

SCHOOL DISTRICT  
OF  
RUMSON-FAIR HAVEN REGIONAL  
OF MONMOUTH COUNTY

Rumson-Fair Haven Regional High School District  
Rumson, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2013

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

Of the

Rumson-Fair Haven Regional High School District  
of Monmouth County

Rumson, New Jersey

For the Fiscal Year Ended June 30, 2013

Prepared by

Rumson-Fair Haven Regional Board of Education  
Finance Department

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## INTRODUCTORY SECTION

**BOARD OF EDUCATION**  
RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL  
74 RIDGE ROAD  
RUMSON, NEW JERSEY 07760-1896  
TELEPHONE (732) 842-1597  
FAX (732) 842-3908

October 28, 2013

Honorable President and Members  
Rumson-Fair Haven Regional High School District  
County of Monmouth, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Rumson-Fair Haven Regional High School District (District) for the fiscal year ended 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 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 operations 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 basic financial statements and schedules, as well as the auditor's report and the Management's Discussion and Analysis. The statistical section includes selected financial and demographic 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 and the 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." 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.

1. REPORTING ENTITY AND ITS SERVICES: Rumson-Fair Haven Regional High School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The District provides a full range of educational services appropriate to grade levels 9-12. The following details the changes in the Pre-K-12 student enrollment over the last ten years:

Enrollment, 9-12

<u>Fiscal Year</u>	<u>Student EnrollmentChange</u>	<u>Percent</u>
2012-13	897	-3.96
2011-12	934	-3.21
2010-11	965	-0.72
2009-10	972	0.62
2008-09	966	-2.72
2007-08	993	-0.35
2006-07	996.5	5.73
2005-06	942.5	5.31
2004-05	895	7.64
2003-04	831.5	2.90

2. ECONOMIC CONDITIONS AND OUTLOOK: The Rumson-Fair Haven Regional High School District serves two closely-knit and highly supportive communities. The District holds a strong financial position where 96% of revenues come from the General Fund Tax Levy. Both Rumson and Fair Haven are stable communities, which in-turn leads to the stability of the District and the long running history of success.

3. MAJOR INITIATIVES: A demanding academic program is delivered in a caring, supportive educational environment. The District maintains high standards for administrative and pedagogical excellence. Students continue surpassing state and national averages on assessment instruments. Of the most recent graduating class, 97% pursued post-secondary education at two and four-year colleges and universities that included some of the best undergraduate institutions in the nation.

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

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

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7. FINANCIAL INFORMATION AT FISCAL YEAR-END: 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. Readers should refer to the Management's Discussion and Analysis for a summary of the financial statements in relation to the prior year.

8. DEBT ADMINISTRATION: At June 30, 2013, the District's outstanding debt issues included \$4,345,000 of general obligation bonds (Note 11).

9. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 6. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to: general liability, comprehensive/collision, student and volunteer accident, hazard and theft insurance on property and contents, earthquake, flood and fidelity bonds. Annual reviews of the entire program are done in order to evaluate potential insurance changes.

11. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Scutellaro & Company, LLP, was selected by the Board to provide this service. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and New Jersey OMB's Circular 04-04. The auditor's report on the basic financial statements and combined and individual fund statements and schedules is included in the financial section of this report. The auditor's reports specifically related to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Rumson-Fair Haven Regional High School District for their continued concern in providing fiscal accountability to the taxpayers and citizens of the District, thereby contributing their full support to the development and maintenance of the District's financial operation.

Respectfully submitted,



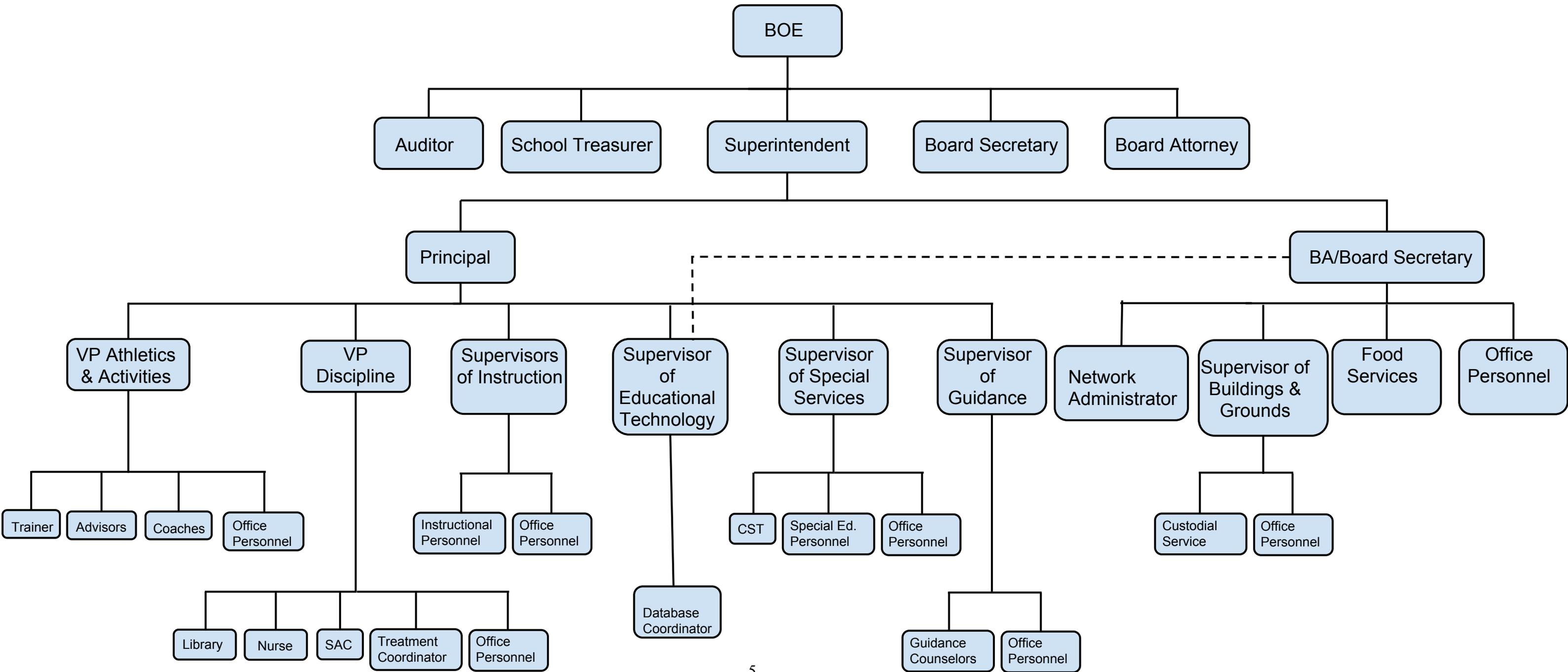
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Dr. Peter Righi  
Superintendent



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Frank E. Gripp, III  
Business Administrator/Board Secretary



Rumson-Fair Haven Regional High School District  
Rumson, New Jersey

Roster of Officials  
June 30, 2013

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Lisa Walters, President	2014
Jean Pattwell, Vice President	2014
Jim Wassel	2012
Meaghan Ladd	2012
Teresa Liccardi	2012
Sarah Maris	2012
Michael Goione	2013
Kaye Wise	2013
Chuck Volker	2014

Other Officials

Dr. Peter Righi, Superintendent  
Frank E. Gripp, III, School Business Administrator/Board Secretary  
Bruce Quinn, Treasurer  
Martin Barger, Esq., Solicitor

Rumson-Fair Haven Regional High School District  
Consultants and Advisors

Audit Firm

Kathryn Perry, CPA  
Jump, Scutellaro and Company, L.L.P.  
12 Lexington Avenue  
Toms River, New Jersey 08753

Attorney

Tony Sciarrillo, Esq.  
Lindabury, McCormick & Estabrook  
53 Cardinal Drive  
P.O. Box 2369  
Westfield, New Jersey 07091-2369

Official Depositories

Wells Fargo Bank  
Rumson, New Jersey

PNC Bank  
Fair Haven, New Jersey

Rumson-Fair Haven Bank and Trust  
Fair Haven, New Jersey

State of NJ Cash Management Fund

FINANCIAL SECTION

**JUMP, SCUTELLARO AND COMPANY, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS**

12 LEXINGTON AVENUE TOMS RIVER, NJ 08753 PHONE (732) 240-7377 FAX (732) 505-8307 WEBSITE: jumpcpa.com

INDEPENDENT AUDITORS' REPORT

Honorable President and  
Members of the Board of Education  
Rumson-Fair Haven Regional High School District:  
County of Monmouth  
Rumson, New Jersey

**Report of 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 Board of Education of Rumson-Fair Haven Regional High School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School 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 an opinion 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with the 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 of 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 School District'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 School District'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 opinion.

## **Opinion**

In our opinion, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Rumson-Fair Haven Regional High School District in the 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 13-21 and 62-68 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 Rumson-Fair Haven Regional High School District's basic financial statements. The introductory section, combining fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is 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, and is presented for purposes of additional analysis and are also not a required part of the basic financial statements.

The combining fund financial statements and schedules and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated October 28, 2013 on our consideration of the Board of Education of the Rumson-Fair Haven Regional High School District in the County of Monmouth, State of New Jersey 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 Rumson-Fair Haven Regional High School District in the County of Monmouth, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted

Jump, Scutellaro & Company L.L.P.  
Toms River, NJ



Kathryn Peery, Partner  
Licensed Public School Accountant  
No. CS 20CS00226400

October 28, 2013  
Toms River, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Rumson-Fair Haven Regional High School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2013

Unaudited

The discussion and analysis of Rumson-Fair Haven Regional High School District's financial performance provides an overall review of the district's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the 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 District's financial performance.

**Financial Highlights**

Key financial highlights for 2013 are as follows:

In total, net position totaled \$16,991,996, which represents a 4.84 percent increase from 2012.

General revenues accounted for \$16,963,068 in revenue or 6.50 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$613,166 or 3.50 percent of total revenues of \$17,576,234.

Total assets of governmental activities decreased by \$7,570,510 as cash and cash equivalents increased by \$997,875, receivables decreased by \$,936,430 and capital assets decreased by \$603,938.

The District had \$16,823,421 in expenses; only \$613,166 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$16,963,068 were adequate to provide for these programs.

Among major funds, the General Fund had \$17,547,836 in revenues and \$16,767,498 in over expenditures and transfers. The General Fund's balance increased \$330,200 over 2012. The General Fund's balance is \$4,381,921. The Capital Reserve Fund balance is \$603,732. The Capital Reserve Fund balance increased \$120,341 over 2012. The increase was anticipated by the Board of Education.

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

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

The Statement of Net Position and Statement of Activities provide information about the activities of the District, presenting both an aggregate view of the District's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For government funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of Rumson-Fair Haven Regional High School District, the General Fund is by far the most significant.

## **Reporting the District as a Whole**

### **Statement of Net Position and the Statement of Activities**

This document contains all funds used by the District to provide programs and activities viewing the District as a whole a reports the culmination of all financial transactions. The report answers the question "How We Did Financially During Fiscal Year 2012." The Statement of Net Position and the Statement of Activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in those assets. This change in net position is important because reports whether the District's financial position has improved or diminished.

In the Statement of Net Position and the Statement of Activities, the District is divided into two kinds of activities:

**Governmental Activities** - All of the District's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

**Business-Type Activities** - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund is reported as a business activity.

### **Reporting the District's Most Significant Funds**

#### **Fund Financial Statement**

The Analysis of the District's major funds begins on page 19. Fund financial reports provide detailed information about the District's major funds. The District's major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

#### **Governmental Funds**

The District's activities are reported in governmental funds, which focus on how money flows into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

#### **Enterprise Fund**

The Enterprise Fund uses the same basis of accounting as business-type activities. The reporting of this fund did not make a change with the conversion to GASB 34.

## The District as a Whole

The Statement of Net Assets provides the financial perspective of the District as a whole.

Table 1 provides a summary comparison of the School District's net assets for 2012 and 2013.

Table 1

### Net Assets as of June 30, 2013 and 2012

	2013	2012
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 3,763,225	\$ 2,765,350
Receivables, Net	511,688	8,448,118
Inventory	1,075	864
<b>Restricted Assets:</b>		
Cash and Cash Equivalents	603,732	695,073
Other Assets	63,113	-
Capital Assets, Net	<u>16,853,050</u>	<u>17,456,988</u>
<b>Total Assets</b>	<u>21,795,883</u>	<u>29,366,393</u>
<b>Liabilities:</b>		
Accounts Payable	131,936	132,688
Accrued Expenses	125,906	58,542
Deferred Revenue	51,750	7,912,887
<b>Noncurrent Liabilities:</b>		
Due Within One Year	665,000	600,000
Due Beyond One Year	3,829,295	<u>4,454,930</u>
<b>Total Liabilities</b>	<u>4,803,887</u>	<u>13,159,047</u>
<b>Net Position:</b>		
Invested in Capital Assets, Net of Related Debt	12,445,257	12,613,988
<b>Restricted for:</b>		
Capital Projects	794,702	674,361
Debt Service	21,650	(58,520)
General Fund	3,537,686	2,810,281
Unrestricted	<u>192,701</u>	<u>167,236</u>
<b>Total Net Position</b>	<u>\$16,991,996</u>	<u>\$16,207,346</u>

The District's combined net position were \$16,991,996 on June 30, 2013. This is a change of 4.84% from the previous year.

Table 2 provides a comparison analysis of District-wide changes in net position from fiscal years 2012 and 2013.

Table 2

Changes in Net Assets

	2013	2012
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 600,263	\$ 807,072
Operating Grants and Contributions	12,903	21,464
Capital Grants and Contributions	-	110,071
General Revenues:		
Property Taxes	16,086,231	15,825,775
Grants and Entitlements	541,275	1,728,955
Other	<u>335,562</u>	<u>43,866</u>
 Total Revenues	 <u>17,576,234</u>	 <u>18,537,203</u>
<u>Program Expenses</u>		
Instruction	7,735,614	10,003,739
Support Services:		
Pupils and Instructional Staff	2,688,205	2,991,171
General Administration, School Administration		
Business Operations and Maintenance of		
Facilities	4,872,298	3,550,309
Pupil Transportation	645,679	721,643
 Food Service	 621,397	 557,909
Interest on Long-Term Debt	<u>260,228</u>	<u>188,084</u>
 Total Expenses	 <u>16,823,421</u>	 <u>18,012,855</u>
 Increase in Net Position	 <u>752,813</u>	 <u>\$ 524,348</u>

**Government Activities**

Property Taxes as approved by the voters of the Boroughs of Rumson and Fair Haven made up 86.89 % of revenues for governmental activities for the fiscal year 2013. The District's total revenues were \$18,513,113 for the year ended June 30, 2013. Federal, state and local grants accounted for another 11.29 %.

The total cost of all programs and services was \$17,711,147. Instruction comprises 39.42 % of the District's expenses.

## Expenses for Fiscal Year 2013

### Business-Type Activities

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

Food service expenses exceeded revenues by \$2,685.

Charges for services represent \$534,453 of revenue. This represents the amount paid by patrons for daily food service and catering.

Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$2,903 .

### Governmental Activities

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 costs of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

Table 3

#### Governmental Activities

	2013		2012	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 7,735,614	\$ 7,735,614	\$10,003,739	\$ 9,813,134
Support Services:				
Pupils and Instructional Staff	2,688,205	2,688,205	2,991,171	2,991,171
General Administration, School Administration, Business Operation and Maintenance of Facilities	6,422,343	4,872,298	3,550,309	3,440,238
Pupil Transportation	645,679	645,679	721,643	639,560
Interest and Fiscal Charges	260,228	260,228	188,083	188,083
Total Expenses	\$17,752,069	\$16,202,024	\$17,454,945	\$17,072,186

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities. The District offers 34 honors and advances placement courses and 133 curricular offerings.

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership. Approximately 90% of the student population participates in extracurricular activities. Two foundations support the addition of ice hockey and boys' lacrosse to the sports offerings.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

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

Operation and maintenance of facilities activities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, to school curricular and athletic activities and field trips as provided by state law.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the District. The District passed a referendum in December 2003 in the amount of \$8,798,326 to be paid over 15 years.

Other includes special schools and unallocated depreciation.

**The District's Funds**

Information about the District's major funds starts on page 22. These funds are accounted of using the modified accrual basis of accounting. All government funds had total revenues of \$18,513,113 and expenditures of \$17,711,147. The net positive (negative) change in fund balance for the year was most significant in the General Fund, an increase of \$801,966.

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 for the fiscal year ended June 30, 2013, and the amount and percentage of increase and increases in relation to prior-year revenues.

<u>Revenue</u>	<u>2012-13 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2011-12</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$16,421,793	88.70 %	\$16,132,211	89.72 %
State Sources	1,966,020	10.62	1,667,231	9.27
Federal Sources	<u>125,300</u>	<u>0.68</u>	<u>181,913</u>	<u>1.01</u>
Total	<u>\$18,513,113</u>	<u>100.00 %</u>	<u>\$17,981,355</u>	<u>100.00 %</u>

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>2012-13 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2011-12</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 6,981,171	39.42 %	\$ 8,556,903	48.51 %
Undistributed Expenditures	9,666,236	54.58	7,791,524	44.17
Capital Outlay	309,763	1.75	522,549	2.96
Debt Service:				
Principal	615,000	3.47	575,000	3.26
Interest	<u>138,977</u>	<u>0.78</u>	<u>194,313</u>	<u>1.10</u>
Total	<u>\$17,711,147</u>	<u>100.00 %</u>	<u>\$17,640,289</u>	<u>100.00 %</u>

## General Fund Budgeting Highlights

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

During the course of the fiscal year 2013, the District amended its General Fund budget as needed. The District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. Transfers from one program to another must be approved by the Business Administration, Superintendent and Board of Education. Transfers were necessitated by:

- Staffing changes based on student needs.
- Building required maintenance and renovation projects.
- Changes in appropriations to prevent budget overruns.

While the District final budget for the General Fund anticipated that revenues and expenditures would roughly equal, the actual results for the year show a \$788,338 surplus.

Actual revenues were \$1,755,836.

Actual expenditures and transfers were \$16,767,498.

## Capital Assets

At the end of the fiscal year 2013, the School District had \$16,813,241 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2013 and 2012

	2013	2012
Land	\$ 7,500	\$ 7,500
Construction in Progress	-	1,274,612
Site Improvements	169,450	201,303
Building and Improvements	16,257,436	15,668,689
Machinery and Equipment	<u>378,855</u>	<u>258,443</u>
Total	<u>\$16,813,241</u>	<u>\$17,410,547</u>

Overall Capital assets decreased \$597,306 from fiscal year 2012 to 2013.

## **For the Future**

The Rumson-Fair Haven Regional High School District is in excellent financial position.

The use of Capital Reserve and State Facility Grants provides funding for capital improvements. The District has been diligent in its efforts to fund a maintenance Reserve to maintain its investment in its buildings and grounds. An Emergency Reserve has been established to fund unexpected budgetary needs such as unanticipated special education tuition. General Fund Reserve is used each year to reduce tax levied to fund the budget.

The residents of Rumson and Fair Haven show their support of the schools by successfully passing their school budget. The Boroughs are primarily residential with very few ratables; thus the burden of taxes levied by the District falls to the homeowners.

The District Board of Education practices long-term financial planning. The District is proud of its system for financial planning, budgeting, and internal financial controls.

## **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 District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Rumson-Fair Haven Regional High School District, 74 Ridge Road, Rumson, NJ 07760.

BASIC FINANCIAL STATEMENTS

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2013**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,663,831	\$ 99,394	\$ 3,763,225
Capital reserve cash	603,732	-	603,732
Receivables - other	-	-	-
Receivables - state	347,828	280	348,108
Receivables - federal	162,685	744	163,429
Inventory	-	1,075	1,075
Interfund receivable	151	-	151
Other asset	-	-	-
Capital assets, net (Note 8):	16,813,241	39,809	16,853,050
Total assets	<u>21,591,468</u>	<u>141,302</u>	<u>21,732,770</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	63,113	-	63,113
Total deferred outflows of resources	<u>63,113</u>	<u>-</u>	<u>63,113</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 131,936	\$ -	\$ 131,936
Accrued payroll	-	-	-
Other liabilities	-	-	-
Interfund payable	-	-	-
Payable to state government	-	-	-
Unearned revenue	51,750	-	51,750
Noncurrent liabilities (Note 10):			
Due within one year	665,000	-	665,000
Due beyond one year	3,829,295	-	3,829,295
Total liabilities	<u>4,677,981</u>	<u>-</u>	<u>4,677,981</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred premium on refunding	125,906	-	125,906
Total deferred inflows of resources	<u>125,906</u>	<u>-</u>	<u>125,906</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	12,405,448	39,809	12,445,257
Restricted for:			
Debt service	21,650	-	21,650
Capital projects	794,702	-	794,702
Other purposes	3,537,686	-	3,537,686
Unrestricted	91,208	101,493	192,701
Total net position	<u>\$ 16,850,694</u>	<u>\$ 141,302</u>	<u>\$ 16,991,996</u>

See accompanying notes to financial statements.

RUMSON-FAIR HAVEN 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
<b>Governmental activities:</b>							
Current:							
Regular instruction	\$ 6,085,044	\$ -	\$ -	\$ -	\$ (6,085,044)	\$ -	\$ (6,085,044)
Special education instruction	888,195	-	-	-	(888,195)	-	(888,195)
Other special instruction	762,375	-	-	-	(762,375)	-	(762,375)
Support services and undistributed costs:							
Instruction	660,165	-	-	-	(660,165)	-	(660,165)
Attendance and social work	28,658	-	-	-	(28,658)	-	(28,658)
Health services	115,405	-	-	-	(115,405)	-	(115,405)
Other support services	1,080,940	-	-	-	(1,080,940)	-	(1,080,940)
Improvement of instruction	668,126	-	-	-	(668,126)	-	(668,126)
Educational media services	112,002	-	-	-	(112,002)	-	(112,002)
Instruction staff training	22,909	-	-	-	(22,909)	-	(22,909)
General administrative services	483,699	-	-	-	(483,699)	-	(483,699)
School administrative services	411,527	-	-	-	(411,527)	-	(411,527)
School central services	286,751	-	-	-	(286,751)	-	(286,751)
School admin info technology	18,668	-	-	-	(18,668)	-	(18,668)
Allowed maintenance for school facilities	207,280	-	-	-	(207,280)	-	(207,280)
Other operation & maintenance of plant	1,024,436	-	-	-	(1,024,436)	-	(1,024,436)
Care & upkeep of grounds	39,516	-	-	-	(39,516)	-	(39,516)
Security	1,393	-	-	-	(1,393)	-	(1,393)
Student transportation services	645,679	-	-	-	(645,679)	-	(645,679)
Unallocated employee benefits	2,399,028	-	-	-	(2,399,028)	-	(2,399,028)
Non-budgeted expenditures	1,550,045	-	1,550,045	-	-	-	-
Interest expense	260,228	-	-	-	(260,228)	-	(260,228)
Total governmental activities	<u>17,752,069</u>	<u>-</u>	<u>1,550,045</u>	<u>-</u>	<u>(16,202,024)</u>	<u>-</u>	<u>(16,202,024)</u>
<b>Business-type activities:</b>							
Food Service	550,041	534,453	12,903	-	-	(2,685)	(2,685)
Child Care	71,356	65,810	-	-	-	(5,546)	(5,546)
Total business-type activities	<u>621,397</u>	<u>600,263</u>	<u>12,903</u>	<u>-</u>	<u>-</u>	<u>(8,231)</u>	<u>(8,231)</u>
Total primary government	<u>\$ 18,373,466</u>	<u>\$ 600,263</u>	<u>\$ 1,562,948</u>	<u>\$ -</u>	<u>\$ (16,202,024)</u>	<u>\$ (8,231)</u>	<u>\$ (16,210,255)</u>
<b>General revenues:</b>							
Taxes:							
Property taxes levied for general purpose					15,310,626	-	15,310,626
Taxes levied for debt service					775,605	-	775,605
Federal and state aid not restricted					541,275	-	541,275
State aid restricted					-	-	-
Miscellaneous income					335,562	-	335,562
Sale of fixed assets					-	-	-
Donated assets					-	-	-
Total general revenues, special items, extraordinary items and transfers					<u>16,963,068</u>	<u>-</u>	<u>16,963,068</u>
Change in net position					761,044	(8,231)	752,813
Net position—beginning					16,089,650	149,533	16,239,183
Net position—ending					<u>\$ 16,850,694</u>	<u>141,302</u>	<u>\$ 16,991,996</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Balance Sheet  
 Governmental Funds  
 June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,958,745	\$ (110,935)	\$ (205,649)	\$ 21,670	\$ 3,663,831
Capital reserve account	603,732	-	-	-	603,732
Receivables, net	-	-	-	-	-
Receivables from other funds	151	-	211,682	-	211,833
Receivables from state	30,975	-	316,853	-	347,828
Receivables from federal	-	162,685	-	-	162,685
Receivables from other governments	-	-	-	-	-
Other receivables	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
<b>Total assets</b>	<b>\$ 4,593,603</b>	<b>\$ 51,750</b>	<b>\$ 322,886</b>	<b>\$ 21,670</b>	<b>\$ 4,989,909</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ 131,916	\$ 20	\$ 131,936
Cash overdraft	-	-	-	-	-
Accrued salaries and benefits	-	-	-	-	-
Interfund payable	211,682	-	-	-	211,682
Other current liabilities	-	-	-	-	-
Payable to state government	-	-	-	-	-
Deferred revenue	-	51,750	-	-	51,750
<b>Total liabilities</b>	<b>211,682</b>	<b>51,750</b>	<b>131,916</b>	<b>20</b>	<b>395,368</b>
<b>Fund Balances:</b>					
<b>Reserved for:</b>					
Unexpended additional spending proposal	-	-	-	-	-
Capital reserve account	603,732	-	-	-	603,732
Maintenance reserve account	1,087,931	-	-	-	1,087,931
Emergency reserve account	250,000	-	-	-	250,000
Excess surplus - current year	-	-	-	-	-
Excess surplus -- designated for subsequent year's expenditures	64,680	-	-	-	64,680
Debt service fund	-	-	-	21,650	21,650
Capital projects fund	-	-	-	-	-
Other purposes	-	-	-	-	-
<b>Committed to:</b>					
Other purposes	1,549,755	-	-	-	1,549,755
<b>Assigned to:</b>					
Debt service fund	-	-	-	-	-
Designated by the BOE for subsequent year's expenditures	585,320	-	-	-	585,320
Capital projects fund	-	-	190,970	-	190,970
Other purposes	-	-	-	-	-
<b>Unassigned to:</b>					
General fund	240,503	-	-	-	240,503
Special revenue fund	-	-	-	-	-
<b>Total fund balances</b>	<b>4,381,921</b>	<b>-</b>	<b>190,970</b>	<b>21,650</b>	<b>4,594,541</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,593,603</b>	<b>\$ 51,750</b>	<b>\$ 322,886</b>	<b>\$ 21,670</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$27,267,598.31 and the accumulated depreciation is \$9,857,051.	16,813,241
Bond issuance costs are being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$73,632.	63,113
Bond premium is being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$146,890.	(125,906)
Accrued interest on long-term liabilities is not reported as liabilities in	-
Long-term liabilities, including bonds payable but not including current portion of compensated absences of \$0 are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 11).	(4,494,295)
	<u>\$ 16,850,694</u>

**RUMSON-FAIR HAVEN 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
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 15,310,626	\$ -	\$ -	\$ 775,605	\$ 16,086,231
Tuition charges	-	-	-	-	-
Interest on investments	280	-	-	-	280
Interest earned on capital reserve funds	341	-	-	-	341
Transportation fees	10,878	-	-	-	10,878
Miscellaneous	232,966	72,737	-	-	305,703
Total - Local sources	15,555,091	72,737	-	775,605	16,403,433
State sources	1,966,020	-	-	-	1,966,020
Federal sources	8,365	116,935	-	-	125,300
Total revenues	17,529,476	189,672	-	775,605	18,494,753
<b>EXPENDITURES</b>					
Current:					
Regular instruction	\$ 5,190,027	\$ 170,410	\$ -	\$ -	\$ 5,360,437
Special education instruction	862,621	-	-	-	862,621
Other special instruction	758,113	-	-	-	758,113
Support services and undistributed costs:					
Instruction	579,058	8,646	-	-	587,704
Attendance and social work	28,658	-	-	-	28,658
Health services	107,419	7,986	-	-	115,405
Other support services	1,078,940	2,000	-	-	1,080,940
Improvement of instruction	667,496	630	-	-	668,126
Educational media services	112,002	-	-	-	112,002
Instruction staff training	22,909	-	-	-	22,909
General administrative services	483,699	-	-	-	483,699
School administrative services	448,588	-	-	-	448,588
School central services	286,751	-	-	-	286,751
School admin info technology	18,668	-	-	-	18,668
Required maintenance for school facilities	207,280	-	-	-	207,280
Other operation & maintenance of plant	951,485	-	-	-	951,485
Care & upkeep of grounds	39,516	-	-	-	39,516
Security	1,393	-	-	-	1,393
Student transportation services	645,679	-	-	-	645,679
Unallocated employee benefits	2,399,028	-	-	-	2,399,028
Non-budgeted expenditures	1,550,045	-	-	-	1,550,045
Debt service:					
Principal	-	-	-	615,000	615,000
Interest and other charges	-	-	-	138,977	138,977
Capital outlay	309,763	-	-	-	309,763
Total expenditures	16,749,138	189,672	-	753,977	17,692,787
Excess (Deficiency) of revenues over expenditures	780,338	-	-	21,628	801,966
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	-	3,730,000	3,730,000
Sale of Bonds	-	-	-	-	-
Refunding of bonds	-	-	-	(3,613,000)	(3,613,000)
Costs for bond issuance	-	-	-	(117,000)	(117,000)
FEMA Aid	18,360	-	-	-	18,360
FEMA expenditures	(18,360)	-	-	-	(18,360)
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	780,338	-	-	21,628	801,966
Fund balance—July 1	3,601,583	-	190,970	22	3,792,575
Fund balance—June 30	\$ 4,381,921	\$ -	\$ 190,970	\$ 21,650	\$ 4,594,541

See accompanying notes to financial statements.

**RUMSON-FAIR HAVEN 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**

<b>Total net change in fund balances - governmental funds (from B-2)</b>	<b>\$ 801,966</b>
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation expense	\$ (852,478)
Capital outlays	<u>255,172</u>
	(597,306)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities	615,000
In the Statement of Activities, the amortization of bond premium is recorded as a reduction to interest expense . In the governmental funds, the amortization is not recorded.	20,984
In the Statement of Activities, the bond premium is reclassified as a liability . In the governmental funds, the premium is recorded as a source of funds.	(146,890)
In the Statement of Activities, the amortization of bond cost is recorded as a reduction to interest expense . In the governmental funds, the amortization is not recorded.	(200,777)
In the Statement of Activities, the bond issuance costs are reclassified as an asset. In the governmental funds, the premium is recorded as a use of funds.	263,890
The receipt of bond principal is an other financing source in the governmental funds, but it increases long-term liabilities in the statement of net position and should not be reported in the statement of act	(3,730,000)
The payment of bond principal is an other financing use in the governmental funds, but it decreases long-term liabilities in the statement of net position and should not be reported in the statement of act	3,613,000
In the statement of activities, accrued interest is recorded as interest expense .	58,542
In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) 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, essentially, the amounts actually paid.	<u>62,635</u>
<b>Change in net positions of governmental activities</b>	<b><u>\$ 761,044</u></b>

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2013**

	Business-type Activities -		
	Enterprise Funds		
	Food Service	Intramural	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 73,103	\$ 26,291	\$ 99,394
Investments	-	-	-
Receivables from state	280	-	280
Receivables from federal	744	-	744
Receivables from other government	-	-	-
Other receivables	-	-	-
Inventories	1,075	-	1,075
Total current assets	75,202	26,291	101,493
Noncurrent assets:			
Restricted cash and cash equivalents	-	-	-
Furniture, machinery & equipment	111,122	-	111,122
Less accumulated depreciation	(71,313)	-	(71,313)
Total noncurrent assets	39,809	-	39,809
Total assets	\$ 115,011	\$ 26,291	\$ 141,302
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	-	-	-
Interfund payable	-	-	-
Accrued salaries and benefits	-	-	-
Total current liabilities	-	-	-
Noncurrent Liabilities:			
Compensated absences	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	-	-	-
<b>NET POSITION</b>			
Invested in capital assets net of related debt	39,809	-	39,809
Restricted for:			
Other	-	-	-
Unrestricted	75,202	26,291	101,493
Total net position	115,011	26,291	141,302
Total liabilities and net position	\$ 115,011	\$ 26,291	\$ 141,302

See accompanying notes to financial statements.

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2013**

	<b>Business-type Activities -</b>		
	<b>Enterprise Fund</b>		
	<b>Food Service</b>	<b>Intramural</b>	<b>Total Enterprise</b>
Operating revenues:			
Local sources:			
Daily sales reimbursable programs			
School breakfast	\$ -	\$ -	\$ -
School lunch	70,275	-	70,275
Total daily sales reimbursable programs	70,275	-	70,275
Daily sales non-reimbursable programs	457,537	65,810	523,347
Special functions	5,180	-	5,180
Miscellaneous	1,461	-	1,461
Total operating revenues	534,453	65,810	600,263
Operating expenses:			
Salaries	-	41,560	41,560
Employee benefits	250,411	3,179	253,590
Purchased property	6,276	-	6,276
Other purchased services	17,000	26,617	43,617
Supplies and materials	34,166	-	34,166
Other objects	-	-	-
Depreciation	6,632	-	6,632
Cost of sales	235,556	-	235,556
Total operating expenses	550,041	71,356	621,397
Operating income (loss)	(15,588)	(5,546)	(21,134)
Nonoperating revenues (expenses):			
Interest income	-	-	-
State sources:			
Vending machine grant	-	-	-
State school lunch program	1,371	-	1,371
State school breakfast program	-	-	-
Federal sources:			
School breakfast program	-	-	-
National school lunch program	11,532	-	11,532
Food distribution program	-	-	-
After school snack program	-	-	-
Total nonoperating revenues (expenses)	12,903	-	12,903
Income (loss) before contributions & transfers	(2,685)	(5,546)	(8,231)
Transfers in (out)	-	-	-
Change in net position	(2,685)	(5,546)	(8,231)
Total net position—beginning	117,696	31,837	149,533
Total net position—ending	\$ 115,011	\$ 26,291	\$ 141,302

See accompanying notes to financial statements.

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Food Services Enterprise Fund**  
**Combining Statement of Cash Flows**  
**for the Fiscal Year ended June 30, 2013**

	Business-type Activities - Enterprise Funds		
	Food Service	Intramural	Total Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers an other funds	\$ 534,453	\$ 65,810	\$ 600,263
Payments to employees & benefits	(250,411)	(44,739)	(295,150)
Payments to suppliers	(293,209)	(26,617)	(319,826)
Net cash used in operating activities	<u>(9,167)</u>	<u>(5,546)</u>	<u>(14,713)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State sources	1,120	-	1,120
Federal sources	10,993	-	10,993
Board interfund loans	-	-	-
Net cash provided by non-capital financing activities	<u>12,113</u>	<u>-</u>	<u>12,113</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Change in capital contributions	-	-	-
Purchases of capital assets	-	-	-
Gain/Loss on sale of fixed assets (proceeds)	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	-	-	-
Proceeds from sale/maturities of investments	-	-	-
Net cash provided by (used for) investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	2,946	(5,546)	(2,600)
Balances—beginning of year	70,157	31,837	101,994
Balances—end of year	<u>\$ 73,103</u>	<u>\$ 26,291</u>	<u>\$ 99,394</u>
Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:			
Operating loss	\$ (15,588)	\$ (5,546)	\$ (21,134)
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:			
Depreciation and net amortization	6,632	-	6,632
Federal commodities	-	-	-
(Increase) decrease in accounts receivable, net	-	-	-
(Increase) decrease in inventories	(211)	-	(211)
Increase (decrease) in accounts payable	-	-	-
Increase (decrease) in accrued salaries benefits	-	-	-
Increase (decrease) in compensated absences	-	-	-
Total adjustments	<u>6,421</u>	<u>-</u>	<u>6,421</u>
Net cash used in operating activities	<u>\$ (9,167)</u>	<u>\$ (5,546)</u>	<u>\$ (14,713)</u>

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**June 30, 2013**

	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>	<u>Student Activity</u>	<u>Agency Fund</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 194,707	\$ 243,448	\$ 218,759	\$ 13,754
Investments	-	350,000	-	-
Intrafund Receivable	13,169	-	-	-
Total assets	<u>207,876</u>	<u>593,448</u>	<u>218,759</u>	<u>13,754</u>
<b>LIABILITIES</b>				
Accounts payable	-	-	-	-
Payroll deductions and withholdings	-	-	-	434
Payable to student groups	-	-	218,759	-
Interfund payable	-	-	-	151
Intrafund payable	-	-	-	13,169
Total liabilities	<u>-</u>	<u>-</u>	<u>218,759</u>	<u>13,754</u>
<b>NET POSITION</b>				
Held in trust for unemployment claims and other purposes	207,876	-	-	-
Reserved for scholarships	-	593,448	-	-
Total net position	<u>207,876</u>	<u>593,448</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 207,876</u>	<u>\$ 593,448</u>	<u>\$ 218,759</u>	<u>\$ 13,754</u>

See accompanying notes to financial statements.

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Scholarship Funds</u>	<u>Unemployment Compensation Fund</u>	<u>Total</u>
<b>ADDITIONS</b>			
Contributions:			
Board	\$ -	\$ 25,000	\$ 25,000
Other	60	27,854	27,914
Total Contributions	<u>60</u>	<u>52,854</u>	<u>52,914</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	14,438	-	14,438
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>14,438</u>	<u>-</u>	<u>14,438</u>
Total additions	<u>14,498</u>	<u>52,854</u>	<u>67,352</u>
<b>DEDUCTIONS</b>			
Quarterly contribution reports	-	-	-
Unemployment claims	-	12,535	12,535
Scholarships awarded	30,606	-	30,606
Refunds of contributions	-	-	-
Administrative expenses	100	-	100
Total deductions	<u>30,706</u>	<u>12,535</u>	<u>43,241</u>
Change in net position	(16,208)	40,319	24,111
Net position—beginning of the year	<u>609,656</u>	<u>167,557</u>	<u>777,213</u>
Net position—end of the year	<u>\$ 593,448</u>	<u>\$ 207,876</u>	<u>\$ 801,324</u>

See accompanying notes to financial statements.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

**1. Summary of Significant Accounting Policies**

The Financial statements of the Board of Education ("Board") of the Rumson-Fair Haven Regional High School District ("District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

**A. Reporting Entity:**

The Rumson-Fair Haven 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 Rumson-Fair Haven Regional High School District had an approximate enrollment of 914 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.

**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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

**1. Summary of Significant Accounting Policies (Cont'd)**

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

**Basis of Presentation**

The School District adopted the newly implemented Governmental Accounting Standard requiring the reporting of deferred outflows, deferred inflows, and net position. The term Net Assets will no longer be used and will be replaced with Net Position. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position. Items previously classified as assets and liabilities but not meeting that definition have then been reviewed for categorization as deferred outflows or deferred inflows. Items not classified as either an asset, deferred outflow, liability or deferred inflow have been charged to the Statement of Revenues, Expenses, and Changes in Net Position in the current year.

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 a 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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended 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):**

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 is 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.

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

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

**Special Revenue Fund** - The Special Revenue Fund is used to account for all 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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended 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 funds:

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). 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.

**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 primarily through user charges.

The District reports the following fund types:

**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.

**Expandable Trust Fund** - An Expandable 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 and the Scholarship Account.

**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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended 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 releases 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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended 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 and are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting, except for Special Revenue 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 unexpected grant appropriation, 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 \$ (8,000) between the budgetary basis and GAAP basis in the General Fund and of \$ (45,750) 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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended 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 and 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 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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended 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>
Building and Improvements	20-50 years
Furniture and Equipment	5-20 years
Vehicles	8 years

Compensated Absences:

The Districts accounts for Compensated Absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Board. 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 the 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.

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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

**1. Summary of Significant Accounting Policies (Cont'd)**

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

**Unearned/Deferred Revenue:**

Unearned/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 Unearned/deferred revenue. Grants and entitlement received before the eligibility requirements are met are also recorded as Unearned/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 are 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 represent 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 are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

**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 in future periods. A Fund Balance Reserve has been established for encumbrances, maintenance, capital and subsequent year's expenditures.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

**1. Summary of Significant Accounting Policies (Cont'd)**

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

**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.

**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 and intramural. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

**1. Summary of Significant Accounting Policies (Cont'd)**

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

**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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

**2. Capital Reserve Account**

A Capital Reserve Account was established by the Rumson-Fair Haven Regional High School District by inclusion of \$165,641 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 June 30, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance June 30, 2012	\$	483,391
Add:		
Increase per Resolution	\$	300,000
Interest Earnings	\$	341
Less:		
Withdrawals	\$	<u>(180,000)</u>
Ending Balance, June 30, 2013	\$	<u>603,732</u>

The June 30, 2013 LRFP balance of local support costs of uncompleted Capital Projects is \$4,560,000.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

**3. Maintenance Reserve Account**

A maintenance Reserve Account was established by the Rumson-Fair Haven Regional High School District by inclusion of \$ 200,000 for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Maintenance Reserve Account are to provide maintenance for completed projects in the District's approved LRFP.

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

Balance, June 30, 2012	\$ 1,817,031
Add:	
Board Contribution	800,000
Withdrawals	<u>(1,529,100)</u>
Balance, June 30, 2013	\$ <u>1,087,931</u>

**4. Emergency Reserve Account**

An Emergency Reserve Account was established by the Rumson-Fair Haven Regional High School District by inclusion of \$ 200,000 for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Emergency Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

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

Balance, June 30, 2012	\$ <u>250,000</u>
Balance, June 30, 2013	\$ <u>250,000</u>

**5. Transfers to Capital Outlay**

During the year ending June 30, 2013, the District transferred \$1,709,100 to the Capital Outlay Account.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

**6. Deposits and Investments**

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

Deposits

The Board's deposits are insured through the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act. The New Jersey Governmental Unit Deposit Protection Act 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 the FDIC.

Bank balances at June 30, 2013 are insured up to \$ 250,000 in aggregate by the FDIC for each bank. At June 30, 2013, the book value of the Board's deposits were \$ 5,387,373 .

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the Risk that, in the event of a bank failure, the Board's deposit 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 of governmental deposits in each insured depository is protected by 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, the Board's bank balances of \$6,001,007 were exposed to Custodial Credit Risk as follows:

	<u>2013</u>
Insured	\$ 6,001,007
Uninsured and Uncollateralized	<u>-</u>
	<u>\$ 6,001,007</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

6. Deposits and Investments (Cont'd)

Investments

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

As of June 30, 2013, the Board had the following investments:

<u>Investment Type</u>	<u>Fair Value Amount</u>	<u>Moody's Rating</u>	<u>S &amp; P Rating</u>
US Treasury Note Maturing 2015 -4.22%	\$350,000	AAA	AAA

Interest Rate Risk

On January 25, 2007, the Board adopted 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 has an investment policy that further limits its investment choices.

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

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

**7. Receivables**

Receivables at June 30, 2013, consisted of state aid, accrued interest, interfund, intergovernmental, and other. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial <u>Statements</u>	District-Wide Financial <u>Statements</u>
State Aid	\$ 347,828	\$ 348,108
Federal Aid	162,685	163,429
Other	-	-
Interfunds	<u>211,833</u>	<u>151</u>
	722,346	511,688
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 722,346</u>	<u>\$ 511,688</u>

**8. Interfund Balances and Transfers**

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

\$ 151	Due to General Fund from Trust & Agency Fund representing cash advance.
<u>211,682</u>	Due to Capital Projects Fund from General Fund representing cash advance.
<u>\$ 211,833</u>	

Transfers

The District transferred \$211,682 from General Fund to Capital Projects Fund for funding of a drainage project.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

**9. Inventory**

As of June 30, 2013, the District had the following inventory:

Food	\$	532
Supplies		<u>543</u>
	\$	<u>1,075</u>

**10. Capital Assets**

The District did not have its Fixes Assets appraised by an independent appraiser as of June 30, 2013. The valuation was no properly updated and did not include all the District's Capital Assets. As such, materially accurate asset valuation totals, accumulated depreciation expense and depreciation expense amounts were not ascertainable.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

10. Capital Assets (Cont'd)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 7,500	\$ -	-	\$ 7,500
Construction in Progress	<u>1,274,612</u>	<u>-</u>	<u>(1,274,612)</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>1,282,112</u>	<u>-</u>	<u>(1,274,612)</u>	<u>7,500</u>
Capital Assets Being Depreciated				
Site Improvements	905,353	-	-	905,353
Building and Building Improvements	23,873,012	1,365,242	-	25,238,254
Machinery and Equipment	<u>1,207,121</u>	<u>164,542</u>	<u>-</u>	<u>1,371,663</u>
Totals at Historical Cost	<u>25,985,486</u>	<u>1,529,784</u>	<u>-</u>	<u>27,515,270</u>
Less Accumulated Depreciation for:				
Site Improvements	(704,050)	(31,853)	-	(735,903)
Building and Building Improvements	(8,204,323)	(776,495)	-	(8,980,818)
Machinery and Equipment	<u>(948,678)</u>	<u>(44,130)</u>	<u>-</u>	<u>(992,808)</u>
Total Accumulated Depreciation	<u>(9,857,051)</u>	<u>(852,478)</u>	<u>-</u>	<u>10,709,529)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>16,128,435</u>	<u>677,306</u>	<u>-</u>	<u>16,805,741</u>
Government Activity Capital Assets, Net	<u>17,410,547</u>	<u>677,306</u>	<u>(1,274,612)</u>	<u>16,813,241</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Building Improvements	12,875	-	-	12,875
Equipment	98,247	-	-	98,247
Less Accumulated Depreciation	<u>(64,681)</u>	<u>(6,632)</u>	<u>-</u>	<u>(71,313)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 46,441</u>	<u>\$ (6,632)</u>	<u>-</u>	<u>\$ 39,809</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

**10. 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.

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 724,607
Student and Instruction Related Services	72,461
School Administration Services	25,574
Other Special Instruction	4,262
Special Education Instruction	<u>25,574</u>
Total	<u>\$ 852,478</u>

**11. Long-Term Obligations**

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

Changes in Long-Term Obligations for the year ended June 30, 2013, are as follows:

	<u>Balance</u> <u>June 30, 2012</u>	<u>Increases/</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Governmental</u>				
<u>Activities:</u>				
Compensated Absences Payable	\$ 211,931	\$ (62,636)	\$ 149,295	-
Bonds Payable	<u>4,843,000</u>	<u>(498,000)</u>	<u>4,345,000</u>	<u>\$ 665,000</u>
	<u>\$ 5,054,931</u>	<u>\$ (560,636)</u>	<u>\$ 4,494,295</u>	<u>\$ 665,000</u>

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

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

**11. Long-Term Obligations (Cont'd)**

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

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.

Government Activities

	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Dates of Maturity</u>	<u>Balance June 30, 2013</u>
Bonds Payable	02/01/04	3.250%-3.875%	02/01/12-14	\$ 630,000
Bonds Payable	02/01/13	2.00%	02/01/13-19	<u>3,715,000</u>
				<u>\$ 4,345,000</u>

**B. Debt Service Requirements:**

Bonds are authorized in accordance with State law by the voters of the municipality(ies) through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

2004 School Bonds

On December 9, 2003, the voters approved a referendum authorizing the issuance of \$8,798,000 in bonds for the purpose of constructing and renovating the HVAC system and other equipment, furnishings and site work. On February 25, 2004, \$8,798,000 of School Bonds were issued. The bonds have been refunded. The new bonds approved resulted in an issuance of \$3,730,000. The remaining outstanding Bonds mature annually on February 1 of each year from February 2012 and ending 2019. Interest is payable semi-annually at 2.0%.

The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

**11. Long-Term Obligations (Cont'd)**

**B. Debt Service Requirements (Cont'd):**

2004 School Bonds (Cont'd)

The District, in conjunction with the issuance of the Bonds, has agreed to undertake and provide certain information to bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories.

Redemption

The Bonds maturing prior to February 1, 2015 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after February 1, 2015 are redeemable in whole or in part after February 1, 2014.

Debt Service Requirements on serial bonds payable at June 30, 2013 are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 665,000	\$ 95,720	\$ 760,720
2015	695,000	73,600	768,600
2016	715,000	59,700	774,700
2017	735,000	45,400	780,400
2018	760,000	30,700	790,700
2019	<u>775,000</u>	<u>15,500</u>	<u>790,500</u>
	<u>\$ 4,345,000</u>	<u>\$ 320,620</u>	<u>\$ 4,665,620</u>

**C. Bonds Authorized But Not Issued**

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

**D. Capital Leases**

As of June 30, 2013, the District had no capital leases.

**12. Operating Leases**

As of June 30, 2013, the District had no operating leases.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

**13. Pension Plans**

**Description of Plans**

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

**Teachers' Pension and Annuity Fund ("TPAF")**

The Teachers' Pension and Annuity Fund was established as of January 1, 1955 under the provision of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The TPAF 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 classified, professional, and certified.

**Public Employees' Retirement System ("PERS")**

The Public Employees' Retirement System was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS 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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

**13. Pension Plans (Cont'd)**

**Description of Plans (Cont'd)**

**Vesting and Benefit Provisions**

The vesting and benefit provisions for PERS are set by the N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 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 or 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 are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**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 1/2 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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

13. Pension Plans (Cont'd)

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

**Three-Year Trend Information for PERS**

<b>Year Funding June 30,</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
2013	\$ 108,598	100 %	\$ -
2012	138,892	100 %	-
2011	137,287	100 %	-

**Three-Year Trend Information for TPAF (Paid on-behalf of the District)**

<b>Year Funding June 30,</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
2013	\$ 1,009,177	100 %	\$ -
2012	488,354	100 %	-
2011	507,449	100 %	-

During the year ended June 30, 2013, the State of New Jersey contributed \$473,626 to the TPAF for NCGI premiums and \$535,551 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 \$540,868 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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

**14. Post-Retirement Benefits**

Legislation enacted during 1991 provides early retirement incentives for certain member 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 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.

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, 2013, 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 pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost of 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 of 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 1994.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

**15. Deferred Compensation**

The Board offers its employees a choice of 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:

AXA Equitable

Valic

**16. Risk Management**

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omission; 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 / 2013	\$ 25,000	\$ 27,854	\$ (12,535)	\$ 207,876
2011 / 2012	25,000	21,755	52,297	167,557
2010 / 2011	36,000	19,796	25,113	173,097

**17. Contingent Liabilities**

**Grant Programs**

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

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

**18. Fund Balance Appropriated**

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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2013

**18. Fund Balance Appropriated (Cont'd)**

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

Classification Totals

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Fund					
Balances:					
Restricted	2,006,343	-	21,650	-	2,027,993
Committed	1,549,755	-	-	-	1,549,755
Assigned	585,320	-	-	190,970	776,290
Unassigned	<u>240,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,503</u>
	<u>4,381,921</u>	<u>-</u>	<u>21,650</u>	<u>190,970</u>	<u>4,594,541</u>

**19. Calculation of Excess Surplus**

The Designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. 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 \$-.

**20. Uncertain Tax Positions**

The school district had no unrecognized tax benefits at June 30, 2013. The school district files tax returns in the U.S. federal jurisdiction and New Jersey. The school district has no open year prior to June 30, 2010.

**21. Subsequent Events**

Management has evaluated subsequent events through October 28, 2013, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2013**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 15,310,626	\$ -	\$ 15,310,626	\$ 15,310,626	\$ -
Interest on investments	-	-	-	280	280
Interest earned on current expense emergency reserve	-	-	-	-	-
Interest earned on maintenance reserve	-	-	-	-	-
Interest earned on capital reserve funds	-	-	-	341	341
Transportation fees	80,000	-	80,000	10,878	(69,122)
Tuition - from individuals	173,368	(173,368)	-	-	-
Tuition - from other LEA's within the state	-	-	-	-	-
Other tuition	-	-	-	-	-
Miscellaneous	25,002	173,368	198,370	232,966	34,596
<b>Total - local sources</b>	<b>15,588,996</b>	<b>-</b>	<b>15,588,996</b>	<b>15,555,091</b>	<b>(33,905)</b>
State sources:					
Categorical Special Education Aid	373,738	-	373,738	373,738	-
Security aid	12,467	-	12,467	12,467	-
Equalization aid	-	-	-	-	-
Extraordinary aid	-	-	-	-	-
Non-public transportation	33,801	-	33,801	37,770	3,969
Other state aid	-	-	-	-	-
TPAF pension (on-behalf - Non-budgeted)	-	-	-	1,009,177	1,009,177
TPAF social security (reimbursed - Non-budgeted)	-	-	-	540,868	540,868
<b>Total state sources</b>	<b>420,006</b>	<b>-</b>	<b>420,006</b>	<b>1,974,020</b>	<b>1,554,014</b>
Federal sources:					
Education jobs fund program	8,365	-	8,365	8,365	-
Other federal aids-SEMI	-	-	-	-	-
<b>Total Federal sources</b>	<b>8,365</b>	<b>-</b>	<b>8,365</b>	<b>8,365</b>	<b>-</b>
<b>Total revenues</b>	<b>16,017,367</b>	<b>-</b>	<b>16,017,367</b>	<b>17,537,476</b>	<b>1,520,109</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of teachers	\$ -	\$ -	\$ -	\$ -	\$ -
Grades 1-5 - Salaries of teachers	-	-	-	-	-
Grades 6-8 - Salaries of teachers	-	-	-	-	-
Grades 9-12 - Salaries of teachers	4,825,299	(24,075)	4,801,224	4,759,538	41,686
<b>Regular Programs - Home Instruction:</b>					
Salaries of teachers	16,215	20,100	36,315	36,271	44
Purchased professional-educational services	8,000	(3,025)	4,975	4,655	320
<b>Regular Programs - Undistributed Instruction</b>					
Other salaries for instruction	-	-	-	-	-
Purchased professional-educational services	-	-	-	-	-
Purchased technical services	17,750	(6,000)	11,750	11,182	568
Other purchased services (400-500 series)	55,023	(828)	54,195	50,020	4,175
General supplies	234,999	27,611	262,610	253,992	8,618
Textbooks	88,482	(5,758)	82,724	72,737	9,987
Other objects	1,350	607	1,957	1,632	325
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>5,247,118</b>	<b>8,632</b>	<b>5,255,750</b>	<b>5,190,027</b>	<b>65,723</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	881,637	(15,400)	866,237	779,435	86,802
Other Salaries for Instruction	65,499	15,400	80,899	79,842	1,057
General supplies	4,150	-	4,150	1,690	2,460
Textbooks	1,700	-	1,700	1,654	46
<b>Total Resource Room/Resource Center</b>	<b>952,986</b>	<b>-</b>	<b>952,986</b>	<b>862,621</b>	<b>90,365</b>
<b>TOTAL SPECIAL EDUCATION- INSTRUCTION</b>	<b>952,986</b>	<b>-</b>	<b>952,986</b>	<b>862,621</b>	<b>90,365</b>

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2013**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	13,372	-	13,372	12,715	657
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Other Objects	-	-	-	-	-
<b>Total Basic Skills/Remedial - Instruction</b>	<b>13,372</b>	<b>-</b>	<b>13,372</b>	<b>12,715</b>	<b>657</b>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	10,862	-	10,862	-	10,862
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	25	48	73	48	25
Textbooks	250	-	250	-	250
<b>Total Bilingual Education - Instruction</b>	<b>11,137</b>	<b>48</b>	<b>11,185</b>	<b>48</b>	<b>11,137</b>
<b>School-Spon. Cocurricular Actvts. - Instruction</b>					
Salaries	121,852	-	121,852	102,930	18,922
Purchased Services (300-500 series)	20,600	(3,215)	17,385	11,657	5,728
Supplies and Materials	23,277	(445)	22,832	8,301	14,531
Other Objects	6,067	1,560	7,627	2,842	4,785
<b>Total School-Spon. Cocurricular Actvts. - Instruction</b>	<b>171,796</b>	<b>(2,100)</b>	<b>169,696</b>	<b>125,730</b>	<b>43,966</b>
<b>School-Spon. Athletics - Instruction</b>					
Salaries	483,869	(14,700)	469,169	469,082	87
Purchased Services (300-500 series)	71,950	2,850	74,800	74,700	100
Supplies and Materials	61,600	12,600	74,200	71,588	2,612
Other Objects	4,650	-	4,650	4,250	400
<b>Total School-Spon. Cocurricular Actvts. - Instruction</b>	<b>622,069</b>	<b>750</b>	<b>622,819</b>	<b>619,620</b>	<b>3,199</b>
<b>Total Instruction</b>	<b>7,018,478</b>	<b>7,330</b>	<b>7,025,808</b>	<b>6,810,761</b>	<b>215,047</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to other LEAs within the state - Regular	-	4,150	4,150	3,188	962
Tuition to Co. Voc. School Dist. - reg.	200,187	(2,200)	197,987	190,825	7,162
Tuition to Co. Voc. School Dist. - special	36,200	26,750	62,950	58,820	4,130
Tuition to Co.Spec. Serv. & Reg. Day schools	-	-	-	-	-
Tuition to Private Sch for Disbl w/i State	356,571	1,450	358,021	326,225	31,796
Tuition Priv Sch Disbl & Otr LEA o/s State	-	-	-	-	-
Tuition - State Facilities	34,440	-	34,440	-	34,440
Tuition - Other	-	-	-	-	-
<b>Total Undistributed Expenditures - Instruction:</b>	<b>627,398</b>	<b>30,150</b>	<b>657,548</b>	<b>579,058</b>	<b>78,490</b>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	29,808	-	29,808	27,600	2,208
Other Purchased Services (400-500 series)	1,200	-	1,200	-	1,200
Supplies and Materials	1,500	-	1,500	1,058	442
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<b>32,508</b>	<b>-</b>	<b>32,508</b>	<b>28,658</b>	<b>3,850</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	97,425	-	97,425	95,960	1,465
Purchased professional and technical services	9,050	-	9,050	8,715	335
Other purchased services (400-500 series)	680	-	680	507	173
Supplies and materials	5,000	-	5,000	2,237	2,763
<b>Total Undistributed Expenditures - Health Services</b>	<b>112,155</b>	<b>-</b>	<b>112,155</b>	<b>107,419</b>	<b>4,736</b>
<b>Undist. Expend. - Other Support Services - Students - Related Service</b>					
Salaries	-	-	-	-	-
Purchased Prof. Ed. Services	56,600	1,800	58,400	32,690	25,710
Supplies and Materials	-	-	-	-	-
<b>Total Undist. Expend. - Other Support Services - Students - Related Service</b>	<b>56,600</b>	<b>1,800</b>	<b>58,400</b>	<b>32,690</b>	<b>25,710</b>
<b>Undist. Expend. - Other Support Services - Students - Extraordinary Services</b>					
Salaries	-	-	-	-	-
Purchased Prof. Ed. Services	-	-	-	-	-
<b>Total Undist. Expend. - Other Support Services Students - Extraordinary Ser</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Undist. Expend. - Other Support Services Students-Regular</b>					
Salaries of Other Professional Staff	492,390	(2,380)	490,010	486,985	3,025
Salaries of Secretarial and Clerical Assistants	106,782	-	106,782	106,642	140
Other Salaries	63,397	-	63,397	63,397	-
Purchased Professional - Educational Services	7,750	(7,750)	11,260	9,855	1,405
Other Purch. Prof. & Tech. Svc.	9,825	110	9,935	9,124	811
Other Purchased Services (400-500 series)	36,485	(4,730)	31,755	24,870	6,885
Supplies and Materials	6,303	90	6,393	5,427	966
Other Objects	865	-	865	699	166
<b>Total Undist. Expend. - Other Support Services - Students-Regular</b>	<b>723,797</b>	<b>(14,660)</b>	<b>720,397</b>	<b>706,999</b>	<b>13,398</b>
<b>Undist. Expend. - Other Support Services - Students-Special</b>					
Salaries of Other Professional Staff	261,410	13,000	274,410	270,073	4,337
Salaries of Secretarial and Clerical assistants	59,191	-	59,191	58,816	375
Purchased Professional - Educational Services	8,275	500	8,775	6,025	2,750
Other Purchased Prof. & Tech. Services	3,219	-	3,219	2,756	463
Residential costs	2,000	(2,000)	-	-	-
Misc. Purch Serv	1,500	(800)	700	527	173
Supplies and Materials	2,446	(1,300)	1,146	1,054	92
Other Objects	-	-	-	-	-
<b>Total Undist. Expend. - Other Support Services - Students-Special</b>	<b>338,041</b>	<b>9,400</b>	<b>347,441</b>	<b>339,251</b>	<b>8,190</b>
<b>Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.</b>					
Salaries Superv. Of Instr.	577,546	-	577,546	577,546	-
Salaries Other Prof. Staff	13,500	1,970	15,470	15,465	5
Salaries Secr. & Clerical Asst.	59,816	(350)	59,466	58,816	650
Purchased Professional - Educational Services	16,706	(16,706)	16,706	1,706	15,000
Other Salaries	-	-	-	-	-
Other purchased professional and technical services	15,000	(2,335)	12,665	11,230	1,435
Supplies and Materials	49	-	49	-	49
Other objects	6,704	(6,704)	6,704	2,733	3,971
<b>Total Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.</b>	<b>689,321</b>	<b>(24,125)</b>	<b>688,606</b>	<b>667,496</b>	<b>21,110</b>

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2013**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Educational Media Services/School Library</b>					
Salaries	79,349	-	79,349	77,099	2,250
Salaries of Technology Coordinators	-	-	-	-	-
Purchased Prof & Tech Svc.	830	-	830	-	830
Other Purchased Services (400-500)	26,184	-	26,184	24,594	1,590
Supplies and Materials	11,105	-	11,105	10,309	796
<b>Total Undist. Expend. - Educational Media Services/School Library</b>	<b>117,468</b>	<b>-</b>	<b>117,468</b>	<b>112,002</b>	<b>5,466</b>
<b>Undist. Expend. - Instruction Staff Training Services</b>					
Salaries of Supervisors of Instruction	-	-	-	-	-
Other Purchased Prof. and Tech. Services	26,435	(26,435)	32,555	12,001	20,554
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial & Clerical Assistants	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Services (400-500 series)	1,118	-	10,803	10,027	776
Supplies and Materials	-	9,685	1,000	881	119
<b>Total Undist. Expend. - Instruction Staff Training Services</b>	<b>27,553</b>	<b>(15,750)</b>	<b>44,358</b>	<b>22,909</b>	<b>21,449</b>
<b>Undist. Expend. - Support Service - General Administration</b>					
Salaries	287,275	-	287,275	286,775	500
Legal Services	30,000	11,005	41,005	40,971	34
Audit Fees	41,525	(200)	41,325	24,900	16,425
Architectural/Engineering Services	-	-	-	-	-
Other Purchased Professional Services	7,500	(5,105)	2,395	2,395	-
Communications/Telephone	38,750	(20,000)	18,750	12,773	5,977
BOE Other Purchased Services	750	-	750	-	750
Misc. Purch. Serv.(400-500)	94,854	10,050	104,904	89,047	15,857
General Supplies	11,000	(1,000)	10,000	8,671	1,329
BOE In-house Training/Meeting Supplies	1,500	-	1,500	-	1,500
Judgements Against the School District	-	4,250	4,250	4,238	12
Miscellaneous Expenditures	5,000	-	5,000	3,730	1,270
BOE Membership Dues and Fees	12,500	(12,500)	12,500	10,199	2,301
<b>Total Undist. Expend. - Support Service - General Administration</b>	<b>530,654</b>	<b>(13,500)</b>	<b>529,654</b>	<b>483,699</b>	<b>45,955</b>
<b>Undist. Expend. - Support Service - School Administration</b>					
Salaries of Principals/Assistant principals	284,683	-	284,683	284,683	-
Salaries of Secretarial and Clerical Assistants	119,916	10,000	129,916	129,563	353
Other Purchased Services (400-500 series)	45,450	(7,700)	37,750	25,283	12,467
Supplies and Materials	9,717	-	9,717	4,070	5,647
Other Objects	6,534	-	6,534	4,989	1,545
<b>Total Undist. Expend. - Support Service - School Administration</b>	<b>466,300</b>	<b>2,300</b>	<b>468,600</b>	<b>448,588</b>	<b>20,012</b>
<b>Undistributed Expenditures- Central Services</b>					
Salaries	270,440	(700)	269,740	269,263	477
Purchased Technical Services	14,500	(250)	14,250	7,091	7,159
Purchase Professional Services	-	-	-	-	-
Misc. Purchased Services	8,500	(3,250)	5,250	4,567	683
Supplies and Materials	2,000	2,450	4,450	4,429	21
Miscellaneous Expenditures	1,750	-	1,750	1,401	349
<b>Total Central Services</b>	<b>297,190</b>	<b>(1,750)</b>	<b>295,440</b>	<b>286,751</b>	<b>8,689</b>
<b>Administration Information Technology</b>					
Salaries	-	-	-	-	-
Purchased technical services	32,600	-	32,600	18,668	13,932
<b>Total Admin info tech</b>	<b>32,600</b>	<b>-</b>	<b>32,600</b>	<b>18,668</b>	<b>13,932</b>
<b>Interest Earned on Maintenance Reserve</b>					
Increase in maintenance reserve	-	-	-	-	-
Interest earned on maintenance reserve	-	-	-	-	-
<b>Total Interest Earned on Maintenance Reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Required Maint for School Facilities</b>					
Cleaning, Repair and Maintenance Services	182,054	(19,700)	162,354	122,742	39,612
General Supplies	94,500	7,500	102,000	84,538	17,462
Other Objects	-	-	-	-	-
<b>Total Required Maintenance for School Facilities</b>	<b>276,554</b>	<b>(12,200)</b>	<b>264,354</b>	<b>207,280</b>	<b>57,074</b>
<b>Custodial Services</b>					
Salaries	297,622	-	297,622	297,078	544
Purchased Professional and Technical Services	26,045	-	26,045	19,399	6,646
Cleaning, Repair and Maintenance Services	240,075	-	240,075	207,053	33,022
Rental of Land and Building Other than Lease	-	-	-	-	-
Other Purchased Property Services	57,325	-	57,325	42,765	14,560
Insurance	127,635	-	127,635	111,595	16,040
Miscellaneous Purchased Services	2,500	-	2,500	1,287	1,213
General Supplies	64,413	-	64,413	56,365	8,048
Energy (Natural Gas)	15,263	-	15,263	9,754	5,509
Energy ( Electricity)	330,460	-	330,460	206,189	124,271
Other objects	1,500	-	1,500	-	1,500
<b>Total Custodial services</b>	<b>1,162,838</b>	<b>-</b>	<b>1,162,838</b>	<b>951,485</b>	<b>211,353</b>
<b>Care and Upkeep of Grounds</b>					
Purchased Professional and Technical Services	44,000	(6,000)	38,000	-	38,000
Cleaning, Repair and Maintenance Services	20,400	6,000	26,400	22,868	3,532
General Supplies	19,300	-	19,300	16,648	2,652
<b>Total Care and Upkeep of Grounds</b>	<b>83,700</b>	<b>-</b>	<b>83,700</b>	<b>39,516</b>	<b>44,184</b>
<b>Security</b>					
Salaries	-	-	-	-	-
Cleaning, Repair and Maintenance Services	-	-	-	-	-
Purchased Professional and Technical Services	1,500	-	1,500	855	645
General Supplies	15,500	-	15,500	538	14,962
<b>Total Security</b>	<b>17,000</b>	<b>-</b>	<b>17,000</b>	<b>1,393</b>	<b>15,607</b>
<b>Total Oper. And Maintenance of Plant Services</b>	<b>1,540,092</b>	<b>(12,200)</b>	<b>1,527,892</b>	<b>1,199,674</b>	<b>328,218</b>

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2013**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Student Transportation Services</b>					
Salaries for Pupil Transportation (Between Home and School) - Regular	8,119	-	8,119	8,118	1
Salaries for Pupil Transportation (Between Home and School) - Sp Ed	-	-	-	-	-
Salaries for Pupil Transportation (Other than Between Home and School)	-	-	-	-	-
Salaries for Pupil Transportation (Between Home and School) - Non Public	-	-	-	-	-
Management Fee - ESC Trans. Program	-	-	-	-	-
Other Purchased Professional & Technical Services	-	-	-	-	-
Cleaning, Repair and Maint. Services	-	-	-	-	-
Contract Svc (btw Home & Sch.)-vendors	227,639	-	227,639	164,051	63,588
Contr Serv (Oth.than Bet Home & Sch) - Vend	190,950	2,100	193,050	149,956	43,094
Contract Svc (btw home & sch.)-joint agree	-	-	-	-	-
Contract Serv. (Sp Ed Stds) - Vendors	-	-	-	-	-
Contract Serv. (Sp Ed Stds) - Joint Agrmnts	-	-	-	-	-
Contract Serv. (Reg Students) - ESCs & CSTAs	238,476	-	238,476	154,445	84,031
Contract Serv.(Spl. Ed. Students) - ESCs & CTASAs	217,466	-	217,466	155,834	61,632
Contr Serv. - Aid in Lieu Pymts-NonPub Sch	19,000	-	19,000	13,275	5,725
Transportation Supplies	-	-	-	-	-
Other Objects	-	-	-	-	-
<b>Total Student Transportation Services</b>	<b>901,650</b>	<b>2,100</b>	<b>903,750</b>	<b>645,679</b>	<b>258,071</b>
<b>Personal Services- Employee Benefits</b>					
Group insurance	-	-	-	-	-
Social Security Contributions	250,852	-	250,852	160,025	90,827
Other Retirement Contributions - PERS	155,437	-	155,437	108,598	46,839
Other Retirement Contributions-Regular	-	-	-	-	-
Unemployment Compensation	15,000	-	15,000	15,000	-
Workmen's Compensation	96,237	-	96,237	91,727	4,510
Health Benefits	2,363,690	(63,500)	2,300,190	1,995,853	304,337
Tuition Reimbursement	46,425	(11,720)	34,705	27,825	6,880
Other Employee Benefits	2,000	-	2,000	-	2,000
<b>Total Personal Services-Employee Benefits</b>	<b>2,929,641</b>	<b>(75,220)</b>	<b>2,854,421</b>	<b>2,399,028</b>	<b>455,393</b>
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	1,009,177	(1,009,177)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	540,868	(540,868)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,550,045</b>	<b>(1,550,045)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>2,929,641</b>	<b>(75,220)</b>	<b>2,854,421</b>	<b>3,949,073</b>	<b>(1,094,652)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>9,422,968</b>	<b>(111,455)</b>	<b>9,391,238</b>	<b>9,628,614</b>	<b>(237,376)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>16,441,446</b>	<b>(104,125)</b>	<b>16,417,046</b>	<b>16,439,375</b>	<b>(22,329)</b>
<b>CAPITAL OUTLAY</b>					
Interest Deposit to Capital Reserve	-	-	-	-	-
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Grades 1-5	-	-	-	-	-
Grades 6-8	-	-	-	-	-
Grades 9-12	200,000	21,150	221,150	161,312	59,838
<b>Special Education- Instruction:</b>					
School - Sponsored and Other Instructional Program	-	3,250	3,250	3,229	21
<b>General Administration</b>					
Undist. Expend.-Support Serv.-Child Study Teams	-	-	-	-	-
<b>Undist.Exp.-Req. Maint. Schl Facilities</b>					
School admin.	-	-	-	-	-
Undist. Exp.-Req. Maint. Schl Facilitites	-	-	-	-	-
Undist. Exp.-Care and Upkeep of Grounds	-	-	-	-	-
<b>Undistributed exp.-Non-instructional services</b>					
Non-instructional Equip.	-	-	-	-	-
School Buses -Regular	-	-	-	-	-
<b>Total Equipment</b>	<b>200,000</b>	<b>24,400</b>	<b>224,400</b>	<b>164,541</b>	<b>59,859</b>
<b>Facilities Acquisition and Construction Services</b>					
Legal Services	-	-	-	-	-
Architectural/Engineering Services	-	-	-	-	-
Construction Services	-	1,595,000	1,595,000	90,631	1,504,369
Assessment for Debt Service on SDA Funding	54,591	-	54,591	54,591	-
Other Objects	-	-	-	-	-
<b>Total</b>	<b>54,591</b>	<b>1,595,000</b>	<b>1,649,591</b>	<b>145,222</b>	<b>1,504,369</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>254,591</b>	<b>1,619,400</b>	<b>1,873,991</b>	<b>309,763</b>	<b>1,564,228</b>
<b>TOTAL EXPENDITURES</b>	<b>16,696,037</b>	<b>1,515,275</b>	<b>18,291,037</b>	<b>16,749,138</b>	<b>1,541,899</b>

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(678,670)	(1,515,275)	(2,273,670)	788,338	3,062,008
<b>Other Financing Sources / Uses:</b>					
FEMA Aid	-	-	-	18,360	(18,360)
FEMA Expenditures	-	-	-	(18,360)	18,360
<b>Total Other Financing Sources:</b>	-	-	-	-	-
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	(678,670)	(1,595,000)	(2,273,670)	788,338	3,062,008
<b>Fund Balance, July 1</b>	3,630,120	-	3,630,120	3,630,120	-
<b>Fund Balance, June 30</b>	<u>\$ 2,951,450</u>	<u>\$ (1,595,000)</u>	<u>\$ 1,356,450</u>	<u>\$ 4,418,458</u>	<u>\$ 3,062,008</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Maintenance reserve				1,087,931	
Emergency Reserve				250,000	
Excess surplus - current year				-	
Excess surplus-designated for subsequent year's expenditures				64,680	
Capital reserve				603,732	
<b>Comitted Fund Balance:</b>					
Other purposes				-	
Year-end encumbrances				1,549,755	
<b>Assigned Fund Balance:</b>					
Designated for subsequent year's expenditures				585,320	
Unrestricted/undesignated				277,040	
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Last state aid payment not recognized on GAAP basis				(36,537)	
<b>Fund balance per governmental funds (GAAP)</b>				<u>\$ 240,503</u>	

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Education Jobs Fund Program  
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Educational Jobs Fund Program	\$ 8,365	-	8,365	8,365	-
<b>Total Revenues-Federal</b>	<u>8,365</u>	<u>-</u>	<u>8,365</u>	<u>8,365</u>	<u>-</u>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
School-Spon. Athletics - Instruction	-	-	-	-	-
<b>Total instruction</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Support services:</b>					
Undistributed Expend. - Attend. & Social Work	-	-	-	-	-
Undist. Expend. - Other Support Services Students-Regular	8,365	-	8,365	8,365	-
Undist. Expend. - Support Service - School Administration	-	-	-	-	-
Custodial Services	-	-	-	-	-
<b>Total support services</b>	<u>8,365</u>	<u>-</u>	<u>8,365</u>	<u>8,365</u>	<u>-</u>
<b>Total Expenditures-Federal</b>	<u>8,365</u>	<u>-</u>	<u>8,365</u>	<u>8,365</u>	<u>-</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local sources	\$ 8,500	70,237	\$ 78,737	\$ 72,737	\$ (6,000)
State sources	-	-	-	-	-
Federal sources	142,687	19,998	162,685	162,685	-
<b>Total Revenues</b>	<u>151,187</u>	<u>90,235</u>	<u>241,422</u>	<u>235,422</u>	<u>(6,000)</u>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
Personal services-salaries	142,687	16,760	159,447	154,447	5,000
Purchased professional and technical services	-	3,925	3,925	3,925	-
General supplies	-	12,098	12,098	11,098	1,000
Tuition	-	-	-	-	-
Other objects	-	940	940	940	-
<b>Total instruction</b>	<u>142,687</u>	<u>33,723</u>	<u>176,410</u>	<u>170,410</u>	<u>6,000</u>
<b>Support services:</b>					
Personal services - salaries	-	8,646	8,646	8,646	-
Purchased professional and technical services	-	-	-	-	-
Other purchased services	-	7,986	7,986	7,986	-
Employee benefits	-	-	-	-	-
Travel	-	2,000	2,000	2,000	-
Supplies- materials	-	630	630	630	-
<b>Total support services</b>	<u>-</u>	<u>19,262</u>	<u>19,262</u>	<u>19,262</u>	<u>-</u>
<b>EXPENDITURES:</b>					
<b>Facilities acquisition and const. serv.:</b>					
Instructional equipment	-	45,750	45,750	45,750	-
<b>Total facilities acquisition and const. serv.</b>	<u>-</u>	<u>45,750</u>	<u>45,750</u>	<u>45,750</u>	<u>-</u>
<b>Total expenditures</b>	<u>142,687</u>	<u>98,735</u>	<u>241,422</u>	<u>235,422</u>	<u>6,000</u>
<b>Other financing sources (uses)</b>					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
<b>Total outflows</b>	<u>142,687</u>	<u>98,735</u>	<u>241,422</u>	<u>235,422</u>	<u>6,000</u>
<b>Excess (deficiency) of revenues</b>					
Over (under) expenditures	<u>\$ 8,500</u>	<u>\$ (8,500)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Last state aid payment not recognized on GAAP basis				\$ -	
<b>Fund balance per governmental funds (GAAP)</b>				<u>\$ -</u>	

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2013

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures**

		General Fund		Special Revenue Fund
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 17,537,476	[C-2]	\$ 235,422
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		(45,750)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(36,537)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		28,537		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 17,529,476	[B-2]	\$ 189,672
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 16,749,138	[C-2]	\$ 235,422
Differences - budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		-		(45,750)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 16,749,138	[B-2]	\$ 189,672

OTHER SUPPLEMENTARY INFORMATION

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2013

	Title II Part A 12/13	I.D.E.A. B-Basic Reg Prog 12/13	Various Donation	Performing Arts Society 12/13	NJSBAIG 12/13
<b>Revenues:</b>					
Local sources	\$ -	\$ -	\$ 3,275	\$ 9,000	\$ 8,394
State sources	-	-	-	-	-
Federal sources	11,538	151,147	-	-	-
<b>Total revenues</b>	<u>11,538</u>	<u>151,147</u>	<u>3,275</u>	<u>9,000</u>	<u>8,394</u>
<b>Expenditures:</b>					
Instruction:					
Salaries	3,300	151,147	-	-	-
Purchased professional services	-	-	3,275	500	-
General supplies	-	-	-	8,500	-
Tuition	-	-	-	-	-
Other Objects	-	-	-	-	-
<b>Total instruction</b>	<u>3,300</u>	<u>151,147</u>	<u>3,275</u>	<u>9,000</u>	<u>-</u>
<b>Support services:</b>					
Other support services - students - special:					
Salaries	252	-	-	-	8,394
Purchased prof. and tech. services	-	-	-	-	-
Other purchased services	7,986	-	-	-	-
Employee benefits	-	-	-	-	-
Travel	-	-	-	-	-
Supplies and materials	-	-	-	-	-
<b>Total other support services - students - special</b>	<u>8,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,394</u>
<b>Total support services</b>	<u>8,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,394</u>
<b>Equipment:</b>					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
<b>Total equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 11,538</u>	<u>\$ 151,147</u>	<u>\$ 3,275</u>	<u>\$ 9,000</u>	<u>\$ 8,394</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2013

(Continued from prior page)

	RFH Education Foundation 11/12	Other	Total 2013
<b>Revenues:</b>			
Local sources	\$ 52,068	-	\$ 72,737
State sources	-	-	-
Federal sources	-	-	162,685
<b>Total revenues</b>	<u>52,068</u>	<u>-</u>	<u>235,422</u>
<b>Expenditures:</b>			
Instruction:			
Salaries	-	-	154,447
Purchased professional services	150	-	3,925
General supplies	2,598	-	11,098
Tuition	-	-	-
Other objects	940	-	940
<b>Total instruction</b>	<u>3,688</u>	<u>-</u>	<u>170,410</u>
<b>Support services:</b>			
Other support services - students - special:			
Salaries	-	-	8,646
Purchased prof. and tech. services	-	-	-
Other purchased services	-	-	7,986
Employee benefits	-	-	-
Travel	2,000	-	2,000
Supplies and materials	630	-	630
<b>Total other support services - students - special</b>	<u>2,630</u>	<u>-</u>	<u>19,262</u>
<b>Total support services</b>	<u>2,630</u>	<u>-</u>	<u>19,262</u>
<b>Equipment:</b>			
Regular programs instruction	45,750	-	45,750
Non-instructional equipment	-	-	-
<b>Total equipment</b>	<u>45,750</u>	<u>-</u>	<u>45,750</u>
<b>Total expenditures</b>	<u>\$ 52,068</u>	<u>\$ -</u>	<u>\$ 235,422</u>

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Project Expenditures**  
**For the Fiscal Year Ended June 30, 2013**

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2013</u>
			<u>Prior Years</u>	<u>Current Year</u>	
HVAC Project - SP 4580-050-04-000Y	12/9/2003	\$ 14,663,877	\$ 14,524,011	\$ -	\$ 139,866
ELEVATOR Project - SP 4580-050-09-1001	2/3/2009	705,550	498,515	-	207,035
ROOF Project - SP 4580-050-09-1002	5/19/2009	473,448	348,161	-	125,287
DRAINAGE Project - SP 4580-050-10-1001	9/26/2010	329,109	329,109	-	-
Totals		<u>\$ 16,171,984</u>	<u>\$ 15,699,796</u>	<u>\$ -</u>	<u>\$ 472,188</u>
					\$ -

**RUMSON-FAIR HAVEN 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**

**Revenues and Other Financing Sources**

State Sources - SCC Grant	\$ -
Bond proceeds and transfers	-
Capital lease proceeds	-
Transfer from capital reserve	55,579
Interest	-
Total revenues	<u>55,579</u>

**Expenditures and Other Financing Uses**

Purchased professional and technical services	-
Land and improvements	-
Construction services	-
Supplies	-
Total expenditures	<u>-</u>

Excess (deficiency) of revenues over (under) expenditures 55,579

Fund balance - beginning 416,609

Fund balance - ending \$ 472,188

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**HVAC PROJECT**  
**For the Fiscal Year Ended June 30, 2013**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ 5,865,551	\$ -	\$ 5,865,551	\$ 5,865,551
Bond proceeds and transfers	8,798,000	-	8,798,000	8,798,000
Local Revenue - (Not funded)	326	-	326	326
Total revenues	14,663,877	-	14,663,877	14,663,877
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	1,814,979	-	1,814,979	2,296,986
Construction services	12,699,009	-	12,699,009	12,356,867
Supplies	10,023	-	10,023	10,024
Total expenditures	14,524,011	-	14,524,011	14,663,877
Excess (deficiency) or revenues over (under) expenditures	\$ 139,866	\$ -	\$ 139,866	\$ -
 Additional project information:				
Project Number	SP 4580-050-04-000Y			
Grant Date	2003/04			
Bond Authorization Date	12/9/2003			
Bonds Authorized	\$ 8,798,000			
Bonds Issued	\$ 8,798,000			
Original Authorized Cost	\$ 14,663,877			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 14,663,877			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	99.00%			
Original target completion date	2005			
Revised target completion date	2009			

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**ROOF PROJECT**  
**For the Fiscal Year Ended June 30, 2013**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 189,379	\$ -	\$ 189,379	\$ 189,379
Transfer from capital reserve	284,069	-	284,069	284,069
Total revenues	<u>473,448</u>	<u>-</u>	<u>473,448</u>	<u>473,448</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	36,672	-	36,672	36,672
Construction services	311,489	-	311,489	436,776
Total expenditures	<u>348,161</u>	<u>-</u>	<u>348,161</u>	<u>473,448</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 125,287</u>	<u>\$ -</u>	<u>\$ 125,287</u>	<u>\$ -</u>

Additional project information:

Project Number	SP 4580-050-09-1002
Grant Date	2/26/2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 473,448
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 473,448
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	73.54%
Original target completion date	2009
Revised target completion date	2010

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**ELEVATOR PROJECT**  
**For the Fiscal Year Ended June 30, 2013**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 355,072	\$ -	\$ 355,072	\$ 355,072
Transfer from capital reserve	350,478	55,579	406,057	350,478
Total revenues	<u>705,550</u>	<u>55,579</u>	<u>761,129</u>	<u>705,550</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	101,585	-	101,585	183,897
Construction services	396,930	-	396,930	521,653
Total expenditures	<u>498,515</u>	<u>-</u>	<u>498,515</u>	<u>705,550</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 207,035</u>	<u>\$ 55,579</u>	<u>\$ 262,614</u>	<u>\$ -</u>

Additional project information:

Project Number	SP 4580-050-09-1001
Grant Date	2/26/2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 887,679
Additional Authorized Cost	\$ (182,129)
Revised Authorized Cost	\$ 705,550
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	70.66%
Original target completion date	2009
Revised target completion date	2011

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**DRAINAGE PROJECT**  
**For the Fiscal Year Ended June 30, 2013**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 117,427	\$ -	\$ 117,427	\$ 117,427
Transfer from capital reserve	211,682	-	211,682	211,682
Total revenues	<u>329,109</u>	<u>-</u>	<u>329,109</u>	<u>329,109</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	27,345	-	27,345	27,345
Construction services	301,764	-	301,764	301,764
Total expenditures	<u>329,109</u>	<u>-</u>	<u>329,109</u>	<u>329,109</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

Project Number	SP 4580-050-10-1001
Grant Date	9/26/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 293,567
Additional Authorized Cost	\$ 35,542
Revised Authorized Cost	\$ 329,109
Percentage Increase over Original Authorized Cost	12.11%
Percentage Completion	100.00%
Original target completion date	2011
Revised target completion date	2012

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
Enterprise Funds  
Combining Statement of Net Position  
June 30, 2013

	Business-type Activities - Enterprise Funds		
	Food Service	Intramural	Total Enterprise
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 73,103	\$ 26,291	\$ 99,394
Accounts receivable:			
State	280	-	280
Federal	744	-	744
Other government	-	-	-
Interfund	-	-	-
Inventories	1,075	-	1,075
<b>Total current assets</b>	<u>75,202</u>	<u>26,291</u>	<u>101,493</u>
<b>Fixed assets:</b>			
Equipment	98,247	-	98,247
Buildings and improvements	12,875	-	12,875
Accumulated depreciation	(71,313)	-	(71,313)
<b>Total fixed assets</b>	<u>39,809</u>	<u>-</u>	<u>39,809</u>
<b>Total assets</b>	<u>\$ 115,011</u>	<u>\$ 26,291</u>	<u>\$ 141,302</u>
<b>Liabilities and Fund Equity:</b>			
Liabilities:			
Accounts payable	-	-	-
Accrued salaries and benefits	-	-	-
Compensated absences	-	-	-
Interfund payable	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net position:</b>			
Invested in capital assets	39,809	-	39,809
Restricted for other purposes	-	-	-
Unrestricted net position	75,202	26,291	101,493
<b>Total fund equity</b>	<u>115,011</u>	<u>26,291</u>	<u>141,302</u>
<b>Total liabilities and fund equity</b>	<u>\$ 115,011</u>	<u>\$ 26,291</u>	<u>\$ 141,302</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
Enterprise Funds  
Combined Statement of Revenues, Expenses and  
Changes in Net Position  
For the Fiscal Year ended June 30, 2013

	Business-type Activities - Enterprise Funds		
	Food Service	Intramural	Total Enterprise
<b>Operating revenues:</b>			
<b>Local sources:</b>			
Daily sales-reimbursable programs:			
School breakfast program	\$ -	\$ -	\$ -
School lunch program	70,275	-	70,275
Total-daily sales-reimbursable programs	70,275	-	70,275
Daily sales non-reimbursable programs	457,537	65,810	523,347
Special functions	5,180	-	5,180
Miscellaneous	1,461	-	1,461
<b>Total operating revenues</b>	<u>534,453</u>	<u>65,810</u>	<u>600,263</u>
<b>Operating expenses:</b>			
Salaries	-	41,560	41,560
Employee benefits	250,411	3,179	253,590
Purchased property	6,276		6,276
Other purchased services	17,000	26,617	43,617
Supplies and materials	34,166	-	34,166
Depreciation	6,632	-	6,632
Cost of sales	235,556	-	235,556
<b>Total operating expenses</b>	<u>550,041</u>	<u>71,356</u>	<u>621,397</u>
<b>Operating income (loss)</b>	<u>(15,588)</u>	<u>(5,546)</u>	<u>(21,134)</u>
<b>Nonoperating revenues:</b>			
State sources:			
State school lunch program	1,371	-	1,371
Federal sources:			
National school lunch program	11,532	-	11,532
Food distribution program	-	-	-
Interest	-	-	-
<b>Total nonoperating revenues</b>	<u>12,903</u>	<u>-</u>	<u>12,903</u>
Change in net position before transfers	(2,685)	(5,546)	(8,231)
Transfers in (out)	-	-	-
Change in net position	(2,685)	(5,546)	(8,231)
Total unrestricted net position beginning	<u>117,696</u>	<u>31,837</u>	<u>149,533</u>
Total unrestricted net position ending	<u>\$ 115,011</u>	<u>\$ 26,291</u>	<u>\$ 141,302</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Food Services Enterprise Fund  
 Combining Statement of Cash Flows  
 for the Fiscal Year ended June 30, 2013

	Business-type Activities - Enterprise Funds		
	Food Service	Intramural	Total Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and other funds	\$ 534,453	\$ 65,810	\$ 600,263
Payments to employees & benefits	(250,411)	(44,739)	(295,150)
Payments to suppliers	(293,209)	(26,617)	(319,826)
<b>Net cash used in operating activities</b>	<u>(9,167)</u>	<u>(5,546)</u>	<u>(14,713)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State sources	1,120	-	1,120
Federal sources	10,993	-	10,993
Board interfund loans	-	-	-
<b>Net cash provided by non-capital financing activities</b>	<u>12,113</u>	<u>-</u>	<u>12,113</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Change in capital contributions	-	-	-
Purchases of capital assets	-	-	-
Gain/Loss on sale of fixed assets (proceeds)	-	-	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	-	-	-
Proceeds from sale/maturities of investments	-	-	-
<b>Net cash provided by (used for) investing activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>2,946</u>	<u>(5,546)</u>	<u>(2,600)</u>
<b>Balances—beginning of year</b>	<u>70,157</u>	<u>31,837</u>	<u>101,994</u>
<b>Balances—end of year</b>	<u>\$ 73,103</u>	<u>\$ 26,291</u>	<u>\$ 99,394</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:</b>			
Operating loss	\$ (15,588)	\$ (5,546)	\$ (21,134)
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:			
Depreciation and net amortization	6,632	-	6,632
Federal commodities	-	-	-
(Increase) decrease in accounts receivable, net	-	-	-
(Increase) decrease in inventories	(211)	-	(211)
Increase (decrease) in accounts payable	-	-	-
Increase (decrease) in accrued salaries benefits	-	-	-
Increase (decrease) in compensated absences	-	-	-
Total adjustments	<u>6,421</u>	<u>-</u>	<u>6,421</u>
<b>Net cash used in operating activities</b>	<u>\$ (9,167)</u>	<u>\$ (5,546)</u>	<u>\$ (14,713)</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Combining Statement of Fiduciary Net Position  
 June 30, 2013

	<u>Student Activity</u>	<u>Payroll Agency</u>	<u>Scholarship Fund</u>	<u>Unemployment Compensation Trust</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 218,759	\$ 13,754	\$ 243,448	\$ 194,707	\$ 670,668
Investments	-	-	\$ 350,000	-	350,000
Intrafund receivable				13,169	13,169
Total assets	<u>218,759</u>	<u>13,754</u>	<u>\$ 593,448</u>	<u>207,876</u>	<u>1,033,837</u>
<b>LIABILITIES</b>					
Payroll deductions and withholdings	-	434	0	-	434
Payable to student groups	218,759	-	0	-	218,759
Interfund payable	-	151	0	-	151
Intrafund payable		13,169			13,169
Total liabilities	<u>218,759</u>	<u>13,754</u>	<u>\$ -</u>	<u>-</u>	<u>232,513</u>
<b>Fund Balances</b>					
Reserved for future payment	-	-	\$ 593,448	207,876	801,324
Total fund balances	<u>-</u>	<u>-</u>	<u>\$ 593,448</u>	<u>207,876</u>	<u>801,324</u>
Total liabilities and fund balances	<u>\$ 218,759</u>	<u>\$ 13,754</u>	<u>\$ 593,448</u>	<u>\$ 207,876</u>	<u>\$ 1,033,837</u>

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2013**

	Scholarship Funds	Unemployment Compensation Fund	Total
<b>ADDITIONS</b>			
Contributions:			
Board	\$ -	\$ 25,000	\$ 25,000
Other	60	27,854	27,914
Total Contributions	<u>60</u>	<u>52,854</u>	<u>52,914</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	14,438	-	14,438
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>14,438</u>	<u>-</u>	<u>14,438</u>
Total additions	<u>14,498</u>	<u>52,854</u>	<u>67,352</u>
<b>DEDUCTIONS</b>			
Quarterly contribution reports	-	-	-
Unemployment claims	-	12,535	12,535
Scholarships awarded	30,606	-	30,606
Refunds of contributions	-	-	-
Administrative expenses	100	-	100
Total deductions	<u>30,706</u>	<u>12,535</u>	<u>43,241</u>
Change in net position	(16,208)	40,319	24,111
Net position—beginning of the year	<u>609,656</u>	<u>167,557</u>	<u>777,213</u>
Net position—end of the year	<u>\$ 593,448</u>	<u>\$ 207,876</u>	<u>\$ 801,324</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
Student Activity Agency Fund  
Schedule of Receipts and Disbursements  
For the Fiscal Year ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2013</u>
Student Activities Funds	<u>\$ 191,550</u>	<u>\$ 366,919</u>	<u>\$ 339,710</u>	<u>\$ 218,759</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Payroll Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 12,854	\$ 10,298,805	\$ 10,297,905	\$ 13,754
Due from other governments	<u>466</u>	<u>\$ -</u>	<u>\$ 466</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 13,320</u>	<u>10,298,805</u>	<u>10,298,371</u>	<u>13,754</u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	-	434	-	434
Accrued salaries and wages	-	-	-	-
Intrafund payable	13,169	-	-	13,169
Interfund payable	151	-	-	151
Other current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>\$ 13,320</u>	<u>\$ 434</u>	<u>\$ -</u>	<u>\$ 13,754</u>

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RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Private Purpose Scholarship Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
<b>ASSETS:</b>				
Cash and cash equivalents:				
Kaleen Pezzuti Memorial Fund	\$ 19,187	\$ 48	\$ 1,500	\$ 17,735
G.M. Henderson Fund	93,918		6,000	87,918
Helen Noble Award Fund	1,282			1,282
Terry Trent Scholarship Fund	4,138		300	3,838
Lee Rose Memorial Fund	5,313	2	500	4,815
J. Guillory Award Fund	1,772			1,772
Superintendent's Award	22,536	10	805	21,741
Frank W. Baigent Scholarship Fund	64,644	14,438	20,100	58,982
Jay Dooley	-			-
Robert Berberich	119			119
George & Suzanne Houcke Scholarship	46,746		1,500	45,246
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 259,655	14,498	30,705	243,448
Investments:				
Anonymous	350,000			350,000
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 609,655	14,498	30,705	\$ 593,448
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Long-Term Debt  
 Schedule of Serial Bonds  
 June 30, 2013

Exhibit I-1

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2012</u>	<u>Issued</u>	<u>Retired</u>	<u>Refinanced</u>	<u>Balance June 30, 2013</u>
Series 2004 Bonds	2/1/2004	8,798,000	2/1/2014	630,000	3.400%	4,843,000		(600,000)	(3,613,000)	630,000
Refunding 2004 Bonds	41,306	3,730,000	2/1/2014	35,000	2.000%					
			2/1/2015	695,000	2.000%					
			2/1/2016	715,000	2.000%					
			2/1/2017	735,000	2.000%					
			2/1/2018	760,000	2.000%					
			2/1/2019	775,000	2.000%					
						-	3,730,000	(15,000)		3,715,000
						\$ 4,843,000	\$ 3,730,000	\$ (615,000)	\$ (3,613,000)	\$ 4,345,000

RUMSON-FAIR HAVEN 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
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 775,605	-	\$ 775,605	\$ 775,605	\$ -
Miscellaneous	-	-	-	-	-
State Sources:					
Debt Service Aid Type II	-	-	-	-	-
Debt Service Aid Type I	-	-	-	-	-
Total - State Sources	-	-	-	-	-
<b>Total Revenues</b>	<b>775,605</b>	<b>-</b>	<b>775,605</b>	<b>775,605</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	175,625	-	175,625	138,977	(36,648)
Redemption of Principal	600,000	-	600,000	615,000	15,000
Total Regular Debt Service	775,625	-	775,625	753,977	(21,648)
<b>Total Expenditures</b>	<b>775,625</b>	<b>-</b>	<b>775,625</b>	<b>753,977</b>	<b>(21,648)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20)	-	(20)	21,628	21,648
Other Financing Sources:					
Bond premium	-	-	-	146,890	146,890
Bond refunding costs	-	-	-	(73,632)	(73,632)
Payoff old bonds & interest	-	-	-	(3,613,000)	(3,613,000)
Prepaid interest	-	-	-	(190,258)	(190,258)
Issue new bonds	-	-	-	3,730,000	3,730,000
Operating Transfers In:					
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
	(20)	-	(20)	21,628	21,648
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(20)	-	(20)	21,628	21,648
Fund Balance, July 1	-	-	-	22	22
Fund Balance, June 30	\$ (20)	\$ -	\$ (20)	\$ 21,650	\$ 21,670
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	\$ (20)	\$ -	\$ (20)	\$ 21,650	\$ 21,670

STATISTICAL SECTION

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Statistical Section**

<u>Contents</u>	<u>Page</u>
<p><b>Financial Trends</b></p> <p>These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	<b>91-96</b>
<p><b>Revenue Capacity</b></p> <p>These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	<b>97-101</b>
<p><b>Debt Capacity</b></p> <p>These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.</p>	<b>102-106</b>
<p><b>Demographic and Economic Information</b></p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>	<b>107-108</b>
<p><b>Operating Information</b></p> <p>These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.</p>	<b>109-113</b>

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.*

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Net Assets/Position by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 4,289,690	\$ 7,724,792	\$ 8,155,106	\$ 9,643,963	\$ 10,145,705	\$ 11,190,723	\$ 11,995,205	\$ 12,333,157	\$ 12,567,547	\$ 12,405,448
Restricted	6,667,103	1,523,875	3,299,741	2,608,435	3,582,097	3,343,222	2,594,418	3,065,359	3,426,122	4,354,038
Unrestricted	54,737	168,419	129,851	108,721	110,956	80,886	149,265	164,724	95,981	91,208
<b>Total governmental activities net assets/position</b>	<b>\$ 11,011,530</b>	<b>\$ 9,417,086</b>	<b>\$ 11,584,698</b>	<b>12,361,119</b>	<b>13,838,758</b>	<b>14,614,831</b>	<b>14,738,888</b>	<b>15,563,240</b>	<b>16,089,650</b>	<b>16,850,694</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 58,394	\$ 51,414	\$ 57,774	\$ 50,260	62,311	55,725	60,138	53,074	46,441	39,809
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	59,038	58,229	48,152	58,415	57,559	54,899	49,042	66,684	71,255	101,493
<b>Total business-type activities net assets/position</b>	<b>\$ 117,432</b>	<b>\$ 109,643</b>	<b>\$ 105,926</b>	<b>108,675</b>	<b>119,870</b>	<b>110,624</b>	<b>109,180</b>	<b>119,758</b>	<b>117,696</b>	<b>141,302</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 4,348,084	\$ 7,776,206	\$ 8,212,890	\$ 9,643,963	10,208,016	11,246,448	12,055,344	12,386,230	12,613,988	12,445,257
Restricted	6,667,103	1,523,875	3,299,741	2,608,435	3,582,097	3,343,222	2,594,418	3,065,359	3,426,122	4,354,038
Unrestricted	113,775	226,648	178,003	167,136	168,515	135,785	198,306	231,408	167,236	192,701
<b>Total district net assets/position</b>	<b>\$ 11,128,962</b>	<b>\$ 9,526,729</b>	<b>\$ 11,690,624</b>	<b>\$ 12,419,534</b>	<b>13,958,628</b>	<b>14,725,455</b>	<b>14,848,068</b>	<b>15,682,997</b>	<b>16,207,346</b>	<b>16,991,996</b>

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Changes in Net Assets/Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction										
Regular	(5,592,208)	(5,756,109)	(6,411,979)	(6,892,235)	(7,400,409)	(7,247,154)	(7,540,130)	(7,279,519)	(7,863,183)	6,085,044
Special education	(515,385)	(840,121)	(1,140,730)	(1,343,823)	(1,266,147)	(1,263,649)	(1,267,600)	(1,359,452)	(1,406,388)	888,195
Other special education			(100,643)	(9,737)	(32,066)	(31,278)	(24,370)	(21,131)	(42,037)	762,375
Vocational										
Other instruction	(829,799)	(43,755)	(590,376)	(712,825)	(727,866)	(708,425)	(744,974)	(704,743)	(692,131)	
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition	(592,234)	(496,954)	(504,339)	(154,705)	(353,536)	(364,455)	(444,453)	(443,372)	(401,696)	
Student & Instruction Related Services	(1,416,847)	(2,399,886)	(1,786,036)	(2,010,668)	(2,163,454)	(2,387,619)	(2,698,999)	(2,460,706)	(2,589,474)	
Instruction										660,165
Attendance and social work										28,458
Health services										115,405
Improvement of instr. services										668,126
Educational media services										112,002
Instruction staff training										22,909
School Administrative services	(678,680)	(498,100)	(554,261)	(550,026)	(475,053)	(501,687)	(501,137)	(521,245)	(512,846)	411,527
General Administration	(953,242)	(809,422)	(453,644)	(490,294)	(521,596)	(570,511)	(510,909)	(544,187)	(513,620)	483,699
Central Services			(246,239)	(241,366)	(254,904)	(274,771)	(316,604)	(330,909)	(353,117)	286,751
Plant operations and maintenance	(1,369,152)	(1,529,643)	(1,692,678)	(1,800,541)	(2,397,757)	(2,016,967)	(1,955,400)	(2,116,988)	(2,115,164)	1,272,625
Administrative information technology				(7,800)	(11,650)	(9,815)	(18,730)	(9,815)	(55,543)	18,688
Pupil transportation	(1,054,384)	(874,362)	(868,387)	(657,893)	(938,350)	(966,385)	(1,030,824)	(857,834)	(721,443)	645,679
Other support services										1,080,940
Business and other support services										1,550,045
Non-budgeted expenditures										-
Special Schools										260,228
Interest on long-term debt	(120,922)	(385,200)	(274,348)	(263,946)	(250,913)	(236,663)	(221,313)	(205,313)	(188,083)	2,389,028
Unallocated employee benefits										
Total governmental activities expenses	<u>(13,122,854)</u>	<u>(13,633,552)</u>	<u>(14,631,454)</u>	<u>(15,136,799)</u>	<u>(16,773,701)</u>	<u>(16,579,579)</u>	<u>(17,295,443)</u>	<u>(16,855,214)</u>	<u>(17,454,945)</u>	<u>17,752,069</u>
Business-type activities:										
Food service	(487,007)	(552,988)	(562,947)	(572,633)	(578,058)	(566,979)	(601,336)	(568,075)	(557,909)	550,041
Child Care										71,356
Total business-type activities expense	<u>(487,007)</u>	<u>(552,988)</u>	<u>(562,947)</u>	<u>(572,633)</u>	<u>(578,058)</u>	<u>(566,979)</u>	<u>(601,336)</u>	<u>(568,075)</u>	<u>(557,909)</u>	<u>621,397</u>
Total district expenses	<u>(13,609,861)</u>	<u>(14,186,540)</u>	<u>(15,194,401)</u>	<u>(15,709,432)</u>	<u>(17,351,759)</u>	<u>(17,146,558)</u>	<u>(17,896,779)</u>	<u>(17,423,289)</u>	<u>(18,012,854)</u>	<u>18,373,466</u>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
Instruction (tuition)	119,981	224,736	259,516	283,154	282,637	196,110	153,373	133,350	190,605	-
Pupil transportation	166,845	161,496	168,304	208,270	205,980	220,820	235,239	187,818	71,964	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	127,272	145,102	129,260	133,443	133,575	114,530	118,885	7,722	10,119	1,550,045
Capital grants and contributions	-	-	-	-	879,833	227,431	204,888	158,125	110,071	-
Total governmental activities program revenues	<u>414,098</u>	<u>531,334</u>	<u>557,080</u>	<u>624,867</u>	<u>1,502,025</u>	<u>758,891</u>	<u>712,385</u>	<u>487,015</u>	<u>382,759</u>	<u>1,550,045</u>
Business-type activities:										
Charges for services:										
Food service	474,314	529,627	543,552	559,971	554,801	540,711	566,119	567,167	544,502	534,453
Child Care										65,910
Operating grants and contributions	14,844	15,572	15,678	15,411	15,948	17,022	21,818	11,486	11,345	12,903
Capital grants and contributions	-	-	-	-	9,225	-	11,955	-	-	-
Total business type activities program revenues	<u>489,158</u>	<u>545,199</u>	<u>559,230</u>	<u>575,382</u>	<u>579,974</u>	<u>557,733</u>	<u>599,892</u>	<u>578,653</u>	<u>555,847</u>	<u>613,166</u>
Total district program revenues	<u>903,256</u>	<u>1,076,533</u>	<u>1,116,310</u>	<u>1,200,249</u>	<u>2,081,999</u>	<u>1,316,624</u>	<u>1,312,277</u>	<u>1,065,668</u>	<u>938,606</u>	<u>2,163,211</u>

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Changes in Net Assets/Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Net (Expense)/Revenue</b>										
Governmental activities	(12,708,756)	(13,102,218)	(14,074,374)	(14,511,912)	(15,271,676)	(15,820,688)	(16,583,058)	(16,368,199)	(17,072,186)	(17,752,069)
Business-type activities	2,150	(7,789)	(3,718)	2,749	1,915	(9,246)	(1,444)	10,577	(2,061)	(621,387)
Total district-wide net expense	<u>(12,706,606)</u>	<u>(13,110,007)</u>	<u>(14,078,092)</u>	<u>(14,509,163)</u>	<u>(13,269,761)</u>	<u>(15,829,934)</u>	<u>(16,584,502)</u>	<u>(16,357,622)</u>	<u>(17,074,247)</u>	<u>(18,373,456)</u>
<b>General Revenues and Other Changes in Net Assets/Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	11,000,050	12,329,112	12,335,982	12,753,309	13,499,102	14,038,026	14,318,786	14,891,537	15,056,632	15,310,626
Taxes levied for debt service	-	-	640,550	646,051	698,240	673,121	695,985	760,608	769,143	775,605
Unrestricted grants and contributions	1,389,575	1,483,690	1,679,142	2,212,157	2,296,938	1,752,196	1,594,977	1,488,614	1,728,955	541,675
Federal and State Aid Restricted	5,834,285	-	-	-	-	-	-	-	-	-
Tuition Received	69,140	150,096	170,466	207,418	118,029	38,936	5,258	1,117	370	-
Investment earnings	11,869	69,197	202,587	94,264	72,598	94,482	92,109	53,672	43,496	335,562
Miscellaneous income	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>18,304,919</u>	<u>14,032,095</u>	<u>15,044,727</u>	<u>15,913,199</u>	<u>16,683,907</u>	<u>16,596,761</u>	<u>16,707,115</u>	<u>17,192,548</u>	<u>17,598,596</u>	<u>16,963,068</u>
<b>Change in Net Assets/Position</b>										
Governmental activities	5,596,164	929,877	970,352	776,420	1,412,232	776,073	124,057	824,353	526,409	761,044
Business-type activities	<u>2,150</u>	<u>(7,789)</u>	<u>(3,717)</u>	<u>2,749</u>	<u>1,916</u>	<u>(9,246)</u>	<u>(1,444)</u>	<u>10,577</u>	<u>(2,061)</u>	<u>(8,231)</u>
Total district	<u>5,598,314</u>	<u>922,088</u>	<u>966,635</u>	<u>779,169</u>	<u>1,414,148</u>	<u>766,827</u>	<u>122,613</u>	<u>834,930</u>	<u>524,348</u>	<u>752,813</u>

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of Accounting)*

Exhibit J-3

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	1,123,514	\$ 1,940,058	\$ 2,559,807	\$ 3,155,700	\$ 3,406,732	\$ 3,031,845	\$ 2,290,053			\$ 4,141,418
Unreserved	366,040	237,432	273,861	245,094	280,644	277,644	294,483			240,503
Restricted								2,126,422	2,677,727	
Committed								114,100		
Assigned								709,482	615,945	
Unassigned								321,379	307,911	
<b>Total general fund</b>	<b>\$ 1,489,554</b>	<b>\$ 2,177,489</b>	<b>\$ 2,833,668</b>	<b>\$ 3,400,795</b>	<b>\$ 3,687,377</b>	<b>\$ 3,309,489</b>	<b>\$ 2,584,536</b>	<b>\$ 3,271,383</b>	<b>\$ 3,601,583</b>	<b>\$ 4,381,921</b>
All Other Governmental Funds										
Reserved	13,816,345	\$ 5,752,175	\$ 798,049	\$ (483,187)	\$ 255,755	\$ 386,693	\$ 374,466			\$ -
Unreserved, reported in:										
Special revenue fund										-
Capital projects fund										190,970
Debt service fund	19,163	72,112	31,273	21,092	180	205	170			-
Restricted										
Debt service fund								21	22	21,650
Capital projects fund									190,970	
Assigned										
Debt service fund								170		
Capital projects fund								179,936		
Permanent fund										-
<b>Total all other governmental funds</b>	<b>\$ 13,835,509</b>	<b>\$ 5,824,288</b>	<b>\$ 829,322</b>	<b>\$ (462,095)</b>	<b>\$ 255,935</b>	<b>\$ 386,897</b>	<b>\$ 374,635</b>	<b>\$ 180,126</b>	<b>\$ 190,992</b>	<b>\$ 212,620</b>

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Tax levy	11000050	12,329,112	12996532	13,399,360	14,196,342	14,711,147	15,014,771	15,652,145	15,825,775	16,086,231
Tuition charges			259516.16	283,154	282,637	196,110	153,373	133,350	190,605	-
Interest earnings			170465.85	207,418	118,029	38,936	5,089	1,117	370	621
Miscellaneous	376723	545,526	370890.51	302,534	278,578	315,301	312,348	241,492	115,461	305,703
Transportation fees										10,878
State sources	1394754	1,485,308	1638595.24	2,183,762	3,104,621	1,927,592	1,557,271	1,288,971	1,667,231	1,966,020
Federal sources	114709	143,484	165806.76	161,838	205,724	166,564	345,938	362,490	181,913	125,300
Other financing sources										-
<b>Total revenue</b>	<b>12,886,236</b>	<b>14,503,430</b>	<b>15,601,807</b>	<b>16,538,067</b>	<b>18,185,931</b>	<b>17,355,651</b>	<b>17,388,790</b>	<b>17,670,565</b>	<b>17,981,355</b>	<b>18,494,753</b>
<b>Expenditures</b>										
Instruction	4,494,295	4,326,130	5,638,060	5,649,402	5,933,677	6,257,189	6,534,880	6,101,047	6,486,661	-
Regular instruction	415,504	541,830	994,150	985,200	1,039,576	1,104,655	1,124,304	1,173,332	1,212,789	5,360,437
Special education instruction	21,458	22,537	12,146	10,134	32,066	10,907	24,370	21,131	42,037	862,621
School Sponsored/Other special instruction	541,924	564,863	589,836	599,866	584,593	628254.46	651,281	665,968	634,340	758,113
Undistributed:										
Support Services:										
Instruction	477,459	451,952	504,339	437,859	353,536	364,455	444,453	443,372	401,696	587,704
Support Services Students	1,054,156	918,315	1,090,985	1,447,204	1,398,477	1,507,719	1,639,168	1,529,578	1,564,924	-
Attendance and social work										28,658
Health services										115,405
Other support services										1,080,940
Improvement of instruction										668,126
Educational media services										112,002
Instruction staff training	252,467	163,679	347,388	434,662	620,539	696,120	888,399	722,845	816,627	22,909
General administrative services	364,248	736,124	375,460	447,276	494,584	486,742	485,543	524,663	476,949	483,699
School administrative services	547,152	452,993	416,720	540,414	461,304	486,602	484,971	494,290	494,290	448,588
School central services			205,811	230,669	243,080	261,483	301,338	309,713	332,183	286,751
School admin info technology			7,800	8,580	11,650	9,815	18,730	9,815	55,563	18,668
Allowed maintenance for school facilities										207,280
Other operation & maintenance of plant	1,103,811	1,393,768	1,345,339	1,525,398	2,143,491	1,781,174	1,684,862	1,396,805	1,358,978	992,394
Student transportation services	850,044	795,183	868,387	999,606	918,350	966,585	1,050,824	857,834	721,643	645,679
Business and other support services										-
Unallocated employee benefits	1,391,201	1,018,371	1,691,498	172,705	204,951	241,728	265,802	328,588	323,790	2,399,028
Non-budgeted expenditures										1,550,045
Other	236,572									-
On-Behalf TPAF Post Retirement Contributions				549,943	543,374	456,110	455,336	484,632	465,894	-
On-Behalf TAPF Pension Contributions	437,342	468,677	568,780	481,418	495,564	23,908	24,244	22,817	231,758	-
Reimbursed TPAF Social Security	395,760	412,614	460,067	486,237	506,184	531,532	554,907	521,944	534,375	-
Special Schools										-
Charter Schools										-
Capital outlay	39,398	56,481	111,674	76,836	79,011	423,577	24,562	78,659	211,830	309,763
Special Revenue	127,597	145,102	192,858	207,389	247,681	210,354	400,459	396,251	193,929	-
Debt service:										
Principal		420,000	440,000	460,000	480,000	505,000	525,000	550,000	575,000	615,000
Interest and other charges		290,213	279,713	268,163	255,513	241,713	226,563	210,813	194,313	138,977
<b>Total expenditures</b>	<b>12,750,388</b>	<b>13,178,832</b>	<b>16,141,011</b>	<b>16,018,960</b>	<b>17,047,199</b>	<b>17,249,516</b>	<b>17,811,625</b>	<b>16,834,778</b>	<b>17,329,570</b>	<b>17,692,787</b>
Excess (deficiency) of revenues over (under) expenditures	135,848	1,324,599	(539,204)	519,107	1,138,732	106,134	(422,835)	844,786	651,785	801,966
<b>Other Financing sources (uses)</b>										
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	-	2,700	-	-	-	329,342	406,226	20	211,683	-
Transfers out	-	(2,700)	-	-	-	(329,342)	(406,226)	(20)	(211,683)	(18,360)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(18,360)</b>								
<b>Net change in fund balances</b>	<b>135,848</b>	<b>1,324,599</b>	<b>(539,204)</b>	<b>519,107</b>	<b>1,138,732</b>	<b>106,134</b>	<b>(422,835)</b>	<b>844,786</b>	<b>651,785</b>	<b>783,606</b>
Debt service as a percentage of noncapital expenditures	0.00%	5.41%	4.49%	4.57%	4.33%	4.44%	4.23%	4.54%	4.49%	4.34%

**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.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**General Fund - Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	Sale of Capital Assets	Interest on Investments	Event Receipts	Rentals	Prior Year Refunds	Transportation Fees	Miscellaneous	Annual Totals
2004	-	-	-	-	-	-	376,723	376,723
2005	-	-	-	-	-	-	545,526	545,526
2006	-	-	-	-	-	-	800,873	800,873
2007	-	-	-	-	-	-	793,106	793,106
2008	-	-	-	-	-	-	574,762	574,762
2009	-	-	-	-	-	-	467,622	467,622
2010	-	-	-	-	-	-	416,289	416,289
2011	-	-	-	-	-	-	339,917	339,917
2012	-	-	-	-	-	-	280,080	280,080
2013	-	621	-	-	-	10,878	-	11,499

Source: District records

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property,**  
**Last Ten Fiscal Years**

**Rumson Borough**

Calendar Year Ended Dec 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>	Total Direct Regional Tax Rate
2004	11,169,300	2,623,906,800		25,700	103,394,000		4,249,400	2,742,745,200	-	1,232,311	2,743,977,511	2,671,610,268	0.373	0.314
2005	13,070,000	2,656,044,000		25,700	103,472,000		3,597,600	2,776,209,300	-	1,375,206	2,777,584,506	3,079,553,829	0.382	0.336
2006	31,304,000	2,680,775,700	6,051,700	32,300	102,473,300		3,588,500	2,824,225,500	-	1,202,538	2,825,428,038	3,481,455,773	0.402	0.347
2007	41,876,500	2,715,256,600	6,051,700	32,400	101,986,100		3,588,500	2,868,791,800	-	1,268,783	1,376,424,076	3,590,848,112	0.410	0.366
2008	45,975,700	2,747,446,100	6,051,700	31,000	101,724,700		3,668,100	2,904,897,300	-	1,340,414	1,389,197,202	3,638,605,916	0.425	0.373
2009	42,970,900	2,802,888,200	6,051,700	32,600	102,395,500		1,494,800	2,955,833,700	-	1,626,628	1,387,534,300	3,765,682,073	0.441	0.361
2010	37,540,800	2,819,687,500	6,051,700	29,200	102,464,300		628,700	2,966,402,200	-	1,903,707	2,968,305,907	3,625,612,976	0.458	0.381
2011	38,412,300	2,807,299,400	6,307,600	32,000	102,610,100		628,700	2,955,290,100	-	1,405,766	2,956,695,866	3,482,171,902	0.468	0.379
2012	41,969,100	2,809,034,000		30,200	103,446,700		628,700	2,955,108,700	-	1,363,484	3,248,954,038	3,441,790,050	0.480	0.389
2013	54,489,000	2,757,376,100		26,800	99,895,900		628,700	2,912,416,500	-	1,277,630	2,913,694,130	3,320,270,792	0.496	0.407

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

\* Revaluation effective 2004

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

<sup>b</sup> Tax rates are per \$100

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

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Assessed Value and Actual Value of Taxable Property,  
 Last Ten Fiscal Years

Fair-Haven Borough

Calendar Year Ended Dec 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>	Total Direct Regional Tax Rate
2004	6,243,900	1,055,645,500		0	36,902,800		0	1,098,792,200	-	464,783	1,099,256,983	1,173,385,577	0.787	0.328
2005	7,457,300	1,060,201,400		0	36,902,800		0	1,104,561,500	-	413,559	1,104,975,059	1,315,211,202	0.883	0.334
2006	6,619,300	1,070,273,200		0	36,902,800		0	1,113,795,300	-	330,605	1,114,125,905	1,496,562,873	0.952	0.033
2007	9,753,800	1,076,615,700		0	36,782,800		0	1,123,152,300	-	453,685	1,123,605,985	1,574,377,872	0.991	0.324
2008	10,976,600	1,088,054,500		0	37,360,200		0	1,136,391,300	-	464,997	1,136,856,297	1,597,417,358	1.024	0.334
2009	11,701,300	1,098,504,400		0	38,035,100		0	1,148,240,800	-	5,781,747	1,154,022,547	1,533,094,129	1.054	0.358
2010	8,257,500	1,108,252,100		0	38,035,100		0	1,154,544,700	-	593,599	1,155,138,299	1,563,193,686	1.088	0.377
2011	8,336,600	1,112,471,500		0	38,126,700		0	1,158,934,800	-	456,964	1,159,391,764	1,547,381,557	1.102	0.387
2012	11,706,700	1,112,721,000		0	38,126,700		0	1,162,554,400	-	0	1,162,554,400	1,505,176,258	1.120	0.396
2013	10,626,900	1,115,672,700		0	37,727,500		0	1,164,027,100	-	488,358	1,164,515,458	1,458,033,006	1.137	0.391

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

\* Revaluation effective 2004

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

<sup>b</sup> Tax rates are per \$100

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

The district is required by the Statement to disclose sources, assumptions and methodologies. This Note is an illustration only.

The Statement requires that the information in this schedule be shown for each "period for which levied" and should be consistent with the periods shown in the schedule of direct and overlapping revenue rates and schedule of property tax levies and collections. In the case of this illustrative government, the period for which levied coincides with the fiscal year.

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*

Rumson-Fair Haven Regional High  
 School District Direct Rate

Overlapping Rates

Fiscal Year Ended June 30,	Basic Rate <sup>a</sup>		General Obligation Debt Service <sup>b</sup>		(From J-6) Total Direct School Tax Rate		Total Regional High School Tax Rate		Municipal		Monmouth County <sup>c</sup>		Total Direct and Overlapping Tax Rate	
	Rumson Borough	Fair-Haven Borough	Rumson Borough	Fair-Haven Borough	Rumson Borough	Fair-Haven Borough	Rumson Borough	Fair-Haven Borough	Rumson Borough	Fair-Haven Borough	Rumson Borough	Fair-Haven Borough	Rumson Borough	Fair-Haven Borough
2004	0.294	0.321	0.016	0.018	0.373	0.787	0.314	0.328	0.260	0.379	0.308	0.354	1.565	2.187
2005	0.319	0.315	0.017	0.017	0.382	0.883	0.336	0.334	0.281	0.440	0.324	0.357	1.659	2.346
2006	0.268	0.467	0.014	0.024	0.402	0.952	0.347	0.325	0.281	0.472	0.328	0.353	1.640	2.593
2007	0.347	0.310	0.018	0.016	0.410	0.991	0.366	0.324	0.281	0.491	0.332	0.362	1.754	2.494
2008	0.356	0.318	0.017	0.016	0.425	1.024	0.373	0.334	0.302	0.481	0.318	0.357	1.791	2.530
2009	-	-	0.017	0.019	0.441	1.054	0.361	0.358	0.302	0.470	0.327	0.362	1.448	2.263
2010	-	-	0.017	0.019	0.458	1.088	0.381	0.377	0.323	0.458	0.328	0.366	1.507	2.308
2011	-	-	0.017	0.019	0.468	1.102	0.379	0.387	0.332	0.457	0.329	0.375	1.525	2.340
2012	0.017	0.020	0.017	0.020	0.480	1.120	0.389	0.396	0.342	0.456	0.301	0.338	1.546	2.350
2013	0.369	0.377	0.0188	0.019	0.050	1.137	0.407	0.391	0.359	0.457	0.309	0.342	1.959	2.723

Source: Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calcu

<sup>a</sup> The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

<sup>b</sup> Rates for debt service are based on each year's requirements.

\* Information used for 2008-09 budget.

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
Principal Property Taxpayers,  
Current Year and Ten Years Ago**

Rumson Borough

	2013			2003		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	28,346,300	1		11,056,500	1	
Taxpayer 2	12,161,500	2		4,322,700	2	
Taxpayer 3	10,501,300	3		3,050,300	3	
Taxpayer 4	9,499,200	4		2,692,600	4	
Taxpayer 5	7,100,000	5		2,656,000	5	
Taxpayer 6	7,000,000	6		2,641,500	6	
Taxpayer 7	6,931,300	7		2,583,000	7	
Taxpayer 8	6,450,000	8		2,447,500	8	
Taxpayer 9	6,436,000	9		2,418,800	9	
Taxpayer 10	5,700,000	10		2,413,800	10	
Total	\$ 100,125,600			\$ 36,282,700		

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2004	11,000,050	11,000,050	100.00%	-
2005	12,329,112	12,329,112	100.00%	-
2006	12,996,532	12,996,532	100.00%	-
2007	13,399,360	13,399,360	100.00%	-
2008	14,196,342	14,196,342	100.00%	-
2009	14,711,147	14,711,147	100.00%	-
2010	15,014,771	15,014,771	100.00%	-
2011	15,652,145	15,652,145	100.00%	-
2012	15,825,775	15,825,775	100.00%	-
2013	16,086,231	16,086,231	100.00%	-

Source: Municipal Chief Financial Officer

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

**RUMSON BOROUGH**

Fiscal Year Ended June 30,	Governmental Activities				Business- Type Activities	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipa- tion Notes (BANs)	Capital Leases			
2004	6,007,714.300	-	-	-	-	6,007,714	0.02%	838.48
2005	5,848,254.520	-	-	-	-	5,848,255	0.02%	796.12
2006	5,702,722.700	-	-	-	-	5,702,723	N/A	778.53
2007	5,478,230.960	-	-	-	-	5,478,231	N/A	753.02
2008	5,174,732.860	-	-	-	-	5,174,733	N/A	716.92
2009	4,778,977.040	-	-	-	-	4,778,977	N/A	657.90
2010	4,245,038.010	-	-	-	-	4,245,038	N/A	594.79
2011	3,908,174.000	-	-	-	-	3,908,174	N/A	548.75
2012	3,512,054.703	-	-	-	-	3,512,055	N/A	492.57
2013	2,966,766.000	-	-	-	-	2,966,766	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

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

**FAIR HAVEN**

Fiscal Year Ended June 30,	Governmental Activities				Business- Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipa- tion Notes (BANs)	Capital Leases				
2004	2,790,285.700	-	-	-	-	2,790,286	0.01%	468.72	
2005	2,529,645.480	-	-	-	-	2,529,645	0.01%	428.32	
2006	2,235,277.300	-	-	-	-	2,235,277	N/A	379.83	
2007	1,999,769.040	-	-	-	-	1,999,769	N/A	337.80	
2008	1,823,267.140	-	-	-	-	1,823,267	N/A	308.30	
2009	1,714,022.960	-	-	-	-	1,714,023	N/A	290.02	
2010	1,722,961.990	-	-	-	-	1,722,962	N/A	290.21	
2011	1,509,826.000	-	-	-	-	1,509,826	N/A	246.66	
2012	1,447,945.297	-	-	-	-	1,447,945	N/A	236.28	
2013	1,378,234.000	-	-	-	-	1,378,234	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

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

General Bonded Debt Outstanding

RUMSON BOROUGH

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2004	None	-	6,007,714	0.58%	838.48
2005	None	-	5,848,255	0.22%	796.12
2006	None	-	5,702,723	0.21%	778.53
2007	None	-	5,478,231	0.19%	753.02
2008	None	-	5,174,733	0.18%	716.82
2009	None	-	4,778,977	0.18%	657.90
2010	None	-	4,245,038	0.14%	594.79
2011	None	-	3,908,175	0.13%	548.75
2012	None	-	3,512,055	0.13%	492.57
2013	None	-	2,966,766		-

FAIR HAVEN BOROUGH

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2004	None	-	2,790,286	0.00%	468.72
2005	None	-	2,529,645	0.25%	428.32
2006	None	-	2,235,277	0.24%	379.83
2007	None	-	1,999,769	0.18%	337.80
2008	None	-	1,823,267	0.20%	308.30
2009	None	-	1,714,023	0.20%	290.02
2010	None	-	1,722,962	0.15%	290.21
2011	None	-	1,509,825	0.13%	246.66
2012	None	-	1,447,945	0.12%	236.28
2013	None	-	1,378,234		-

**Notes:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.  
<sup>a</sup> Use Estimated County equalized value from J-6  
<sup>b</sup> Population data can be found in Exhibit NJ J-14.

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
Direct and Overlapping Governmental Activities Debt  
As of June 30, 2013**

<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			
Rumson Borough	\$ -		
Fair Haven Borough	5,221,432	0.00% d	\$ 5,221,432
Monmouth County General Obligation Debt:			
Rumson Borough	a -	0.00%	\$ -
Fair Haven Borough	b 286,865	0.00%	<u>-</u>
Subtotal, overlapping debt			5,221,432
<b>Rumson-Fair Haven Regional High School District Direct Debt</b>			<u>-</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 5,221,432</u></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.

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Legal Debt Margin Information,**  
**Last Ten Fiscal Years**

**Legal Debt Margin Calculation for Fiscal Year 2013**

	Equalized valuation basis		
	Total	<u>Rumson Borough</u>	<u>Fair Haven Borough</u>
2013	\$ 4,778,303,798	c 3,320,270,792	1,458,033,006
2012	4,946,966,308	c 3,441,790,050	1,505,176,258
2011	5,029,553,459	c 3,482,171,902	1,547,381,557
<b>[A]</b>	<u>\$ 14,754,823,565</u>	10,244,232,744	4,510,590,821
Average equalized valuation of taxable	<b>[A/3]</b> \$ 4,918,274,522		
Debt limit (3 % of average equalizatic	<b>[B]</b> 147,548,236	<b>a</b>	
	<b>[C]</b> <u>\$ 4,345,000</u>		
	<b>[B-C]</b> <u>\$ 143,203,236</u>		

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 75,679,409	\$ 90,554,114	\$ 145,140,916	132,127,605	145,329,653	154,387,411	156,240,792	155,171,363	151,653,264	147,548,236
Total net debt applicable to limit	<u>8,798,000</u>	<u>8,378,000</u>	<u>7,938,000</u>	<u>7,478,000</u>	<u>6,998,000</u>	<u>6,493,000</u>	<u>5,968,000</u>	<u>5,418,000</u>	<u>4,960,000</u>	<u>4,345,000</u>
Legal debt margin	<u>\$ 66,881,409</u>	<u>\$ 82,176,114</u>	<u>\$ 137,202,916</u>	<u>\$ 124,649,605</u>	<u>\$ 138,331,653</u>	<u>\$ 147,894,411</u>	<u>\$ 150,272,792</u>	<u>\$ 149,753,363</u>	<u>\$ 146,693,264</u>	<u>\$ 143,203,236</u>
Total net debt applicable to the limit as a percentage of debt limit	11.63%	9.25%	5.47%	5.66%	12.83%	9.60%	3.82%	3.49%	6.42%	2.94%

**Source:**

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

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
<b>RUMSON BOROUGH</b>				
2004	7,346	N/A	46,069	2.00%
2005	7,325	N/A	47,694	2.90%
2006	7,275	N/A	51,437	2.60%
2007	7,218	N/A	54,801	2.40%
2008	7,264	N/A	N/A	3.10%
2009	7,394	N/A	N/A	N/A
2010	7,137	N/A	N/A	N/A
2011	7,122	N/A	71,253	N/A
2012	7,130	N/A	79,388	N/A
2013	7,044	N/A		N/A
<b>FAIR HAVEN BOROUGH</b>				
2004	6,019	N/A	42,965	4.70%
2005	5,987	N/A	46,069	2.60%
2006	5,956	N/A	47,694	3.00%
2007	5,914	N/A	51,437	2.70%
2008	5,910	N/A	54,801	3.50%
2009	6,021	N/A	N/A	N/A
2010	5,937	N/A	N/A	N/A
2011	6,121	N/A	50,215	N/A
2012	6,128	N/A	54,244	N/A
2013	6,108	N/A		N/A

**Source:**

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

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

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

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

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Principal Employers,  
 Current Year and Ten Years Ago

Employer	2013			2003		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
	-		0%	-		0.00%
	-		-	-		0.00%
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0.00%	-		0.00%

Source: Municipal Tax Collector

Municipality didn't have the information available a time to publication of this report.

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Full-time Equivalent District Employees by Function/Program,  
 Last Ten Fiscal Years

<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										
Regular	62.0	66.0	69.0	71.0	72.0	71.8	71.8	79.0	75.8	75.8
Special education	9.6	12.4	12.6	13.6	13.6	14.0	14.0	14.0	14.0	14.0
Other special education	1.0	1.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0
Vocational										
Other instruction	1.0	1.5	4.0	4.0	5.6	5.5		5.0	4.0	4.0
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	22.9	23.4	23.4	23.4	21.4	21.6	23.0	21.0	21.5	21.5
General administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	8.5	8.5	8.5	8.5	4.5	4.7	5.7	6.0	6.0	6.0
Other administrative services	2.0	2.0	2.0	2.2	2.1	2.1	2.5	3.0	3.0	3.0
Central services	0.0	0.0	0.0	0.0	0.0	0.0	1.1	0.0	0.0	0.0
Administrative Information Technology	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Plant operations and maintenance	7.0	7.0	8.5	6.0	7.0	7.0	7.0	4.0	4.0	4.0
Pupil transportation					0.1	0.1				0.0
Other support services										0.0
Special Schools										
Food Service	2.0	2.0	2.0	1.0	1.0	1.0				0.0
Child Care										
Total	<u>118.0</u>	<u>125.8</u>	<u>135.0</u>	<u>134.7</u>	<u>132.3</u>	<u>388.5</u>	<u>129.1</u>	<u>136.0</u>	<u>132.3</u>	<u>133.3</u>

Source: District Personnel Records

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
Operating Statistics,  
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						High School					
2004	831.5	11,284,477	13,571	-1.47%	84.8	9.8:1	840.0	786.1	8.20%	93.58%	
2005	895.0	11,982,997	13,389	-1.34%	85.8	9.9:1	907.1	848.1	7.99%	93.50%	
2006	942.5	13,080,426	13,878	3.66%	88.9	10.6:1	942.5	878.5	3.90%	93.21%	
2007	996.5	13,488,974	13,489	-2.81%	90.6	10.6:1	1009.0	942.8	7.06%	93.44%	
2008	993.0	14,439,873	14,542	7.80%	91.0	11.0:1	989.6	908.9	-1.92%	91.85%	
2009	966.0	14,857,324	15,380	5.77%	85.8	10.9:1	967.7	896.8	-2.21%	92.67%	
2010	972.0	16,154,024	16,619	8.06%	87.8	11:02	978.1	925.3	1.07%	94.60%	
2011	965.0	15,986,090	15,642	-5.88%	79.0	11:01	952.4	898.0	-2.63%	94.29%	
2012	934.0	16,389,411	14,968	-9.94%	75.8	12.2:1	908.9	856.7	-4.57%	94.26%	
2013	897.0	14,889,330	14,968	-4.31%	75.8	12.3:1	895.0	845.3	-1.53%	94.45%	

**Sources:** District records

**Note:** Enrollment based on annual October district count ASSA 10/14/11 count for FYE 2013.

- a Operating expenditures equal total expenditures less debt service, on behalf and capital outlay per schedule c -1
- 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). From Gvancardo

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**School Building Information**  
**Last Ten Fiscal Years**

	<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>
<b>District Building</b>										
<u>High School</u>										
Rumson-Fair Haven Regional High School (1935,1957,1963,1971 sections)										
Square Feet	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000
Capacity (students)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	831.5	895.0	932.5	996.5	1,000.0	966.0	972.0	965.0	934.0	895.0

Number of Schools at June 30, 2013  
 Senior High School = 1

Note: Rumson-Fair Haven Regional High School is a one district school. The buildings are 148,000 square feet. Capacity is 1,200 students.

**Source:** District Facilities Office

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Schedule of Required Maintenance**  
**Last Ten Fiscal Years**

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

		Rumson-Fair Haven Regional High School	Total
* School Facilities			
Project # (s)			
2004	N/A	213,862	213,862
2005	N/A	255,670	255,670
2006	N/A	275,339	275,339
2007	N/A	269,537	269,537
2008	N/A	755,503	755,503
2009	N/A	274,521	274,521
2010	N/A	448,243	942,677
2011	N/A	235,509	919,057
2012	N/A	264,654	264,654
2013	N/A	225,640	225,640
Total School Facilities		<u>\$ 3,218,478</u>	<u>\$ 3,218,478</u>

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

Source: District records

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2013**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - MOCSSIF/NJSBAIG		
Blanket Buildings and Contents (Special		
Form Coverage/Replacement Cost)	\$ 300,000,000	
Extra Expense	50,000,000	5,000
Comprehensive General Liability	16,000,000	
Money and Securities	50,000	500
Data Processing Equipment	600,000	1,000
Automobile Policy - MOCSSIF/NJSBAIG	16,000,000	1,000
Workers Compensation - MOCSSIF/NJSBAIG	9,494,384	
School Board Legal Liability - New Jersey	16,000,000	5,000
School Boards Association Insurance Group		
Student Accident and Athletic Account - Bollinger	Variable	
Fidelity Bond Insurance:		
Selective Insurance Company:		
Board Secretary	225,000	
Treasurer of School Moneys	225,000	
Crime - Employee Dishonesty - NJSBAIG	225,000	1,000
Excess Workers Compensation - Life		
Insurance Co. of NA	2,000	

Source: District records

SINGLE AUDIT SECTION

**JUMP, SCUTELLARO AND COMPANY, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS**

12 LEXINGTON AVENUE TOMS RIVER, NJ 08753 PHONE (732) 240-7377 FAX (732) 505-8307 WEBSITE: jumpcpa.com

**INDEPENDENT AUDITORS' 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  
Rumson-Fair Haven Regional High School District  
County of Monmouth  
Rumson, New Jersey 07760

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Board of Education of the Rumson-Fair Haven Regional High School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Board of Education of the Rumson-Fair Haven Regional High School District basic financial statements, and have issued our report thereon dated October 28, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Board of Education of the Rumson-Fair Haven Regional High School District in the County of Monmouth, State of New Jersey's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Board of Education of the Rumson-Fair Haven Regional High School District in the County of Monmouth, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of Board of Education of the Rumson-Fair Haven Regional High School District 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 School District'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 the Board of Education of Rumson-Fair Haven Regional High School District financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

### 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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted

Jump, Scutellaro and Company, LLP  
Toms River, NJ



Kathryn Perry, Partner  
Licensed Public School Accountant  
No. CS 20CS00226400

Toms River, NJ  
October 28, 2013

**JUMP, SCUTELLARO AND COMPANY, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS**

12 LEXINGTON AVENUE TOMS RIVER, NJ 08753 PHONE (732) 240-7377 FAX (732) 505-8307 WEBSITE: jumpcpa.com

**INDEPENDENT AUDITORS' 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  
Rumson-Fair Haven Regional High School District  
County of Monmouth  
Rumson, New Jersey 07760

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

We have audited Rumson-Fair Haven Regional High School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 that could have a direct and material effect on each of Rumson-Fair Haven Regional High School District's major federal programs for the year ended June 30, 2013. Rumson-Fair Haven Regional High School District's major federal 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 Rumson-Fair Haven Regional High School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 and the New Jersey OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Rumson-Fair Haven Regional High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Rumson-Fair Haven Regional High School District's compliance.

## Opinion on Each Major Federal and State Program

In our opinion, Rumson-Fair Haven Regional High School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2013.

## Report on Internal Control Over Compliance

Management of Rumson-Fair Haven Regional High School District 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 Rumson-Fair Haven Regional High School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the New Jersey OMB 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 Rumson-Fair Haven Regional High School District's internal control over compliance.

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

**Purpose of this Report**

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 State OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

JUMP, SCUTELLARO, & COMPANY, L.L.P.  
Toms River, NJ

  
Kathryn Perry, Partner  
Licensed Public School Accountant  
No. CS 20CS00226400

October 28, 2013

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Schedule of Expenditures of Federal Awards  
 for the Fiscal Year ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2012	Adjustments	Cash Received	Budgetary Expenditures	Repayment of Prior years' Balances	Deferred Revenue at June 30, 2013	Accounts Receivable at June 30, 2013	Due to Grantor at June 30, 2013
<b>General Fund</b>											
U.S. Department of Education Education Jobs Fund Program	84.410	9/1/12-8/31/13	8,365	-	-	8,365	(8,365)	-	-	-	-
Education Jobs Fund Program	84.410	8/10/10-8/31/12	24,207	(14,339)	-	14,339	-	-	-	-	-
<b>Total General Fund</b>				<b>(14,339)</b>	<b>-</b>	<b>22,704</b>	<b>(8,365)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>U.S. Department of Education Passed-through State Department of Education:</b>											
Title II - Part A	84.340	9/1/12-8/31/13	11,538	-	-	-	(11,538)	-	-	(11,538)	-
Title II - Part A - Carryover	84.340	9/1/11-8/31/12	11,447	(11,447)	-	11,447	-	-	-	-	-
I.D.E.A. Part B Basic	84.027	9/1/12-8/31/13	151,147	-	-	-	(151,147)	-	-	(151,147)	-
I.D.E.A. Part B Basic - Carryover	84.027	9/1/11-8/31/12	156,127	(156,127)	-	156,127	-	-	-	-	-
<b>Total Special Revenue Fund</b>				<b>(167,574)</b>	<b>-</b>	<b>167,574</b>	<b>(162,685)</b>	<b>-</b>	<b>-</b>	<b>(162,685)</b>	<b>-</b>
<b>U.S. Department of Agriculture Passed-through State Department of Education:</b>											
Food Distribution Program	10.553	7/1/12-6/30/13	-	-	-	-	-	-	-	-	-
National School Lunch Program	10.555	7/1/11-6/30/12	8,790	(205)	-	205	-	-	-	-	-
National School Lunch Program	10.555	7/1/12-6/30/13	11,532	-	-	10,788	(11,532)	-	-	(744)	-
<b>Total Enterprise (Food Service) Fund</b>				<b>(205)</b>	<b>-</b>	<b>10,993</b>	<b>(11,532)</b>	<b>-</b>	<b>-</b>	<b>(744)</b>	<b>-</b>
<b>Total Expenditures of Federal Awards</b>				<b>(182,118)</b>	<b>-</b>	<b>201,271</b>	<b>(182,582)</b>	<b>-</b>	<b>-</b>	<b>(163,429)</b>	<b>-</b>

See accompanying notes to schedules of expenditures.

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Schedule of Expenditures of State Financial Assistance  
 for the Fiscal Year ended June 30, 2013

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012	Adjustments	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2013	(Accounts Receivable) at June 30, 2013	Due to Grantor at June 30, 2013	MEMO		
												Budgetary Receivable	Cumulative Total Expenditures	
New Jersey Department of Education														
General Fund:														
Extraordinary Aid	12-100-034-5120-044	7/1/11-6/30/12	19,410	(19,410)	-	19,410	-	-	-	-	-	-	-	-
Extraordinary Aid	13-100-034-5120-044	7/1/12-6/30/13	-	-	-	-	-	-	-	-	-	-	-	-
Special Education Categorical Aid	13-495-034-5120-089	7/1/12-6/30/13	373,738	-	-	337,201	(373,738)	-	-	-	-	(36,537)	(373,738)	(373,738)
Nonpublic Transportation Aid	12-495-034-5120-014	7/1/11-6/30/12	10,118	(10,118)	-	10,118	-	-	-	-	-	-	-	-
Nonpublic Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	37,770	-	-	33,801	(37,770)	-	-	(3,969)	-	-	(37,770)	(37,770)
Equalization Aid	12-495-034-5120-078	7/1/11-6/30/12	-	-	-	-	-	-	-	-	-	-	-	-
Equalization Aid	13-495-034-5120-078	7/1/12-6/30/13	-	-	-	-	-	-	-	-	-	-	-	-
Categorical Security Aid	12-495-034-5120-084	7/1/11-6/30/12	-	-	-	-	-	-	-	-	-	-	-	-
Categorical Security Aid	13-495-034-5120-084	7/1/12-6/30/13	12,467	-	-	12,467	(12,467)	-	-	-	-	-	(12,467)	(12,467)
Reimbursed Post-Retirement Medical	12-495-034-5095-002	7/1/11-6/30/12	-	-	-	-	-	-	-	-	-	-	-	-
On-Behalf TPAF NCGI Premiums Contribution	13-495-034-5095-001	7/1/12-6/30/13	1,009,177	-	-	1,009,177	(1,009,177)	-	-	-	-	-	(1,009,177)	(1,009,177)
Reimbursed TPAF Social Security Tax Contribution	12-495-034-5095-002	7/1/11-6/30/12	534,375	(4,451)	-	4,451	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Tax Contribution	13-495-034-5095-002	7/1/12-6/30/13	540,868	-	-	513,862	(540,868)	-	-	(27,006)	-	-	(540,868)	(540,868)
<b>Total General Fund</b>				<b>(33,979)</b>	<b>-</b>	<b>1,940,487</b>	<b>(1,974,020)</b>	<b>-</b>	<b>-</b>	<b>(30,975)</b>	<b>-</b>	<b>(36,537)</b>	<b>(1,974,020)</b>	<b>(1,974,020)</b>
Enterprise Fund:														
State School Lunch Program	12-100-010-3360-067	7/1/11-6/30/12	1,211	(29)	-	29	-	-	-	-	-	-	-	-
State School Lunch Program	13-100-010-3360-067	7/1/12-6/30/13	1,371	-	-	1,091	(1,371)	-	-	(280)	-	-	(1,371)	(1,371)
State School Breakfast Program	13-100-010-3360-096	7/1/12-6/30/13	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Enterprise Fund</b>				<b>(29)</b>	<b>-</b>	<b>1,120</b>	<b>(1,371)</b>	<b>-</b>	<b>-</b>	<b>(280)</b>	<b>-</b>	<b>-</b>	<b>(1,371)</b>	<b>(1,371)</b>
Capital Projects Fund:														
Elevator Project		7/1/08-6/30/11	266,000	(199,406)	-	-	-	-	-	-	-	-	-	-
Drainage Project		7/1/10-6/30/12	117,427	(117,427)	-	-	-	-	-	-	-	-	-	-
HVAC Project		7/1/03-6/30/07	5,865,551	(20)	-	-	-	-	-	-	-	-	-	-
<b>Total Special Revenue Fund</b>				<b>(316,853)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures of State Awards</b>				<b>(350,861)</b>	<b>-</b>	<b>1,941,607</b>	<b>(1,975,391)</b>	<b>-</b>	<b>-</b>	<b>(31,255)</b>	<b>-</b>	<b>(36,537)</b>	<b>(1,975,391)</b>	<b>(1,975,391)</b>

See accompanying notes to schedules of expenditures.

Rumson-Fair Haven Regional High School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2013

1. General

The accompanying schedules of expenditures of award present the activity of all federal and state awards of the Board of Education, Rumson-Fair Haven Regional High School District. The Board of Education is defined in Note 1(A) to the Board's general purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

2. Basis of Accounting

The accompanying schedules of expenditures of federal and state awards 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.

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 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 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.

Rumson-Fair Haven Regional High School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2013

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(8,000) for the general fund and \$(45,750) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
General Fund	\$ 8,365	1,974,020	-	1,982,385
Special Revenue Fund	162,685	-	-	162,685
Debt Service Fund	-	-	-	-
Food Service Fund	<u>11,532</u>	<u>1,371</u>	<u>-</u>	<u>12,903</u>
Total awards and financial assistance	<u>\$ 182,582</u>	<u>1,975,391</u>	<u>-</u>	<u>\$ 2,157,973</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. Other

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 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.

Rumson-Fair Haven Regional High School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2013

Section I – Summary of Auditor’s Results  
Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes  X no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes  X none reported
- Noncompliance material to general-purpose financial statements noted? \_\_\_\_\_ yes  X no

Federal Awards Section

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

Type of auditor's report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? \_\_\_\_\_ yes  X no

Identification of major programs:

CFDA Number(s) Name of Federal Program or Cluster

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?  X yes \_\_\_\_\_ no

Rumson-Fair Haven Regional High School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2013

Section I – Summary of Auditor’s Results (continued)

State Awards Section

Dollar threshold used to distinguish between type A and type B programs:  
\$300,000

Auditee qualified as low-risk auditee?                      X  yes          no

Type of auditor's report issued on compliance for major programs: Unmodified  
Opinion

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 Letter 04-04?                           yes      X  no

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5120-089	Reimbursed TPAF

Section II – Financial Statement Findings

No matters were reported for the period ended June 30, 2013.

Prior Year Audit Findings – N/A

Section III – State Award Findings and Questioned Costs

No matters were reported for the period ended June 30, 2013.

There were no prior year findings for the period ended June 30, 2012.