (From J-6) | | | | | | | |
| | Basic Rate ^a | General Obligation Debt Service ^b | Direct School Tax Rate | Borough of Little Silver | Regional School Rate | Monmouth County | Total Direct and Overlapping Tax Rate | |
| 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 | |
| 2013 | 0.849 | 0.033 | 0.882 | 0.498 | 0.510 | 0.354 | 2.244 | |

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 ^a | General Obligation Debt Service ^b | Total Direct School Tax Rate | Borough of Shrewsbury | Regional School Rate | Monmouth County | |
| 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 |
| 2013 | 0.721 | 0.028 | 0.749 | 0.649 | 0.463 | 0.307 | 2.168 |

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

| | 2013 | | | 2004 | | |
|-------------|------------------------|-----------------|--|------------------------|-----------------|--|
| | 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

| | 2013 | | | 2004 | | |
|-------------|------------------------|-----------------|--|------------------------|-----------------|--|
| | 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

Source: Municipal Tax Assessor

RED BANK REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

SHREWSBURY BOROUGH

| | 2013 | | | 2004 | | |
|-------------|------------------------|-----------------|--|------------------------|-----------------|--|
| | 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 | \$ 0 | | 0.00% | \$ 0.000 | | |

DATA NOT AVAILABLE

Source: Municipal Tax Assessor

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 ^a | | 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% | - |
| 2013 | 19,719,059 | 19,719,059 | 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

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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 | | Percentage of Personal Income ^a | Per Capita ^a |
|--------------------------------|---|-------------------------------------|-------------------|---|-----------------------------|-------------------|--|----------------------------|
| | General Obligation Bonds ^b | Certificates of Participation | Capital Leases | Bond Anticipation Notes (BANS) | Capital Leases | Total District | | |
| 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 | N/A | N/A |
| 2013 | 5,300,000.00 | | | | | 5,300,000.00 | N/A | 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 ^a of Property | Per Capita ^b |
|--------------------------------|---------------------------------|------------|--|--|----------------------------|
| | General Obligation Bonds | Deductions | | | |
| 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 |
| 2013 | 5,300,000.00 | | 5,300,000.00 | 0.12% | 241.29 |

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

RED BANK REGIONAL HIGH SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2013
 (UNAUDITED)

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable^a</u> | <u>Estimated Share of Overlapping Debt</u> |
|---|-------------------------|--|--|
| Debt Repaid with Property Taxes: | | | |
| Red Bank Borough | \$ 13,424,562.71 | 100.00% | \$ 13,424,562.71 |
| Little Silver Borough | 3,332,879.68 | 100.00% | 3,332,879.68 |
| Shrewsbury Borough | 8,276,307.92 | 100.00% | 8,276,307.92 |
| Monmouth County General Obligation Debt: | | | |
| Red Bank Borough (1.799203%) | 459,980,959.81 | | 8,275,991.23 |
| Little Silver Borough (1.409845%) | | | 6,485,018.56 |
| Shrewsbury Borough (0903936%) | | | <u>4,157,933.49</u> |
| Subtotal, Overlapping Debt | | | 43,952,693.59 |
| Red Bank Regional High School District Direct Debt | | | <u>5,300,000.00</u> |
| Total Direct and Overlapping Debt | | | <u>\$ 49,252,693.59</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 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

RED BANK REGIONAL HIGH SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
(UNAUDITED)

| Legal Debt Margin Calculation for Fiscal Year 2012 | Total | Red Bank Borough | Little Silver Borough | Shrewsbury Borough |
|--|-------------------------|-------------------------|--------------------------|-------------------------|
| Equalized Valuation Basis | | | | |
| 2013 | \$ 4,647,369,720 | \$ 2,006,366,094 | \$ 1,592,462,530 | \$ 1,048,541,096 |
| 2012 | 4,608,433,347 | 2,013,374,225 | 1,595,594,714 | 999,464,408 |
| 2011 | 4,905,945,816 | 2,233,687,962 | 1,614,691,473 | 1,057,566,381 |
| (A) | <u>\$ 9,514,379,163</u> | <u>\$ 4,247,062,187</u> | <u>\$ 3,210,286,187</u> | <u>\$ 2,057,030,789</u> |
| Average Equalized Valuation of Taxable Property | (A/3) | | | |
| | \$ 3,171,459,721 | | | |
| Debt Limit (3% of Average Equalization Value) a | (B) | | | |
| Total Net Debt Applicable To Limit | (C) | | | |
| | 95,143,792 | | | |
| | <u>5,300,000</u> | | | |
| Legal Debt Margin | (B-C) | | | |
| | <u>\$ 89,843,792</u> | | | |
| | | Fiscal Year | | |
| | | 2006 | | |
| Debt Limit | | | | 2007 |
| Total Net Debt Applicable To Limit | | \$ 57,437,032 | \$ 64,203,646 | \$ 130,479,157 |
| | | <u>9,070,000</u> | <u>8,690,000</u> | <u>8,290,000</u> |
| Legal Debt Margin | | <u>\$ 48,367,032</u> | <u>\$ 55,513,646</u> | <u>\$ 122,189,157</u> |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | | 15.79% | 13.54% | 5.45% |
| | | | | 2013 |
| Debt Limit | | | | |
| Total Net Debt Applicable To Limit | | \$ 104,747,612 | \$ 155,098,529 | \$ 95,143,792 |
| | | <u>6,800,000</u> | <u>6,285,000</u> | <u>5,800,000</u> |
| Legal Debt Margin | | <u>\$ 97,947,612</u> | <u>\$ 148,813,529</u> | <u>\$ 89,343,792</u> |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | | 6.49% | 4.05% | 5.57% |
| | 4.84% | | | |

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.

a Limit set by N.J.S.A. 18A:24-19 for a 9 through 12 District; other percentage limits would be applicable for other District types.

DEMOGRAPHIC AND ECONOMIC STATISTICS

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RED BANK REGIONAL HIGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS
(UNAUDITED)

RED BANK BOROUGH

| <u>Year</u> | <u>Population^a</u> | <u>Personal Income^b</u> | <u>Per Capita Personal Income^c</u> | <u>Unemployment Rate^d</u> |
|-------------|-------------------------------|------------------------------------|---|--|
| 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 | 12,187 | N/A | N/A | 11.30% |
| 2013 | 12,206 | N/A | N/A | N/A |

Source:

^a Population information provided by the Monmouth County Planning Board 2009 Demographics

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

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

^d 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</u> ^a | <u>Personal Income</u> ^b | <u>Per Capita Personal Income</u> ^c | <u>Unemployment Rate</u> ^d |
|-------------|--------------------------------|-------------------------------------|--|---------------------------------------|
| 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 | N/A | N/A | 6.10% |
| 2012 | 5,982 | N/A | N/A | 6.40% |
| 2013 | 5,950 | N/A | N/A | N/A |

Source:

^a Population information provided by the Monmouth County Planning Board 2009 Demographics

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

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

^d 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</u> ^a | <u>Personal Income</u> ^b | <u>Per Capita Personal Income</u> ^c | <u>Unemployment Rate</u> ^d |
|-------------|--------------------------------|-------------------------------------|--|---|
| 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 | 3,809 | N/A | N/A | 2.60% |
| 2013 | 3,809 | N/A | N/A | N/A |

Source:

^a Population information provided by the Monmouth County Planning Board 2009 Demographics

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

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

^d 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

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RED BANK REGIONAL HIGH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(UNAUDITED)

| <u>Function/Program</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> | <u>2013</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction: | 119 | 132 | 132 | 133 | 132 | 132 | 132 | 129 | 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 | 28 | 34 | 34 | 34 | 34 | 33 | 32 | 35 | 35 | 35 |
| General Administration | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 |
| School Administrative Services | 20 | 9 | 6 | 8 | 8 | 8 | 8 | 7 | 7 | 7 |
| Other Administrative Services | | | | | | | | | | |
| Central Services | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Administrative Information Technology | | | | | | 2 | 2 | 2 | 2 | 3 |
| Plant Operations and Maintenance | 6 | 10 | 11 | 12 | 12 | 12 | 12 | 11 | 11 | 12 |
| Pupil Transportation | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Other Support Services | | | | | | | | | | |
| Special Schools | | | | | | | | | | |
| Food Service | | | | | | | | | | |
| Child Care | | | | | | | | | | |
| Total | <u>181</u> | <u>193</u> | <u>191</u> | <u>195</u> | <u>194</u> | <u>196</u> | <u>195</u> | <u>193</u> | <u>193</u> | <u>195</u> |

Source: District Personnel Records

RED BANK REGIONAL HIGH SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS
(UNAUDITED)

| Fiscal Year | Enrollment | Operating Expenditures ^a | Cost Per Pupil | Percentage Change | Teaching Staff ^b | Pupil/Teacher Ratio | | | Average Daily Enrollment (ADE) ^c | Average Daily Attendance (ADA) ^d | Percentage Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|-------------------------------------|----------------|-------------------|-----------------------------|---------------------|---------------|--------------------|---|---|---|-------------------------------|
| | | | | | | Elementary School | Middle School | Senior High School | | | | |
| 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% |
| 2013 | 1,180 | 25,751,805 | 21,824 | -1.24% | 126 | N/A | N/A | 1:9.4 | 1,176.0 | 1,113.2 | 1.94% | 94.68% |

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 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| High School: | | | | | | | | | | |
| Red Bank Regional High School (1975) | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| Square Feet | 1,346 | 1,346 | 1,346 | 1,346 | 1,346 | 1,346 | 1,346 | 1,346 | 1,346 | 1,346 |
| Capacity (Students) | 1,173 | 1,148 | 1,148 | 1,086 | 1,099 | 1,116 | 1,116 | 1,133 | 1,136 | 1,180 |
| Enrollment | | | | | | | | | | |
| 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, 2013
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> | | |
| 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 | 859,005.27 | 859,005.27 |
| 2013 | | <u>475,519.11</u> | <u>475,519.11</u> |
| Total School Facilities | | <u>\$ 3,328,161.43</u> | <u>\$ 3,328,161.43</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, 2013
(UNAUDITED)

| | <u>Coverage</u> | <u>Deductible</u> |
|--|-----------------|-------------------|
| School Package Policy (1): | | |
| Building and Contents (All Locations) | \$ 50,000,000 | \$ 2,500 |
| Boiler and Machinery | 100,000,000 | 2,500 |
| General Automobile Liability | 11,000,000 | 0 |
| School Board Legal Liability | 2,000,000 | 5,000 |
| Workers' Compensation | 2,000,000 | |
| Student Accident Insurance (2) | 500,000 | |
| Surety Bonds (3): | | |
| Treasurer | | |
| Board Secretary/Business Administrator | | |

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

Source: District records

SINGLE AUDIT SECTION

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HOLMAN | FRENIA
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Certified Public Accountants & Consultants

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EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Red Bank Regional Board of Education, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Red Bank Regional Board of Education's basic financial statements, and have issued our report thereon dated December 12, 2013 .

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Red Bank Regional Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Red Bank Regional Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of Red Bank Regional Board of Education's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Red Bank Regional Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey as Finding No. 2013-01 and Finding No. 2013-02.

We noted certain matters that we reported to management of the Red Bank Regional Board of Education, in a separate letter dated December 12, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.



Robert W. Allison
Public School Accountant
Certified Public Accountant
No. 897

Freehold, New Jersey
December 12, 2013



HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

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EXHIBIT K-2
**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-
133 AND NEW JERSEY OMB CIRCULAR 04-04.**

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

Report on Compliance for Each Major Federal and State Program

We have audited Red Bank Regional Board of Education's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2013. 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Red Bank Regional Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organization*; *the New Jersey State Aid/Grant Compliance Supplement*; *the Schedule of Expenditures of State Financial Assistance*; *the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey*; and New Jersey OMB's 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's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major federal or state program. However, our audit does not provide a legal determination of Red Bank Regional Board of Education's compliance with those requirements.

Opinion on Each Major Federal or State Program

In our opinion, Red Bank Regional Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal or state programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04.

Report on Internal Control Over Compliance

Management of Red Bank Regional Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Red Bank Regional Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 or New Jersey OMB's 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 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04. Accordingly, this report is not suitable for any other purpose.

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'R. Allison', with a horizontal line extending to the left.

Robert W. Allison
Public School Accountant
Certified Public Accountant
No. 897

Freehold, New Jersey
December 12, 2013

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

For the fiscal year ended June 30, 2013

| I Grantor/Pass-Through Grantor Program Title | Federal CFDA Number | Grant Number | Program or Award Amount | Grant Period | | Balance at June 30, 2012 | Carryover | Cash Received | Budgetary Expenditures | Adjustments | Repayment of Prior Years' Balances | Balance at June 30, 2013 | |
|--|---------------------|--------------|-------------------------|--------------|----------|--------------------------|-----------|---------------|------------------------|-------------|------------------------------------|--------------------------|------------------|
| | | | | From | To | | | | | | | (Accounts Receivable) | Deferred Revenue |
| Enterprise Fund | | | | | | | | | | | | | |
| U.S. Department of Agriculture: | | | | | | | | | | | | | |
| Passed Through State Department of Education: | | | | | | | | | | | | | |
| Food Donation | 10.550 | N/A | \$ 17,993.74 | 07/01/12 | 06/30/13 | \$ (1,056.58) | | \$ 17,993.74 | \$ (17,993.74) | | | \$ (0.00) | |
| School Breakfast Program | 10.553 | N/A | 18,330.13 | 07/01/11 | 06/30/12 | | | 1,056.58 | | | | (910.26) | |
| National School Lunch Program | 10.553 | N/A | 8,638.43 | 07/01/12 | 06/30/13 | (3,047.10) | | 7,728.17 | (8,638.43) | | | 0.00 | |
| National School Lunch Program | 10.555 | N/A | 87,536.56 | 07/01/11 | 06/30/12 | | | 3,047.10 | | | | (5,958.56) | |
| National School Lunch Program | 10.555 | N/A | 95,311.04 | 07/01/12 | 06/30/13 | | | 89,352.38 | (95,311.04) | | | | |
| Total U.S. Department of Agriculture | | | | | | (4,103.68) | | 119,177.97 | (121,943.21) | | | (6,868.92) | |
| Special Revenue Fund | | | | | | | | | | | | | |
| U.S. Department of Education: | | | | | | | | | | | | | |
| Passed-Through State Department of Education: | | | | | | | | | | | | | |
| Title I - Part A | 84.010A | NCLB436512 | 101,492.00 | 09/01/11 | 08/31/12 | (9,190.60) | | 84,247.00 | (75,055.67) | \$ (0.73) | | (0.00) | |
| Title I - Part A | 84.010A | NCLB436513 | 126,594.00 | 09/01/12 | 08/31/13 | | | 43,874.00 | (53,331.25) | | | (9,457.25) | |
| Title II - Part A Teacher and Principal Training | 84.367A | NCLB436512 | 15,202.00 | 09/01/11 | 08/31/12 | (3,226.00) | | 9,959.00 | (6,733.23) | 0.23 | | 0.00 | |
| Title II - Part A Teacher and Principal Training | 84.367A | NCLB436513 | 33,978.00 | 09/01/12 | 08/31/13 | | | 10,748.00 | (21,179.92) | | | (10,431.92) | |
| Title III - English Language Acquisition | 84.365A | NCLB436512 | 16,485.00 | 09/01/11 | 08/31/12 | (1,202.02) | | 1,842.00 | (639.98) | | | (0.00) | |
| Title III - English Language Acquisition | 84.365A | NCLB436513 | 7,572.00 | 09/01/12 | 08/31/13 | | | 1,641.00 | (9,813.48) | | | (8,172.48) | |
| I.D.E.A. Part B - Basic | 84.027 | IDEA436512 | 372,613.00 | 09/01/11 | 08/31/12 | (117,733.24) | | 155,505.00 | (37,772.46) | 0.70 | | 0.00 | |
| I.D.E.A. Part B - Basic | 84.027 | IDEA436513 | 343,811.00 | 09/01/12 | 08/31/13 | | | | (316,124.35) | | | (316,124.35) | |
| Perkins Secondary Grant | 84.048A | PERK436512 | 15,671.00 | 07/01/11 | 06/30/12 | (1,013.85) | | | (3,402.00) | | | (1,013.85) | |
| Race To The Top | 84.413A | N/A | 7,322.00 | 07/01/12 | 11/30/15 | | | | | | | (3,402.00) | |
| Smaller Learning Communities Program (OESE) | 84.215L | S215L070375 | 332,773.38 | 10/01/11 | 09/30/13 | (72,757.82) | | 124,809.00 | (149,558.28) | | | (97,507.10) | |
| Smaller Learning Communities Program (OESE) | 84.215L | S215L070375A | 5,135.30 | 10/01/11 | 09/30/12 | (489.07) | | 489.07 | (1,123.00) | | | (1,123.00) | |
| Total U.S. Department of Education | | | | | | (205,612.60) | | 433,114.07 | (674,733.62) | 0.20 | | (447,231.95) | |
| U.S. Department of Education: | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | |
| Education Jobs Fund | 84.410A | N/A | 52,894.00 | 08/10/10 | 09/30/12 | (34,347.70) | | 34,347.70 | | | | | |
| Total General Fund | | | | | | (34,347.70) | | 34,347.70 | | | | | |
| Total Federal Financial Awards | | | | | | \$ (244,063.98) | \$ 0.00 | \$ 586,639.74 | \$ (796,676.83) | \$ 0.20 | \$ 0.00 | \$ (454,100.87) | \$ 0.00 |

The accompanying Notes to Schedule of Expenditures of Awards and Financial Assistance are an integral part of this statement.

RED BANK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the fiscal year ended June 30, 2013

| State Grants/Program Title | Grant or State Project Number | Program or Award Amount | Grant Period | | Balance at June 30, 2012 | | Carryover/ (Waiver) Amount | Cash Received | Budgetary Expenditures | Adjustments | Repayment of Prior Years Balances | Balance at June 30, 2013 | | Memo | | |
|--|-------------------------------|-------------------------|--------------|----------|--|----------------|----------------------------|-----------------|------------------------|-------------|-----------------------------------|--------------------------|------------------|------------|----------------------|-------------------------------|
| | | | From | To | Deferred Revenues/ (Accounts Receivable) | Due To Grantor | | | | | | (Accounts Receivable) | Deferred Revenue | | Budgetary Receivable | Cumulative Total Expenditures |
| State Department of Education | | | | | | | | | | | | | | | | |
| General Fund | | | | | | | | | | | | | | | | |
| Equalization Aid | 13-495-034-5120-078 | 110,122.00 | 07/01/12 | 06/30/13 | | | \$ | 110,122.00 | (110,122.00) | | | | \$ | 10,131.27 | \$ | 110,122.00 |
| Transportation Aid | 13-495-034-5120-014 | 245,641.00 | 07/01/12 | 06/30/13 | | | | 245,641.00 | (245,641.00) | | | | | 22,599.08 | | 245,641.00 |
| Special Education Aid | 13-495-034-5120-089 | 514,378.00 | 07/01/12 | 06/30/13 | | | | 514,378.00 | (514,378.00) | | | | | 47,323.01 | | 514,378.00 |
| Security Aid | 13-495-034-5120-084 | 104,581.00 | 07/01/12 | 06/30/13 | | | | 104,581.00 | (104,581.00) | | | | | 9,621.50 | | 104,581.00 |
| Adjustment Aid | 13-495-034-5120-085 | 20,284.00 | 07/01/12 | 06/30/13 | | | | 20,284.00 | (20,284.00) | | | | | 1,866.14 | | 20,284.00 |
| Reimbursement of Nonpublic Transportation | 12103190 | 5,105.43 | 07/01/11 | 06/30/12 | | | | 5,105.43 | | | | | | | | 5,105.43 |
| Reimbursement of Nonpublic Transportation | 13103190 | 4,917.76 | 07/01/12 | 06/30/13 | | | | | (4,917.76) | | | | \$ | (4,917.76) | | 4,917.76 |
| Extraordinary Aid | 12-495-034-5120-473 | 180,096.00 | 07/01/11 | 06/30/12 | | | | 180,096.00 | (180,096.00) | | | | | | | 180,096.00 |
| On-Behalf TPAF Pension System Contribution | 13-100-034-5120-473 | 167,414.00 | 07/01/12 | 06/30/13 | | | | | (167,414.00) | | | | | | | 167,414.00 |
| On-Behalf TPAF Pension System Contribution - Post Retirement | 13-495-034-5095-006 | 632,680.00 | 07/01/12 | 06/30/13 | | | | 632,680.00 | (632,680.00) | | | | | | | 632,680.00 |
| On-Behalf TPAF Pension System Contribution - Post Retirement | 13-495-034-5095-007 | 33,288.00 | 07/01/12 | 06/30/13 | | | | 33,288.00 | (33,288.00) | | | | | | | 33,288.00 |
| Reimbursed TPAF Social Security Contributions | 13-495-034-5095-001 | 753,040.00 | 07/01/12 | 06/30/13 | | | | 753,040.00 | (753,040.00) | | | | | | | 753,040.00 |
| Security Contributions | 13-100-034-5095-002 | 678,157.73 | 07/01/12 | 06/30/13 | | | | 678,157.73 | (678,157.73) | | | | | | | 678,157.73 |
| Total General Fund | | | | | | | | 3,277,373.16 | (3,264,503.49) | | | | | 91,541.00 | | 3,449,704.92 |
| Special Revenue Fund | | | | | | | | | | | | | | | | |
| N.J. Nonpublic Textbook Aid | 13-100-034-5120-064 | 55,988.00 | 07/01/12 | 06/30/13 | | | | 55,988.00 | (55,988.37) | | | | | \$ | 99.63 | 55,988.37 |
| N.J. Nonpublic Nursing Services Aid | 13-100-034-5120-070 | 77,154.00 | 07/01/12 | 06/30/13 | | | | 77,154.00 | (76,785.13) | | | | | | 368.87 | 76,785.13 |
| N.J. Nonpublic Nursing Services Aid | 12-100-034-5120-070 | 72,822.00 | 07/01/11 | 06/30/12 | | | | | | | (108.36) | | | | | 72,713.64 |
| N.J. Nonpublic Technology Aid | 13-100-034-5120-373 | 20,514.00 | 07/01/12 | 06/30/13 | | | | 20,514.00 | (20,513.90) | | | | | | | 20,513.90 |
| Services Aid: | | | | | | | | | | | | | | | | |
| Compensatory Education | 13-100-034-5120-067 | 71,903.00 | 07/01/12 | 06/30/13 | | | | 71,903.00 | (62,673.13) | | | | | | 19,229.87 | 62,673.13 |
| Home Instruction | 12-100-034-5120-067 | 6,159.43 | 07/01/11 | 06/30/12 | | | | 6,159.00 | | | | | | | | 6,159.43 |
| Home Instruction | 13-100-034-5120-067 | 18,617.51 | 07/01/12 | 06/30/13 | | | | | (18,617.51) | | | | | | | 18,617.51 |
| N.J. Nonpublic Handicapped Aid: | | | | | | | | | | | | | | | | |
| Education and Classification and Extension | 12-100-034-5120-066 | 76,180.00 | 07/01/11 | 06/30/12 | | | | | | | (6,770.90) | | | | | 69,409.10 |
| Classification | 13-100-034-5120-066 | 71,515.00 | 07/01/12 | 06/30/13 | | | | 71,515.00 | (70,401.00) | | | | | | 1,114.00 | 70,401.00 |
| Supplementary Instruction | 13-100-034-5120-066 | 50,443.00 | 07/01/12 | 06/30/13 | | | | 50,443.00 | (50,443.00) | | | | | | | 50,443.00 |
| School Based Youth Services Program | N/A | 282,387.00 | 07/01/12 | 06/30/13 | | | | 280,087.00 | (282,387.00) | | | | | | | 282,387.00 |
| School Based Youth Services Program | N/A | 309,502.00 | 07/01/06 | 06/30/07 | | | | | | | (7,791.95) | | | | | 301,710.05 |
| Total Special Revenue Fund | | | | | | | | 633,383.00 | (627,309.04) | | | | | 20,812.37 | | 775,591.21 |
| Capital Projects Fund | | | | | | | | | | | | | | | | |
| NJ Economic Development Authority: | | | | | | | | | | | | | | | | |
| SDA Grant | 4365-050-10-GIPE | 30,257.00 | 07/18/11 | - | | | | | | | | | | | | 30,257.00 |
| Total Capital Projects Fund | | | | | | | | | | | | | | | | 30,257.00 |
| Enterprise Fund | | | | | | | | | | | | | | | | |
| State School Lunch Program | 12-100-010-3350-023 | 3,729.31 | 07/01/11 | 06/30/12 | | | | 129.25 | (3,177.87) | | | | | | | 3,729.31 |
| State School Lunch Program | 13-100-010-3350-023 | 3,177.87 | 07/01/12 | 06/30/13 | | | | 2,991.27 | (3,177.87) | | | | | | | 3,177.87 |
| Total Enterprise Fund | | | | | | | | 3,120.52 | (3,177.87) | | | | | | | 6,907.18 |
| Total State Financial Assistance | | | | | | | | \$ 3,913,856.68 | \$ (3,894,990.40) | | | | | \$ 0.00 | | \$ 4,282,460.31 |
| | | | | | | | | | | | | | | | | \$ 4,282,460.31 |

The accompanying Notes to Schedule of Expenditures of Awards and Financial Assistance are an integral part of this statement.

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

June 30, 2013

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 \$(13,326.00) for the General Fund and \$4,393.30 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, 2013

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

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|--|----------------------|------------------------|------------------------|
| General Fund | | \$ 3,251,176.69 | \$ 3,251,176.69 |
| Special Revenue Fund | \$ 651,580.32 | 650,864.04 | 1,302,444.36 |
| Food Service Fund | <u>121,943.21</u> | <u>3,177.87</u> | <u>125,121.08</u> |
| Total Awards and Financial Assistance | <u>\$ 773,523.53</u> | <u>\$ 3,905,218.60</u> | <u>\$ 4,678,742.13</u> |

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, 2013. 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, 2013.

RED BANK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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: Unmodified

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)

495-034-5120-078
495-034-5120-089
495-034-5120-084
495-034-5120-085

Name of State Program

State Aid Public Cluster:
Equalization Aid
Special Education Aid
Security Aid
Adjustment Aid

RED BANK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(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, 2013
(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, 2013

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.