

Comprehensive Annual Financial Report

of the

Freehold Regional High School District

County of Monmouth

Englishtown, New Jersey

For the Fiscal Year Ended June 30, 2014

Prepared by

**Sean Boyce, CPA
Finance Department**

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INTRODUCTORY SECTION



FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

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Fax: (732) 446-5192*

November 26, 2014

Honorable President and
Members of the Board of Education
Freehold Regional High School District
County of Monmouth
Englishtown, New Jersey

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Freehold Regional High School District (District) for the fiscal year ended June 30, 2014. 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 basic financial statements and results of operations of the District. This report will provide the taxpayers of the Freehold Regional High School District with comprehensive financial data in a format enabling them to gain an understanding of the School District's financial affairs.

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

- The Introductory Section contains this Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal revenue and debt capacities and other operating information of the School District;
- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the independent auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

Reporting Entity

The Freehold Regional High School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board's (GASB) as established by Statement No. 39. All funds of the District are included in this report. The Freehold Regional High School District Board of Education and its six high schools constitute the District's reporting entity.

School District Organization

The Freehold Regional High School District, the largest limited-purpose regional high school district in the state, is one of 56 school districts in Monmouth County. The School District provides education to students in grades nine through twelve.

An elected nine-member Board of Education (the "Board") serves as the policy maker for the School District. The Board adopts an annual budget and directly approves all expenditures which serve as the basis for control over and authorization for all expenditures of School District tax money.

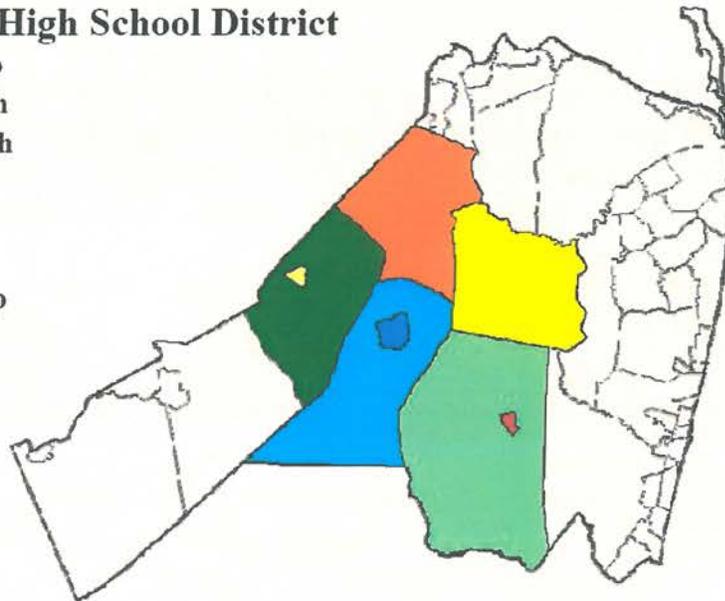
The Superintendent is the chief executive officer of the School District, responsible to the Board for total educational and support operations. The Assistant Superintendent for Business/Board Secretary is the chief financial officer of the School District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the School District, acting as custodian of all School District funds, and investing idle funds as permitted by New Jersey law.

Geographically, the District is comprised of the Townships of Colts Neck, Freehold, Howell, Manalapan and Marlboro and the Boroughs of Englishtown, Farmingdale and Freehold. Established in 1953, the District's total area is 198 square miles. Of the 11,352 resident students, 11,280.5 students are enrolled in one of the Freehold Regional High School District's six high schools.

Freehold Regional High School District

-  Colts Neck Township
-  Englishtown Borough
-  Farmingdale Borough
-  Freehold Borough
-  Freehold Township
-  Howell Township
-  Manalapan Township
-  Marlboro Township

Monmouth County
New Jersey



Economic Condition and Outlook

Monmouth County is steeped in history from pre-revolutionary times to the present day. Rich in natural resources, Monmouth's deep forests, rolling countryside and miles of beautiful sandy beaches offer a perfect backdrop for the vast variety of recreational, cultural and leisure opportunities in the area. The County has horse country and thriving agricultural industry in the west, beaches and seaside resorts in the east, and a booming business community throughout. The Freehold Regional High School District serves students from a wide range of socioeconomic backgrounds.

Monmouth County is located in the center of the state approximately 47 miles south of New York City and 55 miles east of Philadelphia. Newark Liberty International Airport is just 40 minutes away. The public and private transportation systems include more than 2,600 miles of rails and roads, making the County accessible to virtually all of New Jersey as well as nearby New York and Philadelphia.

In November 2014 Standard and Poor's raised its Freehold Regional High School District's General Obligation School Issuer Credit Rating from AA to AA+ citing the district's improved financial position. Looking forward, Standard & Poor's notes "The stable outlook reflects Standard & Poor's view of the district's stable local economy and strong property tax base. The district's strong reserves and low debt burden provide additional stability."

Educational Program

The District meets advanced academic needs through a wide assortment of accelerated and Advanced Placement classes at each high school. The District also hosts six unique specialized learning centers for highly motivated and gifted students in particular subject disciplines. All students from the region may apply for competitive admission. Specialized learning centers operate in the areas of Business Administration, Contemporary Global Issues, Humanities, Law and Public Services, Medical Sciences, and Science and Engineering.

The District also operates several academies designed to provide students with career exploration, employment skills, and college readiness. Academy programs include Animal and Botanical Sciences, Computer Science, Culinary Arts/Hospitality Management (with its own licensed and student-operated restaurant), Fine and Performing Arts, Law Enforcement and Public Safety, and Navy Junior ROTC.

In addition to these specialized magnet programs the District also participates in cooperative dual education programs and articulation agreements with colleges, universities and trade schools across the country. District students also have the opportunity to receive credit for independent study and other specialized opportunities in areas in which they harbor unique talents and skills.

Major Initiatives

Strategic Planning

The Freehold Regional High School District's strategic planning process began with the opening of the 2012-2013 school year. At that time, Superintendent Charles Sampson engaged the Board of Education Community Relations Committee and leadership teams in conversations about the district's prior mission statement, as well as the red zones and bright spots we find on the path toward the fulfillment of that mission.

The resulting comprehensive Strategic Plan is housed in The Compass Project at www.compass.frhsd.com. The opportunities identified throughout *Compass* are only attainable through a disciplined commitment to the core ideas set forth in “Cardinal Directions” which include:

- We will allocate resources first and foremost to initiatives that support our mission
- We will exercise data-driven decision-making
- We will respond to changing conditions with flexibility

Equally important guidance can be found in the document’s Guiding Metaphors and Frameworks which identifies the foundation of Organizational Learning as building “sustainable structures that encourage measurement, reflection, goal setting, and collaboration.” The importance of collaboration with program and financial stakeholders is a critical step in the feedback loop for Organizational Learning – a cycle that “demands that we measure and learn before we build and implement.” Only when armed with this understanding can we work together to create sustainable solutions to the financial challenges of adopting “highly focused programs that hit the bull’s eye of our needs.”

Compass puts a new Coordinating Structure at the center of creating accountability to our plan and one another – the Advisory Panel. Along with the Initiative Network, the panel will evaluate “what is and is not working throughout the district” in order to determine the cost/benefit of proposed initiatives in lieu of existing programs and services. The panel’s annual evaluation briefing will drive budget development by ensuring resources are allocated first and foremost to new and/or existing programs that support our mission.

The *Compass* framework provides the means to balance the simultaneous expansion and contraction of programs and services within the context of our financial outlook. *Compass* has laid the foundation for transformational change...and charted a challenging course to excellence.

Capital Planning

The district is proceeding with the establishment of a capital plan that addresses the needs of the facilities without draining resources from the instructional program. In March 2014 the board approved more than \$20 million in improvements anchored by an Energy Savings Improvement Program (ESIP). State ESIP laws provide all government agencies in New Jersey with a flexible tool to improve and reduce energy usage with minimal expenditure of new financial resources. Over 60% of the proposed work seeks to upgrade Heating, Ventilation and Air Conditioning (HVAC) equipment and control systems, with the balance of the proposed improvements involving roofing, lighting retrofits and other energy efficiency measures. In addition to funding under ESIP, the district is accessing subsidies managed by the NJ Board of Public Utilities and NJ Department of Education facility grants.

Acknowledgements and Achievements

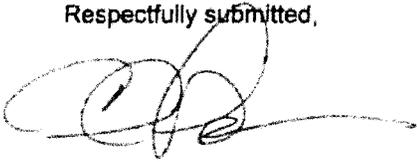
Among the district’s many achievements:

- The White House and the U.S. Department of Education selected Charles Sampson, superintendent of the Freehold Regional High School District, to participate in the “ConnectED to the Future” convened at the White House in recognition of Sampson’s commitment to Future Ready schools as demonstrated by his leadership in leveraging technology to provide individualized educational experiences, access, opportunities and support for all students.
- The College Board named FRHSD to the Annual AP District Honor Roll for the fourth time for increasing access to Advanced Placement course work while simultaneously maintaining or increasing the percentage of students earning scores of 3 or higher on Advanced Placement exams.

- 2014 Innovations in Special Education Award from New Jersey School Boards Association for the Workplace Training Program.
- Class of 2014 acceptance into top colleges and universities including all Ivy League schools.
- Newsweek magazine's 2014 America's Best High Schools list – Colts Neck High School, Freehold Township High School, Manalapan High School and Marlboro High School.

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

Respectfully submitted,



Charles Sampson
Superintendent of Schools



Sean Boyce, CPA
Assistant Superintendent for Business

FREEHOLD REGIONAL HIGH SCHOOL BOARD OF EDUCATION
ENGLISHTOWN, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2014

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|---|----------------------------|
| Harold Moses, President | 2015 |
| Jennifer Sutura, Vice President | 2015 |
| Carl Accettola | 2014 |
| William Bruno | 2015 |
| Elizabeth Canario | 2016 |
| Amy Fankhauser | 2016 |
| Kathie Lavin | 2016 |
| Michael Messinger | 2014 |
| Maryanne Tomazic | 2014 |

Other Officials

Charles Sampson, Superintendent of Schools

Sean Boyce, CPA, Assistant Superintendent for Business Administration/Board Secretary

Mark Toscano, Esq., Solicitor

**FREEHOLD REGIONAL HIGH SCHOOL BOARD OF EDUCATION
CONSULTANTS AND ADVISORS
JUNE 30, 2014**

Audit Firm

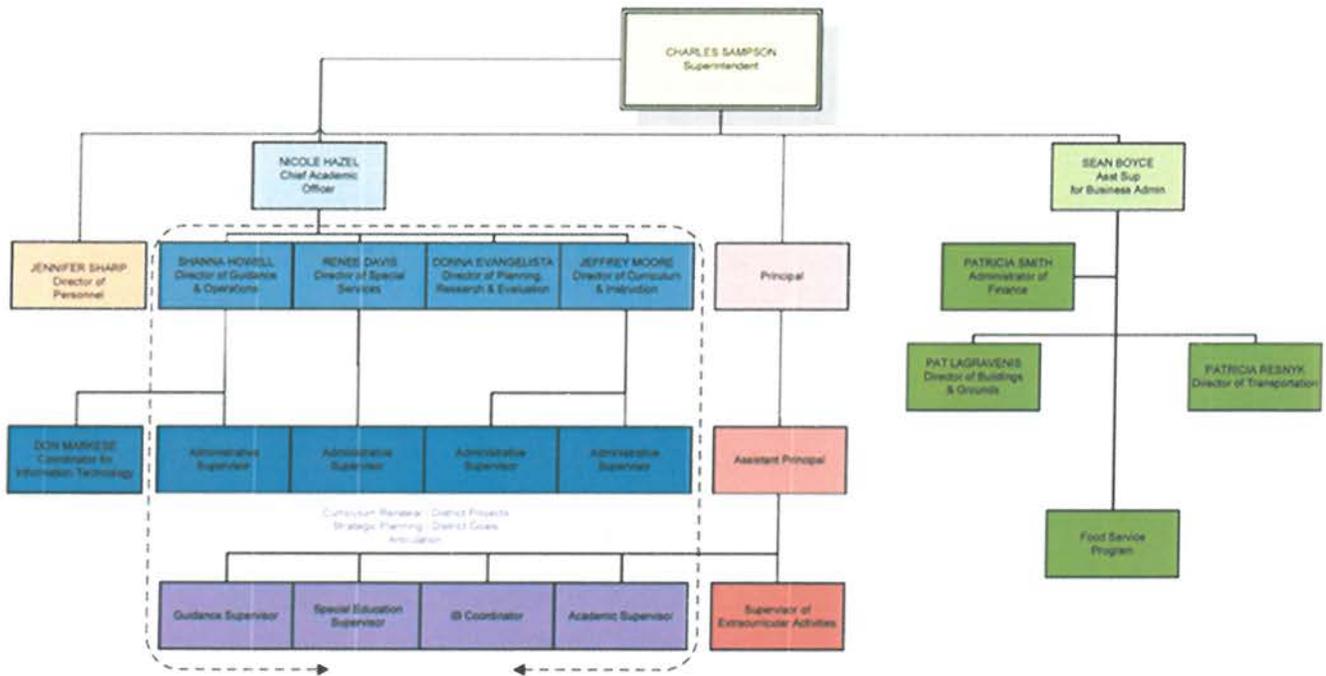
Suplee, Clooney & Company
308 East Broad Street
Westfield, NJ 07090

Attorney

Mark Toscano
Comegno Law Group, P.C.
521 Pleasant Valley Avenue
Moorestown, NJ 08057

Official Depository

Bank of America
One West Main Street
Freehold, New Jersey 07728



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FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

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E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Freehold Regional High School District
County of Monmouth
Englishtown, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Freehold Regional High School District, County of Monmouth, New Jersey as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the provisions of U.S. Office of Management and Budget (OMB) *Circular A-133* "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey *OMB Circular 04-04* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

SUPLEE, CLOONEY & COMPANY

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Freehold Regional High School District, County of Monmouth, New Jersey as of June 30, 2014, 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 in Exhibit C-1 through C-3 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.

SUPLEE, CLOONEY & COMPANY

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Freehold Regional High School District's basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 26, 2014 on our consideration of the Freehold Regional High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Freehold Regional High School District's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

November 26, 2014

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
ENGLISHTOWN, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

The discussion and analysis of Freehold Regional High School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance. Certain comparative information between the current fiscal year (2013-2014) and the prior fiscal year (2012-2013) is presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2014 are as follows:

- ↪ Net Position of governmental activities increased \$2,895,640, which represents a 2.9 percent increase from 2013. A corresponding increase in Net Position – Restricted represents funds to support future operating budgets and facility needs.
- ↪ Net Position of business-type activities decreased \$213,585, which represents a 36.7 percent decrease from 2013. The District has replaced the food service management company effective July 1, 2014.
- ↪ Property taxes continue to provide the majority of revenue for the Governmental Funds accounting for 62.98 percent in 2014. During the three years the tax cap has been in place, the District has forgone over \$10 million in available property tax. In addition, the District's fiscal year 2015 budget included a property tax levy that is \$4 million below the tax cap.
- ↪ Governmental Funds expenses (exclusive of the Capital Projects Fund) increased by \$2,223,930, which represents a 1.17 percent increase over 2013. Expenses required for staff training, curriculum revisions and textbooks associated with the implementation of mandates PARCC, Common Core and the teacher evaluation system are reflected in the financial statements.
- ↪ The Capital Projects Fund reflects the establishment of more than \$20 million of facility improvements funded under the state's Energy Savings Improvement Program (ESIP). Under the program, energy conservation measures are funded by capital leases instead of serial bonds. Lease payments are provided for through energy savings, and without impact on instructional programs.
- ↪ The School District recently completed a comprehensive fixed asset inventory which is reflected in the 2014 financial statements. For comparative purposes, 2013 has been restated to represent the change in asset valuation.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Freehold 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 focus of governmental accounting differs from that of business enterprises. In government, the financial statement user is concerned with determining accountability for funds, evaluating operating results, and assessing the level of service that can be provided by the government along with its ability to meet obligations as they become due. In comparison, the primary emphasis in the private sector from both an operational and reporting perspective is on the maximization of profits.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of a whole school district, presenting both an aggregate view of a school district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

**FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
ENGLISHTOWN, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

This document looks at all financial transactions and asks the question, "How did we do financially during 2014?" The Statement of Net Position and the Statement of Activities attempt to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. 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 it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs, and other factors.

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

- **Governmental activities** - All of the School District's programs and services are reported here including instruction, support services, administration, operating maintenance of plant services, student transportation, and extracurricular activities.
- **Business-Type Activities** - This service is provided on a charge-for-goods-or-services basis to recover all the expenses of the goods or services provided. The Food Service and Extra Curricular funds are reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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

**FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
ENGLISHTOWN, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same as in private industry.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net Position may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's Net Position for 2014 and 2013.

**TABLE 1
Net Position**

| | 2013-2014 | | | 2012-2013 (As Restated) | | |
|--|----------------------------|------------------------|----------------------|----------------------------|------------------------|----------------------|
| | Governmental Activities | Business Activities | Total | Governmental Activities | Business Activities | Total |
| ASSETS | | | | | | |
| Current & Other Assets | \$58,584,580 | \$820,885 | \$59,405,465 | \$35,513,634 | \$1,025,118 | \$36,538,752 |
| Capital Assets | 104,176,395 | 238,357 | 104,414,752 | 108,564,681 | 271,952 | 108,836,633 |
| TOTAL ASSETS | 162,760,975 | 1,059,242 | 163,820,217 | 144,078,315 | 1,297,070 | 145,375,385 |
| DEFERRED OUTFLOWS OF RESOURCES: | | | | | | |
| Loss on Refunding of Long Term Debt | 182,324 | | 182,324 | | | |
| LIABILITIES | | | | | | |
| Long-Term Liabilities | 46,766,072 | | 46,766,072 | 30,768,836 | | 30,768,836 |
| Other Liabilities | 11,538,647 | 691,128 | 12,229,775 | 11,566,539 | 715,371 | 12,281,910 |
| TOTAL LIABILITIES | 58,304,719 | 691,128 | 58,995,847 | 42,335,375 | 715,371 | 43,050,746 |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets | 75,667,764 | 238,357 | 75,906,121 | 76,397,044 | 75,793 | 76,472,837 |
| Restricted | 31,027,126 | | 31,027,126 | 27,308,431 | | 27,308,431 |
| Unrestricted (Deficit) | (2,056,310) | 129,757 | (1,926,553) | (1,962,535) | 505,906 | (1,456,629) |
| TOTAL NET POSITION | \$104,638,580 | \$368,114 | \$105,006,694 | \$101,742,940 | \$581,699 | \$102,324,639 |

**FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
ENGLISHTOWN, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

For comparative reasons, the District's June 30, 2013 financial statements have been restated to reflect the capital assets inventory performed in 2014. In addition to the impact of the restatement, current assets increased by the accumulation of health benefits contributions held in trust, and Net Position – Restricted increase by amounts deposited into facility based reserves dedicated to maintaining the physical plant.

Table 2 details the changes in Net Position for fiscal year 2014 and 2013.

**Table 2
Changes in Net Position**

| | 2013-2014 | | | 2012-2013 (As Restated) | | |
|--|----------------------------|------------------------|----------------|----------------------------|------------------------|----------------|
| | Governmental Activities | Business Activities | Total | Governmental Activities | Business Activities | Total |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 257,418 | \$ 2,764,527 | \$ 3,021,945 | \$ 159,313 | \$ 2,832,230 | \$ 2,991,543 |
| Operating Grants & Contributions | 16,856,815 | 470,547 | 17,327,362 | 426,007 | 486,782 | 912,789 |
| General Revenues | | | | | | |
| Property Taxes | 123,178,159 | - | 123,178,159 | 120,833,006 | - | 120,833,006 |
| Grants (includes State Aid) and Entitlements | 55,104,317 | - | 55,104,317 | 72,158,840 | - | 72,158,840 |
| Other Revenues | 303,863 | - | 303,863 | 576,640 | - | 576,640 |
| Transfers | - | - | - | - | - | - |
| | 195,700,572 | 3,235,074 | 198,935,646 | 194,153,806 | 3,319,012 | 197,472,818 |
| Expenses: | | | | | | |
| Instruction | 104,003,715 | - | 104,003,715 | 106,539,567 | - | 106,539,567 |
| Pupils and Instructional Staff | 35,853,061 | - | 35,853,061 | 32,953,546 | - | 32,953,546 |
| General Administration, School Administration, Central Services | | | | | | |
| Information Technology & Maintenance | 29,888,247 | - | 29,888,247 | 30,850,490 | - | 30,850,490 |
| Transportation | 16,674,449 | - | 16,674,449 | 16,285,246 | - | 16,285,246 |
| Interest on Long-Term Debt | 1,548,571 | - | 1,548,571 | 1,699,266 | - | 1,699,266 |
| Business-Type | - | 3,448,659 | 3,448,659 | - | 3,433,767 | 3,433,767 |
| Other | 4,836,889 | - | 4,836,889 | 34,303 | 213,993 | 248,296 |
| Total Expenses | 192,804,932 | 3,448,659 | 196,253,591 | 188,362,418 | 3,647,760 | 192,010,178 |
| Change in Assets | 2,895,640 | (213,585) | 2,682,055 | 5,791,388 | (328,748) | 5,462,640 |
| Net Position July 1, (as restated) | 101,742,940 | 581,699 | 102,324,639 | 95,951,552 | 910,447 | 96,861,999 |
| Net Position June 30, | \$ 104,638,580 | \$ 368,114 | \$ 105,006,694 | \$ 101,742,940 | \$ 581,699 | \$ 102,324,639 |

The presentation of position in the District's June 30, 2014 financial statements include revenues from federal and state grant programs as well as the state's on-behalf contributions to the Teachers' Pension and Annuity Fund. Corresponding amounts have been appropriately assigned throughout governmental expenses.

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

**FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
ENGLISHTOWN, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

**Table 3
Cost of Services**

| | Total Cost of Services 2014 | Total Cost of Services 2013 | Net Cost of Services 2014 | Net Cost of Services 2013 |
|--|-----------------------------------|-----------------------------------|---------------------------------|---------------------------------|
| Instruction | \$104,003,715 | \$ 106,539,566 | \$90,710,422 | \$106,477,389 |
| Pupils and Instructional Staff | 35,853,061 | 32,953,546 | 33,504,997 | 32,953,546 |
| General Administration, School Administration, Central Services | | | | |
| Information Technology & Maintenance | 29,888,247 | 30,850,491 | 28,796,205 | 30,850,491 |
| Transportation | 16,674,449 | 16,285,246 | 16,674,449 | 16,285,246 |
| Interest on Long-Term Debt | 1,548,571 | 1,699,266 | 1,167,737 | 1,273,259 |
| Business-Type | 3,448,659 | 3,647,760 | 213,585 | 328,748 |
| Other | 4,836,889 | 34,303 | 4,836,889 | 34,303 |
| Total Expenses | <u>\$196,253,591</u> | <u>\$192,010,178</u> | <u>\$175,904,284</u> | <u>\$188,202,982</u> |

As noted above, the presentation of position in the District's June 30, 2014 financial statements include the allocation of expenses funded by federal and state grant programs as well as the state's on-behalf contributions to the Teachers' Pension and Annuity Fund totaling \$16,475,981.

- Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.
- Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.
- General administration, school administration, central services, information technology and maintenance include expenses associated with administrative and financial supervision of the District, as well as costs associated with the upkeep of school grounds, buildings, and equipment in an effective working condition.
- Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.
- Interest on long-term debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.
- Business-type expenses include all expenses associated with the food service and extracurricular funds.
- "Other" includes special schools, transfer to charter school and the impact of changes in accounting for capital assets.

Business-Type Activities

Revenues for the District's business-type activities (food service and extra-curricular programs) were comprised of charges for services and federal and state reimbursements. In response to operating losses in the food service fund in recent years, the District sought proposals to replace the food service management company. Effective July 1, 2014 the district awarded a food service management contract which includes a guaranteed profit provision.

**FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
ENGLISHTOWN, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

THE SCHOOL DISTRICT'S FUNDS

All governmental funds are accounted for using the modified accrual basis of accounting. Totals (excluding Capital Projects) for revenues/other financing sources amounted to \$195,562,424 and expenditures were \$192,079,813. The net change in fund balance was \$3,482,611. 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. Governmental Funds Revenues and Expenditures (exclusive of Capital Projects) are summarized in Table 4 and Chart 1 below.

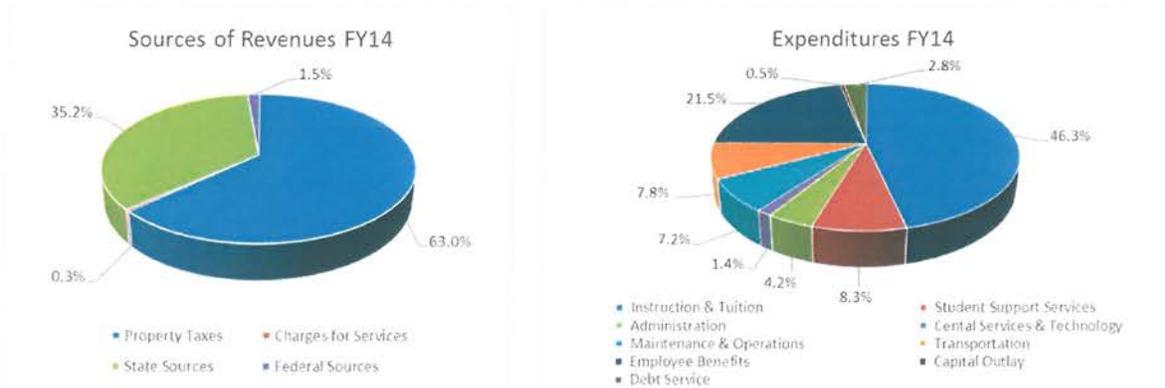
**Table 4
Governmental Funds Revenues and Expenditures
(Exclusive of Capital Projects)**

| REVENUES: | Amount | Percentage | Increase/(Decrease) from 2013 | Percentage Change |
|-------------------------------|----------------------|---------------|----------------------------------|----------------------|
| Property Taxes | \$123,178,159 | 62.98 | \$2,345,153 | 1.94 |
| Charges for Services | \$678,831 | 0.35 | (\$57,132) | (7.76) |
| State Sources | 68,814,608 | 35.19 | (\$861,480) | (1.24) |
| Federal Sources | <u>2,890,826</u> | <u>1.48</u> | <u>(17,933)</u> | <u>(0.62)</u> |
| Total | <u>\$195,562,424</u> | <u>100.00</u> | <u>\$1,408,608</u> | <u>0.73</u> |
| | | | | |
| EXPENDITURES: | Amount | Percentage | Increase/(Decrease) from 2013 | Percentage Change |
| Instruction & Tuition | \$88,950,725 | 46.31 | \$2,581,138 | 2.99 |
| Student Support Services | 15,900,229 | 8.28 | 1,883,653 | 13.44 |
| Administration | 8,043,182 | 4.19 | (332,920) | (3.97) |
| Central Services & Technology | 2,594,840 | 1.35 | (197,281) | (7.07) |
| Maintenance & Operations | 13,908,423 | 7.24 | 1,338,030 | 10.64 |
| Transportation | 14,960,904 | 7.79 | 954,719 | 6.82 |
| Employee Benefits | 41,368,803 | 21.54 | (2,295,942) | (5.26) |
| Capital Outlay | 952,707 | 0.50 | (1,720,717) | (64.36) |
| Debt Service | <u>5,400,000</u> | <u>2.81</u> | <u>13,250</u> | <u>0.25</u> |
| Total | <u>\$192,079,813</u> | <u>100.00</u> | <u>\$2,223,930</u> | <u>1.17</u> |

**FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
ENGLISHTOWN, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

**Chart 1
Governmental Funds Revenues and Expenditures
(Exclusive of Capital Projects)**



Highlights include the following:

- Property tax levy was increased by 1.94%, which is below the state imposed cap calculation. During the three years the tax cap has been in place, the District has forgone over \$10 million in available property tax.
- Reduction in State Aid attributed the state's continued deferral of school aid to subsequent year.
- Increases in Instruction & Tuition represent additional staff, increased staff salaries, and approximately 5.7% increase in tuition charges.
- Student Support Services were significantly impacted by the increasing number of students with special needs. In addition, the implementation of mandates PARCC, Common Core and the teacher evaluation system required funding for staff training, curriculum revisions and textbooks.
- In March 2014 the District approved a \$20+ million energy-based capital improvement program. Other Capital Outlay projects were limited in fiscal year 2014 and, as a result, additional funds were required in Maintenance and Operations. The District will continue to design budgets consistent with the long-range facility plan.
- Transportation costs are representative of student need based programs and placements. As noted above, the fiscal year 2014 financial statements reflect the impact of the increasing number of students with special needs.
- The state's contribution to social security and pension costs for TPAF members declined by 9.5% from fiscal year 2013. These payments are made on-behalf of the District, and are reflected throughout the financial statements.

**FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
ENGLISHTOWN, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONTINUED)**

Capital Projects

The district is proceeding with the establishment of a capital plan that addresses the needs of the facilities without draining resources from the instructional program. In March 2014 the board approved more than \$20 million in improvements anchored by an Energy Savings Improvement Program (ESIP). State ESIP laws provide all government agencies in New Jersey with a flexible tool to improve and reduce energy usage with minimal expenditure of new financial resources. Over 60% of the proposed work seeks to upgrade Heating, Ventilation and Air Conditioning (HVAC) equipment and control systems, with the balance of the proposed improvements involving roofing, lighting retrofits and other energy efficiency measures. In addition to funding under ESIP, the district is accessing subsidies managed by the NJ Board of Public Utilities and NJ Department of Education facility grants. Additional information on projects in progress can be found in the Capital Projects Fund financial statements.

CAPITAL ASSETS

For comparative reasons, the District's June 30, 2013 financial statements have been restated to reflect the capital assets inventory performed in 2014. Table 6 shows fiscal year 2014 balances compared to 2013 after restatement.

**Table 6
Capital Assets at June 30, 2014**

| | Beginning Balance (As Restated) | Additions | Ending Balance |
|--|---------------------------------------|-------------|-------------------|
| Governmental activities: | | | |
| <i>Capital assets not being depreciated:</i> | | | |
| Land | 446,488 | | 446,488 |
| Construction In Progress | - | 395,274 | 395,274 |
| Total capital assets not being depreciated | 446,488 | 395,274 | 841,762 |
| <i>Capital assets being depreciated:</i> | | | |
| Site improvements | 13,381,853 | | 13,381,853 |
| Building and improvements | 201,252,836 | | 201,252,836 |
| Equipment | 15,050,440 | 946,606 | 15,997,046 |
| Total capital assets being depreciated | 229,685,129 | 946,606 | 230,631,735 |
| Total Gross Assets (Memo Only) | 230,131,617 | 1,341,880 | 231,473,497 |
| Less accumulated depreciation for: | | | |
| Site improvements | (4,536,478) | (628,762) | (5,165,240) |
| Building and improvements | (105,229,982) | (4,201,610) | (109,431,592) |
| Equipment | (11,800,476) | (899,794) | (12,700,270) |
| Total accumulated depreciation | (121,566,936) | (5,730,166) | (127,297,102) |
| Total capital assets being depreciated, net | 108,118,193 | (4,783,560) | 103,334,633 |
| Government activities capital assets, net | 108,564,681 | (4,388,286) | 104,176,395 |
| Business-type activities: | | | |
| <i>Capital assets not being depreciated:</i> | | | |
| Construction In Progress | - | | - |
| <i>Capital assets being depreciated:</i> | | | |
| Equipment | 611,738 | 4,500 | 616,238 |
| Less accumulated depreciation | (339,786) | (38,095) | (377,881) |
| Enterprise fund capital assets, net | 271,952 | (33,595) | 238,357 |

**FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
ENGLISHTOWN, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED (CONCLUDED)**

DEBT ADMINISTRATION

Among the district's outstanding liabilities at June 30, 2014, \$2,293,390 is for compensated absences, \$21,386,761 for obligations under capital leases and \$27,570,000 of serial bonds for school construction. As noted earlier, capital leases issued under ESIP are repaid with energy savings rather than additional property tax levy.

CONTACTING THE SCHOOL DISTRICT

This financial report is designed to provide the District's citizens, taxpayers, bond holders, and creditors with a general overview of the District's finances and to show the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Assistant Superintendent for Business Administration at Freehold Regional Board of Education, 11 Pine Street, Englishtown, NJ 07726.

Please visit our website at www.frhsd.com

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2014

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014

| | <u>GOVERNMENTAL</u> <u>ACTIVITIES</u> | <u>BUSINESS-TYPE</u> <u>ACTIVITIES</u> | <u>TOTAL</u> |
|--|--|---|-----------------------|
| ASSETS: | | | |
| Cash and cash equivalents | \$ 20,825,507 | \$ 337,466 | \$ 21,162,973 |
| Receivables, net | 11,216,306 | 465,552 | 11,681,858 |
| Inventory | | 17,867 | 17,867 |
| Restricted assets: | | | |
| Restricted cash and cash equivalents | 26,542,767 | | 26,542,767 |
| Capital assets: | | | |
| Land and Construction in progress | 841,762 | | 841,762 |
| Other Capital Assets net of depreciation | <u>103,334,633</u> | <u>238,357</u> | <u>103,572,990</u> |
| Total Assets | 162,760,975 | 1,059,242 | 163,820,217 |
| DEFERRED OUTFLOWS OF RESOURCES: | | | |
| Loss on Refunding of Long Term Debt | 182,324 | | 182,324 |
| LIABILITIES: | | | |
| Accounts payable | 854,478 | 247,070 | 1,101,548 |
| Interfund Payable | | 417,345 | 417,345 |
| Payable to state government | 6,756 | | 6,756 |
| Unearned revenue | 69,034 | 26,713 | 95,747 |
| Accrued Interest Payable | 459,500 | | 459,500 |
| Accrued Liability for Insurance Claims | 5,664,800 | | 5,664,800 |
| Noncurrent liabilities: | | | |
| Due within one year: | | | |
| Bonds payable | 4,484,079 | | 4,484,079 |
| Due beyond one year: | | | |
| Compensated absences payable | 2,293,390 | | 2,293,390 |
| Bonds and capital leases payable | <u>44,472,682</u> | | <u>44,472,682</u> |
| Total liabilities | 58,304,719 | <u>691,128</u> | <u>58,995,847</u> |
| NET POSITION: | | | |
| Net investment in capital assets | 75,667,764 | 238,357 | 75,906,121 |
| Restricted for: | | | |
| Other purposes | 31,027,126 | | 31,027,126 |
| Unrestricted (deficit) | <u>(2,056,310)</u> | <u>129,757</u> | <u>(1,926,553)</u> |
| Total net position | <u>\$ 104,638,580</u> | <u>\$ 368,114</u> | <u>\$ 105,006,694</u> |

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2014

| Functions/Programs | Expenses | Indirect Cost Allocation | Programs Revenues | | Net (Expense) Revenue and Changes in Net Position | |
|--|---------------|--------------------------|----------------------|------------------------------------|---|--------------------------|
| | | | Charges for Services | Operating Grants and Contributions | Governmental Activities | Business-type Activities |
| Governmental Activities: | | | | | | |
| Instruction: | | | | | | |
| Regular | \$ 53,226,236 | \$ 21,973,942 | \$ 72,563 | \$ 7,938,538 | \$ (67,189,077) | \$ (67,189,077) |
| Special | 15,292,601 | 5,204,744 | 69,696 | 4,486,617 | (16,010,728) | (16,010,728) |
| Other instruction | 6,327,793 | 1,978,389 | | 725,879 | (7,510,617) | (7,510,617) |
| Support services: | | | | | | |
| Tuition | 14,104,095 | | | | | |
| Student & instruction related services | 15,900,229 | 5,848,737 | | 2,348,064 | (14,104,095) | (14,104,095) |
| General administrative services | 1,535,368 | 140,530 | | | (19,400,902) | (19,400,902) |
| School administrative services | 6,507,814 | 2,713,266 | | 976,883 | (1,675,898) | (1,675,898) |
| Central service | 1,427,669 | 342,843 | | | (8,244,197) | (8,244,197) |
| Admin information technology | 1,167,171 | 374,513 | | | (1,770,512) | (1,770,512) |
| Plant operations and maintenance | 13,906,423 | 1,770,650 | 115,159 | | (1,541,684) | (1,541,684) |
| Pupil transportation | 14,734,276 | 1,940,173 | | | (15,563,914) | (15,563,914) |
| Unallocated benefits | 41,394,520 | (41,394,520) | | | (16,674,449) | (16,674,449) |
| Interest on Long-Term Debt | 1,548,571 | | | | | |
| Unallocated depreciation | 5,730,166 | (893,277) | | | (1,167,737) | (1,167,737) |
| Total governmental activities | 192,804,932 | | 257,418 | 16,856,815 | (4,836,889) | (4,836,889) |
| Business-type activities | | | | | | |
| Food Service | 3,211,871 | | 2,527,739 | 470,547 | | |
| Non-Major Funds | 236,788 | | | | | |
| Total business-type activities | 3,448,659 | | 2,764,527 | 470,547 | (213,585) | (213,585) |
| Total primary government | 196,253,591 | | 3,021,945 | 17,327,362 | (175,690,699) | (175,904,284) |
| | | | | | | |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes, levied for general purposes, net | | | | | \$ 119,091,381 | \$ 119,091,381 |
| Taxes levied for debt service | | | | | 4,086,778 | 4,086,778 |
| Federal and state aid not restricted | | | | | 54,015,433 | 54,015,433 |
| Federal and state aid restricted | | | | | 1,088,884 | 1,088,884 |
| Miscellaneous income | | | | | 303,863 | 303,863 |
| Total general revenues | | | | | 178,586,339 | 178,586,339 |
| Change in net position | | | | | 2,895,640 | 2,895,640 |
| Net Position - beginning (as restated) | | | | | | |
| Net Position ending | | | | | 101,742,940 | 102,324,639 |
| | | | | | 104,638,580 | 105,006,684 |

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

MAJOR FUND FINANCIAL STATEMENTS

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

| | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | TOTAL GOVERNMENTAL FUNDS |
|--|----------------------|----------------------------|-----------------------------|--------------------------------|
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 27,127,159 | \$ | \$ | \$ 27,127,159 |
| Cash with Fiscal Agents | 31,303 | | 20,209,812 | 20,241,115 |
| Other receivables | 47,547 | 30,685 | | 78,232 |
| Due from other funds | 8,032,314 | | | 8,032,314 |
| Receivables from other governments | 3,024,651 | 2,187,724 | 138,148 | 5,350,523 |
| Total assets | \$ 38,262,974 | \$ 2,218,409 | \$ 20,347,960 | \$ 60,829,343 |
| LIABILITIES AND FUND BALANCES: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 806,803 | \$ 12,675 | \$ 35,000 | \$ 854,478 |
| Payable to state government | | 6,756 | | 6,756 |
| Interfund payables | 330 | 2,129,944 | 114,489 | 2,244,763 |
| Unearned revenue | | 69,034 | | 69,034 |
| Accrued Liability for Insurance Claims | 5,664,800 | | | 5,664,800 |
| Total liabilities | 6,471,933 | 2,218,409 | 149,489 | 8,839,831 |
| Fund balances: | | | | |
| Restricted: | | | | |
| Capital reserve account | 4,121,759 | | | 4,121,759 |
| Emergency Reserve Account | 251,481 | | | 251,481 |
| Maintenance Reserve Account | 1,928,412 | | | 1,928,412 |
| Reserved Excess Surplus designated for subsequent years expenditures | 13,555,800 | | | 13,555,800 |
| Reserve for Excess surplus | 11,169,674 | | | 11,169,674 |
| Capital Projects fund | | | 20,088,887 | 20,088,887 |
| Assigned: | | | | |
| Encumbrances | 763,915 | | 109,584 | 873,499 |
| Total fund balances | 31,791,041 | | 20,198,471 | 51,989,512 |
| Total liabilities and fund balances | \$ 38,262,974 | \$ 2,218,409 | \$ 20,347,960 | \$ 60,829,343 |

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

| | | |
|---|----|---------------------------|
| Total Fund Balances (Brought Forward) | \$ | 51,989,512 |
| <p>Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:</p> | | |
| <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p> | | |
| Cost of Assets | \$ | 231,473,497 |
| Accumulated Depreciation | | <u>(127,297,102)</u> |
| | | 104,176,395 |
| <p>Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p> | | |
| Compensated Absences | | (2,293,390) |
| Capital Lease Payable | | (21,386,761) |
| Bonds Payable | | |
| Outstanding at June 30, 2014 | \$ | (27,570,000) |
| Less: Unamortized Balance of Refunding Bonds | | <u>182,324</u> |
| Bonds Payable | | <u>(27,387,676)</u> |
| | | (51,067,827) |
| <p>Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.</p> | | |
| Accrued Interest Payable | | <u>(459,500)</u> |
| | | <u>(459,500)</u> |
| Net Position of Governmental Activities | \$ | <u><u>104,638,580</u></u> |

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | TOTAL GOVERNMENTAL FUNDS |
|--|--------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| REVENUES: | | | | | |
| Local sources: | | | | | |
| Local Tax Levy | \$ 119,091,381 | | | \$ 4,086,778 | \$ 123,178,159 |
| Tuition | 72,563 | | | | 72,563 |
| Unrestricted Miscellaneous Revenue | 294,534 | | | | 294,534 |
| Interest Earned on Emergency Reserve | 617 | | | | 617 |
| Interest Earned on Maintenance Reserve | 3,505 | | | | 3,505 |
| Interest Earned on Capital Reserve Funds | 5,207 | | | | 5,207 |
| Other Restricted Miscellaneous Revenue | 184,855 | 117,550 | | | 302,405 |
| Total - local sources | 119,652,662 | 117,550 | | 4,086,778 | 123,856,990 |
| State sources | 67,484,380 | 17,006 | 138,148 | 1,313,222 | 68,952,756 |
| Federal sources | 98,883 | 2,791,943 | | | 2,890,826 |
| Total revenues | 187,235,925 | 2,926,499 | 138,148 | 5,400,000 | 195,700,572 |
| EXPENDITURES: | | | | | |
| Current expense: | | | | | |
| Regular instruction | 53,226,236 | | | | 53,226,236 |
| Special instruction | 12,670,204 | 2,622,397 | | | 15,292,601 |
| Other Instruction | 6,327,793 | | | | 6,327,793 |
| Support services: | | | | | |
| Tuition | 14,104,095 | | | | 14,104,095 |
| Student & instruction related services | 15,614,475 | 285,754 | | | 15,900,229 |
| General administrative services | 1,535,368 | | | | 1,535,368 |
| School administrative services | 6,507,814 | | | | 6,507,814 |
| Central service | 1,427,669 | | | | 1,427,669 |
| Administrative information technology services | 1,167,171 | | | | 1,167,171 |
| Plant operations and maintenance | 13,908,423 | | | | 13,908,423 |
| Pupil transportation | 14,960,904 | | | | 14,960,904 |
| Unallocated benefits | 41,368,803 | | | | 41,368,803 |
| Debt Service: | | | | | |
| Principal | | | | 3,830,000 | 3,830,000 |
| Interest | | | | 1,570,000 | 1,570,000 |
| Capital outlay | 934,359 | 18,348 | 397,274 | | 1,349,981 |
| Total expenditures | 183,753,314 | 2,926,499 | 397,274 | 5,400,000 | 192,477,087 |
| Excess (deficiency) of revenues over (under) expenditures | 3,482,611 | | (259,126) | | 3,223,485 |
| Other financing sources (uses): | | | | | |
| Capital Lease | | | 2,957,597 | | 2,957,597 |
| Energy savings obligations (ESIP) | | | 17,500,000 | | 17,500,000 |
| Total other financing sources (uses) | | | 20,457,597 | | 20,457,597 |
| Net change in fund balances | 3,482,611 | | 20,198,471 | | 23,681,082 |
| Fund balances, July 1, 2013 | \$ 28,308,430 | \$ -0- | \$ -0- | \$ -0- | \$ 28,308,430 |
| Fund balances, June 30, 2014 | \$ 31,791,041 | \$ -0- | \$ 20,198,471 | \$ -0- | \$ 51,989,512 |

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

FREEHOLD 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, 2014

| | | |
|---|----------------|-------------------------|
| Total net change in fund balances - governmental funds (from B-2) | \$ | 23,681,082 |
| <p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>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.</p> | | |
| Depreciation expense | | (5,730,166) |
| Capital outlays | \$ 1,349,981 | |
| Less: Capital Outlays not capitalized | <u>(8,101)</u> | 1,341,880 |
| 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. | | 3,830,000 |
| Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of Net Position. | | |
| Capital lease proceeds - Current Year | | (20,457,597) |
| Repayment of long-term debt 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. | | |
| Payment of capital lease payable | | 226,628 |
| In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. | | 63,833 |
| Bond Issue costs are reported in the Governmental Funds as expenditures in the year the bonds are issued. However, on the Statement of Activities the costs are amortized over the life of the Bonds. | | (34,303) |
| In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). | | <u>(25,717)</u> |
| Change in net position of governmental activities (A-2) | \$ | <u><u>2,895,640</u></u> |

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

OTHER FUNDS

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2014

| | <u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u> | | <u>TOTAL</u> |
|------------------------------------|---|---|---------------------|
| | <u>MAJOR FUND</u> <u>FOOD SERVICE</u> <u>FUND</u> | <u>NON-MAJOR FUND</u> <u>EXTRA-CURRICULAR</u> <u>FUND</u> | |
| ASSETS: | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 337,466 | \$ | \$ 337,466 |
| Accounts receivable: | | | |
| State | 1,691 | | 1,691 |
| Federal | 68,167 | | 68,167 |
| Other | 395,430 | | 395,430 |
| Interfund Receivable | | 264 | 264 |
| Inventories | 17,867 | | 17,867 |
| | <u>820,621</u> | <u>264</u> | <u>820,885</u> |
| Total current assets | | | |
| Noncurrent assets: | | | |
| Furniture, machinery and equipment | 616,238 | | 616,238 |
| Less accumulated depreciation | <u>(377,881)</u> | | <u>(377,881)</u> |
| | <u>238,357</u> | | <u>238,357</u> |
| Total noncurrent assets | | | |
| Total assets | <u>\$ 1,058,978</u> | <u>\$ 264</u> | <u>\$ 1,059,242</u> |
| LIABILITIES: | | | |
| Current liabilities: | | | |
| Accounts Payable | \$ 247,070 | \$ | \$ 247,070 |
| Interfund Payables | 417,345 | | 417,345 |
| Unearned Revenue | 26,449 | 264 | 26,713 |
| | <u>690,864</u> | <u>264</u> | <u>691,128</u> |
| Total current liabilities | | | |
| NET POSITION: | | | |
| Net investment in capital assets | \$ 238,357 | \$ | \$ 238,357 |
| Unrestricted | <u>129,757</u> | | <u>129,757</u> |
| Total net position | <u>\$ 368,114</u> | <u>\$</u> | <u>\$ 368,114</u> |

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | <u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u> | | |
|--|---|-------------------------|-------------------|
| | <u>MAJOR FUND</u> | <u>NON-MAJOR FUND</u> | |
| | <u>FOOD SERVICE</u> | <u>EXTRA-CURRICULAR</u> | |
| | <u>FUND</u> | <u>FUND</u> | <u>TOTAL</u> |
| OPERATING REVENUES: | | | |
| Charges for services: | | | |
| Daily sales | \$ 2,527,739 | \$ | \$ 2,527,739 |
| Fees - individuals | | 236,788 | 236,788 |
| | <hr/> | <hr/> | <hr/> |
| Total operating revenues | 2,527,739 | 236,788 | 2,764,527 |
| OPERATING EXPENSES: | | | |
| Cost of sales | 1,078,870 | | 1,078,870 |
| Salaries and benefits | 1,839,872 | 96,135 | 1,936,007 |
| Supplies and materials | 80,028 | 2,278 | 82,306 |
| Miscellaneous | 163,764 | 4,723 | 168,487 |
| Depreciation | 49,337 | | 49,337 |
| Facility Rental | | 126,112 | 126,112 |
| League Fees | | 7,540 | 7,540 |
| | <hr/> | <hr/> | <hr/> |
| Total operating expenses | 3,211,871 | 236,788 | 3,448,659 |
| Operating (loss) | <hr/> (684,132) | <hr/> | <hr/> (684,132) |
| NONOPERATING REVENUES (EXPENSES): | | | |
| State Sources | | | |
| State school lunch program | 9,397 | | 9,397 |
| Federal Sources | | | |
| National school lunch program | 330,221 | | 330,221 |
| School breakfast program | 17,280 | | 17,280 |
| National food distribution commodities | 113,649 | | 113,649 |
| Total nonoperating revenues (expenses) | <hr/> 470,547 | <hr/> | <hr/> 470,547 |
| Income (loss) before contributions and transfers | <hr/> (213,585) | <hr/> | <hr/> (213,585) |
| Change in net position | (213,585) | | (213,585) |
| Total net position - beginning (as restated) | <hr/> 581,699 | <hr/> | <hr/> 581,699 |
| Total net position - ending | <u>\$ 368,114</u> | <u>\$</u> | <u>\$ 368,114</u> |

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | <u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u> | | <u>TOTAL</u> |
|---|---|---|--------------------------|
| | <u>MAJOR FUND</u> <u>FOOD SERVICE</u> <u>FUND</u> | <u>NON-MAJOR FUND</u> <u>EXTRA-CURRICULAR</u> <u>FUND</u> | |
| Cash flows from operating activities: | | | |
| Receipts from customers | \$ 2,537,738.00 | \$ 225,480.00 | \$ 2,763,218.00 |
| Payments to employees | (1,425,748.00) | (96,135.00) | (1,521,883.00) |
| Payments for Employee Benefits | (471,367.00) | | (471,367.00) |
| Payments to suppliers | (1,243,285.00) | (140,653.00) | (1,383,938.00) |
| Net cash provided by (used for) operating activities | <u>(602,662.00)</u> | <u>(11,308.00)</u> | <u>(613,970.00)</u> |
| Cash flows from noncapital financing activities: | | | |
| State sources | 10,707.00 | | \$ 10,707.00 |
| Federal sources | 389,152.00 | | 389,152.00 |
| Operating subsidies and transfers to other funds | 25,185.00 | 11,308.00 | 36,493.00 |
| Net cash provided by noncapital financing activities | <u>425,044.00</u> | <u>11,308.00</u> | <u>436,352.00</u> |
| Cash flows from capital and related financing activities: | | | |
| Purchases of capital assets | (4,500.00) | | (4,500.00) |
| Net cash provided by (used for) capital and related financing activities | <u>(4,500.00)</u> | | <u>(4,500.00)</u> |
| Net increase (decrease) in cash and cash equivalents | (182,118.00) | | (182,118.00) |
| Cash and cash equivalents, July 1, 2013 | 519,584.00 | | 519,584.00 |
| Cash and cash equivalents, June 30, 2014 | <u>\$ 337,466.00</u> | <u>\$</u> | <u>\$ 337,466.00</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | | |
| Operating income (loss) | \$ (\$684,132.00) | \$ | \$ (\$684,132.00) |
| Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Depreciation | 38,095.00 | | \$ 38,095.00 |
| Federal commodities | 113,649.00 | | \$ 113,649.00 |
| Change in assets and liabilities: | | | |
| (Increase) decrease in accounts receivable, net | (43,425.00) | | (\$43,425.00) |
| Increase (decrease) in unearned revenue | 4,275.00 | (11,308.00) | (\$7,033.00) |
| Increase (decrease) in accounts payable | (42,396.00) | | (\$42,396.00) |
| (Increase) decrease in inventories | 11,272.00 | | 11,272.00 |
| | <u>81,470.00</u> | <u>(11,308.00)</u> | <u>70,162.00</u> |
| Net cash provided by (used for) operating activities | <u>\$ (\$602,662.00)</u> | <u>\$ (\$11,308.00)</u> | <u>\$ (\$613,970.00)</u> |

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | Unemployment Compensation Insurance Trust | Private Purpose Trust | Agency Funds |
|---|---|-----------------------------|----------------------------|
| ASSETS: | | | |
| Cash and cash equivalents | \$ 807,868 | \$ 949,334 | \$ 7,772,215 |
| Accounts receivable | 243,000 | | |
| Interfund receivable | | 66 | |
| Intrafund receivable | <u>48,042</u> | <u> </u> | <u> </u> |
| Total assets | \$ <u>1,098,910</u> | \$ <u>949,400</u> | \$ <u>7,772,215</u> |
| LIABILITIES: | | | |
| Accounts payable | \$ 55,809 | \$ | |
| Intrafund payable | | | 48,042 |
| Interfund payable | | | 5,370,536 |
| Payable to student groups | | | 938,656 |
| Wage Payable - Summer Payroll | | | 1,408,379 |
| Payroll deductions and withholdings | | | <u>6,602</u> |
| Total liabilities | \$ <u>55,809</u> | \$ <u> </u> | \$ <u>7,772,215</u> |
| NET POSITION: | | | |
| Held in trust for State Unemployment Insurance claims and other purposes | \$ 1,043,101 | \$ | |
| Held in trust for scholarships and other purposes | | <u>949,400</u> | <u> </u> |
| Total net position | \$ <u>1,043,101</u> | \$ <u>949,400</u> | \$ <u>-0-</u> |

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | <u>Unemployment Compensation Insurance Trust</u> | <u>Private Purpose Trust</u> | <u>Total</u> |
|--------------------------------|--|--------------------------------------|---------------------|
| ADDITIONS: | | | |
| Contributions: | | | |
| Plan member | \$ 241,449 | \$ | \$ 241,449 |
| Donations | | 10,283 | 10,283 |
| Total contributions | <u>241,449</u> | <u>10,283</u> | <u>251,732</u> |
| Investment earnings: | | | |
| Interest | 510 | 616 | 1,126 |
| Net investment earnings | <u>510</u> | <u>616</u> | <u>1,126</u> |
| Total additions | <u>241,959</u> | <u>10,899</u> | <u>252,858</u> |
| DEDUCTIONS: | | | |
| Quarterly Contribution Reports | 107,104 | | 107,104 |
| Unemployment Claims | 190,485 | | 190,485 |
| Scholarships Awarded | | 34,750 | 34,750 |
| Total deductions | <u>297,589</u> | <u>34,750</u> | <u>332,339</u> |
| Change in net position | (55,630) | (23,851) | (79,481) |
| Net position beginning of year | <u>1,098,731</u> | <u>973,251</u> | <u>2,071,982</u> |
| Net position end of year | <u>\$ 1,043,101</u> | <u>\$ 949,400</u> | <u>\$ 1,992,501</u> |

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Freehold Regional High School District (the "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 District's accounting policies are described below:

Reporting Entity

The Freehold Regional High School District is a Type II District located in Monmouth County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education of the Freehold Regional High School District, comprised of nine elected individuals, is the primary governing authority 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, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39), as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government
2. The primary government, or its component unit, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (continued)

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include six High Schools. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

The District's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

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

The statement of net assets presents the financial condition of the governmental and business-type activities 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 requirement 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.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

Governmental Funds

General Fund The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non instructional equipment which are classified in the capital outlay sub-fund.

As required by the New Jersey Statement Department of Education, the District includes budgeted capital outlay in this fund. U.S. Generally Accepted Accounting Principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to the current expense by Board resolution; in certain instances approval by the County Superintendent of Schools may also be required.

Special Revenue Fund The special revenue fund is used to account for the proceeds of specific revenue sources from State and Federal Government (other than those for major capital projects, debt service or proprietary funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Projects Funds 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 debt issued to finance major property acquisition, construction and improvement programs.

Proprietary Funds

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

Fiduciary Funds

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (agency, private purpose and state unemployment insurance). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, employees, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The District's Fiduciary funds are as follows:

Payroll Summer Payroll and Student Activities Funds These are agency funds 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.

Unemployment Compensation Insurance Trust Fund This is an expendable trust fund used to account for certain unemployment compensation claims as they arise.

Private Purpose Trust Funds These trust funds are used to account for assets donated by individuals that will provide for the payment of scholarships.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting-Measurement Focus

Basis of accounting determines when transactions are recorded in the financial records and reported in 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. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation for 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 are 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 transactions 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 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 from the issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 for approval. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects 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 fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated (NJSA 18A:22-44.2) revenue recognition of one or more deferred State Aid payments for budgetary purposes only due to the State deferral of such payments into the subsequent budget year and the accounting treatment of encumbrances in the special revenue fund as described 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 recognized 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 records.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditures of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned 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 for which the District has received advances are reflected in the balance sheet as unearned 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.

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditures in the year of purchase.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. 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.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

| | <u>Estimated Life</u> |
|-------------------------------|-----------------------|
| School Buildings | 50 |
| Building Improvements | 20 |
| Electrical/Plumbing | 30 |
| Vehicles | 8 |
| Office and computer equipment | 10 |
| Instructional equipment | 10 |
| Grounds equipment | 15 |

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and/or collective bargaining unit contracts. Benefits are paid upon termination.

The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the district-wide statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the fund level and district-wide presentations.

Fund Equity

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unearned Revenue

Unearned revenue in the General, Special Revenue and Proprietary funds represents funds which have been received but not yet earned.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities and Long-Term Obligations

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

Net Position

In accordance with GASB 63, Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance Reserves

The District has implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement modifies fund balance reporting and clarifies fund type definitions. This Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

Under the new standard, in the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves (Continued)

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Maintenance Reserve, Emergency Reserve and Excess Surplus as Restricted Fund Balance.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education. The District reports Designated for Subsequent Year's Expenditure as Committed Fund balance.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances as Assigned Fund Balance.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

The general fund is the only fund that will report a negative unassigned fund balance. For all other governmental funds the amount of a residual deficit would be classified as unassigned.

Revenues Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the 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.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-exchange Transactions (Continued)

Non-exchange 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 property 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 non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered 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 District, these revenues are sales in the Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the 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 attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within 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 accounting principles generally accepted in the United States 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.

Recent Accounting Pronouncements

On July 1 2013, the District implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities (“GASB No. 65”). This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting.

In June 2012, the GASB issued Statement 68, Accounting and Financial Reporting for Pensions – an amendment to GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, Accounting for Pension by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements(Continued)

In January 2013, GASB issued Statement No. 69, "Government Combinations and Disposals of Government Obligations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any impact on the District's financial reporting.

In April 2013, GASB issued Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal years beginning after June 15, 2013, will not have any impact on the District's financial statements.

In November 2013, GASB issued Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. This statement is effective for fiscal years beginning after June 15, 2014.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits

The Freehold Regional High School District had the following cash and cash equivalents at June 30, 2014:

| <u>Fund Type</u> | <u>Amount</u> |
|-------------------------|---------------|
| Cash in Bank: | |
| Governmental Funds | \$ 28,492,142 |
| Proprietary Funds | 337,553 |
| Fiduciary Funds | 10,168,011 |
| Total Cash in Bank | \$ 38,997,706 |
| Less: Reconciling Items | (1,998,189) |
| | \$ 36,999,517 |

Custodial Credit Risk- Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2014, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$38,997,709, \$250,000 was covered by Federal Depository Insurance, \$38,746,473 was covered under the provisions of NJGUDPA and \$1,212 was on deposit with the New Jersey Cash Management Fund.

Investments

The types of investments which may be purchased by the District are strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

8. Agreements for the repurchase of fully collateralized securities if:
- a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 C. 17:1941); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2014, the District has \$1,212 on deposit with New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1, and existing investment practices of NJARM, the District is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: RECEIVABLES

Receivables at June 30, 2014 are listed below. All receivables are considered collectible in full. A summary of the principal items of governmental receivables follows:

| | <u>Governmental Fund</u> <u>Financial Statements</u> | <u>District-Wide</u> <u>Financial Statements</u> |
|---------------------------------------|---|---|
| State Aid | \$3,162,799 | \$3,162,799 |
| Federal Aid | 2,187,724 | 2,187,724 |
| Interfunds | 8,032,314 | 5,787,551 |
| Other | 78,232 | 78,232 |
| Gross Receivables | 13,461,069 | 11,216,306 |
| Less: Allowance for Uncollectibles | | |
| Total Receivables, Net | \$13,461,069 | \$11,216,306 |

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 4: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functional expenses areas of the District as follows:

| <u>Function</u> | <u>Amount</u> |
|--|-----------------------|
| Regular Instruction | \$ (9,540) |
| Other Instruction | (629) |
| Student & Instruction Related Services | (128,462) |
| General Administrative Services | (30,392) |
| School Administrative Services | (4,735) |
| Central Service | (795) |
| Administrative Technology | (172,050) |
| Plant, Operations & Maintenance | (52,959) |
| Pupil Transportation | (493,715) |
| Unallocated | <u>(4,836,889)</u> |
| | <u>\$ (5,730,166)</u> |

NOTE 5: LONG-TERM LIABILITIES

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2014:

| | Compensated Absences <u>Payable</u> | Bonds <u>Payable</u> | Capital Leases <u>Payable</u> | <u>Total</u> |
|--------------------------------|---|-------------------------|-------------------------------------|----------------------|
| Balance June 30, 2013 | \$ 2,267,673 | \$ 31,400,000 | \$ 1,155,792 | \$ 34,823,465 |
| Additions | 25,717 | | 20,455,597 | 20,481,314 |
| Reductions | <u> </u> | <u>3,830,000</u> | <u>224,628</u> | <u>4,054,628</u> |
| Balance June 30, 2014 | \$ <u>2,293,390</u> | \$ <u>27,570,000</u> | \$ <u>21,386,761</u> | \$ <u>51,250,151</u> |
| Amounts due within one Year | \$ <u>-0-</u> | \$ <u>4,030,000</u> | \$ <u>454,079</u> | \$ <u>4,484,079</u> |

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2014, including interest payments on issued debt, are as follows:

| Fiscal Year <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|---------------------|--------------------|---------------------|
| FY2015 | \$4,030,000 | \$1,378,500 | \$5,408,500 |
| FY2016 | 4,240,000 | 1,177,000 | 5,417,000 |
| FY2017 | 4,460,000 | 965,000 | 5,425,000 |
| FY2018 | 4,695,000 | 742,000 | 5,437,000 |
| FY2019 | 4,940,000 | 507,250 | 5,447,250 |
| FY2020 | <u>5,205,000</u> | <u>260,250</u> | <u>5,465,250</u> |
| | <u>\$27,570,000</u> | <u>\$5,030,000</u> | <u>\$32,600,000</u> |

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

General obligation school and refunding bonds payable with their outstanding balances are comprised of the following individual issues:

| <u>Issue</u> | <u>Amount Outstanding June 30, 2014</u> | <u>Bonds Authorized But Not Issued</u> |
|---|---|--|
| \$42,690,000.00 in Refunding School Bonds dated November 16, 2001, due in remaining annual installments ranging between \$4,030,000.00 and \$5,205,000.00 beginning March 1, 2015 and ending March 1, 2020 with interest of 5.00% | \$ <u>27,570,000</u> | \$ <u>-0-</u> |
| | \$ <u>27,570,000</u> | \$ <u>-0-</u> |

Refunding School Bonds

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (18 to 20 years). The cost associated with the issues of the various bonds amounted to \$639,077. The current year portion charged to the Statement of Activities was \$34,303 leaving a balance of \$182,324. Under the escrow agreement, the escrow is irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the refunded obligations are considered to be defeased and the liability for those bonds has been removed from the financial statements.

Bonds Authorized but Not Issued

As of June 30, 2014 the District had no Bonds Authorized but not issued.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Capital Leases Payable

The District is leasing various equipment and improvements totaling \$21,611,389 as follows:

| <u>Description</u> | <u>Date</u> | <u>Term</u> | <u>Interest Rate</u> | <u>Amount</u> |
|---|-------------|-------------|----------------------|---------------|
| Technology Improvements and School Buses | 12/31/13 | 5 Years | 1.433% | \$1,155,792 |
| District Wide Energy Savings Improvement Plan | 12/31/13 | 15 Years | 2.690% | \$17,498,000 |
| Roof, Boiler and HVAC Replacement | 12/31/13 | 5 Years | 1.390% | \$2,957,597 |

The following is a schedule of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2014:

| Fiscal Year Ended | Governmental |
|------------------------------------|---------------------|
| <u>June 30,</u> | <u>Funds</u> |
| 2015 | \$505,330 |
| 2016 | 2,047,818 |
| 2017 | 3,184,262 |
| 2018 | 2,205,195 |
| 2019 | 1,207,651 |
| 2020-2024 | 6,551,275 |
| 2025-2029 | 7,412,811 |
| 2030-2031 | 3,158,261 |
| Total Minimum Lease Payments | \$26,272,603 |
| Less: Amount Representing Interest | 4,885,842 |
| Present Value of Lease Payments | <u>\$21,386,761</u> |

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

OPERATING LEASES

The District has a commitment to lease building space, and a parking lot under an operating lease that expires on October 31, 2014. The District also has operating leases for copiers which expire on various dates over the next three years. The total operating lease payments made during the year ended June 30, 2014 were \$292,717. Future minimum lease payments are as follows:

| Years Ending June 30, | Principal |
|------------------------------|-------------------|
| 2015 | \$ 150,345 |
| 2016 | 77,056 |
| 2017 | 7,989 |
| 2018 | <u>729</u> |
| Total minimum lease payments | <u>\$ 236,120</u> |

NOTE 6: PENSION PLANS

Description of Plans All required employees of the District are covered by the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program 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 each system will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the above systems. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on line at www.state.nj.us/treasury/pensions.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Defined Contribution Retirement Program (DCRP) The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 6: PENSION PLANS (CONTINUED)

Pension Plan Design Changes

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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.

Contribution Requirements The contribution policy is set by N.J.S.A. 43:15A 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.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 6: PENSION PLANS (CONTINUED)

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (i.e. the State of New Jersey makes the employer contribution on behalf of public school districts).

Three Year Trend Information for PERS

| <u>Year Ended</u> <u>June 30,</u> | <u>Annual</u> <u>Pension Cost</u> <u>(APC)</u> | <u>Percentage</u> <u>of APC</u> <u>Contributed</u> | <u>Net Pension</u> <u>Obligation</u> |
|--------------------------------------|--|--|---|
| 2014 | \$1,868,770 | 100% | \$1,868,770 |
| 2013 | \$1,815,385 | 100% | \$1,815,385 |
| 2012 | \$2,134,170 | 100% | \$2,134,170 |

Three Year Trend Information for TPAF (On-Behalf)

| <u>Year Ended</u> <u>June 30,</u> | <u>Annual</u> <u>Pension Cost</u> <u>(APC)</u> | <u>Percentage</u> <u>of APC</u> <u>Contributed</u> | <u>Net Pension</u> <u>Obligation</u> |
|--------------------------------------|--|--|---|
| 2014 | \$3,070,663 | 100% | \$3,070,663 |
| 2013 | \$4,500,451 | 100% | \$4,500,451 |
| 2012 | \$2,196,940 | 100% | \$2,196,940 |

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District for the years ended June 30, 2014, 2013 and 2012 \$5,462,436, \$5,385,922 and \$5,388,350 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 7: GASB 45 – OTHER POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School Commission for the years ended June 30, 2014, 2013 and 2012 were \$5,034,731, \$5,088,874 and \$4,416,424 respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School Commission was not determined or made available by the State of New Jersey.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 8: LITIGATION

The District's counsel advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the School District and which might materially affect the District's financial position.

NOTE 9: CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2013-2014 fiscal year were subject to the U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$500,000. Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

NOTE 9: RISK MANAGEMENT

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

Property and Liability Insurance The District maintains insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 9: RISK MANAGEMENT (CONTINUED)

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 following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the District's unemployment trust fund for the current and previous two years:

| Year Ended | District | Employee | Amount | Ending |
|-----------------|----------------------|----------------------|-------------------|----------------|
| <u>June 30,</u> | <u>Contributions</u> | <u>Contributions</u> | <u>Reimbursed</u> | <u>Balance</u> |
| 2014 | \$510 | \$241,449 | \$297,589 | \$1,043,101 |
| 2013 | 383 | 237,623 | 390,928 | 1,098,731 |
| 2012 | 504 | 243,000 | 479,574 | 1,251,653 |

Workers' Compensation Insurance - The Board is self insured for workers' compensation insurance. Claims are managed by PMA Management Corp. through a service agreement for which competitive proposals were sought. The financial statements reflect the current expenses of the program as well as an accrued liability for future claims against the current fiscal year. At June 30, 2014, the amount was \$2,120,000.

Health Benefits - The District provides health benefits to employees through a minimum premium insurance policy administered by Horizon Blue Cross Blue Shield of New Jersey ("Horizon"). The incurred but not reported liability ("IBNR") actuarially computed by Horizon was \$3,544,800, at June 30, 2014. It was also noted that the entire IBNR is adjusted for changes in estimate at year end and such changes are reflected in the district's budget and the entire liability is treated as a liability for budgetary purposes.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 10: COMPENSATED ABSENCES

The District accounts for compensated absences (e.g. unused vacation and sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the 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 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.

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net assets. As of June 30, 2014, a liability existed for compensated absences for governmental fund-types in the district- wide Statement of Net Position of \$2,293,390.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

NOTE 11: FUND BALANCE APPROPRIATED

General Fund The table below reflects the District's Fund Balance at June 30, 2014 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last state aid payment which under GAAP is not recognized:

| | Budgetary | | GAAP |
|---------------------------|----------------------|-----------------------|-----------------------------|
| | <u>Basis</u> | <u>Adjustment</u> | <u>Basis</u> |
| Restricted: | | | |
| Excess Surplus: | | | |
| Designated for Subsequent | | | |
| Year's Expenditures | \$ 13,555,800 | \$ | \$ 13,555,800 |
| Current Year | 11,169,674 | | 11,169,674 |
| Maintenance Reserve | 1,928,412 | | 1,928,412 |
| Capital Reserve | 4,121,759 | | 4,121,759 |
| Emergency Reserve | 251,481 | | 251,481 |
| Assigned: | | | |
| Encumbrances | 1,263,412 | (499,497) | 763,915 |
| Unassigned | <u>4,586,534</u> | <u>(4,586,534)</u> | <u> </u> |
| | <u>\$ 36,877,072</u> | <u>\$ (5,086,031)</u> | <u>\$ 31,791,041</u> |

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 12: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

Calculation of Excess Surplus In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2007, c73 (S1701), the Restricted Fund Balance- Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if the District did not appropriate a required minimum amount as budgeted fund balance in the subsequent year's budget.

| | | |
|---|------------------|--------------------------|
| General Fund Expenditures: | | |
| Fiscal Year Ended, June 30 2014 | \$ | 183,753,314 |
| Less: | | |
| Reimb. TPAF Social Security Contributions | \$ 5,462,436 | |
| Reimb. TPAF Pension Contributions | <u>8,105,394</u> | |
| | | <u>13,567,830</u> |
| Adjusted General Fund Expenditures | | 170,185,484 |
| Excess Surplus Percentage | | <u>2.00%</u> |
| | | 3,403,710 |
| Increased by: | | |
| Non-Public Transportation Aid (unbudgeted) | 73,833 | |
| Extraordinary Aid (unbudgeted) | <u>1,108,991</u> | |
| | | <u>1,182,824</u> |
| Maximum Unreserved/Undesignated General Fund Balance | | 4,586,534 |
| Actual Unassigned General Fund Balance | | <u>15,756,208</u> |
| Excess Surplus | \$ | <u><u>11,169,674</u></u> |
| Recapitulation of Excess Surplus, June 30, 2014: | | |
| Reserved for Excess Surplus - Designated for Subsequent Year's Expenditure | \$ | 13,555,800 |
| Reserved for Excess Surplus | | <u>11,169,674</u> |
| | \$ | <u><u>24,725,474</u></u> |

Based on the above calculation, as of June 30, 2014, \$13,555,800 is reported as Reserved Fund Balance Excess Surplus Designated for Subsequent Year's Expenditure and is required to be appropriated for property tax relief in the 2014-15 budget. \$11,169,674 is reported as Reserved Fund Balance Excess Surplus and is required to be appropriated for property tax relief in the 2015-16 budget.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2014:

| <u>Fund</u> | <u>Interfund Balance</u> | |
|-----------------------|--------------------------|---------------------|
| | <u>Receivable</u> | <u>Payable</u> |
| General Fund | \$ 8,032,314 | \$ 330 |
| Special Revenue Fund | | 2,129,944 |
| Capital Projects Fund | | 114,489 |
| Proprietary Funds | 264 | 417,345 |
| Fiduciary Funds | 66 | 5,370,536 |
| | <u>\$ 8,032,644</u> | <u>\$ 8,032,644</u> |

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Freehold Regional High School District Board of Education 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 of Education, 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 (June 1 to June 30) of any unanticipated revenue or unexpended line item appropriations, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special election dates authorized by N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 14: CAPITAL RESERVE ACCOUNT (CONTINUED)

The activity of the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

| | | |
|---------------------------------|----|-----------|
| Balance, July 1, 2013 | \$ | 2,116,552 |
| Increased by: | | |
| Board Resolution dated 06/23/14 | \$ | 2,000,000 |
| Interest | | 5,207 |
| | | 2,005,207 |
| Balance, June 30, 2014 | \$ | 4,121,759 |

NOTE 15: EMERGENCY RESERVE ACCOUNT

In accordance with N.J.S.A. 18A:7F-41c(1), an emergency reserve account was established by the District. The emergency reserve account is maintained in the general fund.

The funds in the reserve shall be used to finance unanticipated general fund current expense costs required for T&E. For the purpose of the emergency reserve account "unanticipated" shall mean reasonably unforeseeable and shall not include additional costs caused by poor planning or error.

The account balance is not to exceed \$250,000 or one percent of the district's general fund budget up to a maximum of \$1,000,000 whichever is greater. Withdrawals require approval by the Commissioner.

At June 30, 2014, the balance of the Emergency Reserve Account was \$251,481 and is within the statutory limitations.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 15: EMERGENCY RESERVE ACCOUNT (CONTINUED)

The activity of the emergency reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

| | | |
|------------------------|----|---------|
| Balance, July 1, 2013 | \$ | 250,864 |
| Increased by: | | |
| Interest | \$ | 617 |
| | | 617 |
| Balance, June 30, 2014 | \$ | 251,481 |

NOTE 16: MAINTENANCE RESERVE ACCOUNT

In accordance with N.J.S.A. 18A:7G-13, a Maintenance reserve account was established by the District. The Maintenance reserve account is maintained in the general fund.

A district board of education or board of school estimate, as appropriate, may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes.

A district board of education or board of school estimate, as appropriate, may by resolution withdraw such funds from the maintenance reserve account and appropriate into the required maintenance account lines at budget time or any time during the year for use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan pursuant to N.J.A.C. 6A:26A-4.

The district board of education shall ensure that the maintenance reserve account balance does not, at any time, exceed four percent of the replacement cost of the school district's school facilities for the current year. If the account exceeds this maximum amount at June 30, the district board of education shall reserve and designate such excess in the subsequent year's budget.

At June 30, 2014, the balance of the Maintenance Reserve Account was \$1,928,412 and is within the statutory limitations.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 16: MAINTENANCE RESERVE ACCOUNT (CONTINUED)

The activity of the emergency reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

| | | | |
|---------------------------------|----|----|-------------------------|
| Balance, July 1, 2013 | | \$ | 1,424,907 |
| Increased by: | | | |
| Board Resolution dated 06/23/14 | \$ | | 500,000 |
| Interest | | | 3,505 |
| | | | <u>503,505</u> |
| Balance, June 30, 2014 | | \$ | <u><u>1,928,412</u></u> |

NOTE 17: INVENTORY

Inventory in the Food Service Fund at June 30, 2014 consisted of the following:

Food and Supplies \$17,867

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Amendments of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

NOTE 18: PRIOR PERIOD ADJUSTMENTS

The adjustments below were reflected against the beginning Net Assets balance on the District Wide Statements as follows:

| | | <u>Governmental</u> <u>Activities</u> | | <u>Business-Type</u> <u>Activities</u> |
|---|----|--|----|---|
| Beginning Net Position 06/30/13 | \$ | 91,462,885 | \$ | 385,540 |
| Adjustments: | | | | |
| Understatement of Net Investment in Capital Assets | | <u>10,280,055</u> | \$ | <u>196,159</u> |
| Beginning Net Position 06/30/13 (As restated) | \$ | <u><u>101,742,940</u></u> | \$ | <u><u>581,699</u></u> |

The Net investment in capital assets balance was restated to properly reflect the results of the District's recent updated inventory performed in July of 2014.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2014

NOTE 19: SUBSEQUENT EVENTS

The Board of Education has evaluated subsequent events occurring after the financial statement date through November 26, 2014 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events that need to be disclosed except as noted below.

On July 28, 2014 the District entered into a lease agreement in the amount of \$331,100 for the purchase of six school buses. The lease is for a term of five year with an interest rate of 1.39%

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| REVENUES | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | (GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|--------------------|---------------------|--------------------|--------------------|---|
| Local sources: | | | | | |
| Local Tax Levy | \$ 119,091,381 | \$ | \$ 119,091,381 | \$ 119,091,381 | \$ |
| Tuition | 25,000 | | 25,000 | 72,563 | 47,563 |
| Unrestricted Miscellaneous Revenue | 150,000 | | 150,000 | 294,534 | 144,534 |
| Interest Earned on Emergency Reserve | 1,500 | | 1,500 | 617 | (883) |
| Interest Earned on Maintenance Reserve | 7,000 | | 7,000 | 3,505 | (3,495) |
| Interest Earned on Capital Reserve Funds | 1,500 | | 1,500 | 5,207 | 3,707 |
| Other Restricted Miscellaneous Revenue | 150,000 | | 150,000 | 184,855 | 34,855 |
| Total - local sources | 119,426,381 | | 119,426,381 | 119,652,662 | 226,281 |
| State sources: | | | | | |
| Equalization Aid | 40,713,982 | | 40,713,982 | 40,713,982 | |
| Categorical Transportation Aid | 1,110,522 | | 1,110,522 | 1,110,522 | |
| Categorical Special Education Aid | 7,030,185 | | 7,030,185 | 7,030,185 | |
| Security Aid | 735,594 | | 735,594 | 735,594 | |
| Adjustment Aid | 1,636,230 | | 1,636,230 | 1,636,230 | |
| Other State Aids Out of Cap | | | | 81,208 | 81,208 |
| Extraordinary Aid | | | | 2,608,991 | 1,108,991 |
| On-behalf TPAF Non-Contributory Insurance (non-budgeted) | 1,500,000 | | 1,500,000 | 249,054 | 249,054 |
| On-behalf TPAF Pension (non-budgeted) | | | | 2,821,609 | 2,821,609 |
| On-behalf TPAF Post Retirement Contributions (non-budgeted) | | | | 5,034,731 | 5,034,731 |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | | | | 5,462,436 | 5,462,436 |
| Total - state sources | 52,726,513 | | 52,726,513 | 67,484,542 | 14,758,029 |
| Federal sources: | | | | | |
| Medicaid reimbursement | | | | 98,883 | 98,883 |
| Total - federal sources | | | | 98,883 | 98,883 |
| Total revenues | 172,152,894 | | 172,152,894 | 187,236,087 | 15,083,193 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| EXPENDITURES | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | (GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|--------------------|---------------------|-------------------|-------------------|---|
| CURRENT EXPENSE: | | | | | |
| Instruction - regular programs: | | | | | |
| Salaries of teachers: | | | | | |
| Grades 9-12 | \$ 51,965,887 | (828,273) | \$ 51,137,614 | \$ 50,125,397 | \$ 1,012,217 |
| Total Salaries of teachers: | <u>51,965,887</u> | <u>(828,273)</u> | <u>51,137,614</u> | <u>50,125,397</u> | <u>1,012,217</u> |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of teachers | 348,000 | 20,297 | 368,297 | 368,296 | 1 |
| Purchased professional educational services | 250,050 | 94,703 | 344,753 | 219,240 | 125,513 |
| Total Regular Programs - Home Instruction: | <u>598,050</u> | <u>115,000</u> | <u>713,050</u> | <u>587,536</u> | <u>125,514</u> |
| Regular programs - undistributed instruction: | | | | | |
| Purchased professional educational services | 20,700 | 1,175 | 21,875 | 16,248 | 5,627 |
| Purchased technical services | 133,153 | (7,697) | 125,456 | 115,120 | 10,336 |
| Other purchased services(400-500 series) | 583,846 | 10,469 | 594,315 | 568,926 | 25,389 |
| General supplies | 1,055,032 | 123,482 | 1,178,514 | 1,120,754 | 57,760 |
| Textbooks | 790,997 | (94,402) | 696,595 | 690,023 | 6,572 |
| Other Objects | 1,800 | 432 | 2,232 | 2,232 | |
| Total Regular programs - undistributed instruction | <u>2,585,528</u> | <u>33,459</u> | <u>2,618,987</u> | <u>2,513,303</u> | <u>105,684</u> |
| Total Regular Programs - Instruction | <u>55,149,465</u> | <u>(679,814)</u> | <u>54,469,651</u> | <u>53,226,236</u> | <u>1,243,415</u> |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | (GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE) |
|---|--------------------|---------------------|------------------|------------------|---|
| Special education: | | | | | |
| Cognitive - Mild: | | | | | |
| Salaries of teachers | 301,626 \$ | (140,000) \$ | 161,626 \$ | 122,888 \$ | 38,738 |
| Other salaries for instruction | 234,476 | 58,005 | 292,481 | 274,979 | 17,502 |
| Other purchased services(400-500 series) | | 239 | 239 | 239 | |
| General supplies | 2,750 | (53) | 2,697 | 2,681 | 16 |
| Textbooks | 973 | (446) | 527 | 527 | |
| Other Objects | 300 | (300) | | | |
| Total Cognitive - Mild | <u>540,125</u> | <u>(82,555)</u> | <u>457,570</u> | <u>401,314</u> | <u>56,256</u> |
| Cognitive - Moderate: | | | | | |
| Salaries of teachers | 150,855 | 5,000 | 155,855 | 154,247 | 1,608 |
| Other salaries for instruction | 224,917 | 77,645 | 302,562 | 285,535 | 17,027 |
| Other purchased services(400-500 series) | | 472 | 472 | 432 | 40 |
| General supplies | 3,500 | (3,153) | 347 | 260 | 87 |
| Total Cognitive - Moderate | <u>379,272</u> | <u>79,964</u> | <u>459,236</u> | <u>440,474</u> | <u>18,762</u> |
| Learning and / or Language Disabilities: | | | | | |
| Salaries of teachers | 1,085,098 | (387,645) | 697,453 | 630,929 | 66,524 |
| Other salaries for instruction | 320,124 | 77,000 | 397,124 | 391,279 | 5,845 |
| Other purchased services(400-500 series) | 144,860 | (35) | 144,825 | 144,000 | 825 |
| General supplies | 4,920 | 338 | 5,258 | 4,275 | 983 |
| Textbooks | 5,000 | (229) | 4,771 | 4,406 | 365 |
| Other Objects | 700 | (300) | 400 | 400 | 400 |
| Total Learning and / or Language Disabilities | <u>1,560,702</u> | <u>(310,871)</u> | <u>1,249,831</u> | <u>1,174,889</u> | <u>74,942</u> |
| Visual Impairments: | | | | | |
| Salaries of teachers | 75,000 | (50,000) | 25,000 | | 25,000 |
| Purchased professional educational services | 1,750 | | 1,750 | | 1,750 |
| Total Visual Impairments: | <u>76,750</u> | <u>(50,000)</u> | <u>26,750</u> | | <u>26,750</u> |
| Auditory Impairmenets: | | | | | |
| Salaries of teachers | 150,000 | (50,000) | 100,000 | 64,690 | 35,310 |
| Purchased professional educational services | 20,000 | | 20,000 | | 20,000 |
| Total Auditory Impairments: | <u>170,000</u> | <u>(50,000)</u> | <u>120,000</u> | <u>64,690</u> | <u>55,310</u> |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | (GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE) |
|---|--------------------|---------------------|--------------|------------|---|
| Behavioral Disabilities: | | | | | |
| Salaries of teachers | \$ 169,547 | \$ 39,088 | \$ 208,635 | \$ 199,191 | \$ 9,444 |
| Other salaries for instruction | 73,398 | | 73,398 | 37,000 | 36,398 |
| Purchased professional educational services | 370,000 | | 370,000 | 370,000 | |
| General supplies | 4,000 | (1,000) | 3,000 | 1,443 | 1,557 |
| Total Behavioral Disabilities: | 616,945 | 38,088 | 655,033 | 607,634 | 47,399 |
| Resource room/resource center: | | | | | |
| Salaries of teachers | 8,138,867 | 1,161,571 | 9,300,438 | 9,293,083 | 7,355 |
| Other salaries for instruction | 40,178 | (40,000) | 178 | | 178 |
| Other purchased services (400-500 series) | 50 | (50) | | | |
| General supplies | 22,908 | (6,159) | 16,749 | 14,364 | 2,385 |
| Textbooks | 17,820 | (2,898) | 14,922 | 12,056 | 2,866 |
| Other Objects | 300 | (300) | | | |
| Total Resource room/resource center | 8,220,123 | 1,112,164 | 9,332,287 | 9,319,503 | 12,784 |
| Autism: | | | | | |
| Salaries of teachers | 239,032 | (50,000) | 189,032 | 237,068 | (48,036) |
| Other salaries for instruction | 354,205 | 77,753 | 431,958 | 409,697 | 22,261 |
| Purchased professional - educational services | 1,000 | | 1,000 | | 1,000 |
| Other purchased services(400-500 series) | 14,400 | | 14,400 | 14,400 | |
| General supplies | | 28,127 | 28,127 | 14,935 | 13,192 |
| Total Autism | 608,637 | 55,880 | 664,517 | 661,700 | 2,817 |
| Total special education | 12,172,554 | 792,670 | 12,965,224 | 12,670,204 | 295,020 |
| Basic skills/remedial: | | | | | |
| Salaries of teachers | 866,846 | (125,000) | 741,846 | 705,040 | 36,806 |
| Total basic skills/remedial | 866,846 | (125,000) | 741,846 | 705,040 | 36,806 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | (GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|--------------------|---------------------|--------------|------------|---|
| Bilingual education: | | | | | |
| Salaries of teachers | \$ 225,646 | \$ 1,000 | \$ 226,646 | \$ 226,560 | \$ 86 |
| Other purchased services (400-500 series) | 1,000 | (500) | 500 | | 500 |
| General supplies | 2,250 | (75) | 2,175 | 1,822 | 353 |
| Textbooks | 500 | 75 | 575 | | 575 |
| Total bilingual education | 229,396 | 500 | 229,896 | 228,382 | 1,514 |
| School sponsored Co-curricular and Extra-Curricular activities: | | | | | |
| Salaries | 1,119,972 | | 1,119,972 | 918,577 | 201,395 |
| Purchased services (300-500 series) | 55,550 | (2,221) | 53,329 | 34,486 | 18,843 |
| Supplies and Materials | 44,582 | 318 | 44,900 | 38,312 | 6,588 |
| Other Objects | 40,825 | (4,792) | 36,033 | 30,184 | 5,849 |
| Total school sponsored Co-curricular and Extra-curricular activities | 1,260,929 | (6,695) | 1,254,234 | 1,021,559 | 232,675 |
| School sponsored athletics: | | | | | |
| Salaries | 3,239,897 | (17,500) | 3,222,397 | 2,986,607 | 235,790 |
| Purchased services (300-500 series) | 555,326 | (10,396) | 544,930 | 487,156 | 57,774 |
| Supplies and Materials | 284,617 | 10,716 | 295,333 | 282,417 | 12,916 |
| Other Objects | 118,600 | 3,520 | 122,120 | 117,070 | 5,050 |
| Total school sponsored athletics | 4,198,440 | (13,660) | 4,184,780 | 3,873,250 | 311,530 |
| Other instructional programs | | | | | |
| Salaries | 495,997 | | 495,997 | 487,188 | 8,809 |
| Purchased services (300-500 series) | 28,760 | (9,500) | 19,260 | 3,865 | 15,395 |
| Supplies and Materials | 12,000 | (2,000) | 10,000 | 7,114 | 2,886 |
| Other Objects | 2,500 | | 2,500 | 1,395 | 1,105 |
| Total other instructional programs | 539,257 | (11,500) | 527,757 | 499,562 | 28,195 |
| Total other instructional programs | 7,094,868 | (156,355) | 6,938,513 | 6,327,793 | 610,720 |
| Total - instruction | 74,416,887 | (43,499) | 74,373,388 | 72,224,233 | 2,149,155 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | (GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE) |
|---|--------------------|---------------------|--------------|------------|---|
| Undistributed expenditures: | | | | | |
| Instruction: | | | | | |
| Tuition to other LEA's within the state-regular | \$ 68,400 | \$ 15,000 | \$ 15,000 | \$ 39,060 | 15,000 |
| Tuition to other LEA's within the state-special | 3,286,710 | (29,340) | 39,060 | 3,155,220 | 18,680 |
| Tuition to county vocational school district-regular | 657,900 | (112,810) | 3,173,900 | 678,810 | 13,770 |
| Tuition to county vocational school district-special | 1,998,151 | 34,680 | 692,580 | 1,836,157 | 95 |
| Tuition to CSSD and regional day schools | 9,181,151 | (161,899) | 1,836,252 | 7,128,920 | 1,632,829 |
| Tuition to private schools for the handicapped within state | 1,306,914 | (419,402) | 8,761,749 | 1,221,059 | 6,201 |
| Tuition to private schools for the handicapped - special, out-state | 250,000 | (79,654) | 1,227,260 | 44,869 | 157,031 |
| Tuition-state facilities | 16,749,226 | (801,525) | 15,947,701 | 14,104,095 | 1,843,606 |
| Total undistributed expenditures - instruction | 723,771 | 10,000 | 733,771 | 732,038 | 1,733 |
| Attendance and social work services: | 195 | (140) | 55 | 55 | |
| Salaries | 2,850 | 78 | 2,928 | 2,790 | 138 |
| Other purchased services (400-500 series) | 726,816 | 9,938 | 736,754 | 734,883 | 1,871 |
| Supplies and Materials | | | | | |
| Total attendance and social work services | 1,114,611 | (34,500) | 1,080,111 | 1,061,540 | 18,571 |
| Health services: | 87,750 | 528 | 88,278 | 80,250 | 8,028 |
| Salaries | 2,650 | (343) | 2,307 | 1,181 | 1,126 |
| Purchased professional and technical services | 16,270 | 2,222 | 18,492 | 16,187 | 2,305 |
| Other Purchased Services (400-500 series) | 460 | (70) | 390 | 200 | 190 |
| Supplies and materials | | | | | |
| Other Objects | | | | | |
| Total health services | 1,221,741 | (32,163) | 1,189,578 | 1,159,358 | 30,220 |
| Other support services - speech, OT, PT & related services: | | | | | |
| Salaries | 526,690 | 20,730 | 547,420 | 540,494 | 6,926 |
| Purchased professional - Educational services | 72,900 | 125,650 | 198,550 | 138,778 | 59,772 |
| Supplies and materials | 1,800 | (88) | 1,712 | 949 | 763 |
| Total other support services - speech, OT, PT & related services | 601,390 | 146,292 | 747,682 | 680,221 | 67,461 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | <u>ORIGINAL BUDGET</u> | <u>BUDGET TRANSFERS</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)</u> |
|---|----------------------------|-----------------------------|---------------------|------------------|---|
| Other support services- Extraordinary Services | | | | | |
| Salaries | \$ 1,591,697 | \$ 162,040 | \$ 1,753,737 | \$ 1,722,505 | \$ 31,232 |
| Purchased Professional - Educational Services | 1,164,888 | 825 | 1,165,713 | 1,081,962 | 83,751 |
| Total other support services - Extraordinary Services | <u>2,756,585</u> | <u>162,865</u> | <u>2,919,450</u> | <u>2,804,467</u> | <u>114,983</u> |
| Other support services - Guidance: | | | | | |
| Salaries of other professional staff | 3,803,555 | 95,000 | 3,898,555 | 3,893,802 | 4,753 |
| Salaries of secretarial and clerical assistants | 715,725 | | 715,725 | 710,404 | 5,321 |
| Other Salaries | 6,000 | (950) | 5,050 | 5,050 | |
| Other Purchased Professional and Technical Services | 65,500 | | 65,500 | 62,994 | 2,506 |
| Other Purchased Services (400-500 series) | 58,300 | (17,537) | 40,763 | 30,151 | 10,612 |
| Supplies and Materials | 37,625 | (2,744) | 34,881 | 32,071 | 2,810 |
| Other objects | 415 | 420 | 835 | 540 | 295 |
| Total other support services - Guidance | <u>4,687,120</u> | <u>74,189</u> | <u>4,761,309</u> | <u>4,735,012</u> | <u>26,297</u> |
| Other support services - child study teams: | | | | | |
| Salaries of other professional staff | 2,433,972 | (24,967) | 2,409,005 | 2,407,777 | 1,228 |
| Salaries of secretarial and clerical assistants | 344,542 | 85,803 | 430,345 | 412,499 | 17,846 |
| Purchased Professional - Educational Services | 343,863 | 250,396 | 594,259 | 471,236 | 123,023 |
| Other Purchased Professional and Technical Services | | 1,300 | 1,300 | 1,300 | |
| Other Purchased Services (400-500 series) | 300 | (300) | | | |
| Residential Costs | 287,029 | 151,129 | 438,158 | 363,216 | 74,942 |
| Misc. Pur Serv (400-500 series o/ than resid. Costs) | 7,000 | | 7,000 | 1,420 | 5,580 |
| Supplies and Materials | 62,000 | 6,818 | 68,818 | 54,137 | 14,681 |
| Total other support services - child study teams | <u>3,478,706</u> | <u>470,179</u> | <u>3,948,885</u> | <u>3,711,585</u> | <u>237,300</u> |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | <u>ORIGINAL BUDGET</u> | <u>BUDGET TRANSFERS</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)</u> |
|--|----------------------------|-----------------------------|---------------------|----------------|---|
| Improvement of instructional services: | | | | | |
| Salaries of Supervisors of Instruction | \$ 306,800 | \$ (40,000) | \$ 266,800 | \$ 265,099 | \$ 1,701 |
| Salaries of secretarial and clerical assistants | 150,981 | 5,000 | 155,981 | 155,335 | 646 |
| Other Salaries | 151,100 | (2,441) | 148,659 | 139,086 | 9,573 |
| Other Purchased Services (400-500) | 46,575 | 5,017 | 51,592 | 49,141 | 2,451 |
| Supplies and Materials | 18,000 | (3,373) | 14,627 | 8,575 | 6,052 |
| Other objects | 26,000 | (2,037) | 23,963 | 23,516 | 447 |
| Total improvement of instructional services: | 699,456 | (37,834) | 661,622 | 640,752 | 20,870 |
| Educational media services/school library: | | | | | |
| Salaries | 464,871 | | 464,871 | 349,394 | 115,477 |
| Purchased Professional and Technical Services | 45,778 | 24,043 | 69,821 | 69,763 | 58 |
| Other Purchased Services (400-500) | 19,664 | (8,723) | 10,941 | 10,513 | 428 |
| Supplies and Materials | 81,299 | (14,943) | 66,356 | 64,278 | 2,078 |
| Total educational media services/school library | 611,612 | 377 | 611,989 | 493,948 | 118,041 |
| Instructional Staff Training Services: | | | | | |
| Salaries of Supervisors of Instruction | 285,048 | | 285,048 | 247,777 | 37,271 |
| Purchased Professional - Educational Services | 151,600 | (6,451) | 145,149 | 144,249 | 900 |
| Other Purchased Services (400-500) | 270,500 | (38,049) | 232,451 | 224,267 | 8,184 |
| Supplies and Materials | 56,000 | (18,004) | 37,996 | 37,956 | 40 |
| Total instructional staff training services: | 763,148 | (62,504) | 700,644 | 654,249 | 46,395 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | (GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE) |
|---|--------------------|---------------------|--------------|------------|---|
| Support services general administration: | | | | | |
| Salaries | \$ 339,217 | \$ | \$ 339,217 | \$ 322,022 | 17,195 |
| Legal services | 504,000 | | 504,000 | 347,012 | 156,988 |
| Audit Fees | 60,000 | | 60,000 | 54,750 | 5,250 |
| Architectural/Engineering Services | 50,000 | 175,000 | 225,000 | 154,523 | 70,477 |
| Other purchased professional services | 5,000 | 9,000 | 14,000 | 9,000 | 5,000 |
| Purchased technical services | 19,945 | | 19,945 | 19,145 | 800 |
| Communications/telephone | 521,400 | | 521,400 | 429,841 | 91,559 |
| BOE Other purchased services(580-585) | 5,000 | | 5,000 | 3,086 | 1,914 |
| Misc. purchased services (400-500 Series, other than 530 & 585) | 370,120 | (207,678) | 162,442 | 146,388 | 16,054 |
| General supplies | 16,500 | 1,160 | 17,660 | 10,324 | 7,336 |
| BOE in-house training/meeting supplies | 5,000 | | 5,000 | 133 | 4,867 |
| Miscellaneous expenditures | 27,004 | (11,180) | 15,824 | 12,481 | 3,343 |
| BOE membership dues and fees | 28,000 | | 28,000 | 26,663 | 1,337 |
| Total support services general administration | 1,951,186 | (33,698) | 1,917,488 | 1,535,368 | 382,120 |
| Support services school administration: | | | | | |
| Salaries of principals/asst. principals | 3,437,982 | 1,000 | 3,438,982 | 3,262,334 | 176,648 |
| Salaries of other professional staff | 1,981,676 | | 1,981,676 | 1,652,471 | 329,205 |
| Salaries of secretarial and clerical assistants | 1,333,012 | | 1,333,012 | 1,302,250 | 30,762 |
| Other Purchased Services (400-500 series) | 77,973 | (17,433) | 60,540 | 46,726 | 13,814 |
| Supplies and Materials | 112,032 | (688) | 111,344 | 109,656 | 1,688 |
| Other objects | 146,209 | 4,279 | 150,488 | 134,377 | 16,111 |
| Total support services school administration | 7,088,884 | (12,842) | 7,076,042 | 6,507,814 | 568,228 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | (GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|--------------------|---------------------|--------------|--------------|---|
| Central Services: | | | | | |
| Salaries | \$ 1,483,696 | \$ (40,803) | \$ 1,442,893 | \$ 1,228,210 | 214,683 |
| Purchased professional services | 103,000 | (13,000) | 90,000 | 31,220 | 58,780 |
| Purchased technical services | 30,100 | | 30,100 | 26,303 | 3,797 |
| Misc. purchased services (400-500 series) | 89,156 | (5,700) | 83,456 | 77,254 | 6,202 |
| Supplies and materials | 45,600 | (2,879) | 42,721 | 42,078 | 643 |
| Interest on Lease Purchase Agreement | 76,564 | (30,000) | 46,564 | 16,563 | 30,001 |
| Miscellaneous expenditures | 6,850 | | 6,850 | 6,041 | 809 |
| Total central services | 1,834,966 | (92,382) | 1,742,584 | 1,427,669 | 314,915 |
| Administrative Information Technology | | | | | |
| Salaries | 608,144 | 55,000 | 663,144 | 659,487 | 3,657 |
| Purchased technical services | 310,000 | 30,518 | 340,518 | 340,431 | 87 |
| Other purchased services (400-500 series) | 634,681 | (311,300) | 323,381 | 128,788 | 194,593 |
| Supplies and Materials | 40,000 | | 40,000 | 38,465 | 1,535 |
| Total Administrative Information Technology | 1,592,825 | (225,782) | 1,367,043 | 1,167,171 | 199,872 |
| Required Maintenance for School Facilities: | | | | | |
| Salaries | 1,028,446 | | 1,028,446 | 772,897 | 255,549 |
| Cleaning, Repair and Maintenance Services | 1,123,183 | 219,463 | 1,342,646 | 1,246,459 | 96,187 |
| General supplies | 406,000 | (37,279) | 368,721 | 363,482 | 5,239 |
| Other objects | 23,500 | 8,900 | 32,400 | 31,976 | 424 |
| Total Required Maintenance for School Facilities | 2,581,129 | 191,084 | 2,772,213 | 2,414,814 | 357,399 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | (GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE) |
|---|--------------------|---------------------|--------------|--------------|---|
| Custodial Services : | | | | | |
| Salaries | \$ 4,215,344 | \$ | \$ 4,215,344 | \$ 4,086,096 | \$ 129,248 |
| Purchased professional and technical services | 30,000 | | 30,000 | 9,441 | 20,559 |
| Cleaning, repair and maintenance services | 180,000 | (15,000) | 165,000 | 149,577 | 15,423 |
| Rental of land and building - other than lease purchase agreement | 229,014 | | 229,014 | 220,794 | 8,220 |
| Other purchased property services | 318,000 | | 318,000 | 273,592 | 44,408 |
| Insurance | 262,600 | 303,357 | 565,957 | 565,957 | |
| General supplies | 375,000 | | 375,000 | 362,054 | 12,946 |
| Energy (Natural Gas) | 1,040,000 | (13,897) | 1,026,103 | 1,018,363 | 7,740 |
| Energy (Electricity) | 2,570,000 | | 2,570,000 | 1,898,757 | 671,243 |
| Energy (Gasoline) | 1,217,800 | | 1,217,800 | 946,866 | 270,934 |
| Total custodial services | 10,437,758 | 274,460 | 10,712,218 | 9,531,497 | 1,180,721 |
| Care & Upkeep of Grounds | | | | | |
| Salaries | 852,628 | (50,000) | 802,628 | 724,353 | 78,275 |
| Cleaning, Repair and Maintenance Services | 392,000 | 242,000 | 634,000 | 579,637 | 54,363 |
| General supplies | 190,000 | | 190,000 | 149,689 | 40,311 |
| Other objects | 3,500 | | 3,500 | | 3,500 |
| Total Care and Upkeep of Grounds | 1,438,128 | 192,000 | 1,630,128 | 1,453,679 | 176,449 |
| Security | | | | | |
| Salaries | 438,803 | 15,356 | 454,159 | 453,994 | 165 |
| Purchased Professional & Technical Services (300-500) | 20,000 | 1,170 | 21,170 | 17,370 | 3,800 |
| Cleaning, Repair and Maintenance Services | 5,000 | | 5,000 | | 5,000 |
| General Supplies | 11,000 | 26,593 | 37,593 | 37,069 | 524 |
| Total Security | 474,803 | 43,119 | 517,922 | 508,433 | 9,489 |
| Total operation and maintenance of plant services | 14,931,818 | 700,663 | 15,632,481 | 13,908,423 | 1,724,058 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | (GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|--------------------|---------------------|--------------|------------|---|
| Student transportation services: | | | | | |
| Salaries of Non-Instructional Aides | \$ 389,986 | \$ (70,000) | \$ 319,986 | \$ 289,000 | \$ 30,986 |
| Salaries for pupil transportation (between home and school)-regular | 3,451,482 | (43,382) | 3,408,100 | 3,404,450 | 3,650 |
| Salaries for pupil transportation (between home and school)-Special Ed | 1,082,363 | (248,710) | 833,653 | 833,652 | 1 |
| Salaries for pupil transportation (other than between home & school) | 588,000 | (125,000) | 463,000 | 337,884 | 125,116 |
| Management Fee - ESC & CTSA transportation programs | 194,000 | (7,809) | 186,191 | 186,190 | 1 |
| Other Purchased professional and technical services | 47,700 | 33,850 | 81,550 | 81,477 | 73 |
| Cleaning, Repair and Maintenance Services | 673,106 | 35,300 | 708,406 | 686,027 | 22,379 |
| Lease Purchase Payments - School Buses | 297,819 | (140,000) | 157,819 | 150,501 | 7,318 |
| Contracted Services - between home and school vendors | 3,830,000 | 245,382 | 4,075,382 | 4,075,054 | 328 |
| Contracted services (other than btw home & school)-vendors | 315,000 | (14,150) | 300,850 | 161,184 | 139,666 |
| Contract. Serv. (btw home and Sch) Joint Agreements | 11,000 | 4,000 | 15,000 | 3,561 | 439 |
| Contract. Serv. (spec ed students)-vendors | 69,000 | (48,200) | 20,800 | 2,308 | 8,692 |
| Contract. Serv. (spec ed students)-Joint Agreements | 779,000 | (136,221) | 642,779 | 3,458 | 17,342 |
| Contracted services (regular students) - ESCs & CTSA | 3,090,000 | 170,940 | 3,260,940 | 642,778 | 1 |
| Contracted services (spec ed students) - ESCs & CTSA | 114,920 | 900 | 114,920 | 3,260,927 | 13 |
| Contract. Serv - Aid in Lieu Pymts-Non-Public Schools | 130,300 | 22,954 | 153,254 | 112,332 | 2,588 |
| Travel | 14,500 | (2,200) | 12,300 | 848 | 52 |
| Miscellaneous purchased services - Transportation(580-590) | 569,736 | 150 | 569,736 | 153,254 | 5,957 |
| General supplies | 1,500 | 150 | 1,650 | 6,343 | 1,332 |
| Transportation Supplies | | | | 568,404 | |
| Other objects | | | | 1,272 | 378 |
| Total student transportation services | 15,649,412 | (322,196) | 15,327,216 | 14,960,904 | 366,312 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | (GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|--------------------|---------------------|--------------------|--------------------|---|
| Unallocated Benefits - Employee Benefits: | | | | | |
| Social Security Contributions | 2,103,000 | | 2,103,000 | 2,048,239 | \$ 54,761 |
| Other retirement contributions - PERS | 2,261,000 | (50,000) | 2,211,000 | 1,922,132 | 288,868 |
| Unemployment Compensation | 158,000 | | 158,000 | 5,153 | 152,847 |
| Workers Compensation | 695,750 | (25,000) | 670,750 | 507,333 | 163,417 |
| Health Benefits | 27,340,462 | (794,364) | 26,546,098 | 22,894,467 | 3,651,631 |
| Tuition Reimbursements | 200,000 | 36,079 | 236,079 | 232,725 | 3,354 |
| Other Employee Benefits | 163,000 | 36,064 | 199,064 | 190,924 | 8,140 |
| Total Unallocated Benefits - Employee Benefits: | 32,921,212 | (797,221) | 32,123,991 | 27,800,973 | 4,323,018 |
| On-behalf TPAF Non-Contributory Insurance (non-budgeted) | | | | 249,054 | (249,054) |
| On-behalf TPAF Pension (non-budgeted) | | | | 2,821,609 | (2,821,609) |
| On-behalf TPAF Post Retirement Contributions (non-budgeted) | | | | 5,034,731 | (5,034,731) |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | | | | 5,462,436 | (5,462,436) |
| Total On-behalf contributions | | | | 13,567,830 | (13,567,830) |
| Total personal services | 32,921,212 | (797,221) | 32,123,991 | 41,368,803 | (9,244,812) |
| Total Undistributed Expenditures | 108,266,103 | (853,644) | 107,412,459 | 110,594,722 | (3,182,263) |
| Interest Earned on Maintenance Reserve | 7,000 | | 7,000 | | 7,000 |
| Interest Earned on Emergency Reserve | 1,500 | | 1,500 | | 1,500 |
| TOTAL EXPENDITURES - GENERAL CURRENT EXPENSE FUND 11 | 182,691,490 | (897,143) | 181,794,347 | 182,818,955 | (1,024,608) |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | <u>ORIGINAL</u> <u>BUDGET</u> | <u>BUDGET</u> <u>TRANSFERS</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>(GAAP)</u> <u>VARIANCE</u> <u>FAVORABLE/</u> <u>(UNFAVORABLE)</u> |
|---|----------------------------------|-----------------------------------|---------------------|----------------|---|
| CAPITAL OUTLAY: | | | | | |
| Equipment: | | | | | |
| Regular program - Instruction | \$ 18,500 | \$ 38,656 | \$ 57,156 | \$ 56,592 | \$ 564 |
| Grades 9-12 | 19,500 | (6,025) | 13,475 | 12,587 | 888 |
| School sponsored and other instructional program | | | | | |
| Undistributed Expenditures | | | | | |
| Child Study Team | | 2,486 | 2,486 | 2,486 | |
| General Admin. | 3,500 | (3,480) | 20 | | 20 |
| School Admin. | | 12,273 | 12,273 | 7,074 | 5,199 |
| Administrative Information Technology | 14,500 | (6,641) | 7,859 | 7,858 | 1 |
| Maintenance of school facility | 30,000 | 50,565 | 80,565 | 68,217 | 12,348 |
| Custodial services | 30,000 | 9,547 | 39,547 | 24,547 | 15,000 |
| Care & upkeep grounds | 30,000 | (235) | 29,765 | 29,765 | |
| Security | 20,000 | 25,220 | 45,220 | 45,197 | 23 |
| Total Equipment | <u>166,000</u> | <u>122,366</u> | <u>288,366</u> | <u>254,323</u> | <u>34,043</u> |
| Facilities acquisition and construction services: | | | | | |
| Architectural/Engineering Services | | 145,100 | 145,100 | 117,980 | 27,120 |
| Construction services | 1,000,000 | 629,677 | 1,629,677 | 553,955 | 1,075,722 |
| Assessment for Debt Service on SDA Funding | <u>14,229</u> | | <u>14,229</u> | <u>8,101</u> | <u>6,128</u> |
| Total facilities acquis. and const. services | <u>1,014,229</u> | <u>774,777</u> | <u>1,789,006</u> | <u>680,036</u> | <u>1,108,970</u> |
| Capital Reserve Interest - Transfer to | <u>1,500</u> | | <u>1,500</u> | | <u>1,500</u> |
| TOTAL CAPITAL OUTLAY | <u>1,181,729</u> | <u>897,143</u> | <u>2,078,872</u> | <u>934,359</u> | <u>1,144,513</u> |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | (GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|--------------------|---------------------|--------------|-------------|---|
| Transfer of Funds to Charter School | \$ 30,000 | \$ | \$ 30,000 | \$ | 30,000 |
| TOTAL EXPENDITURES | 183,903,219 | | 183,903,219 | 183,753,314 | 149,905 |
| Excess (deficiency) of revenues over (under) expenditures | (11,750,325) | | (11,750,325) | 3,482,773 | 15,233,098 |
| Fund balances, July 1 | 33,394,299 | | 33,394,299 | 33,394,299 | |
| Fund balances, June 30 | 21,643,974 | \$ | 21,643,974 | 36,877,072 | 15,233,098 |

Recapitulation:

Restricted:

| | |
|--|------------|
| Excess Surplus - Designated for Subsequent Year's Expenditures | \$ |
| Excess Surplus - Current Year | 13,555,800 |
| Maintenance Reserve | 11,169,674 |
| Capital Reserve | 1,928,412 |
| Emergency Reserve | 4,121,759 |
| Assigned: | 251,481 |
| Encumbrances | 1,263,412 |
| Unassigned | 4,586,534 |
| | 36,877,072 |

Reconciliation to Governmental Funds Statements (GAAP):
Less: Last State Aid Payment not recognized on GAAP basis
Fund Balance per Governmental Funds (GAAP) \$ 31,791,041

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | ORIGINAL BUDGET | BUDGET TRANSFERS/ AMENDMENTS | FINAL BUDGET | ACTUAL | VARIANCE FINAL TO ACTUAL |
|--|--------------------|------------------------------------|------------------|------------------|-----------------------------|
| REVENUES: | | | | | |
| Federal sources | \$ 2,434,421 | \$ 460,177 | \$ 2,894,598 | \$ 2,791,943 | \$ (102,655) |
| State sources | 15,000 | 8,762 | 23,762 | 17,006 | (6,756) |
| Other sources | | 128,727 | 128,727 | 117,550 | (11,177) |
| Total revenues | 2,449,421 | 597,666 | 3,047,087 | 2,926,499 | (120,588) |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of teachers | 2,279,089 | (2,222,589) | 56,500 | 56,500 | |
| Other salaries | 20,020 | 153,671 | 173,691 | 152,084 | 21,607 |
| Other purchased professional-educational services | 57,499 | (54,490) | 3,009 | 2,987 | 22 |
| Other purchased services | | 49,142 | 49,142 | 45,340 | 3,802 |
| Tuition | | 2,062,781 | 2,062,781 | 2,062,781 | |
| Supplies and materials | 77,813 | 181,823 | 259,636 | 242,885 | 16,751 |
| Textbooks | | 6,143 | 6,143 | 3,079 | 3,064 |
| Miscellaneous Expenditures | | 56,924 | 56,924 | 56,741 | 183 |
| Total instruction | 2,434,421 | 233,405 | 2,667,826 | 2,622,397 | 45,429 |
| Support services: | | | | | |
| Other salaries | | 147,538 | 147,538 | 128,809 | 18,729 |
| Personal services - employee benefits | | 35,587 | 35,587 | 26,280 | 9,307 |
| Purchased professional - educational services | 15,000 | 71,749 | 86,749 | 52,979 | 33,770 |
| Purchased Technical Services | | 28,901 | 28,901 | 28,901 | |
| Other purchased services | | 7,475 | 7,475 | 6,575 | 900 |
| Supplies and materials | | 54,663 | 54,663 | 42,210 | 12,453 |
| Total support services | 15,000 | 345,913 | 360,913 | 285,754 | 75,159 |
| Facilities acquisition and construction services: | | | | | |
| Instructional equipment | | 18,348 | 18,348 | 18,348 | |
| Total facilities acquisition and construction serv. | | 18,348 | 18,348 | 18,348 | |
| Total expenditures | 2,449,421 | 597,666 | 3,047,087 | 2,926,499 | 120,588 |
| Excess (deficiency) of revenues over (under) expenditures | \$ | \$ | \$ | \$ | \$ |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Note A - Explanation of difference between budgetary inflows and outflows and GAAP Revenues and Expenditures

| | <u>GENERAL FUND</u> | <u>SPECIAL REVENUE FUND</u> |
|--|-------------------------|-------------------------------------|
| Sources/inflows of resources | | |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule | \$ 187,236,087 | \$ 2,926,499 |
| Difference - budget to GAAP: | | |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year | (5,086,031) | |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | 5,085,869 | |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. | 187,235,925 | 2,926,499 |
| Uses/outflows of resources | | |
| Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule. | 183,753,314 | 2,926,499 |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | \$ 183,753,314 | \$ 2,926,499 |

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | TITLE I | TITLE I - SUMMER | TITLE II A | TITLE IIA - SUMMER | TITLE III | TITLE III - SUMMER | IDEA PART B | FY2014 CARLD PERKINS | FY2013 CARLD PERKINS |
|---|------------|------------------|------------|--------------------|-----------|--------------------|--------------|-------------------------|-------------------------|
| REVENUES: | | | | | | | | | |
| Federal sources | \$ 316,985 | \$ 210,117 | \$ 130,822 | \$ 10,365 | \$ 18,421 | \$ 520 | \$ 2,062,781 | \$ 17,113 | \$ 4 |
| State sources | | | | | | | | | |
| Other sources | | | | | | | | | |
| Total revenues | \$ 316,985 | \$ 210,117 | \$ 130,822 | \$ 10,365 | \$ 18,421 | \$ 520 | \$ 2,062,781 | \$ 17,113 | \$ 4 |
| EXPENDITURES: | | | | | | | | | |
| Instruction: | | | | | | | | | |
| Salaries of teachers | 56,500 | | | | | | | | |
| Other salaries for instruction | | | | | 6,120 | | | 2,208 | 4 |
| Other salaries | 16,610 | 51,236 | | | 6,541 | | | | |
| Other purchased professional-educational services | | | | | 1,424 | 520 | 2,062,781 | 12,355 | |
| Other purchased services | | | | | | | | | |
| Tuition | | | | | | | | | |
| Supplies and materials | 118,582 | 93,652 | | | | | | | |
| Textbooks | 52,691 | | | | | | | 2,550 | |
| Miscellaneous Expenditures | | | | | | | | | |
| Total instruction | 244,383 | 144,888 | | | 14,085 | 520 | 2,062,781 | 17,113 | 4 |
| Support services: | | | | | | | | | |
| Other Salaries for Instruction | | | | | | | | | |
| Other Salaries | 5,096 | 45,335 | | | | | | | |
| Personal services - employee benefits | 12,429 | 7,387 | 77,514 | | 864 | | | | |
| Purchased professional - educational services | | | 5,930 | | 534 | | | | |
| Purchased Technical Services | 20,351 | 8,550 | 37,600 | | | | | | |
| Other purchased services | 928 | 1,020 | 30 | | 2,738 | | | | |
| Supplies and materials | 15,450 | 2,937 | 9,748 | 10,365 | 200 | | | | |
| Miscellaneous expenditures | | | | | | | | | |
| Total support services | 54,254 | 65,229 | 130,822 | 10,365 | 4,336 | | | | |
| Facilities acquisition and construction serv: | | | | | | | | | |
| Instructional equipment | 18,348 | | | | | | | | |
| Non-instructional equipment | | | | | | | | | |
| Total facilities acquisition and construction serv. | 18,348 | | | | | | | | |
| Total expenditures | \$ 316,985 | \$ 210,117 | \$ 130,822 | \$ 10,365 | \$ 18,421 | \$ 520 | \$ 2,062,781 | \$ 17,113 | \$ 4 |

(Continued on next page)

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | JROTC | NON - PUBLIC TEXTBOOKS | NON - PUBLIC NURSING | NON - PUBLIC EXAMINATION & CLASSIFICATION | NON - PUBLIC SUPPLEMENTAL INSTRUCTION | NON - PUBLIC TECHNOLOGY | LIVE TO SERVE | COLLEGE FAIR | PSAT |
|---|-----------|------------------------|----------------------|---|---------------------------------------|-------------------------|---------------|--------------|-----------|
| REVENUES: | | | | | | | | | |
| Federal sources | \$ 24,815 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| State sources | | 3,079 | 9,621 | 1,433 | 694 | 2,179 | 1,976 | 14,075 | 30,350 |
| Other sources | | | | | | | | | |
| Total revenues | \$ 24,815 | \$ 3,079 | \$ 9,621 | \$ 1,433 | \$ 694 | \$ 2,179 | \$ 1,976 | \$ 14,075 | \$ 30,350 |
| EXPENDITURES: | | | | | | | | | |
| Instruction: | | | | | | | | | |
| Salaries of teachers | | | | | | | | | |
| Other salaries for instruction | | | | | | | | | |
| Other salaries | | | | | | | | | |
| Other purchased professional-educational services | | | | | | | | | |
| Other purchased services | | | | | | | | | |
| Tuition | 24,815 | | | | | | | | 27,600 |
| Supplies and materials | | | | | | | | | 2,750 |
| Textbooks | | 3,079 | | | | | | | |
| Miscellaneous Expenditures | | | | | | | | | |
| Total instruction | 24,815 | 3,079 | | | | | | | 30,350 |
| Support services: | | | | | | | | | |
| Other Salaries for instruction | | | | | | | | | |
| Other salaries | | | | | | | | | |
| Personal services - employee benefits | | | | | | | | | |
| Purchased professional - educational services | | | | | | | | | |
| Purchased Technical Services | | | 9,621 | 1,433 | 694 | | | | |
| Other purchased services | | | | | | | | | |
| Supplies and materials | | | | | | | | | |
| Miscellaneous expenditures | | | | | | | | | |
| Total support services | | | 9,621 | 1,433 | 694 | | | | |
| Facilities acquisition and construction serv: | | | | | | | | | |
| Instructional equipment | | | | | | | | | |
| Non-instructional equipment | | | | | | | | | |
| Total facilities acquisition and construction serv. | | | | | | | | | |
| Total expenditures | \$ 24,815 | \$ 3,079 | \$ 9,621 | \$ 1,433 | \$ 694 | \$ 2,179 | \$ 1,976 | \$ 14,075 | \$ 30,350 |

(Continued on next page)

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | L. GLENN MR | SADD/DCH | STEM | PROJECT IGNITION | WIB | MOESC | OTHER LOCAL | COMPARATIVE TOTALS | |
|--|---------------|-----------------|-----------------|---------------------|------------------|-----------------|-----------------|---------------------|---------------------|
| | | | | | | | | 2014 | 2013 |
| REVENUES: | | | | | | | | | |
| Federal sources | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| State sources | 500 | 8,550 | 2,719 | 2,275 | 50,844 | 3,631 | 2,630 | 2,791,943 | 2,902,902 |
| Other sources | | | | | | | | 17,006 | 21,634 |
| | | | | | | | | 117,550 | 139,051 |
| Total revenues | \$ 500 | \$ 8,550 | \$ 2,719 | \$ 2,275 | \$ 50,844 | \$ 3,631 | \$ 2,630 | \$ 2,926,499 | \$ 3,063,587 |
| EXPENDITURES: | | | | | | | | | |
| Instruction: | | | | | | | | | |
| Salaries of teachers | | | | | | | | 56,500 | 120,305 |
| Other salaries for instruction | | | | | | | | 152,084 | 9,000 |
| Other salaries | | 8,550 | | 775 | 41,968 | | | 2,987 | 3,604 |
| Other purchased professional-educational services | | | | | | | 1,115 | 45,340 | 92,670 |
| Tuition | | | | | | | | 2,062,781 | 2,340,828 |
| Supplies and materials | | | 2,719 | 1,500 | 3,179 | | 515 | 242,885 | 159,993 |
| Textbooks | 500 | | | | | | | 3,079 | 4,203 |
| Miscellaneous Expenditures | | | | | | | 1,000 | 56,741 | 4,671 |
| Total instruction | \$ 500 | \$ 8,550 | \$ 2,719 | \$ 2,275 | \$ 45,475 | | \$ 2,630 | \$ 2,622,387 | \$ 2,735,274 |
| Support services: | | | | | | | | | |
| Other Salaries for Instruction | | | | | | | | 128,809 | 79,238 |
| Other salaries | | | | | | | | 26,280 | 16,507 |
| Personal services - employee benefits | | | | | | 3,631 | | 52,979 | 120,970 |
| Purchased professional - educational services | | | | | | | | 28,901 | |
| Purchased Technical Services | | | | | | | | 6,575 | 22,736 |
| Other purchased services | | | | | 1,859 | | | 42,210 | 62,927 |
| Supplies and materials | | | | | 3,510 | | | | 652 |
| Miscellaneous expenditures | | | | | | | | | |
| Total support services | | | | | \$ 5,369 | \$ 3,631 | | \$ 285,754 | \$ 303,030 |
| Facilities acquisition and construction serv: | | | | | | | | | |
| Instructional equipment | | | | | | | | 18,348 | 7,318 |
| Non-instructional equipment | | | | | | | | | 17,965 |
| Total facilities acquisition and construction serv. | | | | | | | | \$ 18,348 | \$ 25,283 |
| Total expenditures | \$ 500 | \$ 8,550 | \$ 2,719 | \$ 2,275 | \$ 50,844 | \$ 3,631 | \$ 2,630 | \$ 2,926,499 | \$ 3,063,587 |

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
AS OF JUNE 30, 2014

| <u>ISSUE/PROJECT TITLE</u> | <u>ORIGINAL DATE</u> | <u>APPROPRIATIONS</u> | <u>EXPENDITURES TO DATE</u> | | <u>(MEMO ONLY) UNEXPENDED PROJECT BALANCE</u> |
|---|----------------------|-----------------------|-----------------------------|---------------------|---|
| | | | <u>PRIOR YEAR</u> | <u>CURRENT YEAR</u> | |
| Freehold Boro High School - Roof Replacement | 06/20/14 | \$ 1,551,321 | \$ | 103,854 | \$ 1,447,467 |
| Marlboro High School - Roof Replacement | 06/20/14 | 841,911 | | 76,055 | 765,856 |
| Freehold Boro High School - Boiler & HVAC Replacement | 06/20/14 | 2,536,095 | | 167,460 | 2,368,635 |
| Districtwide Energy Savings Improvement Plan | 03/10/14 | 17,500,000 | | 159,489 | 17,340,511 |
| Totals | | \$ 22,429,327 | \$ | 506,858 | 21,922,469 |

FREEHOLD 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, 2014

| | |
|---|----------------------|
| Revenues and Other Financing Sources: | |
| State Sources - SDA Grant | \$ 1,971,730 |
| Capital Lease | 2,957,597 |
| Energy savings obligations (ESIP) | 17,500,000 |
| Total revenues | <u>22,429,327</u> |
| Expenditures and Other Financing Uses: | |
| Legal services | 34,999 |
| Architectural/engineering services | 429,409 |
| Other purchased professional and technical services | 42,450 |
| Total expenditures | <u>506,858</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>21,922,469</u> |
| Net change in fund balance | 21,922,469 |
| Fund balance - beginning | <u>-0-</u> |
| Fund balance - ending | <u>\$ 21,922,469</u> |
| Fund Balance - budgetary basis | \$ 21,922,469 |
| SDA Grant not Recognized | <u>(1,833,582)</u> |
| Fund Balance - GAAP basis (B-1) | <u>\$ 20,088,887</u> |
| Expenditures - budgetary basis | \$ 506,858 |
| Add: prior year encumbrances | <u>-0-</u> |
| | \$ 506,858 |
| Less: current year encumbrances | <u>109,584</u> |
| Expenditures - GAAP basis (B-2) | <u>\$ 397,274</u> |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
FREEHOLD BORO HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2014

| | Prior Periods | Current Year | Totals | Authorized Cost |
|---|---------------|---------------------|---------------------|------------------|
| Revenues and Other Financing Sources: | | | | |
| State Sources - SDA Grant | \$ | 620,528 \$ | 620,528 \$ | 620,528 |
| Capital Lease | | 930,793 | 930,793 | 930,793 |
| Total revenues | | <u>1,551,321</u> | <u>1,551,321</u> | <u>1,551,321</u> |
| Expenditures and Other Financing Uses: | | | | |
| Legal services | | 5,507 | 5,507 | 6,000 |
| Architectural/engineering services | | 92,371 | 92,371 | 100,000 |
| Other purchased professional and technical services | | 5,976 | 5,976 | 15,008 |
| Construction services | | | | 1,430,313 |
| Total expenditures | | <u>103,854</u> | <u>103,854</u> | <u>1,551,321</u> |
| Excess (deficiency) of revenues over (under) expenditures | \$ | <u>1,447,467 \$</u> | <u>1,447,467 \$</u> | |

Additional project information:

| | |
|----------------------------|------------------|
| Project Number | 1650-050-14-G2AF |
| Grant Date | 06/20/14 |
| Lease Authorization Date | 03/10/14 |
| Lease Authorized | \$930,793 |
| Lease Issued | \$930,793 |
| Original Authorized Cost | \$1,551,321 |
| Additional Authorized Cost | -0- |
| Revised Authorized Cost | \$1,551,321 |

| | |
|---|----------|
| Percentage Increase over Original Authorized Cost | N/A |
| Percentage completion | 25.00% |
| Original target completion date | 09/01/14 |
| Revised target completion date | N/A |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
MARLBORO HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2014

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|-------------------|--|
| Revenues and Other Financing Sources: | | | | |
| State Sources - SDA Grant | \$ | 336,764 \$ | 336,764 \$ | 336,764 |
| Capital Lease | | 505,147 | 505,147 | 505,147 |
| Total revenues | | <u>841,911</u> | <u>841,911</u> | <u>841,911</u> |
| Expenditures and Other Financing Uses: | | | | |
| Legal services | | 2,989 | 2,989 | 3,000 |
| Architectural/engineering services | | 68,618 | 68,618 | 75,000 |
| Other purchased professional and technical services | | 4,448 | 4,448 | 7,625 |
| Construction services | | | | 756,286 |
| Total expenditures | | <u>76,055</u> | <u>76,055</u> | <u>841,911</u> |
| Excess (deficiency) of revenues over (under) expenditures | \$ | <u>765,856 \$</u> | <u>765,856 \$</u> | |

Additional project information:

| | |
|----------------------------|------------------|
| Project Number | 1650-080-14-G2AJ |
| Grant Date | 06/20/14 |
| Lease Authorization Date | 03/10/14 |
| Lease Authorized | \$505,147 |
| Lease Issued | \$505,147 |
| Original Authorized Cost | \$841,911 |
| Additional Authorized Cost | -0- |
| Revised Authorized Cost | \$841,911 |

| | |
|---|----------|
| Percentage Increase over Original Authorized Cost | N/A |
| Percentage completion | 25.00% |
| Original target completion date | 09/01/14 |
| Revised target completion date | N/A |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
FREEHOLD BORO HIGH SCHOOL - BOILER & HVAC REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2014

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|---------------------|---------------------|--|
| Revenues and Other Financing Sources: | | | | |
| State Sources - SDA Grant | \$ | 1,014,438 \$ | 1,014,438 \$ | 1,014,438 |
| Capital Lease | | 1,521,657 | 1,521,657 | 1,521,657 |
| Total revenues | | <u>2,536,095</u> | <u>2,536,095</u> | <u>2,536,095</u> |
| Expenditures and Other Financing Uses: | | | | |
| Legal services | | 9,003 | 9,003 | 19,000 |
| Architectural/engineering services | | 153,931 | 153,931 | 160,000 |
| Other purchased professional and technical services | | 4,526 | 4,526 | 68,975 |
| Construction services | | | | 2,288,120 |
| Total expenditures | | <u>167,460</u> | <u>167,460</u> | <u>2,536,095</u> |
| Excess (deficiency) of revenues over (under) expenditures | \$ | <u>2,368,635 \$</u> | <u>2,368,635 \$</u> | |

Additional project information:

| | |
|----------------------------|------------------|
| Project Number | 1650-050-14-G2AE |
| Grant Date | 06/20/14 |
| Lease Authorization Date | 03/10/14 |
| Lease Authorized | \$1,521,657 |
| Lease Issued | \$1,521,657 |
| Original Authorized Cost | \$2,536,095 |
| Additional Authorized Cost | -0- |
| Revised Authorized Cost | \$2,536,095 |

Percentage Increase over Original Authorized Cost

Percentage completion

Original target completion date

Revised target completion date

N/A

25.00%

09/01/14

N/A

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
DISTRICTWIDE ENERGY SAVINGS IMPROVEMENT PLAN
FOR THE YEAR ENDED JUNE 30, 2014

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Authorized Cost</u> |
|---|----------------------|----------------------|----------------------|--|
| Revenues and Other Financing Sources: | | | | |
| Energy savings obligations (ESIP) | \$ | 17,500,000 \$ | 17,500,000 \$ | 17,500,000 |
| Total revenues | | <u>17,500,000</u> | <u>17,500,000</u> | <u>17,500,000</u> |
| Expenditures and Other Financing Uses: | | | | |
| Legal services | | 17,500 | 17,500 | 39,600 |
| Architectural/engineering services | | 114,489 | 114,489 | 1,015,000 |
| Other purchased professional and technical services | | 27,500 | 27,500 | 455,372 |
| Construction services | | | | 15,990,028 |
| Total expenditures | | <u>159,489</u> | <u>159,489</u> | <u>17,500,000</u> |
| Excess (deficiency) of revenues over (under) expenditures | \$ | <u>17,340,511 \$</u> | <u>17,340,511 \$</u> | |

Additional project information:

| | |
|---|--------------|
| Project Number | N/A |
| Grant Date | N/A |
| Lease Authorization Date | 03/10/14 |
| Lease Authorized | \$17,500,000 |
| Lease Issued | \$17,500,000 |
| Original Authorized Cost | \$17,500,000 |
| Additional Authorized Cost | -0- |
| Revised Authorized Cost | \$17,500,000 |
| Percentage Increase over Original Authorized Cost | N/A |
| Percentage completion | 15.00% |
| Original target completion date | 09/01/15 |
| Revised target completion date | N/A |

PROPRIETARY FUND DETAIL STATEMENTS

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

FOOD SERVICES FUND:

This fund provides for the operation of Food services within the school district.

EXTRACURRICULAR FUND

This fund provides for the operation of an ice hockey program within the school district.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS - ENTERPRISE FUNDS
 JUNE 30, 2014

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND | | COMPARATIVE TOTALS | |
|------------------------------------|--|---|---------------------|---------------------|
| | MAJOR FUNDS FOOD SERVICE FUND | NON-MAJOR FUNDS EXTRA-CURRICULAR FUND | 2014 | 2013 |
| ASSETS: | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 337,466 | \$ | \$ 337,466 | \$ 519,584 |
| Accounts receivable: | | | | |
| State | 1,691 | | 1,691 | 3,001 |
| Federal | 68,167 | | 68,167 | 109,818 |
| Other | 395,430 | | 395,430 | 352,004 |
| Interfund receivable | | 264 | 264 | 11,572 |
| Inventories | 17,867 | | 17,867 | 29,139 |
| Total current assets | <u>820,621</u> | <u>264</u> | <u>820,885</u> | <u>1,025,118</u> |
| Noncurrent assets: | | | | |
| Furniture, machinery and equipment | 616,238 | | 616,238 | 611,738 |
| Less accumulated depreciation | (377,881) | | (377,881) | (339,786) |
| Total noncurrent assets | <u>238,357</u> | | <u>238,357</u> | <u>271,952</u> |
| Total assets | <u>\$ 1,058,978</u> | <u>\$ 264</u> | <u>\$ 1,059,242</u> | <u>\$ 1,297,070</u> |
| LIABILITIES: | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 247,070 | \$ | \$ 247,070 | \$ 289,466 |
| Interfund payable | 417,345 | | 417,345 | 392,159 |
| Unearned revenue | 26,449 | 264 | 26,713 | 33,746 |
| Total current liabilities | <u>690,864</u> | <u>264</u> | <u>691,128</u> | <u>715,371</u> |
| Total liabilities | <u>\$ 690,864</u> | <u>\$ 264</u> | <u>\$ 691,128</u> | <u>\$ 715,371</u> |
| NET POSITION: | | | | |
| Net investment in capital assets | \$ 238,357 | \$ | \$ 238,357 | \$ 271,952 |
| Unrestricted | 129,757 | | 129,757 | 309,747 |
| Total net position | <u>\$ 368,114</u> | <u>\$</u> | <u>\$ 368,114</u> | <u>\$ 581,699</u> |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS - ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND | | COMPARATIVE TOTALS | |
|--|--|--------------------------|--------------------|-------------------|
| | MAJOR FUNDS | NON-MAJOR FUNDS | JUNE 30 | |
| | FOOD SERVICE FUND | EXTRA-CURRICULAR FUND | 2014 | 2013 |
| OPERATING REVENUES: | | | | |
| Charges for services: | | | | |
| Daily sales | \$ 2,527,739 | \$ | \$ 2,527,739 | \$ 2,642,037 |
| Fees - individuals | | 236,788 | 236,788 | 190,193 |
| Total operating revenues | <u>2,527,739</u> | <u>236,788</u> | <u>2,764,527</u> | <u>2,832,230</u> |
| OPERATING EXPENSES: | | | | |
| Cost of sales | 1,078,870 | | 1,078,870 | 1,086,686 |
| Salaries and benefits | 1,839,872 | 96,135 | 1,936,007 | 2,032,153 |
| Supplies and materials | 80,028 | 2,278 | 82,306 | 83,401 |
| Miscellaneous | 163,764 | 4,723 | 168,487 | 289,743 |
| Depreciation | 49,337 | | 49,337 | 34,567 |
| Facility rental | | 126,112 | 126,112 | 108,310 |
| League fees | | 7,540 | 7,540 | 12,900 |
| Total operating expenses | <u>3,211,871</u> | <u>236,788</u> | <u>3,448,659</u> | <u>3,647,760</u> |
| Operating income (loss) | <u>(684,132)</u> | | <u>(684,132)</u> | <u>(815,530)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| State sources | | | | |
| State school lunch program | 9,397 | | 9,397 | 9,417 |
| Federal sources | | | | |
| National school lunch program | 330,221 | | 330,221 | 317,775 |
| School breakfast program | 17,280 | | 17,280 | 17,149 |
| National food distribution commodities | 113,649 | | 113,649 | 142,441 |
| Total nonoperating revenues (expenses) | <u>470,547</u> | | <u>470,547</u> | <u>486,782</u> |
| Change in net position | (213,585) | | (213,585) | (328,748) |
| Total net position - beginning (as restated) | <u>581,699</u> | | <u>581,699</u> | <u>910,447</u> |
| Total net position - ending | <u>\$ 368,114</u> | <u>\$</u> | <u>\$ 368,114</u> | <u>\$ 581,699</u> |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND | | COMPARATIVE TOTALS | |
|---|---|--------------------------|--------------------|--------------|
| | MAJOR FUNDS | NON-MAJOR FUNDS | JUNE 30 | |
| | FOOD SERVICE FUND | EXTRA-CURRICULAR FUND | 2014 | 2013 |
| Cash flows from operating activities: | | | | |
| Receipts from customers | \$ 2,537,738 | \$ 225,480 | \$ 2,763,218 | \$ 2,832,014 |
| Payments to employees | (1,425,748) | (96,135) | (1,521,883) | (1,513,517) |
| Payments for employee benefits | (471,367) | | (471,367) | (476,459) |
| Payments to suppliers | (1,243,285) | (140,653) | (1,383,938) | (1,472,609) |
| Net cash provided by (used for) operating activities | (602,662) | (11,308) | (613,970) | (630,571) |
| Cash flows from noncapital financing activities: | | | | |
| State sources | 10,707 | | 10,707 | 9,089 |
| Federal sources | 389,152 | | 389,152 | 283,021 |
| Operating subsidies and transfers to other funds | 25,185 | 11,308 | 36,493 | 775,522 |
| Net cash provided by noncapital financing activities | 425,044 | 11,308 | 436,352 | 1,067,632 |
| Cash flows from capital and related financing activities: | | | | |
| Purchases of capital assets | (4,500) | | (4,500) | (6,325) |
| Net cash provided by (used for) capital and related financing activities | (4,500) | | (4,500) | (6,325) |
| Net increase (decrease) in cash and cash equivalents | (182,118) | | (182,118) | 430,736 |
| Cash and cash equivalents, July 1, 2013 | 519,584 | | 519,584 | 88,848 |
| Cash and cash equivalents, June 30, 2014 | \$ 337,466 | \$ | \$ 337,466 | \$ 519,584 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | | | |
| Operating income (loss) | \$ (684,132) | \$ | \$ (684,132) | \$ (815,530) |
| Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities: | | | | |
| Depreciation | 38,095 | | 38,095 | 20,524 |
| Federal commodities | 113,649 | | 113,649 | 142,441 |
| Change in assets and liabilities: | | | | |
| (Increase) decrease in accounts receivable, net | (43,425) | | (43,425) | (29,408) |
| Increase (decrease) in unearned revenue | 4,275 | (11,308) | (7,033) | 9,946 |
| Increase (decrease) in accounts payable | (42,396) | | (42,396) | 50,173 |
| (Increase) decrease in inventories | 11,272 | | 11,272 | (8,717) |
| | 81,470 | (11,308) | 70,162 | 184,959 |
| Net cash provided by (used for) operating activities | \$ (602,662) | \$ (11,308) | \$ (613,970) | \$ (630,571) |

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the district for a specific purpose:

Unemployment Compensation Insurance Fund This expendable trust fund is used to pay certain Unemployment compensation claims as they arise.

Private Purpose Trust These trust funds are used to account for assets held by the district for scholarships and loans to the students where there are no restrictions regarding the use of principal and income.

Agency Funds are used to account for assets held by the district as an agent for another party:

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

Payroll Fund: This agency fund is used to account for the payroll transactions of the school district.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2014

| | AGENCY FUNDS | | TOTAL AGENCY | UNEMPLOYMENT COMPENSATION INSURANCE TRUST | PRIVATE PURPOSE TRUST | TOTAL JUNE 30 2014 |
|--|------------------|----------------|--------------|---|-----------------------|--------------------|
| | STUDENT ACTIVITY | PAYROLL AGENCY | | | | |
| ASSETS: | | | | | | |
| Cash and cash equivalents | \$ 938,656 | \$ 6,833,559 | \$ 7,772,215 | \$ 807,868 | \$ 949,334 | \$ 9,529,417 |
| Accounts receivable | | | | 243,000 | | 243,000 |
| Interfund Receivable | | | | | 66 | 66 |
| Intrafund receivable | | | | 48,042 | | 48,042 |
| Total assets | \$ 938,656 | \$ 6,833,559 | \$ 7,772,215 | \$ 1,098,910 | \$ 949,400 | \$ 9,820,525 |
| LIABILITIES: | | | | | | |
| Accounts payable | \$ | \$ | \$ | \$ 55,809 | \$ | \$ 55,809 |
| Intrafund payable | | 48,042 | 48,042 | | | 48,042 |
| Interfund payable | | 5,370,536 | 5,370,536 | | | 5,370,536 |
| Payable to student groups | 938,656 | | 938,656 | | | 938,656 |
| Wages payable - Summer Payroll | | 1,408,379 | 1,408,379 | | | 1,408,379 |
| Payroll deductions and withholdings | | 6,602 | 6,602 | | | 6,602 |
| Total liabilities | \$ 938,656 | \$ 6,833,559 | \$ 7,772,215 | \$ 55,809 | \$ -0- | \$ 7,828,024 |
| NET POSITION: | | | | | | |
| Held in trust for State Unemployment Insurance claims and other purposes | \$ | \$ | \$ | \$ 1,043,101 | \$ | \$ 1,043,101 |
| Held in trust for scholarships and other purposes | | | | | 949,400 | 949,400 |
| Total net position | \$ -0- | \$ -0- | \$ -0- | \$ 1,043,101 | \$ 949,400 | \$ 1,992,501 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | <u>UNEMPLOYMENT COMPENSATION INSURANCE TRUST</u> | <u>PRIVATE PURPOSE TRUST</u> | <u>TOTAL</u> |
|--------------------------------|--|--------------------------------------|---------------------|
| ADDITIONS: | | | |
| Contributions: | | | |
| Plan Members | \$ 241,449 | \$ | \$ 241,449 |
| Donations | | 10,283 | 10,283 |
| Total contributions | <u>241,449</u> | <u>10,283</u> | <u>251,732</u> |
| Investment earnings: | | | |
| Interest | 510 | 616 | 1,126 |
| Net investment earnings | <u>510</u> | <u>616</u> | <u>1,126</u> |
| Total additions | <u>241,959</u> | <u>10,899</u> | <u>252,858</u> |
| DEDUCTIONS: | | | |
| Quarterly Contribution Reports | 107,104 | | 107,104 |
| Unemployment Claims | 190,485 | | 190,485 |
| Scholarships Awarded | | 34,750 | 34,750 |
| Total deductions | <u>297,589</u> | <u>34,750</u> | <u>332,339</u> |
| Change in net assets | (55,630) | (23,851) | (79,481) |
| Net position beginning of year | <u>1,098,731</u> | <u>973,251</u> | <u>2,071,982</u> |
| Net position end of year | <u>\$ 1,043,101</u> | <u>\$ 949,400</u> | <u>\$ 1,992,501</u> |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | BALANCE <u>JULY 1, 2013</u> | CASH <u>RECEIPTS</u> | CASH DISBURSE- <u>MENTS</u> | BALANCE <u>JUNE 30, 2014</u> |
|-------------------|--------------------------------|-------------------------|-----------------------------------|---------------------------------|
| High School: | | | | |
| Colts Neck | \$ 65,774 | \$ 587,344 | \$ 536,454 | \$ 116,664 |
| Freehold Borough | 108,927 | 317,411 | 298,563 | 127,775 |
| Freehold Township | 159,978 | 476,936 | 506,996 | 129,918 |
| Howell | 158,147 | 383,942 | 374,535 | 167,554 |
| Manalapan | 180,882 | 446,962 | 465,329 | 162,515 |
| Marlboro | <u>209,437</u> | <u>453,165</u> | <u>428,372</u> | <u>234,230</u> |
| Total assets | <u>\$ 883,145</u> | <u>\$ 2,665,760</u> | <u>\$ 2,610,249</u> | <u>\$ 938,656</u> |

EXHIBIT "H-4"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | <u>BALANCE</u> <u>JULY 1, 2013</u> | <u>ADDITIONS</u> | <u>DEDUCTIONS</u> | <u>BALANCE</u> <u>JUNE 30, 2014</u> |
|-------------------------------------|---------------------------------------|-----------------------|-----------------------|--|
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 2,238,457 | \$ 112,980,609 | \$ 108,385,507 | \$ 6,833,559 |
| Total assets | <u>2,238,457</u> | <u>112,980,609</u> | <u>108,385,507</u> | <u>6,833,559</u> |
| LIABILITIES: | | | | |
| Payroll deductions and withholdings | 7,630 | 48,106,565 | 48,107,593 | 6,602 |
| Wages payable - summer payroll | | 1,408,379 | | 1,408,379 |
| Employee pay | | 60,036,465 | 60,036,465 | |
| Intrafunds payable | 48,042 | 241,449 | 241,449 | 48,042 |
| Interfunds payable | 2,182,785 | 3,187,751 | | 5,370,536 |
| Total liabilities | <u>\$ 2,238,457</u> | <u>\$ 112,980,609</u> | <u>\$ 108,385,507</u> | <u>\$ 6,833,559</u> |

LONG-TERM DEBT SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds and Capital Leases

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2014

| <u>ISSUE</u> | <u>DATE OF</u> <u>ISSUE</u> | <u>AMOUNT OF</u> <u>ISSUE</u> | <u>DATE</u> | <u>MATURITIES</u> <u>AMOUNT</u> | <u>RATE OF</u> <u>INTEREST</u> | <u>BALANCE</u> <u>JULY 1, 2013</u> | <u>RETIRED</u> | <u>BALANCE</u> <u>JUNE 30, 2014</u> |
|---|--------------------------------|----------------------------------|-------------|------------------------------------|-----------------------------------|---------------------------------------|----------------|--|
| Refunded - Additions and renovations of Colts Neck, Freehold, Freehold Twp, Howell, Manalapan, and Marlboro High Schools | 11/16/01 | 42,690,000.00 | 03/01/15 | 4,030,000 | 5.00% | 31,400,000 | 3,830,000 | 27,570,000 |
| | | | 03/01/16 | 4,240,000 | 5.00% | | | |
| | | | 03/01/17 | 4,460,000 | 5.00% | | | |
| | | | 03/01/18 | 4,695,000 | 5.00% | | | |
| | | | 03/01/19 | 4,940,000 | 5.00% | | | |
| | | | 03/01/20 | 5,265,000 | 5.00% | | | |
| | | | | | | \$ 31,400,000 | \$ 3,830,000 | \$ 27,570,000 |
| | | | | | | \$ 31,400,000 | \$ 3,830,000 | \$ 27,570,000 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
 AS OF JUNE 30, 2014

| SERIES | TERM | INTEREST RATE PAYABLE | AMOUNT OF ORIGINAL LEASE | AMOUNT OUTSTANDING JUNE 30, 2013 | CHANGE | | AMOUNT OUTSTANDING JUNE 30, 2014 |
|--|----------|-----------------------|--------------------------|----------------------------------|---------------|------------|----------------------------------|
| | | | | | INCREASE | DECREASE | |
| Governmental Funds: | | | | | | | |
| School Buses and Technology | 5 Years | 1.433% | 1,155,792 \$ | 1,155,792 \$ | | 224,628 \$ | 931,164 |
| District Wide Energy Savings Improvement Plan (ESIP) | 15 Years | 2.690% | 17,498,000 | | 17,498,000 | | 17,498,000 |
| Roof Replacement, Boiler & HVAC Replacement | 5 Years | 1.390% | 2,957,597 | | 2,957,597 | | 2,957,597 |
| Grand Total | | | \$ | 1,155,792 \$ | 20,455,597 \$ | 224,628 \$ | 21,386,761 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | <u>BUDGET</u> | <u>BUDGET TRANSFERS</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> |
|--|------------------|-----------------------------|---------------------|------------------|-----------------|
| REVENUES: | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 4,086,778 | \$ | \$ 4,086,778 | \$ 4,086,778 | \$ |
| State sources: | | | | | |
| Debt service aid type II | <u>1,313,222</u> | | <u>1,313,222</u> | <u>1,313,222</u> | |
| Total revenues | <u>5,400,000</u> | | <u>5,400,000</u> | <u>5,400,000</u> | |
| EXPENDITURES: | | | | | |
| Regular debt service: | | | | | |
| Interest | 3,830,000 | (2,260,000) | 1,570,000 | 1,570,000 | |
| Redemption of principal | <u>1,570,000</u> | <u>2,260,000</u> | <u>3,830,000</u> | <u>3,830,000</u> | |
| Total regular debt service-expenditures | <u>5,400,000</u> | | <u>5,400,000</u> | <u>5,400,000</u> | |
| Excess (deficiency) of revenues over (under) expenditures | | | | | |
| Fund balance, July 1 | | | | | |
| Fund balance, June 30 | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> |

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STATISTICAL SECTION - UNAUDITED

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATISTICAL SECTION

| <u>Contents</u> | <u>Page</u> |
|--|--------------|
| Financial Trends: | |
| These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time. | J-1 to J-4 |
| Revenue Capacity: | |
| These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax. | J-5 to J-9 |
| Debt Capacity: | |
| 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. | J-10 to J-13 |
| Demographic and Economic Information: | |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place. | J-14 to J-15 |
| Operating Information: | |
| 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. | J-16 to J-20 |

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

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

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|--|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Government Activities: | | | | | | | | | | |
| Net Investment in capital assets | \$ 75,667,764 | \$ 76,397,045 | \$ 64,842,350 | \$ 65,477,800 | \$ 66,304,436 | \$ 64,266,384 | \$ 62,547,581 | \$ 60,098,328 | \$ 57,132,033 | \$ 53,718,752 |
| Restricted | 31,027,126 | 27,073,451 | 21,024,274 | 12,809,243 | 6,513,220 | 8,567,707 | 7,261,951 | 5,619,907 | 5,619,979 | 8,133,035 |
| Unrestricted (deficit) | (2,056,310) | (1,962,535) | (195,129) | 951,697 | 3,468,668 | (395,231) | (741,832) | 1,620,498 | 2,532,519 | 1,360,260 |
| Total Government Activities Net Assets | \$ 104,638,580 | \$ 101,507,961 | \$ 85,671,496 | \$ 79,238,730 | \$ 76,286,324 | \$ 72,438,960 | \$ 69,067,700 | \$ 67,339,733 | \$ 65,284,531 | \$ 63,212,047 |
| Business-Type Activities: | | | | | | | | | | |
| Net Investment in capital assets | 238,357 | 271,952 | 89,992 | 105,119 | 126,753 | 118,069 | 136,825 | 116,619 | 68,813 | 62,639 |
| Unrestricted | 129,757 | 309,747 | 624,296 | 814,829 | 751,526 | 746,865 | 631,922 | 765,204 | 727,740 | 454,205 |
| Total Business-Type Activities Net Assets | \$ 368,114 | \$ 581,699 | \$ 714,288 | \$ 919,948 | \$ 878,279 | \$ 864,934 | \$ 768,747 | \$ 881,823 | \$ 796,553 | \$ 516,844 |
| District-wide: | | | | | | | | | | |
| Net Investment in capital assets | \$ 75,906,121 | \$ 76,668,997 | \$ 64,932,342 | \$ 65,582,919 | \$ 66,431,189 | \$ 64,384,453 | \$ 62,684,406 | \$ 60,215,947 | \$ 57,200,846 | \$ 53,781,391 |
| Restricted | 31,027,126 | 27,073,451 | 21,024,274 | 12,809,243 | 6,513,220 | 8,567,707 | 7,261,951 | 5,619,907 | 5,619,979 | 8,133,035 |
| Unrestricted (deficit) | (1,926,553) | (1,652,788) | 429,168 | 1,766,516 | 4,220,194 | (351,634) | (109,910) | 2,385,702 | 3,260,259 | 1,814,465 |
| Total District Net Assets | \$ 105,006,694 | \$ 102,089,660 | \$ 86,385,784 | \$ 80,158,678 | \$ 77,164,603 | \$ 73,303,794 | \$ 69,836,447 | \$ 68,221,556 | \$ 66,081,084 | \$ 63,728,891 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET POSITION

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

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Expenses: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 75,200,176 | \$ 80,476,846 | \$ 79,320,371 | \$ 77,375,649 | \$ 79,855,943 | \$ 72,166,199 | \$ 70,640,599 | \$ 65,596,742 | \$ 61,929,493 | \$ 59,286,285 |
| Special Education | 20,497,345 | 17,229,076 | 13,906,774 | 12,282,407 | 9,471,600 | 10,412,993 | 8,983,892 | 11,940,343 | 8,672,361 | 5,079,128 |
| Other Special Education | 8,306,192 | 8,998,877 | 8,916,004 | 8,978,180 | 9,136,052 | 9,114,401 | 8,612,612 | 8,751,303 | 7,879,500 | 6,172,818 |
| Support Services: | | | | | | | | | | |
| Tuition | 14,104,095 | 13,343,824 | 13,994,362 | 13,676,378 | 12,197,151 | 13,015,612 | 15,013,306 | 10,852,382 | 10,652,056 | 10,205,890 |
| Student & instruction related services | 21,748,966 | 19,632,969 | 18,231,436 | 17,684,670 | 18,477,174 | 17,399,289 | 15,462,451 | 15,742,207 | 14,558,601 | 16,927,159 |
| General Administrative Services | 1,675,896 | 9,448,283 | 9,419,268 | 9,211,957 | 9,286,344 | 8,678,752 | 8,517,200 | 9,288,997 | 8,272,250 | 7,761,854 |
| School Administrative Services | 9,221,080 | 2,011,069 | 2,155,127 | 1,754,559 | 2,267,175 | 5,477,731 | 5,547,284 | 4,932,793 | 4,472,690 | 4,337,969 |
| Central Services/Admin. Information Technology | 3,312,196 | 4,122,564 | 3,588,070 | 3,419,374 | 3,298,725 | - | - | - | - | - |
| Plant Operations and Maintenance | 15,679,073 | 15,303,296 | 15,753,689 | 16,427,929 | 17,465,039 | 18,045,436 | 19,505,838 | 17,834,928 | 17,046,818 | 15,944,666 |
| Pupil Transportation Services | 16,674,449 | 16,297,004 | 16,174,059 | 15,747,415 | 18,190,193 | 18,485,087 | 16,490,332 | 16,617,218 | 15,520,978 | 13,971,301 |
| Unallocated Employee Benefits | | | | | | | | | | |
| Special Schools | | | | 240 | 390,309 | 347,995 | 235,396 | 285,750 | 262,183 | 214,950 |
| Capital Outlay | | | | 14,656 | 15,292 | 83,796 | | 2,062 | 9,220 | 8,950 |
| Transfer to Charter Schools | 1,548,571 | 1,699,266 | 29,312 | 2,033,833 | 2,201,017 | 2,364,710 | 3,382,765 | 2,874,208 | 3,171,408 | 3,466,963 |
| Interest on Long-Term Debt | 4,836,689 | 34,303 | 34,303 | 34,303 | 34,303 | 34,303 | 34,303 | 34,303 | 41,323 | 41,327 |
| Unallocated Depreciation and Amortization | | | | | | | | | | |
| Total Governmental Activities Expenses | \$ 192,804,932 | \$ 188,597,397 | \$ 183,395,595 | \$ 178,643,552 | \$ 182,289,317 | \$ 175,542,708 | \$ 172,509,764 | \$ 164,753,236 | \$ 152,488,081 | \$ 143,399,300 |
| Business-Type Activities: | | | | | | | | | | |
| Food Service | \$ 3,211,671 | \$ 3,433,767 | \$ 3,568,347 | \$ 3,360,076 | \$ 3,426,440 | \$ 3,919,325 | \$ 3,663,544 | \$ 3,606,359 | \$ 3,300,482 | \$ 3,413,177 |
| Extra Curricular Fund | 236,788 | 213,993 | 238,976 | 227,348 | 222,845 | 2,364,710 | 3,382,765 | 2,874,208 | 3,171,408 | 3,466,963 |
| SAT Prep Program | | | 20,963 | | | | | | | |
| Total Business-Type Activities Expenses | \$ 3,448,659 | \$ 3,647,760 | \$ 3,832,861 | \$ 3,608,387 | \$ 3,649,285 | \$ 3,919,325 | \$ 3,663,544 | \$ 3,606,359 | \$ 3,300,482 | \$ 3,413,177 |
| Total District Expenses | \$ 196,253,591 | \$ 192,245,157 | \$ 187,228,456 | \$ 182,251,939 | \$ 185,938,602 | \$ 179,462,033 | \$ 176,173,308 | \$ 168,359,595 | \$ 155,788,563 | \$ 146,812,477 |
| Program Revenues: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Instruction | \$ 257,418 | \$ 159,313 | \$ 254,971 | \$ 75,241 | \$ 352,974 | \$ 107,441 | \$ 214,292 | \$ 174,415 | \$ 147,684 | \$ 143,591 |
| Operating Grants and Contributions | 16,856,815 | 426,007 | 468,018 | 608,714 | 796,443 | 855,928 | 1,471,379 | 1,006,820 | 1,109,485 | 1,211,572 |
| Capital Grants and Contributions | | | | | | | | 17,090 | 40,901 | |
| Total Governmental Activities Program Revenues | \$ 17,114,233 | \$ 585,320 | \$ 722,989 | \$ 684,955 | \$ 1,151,417 | \$ 963,369 | \$ 1,685,671 | \$ 1,198,295 | \$ 1,299,070 | \$ 1,355,163 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Food Service | 2,527,739 | 2,642,037 | 2,909,211 | 2,941,180 | 2,944,677 | 3,461,930 | 3,128,462 | 3,316,227 | 3,226,904 | 3,017,514 |
| Extra Curricular Fund | 236,788 | 190,193 | 262,776 | 227,348 | 222,845 | 2,364,710 | 3,382,765 | 2,874,208 | 3,171,408 | 3,466,963 |
| SAT Prep Program | | | 20,963 | | | | | | | |
| Operating Grants and Contributions | 470,547 | 486,782 | 433,012 | 457,229 | 495,107 | 553,582 | 422,006 | 375,402 | 353,287 | 309,801 |
| Total Business-Type Activities Program Revenues | \$ 3,235,074 | \$ 3,319,012 | \$ 3,627,201 | \$ 3,650,055 | \$ 3,662,629 | \$ 4,016,512 | \$ 3,550,468 | \$ 3,691,629 | \$ 3,580,191 | \$ 3,327,115 |
| Total District Program Revenues | \$ 20,349,307 | \$ 3,904,332 | \$ 4,350,190 | \$ 4,335,010 | \$ 4,814,046 | \$ 4,979,881 | \$ 5,236,139 | \$ 4,889,924 | \$ 4,879,261 | \$ 4,682,278 |
| Net (Expense)/Revenue: | | | | | | | | | | |
| Governmental Activities | \$ (175,690,699) | \$ (188,012,077) | \$ (182,672,605) | \$ (177,956,597) | \$ (181,137,900) | \$ (174,576,339) | \$ (170,824,093) | \$ (163,554,941) | \$ (151,190,011) | \$ (142,044,137) |
| Business-Type Activities | (215,585) | (328,748) | (205,960) | 41,669 | 13,344 | 96,187 | (113,076) | 85,270 | 279,709 | (86,062) |
| Total District-wide Net (Expense)/Revenue | \$ (175,906,284) | \$ (188,340,825) | \$ (182,878,565) | \$ (177,914,928) | \$ (181,124,556) | \$ (174,480,152) | \$ (170,937,169) | \$ (163,469,671) | \$ (150,910,302) | \$ (142,130,199) |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| General Revenues and Other Changes in Net Assets: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes Levied for General Purposes, Net | \$ 119,091,381 | \$ 116,756,256 | \$ 115,600,253 | \$ 115,600,253 | \$ 112,753,657 | \$ 110,892,300 | \$ 106,617,596 | \$ 100,847,680 | \$ 93,500,842 | \$ 87,604,595 |
| Taxes Levied for Debt Service | 4,066,778 | 4,076,750 | 4,071,262 | 4,062,938 | 3,462,300 | 3,474,896 | 5,025,434 | 5,216,532 | 5,374,658 | 5,010,198 |
| Unrestricted Grants and Contributions | 54,015,433 | 68,350,311 | 64,262,301 | 56,750,964 | 62,216,157 | 62,811,715 | 60,138,111 | 58,446,860 | 53,489,295 | 52,341,174 |
| Restricted Grants and Contributions | 1,098,884 | 3,809,529 | 4,250,267 | 3,899,599 | 5,935,387 | 194,536 | 603,643 | 866,768 | 653,451 | 442,853 |
| Tuition Received | 303,863 | 576,640 | 931,185 | 597,250 | 585,862 | 587,052 | 167,276 | 271,500 | 239,549 | 270,320 |
| Miscellaneous Income | | | | | | | | (28,875) | | |
| Transfers | | | | | | | | (322) | | |
| Gain/(Loss) on Sale of Equipment | | | (9,896) | | | | | | 4,700 | 11,130 |
| Total Governmental Activities | 178,566,339 | 193,568,486 | 189,105,372 | 180,911,004 | 184,985,363 | 177,950,499 | 172,552,060 | 165,610,143 | 153,262,495 | 145,680,270 |
| Business-Type Activities: | | | | | | | | | | |
| Other | | | | | | | | | | |
| Transfers | | | | | | | | | | |
| Total Business-Type Activities | | | | | | | | | | |
| Total District-wide | \$ 178,566,339 | \$ 193,568,486 | \$ 189,105,372 | \$ 180,911,004 | \$ 184,985,363 | \$ 177,950,499 | \$ 172,552,060 | \$ 165,610,143 | \$ 153,262,495 | \$ 145,680,270 |
| Changes in Net Assets: | | | | | | | | | | |
| Governmental Activities | \$ 2,895,640 | \$ 5,556,409 | \$ 6,432,766 | \$ 2,952,407 | \$ 3,847,463 | \$ 3,371,160 | \$ 1,727,967 | \$ 2,055,202 | \$ 2,072,484 | \$ 3,636,133 |
| Business-Type Activities | (213,565) | (328,748) | (205,660) | 41,669 | 13,344 | 96,187 | (113,076) | 85,270 | 279,709 | (86,062) |
| Total District | \$ 2,682,055 | \$ 5,227,661 | \$ 6,227,106 | \$ 2,994,075 | \$ 3,860,807 | \$ 3,467,347 | \$ 1,614,891 | \$ 2,140,472 | \$ 2,352,193 | \$ 3,550,071 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

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

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenues: | | | | | | | | | | |
| Tax Levy | 123,178,159 | 120,833,006 | 119,671,515 | 119,663,191 | 116,245,957 | 114,357,196 | 111,643,030 | 106,064,212 | 98,875,500 | 92,614,793 |
| Tuition Charges | 72,563 | 62,177 | 166,772 | 75,241 | 236,050 | 35,527 | 108,800 | 174,415 | 147,684 | 143,591 |
| Transportation Fees | 294,534 | 36,974 | 38,940 | 70,015 | 603,643 | 194,536 | 603,643 | 856,768 | 653,451 | 442,853 |
| Miscellaneous | 311,734 | 636,802 | 917,144 | 629,048 | 642,344 | 658,966 | 272,768 | 271,500 | 239,549 | 270,320 |
| State Sources | 68,952,756 | 89,676,088 | 63,785,249 | 58,073,019 | 56,905,827 | 60,739,212 | 58,666,732 | 56,864,580 | 52,184,257 | 51,201,486 |
| Federal Sources | 2,890,826 | 2,908,759 | 5,195,337 | 3,085,445 | 12,046,159 | 2,928,431 | 2,942,758 | 2,589,099 | 2,414,523 | 2,351,260 |
| Total Revenues | 195,700,572 | 194,153,806 | 189,774,957 | 181,595,959 | 186,136,780 | 178,913,868 | 174,287,731 | 186,820,574 | 154,514,964 | 147,024,303 |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | 53,226,236 | 54,461,270 | 53,010,885 | 50,466,657 | 55,759,577 | 51,645,808 | 50,031,689 | 44,767,309 | 44,619,339 | 43,305,122 |
| Special | 15,292,601 | 12,044,633 | 9,709,787 | 8,241,644 | 6,768,646 | 7,286,673 | 6,965,827 | 8,503,189 | 5,983,465 | 3,330,368 |
| Other | 6,327,793 | 6,519,860 | 6,474,132 | 6,342,900 | 6,879,582 | 6,633,811 | 6,649,245 | 6,525,571 | 6,106,800 | 5,074,464 |
| Support Services: | | | | | | | | | | |
| Tuition | 14,104,095 | 13,343,824 | 13,994,362 | 13,678,378 | 12,197,151 | 13,015,812 | 11,494,308 | 10,952,382 | 10,652,056 | 10,205,890 |
| Student & instruction related services | 15,900,229 | 14,016,576 | 12,952,335 | 12,306,294 | 13,609,000 | 12,976,196 | 11,952,401 | 11,631,945 | 11,122,006 | 13,068,619 |
| School Administrative Services | 6,507,814 | 6,558,728 | 6,550,897 | 6,218,510 | 6,641,945 | 6,322,266 | 6,516,811 | 6,427,288 | 6,148,634 | 6,427,922 |
| General Administrative Services | 1,535,368 | 1,817,374 | 1,985,654 | 1,635,170 | 2,108,923 | 4,577,957 | 4,353,463 | 3,961,467 | 3,671,247 | 3,639,488 |
| Central and Central Services | 2,594,840 | 2,792,121 | 2,660,101 | 2,433,933 | 2,404,433 | 15,210,424 | 14,803,886 | 14,919,095 | 14,602,429 | 13,733,038 |
| Plant Operations and Maintenance | 13,908,423 | 12,570,393 | 12,971,617 | 13,434,482 | 14,546,194 | 15,526,401 | 14,984,584 | 13,890,500 | 13,166,507 | 11,814,953 |
| Student Transportation Services | 14,860,904 | 14,006,185 | 13,836,574 | 15,718,142 | 15,718,142 | 35,400,749 | 37,266,935 | 35,107,074 | 28,694,578 | 26,254,248 |
| Unallocated Employee Benefits | 41,368,803 | 43,899,725 | 41,829,101 | 43,493,500 | 39,128,215 | 251,758 | 235,386 | 202,322 | 193,217 | 161,244 |
| Special Schools | | | 29,312 | 14,656 | 15,292 | 2,062 | | | 9,220 | 8,950 |
| Charter Schools | | | | | | | | | | |
| Debt Service: | | | | | | | | | | |
| Principal | 3,830,000 | 3,635,000 | 3,455,000 | 3,280,000 | 3,100,000 | 2,960,000 | 4,985,000 | 4,980,000 | 4,950,000 | 4,925,000 |
| Interest and Other Charges | 1,570,000 | 1,751,750 | 1,924,500 | 2,088,500 | 2,257,275 | 2,418,425 | 2,647,345 | 2,945,608 | 3,242,808 | 3,538,383 |
| Capital Outlay | 1,349,981 | 2,673,424 | 716,145 | 625,315 | 3,634,504 | 2,902,082 | 2,196,026 | 2,288,640 | 2,684,341 | 2,980,760 |
| Total Expenditures | 192,477,087 | 190,090,863 | 182,100,402 | 177,409,441 | 185,047,381 | 177,128,362 | 175,082,906 | 187,114,452 | 155,826,847 | 147,518,449 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | 3,223,485 | 4,062,943 | 7,674,555 | 4,186,518 | 1,089,399 | 1,785,506 | (845,175) | (293,878) | (1,311,883) | (494,146) |
| Other Financing Sources/(Uses): | | | | | | | | | | |
| Capital leases (non-budgeted) | | | | | | | | | | |
| Transfers In | 2,957,597 | | | | | | | | | |
| Transfers Out | | | | | | | | | | |
| Proceeds from energy savings obligations (ESIP) | 17,500,000 | | | | | | | | 288,216 | 594,953 |
| Total Other Financing Sources/(Uses) | 20,457,597 | | | | | | | (28,875) | (288,216) | (594,953) |
| Net Change in Fund Balances | 23,681,082 | 4,062,943 | 7,674,555 | 4,186,518 | 1,089,399 | 1,785,506 | (845,175) | (322,753) | (1,311,883) | (494,146) |
| Debt Service as a Percentage of Noncapital Expenditures | 0 |

Source: District records

Note: Noncapital expenditures are total expenditures less Capital Outlay.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE

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

| Fiscal Year Ending June 30, | Restricted | | Unrestricted | | Annual Totals |
|--------------------------------|------------------|--------------------|--------------------------------------|---------------|------------------|
| | Athletic Fees | Facility Rental | Refund of Prior Year Expenditures | Miscellaneous | |
| 2014 | \$ 69,696 | \$ 115,159 | \$ 72,082 | \$ 222,452 | 479,389 |
| 2013 | 68,612 | 97,136 | 91,737 | 240,266 | 497,751 |
| 2012 | 69,310 | 88,199 | 429,465 | 244,140 | 831,114 |
| 2011 | 103,985 | 101,813 | 122,723 | 194,264 | 522,785 |
| 2010 | 97,112 | 116,924 | 197,482 | 134,864 | 546,382 |
| 2009 | 113,391 | 71,914 | 280,321 | 87,665 | 553,291 |
| 2008 | 122,378 | 105,492 | 722 | 6,042 | 234,634 |
| 2007 | 114,218 | 84,675 | 17,959 | 8,926 | 225,778 |
| 2006 | 119,080 | 91,783 | 2,447 | 7,944 | 221,254 |
| 2005 | 104,494 | 105,048 | | 23,803 | 233,345 |

Source: District records

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
UNAUDITED

| | Vacant Land | Residential | Farm Reg. | Qfarm | Commercial | Industrial | Apartment | Total Assessed Value | Less: Tax-Exempt Property | Public Utilities (1) | Net Valuation Taxable | Total School Tax Rate (2) | Estimated Actual (County Equalized) Value |
|--------------------|---------------|------------------|----------------|--------------|----------------|--------------|---------------|----------------------|---------------------------|----------------------|-----------------------|---------------------------|---|
| Colts Neck | | | | | | | | | | | | | |
| 2014 | \$ 39,881,800 | \$ 2,540,498,000 | \$ 283,017,800 | \$ 4,159,900 | \$ 167,385,000 | \$ - | \$ - | \$ 3,014,942,500 | \$ - | \$ 3,079,851 | \$ 3,018,022,351 | 0.447 | \$ 3,066,222,327 |
| 2013 | 41,257,000 | 2,558,728,600 | 263,081,000 | 4,158,700 | 178,123,400 | - | - | 3,045,348,700 | - | 3,723,634 | 3,041,625,066 | 0.408 | 3,122,799,191 |
| 2012 | 44,509,600 | 2,575,313,400 | 255,778,700 | 4,145,400 | 184,744,300 | - | - | 3,064,491,400 | - | 3,723,975 | 3,060,767,425 | 0.390 | 3,117,456,897 |
| 2011 | 44,725,400 | 2,590,986,900 | 253,914,500 | 4,109,600 | 192,544,000 | - | - | 3,076,280,400 | - | 3,812,767 | 3,072,467,633 | 0.391 | 3,203,755,368 |
| 2010 | 47,351,200 | 2,590,014,000 | 269,599,800 | 4,158,600 | 196,701,900 | - | - | 3,107,825,500 | - | 5,087,706 | 3,112,913,206 | 0.393 | 3,342,907,536 |
| 2009 | 20,075,000 | 1,230,598,800 | 116,469,200 | 3,595,050 | 81,269,400 | - | - | 1,452,007,450 | - | 1,787,172 | 1,450,220,278 | 0.822 | 3,445,743,076 |
| 2008 | 23,323,500 | 1,223,359,000 | 112,221,650 | 4,585,550 | 78,003,100 | - | - | 1,441,492,800 | - | 1,315,638 | 1,440,177,162 | 0.831 | 3,388,417,905 |
| 2007 | 24,759,000 | 1,206,627,700 | 106,773,400 | 3,712,550 | 73,643,900 | - | - | 1,413,647,950 | - | 1,280,728 | 1,412,367,222 | 0.812 | 3,263,252,356 |
| 2006 | 23,410,900 | 1,175,807,800 | 114,839,800 | 3,826,700 | 71,643,900 | - | - | 1,391,529,100 | - | 1,346,355 | 1,390,182,745 | 0.765 | 2,929,709,638 |
| 2005 | 22,918,500 | 1,150,175,900 | 114,367,600 | 3,846,100 | 72,887,300 | - | - | 1,364,195,300 | - | 1,623,568 | 1,362,571,732 | 0.755 | 2,607,555,477 |
| Englishtown | | | | | | | | | | | | | |
| 2014 | \$ 1,867,700 | \$ 200,060,300 | \$ - | \$ - | \$ 39,188,600 | \$ 7,267,200 | \$ 1,262,100 | \$ 249,645,900 | \$ - | \$ - | \$ 249,645,900 | 0.372 | \$ 221,639,386 |
| 2013 | 3,274,100 | 206,535,000 | - | - | 35,332,500 | 7,617,200 | 1,262,100 | 254,020,900 | - | - | 254,020,900 | 0.404 | 231,103,589 |
| 2012 | 2,384,300 | 201,896,900 | - | - | 35,742,000 | 8,583,900 | 1,262,100 | 249,869,200 | - | - | 249,869,200 | 0.393 | 235,241,820 |
| 2011 | 3,788,700 | 198,279,700 | - | - | 39,134,100 | 9,879,300 | 1,262,100 | 252,343,900 | - | - | 252,343,900 | 0.299 | 242,547,058 |
| 2010 | 3,892,300 | 198,206,200 | - | - | 42,019,600 | 9,879,300 | 1,262,100 | 255,259,500 | - | 4,454,063 | 259,713,563 | 0.320 | 250,970,511 |
| 2009 | 3,978,000 | 198,110,000 | - | - | 42,080,100 | 9,879,300 | 1,262,100 | 255,309,500 | - | 5,904,759 | 261,214,259 | 0.303 | 246,645,548 |
| 2008 | 3,353,400 | 198,838,400 | - | - | 42,425,900 | 10,229,600 | 1,262,100 | 256,109,400 | - | 3,772,717 | 259,882,117 | 0.268 | 237,664,306 |
| 2007 | 1,454,000 | 80,771,800 | - | - | 14,729,700 | 2,975,900 | 743,200 | 100,674,600 | - | 1,170,831 | 101,845,431 | 0.646 | 218,018,531 |
| 2006 | 2,781,400 | 75,336,000 | - | - | 13,585,100 | 3,275,900 | 743,200 | 95,721,600 | - | 1,551,774 | 97,273,374 | 0.683 | 189,388,163 |
| 2005 | 1,576,400 | 74,384,600 | 164,000 | 2,500 | 13,476,100 | 3,275,900 | 633,000 | 93,512,500 | - | 1,725,109 | 95,237,609 | 0.595 | 169,651,537 |
| Farmingdale | | | | | | | | | | | | | |
| 2014 | \$ 1,865,300 | \$ 110,869,600 | \$ 600,000 | \$ 14,200 | \$ 20,523,500 | \$ 2,742,800 | \$ 13,947,400 | \$ 150,562,800 | \$ - | \$ - | \$ 150,562,800 | 0.298 | \$ 137,417,398 |
| 2013 | 1,865,300 | 111,706,500 | 721,700 | 14,200 | 20,320,000 | 2,742,800 | 13,947,400 | 151,317,900 | - | - | 151,317,900 | 0.397 | 145,089,919 |
| 2012 | 1,918,800 | 112,133,500 | 721,700 | 14,200 | 20,320,000 | 2,742,800 | 13,947,400 | 151,798,400 | - | 2,529,438 | 154,327,838 | 0.350 | 149,581,365 |
| 2011 | 1,918,800 | 111,858,800 | 721,700 | 14,200 | 20,480,300 | 2,742,800 | 13,947,400 | 151,684,000 | - | 2,558,005 | 154,242,005 | 0.360 | 147,441,135 |
| 2010 | 1,918,800 | 112,002,400 | 721,700 | 14,200 | 20,480,300 | 2,742,800 | 13,947,400 | 151,827,600 | - | 2,815,873 | 154,643,473 | 0.277 | 153,164,638 |
| 2009 | 2,179,300 | 110,849,000 | 721,700 | 14,200 | 19,871,300 | 2,742,800 | 13,947,400 | 150,325,700 | - | 2,462,182 | 152,787,882 | 0.316 | 158,529,010 |
| 2008 | 2,129,800 | 110,554,200 | 721,700 | 14,200 | 19,871,300 | 2,742,800 | 13,947,400 | 149,981,400 | - | 2,330,926 | 152,312,326 | 0.335 | 153,839,777 |
| 2007 | 2,192,700 | 110,413,000 | 721,700 | 14,200 | 19,617,700 | 2,742,800 | 13,507,100 | 149,209,200 | - | 1,971,969 | 151,181,169 | 0.372 | 150,439,213 |
| 2006 | 2,393,100 | 109,439,200 | 721,700 | 14,200 | 19,613,700 | 2,742,800 | 13,507,100 | 148,431,800 | - | 2,288,899 | 150,720,699 | 0.419 | 150,166,183 |
| 2005 | 2,312,300 | 109,362,000 | 721,700 | 14,200 | 19,613,700 | 2,742,800 | 13,507,100 | 148,273,800 | - | 2,321,144 | 150,594,944 | 0.403 | 143,425,224 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
UNAUDITED

| | Vacant Land | | Residential | Farm Reg. | Ofarm | Commercial | Industrial | Apartment | Total Assessed Value | Less: Tax-Exempt Property | Public Utilities (1) | Net Valuation Taxable | Total Direct School Tax Rate (2) | Estimated Actual (County Equalized) Value |
|--------------------------|----------------|------------------|---------------|--------------|------------------|----------------|---------------|------------------|----------------------|---------------------------|----------------------|-----------------------|----------------------------------|---|
| | | | | | | | | | | | | | | |
| Freehold Borough | | | | | | | | | | | | | | |
| 2014 | \$ 10,235,100 | \$ 755,357,200 | \$ - | \$ - | \$ - | \$ 237,225,100 | \$ 25,345,900 | \$ 22,388,400 | \$ 1,050,551,700 | \$ 1,423,600 | \$ - | \$ 1,050,551,700 | 0.311 | \$ 974,389,434 |
| 2013 | 10,236,400 | 764,565,800 | - | - | - | 239,840,300 | 25,345,900 | 22,388,400 | 1,062,376,800 | 2,476,800 | - | 1,062,376,800 | 0.321 | 1,025,327,919 |
| 2012 | 10,244,400 | 767,610,400 | - | - | - | 241,264,600 | 25,345,900 | 22,388,400 | 1,066,853,700 | 3,408,000 | - | 1,066,853,700 | 0.341 | 1,139,215,781 |
| 2011 | 10,342,700 | 768,700,500 | - | - | - | 241,539,000 | 25,345,900 | 22,388,400 | 1,068,316,500 | 4,151,700 | 9,917,155 | 1,078,233,655 | 0.378 | 1,205,130,817 |
| 2010 | 11,376,600 | 766,577,000 | - | - | - | 242,890,100 | 25,345,900 | 22,374,900 | 1,068,553,500 | 1,254,600 | 10,281,773 | 1,078,835,273 | 0.379 | 1,193,198,764 |
| 2009 | 11,552,000 | 765,785,300 | - | - | - | 236,440,200 | 25,345,900 | 23,097,700 | 1,062,221,100 | 1,780,800 | 11,377,335 | 1,073,598,435 | 0.382 | 1,275,015,424 |
| 2008 | 11,815,100 | 763,101,500 | - | - | - | 237,093,900 | 34,727,100 | 22,941,400 | 1,069,679,000 | 1,360,200 | 10,469,969 | 1,080,148,969 | 0.375 | 1,232,617,952 |
| 2007 | 13,574,000 | 761,011,000 | - | - | - | 238,891,500 | 34,727,100 | 22,720,400 | 1,071,145,000 | 1,430,600 | 9,846,278 | 1,080,991,278 | 0.368 | 1,172,895,348 |
| 2006 | 16,481,600 | 756,389,400 | - | - | - | 243,545,100 | 34,727,100 | 23,720,400 | 1,074,863,600 | 1,586,600 | 10,503,653 | 1,085,367,253 | 0.372 | 1,075,024,072 |
| 2005 | 16,243,200 | 756,435,500 | - | - | - | 243,404,500 | 35,266,400 | 23,720,400 | 1,075,070,000 | 1,467,400 | 10,492,930 | 1,085,562,930 | 0.339 | 904,115,361 |
| Freehold Township | | | | | | | | | | | | | | |
| 2014 | \$ 50,881,700 | \$ 3,955,292,200 | \$ 27,666,200 | \$ 1,440,900 | \$ 1,239,936,400 | \$ 146,563,700 | \$ 60,794,300 | \$ 5,482,575,400 | \$ 41,400 | \$ - | \$ - | \$ 5,482,575,400 | 0.480 | \$ 5,837,654,006 |
| 2013 | 56,004,900 | 3,949,909,700 | 28,280,200 | 1,466,400 | 1,243,834,300 | 146,521,200 | 60,794,300 | 5,486,811,000 | - | - | - | 5,486,811,000 | 0.471 | 5,873,438,863 |
| 2012 | 67,931,000 | 4,548,659,400 | 32,524,700 | 1,509,700 | 1,245,930,300 | 156,782,100 | 61,500,000 | 6,114,837,200 | - | - | - | 6,114,837,200 | 0.411 | 6,197,354,750 |
| 2011 | 69,363,900 | 4,551,925,900 | 31,282,000 | 1,541,900 | 1,247,563,400 | 154,791,300 | 61,500,000 | 6,117,968,400 | - | - | 41,218,304 | 6,159,186,704 | 0.399 | 6,427,603,681 |
| 2010 | 79,832,500 | 4,549,534,600 | 30,233,300 | 1,654,900 | 1,291,205,600 | 154,573,100 | 61,500,000 | 6,166,534,000 | - | - | 49,220,887 | 6,217,754,887 | 0.394 | 6,647,432,225 |
| 2009 | 85,225,000 | 4,529,646,900 | 30,709,200 | 1,670,000 | 1,341,345,700 | 154,573,100 | 64,320,400 | 6,217,490,300 | - | - | 68,077,410 | 6,285,567,710 | 0.373 | 6,734,691,283 |
| 2008 | 43,866,000 | 2,245,621,400 | 14,932,600 | 1,700,500 | 644,466,200 | 74,628,300 | 30,165,900 | 3,055,400,900 | - | - | 32,780,996 | 3,088,181,896 | 0.707 | 6,390,779,856 |
| 2007 | 49,811,400 | 2,205,318,600 | 14,730,600 | 1,700,500 | 633,230,100 | 71,697,200 | 30,948,600 | 3,007,501,000 | - | - | 36,970,360 | 3,044,471,360 | 0.700 | 6,037,954,660 |
| 2006 | 65,790,600 | 2,146,671,100 | 15,123,200 | 1,726,900 | 642,767,600 | 79,946,600 | 30,948,600 | 2,992,574,600 | - | - | 42,025,816 | 3,025,000,416 | 0.662 | 5,391,727,021 |
| 2005 | 66,615,000 | 2,096,875,500 | 15,635,600 | 1,779,600 | 636,922,000 | 78,428,200 | 30,968,400 | 2,927,214,300 | - | - | 48,144,874 | 2,975,359,174 | 0.597 | 4,663,464,469 |
| Howell | | | | | | | | | | | | | | |
| 2014 | \$ 137,473,900 | \$ 4,623,682,700 | \$ 89,384,800 | \$ 2,673,500 | \$ 611,874,200 | \$ 101,664,900 | \$ - | \$ 5,566,754,000 | \$ - | \$ - | \$ 7,632,229 | \$ 5,574,386,229 | 0.452 | \$ 6,087,370,787 |
| 2013 | 155,567,400 | 4,579,708,000 | 89,858,000 | 2,768,800 | 594,385,000 | 101,856,600 | - | 5,524,143,800 | - | - | 8,867,486 | 5,533,011,286 | 0.483 | 6,199,518,124 |
| 2012 | 147,940,600 | 4,554,735,400 | 85,998,100 | 2,640,500 | 595,545,700 | 103,344,900 | - | 5,489,805,200 | - | - | 11,032,948 | 5,500,838,148 | 0.478 | 6,508,420,350 |
| 2011 | 209,120,660 | 5,751,615,760 | 107,280,600 | 2,607,500 | 660,378,520 | 133,162,000 | - | 6,864,165,040 | - | - | 11,110,173 | 6,875,275,213 | 0.380 | 6,762,336,368 |
| 2010 | 237,133,360 | 5,747,380,000 | 107,553,000 | 2,707,600 | 662,086,020 | 134,095,700 | - | 6,890,955,680 | - | - | 13,114,350 | 6,904,070,030 | 0.385 | 6,954,660,611 |
| 2009 | 263,365,700 | 5,735,865,900 | 104,001,400 | 2,426,100 | 662,057,600 | 109,299,300 | - | 6,987,016,000 | - | - | 10,565,151 | 6,997,581,151 | 0.370 | 7,070,767,733 |
| 2008 | 284,011,700 | 5,707,045,900 | 107,489,400 | 2,543,100 | 667,961,100 | 111,543,900 | - | 6,960,605,000 | - | - | 9,626,317 | 6,970,231,317 | 0.371 | 7,044,098,272 |
| 2007 | 249,995,100 | 5,667,270,700 | 108,077,700 | 2,510,100 | 703,025,300 | 115,926,300 | - | 6,846,805,200 | - | - | 8,875,863 | 6,855,681,063 | 0.353 | 6,558,866,149 |
| 2006 | 101,993,950 | 2,438,894,540 | 43,202,800 | 2,265,300 | 297,604,900 | 55,716,850 | - | 2,939,578,340 | - | - | 4,399,393 | 2,944,077,733 | 0.786 | 5,787,205,601 |
| 2005 | 120,597,750 | 2,375,496,640 | 43,161,300 | 2,551,300 | 296,105,200 | 57,612,450 | - | 2,895,524,640 | - | - | 5,407,198 | 2,900,931,838 | 0.724 | 4,892,925,316 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
UNAUDITED

| | Vacant Land | Residential | Farm Reg | Qfarm | Commercial | Industrial | Apartment | Total Assessed Value | Less: Tax-Exempt Property | Public Utilities (1) | Net Valuation Taxable | Total Direct School Tax Rate (2) | Estimated Actual (County Equalized) Value |
|------------------|---------------|------------------|---------------|--------------|----------------|---------------|---------------|----------------------|---------------------------|----------------------|-----------------------|----------------------------------|---|
| Manalapan | | | | | | | | | | | | | |
| 2014 | \$ 47,846,600 | \$ 5,359,086,600 | \$ 32,130,400 | \$ 2,269,200 | \$ 380,616,076 | \$ 20,269,600 | \$ - | \$ 5,842,218,476 | \$ - | \$ - | \$ 5,842,218,476 | 0.436 | \$ 6,109,982,591 |
| 2013 | 58,673,900 | 5,298,331,500 | 31,538,900 | 2,316,400 | 378,911,200 | 20,269,600 | - | 5,791,041,500 | - | - | 5,791,041,500 | 0.425 | 5,978,276,610 |
| 2012 | 70,482,900 | 5,241,149,800 | 32,267,800 | 2,352,300 | 377,401,400 | 22,667,200 | - | 5,746,321,400 | - | - | 5,746,321,400 | 0.420 | 6,169,252,662 |
| 2011 | 84,044,500 | 5,183,906,700 | 32,780,800 | 2,354,500 | 371,293,700 | 22,667,200 | - | 5,697,047,400 | - | - | 5,703,989,928 | 0.421 | 6,291,820,516 |
| 2010 | 102,803,800 | 5,111,395,600 | 32,933,900 | 2,253,000 | 380,040,400 | 22,667,200 | - | 5,652,093,900 | - | 6,951,526 | 5,661,476,396 | 0.432 | 6,459,604,048 |
| 2009 | 160,219,400 | 5,732,755,500 | 36,725,800 | 2,314,400 | 425,667,300 | 24,603,500 | - | 6,382,285,900 | - | 7,636,903 | 6,389,922,803 | 0.364 | 6,480,948,402 |
| 2008 | 200,478,700 | 5,658,484,200 | 36,779,500 | 2,315,700 | 403,109,300 | 24,603,500 | - | 6,325,770,900 | - | 6,259,661 | 6,332,030,561 | 0.360 | 6,261,851,792 |
| 2007 | 200,229,100 | 5,485,094,000 | 36,588,500 | 2,296,200 | 402,831,900 | 24,603,500 | - | 6,151,643,200 | - | 5,707,918 | 6,157,351,118 | 0.363 | 5,837,550,667 |
| 2006 | 85,683,900 | 2,214,784,300 | 17,355,100 | 2,183,400 | 182,740,300 | 11,519,100 | - | 2,514,266,100 | - | 2,632,821 | 2,516,898,921 | 0.825 | 5,056,910,192 |
| 2005 | 79,348,800 | 2,154,592,600 | 16,211,800 | 2,126,100 | 181,798,700 | 11,519,100 | - | 2,445,598,100 | - | 2,977,355 | 2,448,575,455 | 0.812 | 4,480,195,412 |
| Marlboro | | | | | | | | | | | | | |
| 2014 | \$ 77,822,900 | \$ 6,089,631,774 | \$ 35,205,200 | \$ 1,036,800 | \$ 428,732,400 | \$ 84,673,900 | \$ 18,619,900 | \$ 6,746,022,874 | \$ - | \$ - | \$ 6,746,022,874 | 0.447 | \$ 7,013,277,224 |
| 2013 | 85,204,500 | 6,098,106,500 | 36,036,300 | 1,036,500 | 424,031,300 | 86,543,000 | 18,619,900 | 6,749,578,000 | - | - | 6,749,578,000 | 0.433 | 7,085,446,679 |
| 2012 | 92,253,900 | 6,234,133,500 | 38,633,800 | 1,045,400 | 420,120,900 | 88,021,000 | 18,619,900 | 6,892,828,400 | - | - | 6,902,175,705 | 0.403 | 7,266,197,377 |
| 2011 | 94,958,900 | 6,231,140,500 | 37,896,600 | 1,046,500 | 415,286,900 | 88,491,100 | 19,584,200 | 6,888,394,700 | - | 9,347,305 | 6,897,539,065 | 0.385 | 7,482,621,521 |
| 2010 | 103,816,500 | 6,236,324,400 | 36,815,400 | 1,051,500 | 425,388,900 | 94,454,200 | 23,225,300 | 6,923,076,200 | - | 10,332,044 | 6,933,408,244 | 0.388 | 7,588,204,970 |
| 2009 | 43,870,600 | 2,899,810,000 | 16,268,600 | 765,050 | 179,521,700 | 40,955,700 | 3,343,100 | 3,184,534,750 | - | 4,173,653 | 3,188,708,403 | 0.827 | 7,698,069,929 |
| 2008 | 49,225,500 | 2,869,073,200 | 16,223,300 | 770,350 | 176,080,600 | 39,136,700 | 3,343,100 | 3,153,852,750 | - | 3,868,514 | 3,157,721,264 | 0.843 | 7,588,651,622 |
| 2007 | 59,984,300 | 2,839,037,100 | 16,367,200 | 786,550 | 173,463,400 | 40,301,700 | 3,343,100 | 3,127,283,350 | - | 4,230,659 | 3,131,514,009 | 0.851 | 7,209,924,440 |
| 2006 | 59,314,400 | 2,776,197,500 | 16,205,900 | 783,750 | 179,117,800 | 42,131,400 | 2,965,200 | 3,076,715,950 | - | 4,500,670 | 3,081,216,620 | 0.834 | 6,365,196,819 |
| 2005 | 57,950,900 | 2,720,795,700 | 14,787,100 | 783,950 | 172,691,600 | 42,131,400 | 2,965,200 | 3,012,105,850 | - | 5,176,020 | 3,017,281,870 | 0.817 | 5,696,176,531 |

Source: County Board of Taxation

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by the County board of taxation.

Reassessment occurs when ordered by the County Board of Taxation.

(1) Taxable Value of Machinery, Implements & Equipment of Telephone, Telegraph & Messenger System Companies.

(2) Tax rates are per \$100.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS
UNAUDITED

(RATE PER \$100 OF ASSESSED VALUATION)

| | <u>Freehold Regional</u> | | | <u>Overlapping Rates</u> | | | <u>Total Direct & Overlapping Tax Rate</u> | |
|--------------------|-------------------------------|-------------------------|-------------------------|------------------------------|--------------------------|---------------------------|--|----------------------------|
| | <u>General Obligation</u> | <u>Debt Service</u> | <u>Total Direct</u> | <u>Elementary School</u> | <u>Local Purpose</u> | <u>Library/ Other</u> | | <u>Monmouth County</u> |
| | <u>Basic Rate</u> | <u>Debt</u> | <u>Total</u> | <u>Elementary</u> | <u>Local</u> | <u>Library/</u> | <u>Monmouth</u> | |
| | <u>a</u> | <u>Service b</u> | <u>Direct</u> | <u>School</u> | <u>Purpose</u> | <u>Other</u> | <u>County</u> | <u>Rate</u> |
| Colts Neck | | | | | | | | |
| 2014 | 0.432 | 0.015 | 0.447 | 0.705 | 0.214 | 0.012 | 0.309 | 1.687 |
| 2013 | 0.394 | 0.014 | 0.408 | 0.686 | 0.203 | 0.012 | 0.309 | 1.618 |
| 2012 | 0.377 | 0.013 | 0.390 | 0.680 | 0.194 | 0.012 | 0.294 | 1.570 |
| 2011 | 0.378 | 0.013 | 0.391 | 0.674 | 0.188 | 0.012 | 0.286 | 1.551 |
| 2010 | 0.370 | 0.013 | 0.383 | 0.667 | 0.170 | 0.025 | 0.292 | 1.537 |
| 2009 | 0.797 | 0.025 | 0.822 | 1.407 | 0.343 | 0.025 | 0.615 | 3.212 |
| 2008 | 0.805 | 0.026 | 0.831 | 1.392 | 0.334 | 0.025 | 0.610 | 3.192 |
| 2007 | 0.775 | 0.037 | 0.812 | 1.378 | 0.305 | 0.025 | 0.631 | 3.151 |
| 2006 | 0.728 | 0.037 | 0.765 | 1.348 | 0.295 | 0.091 | 0.571 | 3.070 |
| 2005 | 0.714 | 0.041 | 0.755 | 1.313 | 0.272 | 0.092 | 0.585 | 3.017 |
| Englishtown | | | | | | | | |
| 2014 | 0.360 | 0.012 | 0.372 | 0.812 | 0.558 | - | 0.268 | 2.010 |
| 2013 | 0.391 | 0.013 | 0.404 | 0.786 | 0.498 | - | 0.281 | 1.969 |
| 2012 | 0.376 | 0.017 | 0.393 | 0.778 | 0.462 | - | 0.276 | 1.909 |
| 2011 | 0.289 | 0.010 | 0.299 | 0.860 | 0.405 | - | 0.264 | 1.828 |
| 2010 | 0.309 | 0.011 | 0.320 | 0.808 | 0.385 | - | 0.264 | 1.777 |
| 2009 | 0.294 | 0.009 | 0.303 | 0.752 | 0.365 | - | 0.249 | 1.669 |
| 2008 | 0.260 | 0.008 | 0.268 | 0.758 | 0.328 | - | 0.237 | 1.591 |
| 2007 | 0.616 | 0.030 | 0.646 | 1.912 | 0.785 | - | 0.617 | 3.960 |
| 2006 | 0.650 | 0.033 | 0.683 | 1.789 | 0.785 | 0.071 | 0.533 | 3.861 |
| 2005 | 0.563 | 0.032 | 0.595 | 1.758 | 0.725 | 0.072 | 0.541 | 3.691 |
| Farmingdale | | | | | | | | |
| 2014 | 0.288 | 0.010 | 0.298 | 1.027 | 0.212 | - | 0.290 | 1.827 |
| 2013 | 0.384 | 0.013 | 0.397 | 1.041 | 0.212 | - | 0.293 | 1.943 |
| 2012 | 0.342 | 0.008 | 0.350 | 0.960 | 0.211 | - | 0.290 | 1.811 |
| 2011 | 0.348 | 0.012 | 0.360 | 0.926 | 0.208 | - | 0.275 | 1.769 |
| 2010 | 0.268 | 0.009 | 0.277 | 0.920 | 0.203 | - | 0.278 | 1.678 |
| 2009 | 0.307 | 0.009 | 0.316 | 0.900 | 0.183 | - | 0.275 | 1.674 |
| 2008 | 0.325 | 0.010 | 0.335 | 0.915 | 0.173 | - | 0.269 | 1.692 |
| 2007 | 0.355 | 0.017 | 0.372 | 0.928 | 0.140 | - | 0.276 | 1.716 |
| 2006 | 0.398 | 0.021 | 0.419 | 0.913 | 0.124 | 0.036 | 0.268 | 1.760 |
| 2005 | 0.381 | 0.022 | 0.403 | 0.882 | 0.109 | 0.039 | 0.292 | 1.725 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
UNAUDITED
(RATE PER \$100 OF ASSESSED VALUATION)

| | <u>Freehold Regional</u> | | | <u>Overlapping Rates</u> | | | <u>Total Direct & Overlapping Tax Rate</u> | |
|--------------------------|---------------------------|---------------------|---------------------|--------------------------|----------------------|---------------------------------|--|-------|
| | <u>General Obligation</u> | <u>Debt Service</u> | <u>Total Direct</u> | <u>Elementary School</u> | <u>Local Purpose</u> | <u>Library/ Monmouth County</u> | | |
| | <u>Basic Rate</u> | <u>Debt Service</u> | <u>Total Direct</u> | <u>Elementary School</u> | <u>Local Purpose</u> | <u>Library/ Monmouth County</u> | <u>Total Direct & Overlapping Tax Rate</u> | |
| | <u>a</u> | <u>b</u> | | | | | | |
| Freehold Borough | | | | | | | | |
| 2014 | 0.301 | 0.010 | 0.311 | 0.933 | 0.875 | 0.031 | 0.269 | 2.419 |
| 2013 | 0.310 | 0.011 | 0.321 | 0.862 | 0.851 | 0.032 | 0.277 | 2.343 |
| 2012 | 0.329 | 0.012 | 0.341 | 0.842 | 0.814 | 0.036 | 0.293 | 2.326 |
| 2011 | 0.365 | 0.013 | 0.378 | 0.810 | 0.785 | 0.037 | 0.300 | 2.310 |
| 2010 | 0.366 | 0.013 | 0.379 | 0.796 | 0.791 | - | 0.283 | 2.249 |
| 2009 | 0.371 | 0.011 | 0.382 | 0.780 | 0.756 | - | 0.289 | 2.207 |
| 2008 | 0.363 | 0.012 | 0.375 | 0.756 | 0.718 | - | 0.278 | 2.127 |
| 2007 | 0.351 | 0.017 | 0.368 | 0.736 | 0.659 | - | 0.277 | 2.040 |
| 2006 | 0.354 | 0.018 | 0.372 | 0.667 | 0.630 | 0.015 | 0.265 | 1.949 |
| 2005 | 0.321 | 0.018 | 0.339 | 0.609 | 0.598 | 0.015 | 0.254 | 1.815 |
| Freehold Township | | | | | | | | |
| 2014 | 0.464 | 0.016 | 0.480 | 1.151 | 0.358 | 0.030 | 0.330 | 2.349 |
| 2013 | 0.455 | 0.016 | 0.471 | 1.117 | 0.348 | 0.030 | 0.327 | 2.293 |
| 2012 | 0.398 | 0.013 | 0.411 | 0.983 | 0.294 | 0.030 | 0.292 | 2.010 |
| 2011 | 0.385 | 0.014 | 0.399 | 0.966 | 0.274 | 0.030 | 0.291 | 1.960 |
| 2010 | 0.381 | 0.013 | 0.394 | 0.936 | 0.250 | 0.030 | 0.286 | 1.896 |
| 2009 | 0.362 | 0.011 | 0.373 | 0.922 | 0.235 | 0.030 | 0.282 | 1.842 |
| 2008 | 0.685 | 0.022 | 0.707 | 1.792 | 0.445 | 0.030 | 0.523 | 3.497 |
| 2007 | 0.669 | 0.032 | 0.700 | 1.791 | 0.409 | 0.030 | 0.541 | 3.471 |
| 2006 | 0.630 | 0.032 | 0.662 | 1.722 | 0.389 | 0.086 | 0.484 | 3.343 |
| 2005 | 0.565 | 0.032 | 0.597 | 1.634 | 0.359 | 0.086 | 0.485 | 3.161 |
| Howell | | | | | | | | |
| 2014 | 0.437 | 0.015 | 0.452 | 1.293 | 0.448 | 0.020 | 0.346 | 2.559 |
| 2013 | 0.467 | 0.016 | 0.483 | 1.277 | 0.457 | 0.020 | 0.348 | 2.585 |
| 2012 | 0.367 | 0.111 | 0.478 | 1.287 | 0.453 | 0.020 | 0.347 | 2.585 |
| 2011 | 0.367 | 0.013 | 0.380 | 1.037 | 0.354 | 0.020 | 0.279 | 2.070 |
| 2010 | 0.372 | 0.013 | 0.385 | 1.029 | 0.326 | 0.020 | 0.277 | 2.037 |
| 2009 | 0.359 | 0.011 | 0.370 | 1.021 | 0.282 | 0.020 | 0.268 | 1.961 |
| 2008 | 0.359 | 0.012 | 0.371 | 0.999 | 0.266 | 0.020 | 0.266 | 1.922 |
| 2007 | 0.337 | 0.016 | 0.353 | 0.977 | 0.266 | 0.020 | 0.267 | 1.883 |
| 2006 | 0.747 | 0.039 | 0.786 | 2.123 | 0.533 | 0.090 | 0.530 | 4.062 |
| 2005 | 0.685 | 0.039 | 0.724 | 1.990 | 0.457 | 0.088 | 0.519 | 3.778 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
UNAUDITED
(RATE PER \$100 OF ASSESSED VALUATION)

| | <u>Freehold Regional</u> | | | <u>Overlapping Rates</u> | | | | <u>Total Direct & Overlapping Tax Rate</u> |
|-------------------|---------------------------|---------------------|---------------------|--------------------------|----------------------|----------------------|------------------------|--|
| | <u>General Obligation</u> | <u>Debt Service</u> | <u>Total Direct</u> | <u>Elementary School</u> | <u>Local Purpose</u> | <u>Library/Other</u> | <u>Monmouth County</u> | |
| <u>Basic Rate</u> | <u>a</u> | <u>b</u> | | | | | | |
| Manalapan | | | | | | | | |
| 2014 | 0.422 | 0.014 | 0.436 | 0.945 | 0.352 | 0.020 | 0.327 | 2.080 |
| 2013 | 0.411 | 0.014 | 0.425 | 0.925 | 0.345 | 0.020 | 0.316 | 2.031 |
| 2012 | 0.410 | 0.010 | 0.420 | 0.912 | 0.339 | 0.020 | 0.315 | 2.006 |
| 2011 | 0.407 | 0.014 | 0.421 | 0.902 | 0.332 | 0.020 | 0.312 | 1.987 |
| 2010 | 0.418 | 0.015 | 0.432 | 0.889 | 0.332 | 0.020 | 0.313 | 1.986 |
| 2009 | 0.353 | 0.011 | 0.364 | 0.758 | 0.295 | 0.020 | 0.264 | 1.701 |
| 2008 | 0.349 | 0.011 | 0.360 | 0.776 | 0.284 | 0.020 | 0.259 | 1.699 |
| 2007 | 0.347 | 0.016 | 0.363 | 0.748 | 0.248 | 0.020 | 0.266 | 1.645 |
| 2006 | 0.785 | 0.040 | 0.825 | 1.675 | 0.474 | 0.083 | 0.550 | 3.607 |
| 2005 | 0.768 | 0.044 | 0.812 | 1.592 | 0.474 | 0.085 | 0.565 | 3.528 |
| Marlboro | | | | | | | | |
| 2014 | 0.432 | 0.015 | 0.447 | 1.002 | 0.377 | 0.010 | 0.327 | 2.163 |
| 2013 | 0.419 | 0.014 | 0.433 | 0.985 | 0.360 | 0.010 | 0.317 | 2.105 |
| 2012 | 0.399 | 0.004 | 0.403 | 0.956 | 0.338 | 0.010 | 0.311 | 2.018 |
| 2011 | 0.382 | 0.013 | 0.395 | 0.981 | 0.310 | 0.010 | 0.308 | 2.004 |
| 2010 | 0.374 | 0.013 | 0.388 | 0.980 | 0.297 | 0.010 | 0.304 | 1.979 |
| 2009 | 0.802 | 0.025 | 0.827 | 2.070 | 0.588 | 0.020 | 0.639 | 4.144 |
| 2008 | 0.817 | 0.026 | 0.843 | 2.073 | 0.567 | 0.020 | 0.626 | 4.129 |
| 2007 | 0.813 | 0.038 | 0.851 | 2.043 | 0.544 | 0.020 | 0.641 | 4.099 |
| 2006 | 0.793 | 0.041 | 0.834 | 2.013 | 0.533 | 0.095 | 0.562 | 4.037 |
| 2005 | 0.773 | 0.044 | 0.817 | 1.832 | 0.513 | 0.098 | 0.580 | 3.840 |

Source: County Board of Taxation

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO
UNAUDITED

| | | 2014 | | 2004 | |
|---------------------------------------|------------------------|--|---------------------------------------|------------------------|--|
| Community/Taxpayer | Taxable Assessed Value | As a % of Community's Net Assessed Valuation | Community/Taxpayer | Taxable Assessed Value | As a % of Community's Net Assessed Valuation |
| Colts Neck | | | | | |
| Trump National Golf Club | \$ 32,006,800 | 1.06% | Due Process Gold & Horse Stables, LLC | \$ 9,890,800 | 0.74% |
| Due Process Golf & Horse Stables, LLC | 22,941,700 | 0.76% | Laird & Co. Inc. | 4,788,100 | 0.36% |
| Wellspring Stables Florida, LLC | 11,618,400 | 0.39% | Shadow Isle Golf Club, LLC | 4,283,600 | 0.32% |
| Individual Taxpayer 1 | 9,409,400 | 0.31% | Pegasus Properties LLC | 3,798,700 | 0.28% |
| Individual Taxpayer 2 | 9,105,800 | 0.30% | Rojen Inc | 3,772,000 | 0.28% |
| Laird & Co. Inc. | 7,927,600 | 0.26% | Assisted Living at Colts Neck, Inc. | 3,700,000 | 0.28% |
| 24 Realty, LLC | 7,839,400 | 0.26% | Individual Taxpayer 1 | 3,104,000 | 0.23% |
| Pegasus Properties LLC | 5,969,700 | 0.20% | Pebble Creek At Colts Neck | 3,095,000 | 0.23% |
| Colts Neck Shopping Center Associates | 5,967,500 | 0.20% | 36 Highway 34 South Associates, LLC | 2,908,400 | 0.22% |
| 35 Highway 34 South Associates LLC | \$ 5,809,700 | 0.19% | Colts Neck Shopping Center Assoc | \$ 2,595,400 | 0.19% |
| Total | \$ 118,596,000 | 3.93% | Total | \$ 41,936,000 | 3.14% |
| Englishtown | | | | | |
| Stamford Square LLC | \$ 12,271,500 | 4.92% | Ruck, Di Rubbio, & MacCauley | \$ 5,000,000 | 5.29% |
| Btr Englishtown LLC | 5,229,300 | 2.09% | Englishtown Industrial Park | 2,462,500 | 2.60% |
| Three Corners Ventures LLC | 4,762,200 | 1.91% | Individual Taxpayer 1 | 1,203,100 | 1.27% |
| Bal Governor'S Crossing LLC | 4,210,000 | 1.69% | Verizon New Jersey | 600,000 | 0.63% |
| Wemac's, LLC | 2,387,000 | 0.96% | Wemac's LLC | 598,000 | 0.63% |
| Dcd LLC | 1,987,000 | 0.80% | K&K Englishtown, Inc. | 550,000 | 0.58% |
| Five South Main Street LLC | 1,850,000 | 0.74% | Sovereign Bank | 450,000 | 0.48% |
| Brooklawn Gardens Inc | 1,925,100 | 0.77% | Jolor Realty Co. | 422,800 | 0.45% |
| K&K Englishtown Inc | 1,782,800 | 0.71% | Individual Taxpayer 2 | 412,600 | 0.44% |
| Carr, Pauline H & Carr, John | \$ 1,034,100 | 0.41% | Individual Taxpayer 3 | \$ 406,300 | 0.43% |
| Total | \$ 37,439,000 | 15.00% | Total | \$ 12,105,300 | 12.80% |

Source: Municipal Tax Assessors

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO
UNAUDITED

| | | 2014 | | 2004 | |
|------------------------------------|------------------------|------------------------------------|------------------------------------|------------------------|---------------|
| Community/Taxpayer | Taxable Assessed Value | As a % of | | Taxable Assessed Value | As a % of |
| | | Community's Net Assessed Valuation | Community's Net Assessed Valuation | | |
| Farmingdale | | | | | |
| Farmingdale Garden Apartments, LLC | \$ 11,500,000 | 7.64% | | \$ 11,500,000 | 17.44% |
| 30 Southard Ave, Farmingdale LLC | 3,439,000 | 2.28% | | 3,795,400 | 5.75% |
| Farmingdale Shopping Center, LLC | 2,442,200 | 1.62% | | 2,876,600 | 4.36% |
| R.T. Equities LLC | 2,107,200 | 1.40% | | 2,442,200 | 3.70% |
| Academy Apartments LLC | 1,400,000 | 0.93% | | 2,321,144 | 3.52% |
| Farmingdale Train Station, LLC | 1,190,000 | 0.79% | | 2,107,200 | 3.20% |
| Bell Atlantic | 992,800 | 0.66% | | 1,070,400 | 1.62% |
| Farmingdale BP JFD Associates | 939,100 | 0.62% | | 992,800 | 1.51% |
| Individual Taxpayer 1 | 693,700 | 0.46% | | 904,100 | 1.37% |
| Individual Taxpayer 2 | 690,500 | 0.46% | | 896,700 | 1.36% |
| Total | \$ 25,394,500 | 16.87% | | \$ 28,906,544 | 43.83% |
| Freehold Borough | | | | | |
| Freehold Racing Association | \$ 29,225,300 | 2.78% | | \$ 27,300,000 | 5.60% |
| Nestle USA | 23,674,400 | 2.25% | | 20,499,200 | 4.20% |
| AEW Brookside | 14,269,000 | 1.36% | | 3,000,000 | 0.62% |
| East Coach Post & Coach | 6,495,700 | 0.62% | | 2,925,000 | 0.60% |
| Park Plaza Shopping | 5,560,900 | 0.53% | | 2,600,000 | 0.53% |
| Freefern Associates | 4,565,000 | 0.43% | | 2,500,000 | 0.51% |
| 18-20 E.Main Street LLC | 3,960,600 | 0.38% | | 1,750,000 | 0.36% |
| Spring Terrace Apartments LLC | 3,000,000 | 0.29% | | 1,550,100 | 0.32% |
| Bell Atlantic | 3,000,000 | 0.29% | | 1,468,700 | 0.30% |
| Chiu's Property Inc. | \$ 2,650,000 | 0.25% | | \$ 1,386,100 | 0.28% |
| Total | \$ 96,400,900 | 9.18% | | \$ 64,979,100 | 13.32% |

Source: Municipal Tax Assessors

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO
UNAUDITED

| | 2014 | | 2004 | |
|---------------------------------------|------------------------|--|------------------------|--|
| | Taxable Assessed Value | As a % of Community's Net Assessed Valuation | Taxable Assessed Value | As a % of Community's Net Assessed Valuation |
| Freehold Twp. | | | | |
| Freemall Associates, LLC | \$ 300,654,600 | 5.48% | \$ 154,401,000 | 5.34% |
| Center for Aging DBA/Appplewood | 47,933,400 | 0.87% | 24,897,800 | 0.86% |
| Freehold Financing, LLC | 45,393,900 | 0.83% | 23,220,000 | 0.80% |
| Iron Mountain, Inc. | 44,595,700 | 0.81% | 19,489,500 | 0.67% |
| New Jersey Bell Tel. Co. | 25,254,900 | 0.46% | 16,423,500 | 0.57% |
| Raintreetowne Center Associates, LP | 22,998,900 | 0.42% | 15,614,900 | 0.54% |
| Freehold Shopping Associates | 22,573,200 | 0.41% | 14,257,000 | 0.49% |
| Wal-Mart Business Trust | 22,558,600 | 0.41% | 12,557,600 | 0.43% |
| Macy's East, Inc. | 21,984,700 | 0.40% | 12,204,600 | 0.42% |
| Ronardi Freehold Associates LLC | \$ 20,000,000 | 0.36% | \$ 12,050,600 | 0.42% |
| Total | \$ 573,947,900 | 10.47% | \$ 305,116,500 | 10.54% |
| Howell | | | | |
| Buffalo-Parkton & Feuerstein & Wainco | \$ 39,285,000 | 0.71% | \$ 19,738,400 | 0.70% |
| Sunnyside @ Howell LLC | 25,892,000 | 0.47% | 14,194,800 | 0.50% |
| Home Depot USA Inc. Prop Tax Dept. | 17,450,600 | 0.31% | 13,268,800 | 0.47% |
| Lowe'S Home Centers, Inc., Facility | 16,671,600 | 0.30% | 12,638,600 | 0.45% |
| DS & DJ Realty, LLC | 15,128,800 | 0.27% | 11,380,000 | 0.40% |
| Target Corporation T-1823 | 13,366,100 | 0.24% | 9,900,800 | 0.35% |
| Eagle Golf Enterprises, LLC | 12,531,900 | 0.23% | 8,488,700 | 0.30% |
| Brochin, Leona & Mur %Levin Man. Corp | 13,714,600 | 0.25% | 7,932,000 | 0.28% |
| Centex Homes, LLC | 11,164,500 | 0.20% | 6,828,000 | 0.24% |
| Wal Mart Stores, Inc. | \$ 13,679,100 | 0.25% | \$ 6,427,900 | 0.23% |
| Total | \$ 178,884,200 | 3.21% | \$ 110,798,000 | 3.93% |

Source: Municipal Tax Assessors

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO
UNAUDITED

| | | 2014 | | 2004 | |
|--|------------------------|--|---------------------------------|------------------------|--|
| Community/Taxpayer | Taxable Assessed Value | As a % of Community's Net Assessed Valuation | Community/Taxpayer | Taxable Assessed Value | As a % of Community's Net Assessed Valuation |
| Manalapan | | | | | |
| Manalapan Rlty C/O Steiner Equities | \$ 42,593,600 | 0.73% | Manalapan Realty | \$ 26,921,600 | 1.13% |
| Manalapan Vf, C/O Vornado Realty | 29,989,700 | 0.51% | Manalapan VF | 11,793,000 | 0.50% |
| Towne Point Association C/O Edgewood Pro | 13,573,200 | 0.23% | Towne Pointe Associates | 8,082,300 | 0.34% |
| Trans Equity Realty, LLC | 9,694,600 | 0.17% | Battleground Dev d/b/a Fairways | 6,994,000 | 0.29% |
| Taylor 9 South Assoc. % Colliers Int | 7,593,400 | 0.13% | Westmon Corporation | 4,767,100 | 0.20% |
| Monmouth Investors LLC | 7,500,000 | 0.13% | Trans Equity Realty, LLC | 4,450,000 | 0.19% |
| Lenine, LLC | 7,356,000 | 0.13% | DR Horton Inc. D/B/A SGS | 4,107,800 | 0.17% |
| Pension Road Realty Associates | 6,400,000 | 0.11% | 200 Manalapan, LLC | 4,100,000 | 0.17% |
| Tech Park, LLC | 6,275,400 | 0.11% | Lenine, LLC | 3,850,000 | 0.16% |
| Englishtown Auction Sales, Inc | \$ 6,245,200 | 0.11% | Reiss Manufacturing, Inc. | \$ 3,779,800 | 0.16% |
| Total | \$ 137,221,100 | 2.35% | Total | \$ 78,845,600 | 3.32% |
| Marlboro | | | | | |
| Marlboro Plaza | \$ 38,423,500 | 0.57% | Marlboro Plaza | \$ 20,897,800 | 0.71% |
| Union Hill Nine | 30,549,100 | 0.45% | Union Hill Nine | 16,704,700 | 0.57% |
| TMC Marlboro | 22,500,000 | 0.33% | TMC Marlboro | 13,624,200 | 0.46% |
| American Plaza, LLC | 20,718,500 | 0.31% | Marlboro Loews Retail | 9,058,400 | 0.31% |
| Brooks Edge Plaza LLC | 12,886,000 | 0.19% | BTS Marlboro | 6,384,400 | 0.22% |
| Marlboro Lowe's | 12,501,900 | 0.19% | Lucas Development | 5,937,900 | 0.20% |
| Royal Pines | 11,400,000 | 0.17% | Sunrise Assisted Living | 5,464,700 | 0.19% |
| Triangle Business Park, LLC | 11,043,800 | 0.16% | Verizon | 5,176,020 | 0.18% |
| Sunrise Assisted Living | 9,300,000 | 0.14% | Kara Homes | 5,172,700 | 0.18% |
| Lucas Development LLC | \$ 8,801,500 | 0.13% | Exclusive Plaza | \$ 4,155,800 | 0.14% |
| Total | \$ 178,124,300 | 2.64% | Total | \$ 92,576,620 | 3.15% |

Source: Municipal Tax Assessors

FREEHOLD REGIONAL HIGH SCHOOL DISTRICTPROPERTY TAX LEVIES AND COLLECTIONLAST TEN FISCAL YEARSUNAUDITED

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | <u>Collected within the Fiscal Year of the Levy</u> | | Collections in Subsequent Years |
|-------------------------------|-------------------------------------|---|--------------------|------------------------------------|
| | | Amount | Percentage of Levy | |
| 2014 | \$ 123,178,158 | \$ 123,178,158 | 100.00% | - |
| 2013 | 120,833,006 | 120,833,006 | 100.00% | - |
| 2012 | 119,671,515 | 119,671,515 | 100.00% | - |
| 2011 | 119,663,191 | 119,663,191 | 100.00% | - |
| 2010 | 116,245,957 | 109,834,446 | 94.48% | 6,411,511 |
| 2009 | 114,357,196 | 110,406,396 | 96.55% | 3,950,800 |
| 2008 | 111,643,030 | 111,643,030 | 100.00% | - |
| 2007 | 106,064,212 | 106,064,212 | 100.00% | - |
| 2006 | 98,875,500 | 98,875,500 | 100.00% | - |
| 2005 | 92,614,793 | 92,614,793 | 100.00% | - |

Source: District records

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

UNAUDITED

| Fiscal Year Ended June 30, | Governmental Activities | | | | Total District | Percentage of Personal Income ^a | Per Capita ^a |
|-------------------------------------|--------------------------------|-------------------------------------|-------------------|---|----------------|--|-------------------------|
| | General Obligation Bonds | Certificates of Participation | Capital Leases | Bond Anticipation Notes (BANs) | | | |
| 2014 | \$ 27,570,000 | - | - | - | \$ 27,570,000 | N/A | N/A |
| 2013 | 31,400,000 | - | - | - | 31,400,000 | 0.27% | \$ 164 |
| 2012 | 35,035,000 | - | - | - | 35,035,000 | 0.31% | 183 |
| 2011 | 38,490,000 | - | - | - | 38,490,000 | 0.50% | 201 |
| 2010 | 41,770,000 | - | - | - | 41,770,000 | 0.40% | 219 |
| 2009 | 44,870,000 | - | - | - | 44,870,000 | 0.41% | 235 |
| 2008 | 47,830,000 | - | - | - | 47,830,000 | 0.45% | 251 |
| 2007 | 52,815,000 | - | - | - | 52,815,000 | 0.53% | 278 |
| 2006 | 57,795,000 | - | - | - | 57,795,000 | 0.64% | 307 |
| 2005 | 62,745,000 | - | - | - | 62,745,000 | 0.72% | 334 |

N/A - Information not currently available.

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

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

^a See J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
UNAUDITED

| <u>Fiscal Year Ended June 30,</u> | <u>General Obligation Bonds</u> | <u>School District Population</u> | <u>Net Assessed Value Taxable</u> | <u>Percentage of Actual Taxable Value of Property</u> | <u>Per Capita</u> |
|---|---|---|---------------------------------------|---|-------------------|
| 2014 | \$ 27,570,000 | 193,378 | \$ 28,113,985,730 | 0.10% | \$ 143 |
| 2013 | 31,400,000 | 192,039 | 28,077,229,720 | 0.11% | 164 |
| 2012 | 35,035,000 | 191,883 | 28,803,438,566 | 0.12% | 183 |
| 2011 | 38,490,000 | 191,883 | 30,200,912,655 | 0.13% | 201 |
| 2010 | 41,770,000 | 191,860 | 30,322,815,072 | 0.14% | 218 |
| 2009 | 44,870,000 | 191,061 | 25,683,175,265 | 0.17% | 235 |
| 2008 | 47,830,000 | 190,338 | 22,383,317,086 | 0.21% | 252 |
| 2007 | 52,815,000 | 190,196 | 21,937,964,106 | 0.24% | 278 |
| 2006 | 57,795,000 | 188,422 | 14,293,430,471 | 0.40% | 307 |
| 2005 | 62,745,000 | 187,616 | 14,039,362,689 | 0.45% | 335 |

N/A - Information not currently available.

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

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2014
UNAUDITED

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | | <u>Estimated Percentage Applicable (a)</u> | <u>Estimated Share of Overlapping Debt</u> |
|---|-------------------------|----------------------|--|--|
| Debt repaid with property taxes | | | | |
| Colts Neck Township | \$ 10,650,575 | | 100.000% | \$ 10,650,575 |
| Englishtown Borough | 1,906,667 | | 100.000% | 1,906,667 |
| Borough of Farmingdale | 433,776 | | 100.000% | 433,776 |
| Borough of Freehold | 8,440,068 | | 100.000% | 8,440,068 |
| Freehold Township | 41,372,864 | | 100.000% | 41,372,864 |
| Howell Township | 55,981,660 | | 100.000% | 55,981,660 |
| Manalapan Township | 20,172,127 | | 100.000% | 20,172,127 |
| Marlboro Township | 34,697,301 | | 100.000% | 34,697,301 |
| Other debt | | | | |
| Monmouth County | 452,960,720 | <u>Net Valuation</u> | | |
| Colts Neck Township | | 3,018,022,351 | 2.943% | 13,331,191 |
| Englishtown Borough | | 249,645,900 | 0.243% | 1,102,734 |
| Borough of Farmingdale | | 150,562,800 | 0.147% | 665,065 |
| Borough of Freehold | | 1,050,551,700 | 1.024% | 4,640,491 |
| Freehold Township | | 5,482,575,400 | 5.347% | 24,217,600 |
| Howell Township | | 5,574,386,229 | 5.436% | 24,623,146 |
| Manalapan Township | | 5,842,218,476 | 5.697% | 25,806,213 |
| Marlboro Township | | 6,746,022,874 | 6.579% | 29,798,493 |
| Subtotal, overlapping debt | | | | 297,839,971 |
| Freehold Regional High School District Direct Debt | | <u>County total</u> | | <u>27,570,000</u> |
| | | 102,544,897,101 | | |
| Total Direct and Overlapping Debt | | | | <u>\$ 325,409,971</u> |

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the regional district. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible of repaying the debt, of each overlapping payment.

(a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another government unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
UNAUDITED

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
| Debt Limit | \$ 897,823,311 | \$ 919,819,452 | \$ 948,256,347 | \$ 971,666,105 | \$ 978,159,048 | \$ 955,264,285 | \$ 895,449,731 | \$ 780,200,630 | \$ 712,525,468 | \$ 546,288,447 |
| Total Net Debt Applicable to Limit | 27,570,000 | 31,400,000 | 35,035,000 | 38,490,000 | 41,770,000 | 44,870,000 | 47,830,000 | 52,815,000 | 57,795,000 | 67,670,000 |
| Legal Debt Margin | \$ 870,253,311 | \$ 884,784,452 | \$ 913,221,347 | \$ 933,176,105 | \$ 936,389,048 | \$ 910,394,285 | \$ 847,619,731 | \$ 727,385,630 | \$ 654,730,468 | \$ 478,618,447 |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 3.17% | 3.55% | 3.84% | 4.12% | 4.46% | 4.93% | 5.64% | 7.26% | 8.83% | 14.14% |

| Year | Equalized Valuation Basis |
|------|---------------------------|
| 2011 | 30,689,008,687 |
| 2012 | 29,634,369,228 |
| 2013 | 29,448,953,153 |
| [A] | \$ 89,782,331,068 |

Average Equalized Valuation of Taxable Property

[A/3] \$ 29,927,443,689

Debt limit (3% of average)
Net bonded school debt as of June 30, 2014
Legal debt margin

[B] \$ 897,823,311 (a)
[C] 27,570,000
[B-C] \$ 870,253,311

Source: Abstract of Rates and District Records.

(a) Limit set by NJSA 18A:24-19 for a 9-12 district.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

| Fiscal Year Ended June 30, | Community | School District Population ^a | Personal Income ^b | Per Capita Personal Income ^c | Unemployment Rate ^d |
|----------------------------------|------------------|--|------------------------------|--|-----------------------------------|
| 2013 | Colts Neck | 10,099 | N/A | N/A | 3.1% |
| | Englishtown | 1,948 | N/A | N/A | 6.4% |
| | Farmingdale | 1,311 | N/A | N/A | 6.1% |
| | Freehold Borough | 12,047 | N/A | N/A | 7.0% |
| | Freehold Twp. | 36,064 | N/A | N/A | 6.4% |
| | Howell | 51,732 | N/A | N/A | 7.6% |
| | Manalapan | 39,851 | N/A | N/A | 7.0% |
| | Marlboro | 40,326 | N/A | N/A | 5.9% |
| 2012 | Colts Neck | 10,094 | \$ 620,034,044 | \$ 61,426 | 7.6% |
| | Englishtown | 1,909 | 117,262,234 | 61,426 | 7.1% |
| | Farmingdale | 1,314 | 80,713,764 | 61,426 | 5.0% |
| | Freehold Borough | 12,097 | 743,070,322 | 61,426 | 12.6% |
| | Freehold Twp. | 36,086 | 2,216,618,636 | 61,426 | 7.4% |
| | Howell | 51,109 | 3,139,421,434 | 61,426 | 8.9% |
| | Manalapan | 39,229 | 2,409,680,554 | 61,426 | 8.3% |
| | Marlboro | 40,201 | 2,469,386,626 | 61,426 | 6.8% |
| 2011 | Colts Neck | 10,151 | \$ 592,361,605 | \$ 58,355 | 7.3% |
| | Englishtown | 1,848 | 107,840,040 | 58,355 | 6.8% |
| | Farmingdale | 1,330 | 77,612,150 | 58,355 | 4.8% |
| | Freehold Borough | 12,063 | 703,936,365 | 58,355 | 12.1% |
| | Freehold Twp. | 36,219 | 2,113,559,745 | 58,355 | 7.1% |
| | Howell | 51,127 | 2,983,516,085 | 58,355 | 8.8% |
| | Manalapan | 38,913 | 2,270,768,115 | 58,355 | 7.9% |
| | Marlboro | 40,232 | 2,347,738,360 | 58,355 | 6.2% |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

| Fiscal Year Ended June 30, | Community | School District Population ^a | Personal Income ^b | Per Capita Personal Income ^c | Unemployment Rate ^d |
|----------------------------------|------------------|--|------------------------------|--|-----------------------------------|
| 2010 | Colts Neck | 10,152 | \$ 669,209,688 | \$ 65,919 | 7.3% |
| | Englishtown | 1,848 | 56,018,424 | 30,313 | 6.8% |
| | Farmingdale | 1,330 | 41,795,250 | 31,425 | 4.7% |
| | Freehold Borough | 12,063 | 281,441,853 | 23,331 | 12.0% |
| | Freehold Twp. | 36,214 | 1,466,811,856 | 40,504 | 7.7% |
| | Howell | 51,119 | 1,811,606,241 | 35,439 | 8.9% |
| | Manalapan | 38,908 | 1,597,134,492 | 41,049 | 7.8% |
| | Marlboro | 40,226 | 2,030,608,480 | 50,480 | 6.6% |
| 2009 | Colts Neck | 10,065 | \$ 551,270,115 | \$ 54,771 | 7.2% |
| | Englishtown | 1,916 | 104,941,236 | 54,771 | 6.7% |
| | Farmingdale | 1,572 | 86,100,012 | 54,771 | 4.7% |
| | Freehold Borough | 11,432 | 626,142,072 | 54,771 | 11.9% |
| | Freehold Twp. | 34,589 | 1,894,474,119 | 54,771 | 7.5% |
| | Howell | 51,551 | 2,823,499,821 | 54,771 | 8.8% |
| | Manalapan | 39,390 | 2,157,429,690 | 54,771 | 7.8% |
| | Marlboro | 40,546 | 2,220,744,966 | 54,771 | 6.6% |
| 2008 | Colts Neck | 10,055 | \$ 576,684,415 | \$ 57,353 | 4.3% |
| | Englishtown | 1,915 | 109,830,995 | 57,353 | 4.0% |
| | Farmingdale | 1,569 | 89,986,857 | 57,353 | 2.8% |
| | Freehold Borough | 11,413 | 654,569,789 | 57,353 | 7.3% |
| | Freehold Twp. | 34,674 | 1,988,657,922 | 57,353 | 4.2% |
| | Howell | 51,297 | 2,942,036,841 | 57,353 | 4.7% |
| | Manalapan | 38,912 | 2,231,719,936 | 57,353 | 4.2% |
| | Marlboro | 40,503 | 2,322,968,559 | 57,353 | 3.6% |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

| Fiscal Year Ended June 30, | Community | School District Population ^a | Personal Income ^b | Per Capita Personal Income ^c | Unemployment Rate ^d |
|----------------------------------|------------------|--|------------------------------|--|-----------------------------------|
| 2007 | Colts Neck | 10,076 | \$ 562,502,776 | \$ 55,826 | 3.4% |
| | Englishtown | 1,892 | 105,622,792 | 55,826 | 3.1% |
| | Farmingdale | 1,574 | 87,870,124 | 55,826 | 2.2% |
| | Freehold Borough | 11,444 | 638,872,744 | 55,826 | 5.7% |
| | Freehold Twp. | 34,828 | 1,944,307,928 | 55,826 | 3.2% |
| | Howell | 51,274 | 2,862,422,324 | 55,826 | 3.5% |
| | Manalapan | 38,535 | 2,151,254,910 | 55,826 | 3.2% |
| | Marlboro | 40,573 | 2,265,028,298 | 55,826 | 2.7% |
| 2006 | Colts Neck | 10,150 | \$ 532,864,850 | \$ 52,499 | 3.7% |
| | Englishtown | 1,863 | 97,805,637 | 52,499 | 3.4% |
| | Farmingdale | 1,581 | 83,000,919 | 52,499 | 2.4% |
| | Freehold Borough | 11,515 | 604,525,985 | 52,499 | 6.3% |
| | Freehold Twp. | 34,282 | 1,799,770,718 | 52,499 | 3.5% |
| | Howell | 51,135 | 2,684,536,365 | 52,499 | 3.8% |
| | Manalapan | 37,617 | 1,974,854,883 | 52,499 | 3.5% |
| | Marlboro | 40,279 | 2,114,607,221 | 52,499 | 3.0% |
| 2005 | Colts Neck | 10,181 | \$ 489,421,032 | \$ 48,072 | 3.6% |
| | Englishtown | 1,819 | 87,442,968 | 48,072 | 3.4% |
| | Farmingdale | 1,593 | 76,578,696 | 48,072 | 3.5% |
| | Freehold Borough | 11,589 | 557,106,408 | 48,072 | 6.2% |
| | Freehold Twp. | 34,145 | 1,641,418,440 | 48,072 | 3.2% |
| | Howell | 51,017 | 2,452,489,224 | 48,072 | 3.6% |
| | Manalapan | 37,260 | 1,791,162,720 | 48,072 | 3.0% |
| | Marlboro | 40,012 | 1,923,456,864 | 48,072 | 2.7% |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

| Fiscal Year Ended June 30, | Community | School District Population ^a | Personal Income ^b | Per Capita Personal Income ^c | Unemployment Rate ^d |
|----------------------------------|------------------|--|------------------------------|--|-----------------------------------|
| 2004 | Colts Neck | 10,166 | \$ 473,176,470 | \$ 46,545 | 2.4% |
| | Englishtown | 1,831 | 85,223,895 | 46,545 | 4.8% |
| | Farmingdale | 1,602 | 74,565,090 | 46,545 | 3.9% |
| | Freehold Borough | 11,639 | 541,737,255 | 46,545 | 5.6% |
| | Freehold Twp. | 34,033 | 1,584,065,985 | 46,545 | 2.8% |
| | Howell | 50,807 | 2,364,811,815 | 46,545 | 4.6% |
| | Manalapan | 37,178 | 1,730,450,010 | 46,545 | 3.7% |
| | Marlboro | 39,803 | 1,852,630,635 | 46,545 | 3.3% |

^a Population information provided by the NJ Dept of Labor and Workforce Development

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

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

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

N/A - Information not currently available

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND LAST YEAR
UNAUDITED

| | <u>2014</u> | | <u>2013</u> | |
|--|------------------|---------------------------------------|------------------|---------------------------------------|
| <u>Employer</u> | <u>Employees</u> | <u>Percentage of Total Employment</u> | <u>Employees</u> | <u>Percentage of Total Employment</u> |
| Meridian Health System Inc., Wall | 9,932 | 3.02% | 9,200 | 2.75% |
| CentraState Healthcare Inc., Freehold | 2,626 | 0.80% | 1,900 | 0.57% |
| Saker Shoprites Inc., Freehold | 2,250 | 0.68% | 6,850 | 2.05% |
| Monmouth Medical Center, Long Branch | 2,200 | 0.67% | 2,100 | 0.63% |
| Commvault, Oceanport | 1,740 | 0.53% | N/A | N/A |
| Visiting Nurse Assoc of Central Jersey, Red Bank | 1,400 | 0.43% | 1,000 | 0.30% |
| Monmouth University, W. Long Branch | 1,350 | 0.41% | 1,200 | 0.36% |
| NJ Resources, Wall | 945 | 0.29% | N/A | N/A |
| Vonage Holdings Corp., Holmdel | 933 | 0.28% | 1,056 | 0.32% |
| Food Circus Supermarkets Inc., Middletown | 750 | 0.23% | 1,200 | 0.36% |
| | <u>24,126</u> | <u>7.34%</u> | <u>24,506</u> | <u>7.32%</u> |

Most recent available data presented.
N/A - Information not currently available.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

| <u>Function/Program</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Instruction | | | | | | | | | | |
| Regular | 620.8 | 619.6 | 627.2 | 627.2 | 753.5 | 794.2 | 756.1 | 783.0 | 772.0 | 761.0 |
| Special education | 168.0 | 168.0 | 154.0 | 139.0 | 43.0 | 44.8 | 35.3 | 37.0 | 38.5 | 42.0 |
| Other instruction | 2.0 | 2.0 | 3.0 | 3.0 | 19.0 | 15.6 | 12.2 | 12.0 | 12.0 | 12.0 |
| Support Services: | | | | | | | | | | |
| Student & Instruction Rel. Svcs | 223.0 | 223.0 | 205.8 | 202.8 | 177.7 | 185.1 | 187.5 | 176.0 | 186.0 | 180.0 |
| School Administrative Services | 44.0 | 44.0 | 61.0 | 61.0 | 59.0 | 65.5 | 61.4 | 65.0 | 61.0 | 78.0 |
| General and Central Services | 36.0 | 36.0 | 31.5 | 31.5 | 31.3 | 36.3 | 35.5 | 38.0 | 55.0 | 34.0 |
| Plant Operations & Maintenance | 118.0 | 117.0 | 128.5 | 128.5 | 137.0 | 158.0 | 149.0 | 150.0 | 151.0 | 151.0 |
| Pupil Transportation | 145.0 | 145.0 | 148.0 | 148.0 | 148.0 | 158.0 | 159.0 | 136.0 | 159.0 | 165.0 |
| Total | <u>1,356.8</u> | <u>1,354.6</u> | <u>1,359.0</u> | <u>1,341.0</u> | <u>1,368.5</u> | <u>1,457.5</u> | <u>1,396.0</u> | <u>1,397.0</u> | <u>1,434.5</u> | <u>1,423.0</u> |

Source: District Records

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

| Fiscal Year Ended June 30, | Enrollment | Operating Expenditures a | Cost Per Pupil | Percentage Change | Teaching Staff b | Pupil/Teacher Ratio | Average Daily Enrollment (ADE) c | Average Daily Attendance (ADA) c | % Change in Average Daily Enrollment | Student Attendance Percentage |
|----------------------------|------------|--------------------------|----------------|-------------------|------------------|---------------------|----------------------------------|----------------------------------|--------------------------------------|-------------------------------|
| 2014 | 11,280.5 | \$185,727,106 | 16,464 | 3.52% | 742 | 1:15.2 | 11,253.9 | 10,558.1 | 0.06 | 93.8% |
| 2013 | 11,445.0 | 182,030,689 | 15,905 | 4.59% | 726 | 1:15.8 | 11,247.1 | 10,573.5 | 1.64 | 94.0% |
| 2012 | 11,573.0 | 175,985,090 | 15,207 | 4.12% | 782 | 1:14.8 | 11,065.3 | 10,457.2 | (4.56) | 94.5% |
| 2011 | 11,737.0 | 176,004,757 | 14,996 | -0.12% | 737 | 1:15.9 | 11,594.5 | 10,912.9 | 0.18 | 94.1% |
| 2010 | 11,726.0 | 176,055,601 | 15,014 | 2.76% | 796 | 1:14.7 | 11,573.8 | 10,919.7 | 0.19 | 94.3% |
| 2009 | 11,556.5 | 168,847,855 | 14,611 | 3.47% | 818 | 1:14.1 | 11,552.1 | 10,908.2 | (1.13) | 94.4% |
| 2008 | 11,703.0 | 165,254,535 | 14,121 | 5.03% | 813 | 1:14.4 | 11,684.2 | 11,036.7 | 2.21 | 94.5% |
| 2007 | 11,669.0 | 156,890,204 | 13,445 | 7.90% | 799 | 1:14.7 | 11,549.9 | 10,889.6 | 1.03 | 94.3% |
| 2006 | 11,634.5 | 144,969,698 | 12,460 | 7.17% | 800 | 1:14.6 | 11,432.1 | 10,737.2 | 2.41 | 93.9% |
| 2005 | 11,737.5 | 136,474,306 | 11,627 | 5.03% | 791 | 1:14.8 | 11,163.2 | 10,454.0 | 5.06 | 93.6% |

Source: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment & average daily attendance are obtained from the School Registers.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| District Building | | | | | | | | | | |
| High Schools | | | | | | | | | | |
| Colts Neck High School (1998) | 219,490 | 219,490 | 219,490 | 219,490 | 219,490 | 219,490 | 219,490 | 219,490 | 219,490 | 219,490 |
| Square Feet | 1,748 | 1,748 | 1,748 | 1,748 | 1,748 | 1,748 | 1,748 | 1,748 | 1,748 | 1,748 |
| Capacity (students) | 1,493 | 1,513 | 1,478 | 1,523 | 1,481 | 1,550 | 1,721 | 1,780 | 1,773 | 1,604 |
| Enrollment | | | | | | | | | | |
| Freehold Borough High School (1954) | 187,256 | 187,256 | 187,256 | 187,256 | 187,256 | 187,256 | 187,256 | 187,256 | 187,256 | 187,256 |
| Square Feet | 1,564 | 1,564 | 1,564 | 1,564 | 1,564 | 1,564 | 1,564 | 1,564 | 1,564 | 1,564 |
| Capacity (students) | 1,551 | 1,580 | 1,566 | 1,534 | 1,433 | 1,395 | 1,416 | 1,402 | 1,387 | 1,268 |
| Enrollment | | | | | | | | | | |
| Freehold Township High School (1968) | 256,293 | 256,293 | 256,293 | 256,293 | 256,293 | 256,293 | 256,293 | 256,293 | 256,293 | 256,293 |
| Square Feet | 2,224 | 2,224 | 2,224 | 2,224 | 2,224 | 2,224 | 2,224 | 2,224 | 2,224 | 2,224 |
| Capacity (students) | 2,091 | 2,127 | 2,162 | 2,193 | 2,208 | 2,191 | 2,240 | 2,190 | 2,151 | 2,011 |
| Enrollment | | | | | | | | | | |
| Howell High School (1962) | 249,497 | 249,497 | 249,497 | 249,497 | 249,497 | 249,497 | 249,497 | 249,497 | 249,497 | 249,497 |
| Square Feet | 2,274 | 2,274 | 2,274 | 2,274 | 2,274 | 2,274 | 2,274 | 2,274 | 2,274 | 2,274 |
| Capacity (students) | 2,252 | 2,299 | 2,456 | 2,488 | 2,475 | 2,351 | 2,317 | 2,115 | 1,948 | 1,853 |
| Enrollment | | | | | | | | | | |
| Manalapan High School (1968) | 256,293 | 256,293 | 256,293 | 256,293 | 256,293 | 256,293 | 256,293 | 256,293 | 256,293 | 256,293 |
| Square Feet | 2,341 | 2,341 | 2,341 | 2,341 | 2,341 | 2,341 | 2,341 | 2,341 | 2,341 | 2,341 |
| Capacity (students) | 1,917 | 1,948 | 1,991 | 2,038 | 2,065 | 2,018 | 2,029 | 1,952 | 1,974 | 2,222 |
| Enrollment | | | | | | | | | | |
| Marlboro High School (1966) | 264,142 | 264,142 | 264,142 | 264,142 | 264,142 | 264,142 | 264,142 | 264,142 | 264,142 | 264,142 |
| Square Feet | 2,450 | 2,450 | 2,450 | 2,450 | 2,450 | 2,450 | 2,450 | 2,450 | 2,450 | 2,450 |
| Capacity (students) | 1,950 | 1,971 | 1,920 | 1,961 | 2,015 | 2,052 | 2,155 | 2,160 | 2,246 | 2,222 |
| Enrollment | | | | | | | | | | |
| Other | | | | | | | | | | |
| Administration Building (1982) | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 |
| Square Feet | | | | | | | | | | |
| Transportation | | | | | | | | | | |
| Square Feet | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 |
| Maintenance Offices | | | | | | | | | | |
| Square Feet | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 |
| Number of Schools at June 30, 2014 | | | | | | | | | | |
| High School = 6 | | | | | | | | | | |
| Other = 3 | | | | | | | | | | |

Source: District records, ASSA

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

GENERAL FUND

SCHEDULE OF ALLOWABLE MAINTENANCE FOR SCHOOL FACILITIES

LAST NINE FISCAL YEARS ENDING JUNE 30
UNAUDITED

| School Facilities | Project (#)s | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | Total |
|-----------------------------------|--------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Colts Neck High School | NA | \$ 513,687 | \$ 395,274 | \$ 402,984 | \$ 347,111 | \$ 465,593 | \$ 510,603 | \$ 370,897 | \$ 444,859 | \$ 338,483 | \$ 3,425,378 |
| Freehold Borough High School | NA | 316,228 | 337,225 | 343,802 | 296,135 | 397,217 | 442,524 | 347,255 | 560,535 | 515,354 | 3,471,230 |
| Freehold Township High School | NA | 446,244 | 481,552 | 470,555 | 405,313 | 543,662 | 612,725 | 454,676 | 602,446 | 281,188 | 3,870,898 |
| Howell High School | NA | 380,272 | 449,313 | 458,077 | 394,566 | 529,246 | 612,725 | 454,676 | 896,564 | 421,414 | 4,244,420 |
| Manalapan-Englishtown High School | NA | 401,235 | 461,552 | 470,555 | 405,313 | 543,662 | 612,725 | 454,676 | 799,762 | 396,202 | 4,183,228 |
| Marlboro High School | NA | 357,148 | 475,687 | 484,965 | 417,726 | 560,311 | 612,725 | 454,676 | 902,624 | 690,887 | 4,603,437 |
| Total School Facilities | | <u>2,414,814</u> | <u>2,580,602</u> | <u>2,630,938</u> | <u>2,266,164</u> | <u>3,039,691</u> | <u>3,404,027</u> | <u>2,536,856</u> | <u>4,206,790</u> | <u>2,643,528</u> | <u>23,798,591</u> |
| Other Facilities | | - | - | - | - | - | - | - | - | - | - |
| Grand Total | | <u>\$ 2,414,814</u> | <u>\$ 2,580,602</u> | <u>\$ 2,630,938</u> | <u>\$ 2,266,164</u> | <u>\$ 3,039,691</u> | <u>\$ 3,404,027</u> | <u>\$ 2,536,856</u> | <u>\$ 4,206,790</u> | <u>\$ 2,643,528</u> | <u>\$ 23,798,591</u> |

Source: District Records

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

INSURANCE SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2014

UNAUDITED

| | <u>Coverage</u> | <u>Deductible</u> |
|--|-----------------|-------------------|
| Wells Fargo Insurance Services | | |
| Property | \$ 218,040,884 | \$ 5,000 |
| Boiler/Machinery | 75,000,000 | 1,000 |
| Liability | | |
| General | 2,000,000 | - |
| Excess Liability | 10,000,000 | 1,000,000 |
| Automobile | 1,000,000 | 1,000 |
| Employee Dishonesty | 500,000 | 5,000 |
| Board Legal | 1,000,000 | 5,000 |
| New Jersey School Boards Insurance Group | | |
| Workers Compensation | Statutory | N/A |
| Crime: | | |
| Board Secretary | 500,000 | 1,000 |

Source: District Records

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

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

Honorable President and Members
of the Board of Education
Freehold Regional High School District
County of Monmouth
Englishtown, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Freehold Regional High School District (the "District") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated November 26, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Freehold Regional High School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

SUPLEE, CLOONEY & COMPANY

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. We did note immaterial instances of noncompliance that we have reported to the Board of Education of the Freehold Regional High School District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated November 26, 2014.

Compliance and Other Matters

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

Purpose of This Report

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


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

November 26, 2014



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH U.S. OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

Honorable President and Members
of the Board of Education
Freehold Regional High School District
County of Monmouth
Englishtown, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Freehold 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 State Grant Compliance Supplement* that could have a direct and material effect on each of the Freehold Regional High School District's major federal and state programs for the year ended June 30, 2014. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Freehold 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* and *New Jersey OMB 04-04*. Those standards, *OMB Circular A-133* and *New Jersey OMB 04-04* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Freehold Regional High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

SUPLEE, CLOONEY & COMPANY

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

Opinion on Each Major Federal and State Program

In our opinion, the Freehold 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, 2014.

Report on Internal Control Over Compliance

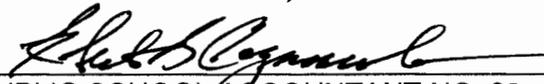
Management of the Freehold Regional High School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Freehold Regional High School 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 program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *OMB Circular A-133* and *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 the Freehold 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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

November 26, 2014

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014

| FEDERAL CFDA NUMBER | FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE | GRANT PERIOD | | AWARD AMOUNT | BALANCE AT JUNE 30, 2013 | CASH RECEIVED | BUDGETARY EXPENDITURES | REPAYMENT OF PYS BALANCE | BALANCE JUNE 30, 2014 | |
|---------------------------|---|--------------|----------|-----------------|--------------------------------|------------------|---------------------------|--------------------------------|--------------------------|---------------------|
| | | FROM | TO | | | | | | (ACCOUNTS RECEIVABLE) | UNEARNED REVENUE |
| | General Fund: | | | | | | | | | |
| | U.S. Department of Education | | | | | | | | | |
| | Passed-through State Department of Education: | | | | | | | | | |
| 93.778 | Medical Assistance Program (SEM) | 07/01/13 | 06/30/14 | 96,883 \$ | 96,883 \$ | | (98,883) | | | \$ |
| 84.410A | Education Jobs Fund | 07/01/12 | 06/30/13 | 1,823,301 | (4,540) | 4,540 | | | | \$ |
| | Total General Fund | | | | (4,540) | 103,423 | (98,883) | | | \$ |
| | Special Revenue Fund: | | | | | | | | | |
| | U.S. Department of Education | | | | | | | | | |
| | Passed-through State Department of Education: | | | | | | | | | |
| 84.010 | Title I, Part A Basic | 9/1/12 | 8/31/13 | 386,616 | (156,977) | 387,094 | (210,117) | | | |
| 84.010 | Title I, Part A Basic | 7/1/13 | 6/30/14 | 352,573 | | 289,618 | (316,885) | (27,367) | | |
| 84.281 | Title II, Part A Teacher & Principal Training | 9/1/12 | 8/31/13 | 164,707 | (140,015) | 150,380 | (10,365) | | | |
| 84.281 | Title II, Part A Teacher & Principal Training | 7/1/13 | 6/30/14 | 148,527 | | 51,765 | (130,822) | (79,057) | | |
| 84.365 | Title III | 9/1/12 | 8/31/13 | 23,482 | (24,276) | 24,796 | (520) | | | |
| 84.365 | Title III | 7/1/13 | 6/30/14 | 20,607 | | 17,312 | (18,421) | (1,109) | | |
| 84.027 | I.D.E.A. Part B Basic | 9/1/12 | 8/31/13 | 2,276,818 | (2,340,828) | 2,340,828 | | | | |
| 84.048 | I.D.E.A. Part B Basic | 7/1/13 | 6/30/14 | 2,062,781 | (34,987) | 34,991 | (2,062,781) | | | |
| 84.048 | Vocational Education - Perkins | 9/1/12 | 8/31/13 | 34,991 | | | (4) | | | |
| 84.000 | Vocational Education - Perkins | 7/1/13 | 6/30/14 | 17,141 | 3,375 | 21,143 | (17,113) | (17,113) | | |
| 84.395 | JROTC | 7/1/13 | 6/30/14 | 24,815 | (41,675) | 41,675 | (24,815) | (297) | | |
| | Race to the Top | 9/1/11 | 11/30/15 | 41,675 | (2,735,383) | 3,339,602 | (2,791,943) | | (2,187,724) | |
| | Total U.S. Department of Education | | | | (2,735,383) | 3,339,602 | (2,791,943) | | (2,187,724) | |
| | Total Special Revenue Fund | | | | (2,735,383) | 3,339,602 | (2,791,943) | | (2,187,724) | |
| | Enterprise Fund: | | | | | | | | | |
| | U.S. Department of Agriculture | | | | | | | | | |
| | Passed-through State Department of Education: | | | | | | | | | |
| 10.565 | Commodity Supplemental Food Program | 7/1/12 | 6/30/13 | 144,768 | 2,563 | 111,466 | (2,563) | | | |
| 10.565 | Commodity Supplemental Food Program | 7/1/13 | 6/30/14 | 113,649 | | 6,492 | (111,086) | | | 380 |
| 10.553 | School Breakfast Program | 7/1/12 | 6/30/13 | 16,784 | (6,492) | 13,615 | (17,280) | | | |
| 10.553 | School Breakfast Program | 7/1/13 | 6/30/14 | 17,280 | (99,568) | 99,568 | (3,665) | | | |
| 10.555 | National School Lunch Program | 7/1/12 | 6/30/13 | 293,534 | (99,568) | 296,954 | (318,380) | | | |
| 10.555 | National School Lunch Program | 7/1/13 | 6/30/14 | 319,380 | (3,759) | 3,759 | (62,426) | | | |
| 10.551 | Healthy Hunger Free Kids Act | 7/1/12 | 6/30/13 | 10,934 | (107,256) | 8,765 | (10,841) | | | |
| 10.551 | Healthy Hunger Free Kids Act | 7/1/13 | 6/30/14 | 10,841 | | 500,619 | (68,167) | | | 380 |
| | Total Enterprise Fund | | | | (107,256) | 500,619 | (68,167) | | | 380 |
| | Total Federal Financial Assistance | | | | (2,847,179) | 3,943,644 | (3,351,976) | | (2,255,891) | 380 |

See accompanying notes to schedules of financial assistance.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| STATE GRANTOR/PROGRAM TITLE | GRANT OR STATE PROJECT NUMBER | GRANT PERIOD | AWARD AMOUNT | BALANCE JUNE 30, 2013 | | CASH RECEIVED | BUDGETARY EXPENDITURES | ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCES | BALANCE JUNE 30, 2014 | | BUDGETARY RECEIVABLE | MEMO CUMULATIVE TOTAL EXPENDITURES |
|---|-------------------------------|----------------|-------------------|------------------------|--------------------|-----------------|------------------------|--|-----------------------|-------------|----------------------|------------------------------------|
| | | | | DUE STATE/ (ACCTS REC) | (ACCTS RECEIVABLE) | | | | UNEARNED REVENUE | DUE GRANTOR | | |
| State Department of Education General Funds: | | | | | | | | | | | | |
| Categorical Special Education Aid | 13-495-034-5120-011 | 7/1/12-6/30/13 | \$ 7,025,068.00 | \$ | \$ | 702,506.80 | (2,608,991.00) | (702,506.80) | \$ | \$ | \$ | 7,025,068.00 |
| Equalization Aid | 13-495-034-5120-076 | 7/1/12-6/30/13 | 42,455,081.00 | 4,208,725.80 | (4,208,725.80) | | | | | | | 42,455,081.00 |
| Categorical Security Aid | 13-495-034-5120-084 | 7/1/12-6/30/13 | 725,356.00 | 72,535.60 | (72,535.60) | | | | | | | 725,356.00 |
| Categorical Transportation Aid | 13-495-034-5120-014 | 7/1/12-6/30/13 | 1,021,008.00 | 102,100.80 | (102,100.80) | | | | | | | 1,021,008.00 |
| Categorical Special Education Aid | 14-495-034-5120-011 | 7/1/13-6/30/14 | 7,030,185.00 | 6,332,193.00 | | (7,030,185.00) | | | | | 687,992.00 | 1,021,008.00 |
| Equalization Aid | 14-495-034-5120-078 | 7/1/13-6/30/14 | 40,713,982.00 | 36,871,691.00 | | (40,713,982.00) | | | | | 4,042,291.00 | 7,030,185.00 |
| Categorical Security Aid | 14-495-034-5120-084 | 7/1/13-6/30/14 | 735,594.00 | 682,559.00 | | (735,594.00) | | | | | 73,035.00 | 735,594.00 |
| Categorical Transportation Aid | 14-495-034-5120-014 | 7/1/13-6/30/14 | 1,110,522.00 | 1,000,262.00 | | (1,110,522.00) | | | | | 110,260.00 | 1,110,522.00 |
| Adjustment Aid | 14-495-034-5120-085 | 7/1/12-6/30/13 | 1,636,230.00 | 1,473,777.00 | | (1,636,230.00) | | | | | 162,453.00 | 1,636,230.00 |
| Extraordinary Special Education Costs Aid | 13-100-034-5120-473 | 7/1/12-6/30/13 | 2,380,919.00 | (2,380,919.00) | | | | | | | 2,608,991.00 | 2,380,919.00 |
| Extraordinary Special Education Costs Aid | 14-100-034-5120-473 | 7/1/13-6/30/14 | 2,608,991.00 | (77,317.00) | | (2,608,991.00) | | | | | 2,608,991.00 | 2,608,991.00 |
| Non-Public Transportation Costs Aid | 13-100-034-5120-068 | 7/1/13-6/30/14 | 73,833.00 | | | (73,833.00) | | | | | 73,833.00 | 73,833.00 |
| Anti-Bullying | N/A | 7/1/12-6/30/13 | 7,375.00 | (266,180.00) | | (7,375.00) | | | | | 7,375.00 | 7,375.00 |
| Reimbursed TPAF Social Security | 13-495-034-5095-051 | 7/1/12-6/30/13 | 5,395,922.00 | | | | | | | | | 5,395,922.00 |
| Reimbursed TPAF Social Security | 14-495-034-5095-051 | 7/1/12-6/30/14 | 5,470,226.17 | (2,724,416.00) | | (5,462,436.00) | 162.00 | | | | 269,264.00 | 5,395,922.00 |
| Total General Funds | | | 5,470,226.17 | (2,724,416.00) | | 59,151,314.00 | (59,379,148.00) | 162.00 | | | 8,038,119.00 | 5,470,226.17 |
| Special Revenue Fund: | | | | | | | | | | | | |
| N.J. Nonpublic Aid: | | | | | | | | | | | | |
| Textbook Aid | 14-100-034-5120-064 | 7/1/13-6/30/14 | 6,143.00 | | | | | | | | | 6,143.00 |
| Textbook Aid | 13-100-034-5120-064 | 7/1/12-6/30/13 | 4,651.00 | (448.00) | | | | | | | 3,064.00 | 6,143.00 |
| Nursing Services | 14-100-034-5120-070 | 7/1/13-6/30/14 | 9,650.00 | | | | | 448.00 | | | | 9,650.00 |
| Technology Aid | 14-100-034-5120-373 | 7/1/13-6/30/14 | 2,240.00 | | | | | | | | | 2,240.00 |
| Technology Aid | 13-100-034-5120-373 | 7/1/12-6/30/13 | 1,718.00 | (74.00) | | | | 74.00 | | | | 1,718.00 |
| Handicapped Services: | | | | | | | | | | | | |
| Supplemental Instruction | 14-100-034-5120-066 | 7/1/13-6/30/14 | 2,082.03 | | | | | | | | | 2,082.03 |
| Speech | 14-100-034-5120-066 | 7/1/13-6/30/14 | 780.97 | | | | | | | | | 780.97 |
| Exam and Classification | 14-100-034-5120-066 | 7/1/13-6/30/14 | 2,866.00 | | | | | | | | | 2,866.00 |
| Exam and Classification | 13-100-034-5120-066 | 7/1/12-6/30/13 | 781.00 | (525.00) | | | | 525.00 | | | | 781.00 |
| ELL Scaffolding Writer | | | 4,299.00 | 145.00 | | | | | | | | 4,299.00 |
| Total Special Revenue Fund | | | 14,367.00 | (802.00) | | 23,762.00 | (17,006.00) | 1,047.00 | | | | 28,320.00 |
| Debt Service Fund: | | | | | | | | | | | | |
| Debt Service Aid Type II | 14-100-034-5120-125 | 7/1/13-6/30/14 | 1,313,222.00 | | | | | | | | | 1,313,222.00 |
| Total Debt Service Fund | | | 1,313,222.00 | | | 1,313,222.00 | (1,313,222.00) | | | | | 1,313,222.00 |
| Enterprise Fund: | | | | | | | | | | | | |
| National School Lunch Program (State Share) | 14-100-034-5120-122 | 7/1/13-6/30/14 | 9,397.28 | | | | | | | | | 9,397.28 |
| National School Lunch Program (State Share) | 13-100-034-5120-122 | 7/1/12-6/30/13 | 9,417.00 | (3,001.00) | | | | | | | (1,691.21) | 8,397.28 |
| Total Enterprise Fund | | | 18,814.28 | (3,001.00) | | 10,706.79 | (9,397.00) | | | | | 15,797.98 |
| New Jersey Economic Development Authority Capital Projects Fund: | | | | | | | | | | | | |
| Freehold Boro High School - Roof | 1650-080-14-G2AF | Ongoing | 620,528.00 | | | | | | | | | 620,528.00 |
| Marlboro High School - Roof | 1650-080-14-G2AJ | Ongoing | 336,764.00 | | | | | | | | | 336,764.00 |
| Freehold Boro High School - Boiler/IVAC | 1650-080-14-G2AE | Ongoing | 1,014,438.00 | | | | | | | | | 1,014,438.00 |
| Total Capital Projects Fund | | | 1,971,720.00 | | | | | | | | | 1,971,720.00 |
| Total State Financial Assistance Subject to OMB 04-04 | | | \$ (2,728,316.00) | \$ | \$ | 60,469,004.79 | (60,655,921.00) | 1,209.00 | | | 145.00 | 119,972,456.23 |
| On Behalf TPAF Contributions Not Subject to OMB 04-04: | | | | | | | | | | | | |
| On-behalf TPAF Pension/Medical | 14-495-034-5095-050 | 7/1/13-6/30/14 | 8,105,394.00 | | | | | | | | | 8,105,394.00 |
| Total State Financial Assistance | | | 8,105,394.00 | | | 8,105,394.00 | (8,105,394.00) | | | | | 8,105,394.00 |

See accompanying notes to schedules of financial assistance.

Freehold Regional High Regional School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2014

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Education, Freehold Regional High Regional School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from the federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions 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 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 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 schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. 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 revenue, whereas GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

Freehold Regional High Regional School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2014

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$162 for the general fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|--|---------------------|----------------------|----------------------|
| General Fund | \$ 98,883 | \$ 67,484,380 | \$ 67,583,263 |
| Special Revenue Fund | 2,791,943 | 17,006 | 2,808,949 |
| Capital Projects Fund | | 138,148 | 138,148 |
| Debt Service Fund | | 1,313,222 | 1,313,222 |
| Proprietary Fund | 461,150 | 9,397 | 470,547 |
| Financial Assistance | <u>3,351,976</u> | <u>68,962,153</u> | <u>72,314,129</u> |
| GAAP Adjustment | | <u>162</u> | <u>162</u> |
| Total Awards & Financial Assistance | <u>\$ 3,351,976</u> | <u>\$ 68,962,315</u> | <u>\$ 72,314,291</u> |

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2014. The amount reported as TPAF pension contributions reported in the financial statements represents the amount paid by the state on behalf of the district for the year ended June 30, 2014.

Freehold Regional High Regional School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued: | Unmodified |
| (2) | Internal Control Over Financial Reporting: | |
| | (a) Material weakness identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (3) | Noncompliance material to basic financial statements noted? | No |

Federal Program(s)

- | | | |
|-----|--|------------|
| (1) | Internal Control Over Major Federal Programs: | |
| | (a) Material weakness identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with Section.510(a) of Circular OMB A-133? | No |

Freehold Regional High Regional School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

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

Federal Program(s) (Continued)

(4) Identification of Major Federal Program(s):

| | |
|--------|-----------------------------------|
| 84.027 | Title I |
| 10.553 | National School Breakfast Program |
| 10.555 | National School Lunch Program |
| 10.551 | Healthy Hunger Free Kids Act |

(5) Program Threshold Determination:
Type A Federal Program Threshold > \$300,000
Type B Federal Program Threshold <= \$300,000

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

Freehold Regional High Regional School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

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

State Program(s)

- (1) Internal Control Over Major State Programs:
 - (a) Material weakness identified? No
 - (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? No
- (4) Identification of Major State Program(s):

| <u>Grant Number</u> | <u>Program</u> |
|-------------------------|-----------------------------------|
| 14-495-034-5120-078 | Equalization Aid |
| 14-495-034-5120-089 | Categorical Special Education Aid |
| 14-495-034-5120-084 | Security Aid |
| 14-495-034-5195-085 | Adjustment Aid |
| 14-100-034-5120-125 | Debt Service Aid Type II |

Freehold Regional High Regional School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014

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

State Program(s) Continued

- (5) Program Threshold Determination:
Type A State Program Threshold > \$1,825,708
Type B State Program Threshold <= \$1,825,708
- (6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

Section II – Financial Statement Audit – Reported Findings
Under Government Auditing Standards

Internal Control Findings

None Reported

Compliance Findings

None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

Freehold Regional High Regional School District

Schedule of Prior Year Audit Findings

Not Applicable

