

SOUTH HUNTERDON REGIONAL HIGH SCHOOL
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**SOUTH HUNTERDON REGIONAL HIGH SCHOOL
BOARD OF EDUCATION
WEST AMWELL, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Prepared by

**SOUTH HUNTERDON REGIONAL HIGH SCHOOL
BOARD OF EDUCATION
DEPARTMENT OF ADMINISTRATION**

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INTRODUCTORY SECTION



South Hunterdon Regional School District

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December 15, 2014

Honorable President and Members
Of the Board of Education
South Hunterdon Regional High School
County of Hunterdon, New Jersey

Dear Board Members:

State law requires that school districts publish a complete set of financial statements presented in conformity with accounting principals generally accepted in the United States of America (GAAP) and audited by a firm of licensed certified public accountants 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 of the United States. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the South Hunterdon Regional High School 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 financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A) and should be read in connection with it. The District's MD&A can be found immediately following the report of the independent auditors.

The comprehensive annual financial report is presented in four sections:

- A. The Introductory Section: Introduces the reader to the report and includes this transmittal letter, a list of principal officials, the district's organizational charts, certificate of excellence in financial reporting and a map of the district.

Lambertville Public School – Geoff Hewitt, Principal	(609) 397-0183	(609) 397-4607 Fax
South Hunterdon Regional High School – Mark Collins, Principal	(609) 397-2060	(609) 397-2366 Fax
Stockton Borough Elementary School – Suzanne Ivans, Principal	(609) 397-2012	(609) 397-2602 Fax
West Amwell Township Elementary School – Scott Uribe, Principal	(609) 397-0819	(609) 397-4350 Fax

- B. The Financial Section: Consists of the independent auditor’s report, management’s discussion and analysis, the basic financial statements and combining individual fund statements and schedules.
- C. The Statistical Section: Contains selected financial and demographic information, generally presented on a multi-year basis.
- D. The Single Audit: Includes the auditor’s report on the internal control structure, compliance with applicable laws and regulations and findings and recommendations.

The District is required to undergo an annual single audit in conformity with the provisions of the 1996 Single Audit in conformity with the provisions of the 1996 Single Audit Act and the US. Office of Management and Budget Circular A-133. “Audits of States, Local Governments and Non-Profit Organizations” and New Jersey OMC’s Circular 04-04, “Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.” Information related to the single audit, including the auditor’s report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

DESCRIPTION OF THE DISTRICT

South Hunterdon Regional High School is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and account groups of the district are included in this report. The South Hunterdon Regional High School and its 7-12 comprehensive middle and high schools constitute the District’s reporting entity.

The school is located in the Township of West Amwell, the existing school building was built in 1959 with renovations and additions in 2009. The State of New Jersey requires submission of enrollment data as of October 15 of each year. The District provides a full range of educational services appropriate to grade levels 7 through 12. These include regular, as well as education for special needs students. The District completed the 2013-14 fiscal year with an enrollment of 403, ending with forty three more students than the previous year. The following details the changes in the student enrollment of the District over the last ten years.

AVERAGE DAILY ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2013 14	420	4.2%
2012-13	403	7.5%
2011-12	375	4.2%
2010-11	360	8.7%
2009-10	331	(3.0%)

2008-09	341	(2.6%)
2007-08	350	1.5%
2006-07	345	2.6%
2005-06	336	(4.0%)
2004-05	352	7.0%

Economic Condition and Outlook

On January 19, 2012 the Board of Education voted to eliminate the Vote on the Annual School Budget and to move the election of School Board Members to the General Election in November. The municipal council's of the City of Lambertville, West Amwell Township and Stockton Borough, also voted to eliminate the Annual School Budget. The Additional School Choice Aid allowed the 2014-2015 budget to remain within the 2% cap limit on tax levy.

The district returned \$113,653 from unreserved fund balance in 2013-14 budget due to rigid controls on spending and the mandatory **\$1701** law enacted in 2004 limiting unreserved fund balance to two percent. The district will return \$74,630 in 2014-15.

The district received approximately sixty (60) School Choice students for the 2013-14 school year.

The district continued to contract with Maschio's Food Services, Inc. to provide lunches to our students for the 2013-14 school year with a clause to break even for the year. The 2013-2014 school year saw a decrease in student participation. This is believed to be the result of Federal mandated changes to a healthier meal program.

Major Initiatives

There are a number of initiatives of note which are a source of pride for our school and we hope, for our community. These include:

1. Facilities

Additional State Aid for School Choice programs allowed South Hunterdon Regional High School to increase the capital projects budget. The following projects / upgrades were completed:

- New Lockers last section of 3 year project
- Baseball/Softball field repair and upgrades
- Driveway and walkway repairs

Projects for the future 2014-15 budget

- Concrete flooring in the storage barn
- Continue driveway upgrade and paving
- Stone to create emergency path for emergency vehicles behind school
- Install new electronic sign in the front of school property
- Install glass wall in technology/shop classroom
- Re configure/remodel shipping/receiving (agriculture classroom)
- Create Vestibule at front entrance (H.S) for Greater safety

2. **Administrative Reorganization**

In July 2013 a new experienced Superintendent was appointed to South Hunterdon. He joins the current Business Administrator who has been at South since September 2008. In addition, the principal has served the district since 2009. An experience Interim Child Study Team Coordinator has also joined the team in 2013. The promotion of a strong experienced administrative team will support the district's goals for increased student achievement coupled with support of professional development for faculty and staff.

For the future to support newly formed South Hunterdon Regional School District

Hire Director of Curriculum and Instruction
Restructure/Hire Technology staff to support

3. **Strategic Planning**

South Hunterdon Regional High School received Middle States Accreditation in 2011 and continues to implement the action plans that were submitted as part of the process. Three goals having completion dates of 2017 were identified: an increase in student achievement in math and language arts and an increase in communication between the school and the community.

2013-14 district goals are compatible with the Middle States accreditation goals and are also threefold: maintain and foster a positive and inclusive environment for all students; foster higher academic aspirations; and strengthen curriculum, instruction and assessment. Starting July 1, 2014 it is projected that South will join the three sending elementary schools and merge into one district. Planning is underway during the 2013-2014 school year, and there is a high energy level exhibited throughout the communities of Lambertville, Stockton and West Awmell.

For the future, new district goals will be established in summer 2014

4. **Student Achievement**

As noted above, increasing student achievement is the major goal at South Hunterdon Regional High School. Teachers in all classrooms deliver a content rich, standards based curriculum and are urged to develop professionally and continually improve pedagogy. *New Jersey Monthly* magazine ranked South Hunterdon Regional High School 21st in September, 2012 and the top high school in Hunterdon County. Our motto has become, "Striving for 1st from 21st" as we prepare each of our students to be college and career ready. More recently we have received an "A" ranking in the new ratings.

Students at South Hunterdon are exposed to resources and classes at all levels. Differentiation and inclusion are the norm and students have the opportunity to achieve and excel. Advanced Placement courses are offered at the high school level in each of the core areas and students often pursue college level courses on line.

Middle school students have the opportunity to participate in a gifted humanities based program and to take high school level courses if they meet certain criteria.

South Hunterdon Regional High School has welcomed approximately 60 students from nearby districts by participating in the Inter-district Choice program and are projected to increase the program to 94 students for the 2014-2015 school year. In addition to providing revenue, the program has increased the diversity among youngsters who attend the school. Programs have been put in place to close educational gaps that the children may have.

5. Academic Partnerships

Teachers from South Hunterdon Regional High School regularly share professional development opportunities and articulate with teachers from all three sending districts. This practice was in place informally for many years and has been formalized due to new regionalization and a commitment to the same teacher evaluation model.

Middle school content teachers and counselors meet annually with elementary teachers to learn about our entering students' academic and social needs. Administrators and teachers from all of the schools meet regularly to learn about the Danielson Framework for teacher evaluation which will go into effect in September 2013. In the spring of 2012, teachers came together to learn how to disaggregate student achievement data and utilize this data to drive instruction.

Additionally, South participates in Hunterdon County consortiums that share, among other topics, information about technology and to host college admission representatives. South has signed an articulation agreement with Delaware Valley College which will provide an opportunity for South students to receive college credit upon completion of high school coursework in Agriculture Science. A similar agreement with Rutgers University is anticipated later this year.

6. Communication with Public

One of the main goals of the Board of Education is creating avenues in which to drive community outreach. There have been communication venues created which include live and virtual Town Hall meetings and updates with the community, which are also delivered via a ListServ messages, Board meeting on our SHRHS website, Facebook, Twitter and a quarterly newsletter which is posted on our website. We also have direct relationships with representatives from all of the local hard copy and on-line newspapers. We have also created unique ways of bringing the community into the school and students out into the community to share their talents. Here are some examples of those efforts. A community service program has been instituted which sends South students out into the local community to perform service for many needed causes and organizations. The Board's School and Community Relations Committee focuses on community based events and offers an evening of learning for adults in the community twice a year called "Communiversiety." The program offers a night of learning on topics such as photography, cooking, painting, home renovations, yoga and historians. As they are also a very important part of our

community, we invite Senior Citizens into the school for special performances, holiday luncheons and a night dedicated to them “Senior Night” at one of the boys and girls double header basketball games. South has enlisted businesses and talent from our local community to come in and serve as our local experts who represent different careers in support of our annual School and Community Career Day.

7. **Technology**

South Hunterdon continues to make technology acquisitions and improvements to its infrastructure and security. We recently upgraded network switches for faster throughput, increased Internet bandwidth and virtualized our phone system while upgrading to the most current version. We also implemented a new virtual server farm to replace most of our 10 year old physical servers and bring increased performance with scalability to grow into as well.

All classroom computers have been upgraded slightly with newer software but further purchases are on hold or on a dire needs basis while we look into alternative methods such as Virtual Desktop's for future use at South and within the new regionalized district to come. More and more staff and students are also bringing their own devices in as well which is a direction we are working to better manage and support appropriately moving forward.

South Hunterdon has also purchased/renewed a number of software licenses including Rosetta Stone, which enable students to access foreign languages and Study Island which allows students to practice and master content skills. Our science classrooms boast new equipment including Vernier equipment and an iPad Mini lab. We also implemented a new student information system, Realtime, which is now in operation.

For the future will need to assess and upgrade all facilities in the newly formed regional district to support instructional practices.

8. **Parent Involvement**

The Parent Teacher Student Organization continues to be a very active and an energetic support system. Parental participation levels are high and the generosity of the PTSO underwrites many school activities. In 2012-13, one hundred percent of the faculty joined the PTSO.

The Lambertville Education Foundation continues to be a great support for the school. They sponsored major fund-raising events this year that helped fund the following school initiatives: Wicked Broadway Experience, upgrade to fitness equipment, Mobile Stem Education, laptops for science classes, and our SHR TV Station-Video Production course. Teachers can apply for mini grants that help support classroom learning.

The West Amwell Golf Day fundraiser continues to contribute to technology, library E-books and Info Based learning technology and other initiatives that support teaching and learning.

9. Awards

We are extremely proud of the Class of 2013; they had a high rate of college acceptances and several matriculated at the most selective colleges. Many of the students in the class received significant financial awards to help fund their post high school studies.

Internal Accounting Controls

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgments by management. The establishment of GAAP has been able to give management a day to day actual account of all moneys being received and spent. The preparation of these monthly reports provides a clear picture of all activity generated from the District.

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

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

Budgetary Controls

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section. Budget costs have been contained while maintaining sound educational programs for the children.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as a expropriation of fund balance in the subsequent year. Those amounts to be expropriated are reported as reservations of fund balance at June 30, 2014.

Accounting System and Reports

The District's accounting records reflect GAAP, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting systems of the District are organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

Financial Information at Fiscal Year End

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt fund revenues ended June 30, 2014, and the amount and percentage of increases in relation to prior year revenues.

SOUTH HUNTERDON REGIONAL REVENUE AND EXPENDITURE ANALYSIS YEAR ENDED JUNE 30, 2014

REVENUES	Amount	Percent of Total	Increase (Decrease) from prior year	Percent of Increase (Decrease)
Local Source				
Tax Levy				
General	\$ 8,038,463	67.81%	\$175,797	2.24%
Debt Service	1,202,229	10.14%	(1,512)	-0.13%
Other Revenues	98,619	0.83%	35,511	56.27%
State Aid-Operating & Grants	2,368,360	19.98%	1,122,687	90.13%
State Aid - Debt Service	0	0.00%	(353,269)	-100.00%
Federal Aid	146,807	1.24%	(21,157)	-12.60%
Total	<u>\$11,854,478</u>	<u>100.00%</u>	<u>958,057</u>	<u>8.79%</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, and Debt Service Fund expenditures for the year ended June 30, 2014 and the percentage increase and decrease in relation to prior year expenditures.

EXPENDITURES	Amount	Percent of Total	Increase (Decrease) from prior year	Percent of Increase (Decrease)
Current Expense	\$ 9,757,315	83.90%	\$ 1,218,025	14.26%
Capital Outlay	71,233	0.61%	(71,418)	-50.06%
Special Projects	196,112	1.69%	13,157	7.19%
Debt Service				
Principal	940,000	8.08%	35,000	3.87%
Interest	664,985	5.72%	(37,019)	-5.27%
Total	<u>\$11,629,645</u>	<u>100.00%</u>	<u>\$1,157,745</u>	<u>11.06%</u>

Debt Administration

The District's debt service payment for the 2013-14 school year was \$1,604,985 as compared to the 2012-13 school year Debt Service of \$1,607,004.

Cash Management

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

Risk Management

The Board carries various forms of insurance, including but not limited to general liability, comprehensive/collision, hazard and theft, insurance on property and contents, workers compensation and fidelity bonds.

We continue to realize broader coverage for our money with the School Alliance Insurance Fund and have received many cost saving services through them. The rates for the new school year have increased by six percent.

Other Information

Independent Audit. State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of William Colantano Jr., CPA was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the

single audit are included in the single audit section of this report.

Acknowledgements

We would like to express our appreciation to the members of the South Hunterdon Regional High School 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,

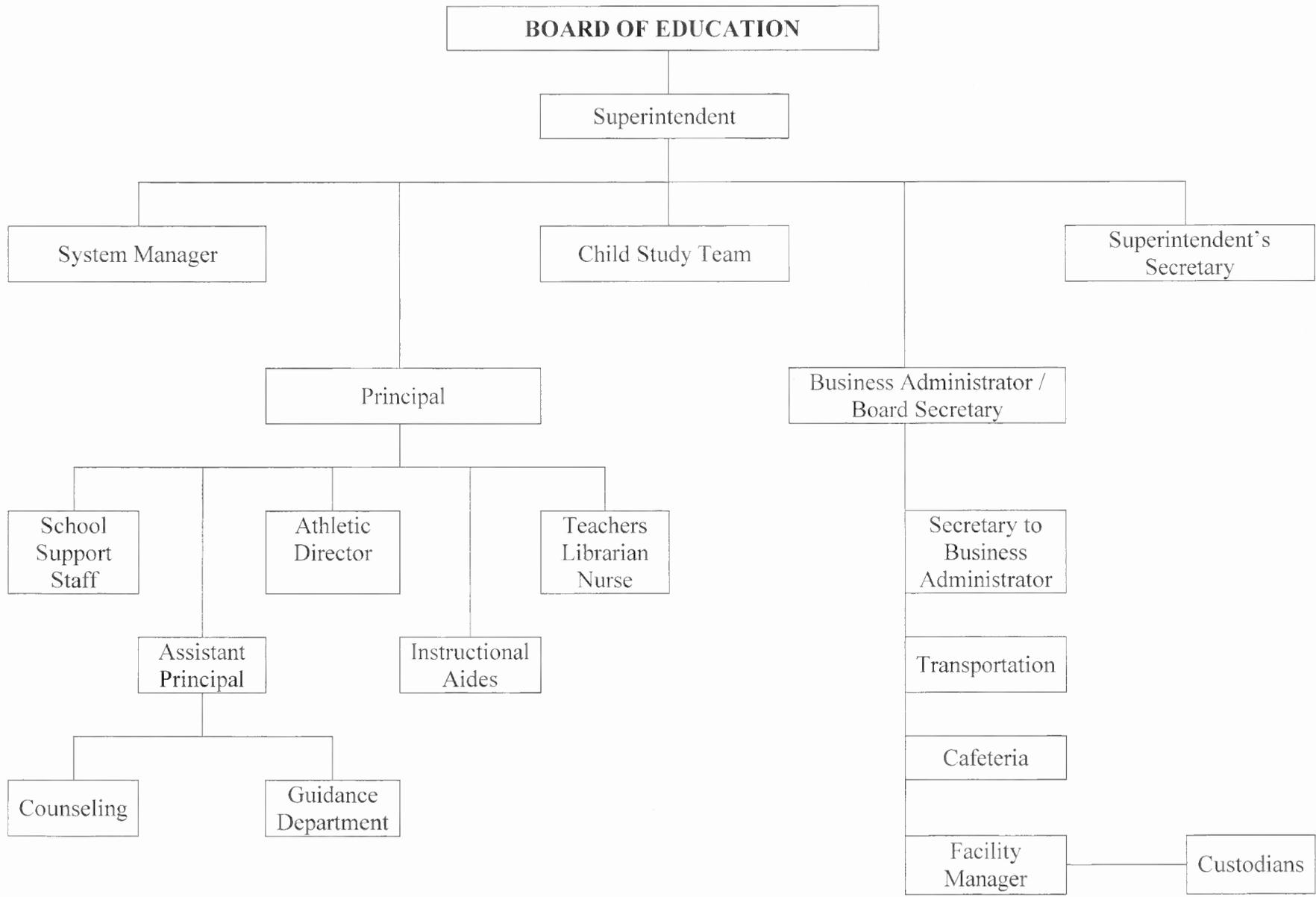


Louis Muenker
Superintendent



Kerry Sevilis
Business Administrator/Board Secretary

**SOUTH HUNTERDON REGIONAL HIGH SCHOOL
ORGANIZATIONAL CHART**



SOUTH HUNTERDON REGIONAL HIGH SCHOOL
BOARD OF EDUCATION
Lambertville, NJ 08530

ROSTER OF OFFICIALS
June 30, 2014

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Marie Collins	2014
Karen Conlon	2014
David Beaumont	2014
David Burd	2014
Maura Buckenberger	2014
Cheryl Carpenter	2014
Boyd Hartpence	2014
David Pasicznyk	2014
Craig Reading	2014

Other Officials

Louis T. Muenker , D.Ed., Superintendent of Schools

Kerry Sevilis, Business Administrator/Board Secretary

**SOUTH HUNTERDON REGIONAL HIGH SCHOOL
BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

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INVESTORS SAVINGS BANK
3563 Rt. 22 E - PO Box 499
Whitehouse, NJ 08888

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Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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Fax # (908) 689-8388
(908) 689-5002

INDEPENDENT AUDITOR'S REPORT

December 15, 2014

Honorable President and
Members of the Board of Education
South Hunterdon Regional
High School District
County of Hunterdon, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the South Hunterdon Regional High School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Board'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, 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 identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the schedule of state financial assistance as required by NJ OMB 04-04 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the schedule of and the schedule of state financial assistance as required by NJ OMB 04-04 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 and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the schedule of state financial assistance as required by NJ OMB 04-04 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject 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 December 15, 2014 on our consideration of the 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 District's internal control over financial reporting and compliance.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

REQUIRED SUPPLEMENTARY INFORMATION-PART I

**SOUTH HUNTERDON REGIONAL HIGH SCHOOL
BOARD OF EDUCATION**

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

The discussion and analysis of South Hunterdon 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 notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2014 are as follows:

- In total, net position increased by \$760,743, which represents a 9.77 percent increase from 2013.
- General revenues accounted for \$11,622,878 in revenue or 86.07 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, accounted for \$1,881,384 or 13.93 percent to total revenues of \$13,504,262.
- Total assets of governmental activities decreased by \$455,166 as cash and cash equivalents decreased by \$17,310, receivables and other assets increased by \$39,635 and capital assets decreased by \$477,491.
- The School District had \$12,743,519 in expenses; only \$1,881,384 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$11,622,878 were adequate to provide for these programs.
- Among major funds, the General Fund had \$10,103,381 in revenues and \$9,973,879 in expenditures. After factoring in net other financing sources of \$95,331 the General Fund's balance increased \$224,833 over 2013.

Using this Generally Accepted Accounting Principals Report (GAAP)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the 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. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of South Hunterdon Regional High School, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Fund Financial Statements

The analysis of the School District's major funds begins on page 17. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major 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 you 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 Assets and the Statement of Activities) and governmental funds is reconciled in the 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.

Table 1 provides a summary of the School District's net position for 2014 compared to 2013.

Table 1
Net Position

Assets	6/30/2014	6/30/2013	Variance	
			Dollars	Percent
Current and Other Assets	\$ 1,697,539	\$ 1,567,605	\$ 129,930	8.29%
Capital Assets	22,608,756	23,097,703	(488,947)	-2.12%
Total Assets	24,306,295	24,665,308	(359,017)	-1.46%
Liabilities				
Long Term Liabilities	15,465,373	16,355,959	(890,586)	-5.45%
Other Liabilities	290,245	519,419	(229,174)	-44.12%
Total Liabilities	15,755,618	16,875,378	(1,119,760)	-6.64%
Net Position				
Net Investment in Capital				
Assets	7,252,610	6,813,897	438,713	6.44%
Restricted	1,094,398	742,133	352,261	47.47%
Unrestricted	203,669	233,900	(30,231)	-12.92%
	\$ 8,550,677	\$ 7,789,930	\$ 760,743	9.77%

Total assets decreased \$359,017. Cash and cash equivalents increased by \$73,447. Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements of the School District decreased by \$30,231 after net transfers of \$351,000 to restricted accounts. Table 2 on the following page shows the change in net position for fiscal year 2014 as compared to fiscal year 2013.

Table 2
Changes in Net Position

	6/30/2014	6/30/2013	Dollars	Variance Percent
Revenues				
Program Revenues:				
Charges for Services	\$ 1,647,309	\$ 1,355,977	\$ 291,332	21.49%
Operating Grants and Contr.	234,075	213,634	20,441	9.57%
General Revenues:				
Property Taxes	9,240,692	9,006,407	174,285	1.92%
Unrestricted Grants	2,363,594	2,348,656	14,938	0.64%
Other	18,592	24,124	(5,532)	-22.93%
Total Revenues	13,504,262	13,008,798	495,464	3.81%
Program Expenses				
Instruction:				
Regular	4,098,175	4,048,298	\$ 291,332	21.49%
Special	993,648	1,052,622	20,441	9.57%
Other	586,025	494,817		
Support Services:			174,285	1.92%
Tuition	717,102	578,522	14,938	0.64%
Student and Instruction Related Services	1,446,231	1,507,827	(5,532)	-22.93%
General & Business Administration				
School Administration	839,729	702,762	495,464	3.81%
Maintenance	145,920	154,857	\$ 291,332	21.49%
Transportation	958,136	892,616	20,441	9.57%
Food Service	895,042	744,996		
Other Business Type Services	103,196	99,545	174,285	1.92%
Interest on Long Term Debt	1,303,092	1,288,462	14,938	0.64%
	657,223	692,989	(5,532)	-22.93%
Total Expenses	12,743,519	12,258,313	495,464	3.81%
			\$ 291,332	21.49%
Increase (Decrease) in Net Position	\$ 760,743	\$ 750,485	20,441	9.57%

Governmental Activities

The unique nature of property taxes in New Jersey creates the need, if necessary to seek voter approval for the School District operation. Property taxes made up 77.49% of revenues for governmental activities for South Hunterdon Regional High School for fiscal year 2014.

Instruction comprises 50.08 percent of district expenses. Support services expenses make up 44.12 percent of the expenses. Interest on debt comprises 5.80 percent of expenses.

The Statement of Activities shows the cost of program services and the changes for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	6/30/2014	6/30/2013	6/30/2014	6/30/2013
Instruction	\$ 5,595,737	\$ 5,043,350	\$ 5,500,290	\$ 4,939,017
Support Services:				
Tuition	\$ 5,677,848	\$ 5,595,737	\$ 5,555,927	\$ 5,500,290
Student & Instruction Related Services				
General & Business Administration				
School Administration	717,102	578,522	633,950	494,924
Plant Operations & Maintenance	1,446,231	1,507,827	1,425,331	1,483,117
Pupil Transportation	839,729	702,762	834,929	702,762
Food Service	145,920	154,857	143,126	154,857
Other Business Type Services.	958,136	892,616	953,135	890,116
Interest on Long Term Debt	895,042	74,996	830,741	744,996
	103,196	99,545	(10,565)	(9,777)
	<u>1,303,092</u>	<u>1,288,462</u>	<u>(161,662)</u>	<u>3,428</u>

Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student.

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

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

Plant operation and maintenance of facilities activities involve keeping the school grounds, building and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

The food service program is run by an outside food service company and represents lunches provided to students throughout the school year.

Other business type services include expenses related to various enterprise funds operated by the School District which are designed to provide opportunities for services with other school districts for cost savings.

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

The dependence upon tax revenues is apparent. For all activities local tax revenues support is 68.43 percent. The community, as a whole, is the primary support for the South Hunterdon Regional High School.

The School District's Funds

Information about the School District's major funds starts on page 17. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$11,854,478 and expenses of \$11,775,919. The net positive change in fund balance for the year was most significant in the General Fund, an increase of \$224,833.

General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund which represents the day-to-day operating account.

During the course of the fiscal 2014 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting systems that are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources was \$58,285 over original budgeted estimates of \$9,338,800. This difference was due primarily to additional state aid and miscellaneous revenue.

The General Fund revenues and other financing sources of the School District were over expenditures by \$227,105.

Capital Assets

At the end of the fiscal year 2014, the School District had \$22,608,756 invested in land, buildings, furniture, equipment and vehicles. Table 4 shows fiscal 2013 balances compared to 2014.

Table 4
Capital Assets (Net of Depreciation) at June 30, 2014

	6/30/2014	6/30/2013	Variance	
			Dollars	Percent
Land	\$ 15,443	\$ 15,443		
Construction in Progress	72,148	76,271	\$ (4,123)	-5.41%
Buildings & Improvements	17,454	7,328	10,126	138.18%
Machinery and Equipment	21,582,132	22,119,746	(537,614)	-2.43%
Transportation Equipment	725,964	494,190	231,774	46.90%
	195,615	384,725	(189,110)	-49.15%

Overall capital assets decreased \$488,947 from fiscal year 2013 to fiscal year 2014. Increases in capital assets (primarily building and improvements, machinery and equipment) were offset by depreciation expenses for the year. Capital assets additions included one regular school bus, a special education school vehicle, bathroom partitions, interior door replacement and preliminary cost on an athletic turf field project.

Debt Administration

Table 5
Outstanding Bonded Debt at June 30, 2014

	6/30/2014	6/30/2013	Variance	
			Dollars	Percent
2006 School Bonds	\$ 11,177,000	\$11,862,000	\$ (685,000)	-5.77%
2007 School Bonds	4,000,000	4,255,000	(255,000)	-5.99%
	<u>\$ 15,177,000</u>	<u>\$16,117,000</u>	<u>\$ (940,000)</u>	<u>-5.83%</u>

At June 30, 2014, the School District had \$15,465,373 in long term liabilities. Of this amount \$95,050 is for compensated absences, \$15,177,000 for bonds and \$193,323 in Capital leases. The district added several capital leases in fiscal year 2013 for items including two transportation vehicles, a maintenance vehicle, technology assets and fitness equipment

At June 30, 2014, the School district's overall legal debt limit was \$6,692,160 and the legal debt margin was \$31,515,160

For the Future

The South Hunterdon Regional High School is in fair financial condition presently. A major concern is the continued loss of State Aid based on the State Formula for funding schools. The Cap on Free Balance and General Fund balances will be a concern for future budgets and maintaining the quality of education that South Hunterdon has always tried to achieve.

In conclusion, the South Hunterdon Regional High School Board of Education has committed itself to financial excellence for many years. The School District plans to continue its sound fiscal management to meet all future challenges.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Kerry Sevilis, Business Administrator, South Hunterdon Regional High School, 301 Mt. Airy-Harbourton Road, Lambertville, NJ 08530.

BASIC FINANCIAL STATEMENTS

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.

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

	Governmental Activities	Business-Type Activities	Total
Cash & Cash Equivalents	\$ 355,429	\$ 137,748	\$ 493,177
Internal Balances	(10,659)	10,659	
Due from Other Funds	48,728		48,728
Receivables, Net	51,640	7,373	59,013
Inventory		2,227	2,227
Restricted Assets:			
Capital Reserve Account-Cash	913,394		913,394
Maintenance Reserve Account-Cash	181,000		181,000
Capital Assets, Net (Note 4):			
Land and Construction in Progress	32,897		32,897
Other Capital Assets, Net of Depreciation	<u>22,312,253</u>	<u>263,606</u>	<u>22,575,859</u>
Total Assets	<u>23,884,682</u>	<u>421,613</u>	<u>24,306,295</u>
 LIABILITIES			
Accounts Payable	46,203	146	46,349
Accrued Interest	235,152		235,152
Unearned Revenue	7,320	1,424	8,744
Long-Term Liabilities (Note 5):			
Due Within One Year	1,029,588	63,828	1,093,416
Due Beyond One Year	<u>14,371,957</u>		<u>14,371,957</u>
Total Liabilities	<u>15,690,220</u>	<u>65,398</u>	<u>15,755,618</u>
 NET POSITION			
Net Investment in Capital Assets	7,052,832	199,778	7,252,610
Restricted For:			
Debt Service Fund	4		4
Capital Reserve	913,394		913,394
Maintenance Reserve	181,000		181,000
Unrestricted	<u>47,232</u>	<u>156,437</u>	<u>203,669</u>
TOTAL NET POSITION	<u>\$ 8,194,462</u>	<u>\$ 356,215</u>	<u>\$ 8,550,677</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 3,240,401	\$ 857,774	\$ 417	\$ 68,787		\$ (4,028,971)		\$ (4,028,971)
Special Education	780,845	212,803				(993,648)		(993,648)
Other Special Instruction	18,691	1,834		18,691		(1,834)		(1,834)
Other Instruction	462,718	102,782	22,150	11,876		(531,474)		(531,474)
Support Services:								
Tuition	717,102			83,152		(633,950)		(633,950)
Students & Instruction Related Services	1,195,787	250,444	7,294	13,606		(1,425,331)		(1,425,331)
General & Business Administration Services	696,425	143,304	4,800			(834,929)		(834,929)
School Administration Services	116,255	29,665	2,794			(143,126)		(143,126)
Plant Operations & Maintenance	908,352	49,784	5,001			(953,135)		(953,135)
Pupil Transportation	824,981	70,061	64,301			(830,741)		(830,741)
Interest on Long-Term Debt	657,223					(657,223)		(657,223)
Total Governmental Activities	<u>9,618,780</u>	<u>1,718,451</u>	<u>106,757</u>	<u>196,112</u>	<u>\$ -</u>	<u>(11,034,362)</u>	<u>\$ -</u>	<u>(11,034,362)</u>
Business-Type Activities:								
Food Service	103,196		75,798	37,963			10,565	10,565
Child Study Team Services	511,902		567,724				55,822	55,822
Transportation Services	791,190		897,030				105,840	105,840
Total Business-Type Activities	<u>1,406,288</u>	<u>-</u>	<u>1,540,552</u>	<u>37,963</u>	<u>-</u>	<u>-</u>	<u>172,227</u>	<u>172,227</u>
Total Primary Government	<u>\$ 11,025,068</u>	<u>\$ 1,718,451</u>	<u>\$ 1,647,309</u>	<u>\$ 234,075</u>	<u>\$ -</u>	<u>(11,034,362)</u>	<u>172,227</u>	<u>(10,862,135)</u>
			General Revenues, Transfers & Special Items					
						8,038,463		8,038,463
						1,202,229		1,202,229
						2,363,594		2,363,594
						10,125	79	10,204
						8,305		8,305
							83	83
						<u>11,622,716</u>	<u>162</u>	<u>11,622,878</u>
						588,354	172,389	760,743
						7,606,108	183,826	7,789,934
						<u>\$ 8,194,462</u>	<u>\$ 356,215</u>	<u>\$ 8,550,677</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Govern- mental Funds
ASSETS					
Cash & Cash Equivalents	\$ 355,425			\$ 4	\$ 355,429
Due from Other Funds	53,524				53,524
Receivables from Other Governments:					
State	39,524				39,524
Federal		\$ 9,787			9,787
Accounts Receivable-Other		2,329			2,329
Restricted Cash & Equivalents	1,094,394				1,094,394
TOTAL ASSETS	<u>\$ 1,542,867</u>	<u>\$ 12,116</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 1,554,987</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 46,203				\$ 46,203
Due to Other Funds	10,659	\$ 4,796			15,455
Unearned Revenue		7,320			7,320
Total Liabilities	<u>56,862</u>	<u>12,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>68,978</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Govern- mental Funds
LIABILITIES AND FUND BALANCES (Cont'd)					
Fund Balances:					
Restricted Fund Balance:					
Excess Surplus	\$ 7,739				\$ 7,739
Excess Surplus-Designated for Subsequent Year's Expenditures	74,630				74,630
Committed Fund Balance:					
Capital Reserve Account	913,394				913,394
Maintenance Reserve Account	181,000				181,000
Assigned Fund Balance:					
Year-End Encumbrances	88,695				88,695
Designated for Subsequent Year's Expenditures	58,679				58,679
Debt Service Fund-Undesignated				\$ 4	4
Unassigned Fund Balance	161,868				161,868
	1,486,005	\$ -	\$ -	4	1,486,009
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,542,867	\$ 12,116	\$ -	\$ 4	

Amounts reported for governmental activities in the Statement of Net Assets (A-1) are different because:

Capital assets used in government activities are not financial resources & therefore are not reported in the funds. The cost of the assets is and the accumulated depreciation is

\$ 28,652,195
6,307,045

22,345,150

Long-term liabilities, including bonds payable, are not due & payable in the current period & therefore are not reported as liabilities in the funds

(15,401,545)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due

(235,152)

Total Net Assets of Governmental Activities

\$ 8,194,462

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Govern- mental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 8,038,463			\$ 1,202,229	\$ 9,240,692
Interest on Investments	10,125				10,125
Miscellaneous	43,955	\$ 44,539			88,494
Total	8,092,543	44,539	\$ -	1,202,229	9,339,311
State Sources	2,010,838	4,766		352,756	2,368,360
Federal Sources		146,807			146,807
Total Revenues	10,103,381	196,112	-	1,554,985	11,854,478
EXPENDITURES					
Current:					
Instructional:					
Regular Instruction	3,198,019	68,034			3,266,053
Special Education Instruction	780,845				780,845
Other Special Instruction		18,691			18,691
Other Instruction	457,868	4,766			462,634
Support Service & Undistributed Costs:					
Tuition	633,950	83,152			717,102
Student & Instruction Related Services	1,174,887	13,606			1,188,493
General & Business Administrative Services	691,625				691,625
School Administrative Services	113,461				113,461
Plant Operations & Maintenance	901,335				901,335
Pupil Transportation	745,215				745,215
Unallocated Benefits	1,055,804				1,055,804

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Govern- mental Funds
EXPENDITURES (Cont'd)					
Capital Outlay	\$ 216,564	\$ 7,863	\$ 943		\$ 225,370
Debt Services:					
Principal				\$ 940,000	940,000
Interest & Other Charges	4,306			664,985	669,291
Total Expenditures	<u>9,973,879</u>	<u>196,112</u>	<u>943</u>	<u>1,604,985</u>	<u>11,775,919</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	<u>129,502</u>	<u>-</u>	<u>(943)</u>	<u>(50,000)</u>	<u>78,559</u>
Other Financing Sources (Uses):					
Capital Leases	145,331				145,331
Transfer In				50,000	50,000
Transfer Out	(50,000)				(50,000)
Total Other Financing Sources (Uses)	<u>95,331</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>145,331</u>
Net Change in Fund Balance	224,833	-	(943)	-	223,890
Fund Balances, July 1	<u>1,261,172</u>	<u>-</u>	<u>943</u>	<u>4</u>	<u>1,262,119</u>
Fund Balances, June 30	<u>\$ 1,486,005</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 1,486,009</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

SOUTH HUNTERDON 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 Changes in Fund Balances-Governmental Fund (from B-2)	\$	223,890
<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 expenses. This is the amount by which depreciation exceeds capital outlays in the period:</p>		
Capital Outlays	\$ 225,370	
Depreciation Expenses	<u>(715,133)</u>	(489,763)
<p>Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and are not reported in the statement of activities:</p>		
Bond Principal Payments	940,000	
Capital Lease Payments	<u>68,238</u>	1,008,238
<p>Proceeds from debt issues are a financing sources in the governmental funds. They are not revenue in the statement of activities. The issuance of debt increase long-term liabilities in the statement of net assets:</p>		
Proceeds of Capital Leases		(145,331)
<p>In the statement of activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.</p>		
		14,217
<p>In the statement of activities, compensated absences & early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
		<u>(22,897)</u>
Change in Net Position of Governmental Activities	\$	<u><u>588,354</u></u>

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Food Services	Child Study Team Services	Transportation Services	Total
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$ 11,843	\$ 57,420	\$ 68,485	\$ 137,748
Due from Other Funds	10,659			10,659
Receivables from Other Governments:				
State	119			119
Federal	1,754			1,754
Local			5,500	5,500
Inventory	2,227			2,227
Total Current Assets	<u>26,602</u>	<u>57,420</u>	<u>73,985</u>	<u>158,007</u>
Noncurrent Assets:				
Capital Assets	134,096		275,750	409,846
Less: Accumulated Depreciation	106,027		40,213	146,240
Total Noncurrent Assets	<u>28,069</u>	<u>-</u>	<u>235,537</u>	<u>263,606</u>
Total Assets	<u>54,671</u>	<u>57,420</u>	<u>309,522</u>	<u>421,613</u>
LIABILITIES				
Accounts Payable			146	146
Unearned Revenues	1,424			1,424
Long-Term Liabilities:				
Due Within One Year			63,828	63,828
Total Liabilities	<u>1,424</u>	<u>-</u>	<u>63,974</u>	<u>65,398</u>
NET POSITION				
Net Investment in Capital Assets	28,069		171,709	199,778
Unrestricted	25,178	57,420	73,839	156,437
TOTAL NET POSITION	<u>\$ 53,247</u>	<u>\$ 57,420</u>	<u>\$ 245,548</u>	<u>\$ 356,215</u>

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

	Food Services	Child Study Team Services	Transportation Services	Total
Operating Revenues:				
Charges for Services:				
Daily Sales-Reimbursable Programs	\$ 41,527			\$ 41,527
Daily Sales-Nonreimbursable Programs	34,271			34,271
Fees for Services		\$ 567,724	\$ 897,030	1,464,754
Total Operating Revenues	<u>75,798</u>	<u>567,724</u>	<u>897,030</u>	<u>1,540,552</u>
Operating Expenses:				
Costs of Sales	41,404			41,404
Commodity Food Costs	9,223			9,223
Salaries	32,219	416,625	474,135	922,979
Employee Benefits	7,245	76,751	56,496	140,492
Purchased Professional & Technical Services		9,582	7,100	16,682
Purchased Property Services (Repairs)			104,664	104,664
Insurance	873		33,293	34,166
Management Fees	7,429			7,429
Other Purchased Services	2,301	5,081	3,671	11,053
General Supplies		3,863	84,106	87,969
Miscellaneous Other			150	150
Depreciation	2,502		27,575	30,077
Total Operating Expenses	<u>103,196</u>	<u>511,902</u>	<u>791,190</u>	<u>1,406,288</u>
Operating Income (Loss)	<u>(27,398)</u>	<u>55,822</u>	<u>105,840</u>	<u>134,264</u>
Nonoperating Revenues (Expenses):				
Interest Earnings	79			79
State Sources:				
State School Lunch Program	1,100			1,100
Federal Sources:				
National School Lunch Program:				
Cash Assistance	27,640			27,640
Non-Cash Assistance (Commodities)	9,223			9,223
Total Nonoperating Revenues (Expenses)	<u>38,042</u>	<u>-</u>	<u>-</u>	<u>38,042</u>
Other Financing Sources:				
Gain on Sale of Assets	83			83
	<u>83</u>	<u>-</u>	<u>-</u>	<u>83</u>
Change in Net Position	10,727	55,822	105,840	172,389
Total Net Position, Beginning	<u>42,520</u>	<u>1,598</u>	<u>139,708</u>	<u>183,826</u>
Total Net Position, Ending	<u>\$ 53,247</u>	<u>\$ 57,420</u>	<u>\$ 245,548</u>	<u>\$ 356,215</u>

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

	Food Service Services	Child Study Team Services	Transportation Services	Total
Cash Flows from Operating Activities:				
Receipts from Customers (Net)	\$ 76,239	\$ 567,724	\$ 891,530	\$ 1,535,493
Payments to Employees		(416,625)	(474,135)	(890,760)
Payments for Employee Benefits		(76,751)	(56,496)	(133,247)
Payments to Food Services Management Co	(91,534)			(91,534)
Payments to Vendors	(36)	(28,518)	(236,739)	(265,293)
Net Cash Provided by (Used For) Operating Activities	<u>(15,331)</u>	<u>45,830</u>	<u>124,160</u>	<u>154,659</u>
Cash Flows from Noncapital Financing Activities:				
Interfund	(10,659)			(10,659)
State Sources	1,030			1,030
Federal Sources	27,034			27,034
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>17,405</u>	<u>-</u>	<u>-</u>	<u>17,405</u>
Cash Flows from Investing Activities:				
Interest Earned on Investments	79			79
Net Cash Provided by (Used For) Investing Activities	<u>79</u>	<u>-</u>	<u>-</u>	<u>79</u>
Cash Flows from Capital Financing Activities:				
Payment on Capital Lease			(62,848)	(62,848)
Acquisition of Equipment	(18,538)			(18,538)
Net Cash Provided by (Used for) Capital Financing Activities	<u>(18,538)</u>	<u>-</u>	<u>(62,848)</u>	<u>(81,386)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(16,385)	45,830	61,312	90,757
Cash and Cash Equivalents, July 1, 2013	<u>28,228</u>	<u>11,590</u>	<u>7,173</u>	<u>46,991</u>
Cash and Cash Equivalents, June 30, 2014	<u>\$ 11,843</u>	<u>\$ 57,420</u>	<u>\$ 68,485</u>	<u>\$ 137,748</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:				
Operating Income (Loss)	\$ (27,398)	\$ 55,822	\$ 105,840	\$ 134,264
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:				
Depreciation	2,502		27,575	30,077
Federal Food Donation Program	9,223			9,223
(Increase) Decrease in Accounts Receivable			(5,500)	(5,500)
(Increase) Decrease in Inventory	(17)			(17)
Increase (Decrease) in Accounts Payable		(9,992)	(3,755)	(13,747)
Increase (Decrease) in Unearned Revenue	359			359
Net Cash Provided by (Used For) Operating Activities	<u>\$ (15,331)</u>	<u>\$ 45,830</u>	<u>\$ 124,160</u>	<u>\$ 154,659</u>

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Student Activities Agency Fund	Payroll Agency Fund
ASSETS				
Cash & Cash Equivalents	\$ 87,588	\$ 56,935	\$ 71,799	\$ 65,645
Due from Other Funds	9,893			
TOTAL ASSETS	97,481	56,935	\$ 71,799	\$ 65,645
LIABILITIES				
Accounts Payable	3,242			
Due to Other Funds				\$ 58,621
Due to Student Groups			\$ 71,799	
Payroll Deductions & Withholdings				7,024
TOTAL LIABILITIES	3,242	-	\$ 71,799	\$ 65,645
NET POSITION				
Held in Trust for Unemployment Claims & Other Purposes	\$ 94,239			
Reserve for Scholarships		\$ 56,935		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	Unemployment Compensation Fund	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Plan Members	\$ 9,371	
Other		\$ 6,850
Student Activity Funds Reclassified		56,193
Investment Earnings-Interest	309	654
Total Additions	9,680	63,697
DEDUCTIONS		
Unemployment Claims	4,902	
Scholarships Awarded		6,762
Total Deductions	4,902	6,762
Change in Net Position	4,778	56,935
Net Position, Beginning of the Year	89,461	
Net Position, End of the Year	\$ 94,239	\$ 56,935

NOTES TO FINANCIAL STATEMENTS

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of the South Hunterdon Regional High School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local 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 accounting policies of the District are described below.

The Basic Financial Statements Include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts overall financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting Entity

The District is a Type II district located in the County of Hunterdon, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the district is to educate students in Grades 7-12. The District serves the communities of the City of Lambertville, Stockton Borough and West Amwell Township (the constituent districts). The District had an approximate enrollment at June 30, 2014 of 411 students.

The primary criterion for including activities within the District's reporting entity as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

1. The organization is legally separate (can sue or be sued in their own name.)
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/ burden on the District.
6. There is a fiscal dependency by the organization on the District.

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

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post employment healthcare benefits, are recorded only when payment is due.

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, 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 moneys under the established payment schedule and the unpaid amount is considered to be an accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Additionally, the District reports the following fund types:

Proprietary Fund Types

Proprietary Fund - The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise Fund - The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the 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; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund, the Child Study Team Service Fund and the Transportation Service Fund.

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

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks & Vehicles	4 Years
Heavy Trucks & Vehicles	6 Years

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Fiduciary Fund Types

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/ or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District.

Unemployment Compensation Trust Fund – This fund is used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the “Benefit Reimbursement Method.”

Student Activities Agency Fund – This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Payroll Agency Fund – This fund accounts for the withholding and remittance of employee salary deductions.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office and, if necessary are voted upon at the annual school election in November. 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 NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2014 were insignificant.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund Types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in Governmental Funds other than the Special Revenue Fund are reported as reservations of fund balances at fiscal yearend as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as 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.

F. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable

Tuition charges for the fiscal years 2013-2014 and 2012-2013 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables

Short-Term Interfund receivables/payables represents amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

I. Inventories and Prepaid Items

Inventories and prepaid items, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as an expenditure during the year of purchase.

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as a unearned revenue as title does not pass to the school district until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

J. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	45
Building Improvements & Portable Classroom	20-50
Land Improvements	20
Furniture	20
Maintenance Equipment	15
Musical Instruments	10
Athletic Equipment	10
Audio Visual Equipment	10
Office Equipment	5 to 10
Computer Equipment	5 to 10
Vehicles	6 to 8
Buses	8

K. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 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. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the Districts' agreements with the various employee unions.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of social security and medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

L. Unearned revenue

Unearned revenue in the General Fund and Special Revenue Fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the Special Revenue Fund.

Unearned revenue in the Enterprise Fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the Food Service Fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-Term Obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as current year expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

N. Fund Balances-Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable—includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted—includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- 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.
- 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.
- 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.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

N. Fund Balances-Governmental Funds (Cont'd)

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.

O. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

P. Allocation of Indirect Expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF pension contributions, reimbursed TPAF social security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in NJSA 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES (Cont'd)

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the school district in accordance with the schedule of tax installments as certified by the school district's Board of Education on an annual basis.

NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. US Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at amortized cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

NJSA 17:9-41 e.t. seq establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. 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 their deposits to the Governmental Units.

Deposits at June 30, 2014 appear in the financial statements as summarized below:

Cash		<u>\$ 1,869,538</u>
	<u>Ref.</u>	
Cash:		
Governmental Funds, Balance Sheet	B-1	\$ 1,449,823
Enterprise Fund, Statement of Net Position	B-4	137,748
Fiduciary Funds, Statement of Net Position	B-7	<u>281,967</u>
Total Cash		<u>\$ 1,869,538</u>

Deposits – The District's carrying amount of bank deposits at June 30, 2014 is \$1,869,538 and the bank balance is \$2,339,196. Of the bank balance, \$278,428 is covered by federal depository insurance and \$2,060,768 is insured by GUDPA.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures are required for:
 - deposits that are uninsured and either (a) uncollateralized or (b) collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the government's name
 - Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name

As the district has no such investments, this disclosure is not applicable.

2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2014, had no investments.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being				
Depreciated:				
Land	\$ 15,443			\$ 15,443
Construction in Progress	7,328	\$ 10,126		17,454
Total	<u>22,771</u>	<u>10,126</u>	<u>\$ -0-</u>	<u>32,897</u>
Capital Assets, Being				
Depreciated:				
Land Improvements	139,755			139,755
Building & Improvements	26,359,663	47,660		26,407,323
Vehicles	1,072,886	125,075	231,554	966,407
Furniture & Equipment	1,277,608	54,781	226,576	1,105,813
Total	<u>28,849,912</u>	<u>227,516</u>	<u>458,130</u>	<u>28,619,298</u>

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 4. CAPITAL ASSETS (Cont'd)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Accumulated Depreciation:				
Land Improvements	\$ 63,484	\$ 4,123		\$ 67,607
Building & Improvements	4,239,917	585,272		4,825,189
Vehicles	951,273	51,073	\$ 231,554	770,792
Furniture & Equipment	795,368	74,665	226,576	643,457
Total	<u>6,050,042</u>	<u>715,133</u>	<u>458,130</u>	<u>6,307,045</u>
Total Capital Assets, Being Depreciated, Net	<u>22,799,870</u>	<u>(487,617)</u>	<u>-0-</u>	<u>22,312,253</u>
Governmental Activities Capital Assets, Net	<u>\$ 22,822,641</u>	<u>\$ (477,491)</u>	<u>\$ -0-</u>	<u>\$ 22,345,150</u>
Business-Type Activities:				
Furniture & Equipment	\$ 115,558	\$ 21,861	\$ 3,323	\$ 134,096
Vehicles	275,750			275,750
Less: Accum Depreciation	<u>(116,246)</u>	<u>(30,077)</u>	<u>(83)</u>	<u>(146,240)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 275,062</u>	<u>\$ (8,216)</u>	<u>\$ 3,240</u>	<u>\$ 263,606</u>

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction:	
Regular	\$ 338,432
Special Education	76,596
Other Special Instruction	1,834
Co-curricular Activities	45,382
Support Services:	
Student & Instruction	116,584
General & Business Admin	67,844
School Administration	11,130
Plant & Maintenance	6,258
Pupil Transportation	<u>51,073</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 715,133</u>

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 5. LONG-TERM DEBT

Long-Term Liability Activity for the Year Ended June 30, 2014 is as Follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds Payable	\$ 16,117,000		\$ 940,000	\$ 15,177,000	\$ 985,000
Obligations Under Capital Leases	40,130	\$ 157,603	68,238	129,495	39,205
Compensated Absences Payable	72,153	22,897		95,050	5,383
Total Governmental Activities Long-Term Liabilities	<u>\$ 16,229,283</u>	<u>\$ 180,500</u>	<u>\$ 1,008,238</u>	<u>\$ 15,401,545</u>	<u>\$ 1,029,588</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

Business-Type Activities:					
Capital Leases Payable	\$ 126,676	\$ -0-	\$ 62,848	\$ 63,828	\$ 63,828
Total Business-Type Activities	<u>\$ 126,676</u>	<u>\$ -0-</u>	<u>\$ 62,848</u>	<u>\$ 63,828</u>	<u>\$ 63,828</u>

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2014 including interest payments are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 985,000	\$ 626,529	\$ 1,611,529
2016	1,030,000	586,229	1,616,229
2017	1,080,000	544,085	1,624,085
2018	1,125,000	499,897	1,624,897
2019	1,175,000	453,866	1,628,866
2020-2024	6,720,000	1,501,593	8,221,593
2025-2026	3,062,000	192,458	3,254,458
	<u>\$ 15,177,000</u>	<u>\$ 4,404,657</u>	<u>\$ 19,581,657</u>

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 5. GENERAL LONG-TERM DEBT (Cont'd)

General Obligation Bonds – General obligation school building bonds payable at June 30, 2014, with their outstanding balances are comprised of the following individual issues:

\$15,492,000 - 2007 general obligation school building bonds, due in annual installments of \$570,000 to \$1,137,000, beginning Feb 15, 2008, through Feb 15, 2026, interest at 4.125% to 4.25%	\$ 11,177,000
\$5,399,000 – 2007 general obligation school building bonds, due in annual installments of \$204,000 to \$400,000, beginning Feb 15, 2009 through Feb 15, 2026, interest at 4.00%	<u>4,000,000</u>
	<u>\$ 15,177,000</u>

The general obligation bonded debt of the District is limited by state law to 3.5% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2014 is \$46,692,160. General obligation debt at June 30, 2014 is \$15,177,000, resulting in a legal debt margin of \$31,515,160.

Capital Leases Payable

The District is leasing technology and transportation equipment totaling \$416,640 under capital leases. The following is a schedule of the future minimum lease payments under the leases and the net minimum lease payments at June 30, 2014:

<u>Year Ending June</u>	<u>General Fund</u>	<u>Transportation Service Fund</u>
2015	\$ 43,830	\$ 64,824
2016	33,560	
2017	32,294	
2018	29,761	
	<u>139,445</u>	<u>64,824</u>
Amount Representing Interest	<u>9,950</u>	<u>996</u>
total Amount Representing Principal	<u>\$ 129,495</u>	<u>\$ 63,828</u>

NOTE 6. PENSION PLANS

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system 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 Board and the system's other related non-contributing employers. The Public Employees Retirement System and Defined Contribution Retirement Program are considered cost sharing multiple-employer plans.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

Description of Systems (Cont'd)

A. Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of NJSA 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

B. Public Employees' Retirement System - The Public Employees' Retirement System was established in January, 1955 under the provisions of NJSA 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

C. Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,000 in 2013) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcprp.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statement and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 6. PENSION PLANS (Cont'd)

Significant Legislation

During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority (the "Authority") to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. On June 30, 1997, the Authority issued bonds pursuant to this legislation and \$1,547,688,633 and \$241,106,642 from the proceeds of the bonds were deposited into the investment account of TPAF and PERS, respectively.

As a result of additional legislation enacted during the year ended June 30, 1997 (Ch 115, PL 1997), the asset valuation method was changed from market related value to full market value for the valuation reports dated March 31, 1996. The legislation also provides for a reduction in the normal contributions of the State to the systems from excess assets for FY's 1997 and 1998, and local employers for FY 1999, and, thereafter, authorizes the State Treasurer to reduce the normal contributions of State and local employers to the systems, to the extent possible, from up to 100% of excess assets through FY 2002, and on a declining maximum percentage of excess thereafter.

Due to the enactment of the legislation described above, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements

The contribution policy is set by state statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Significant legislation which became effective October 1, 2011 will gradually increase the employee contribution rate for PERS and TPAF members. Effective October 1, 2011 the rate increased from 5.50% to 6.50% of annual contractual compensation for employees enrolled in the TPAF and PERS pension plans. The rate will increase each year on the first of July over a seven year phase-in period until the withholding rate reaches 7.50% effective July 1, 2018. Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. Employers are required to contribute at an actuarially determined rate in TPAF, PERS and DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums. Under current statute, the Board is a noncontributing employer of the TPAF.

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

<u>Year</u> <u>Funding</u>	<u>TPAF</u> <u>Benefit Costs</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>
06/30/14	\$ 419,152	100%
06/30/13	523,029	100%
06/30/12	339,449	100%

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 6. PENSION PLANS (Cont'd)

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>
06/30/14	\$ 119,685	100%
06/30/13	122,194	100%
06/30/12	148,885	100%

During the year ended June 30, 2014, the State of New Jersey contributed \$260,360 to the TPAF for post-retirement medical benefits and \$12,879 for non-contributory insurance premiums and \$145,913 for TPAF normal costs and accrued liability costs on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$289,416 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

NOTE 7. POST-RETIREMENT BENEFITS

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and 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. PL 2007, Ch 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 eligible for 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 Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch 126, PL 1992, which provides free health benefits to members of PERS and the Alternate Benefits Program who retired from a board of education or county college with 25 years of service. In fiscal year 2013, the State paid \$173.8 million toward Ch 126 benefits for 17,356 eligible retired members.

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

Plan Description-The School District contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code, SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 7. POST-RETIREMENT BENEFITS (Cont'd)

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The States Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at (www.nj.gov/treasury/pensions).

Funding Policy-Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.

NOTE 8. DEFERRED COMPENSATION

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

AXA Equitable
Syracusa Benefits
Lincoln Investments

NOTE 9. INTERFUND RECEIVABLE AND PAYABLES

The composition of Interfund balances as of June 30, 2014 is as follows:

Fund	Receivable Fund	Payable Fund
General Fund	\$ 53,524	\$ 10,659
Special Revenue Fund		4,796
Food Service Enterprise Fund	10,659	
Unemployment Compensation Fund	9,893	
Payroll Agency Fund		58,621
	\$ 74,076	\$ 74,076

The balance due from the General Fund to the Food Service Fund of \$10,659 represents cafeteria subsidy aid received in the General Fund but not yet transferred to the Food Service Fund. The balance due from the Payroll Agency Fund to the Unemployment Compensation Fund of \$9,893 represents employee withholdings for the unemployment trust not yet transferred at year end. The balance due from the Payroll Agency Fund to the General Fund of \$48,728 represents payroll withholdings for health and dental insurance less budget charges for pension shortages and flexible spending administrative fees. The balance due from the Special Revenue Fund to the General Fund represents a loan from the General Fund of \$4,796 due to cash flow issues related to the delayed receipt of grant revenues.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 9. INTERFUND RECEIVABLE AND PAYABLES (Cont'd)

All interfund balances will be liquidated within one year.

The District transferred \$50,000 of Capital Reserve Funds to the Debt Service Fund for the purpose of offsetting locally funded principal and interest payments for bonded projects that are included in the school district's LRFP.

NOTE 10. INVENTORY

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

Food	\$	1,802	
Supplies		425	
		2,227	\$

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

NOTE 11. CONTINGENT LIABILITIES

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the School District.

NOTE 12. RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete schedule of insurance coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the NJ 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, and interest earnings, 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:

Fiscal Year	District Contrib	Interest Earnings	Employee Contrib	Amount Reimbursed	Ending Balance
2013-2014	\$ -0-	\$ 309	\$ 9,371	\$ 4,902	\$ 94,239
2012-2013	-0-	242	9,058	9,453	89,461
2011-2012	105,000	155	8,273	59,424	89,614

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 13. LEGAL RESERVE ACCOUNTS

A capital reserve account was established by the District by inclusion of \$1 on September 21, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). 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. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The following schedule is a summarization of the Legal Reserve Accounts:

Reserve Type	Beginning Balance	District Contribution	Interest Earnings	Return of Unused With- drawal	With- drawal	Ending Balance
Capital	\$ 641,190	\$ 320,000	\$ 2,204		\$ 50,000	\$ 913,394
Maintenance	100,000	81,000				181,000
Totals	<u>\$ 741,190</u>	<u>\$ 401,000</u>	<u>\$ 2,204</u>	<u>\$ -0-</u>	<u>\$ 50,000</u>	<u>\$ 1,094,394</u>

NOTE 14. FUND BALANCES-BUDGETARY BASIS

As described in Note 1 N-Fund Balance may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>
Restricted:		
Excess Surplus-Represents amount in excess of allowable percentage of expenditures. In accordance with State Statute the excess surplus is designated for utilization in Succeeding years budgets	\$ 7,739	\$ 74,630
Excess Surplus-Designated for Subsequent Year's Expenditures-represents amount appropriated in the succeeding year's budget to reduce tax requirements	74,630	113,653
Committed:		
Capital Reserve Account-Represents funds restricted to capital projects in the Districts Long Range Facilities Plan	913,394	641,190
Maintenance Reserve Account-Represents funds restricted for the required maintenance of a school facility	181,000	100,000

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 14. FUND BALANCES-BUDGETARY BASIS (Cont'd)

As described in Note 1 N-Fund Balance may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>
Assigned:		
Year End Encumbrance-Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30,	\$ 88,695	\$ 162,423
Designated Surplus-Designated for Subsequent Year's Expenditures-represents amount appropriated in the succeeding year's budget to reduce tax requirements	58,679	
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated	<u>275,405</u>	<u>280,541</u>
Total Fund Balance	<u>\$ 1,599,542</u>	<u>\$ 1,372,437</u>

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2014 is \$7,739.

NOTE 16: SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 15, 2014, which is the date the financial statements were available to be issued and one additional item was noted for disclosure.

NOTE 17: RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report:

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any effect on the District's financial reporting.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, is not anticipated to have any effect on the District's financial reporting.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 17: RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE (Cont'd)

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No.70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any effect on the District's financial reporting.

In November 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date- an amendment of GASB Statement No. 68". This statement, which is effective for fiscal periods beginning after June 30, 2014, is not expected to have an effect on the District's financial reporting.

NOTE 18: 2014-2015 BOND ISSUE

School Bonds of 2014 - On July 1, 2014 the District issued \$9,600,000 in general obligation bonds with an interest rate of 2.00% to 4.00%. The proceeds of the bond were to finance debt authorized for the School Facilities Project. Principal payments are due in annual installments of \$165,000 to \$1,095,000 beginning February 15, 2015 through February 15, 2026.

NOTE 19: REGIONALIZATION

Effective July 1, 2014 the South Hunterdon Regional High School District, by approval of the voters on September 13, 2013, was merged with the school districts of Lambertville, Stockton and West Amwell becoming the South Hunterdon Regional School District. The new regional school district will be responsible for the education of students in grades Kindergarten through 12th.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

BUDGETARY COMPARISON SCHEDULES

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 8,038,463		\$ 8,038,463	\$ 8,038,463	
Interest on Investments				7,921	\$ 7,921
Interest on Capital Reserve Investments	1,200		1,200	2,204	1,004
Building Use Rentals				4,242	4,242
Unrestricted Miscellaneous Revenues	20,000		20,000	39,713	19,713
Total	8,059,663	\$ -	8,059,663	8,092,543	32,880
State Sources:					
School Choice Aid	829,495		829,495	829,495	
Categorical Transportation Aid	196,604		196,604	196,604	
Categorical Special Educational Aid	222,528		222,528	222,528	
Categorical Security Aid	30,510		30,510	30,510	
Extraordinary Aid				24,053	24,053
Non-Public Transportation Aid				1,352	1,352
On-Behalf TPAF Pension Contributions				158,792	158,792
On-Behalf TPAF Post Retirement Medical Benefits				260,360	260,360
Reimbursed TPAF Social Security Contribution				289,416	289,416
Total	1,279,137	-	1,279,137	2,013,110	733,973
TOTAL REVENUES	\$ 9,338,800	\$ -	\$ 9,338,800	\$ 10,105,653	\$ 766,853
EXPENDITURES					
Current:					
Instruction-Regular Program:					
Salaries of Teachers:					
Grades 6-8	\$ 750,017	\$ (79,785)	\$ 670,232	\$ 670,141	\$ 91
Grades 9-12	1,604,320	127,536	1,731,856	1,731,228	628
Home Instruction:					
Salaries of Teachers	5,100	4,480	9,580	9,580	
Regular Programs-Undistributed Instruction:					
Other Salaries for Instruction	144,927	(32,297)	112,630	111,209	1,421
Purchased Technical Services	12,511	(12,422)	89		89
Other Purchased Services	52,114	(2,170)	49,944	49,915	29
General Supplies	133,253	(13,518)	119,735	113,521	6,214
Textbooks	25,000	58,386	83,386	82,367	1,019
Total	2,727,242	50,210	2,777,452	2,767,961	9,491
Special Education:					
Multiple Disabilities:					
Salaries of Teachers	68,120		68,120	68,120	
General Supplies	520		520	269	251
Total	68,640	-	68,640	68,389	251
Resource Room/Resource Center:					
Salaries of Teachers	499,313	(40,305)	459,008	459,008	
Other Salaries for Instruction	108,764	1,192	109,956	109,956	
General Supplies	2,500	(724)	1,776	1,691	85
Textbooks		707	707	706	1
Total	610,577	(39,130)	571,447	571,361	86
Total Special Education	679,217	(39,130)	640,087	639,750	337

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Bilingual Education:					
Purchased Professional Educational Services	\$ 6,820	\$ (6,596)	\$ 224		\$ 224
Total	6,820	(6,596)	224	\$ -	224
School Sponsored Co-Curricular Activities:					
Salaries	78,720	(7,666)	71,054	71,054	
Purchased Services	2,185	(1,138)	1,047	1,047	
Supplies & Materials	9,217	350	9,567	9,566	1
Total	90,122	(8,454)	81,668	81,667	1
School Sponsored Athletics:					
Salaries	310,028	(31,003)	279,025	279,025	
Purchased Services	54,660	(20,531)	34,129	33,516	613
Supplies & Materials	37,232	19,130	56,362	43,237	13,125
Other Objects	6,300	(6,125)	175	175	
Total	408,220	(38,529)	369,691	355,953	13,738
TOTAL INSTRUCTION	\$ 3,911,621	\$ (42,499)	\$ 3,869,122	\$ 3,845,331	\$ 23,791
Undistributed Expenditures:					
Instruction Tuition:					
Other LEAs Within the State-Regular		\$ 1,190	\$ 1,190	\$ 1,190	
Other LEAs Within the State-Special	\$ 314,384	8,329	322,713	313,368	\$ 9,345
County Vocational School District-Regular	32,000	26,860	58,860	58,860	
Private School for the Disabled Within State	262,310	6,231	268,541	258,782	9,759
Tuition-State Facilities		1,750	1,750	1,750	
Total	608,694	44,360	653,054	633,950	19,104
Attendance & Social Work:					
Salaries	11,238		11,238	11,072	166
Total	11,238	-	11,238	11,072	166
Health Services:					
Salaries	85,460	(1,316)	84,144	81,593	2,551
Other Purchased Services	2,000		2,000	1,584	416
Supplies & Materials	6,300		6,300	2,318	3,982
Total	93,760	(1,316)	92,444	85,495	6,949
Speech, OT, PT & Related Services:					
Purchased Professional Educational Services	33,600	(8,139)	25,461	24,502	959
Total	33,600	(8,139)	25,461	24,502	959
Other Support Services-Students-Extra Services:					
Purchased Professional Educational Services	33,845	(4,700)	29,145	24,016	5,129
Total	33,845	(4,700)	29,145	24,016	5,129
Guidance:					
Salaries of Other Professional Staff	274,790	(19,832)	254,958	245,899	9,059
Salaries of Secretarial & Clerical Assistants	33,215		33,215	33,215	
Purchased Professional Educational Services	6,618	1,312	7,930	7,319	611
Other Purchased Professional & Technical Services	65,224	(825)	64,399	58,452	5,947
Other Purchased Services	2,349		2,349	169	2,180
Supplies & Materials	4,303	825	5,128	2,466	2,662
Other Objects	810		810	344	466
Total	387,309	(18,520)	368,789	347,864	20,925
Child Study Team:					
Purchased Professional Educational Services	313,282	-	313,282	313,282	-

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	\$ 107,270	\$ 2,737	\$ 110,007	\$ 110,006	\$ 1
Salaries of Other Professional Staff	10,548	8,447	18,995	18,995	
Purchased Professional Educational Services		1,360	1,360	1,360	
Other Objects		820	820	820	
Total	117,818	13,364	131,182	131,181	1
Educational Media Services/School Library:					
Salaries	94,712	3,367	98,079	98,077	2
Purchased Professional & Technical Services	3,033	(2,104)	929	929	
Other Purchased Services	364		364	59	305
Supplies & Materials	14,831	(468)	14,363	13,339	1,024
Total	112,940	795	113,735	112,404	1,331
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	50,687	3,204	53,891	53,891	
Purchased Professional Educational Services	20,000	(500)	19,500		19,500
Other Purchased Services	23,177	(8,653)	14,524	8,467	6,057
Total	93,864	(5,949)	87,915	62,358	25,557
Support Services General Administration:					
Salaries	150,511	24,944	175,455	169,241	6,214
Legal Services	50,000	67,310	117,310	117,310	
Audit Fees	38,409	893	39,302	22,900	16,402
Architectural/Engineering Services	15,000	(9,200)	5,800	5,787	13
Other Purchased Professional Services	3,990	16,766	20,756	20,756	
Purchased Technical Services	10,000	(10,000)			
Communications & Telephone	35,380	(5,927)	29,453	29,453	
Board of Education Other Purchased Services	4,029	(3,879)	150	150	
Miscellaneous Purchased Services	19,930	(2,117)	17,813	17,813	
General Supplies	5,000	(2,817)	2,183	2,183	
Judgments against the School District		46,200	46,200	40,184	6,016
Miscellaneous Expenditures	4,700	(3,105)	1,595	1,595	
Board of Education Membership Dues and Fees	6,558	(1,127)	5,431	5,431	
Total	343,507	117,941	461,448	432,803	28,645
Support Services School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	58,905	3,722	62,627	62,627	
Salaries of Other Professional Staff		6,449	6,449	6,449	
Salaries of Secretarial & Clerical Assistants	22,688	1,935	24,623	24,622	1
Purchased Professional and Technical Services	19,478	(19,478)			
Other Purchased Services	1,561	(1,561)			
Supplies & Materials	7,031	5,591	12,622	10,843	1,779
Other Objects	832	688	1,520	1,520	
Totals	110,495	(2,654)	107,841	106,061	1,780
Central Services:					
Salaries	145,714	3,800	149,514	148,313	1,201
Purchased Professional Services	20,080	1,051	21,131	21,131	
Purchased Technical Services	12,400	(4,324)	8,076	8,076	
Miscellaneous Purchased Services	2,856	(1,920)	936	936	
Supplies & Materials	3,000	1,190	4,190	4,190	
Interest on Lease Purchase Agreements	2,800	(1,698)	1,102	1,102	
Miscellaneous Expenditures	1,581		1,581	1,285	296
Totals	188,431	(1,901)	186,530	185,033	1,497
Administrative Information Technology:					
Salaries	25,350	-	25,350	25,344	6
Required Maintenance for School Facilities:					
Salaries	78,585	(29,501)	49,084	48,822	262
Cleaning Repair & Maintenance Services	131,066	10,923	141,989	138,416	3,573
General Supplies	39,404	12,790	52,194	52,194	
Other Objects		191	191	191	
Totals	249,055	(5,597)	243,458	239,623	3,835

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Custodial Services:					
Salaries	\$ 255,185	\$ (375)	\$ 254,810	\$ 254,810	
Purchased Professional & Technical Services	6,630	(1,765)	4,865	4,865	
Cleaning Repair & Maintenance Services	35,815	(3,736)	32,079	14,072	\$ 18,007
Rental of Land & Buildings	2,734	(2,468)	266	266	
Other Purchased Property Services	700	(58)	642	642	
Insurance	25,000	4,012	29,012	29,012	
General Supplies	20,400	(13,141)	7,259	7,229	30
Energy (Natural Gas)	14,994	(5,514)	9,480	9,480	
Energy (Electricity)	174,216	(35,337)	138,879	138,879	
Energy (Oil)	114,741	47,200	161,941	161,940	1
Total	650,415	(11,182)	639,233	621,195	18,038
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School-Regular		193,538	193,538	181,604	11,934
Between Home and School-Special Education		187,571	187,571	187,571	
Other Than Between Home and School		57,530	57,530	57,530	
Management Fee-ESC & CTSA Transportation Program	4,080		4,080	2,830	1,250
Other Purchased Professional & Technical Services		4,714	4,714	4,714	
Cleaning Repair & Maintenance Services		82,499	82,499	82,499	
Rental Payments--School Buses		786	786	786	
Lease Purchase Payments-School Buses		77,184	77,184	77,184	
Contract Serv-Aid in Lieu Payments Non-Public Schools	30,600	(16,127)	14,473	14,473	
Contract Serv (Special Education Students)-Vendors		55,763	55,763	55,763	
Contract Serv (Between Home & School)-Joint Agreements	607,214	(607,214)			
Contract Serv (Special Educ Students)-Joint Agreements	35,000	(35,000)			
Miscellaneous Purchased Services-Transportation		25,143	25,143	25,143	
General Supplies		55,000	55,000	55,000	
Other objects		118	118	118	
Total	676,894	81,505	758,399	745,215	13,184
Allocated Benefits-Health Benefits:					
Regular Programs	581,492	(86,960)	494,532	430,058	64,474
Special Programs	170,992	(3,822)	167,170	141,095	26,075
Other Instructional	24,315	(326)	23,989	20,248	3,741
Health Services	24,231	(1,471)	22,760	19,210	3,550
Guidance	60,644	(11,752)	48,892	41,266	7,626
Improvement of Instruction Services	5,254	(4,959)	295	295	
Educational Media Services	5,986	(4,151)	1,835	1,711	124
Instructional Staff Training Services	4,789	(4,558)	231	231	
Support Services-General Administration	7,782	(6,242)	1,540	1,486	54
Support Services-School Administration	18,437	(9,670)	8,767	7,400	1,367
Support Services-Central Services	49,110	1,012	50,122	42,254	7,868
Operation and Maintenance of Plant Services	45,970	2,035	48,005	40,517	7,488
Total	999,002	(130,864)	868,138	745,771	122,367
Unallocated Benefits-Employee Benefits:					
Social Security Contributions	137,000	14,168	151,168	151,168	
Other Retirement Contributions-PERS	100,000	15,430	115,430	102,920	12,510
Other Retirement Contributions-Regular	5,000		5,000	3,888	1,112
Unemployment Compensation	45,694	(18,486)	27,208		27,208
Workmen's Compensation	62,000	(34,979)	27,021	21,494	5,527
Health Benefits		15,000	15,000	15,000	
Tuition Reimbursement	40,000	7,385	47,385	47,385	
Other Employee Benefits	22,620	(17,120)	5,500	5,381	119
Total	412,314	(18,602)	393,712	347,236	46,476

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated Benefits-Employee Benefits: (Cont'd)					
On-Behalf TPAF Pension Contributions				\$ 158,792	\$ (158,792)
On-Behalf TPAF Post Retirement Medical Benefits				260,360	(260,360)
Reimbursed TPAF Social Security Contribution				289,416	(289,416)
Total	\$ -	\$ -	\$ -	708,568	(708,568)
Total Undistributed Expenditures	\$ 5,461,813	\$ 48,541	\$ 5,510,354	\$ 5,902,973	\$ (392,619)
TOTAL CURRENT	\$ 9,373,434	\$ 6,042	\$ 9,379,476	\$ 9,748,304	\$ (368,828)
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures:					
Instruction		\$ 19,096	\$ 19,096	\$ 19,095	\$ 1
Custodial Services		4,700	4,700		4,700
Total	\$ -	23,796	23,796	19,095	4,701
Assets Acquired Under Capital Leases:					
Custodial Services				34,272	(34,272)
School Bus-Regular				78,588	(78,588)
School Bus-Special Education				19,680	(19,680)
Undistributed-Instruction				8,086	(8,086)
Other-Excess to be Refunded				4,705	(4,705)
Total	-	-	-	145,331	(145,331)
Facilities Acquisition & Construction Services:					
Other Purchased Professional/Technical Services	28,277	703	28,980	9,183	19,797
Construction Services	75,776		75,776	15,776	60,000
Supplies and Materials	81,884		81,884	31,884	50,000
Assessment for Debt Service on SDA Funding	4,306		4,306	4,306	
Total	190,243	703	190,946	61,149	129,797
TOTAL CAPITAL OUTLAY	\$ 190,243	\$ 24,499	\$ 214,742	\$ 225,575	\$ (10,833)
TOTAL EXPENDITURES	\$ 9,563,677	\$ 30,541	\$ 9,594,218	\$ 9,973,879	\$ (379,661)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (224,877)	\$ (30,541)	\$ (255,418)	\$ 131,774	\$ 387,192
Other Financing Sources (Uses):					
Capital Leases (Non-Budgeted)				145,331	145,331
Transfer Out-Capital Reserve to Debt Service Fund	(50,000)		(50,000)	(50,000)	
Total Other Financing Sources (Uses):	(50,000)	-	(50,000)	95,331	145,331
Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	(274,877)	(30,541)	(305,418)	227,105	532,523
Fund Balances, July 1	1,372,437		1,372,437	1,372,437	
Fund Balances, June 30	\$ 1,097,560	\$ (30,541)	\$ 1,067,019	\$ 1,599,542	\$ 532,523
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	\$ (162,424)	\$ 1	\$ (162,423)	\$ (162,423)	
Increase in Capital Reserve	1,200	320,000	321,200	322,204	\$ 1,004
Withdrawal from Capital Reserve		(50,000)	(50,000)	(50,000)	
Increase in Maintenance Reserve		81,000	81,000	81,000	
Budgeted Fund Balance	(113,653)	(381,542)	(495,195)	36,324	531,519
TOTAL	\$ (274,877)	\$ (30,541)	\$ (305,418)	\$ 227,105	\$ 532,523

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:		
Excess Surplus:		
Prior Year-Designated for 2014-2015 Budget	\$ 74,630	
Current Year-Designated for 2015-2016 Budget	<u>7,739</u>	
		\$ 82,369
Committed Fund Balance:		
Capital Reserve	913,394	
Maintenance Reserve	<u>181,000</u>	
		1,094,394
Assigned Fund Balance:		
Year-End Encumbrances	88,695	
Designated for Subsequent Year's Expenditures	<u>58,679</u>	
		147,374
Unassigned Fund Balance		<u>275,405</u>
		1,599,542
Reconciliation to Governmental Statements (GAAP):		
Last State Aid Payments Not Recognized on GAAP Basis		<u>(113,537)</u>
Fund Balance Per Governmental Funds (GAAP)		<u>\$ 1,486,005</u>

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(NOT APPLICABLE TO THIS REPORT)

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ 50,486		\$ 50,486	\$ 49,539	\$ (947)
State Sources	5,000		5,000	4,766	(234)
Federal Sources	147,946		147,946	146,807	(1,139)
TOTAL REVENUES	<u>\$ 203,432</u>	<u>\$ -</u>	<u>\$ 203,432</u>	<u>\$ 201,112</u>	<u>\$ (2,320)</u>
EXPENDITURES					
Instruction:					
Salaries	\$ 13,965		\$ 13,965	\$ 13,965	
Purchased Professional and Technical Services		\$ 11,100	11,100	11,100	
Other Purchased Services	102,715		102,715	102,715	
General Supplies	63,908	(24,406)	39,502	37,391	\$ 2,111
Totals	<u>180,588</u>	<u>(13,306)</u>	<u>167,282</u>	<u>165,171</u>	<u>2,111</u>
Support Services:					
Other Purchased Services	9,538		9,538	9,387	151
General Supplies		3,081	3,081	3,023	58
Other Objects	1,196		1,196	1,196	
Totals	<u>10,734</u>	<u>3,081</u>	<u>13,815</u>	<u>13,606</u>	<u>209</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	12,110	10,225	22,335	22,335	
TOTAL EXPENDITURES	<u>\$ 203,432</u>	<u>\$ -</u>	<u>\$ 203,432</u>	<u>\$ 201,112</u>	<u>\$ 2,320</u>

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

	General Fund	Special Revenue Fund
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 10,105,653	\$ 201,112
Difference-Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding Encumbrances Prior Year		299
Outstanding Encumbrances Prior Year Adjustment		(299)
Outstanding Encumbrances Current Year		(5,000)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State Aid Receivable Prior Year	111,265	
State Aid Receivable Current Year	(113,537)	
Total Revenues (GAAP Basis)	\$ 10,103,381	\$ 196,112
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 9,973,879	\$ 201,112
Differences-Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding Encumbrances Prior Year		299
Outstanding Encumbrances Prior Year Adjustment		(299)
Outstanding Encumbrances Current Year		(5,000)
Total Expenditures (GAAP Basis)	\$ 9,973,879	\$ 196,112

OTHER SUPPLEMENTAL INFORMATION

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE TO THIS REPORT)

SPECIAL REVENUE FUND

DETAIL STATEMENTS

The special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

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

	IDEA Basic	REAP	NCLB Title I A	NCLB Title II A	NCLB Title III	Agricultural CASE Grant	Perkins Secondary	Local Grants	Total
REVENUES									
Local								\$ 49,539	\$ 49,539
State Sources						\$ 4,766			4,766
Federal Sources	\$ 83,152	\$ 33,587	\$ 18,691	\$ 7,047	\$ 257		\$ 4,073		146,807
TOTAL REVENUES	\$ 83,152	\$ 33,587	\$ 18,691	\$ 7,047	\$ 257	\$ 4,766	\$ 4,073	\$ 49,539	\$ 201,112
EXPENDITURES									
Instruction:									
Salaries			\$ 13,965						\$ 13,965
Purchased Professional & Technical Services		\$ 11,100							11,100
Other Purchased Services	\$ 83,152							\$ 19,563	102,715
General Supplies		12,262	4,726		\$ 257	\$ 4,766		15,380	37,391
Total	83,152	23,362	18,691	\$ -	257	4,766	\$ -	34,943	165,171
Support Services:									
Other Purchased Services				7,047			1,050	1,290	9,387
General Supplies							3,023		3,023
Other Objects								1,196	1,196
Total	-	-	-	7,047	-	-	4,073	2,486	13,606
Facilities Acquisition & Construction Services									
Instructional Equipment		10,225						12,110	22,335
TOTAL EXPENDITURES	\$ 83,152	\$ 33,587	\$ 18,691	\$ 7,047	\$ 257	\$ 4,766	\$ 4,073	\$ 49,539	\$ 201,112

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

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

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Expenditures and Other Financing Uses:	
Other Purchased Professional Services	\$ 943
Total Expenditures	943
Excess (Deficiency) of Revenues Over (Under) Expenditures	(943)
Fund Balance-Beginning	943
Fund Balance-Ending	\$ -

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS-BUDGETARY BASIS-RENOVATION AND EXPANSION OF SCHOOL FACILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources:				
Bond Proceeds	\$ 20,891,000		\$ 20,891,000	\$ 20,891,000
Capital Reserve	480,927		480,927	480,927
Other				344
Total Revenues	21,371,927	\$ -	21,371,927	21,372,271
Expenditures and Other Financing Uses:				
Architect	1,760,450	943	1,761,393	
Construction Manager	438,442		438,442	
Financing Fees	159,599		159,599	
Legal Fees	101,454		101,454	
Technology	12,059		12,059	
Surveying	26,073		26,073	
Professional Environmental Fees	3,211		3,211	
Engineering, Surveying & Testing	49,259		49,259	
Government Review & Other Fees	87,609		87,609	
Insurance	15,204		15,204	
Miscellaneous Other	17,119		17,119	
Construction:				
General	8,466,079		8,466,079	
Electrical	3,028,046		3,028,046	
Plumbing & Fire Prevention	1,552,275		1,552,275	
Heating, Ventilating & Air Conditioning	3,432,211		3,432,211	
Structural Steel	901,653		901,653	
Gymnasium Renovation	384,542		384,542	
Window & Door Project	243,950		243,950	
Ceiling & Asbestos Project	404,871		404,871	
Wood Shop Project	122,688		122,688	
Athletic Training Room Project	11,500		11,500	
Air & Water Balancing	12,900		12,900	
Painting	57,040		57,040	
Landscaping	3,500		3,500	
Middle School Floor Project	7,300		7,300	
Elevator	11,450		11,450	
Driveway Improvements	11,250		11,250	
Masonry Repointing & Caulking	20,000		20,000	
Miscellaneous Construction	29,250		29,250	
Total Expenditures	21,370,984	943	21,371,927	21,372,271
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	\$ 943	\$ (943)	\$ -	\$ -
Additional Project Information:				
Project Number	4890-050-05-1000			
Grant Date	08/16/05			
Original Bonds Authorized Date	09/27/05			
Original Bonds Authorized	\$ 20,892,344			
Original Bonds Issued	\$ 15,492,000			
Additional Bonds Issued	\$ 5,399,000			
Percentage Completion	100.00%			

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.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF FUND NET POSITION
ENTERPRISE FUNDS
JUNE 30, 2014

	Food Services	Child Study Team Services	Transportation Service	Total
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$ 11,843	\$ 57,420	\$ 68,485	\$ 137,748
Due from Other Funds	10,659			10,659
Receivables from Other Governments:				
State	119			119
Federal	1,754			1,754
Local			5,500	5,500
Inventory	2,227			2,227
Total Current Assets	<u>26,602</u>	<u>57,420</u>	<u>73,985</u>	<u>158,007</u>
Noncurrent Assets:				
Capital Assets	134,096		275,750	409,846
Less: Accumulated Depreciation	106,027		40,213	146,240
Total Noncurrent Assets	<u>28,069</u>	<u>-</u>	<u>235,537</u>	<u>263,606</u>
Total Assets	<u>54,671</u>	<u>57,420</u>	<u>309,522</u>	<u>421,613</u>
LIABILITIES				
Accounts Payable			146	146
Unearned Revenues	1,424			1,424
Long-Term Liabilities:				
Due Within One Year			63,828	63,828
Total Liabilities	<u>1,424</u>	<u>-</u>	<u>63,974</u>	<u>65,398</u>
NET POSITION				
Net Investment in Capital Assets	28,069		171,709	199,778
Unrestricted	25,178	57,420	73,839	156,437
TOTAL NET POSITION	<u>\$ 53,247</u>	<u>\$ 57,420</u>	<u>\$ 245,548</u>	<u>\$ 356,215</u>

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

	Food Services	Child Study Team Services	Transportation Services	Total
Operating Revenues:				
Charges for Services:				
Daily Sales-Reimbursable Programs	\$ 41,527			\$ 41,527
Daily Sales-Nonreimbursable Programs	34,271			34,271
Fees for Services		\$ 567,724	\$ 897,030	1,464,754
Total Operating Revenues	<u>75,798</u>	<u>567,724</u>	<u>897,030</u>	<u>1,540,552</u>
Operating Expenses:				
Costs of Sales	41,404			41,404
Commodity Food Costs	9,223			9,223
Salaries	32,219	416,625	474,135	922,979
Employee Benefits	7,245	76,751	56,496	140,492
Purchased Professional & Technical Services		9,582	7,100	16,682
Purchased Property Services (Repairs)			104,664	104,664
Insurance	873		33,293	34,166
Management Fees	7,429			7,429
Other Purchased Services	2,301	5,081	3,671	11,053
General Supplies		3,863	84,106	87,969
Miscellaneous Other			150	150
Depreciation	2,502		27,575	30,077
Total Operating Expenses	<u>103,196</u>	<u>511,902</u>	<u>791,190</u>	<u>1,406,288</u>
Operating Income (Loss)	<u>(27,398)</u>	<u>55,822</u>	<u>105,840</u>	<u>134,264</u>
Nonoperating Revenues (Expenses):				
Interest Earnings	79			79
State Sources:				
State School Lunch Program	1,100			1,100
Federal Sources:				
National School Lunch Program:				
Cash Assistance	27,640			27,640
Non-Cash Assistance (Commodities)	9,223			9,223
Total Nonoperating Revenues (Expenses)	<u>38,042</u>	<u>-</u>	<u>-</u>	<u>38,042</u>
Other Financing Sources:				
Gain on Sale of Assets	83			83
	<u>83</u>	<u>-</u>	<u>-</u>	<u>83</u>
Change in Net Position	10,727	55,822	105,840	172,389
Total Net Position, Beginning	<u>42,520</u>	<u>1,598</u>	<u>139,708</u>	<u>183,826</u>
Total Net Position, Ending	<u>\$ 53,247</u>	<u>\$ 57,420</u>	<u>\$ 245,548</u>	<u>\$ 356,215</u>

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

	Food Services	Child Study Team Service	Transportation Services	Total
Cash Flows from Operating Activities:				
Receipts from Customers (Net)	\$ 76,239	\$ 567,724	\$ 891,530	\$ 1,535,493
Payments to Employees		(416,625)	(474,135)	(890,760)
Payments for Employee Benefits		(76,751)	(56,496)	(133,247)
Payments to Food Services Management Co	(91,534)			(91,534)
Payments to Vendors	(36)	(28,518)	(236,739)	(265,293)
Net Cash Provided by (Used For) Operating Activities	<u>(15,331)</u>	<u>45,830</u>	<u>124,160</u>	<u>154,659</u>
Cash Flows from Noncapital Financing Activities:				
Interfund	(10,659)			(10,659)
State Sources	1,030			1,030
Federal Sources	27,034			27,034
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>17,405</u>	<u>-</u>	<u>-</u>	<u>17,405</u>
Cash Flows from Investing Activities:				
Interest Earned on Investments	79			79
Net Cash Provided by (Used For) Investing Activities	<u>79</u>	<u>-</u>	<u>-</u>	<u>79</u>
Cash Flows from Capital Financing Activities:				
Payment on Capital Lease			(62,848)	(62,848)
Acquisition of Equipment	(18,538)			(18,538)
Net Cash Provided by (Used For) Capital Financing Activities	<u>(18,538)</u>	<u>-</u>	<u>(62,848)</u>	<u>(81,386)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(16,385)	45,830	61,312	90,757
Cash and Cash Equivalents, July 1, 2013	<u>28,228</u>	<u>11,590</u>	<u>7,173</u>	<u>46,991</u>
Cash and Cash Equivalents, June 30, 2014	<u>\$ 11,843</u>	<u>\$ 57,420</u>	<u>\$ 68,485</u>	<u>\$ 137,748</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:				
Operating Income (Loss)	\$ (27,398)	\$ 55,822	\$ 105,840	\$ 134,264
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:				
Depreciation	2,502		27,575	30,077
Federal Food Donation Program	9,223			9,223
(Increase) Decrease in Accounts Receivable			(5,500)	(5,500)
(Increase) Decrease in Inventory	(17)			(17)
Increase (Decrease) in Accounts Payable		(9,992)	(3,755)	(13,747)
Increase (Decrease) in Unearned Revenue	359			359
Net Cash Provided by (Used For) Operating Activities	<u>\$ (15,331)</u>	<u>\$ 45,830</u>	<u>\$ 124,160</u>	<u>\$ 154,659</u>

FIDUCIARY FUND
DETAIL STATEMENTS

Fiduciary Fund are used to account for funds received by the school district as an agent for individuals, private organizations, other governments and/or other funds.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2014

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Student Activity Agency Fund	Payroll Agency Fund	Totals
ASSETS					
Cash & Cash Equivalents	\$ 87,588	\$ 56,935	\$ 71,799	\$ 65,645	\$ 281,967
Due from Other Funds	9,893				9,893
Total Assets	<u>97,481</u>	<u>56,935</u>	<u>71,799</u>	<u>65,645</u>	<u>291,860</u>
LIABILITIES					
Accounts Payable	3,242				3,242
Due to Other Funds				58,621	58,621
Due to Student Groups			71,799		71,799
Payroll Deductions & Withholdings				7,024	7,024
Total Liabilities	<u>3,242</u>	<u>-</u>	<u>71,799</u>	<u>65,645</u>	<u>140,686</u>
NET POSITION					
Held in Trust For:					
Unemployment Claims	94,239				94,239
Scholarships		56,935			56,935
Total Net Position	<u>\$ 94,239</u>	<u>\$ 56,935</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,174</u>

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

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Total
ADDITIONS			
Contributions:			
Plan Members	\$ 9,371		\$ 9,371
Other		\$ 6,850	6,850
Student Activity Funds Re-Classified		56,193	56,193
Investment Earnings:			
Interest	309	654	963
Total Additions	<u>9,680</u>	<u>63,697</u>	<u>73,377</u>
DEDUCTIONS			
Unemployment Claims	4,902		4,902
Scholarships Awarded		6,762	6,762
Total Deductions	<u>4,902</u>	<u>6,762</u>	<u>11,664</u>
Change in Net Position	4,778	56,935	61,713
Net Position, Beginning	<u>89,461</u>	<u>-</u>	<u>89,461</u>
Net Position, Ending	<u>\$ 94,239</u>	<u>\$ 56,935</u>	<u>\$ 151,174</u>

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 STUDENT ACTIVITY AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance 07/01/13	Additions	Deletions	Balance 06/30/14
ASSETS				
Cash & Cash Equivalents	\$ 153,170	\$ 152,880	\$ 234,251	\$ 71,799
TOTAL ASSETS	\$ 153,170	\$ 152,880	\$ 234,251	\$ 71,799
LIABILITIES				
Due to Student Groups:				
Student Activities	\$ 150,531	\$ 110,866	\$ 190,176	\$ 71,221
Athletic Activities	2,639	42,014	44,075	578
TOTAL LIABILITIES	\$ 153,170	\$ 152,880	\$ 234,251	\$ 71,799

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 PAYROLL AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Balance 07/01/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/14</u>
ASSETS				
Cash & Cash Equivalents	\$ 58,302	\$ 6,462,106	\$ 6,454,763	\$ 65,645
TOTAL ASSETS	<u>\$ 58,302</u>	<u>\$ 6,462,106</u>	<u>\$ 6,454,763</u>	<u>\$ 65,645</u>
LIABILITIES				
Due to Other Funds	\$ 522	\$ 58,099		\$ 58,621
Payroll Deductions & Withholdings	57,376	2,737,154	2,784,330	10,200
Net Payroll	404	3,666,853	3,670,433	(3,176)
TOTAL LIABILITIES	<u>\$ 58,302</u>	<u>\$ 6,462,106</u>	<u>\$ 6,454,763</u>	<u>\$ 65,645</u>

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

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

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/13	Issued	Retired	Balance 06/30/14
			Date	Amount					
School Addition of 2006	02/15/06	\$ 15,492,000	02/15/15	\$ 720,000	4.125%				
			02/15/16	755,000					
			02/15/17	790,000					
			02/15/18	825,000					
			02/15/19	865,000					
			02/15/20	905,000					
			02/15/21	945,000					
			02/15/22	990,000					
			02/15/23	1,035,000					
			02/15/24	1,085,000					
			02/15/25	1,125,000					
			02/15/26	1,137,000					
School Addition of 2007	10/30/07	5,299,000	02/15/15	\$ 265,000	4.000%				
			02/15/16	275,000					
			02/15/17	290,000					
			02/15/18	300,000					
			02/15/19	310,000					
			02/15/20	325,000					
			02/15/21	340,000					
			02/15/22	350,000					
			02/15/23	365,000					
			02/15/24	380,000					
			02/15/25	400,000					
			02/15/26	400,000					
					<u>\$ 16,117,000</u>	<u>\$ -</u>	<u>\$ 940,000</u>	<u>\$ 15,177,000</u>	

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 LONG-TERM DEBT
 GENERAL FUND
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Description	Interest Rate Payable	Amount of Original Issue	Balance 07/01/13	Issued	Retired	Balance 06/30/14
Technology Equipment and Telephone Upgrade	4.49%	\$ 67,537	\$ 40,130		\$ 34,268	\$ 5,862
Fitness Work-Out Equipment		8,086		\$ 8,086	782	7,304
24 Ipad Minis and Bretford Power Sync Cart for IPads	7.13%	12,272		12,272	8,188	4,084
54-passenger Bus, Dodge Grand Caravan Special Education Vehicle, Ford F350 Truck, Maintenance Vehicle Trailer	2.395%	137,245		137,245	25,000	112,245
			<u>\$ 40,130</u>	<u>\$ 157,603</u>	<u>\$ 68,238</u>	<u>\$ 129,495</u>

SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
 LONG-TERM DEBT
 TRANSPORTATION SERVICES ENTERPRISE FUND
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Description	Interest Rate	Amount of Original Issue	Balance 07/01/13	Issued Current Year	Retired Current Year	Balance 06/30/14
Transportation Vehicles	1.56%	191,500	126,676		62,848	63,828
			<u>\$ 126,676</u>	<u>\$ -</u>	<u>\$ 62,848</u>	<u>\$ 63,828</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 1,202,229		\$ 1,202,229	\$ 1,202,229	
State Sources:					
Debt Service Aid	352,756		352,756	352,756	
Total Revenues	<u>1,554,985</u>	<u>\$ -</u>	<u>1,554,985</u>	<u>1,554,985</u>	<u>\$ -</u>
EXPENDITURES					
Regular Debt Service:					
Redemption of Principal	940,000		940,000	940,000	
Interest	664,985		664,985	664,985	
Total Expenditures	<u>1,604,985</u>	<u>-</u>	<u>1,604,985</u>	<u>1,604,985</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,000)	-	(50,000)	(50,000)	-
Other Financing Sources (Uses):					
Transfer from Capital Reserve	50,000	-	50,000	50,000	-
Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	-	-	-	-	-
Fund Balance, July 1	<u>4</u>	<u>-</u>	<u>4</u>	<u>4</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ -</u>

STATISTICAL SECTION

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
STATISTICAL SECTION J SERIES

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Sources: Unless Otherwise noted, the Information in these Schedules is
Derived from the Comprehensive Annual Financial Reports (CAFR) for the
Relevant Year.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GOVERNMENT ACTIVITIES										
Net Investment in Capital Assets	\$ 2,873,638	\$ (11,685,211)	\$ (10,287,789)	\$ 1,902,862	\$ 4,108,275	\$ 4,807,945	\$ 5,432,324	\$ 6,281,542	\$ 6,665,511	\$ 7,052,832
Restricted	488,188	15,198,601	14,136,900	2,544,161	1,002,172	487,517	311,337	541,476	742,133	1,094,398
Unrestricted	511,669	196,333	468,587	267,509	(87,845)	64,330	88,337	29,308	198,460	47,232
TOTAL GOVERNMENTAL ACTIVITIES	\$ 3,873,495	\$ 3,709,723	\$ 4,317,698	\$ 4,714,532	\$ 5,022,602	\$ 5,359,792	\$ 5,831,998	\$ 6,852,326	\$ 7,606,104	\$ 8,194,462
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 21,555	\$ 17,118	\$ 19,180	\$ 15,456	\$ 14,292	\$ 10,597	\$ 8,524	\$ 90,924	\$ 148,386	\$ 199,778
Unrestricted	72,111	86,069	80,526	75,818	95,415	94,449	140,459	96,195	35,440	156,437
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 93,666	\$ 103,187	\$ 99,706	\$ 91,274	\$ 109,707	\$ 105,046	\$ 148,983	\$ 187,119	\$ 183,826	\$ 356,215
DISTRICT-WIDE										
Net Investment in Capital Assets	\$ 2,895,193	\$ (11,668,093)	\$ (10,268,609)	\$ 1,918,318	\$ 4,122,567	\$ 4,818,542	\$ 5,440,848	\$ 6,372,466	\$ 6,813,897	\$ 7,252,610
Restricted	488,188	15,198,601	14,136,900	2,544,161	1,002,172	487,517	311,337	541,476	742,133	1,094,398
Unrestricted	583,780	282,402	549,113	343,327	7,570	158,779	228,796	125,503	233,900	203,669
TOTAL DISTRICT-WIDE	\$ 3,967,161	\$ 3,812,910	\$ 4,417,404	\$ 4,805,806	\$ 5,132,309	\$ 5,464,838	\$ 5,980,981	\$ 7,039,445	\$ 7,789,930	\$ 8,550,677

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXPENSES										
Governmental Activities:										
Instruction:										
Regular	\$ 2,910,381	\$ 3,226,165	\$ 3,433,554	\$ 3,393,711	\$ 3,220,481	\$ 3,369,752	\$ 3,436,651	\$ 3,572,047	\$ 4,048,298	\$ 4,098,175
Special Education	807,207	1,112,366	1,143,314	1,147,655	1,152,236	1,106,707	971,593	971,936	1,052,622	993,648
Other Instruction	425,395	346,371	373,783	682,920	583,545	486,835	477,005	499,367	494,817	586,025
Support Services:										
Tuition	415,740	568,602	634,900	731,814	824,788	649,282	573,814	433,332	578,522	717,102
Student & Instruction Related Services	979,530	1,122,642	1,290,381	1,269,061	1,360,189	1,379,131	1,411,946	1,390,653	1,507,827	1,446,231
General & Business Administrative Services	522,306	440,016	351,979	409,230	424,507	470,969	620,389	714,883	702,762	839,729
School Administration	243,634	209,979	172,807	190,061	230,565	169,515	158,264	165,930	154,857	145,920
Plant Operations & Maintenance	506,517	686,090	626,500	838,794	875,995	953,709	906,773	894,992	902,436	958,136
Pupil Transportation	658,877	776,656	677,367	770,572	767,785	736,239	766,761	729,897	744,996	895,042
Interest on Long-Term Debt	15,280	232,309	647,516	778,970	867,253	789,050	774,087	734,946	692,989	657,223
Special Schools					13,348					
Total Governmental Activities Expenses	<u>7,484,867</u>	<u>8,721,196</u>	<u>9,352,101</u>	<u>10,212,788</u>	<u>10,320,692</u>	<u>10,111,189</u>	<u>10,097,283</u>	<u>10,107,983</u>	<u>10,880,126</u>	<u>11,337,231</u>
Business-Type Activities:										
Food Services	151,371	144,306	124,546	125,497	119,811	113,693	116,978	131,841	99,545	103,196
Child Study Team Services	405,575	415,335	446,733	475,000	495,696	484,169	498,938	456,846	489,141	511,902
Transportation Services	87,217	87,217	96,446	124,818	127,589	191,134	779,232	804,542	799,321	791,190
Total Business-Type Activities	<u>644,163</u>	<u>646,858</u>	<u>667,725</u>	<u>725,315</u>	<u>743,096</u>	<u>788,996</u>	<u>1,395,148</u>	<u>1,393,229</u>	<u>1,388,007</u>	<u>1,406,288</u>
TOTAL DISTRICT EXPENSES	<u>\$ 8,129,030</u>	<u>\$ 9,368,054</u>	<u>\$ 10,019,826</u>	<u>\$ 10,938,103</u>	<u>\$ 11,063,788</u>	<u>\$ 10,900,185</u>	<u>\$ 11,492,431</u>	<u>\$ 11,501,212</u>	<u>\$ 12,268,133</u>	<u>\$ 12,743,519</u>

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Continued)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services	\$ 81,813	\$ 109,228	\$ 145,679	\$ 173,343	\$ 156,734	\$ 146,215	\$ 59,700	\$ 60,097	\$ 23,300	\$ 106,757
Operating Grants & Contributions	109,984	192,450	126,026	143,823	198,279	205,562	262,519	181,267	182,955	196,112
Total Governmental Activities Program Revenues	191,797	301,678	271,705	317,166	355,013	351,777	322,219	241,364	206,255	302,869
Business-Type Activities:										
Charges for Services:										
Food Service	137,708	117,268	103,603	108,467	94,423	97,750	96,789	86,142	78,643	75,798
Child Study Team Services	362,061	410,506	446,426	466,307	499,269	511,525	505,868	442,904	460,978	567,724
Transportation Services	99,079	108,743	97,799	126,394	149,809	155,233	814,748	873,493	793,056	897,030
Operating Grants & Contributions	16,175	19,549	15,753	14,450	17,948	19,789	21,652	28,744	30,679	37,963
Total Business-Type Activities Program Revenues	615,023	656,066	663,581	715,618	761,449	784,297	1,439,057	1,431,283	1,363,356	1,578,515
TOTAL DISTRICT-PROGRAM REVENUES	\$ 806,820	\$ 957,744	\$ 935,286	\$ 1,032,784	\$ 1,116,462	\$ 1,136,074	\$ 1,761,276	\$ 1,672,647	\$ 1,569,611	\$ 1,881,384
NET (EXPENSE) REVENUES										
Governmental Activities	\$ (7,293,070)	\$ (8,419,518)	\$ (9,080,396)	\$ (9,895,622)	\$ (9,965,679)	\$ (9,759,412)	\$ (9,775,064)	\$ (9,866,619)	\$ (10,673,871)	\$ (11,034,362)
Business-Type Activities	(29,140)	9,208	(4,144)	(9,697)	18,353	(4,699)	43,909	38,054	(24,651)	172,227
TOTAL DISTRICT-WIDE NET EXPENSES	\$ (7,322,210)	\$ (8,410,310)	\$ (9,084,540)	\$ (9,905,319)	\$ (9,947,326)	\$ (9,764,111)	\$ (9,731,155)	\$ (9,828,565)	\$ (10,698,522)	\$ (10,862,135)
GENERAL REVENUES & OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 6,347,568	\$ 6,550,086	\$ 6,839,303	\$ 7,551,434	\$ 7,798,491	\$ 7,736,111	\$ 7,812,666	\$ 7,862,666	\$ 7,862,666	\$ 8,038,463
Taxes Levied for Debt Service	147,159	137,546	723,989	898,419	211,194	891,358	1,157,636	1,242,498	1,203,741	1,202,229
Unrestricted Grants & Contributions	1,173,158	1,227,732	1,529,398	1,483,660	1,195,428	1,128,306	871,102	1,346,045	1,995,387	2,010,838
State Aid Restricted for Debt Service					905,189	418,940	354,318	353,391	353,269	352,756
Capital Grant-Unallocated	184,619	52,071								
Investment Earnings	30,296	304,130	621,994	377,174	35,200	6,255	2,705	13,679	9,085	10,125
Miscellaneous Income	15,587	4,381		1,769	22,224	100,436	48,843	68,668	15,004	8,305
Gain (Loss) on Disposal of Assets		(2,200)	(6,313)		18,850					
Arbitrage Rebate Reserve Adjustment					87,173	(40,788)				
Special Item-FEMA Claim Proceeds for Storm Damage									9,820	
Operating Transfer		(18,000)	(20,000)	(20,000)					(21,323)	
Total Governmental Activities	7,898,387	8,255,746	9,688,371	10,292,456	10,273,749	10,240,618	10,247,270	10,886,947	11,427,649	11,622,716

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Continued)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GENERAL REVENUES & OTHER CHANGES IN NET POSITION (Cont'd)										
Business-Type Activities:										
Investment Earnings		\$ 313	\$ 663	\$ 379	\$ 80	\$ 38	\$ 28	\$ 82	\$ 35	\$ 79
Operating Transfer									21,323	
Miscellaneous Revenues				886						
Special Item-Gain/(Loss) pm Deletion of Assets										83
Total Business-Type Activities	\$ -	313	663	1,265	80	38	28	82	21,358	162
TOTAL DISTRICT-WIDE	\$ 7,898,387	\$ 8,256,059	\$ 9,689,034	\$ 10,293,721	\$ 10,273,829	\$ 10,240,656	\$ 10,247,298	\$ 10,887,029	\$ 11,449,007	\$ 11,622,878
CHANGE IN NET POSITION										
Governmental Activities	\$ 605,317	\$ (163,772)	\$ 607,975	\$ 396,834	\$ 308,070	\$ 481,206	\$ 472,206	\$ 1,020,328	\$ 753,778	\$ 588,354
Business-Type Activities	(29,140)	9,521	(3,481)	(8,432)	18,433	(4,661)	43,937	38,136	(3,293)	172,389
TOTAL DISTRICT	\$ 576,177	\$ (154,251)	\$ 604,494	\$ 388,402	\$ 326,503	\$ 476,545	\$ 516,143	\$ 1,058,464	\$ 750,485	\$ 760,743

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

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Restricted	\$ 289,869	\$ 342,284	\$ 161,559	\$ 4,315		\$ 34,897	\$ 57,841	\$ 136,597	\$ 188,283	\$ 82,369
Committed	488,183	576,883	507,135	520,822	\$ 300,851	297,869	298,399	540,533	741,190	1,094,394
Assigned	417,560	83,029	149,374	216,740	119,011	104,776	79,486	37,735	162,423	147,374
Unassigned	109,718	125,729	258,457	168,107	167,374	230,883	212,327	190,977	169,276	161,868
Total General Fund	\$ 1,305,330	\$ 1,127,925	\$ 1,076,525	\$ 909,984	\$ 587,236	\$ 668,425	\$ 648,053	\$ 905,842	\$ 1,261,172	\$ 1,486,005
All Other Governmental Funds:										
Restricted, Reported In:										
Capital Projects Fund	\$ 17,834	\$ 14,385,080	\$ 13,224,688	\$ 1,777,657	\$ 387,808	\$ 77,945	\$ 1,235	\$ 943	\$ 943	
Special Revenue Fund	(380)	(369)								
Assigned, Reported In:										
Debt Service Fund	5	236,638	639,379	558,385	313,513	111,703	11,703			\$ 4
Total All Other Governmental Funds	\$ 17,459	\$ 14,621,349	\$ 13,864,067	\$ 2,336,042	\$ 701,321	\$ 189,648	\$ 12,938	\$ 943	\$ 943	\$ 4

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

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Tax Levy	\$ 6,494,727	\$ 6,687,632	\$ 7,563,292	\$ 8,449,853	\$ 8,009,685	\$ 8,627,469	\$ 8,970,302	\$ 9,105,164	\$ 9,066,407	\$ 9,240,692
Tuition Charges	75,873	103,308	145,679	173,343	156,734	146,215	59,700	9,447		
Interest Earnings	30,296	304,130	621,994	377,174	35,200	6,255	2,705	13,679	9,085	10,125
Miscellaneous	23,632	19,379	567	1,769	22,224	104,269	71,968	133,665	54,022	88,494
State Sources	1,182,442	1,243,518	1,539,404	1,491,040	2,116,270	1,547,246	1,228,887	1,676,233	2,347,929	2,368,360
State Sources-Capital Projects	184,619	52,071								
Federal Sources	98,595	167,586	115,453	136,443	182,626	201,729	235,927	190,123	167,964	146,807
Total Revenues	8,090,184	8,577,624	9,986,389	10,629,622	10,522,739	10,633,183	10,569,489	11,128,311	11,645,407	11,854,478
Expenditures:										
Instruction:										
Regular Instruction	2,181,188	2,247,148	2,427,639	2,440,937	2,445,955	2,495,923	2,463,628	2,485,592	2,651,718	2,767,961
Special Education Instruction	522,613	635,761	765,080	783,455	796,437	726,692	655,416	623,474	658,253	639,750
Other Special Instruction	68,307	95,381	32,783	31,628	28,467	8,779		200		
Other Instruction	356,937	336,769	364,008	500,108	426,229	390,022	367,769	386,014	386,138	437,620
Support Services:										
Tuition	415,740	568,602	561,370	657,813	750,180	551,066	482,385	354,640	494,924	633,950
Student & Instruction Related Services	747,219	922,167	1,000,304	998,986	1,117,376	1,081,077	1,073,154	1,048,461	1,048,827	1,112,174
General Administration	296,005	200,931	170,858	212,631	214,306	199,731	333,757	334,651	353,897	437,508
School Administration Services	170,514	164,312	126,753	136,436	181,655	129,492	123,642	119,373	114,830	106,061
Central Services / Business	156,459	145,755	129,775	152,464	149,187	146,945	152,813	141,285	163,341	185,033
Admin Information Technology		11,710	11,842	12,064	20,051	20,636	24,002	24,638	25,290	25,344
Plant Operations & Maintenance	465,222	634,910	541,161	741,878	770,984	815,132	829,436	787,798	814,619	860,818
Pupil Transportation	545,270	612,558	608,463	674,754	683,911	687,429	670,794	664,566	630,511	745,215
Employee Benefits	772,203	1,009,589	954,036	1,082,539	1,106,580	1,157,169	1,056,636	1,057,807	1,185,438	1,093,007
On-Behalf TPAF Pension & Soc Sec Contributions	512,874	565,776	820,485	804,523	541,141	523,586	535,438	601,844	798,172	708,568
Capital Outlay	280,594	100,520	141,136	431,445	181,558	77,880	22,775	352,223	207,395	216,564
Capital Projects	52,602	1,106,920	1,494,695	17,024,431	1,407,477	165,662	76,954	34,057	20,000	943
Special Revenue Funds	109,994	192,439	125,657	143,823	198,279	205,562	262,519	181,267	182,955	196,112
Special Schools					13,000					
Debt Service:										
Principal	130,000	129,000		570,000	774,000	815,000	840,000	870,000	905,000	940,000
Interest & Other Charges	17,159	8,546	621,248	644,523	899,958	805,298	775,453	739,627	704,803	669,291
Total Expenditures	7,802,900	9,687,794	10,897,293	28,044,438	12,706,731	11,003,081	10,746,571	10,807,517	11,346,111	11,775,919
Excess (Deficiency) of Revenues Over (Under) Expenditures	287,284	(1,110,170)	(910,904)	(17,414,816)	(2,183,992)	(369,898)	(177,082)	320,794	299,296	78,559
Other Financing Sources (Uses):										
Capital Leases (Non-Budgeted)	99,676	62,655	122,222	341,250	140,500				67,537	145,331
Proceeds from Bond Issue		15,492,000		5,399,000						
Proceeds from Trade-In of Capital Assets					18,850					
Arbitrage Rebate Reserve Adjustment					87,173	(40,788)				
Special Item-FEMA Proceeds for Storm Damage									9,820	
Transfers Out		(18,000)	(20,000)	(20,000)	(20,000)	(19,798)	(20,000)	(75,000)	(21,323)	
Total Other Financing Sources (Uses)	99,676	15,536,655	102,222	5,720,250	226,523	(60,586)	(20,000)	(75,000)	56,034	145,331
Net Change in Fund Balances	\$ 386,960	\$ 14,426,485	\$ (808,682)	\$ (11,694,566)	\$ (1,957,469)	\$ (430,484)	\$ (197,082)	\$ 245,794	\$ 355,330	\$ 223,890
Debt Service as a Percentage of Non-Capital Expenditures	2.01%	1.65%	7.19%	12.96%	17.73%	17.73%	17.89%	18.27%	16.93%	16.18%

Source: District Records

NOTE: Non-capital expenditures are total expenditures less capital outlay, capital projects and debt service.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL
LOCAL TAX LEVY BY CONSTITUENT DISTRICT
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Total	Lambertville City	Stockton Borough	West Amwell Township
2005	\$ 6,494,727	\$ 3,760,704	\$ 287,336	\$ 2,446,687
2006	6,687,632	3,767,549	316,106	2,603,977
2007	7,563,292	4,132,218	346,504	3,084,570
2008	8,449,853	4,888,539	386,290	3,175,024
2009	8,009,685	4,643,595	425,581	2,940,509
2010	8,627,469	5,009,674	412,057	3,205,738
2011	8,970,302	5,084,894	548,119	3,337,289
2012	9,105,164	4,688,529	589,710	3,826,925
2013	9,066,407	4,664,848	667,280	3,734,279
2014	9,240,692	4,686,396	628,434	3,925,862

Source: District Records

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 GENERAL FUND-OTHER LOCAL REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Description	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Interest Income	\$ 30,296	\$ 67,497	\$ 87,691	\$ 64,474	\$ 14,184	\$ 5,263	\$ 2,461	\$ 13,679	\$ 9,085	\$ 10,125
Tuition	75,873	103,308	145,679	173,343	156,734	146,215	59,700	9,447		
Transportation Fees						90,862				
Old Outstanding Checks Canceled		908		831			1,101	7,020	523	
Miscellaneous	530	39		128		139		2,798		
Prior Year Refunds	8,541					350	25,905	51,809	12,932	18,913
Insurance Rebates					23,691					
Use of Facilities	5,940	5,920					50		2,500	4,242
Prior Year Accounts Payable Canceled	4,756							5,649		
Sale of Surplus Materials/Equipment	1,760	3,434								
Payroll Agency & Net Payroll Excess						9,789			1,551	
Write off of Prior Year Receivables					(1,467)				(2)	
Grant Fund Adjustment						(704)		1,392		
FEMA Reimbursement								26,700		
Activity Fees							21,787	23,950	20,800	20,800
Annual Totals	<u>\$ 127,696</u>	<u>\$ 181,106</u>	<u>\$ 233,370</u>	<u>\$ 238,776</u>	<u>\$ 193,142</u>	<u>\$ 251,914</u>	<u>\$ 111,004</u>	<u>\$ 142,444</u>	<u>\$ 47,389</u>	<u>\$ 54,080</u>

Source: District Records

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY-ALL CONSTITUENT DISTRICTS COMBINED
 LAST TEN YEARS

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Vacant Land	\$ 34,207,698	\$ 29,406,398	\$ 27,531,998	\$ 23,535,098	\$ 18,703,698	\$ 15,837,398	\$ 17,347,392	\$ 16,019,400	\$ 13,954,500	\$ 14,379,200
Residential	821,873,300	909,875,400	1,025,233,400	1,053,207,200	1,064,506,500	1,044,669,700	1,041,968,700	981,186,700	976,816,000	984,863,000
Farm Regular	85,068,400	86,618,400	87,754,100	90,088,800	90,788,800	94,096,200	93,778,800	79,620,700	81,288,900	82,844,300
Qualified Farm	2,744,264	2,662,264	2,646,164	2,569,864	2,543,764	2,657,364	2,537,370	2,579,462	2,579,663	2,576,662
Commercial	129,637,270	135,309,770	151,307,869	150,401,069	152,015,169	148,885,569	148,053,469	148,730,099	150,256,009	150,168,809
Industrial	21,486,350	21,893,850	22,555,000	22,230,700	22,629,900	22,126,100	22,177,300	23,072,600	24,350,200	23,856,000
Apartment	20,617,500	21,453,300	23,063,400	24,625,500	25,386,100	24,720,100	24,661,700	24,904,400	25,066,600	24,987,800
Total Assessed Value	1,115,634,782	1,207,219,382	1,340,091,931	1,366,658,231	1,376,573,931	1,352,992,431	1,350,524,731	1,276,113,361	1,274,311,872	1,283,675,771
Public Utilities (a)	2,374,569	2,307,405	2,380,003	2,391,240	2,594,259	2,656,323	2,364,739	2,383,750	2,016,439	1,709,968
Net Valuation Taxable	\$ 1,118,009,351	\$ 1,209,526,787	\$ 1,342,471,934	\$ 1,369,049,471	\$ 1,379,168,190	\$ 1,355,648,754	\$ 1,352,889,470	\$ 1,278,497,111	\$ 1,276,328,311	\$ 1,285,385,739
Estimated Actual County Equalized Value	\$ 1,193,856,995	\$ 1,338,139,252	\$ 1,443,205,609	\$ 1,479,812,930	\$ 1,470,928,620	\$ 1,435,534,265	\$ 1,401,011,224	\$ 1,373,614,475	\$ 1,334,008,594	\$ 1,299,286,047
Percentage of Net Valuation to Estimated Actual County Equalized Value	93.65%	90.39%	93.02%	92.52%	93.76%	94.44%	96.57%	93.08%	95.68%	98.93%
Regional High School Tax Rate by Constituent District: (b)										
City of Lambertville	\$ 0.72	\$ 0.66	\$ 0.63	\$ 0.65	\$ 0.65	\$ 0.70	\$ 0.68	\$ 0.65	\$ 0.65	\$ 1.21
Borough of Stockton	\$ 0.77	\$ 0.70	\$ 0.38	\$ 0.42	\$ 0.44	\$ 0.51	\$ 0.60	\$ 0.67	\$ 0.69	\$ 1.32
Township of West Amwell	\$ 0.54	\$ 0.49	\$ 0.60	\$ 0.57	\$ 0.58	\$ 0.61	\$ 0.67	\$ 0.81	\$ 0.82	\$ 1.21

*

Source: Municipal Tax Assessors

NOTE

- (a) Taxable Value of Machinery, Implements and Equipments of Telephone and Messenger System Companies
- (b) Tax rates are per \$100
- * Merger of Local and Regional School Districts

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 BY CONSTITUENT DISTRICT-CITY OF LAMBERTVILLE
 LAST TEN YEARS

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Vacant Land	\$ 18,672,298	\$ 15,469,298	\$ 12,609,598	\$ 8,043,498	\$ 6,859,698	\$ 5,191,798	\$ 6,132,192	\$ 5,000,500	\$ 4,803,200	\$ 4,720,600
Residential	419,401,000	502,223,400	561,320,700	582,142,900	592,959,600	575,821,700	572,591,400	571,053,500	567,122,600	562,452,000
Farm Regular	1,229,500	1,282,500	1,338,700	1,337,300	1,353,800	1,343,800	1,343,800	1,343,800	1,343,800	1,343,800
Qualified Farm	128,264	128,264	128,264	128,264	128,264	128,264	2,470	128,562	128,562	128,562
Commercial	98,120,071	103,813,471	111,651,900	111,347,700	110,241,900	106,970,800	106,444,200	107,487,900	107,765,800	107,578,500
Industrial	9,459,550	9,867,050	10,326,600	10,002,300	10,401,500	10,261,700	10,261,700	11,326,900	10,526,900	10,526,900
Apartment	18,561,500	19,397,300	20,567,900	22,130,000	22,890,600	22,224,600	22,166,200	22,634,200	22,817,900	22,792,900
Total Assessed Value	565,572,183	652,181,283	717,943,662	735,131,962	744,835,362	721,942,662	718,941,962	718,975,362	714,508,762	709,543,262
Public Utilities (a)	1,436,649	1,432,045	1,452,801	1,415,703	1,512,179	1,448,023	1,448,023	1,490,108	1,165,786	1,026,564
Net Valuation Taxable	\$ 567,008,832	\$ 653,613,328	\$ 719,396,463	\$ 736,547,665	\$ 746,347,541	\$ 723,390,685	\$ 720,389,985	\$ 720,465,470	\$ 715,674,548	\$ 710,569,826
Estimated Actual County Equalized Value	\$ 611,792,007	\$ 674,871,790	\$ 748,018,262	\$ 769,209,089	\$ 782,581,043	\$ 774,319,002	\$ 749,226,690	\$ 732,969,651	\$ 733,607,961	\$ 717,529,865
Percentage of Net Valuation to Estimated Actual County Equalized Value	92.68%	96.85%	96.17%	95.75%	95.37%	93.42%	96.15%	98.29%	97.56%	99.03%
Total Direct Regional School Tax Rate (b)	\$ 0.66	\$ 0.61	\$ 0.63	\$ 0.65	\$ 0.65	\$ 0.70	\$ 0.68	\$ 0.65	\$ 0.65	\$ 1.21
	*	*	*	*	*	*				**

Source: Municipal Tax Assessor

NOTE Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

(a) Taxable Value of Machinery, Implements and Equipments of Telephone and Messenger System Companies

(b) Tax rates are per \$100

* Revalued/Reassessed

** Merger of Local and Regional School Districts

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 BY CONSTITUENT DISTRICT-BOROUGH OF STOCKTON
 LAST TEN YEARS

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Vacant Land	\$ 1,107,000	\$ 1,087,100	\$ 3,205,700	\$ 3,297,400	\$ 1,348,700	\$ 985,200	\$ 985,200	\$ 985,200	\$ 904,300	\$ 904,300
Residential	33,786,000	33,654,900	77,901,000	77,769,800	78,584,100	78,576,500	78,062,400	77,404,100	77,278,500	77,013,700
Farm Regular	427,500	427,500	845,100	845,100	845,100	845,100	845,100	845,100	845,100	845,100
Qualified Farm	24,600	24,600	24,600	24,600	22,200	22,200	22,200	20,500	20,500	18,400
Commercial	6,404,800	6,383,900	13,969,300	13,969,300	13,091,600	13,304,100	13,245,400	13,628,300	13,455,700	13,667,700
Industrial	162,400	162,400	364,000	364,000	364,000	364,000	364,000	364,000	364,000	364,000
Apartment	579,100	579,100	1,018,600	1,018,600	1,018,600	1,018,600	1,018,600	1,018,600	1,018,600	1,018,600
Total Assessed Value	42,491,400	42,319,500	97,328,300	97,288,800	95,274,300	94,751,700	94,178,900	93,901,800	93,522,700	93,467,800
Public Utilities (a)	85,768	75,773	151,229	159,686	172,380	172,593	128,804	124,161	123,536	94,995
Net Valuation Taxable	\$ 42,577,168	\$ 42,395,273	\$ 97,479,529	\$ 97,448,486	\$ 95,446,680	\$ 94,924,293	\$ 94,307,704	\$ 94,025,961	\$ 93,646,236	\$ 93,562,795
Estimated Actual County Equalized Value	\$ 87,081,996	\$ 88,111,345	\$ 91,590,819	\$ 90,291,982	\$ 93,900,171	\$ 95,124,053	\$ 94,072,844	\$ 92,638,250	\$ 93,562,141	\$ 90,743,623
Percentage of Net Valuation to Estimated Actual County Equalized Value	48.89%	48.12%	106.43%	107.93%	101.65%	99.79%	100.25%	101.50%	100.09%	103.11%
Total Direct Regional School Tax Rate (b)	\$ 0.70	\$ 0.78	\$ 0.38	\$ 0.42	\$ 0.44	\$ 0.51	\$ 0.60	\$ 0.67	\$ 0.69	\$ 1.32
			*	*						**

Source: Municipal Tax Assessor

- NOTE** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.
 Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment
- (a) Taxable Value of Machinery, Implements and Equipments of Telephone and Messenger System Companies
 - (b) Tax rates are per \$100
 - * Revalued/Reassessed
 - ** Merger of Local and Regional School Districts

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 BY CONSTITUENT DISTRICT-TOWNSHIP OF WEST AMWELL
 LAST TEN YEARS

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Vacant Land	\$ 14,428,400	\$ 12,850,000	\$ 11,716,700	\$ 12,194,200	\$ 10,495,300	\$ 9,660,400	\$ 10,230,000	\$ 10,033,700	\$ 8,247,000	\$ 8,754,300
Residential	368,686,300	373,997,100	386,011,700	393,294,500	392,962,800	390,271,500	391,314,900	332,729,100	332,414,900	345,397,300
Farm Regular	83,411,400	84,908,400	85,570,300	87,906,400	88,589,900	91,907,300	91,589,900	77,431,800	79,100,000	80,655,400
Qualified Farm	2,591,400	2,509,400	2,493,300	2,417,000	2,393,300	2,506,900	2,512,700	2,430,400	2,430,601	2,429,700
Commercial	25,112,399	25,112,399	25,686,669	25,084,069	28,681,669	28,610,669	28,363,869	27,613,899	29,034,509	28,922,609
Industrial	11,864,400	11,864,400	11,864,400	11,864,400	11,864,400	11,864,400	11,915,600	11,745,700	13,823,300	13,329,100
Apartment	1,476,900	1,476,900	1,476,900	1,476,900	1,476,900	1,476,900	1,476,900	1,251,600	1,230,100	1,176,300
Total Assessed Value	507,571,199	512,718,599	524,819,969	534,237,469	536,464,269	536,298,069	537,403,869	463,236,199	466,280,410	480,664,709
Public Utilities (a)	852,152	799,587	775,973	815,851	909,700	1,035,707	787,912	769,481	727,117	588,409
Net Valuation Taxable	\$ 508,423,351	\$ 513,518,186	\$ 525,595,942	\$ 535,053,320	\$ 537,373,969	\$ 537,333,776	\$ 538,191,781	\$ 464,005,680	\$ 467,007,527	\$ 481,253,118
Estimated Actual County Equalized Value	\$ 494,982,992	\$ 575,156,117	\$ 603,596,528	\$ 620,311,859	\$ 594,447,406	\$ 566,091,210	\$ 557,711,690	\$ 548,006,574	\$ 506,838,492	\$ 491,012,559
Percentage of Net Valuation to Estimated Actual County Equalized Value	102.72%	89.28%	87.08%	86.26%	90.40%	94.92%	96.50%	84.67%	92.14%	98.01%
Total Direct Regional School Tax Rate (b)	\$ 0.49	\$ 0.55	\$ 0.60	\$ 0.57	\$ 0.58	\$ 0.61	\$ 0.67	\$ 0.81	\$ 0.82	\$ 1.21
								*	*	*, **

Source: Municipal Tax Assessor

- NOTE**
- Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.
 - Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment
 - (a) Taxable Value of Machinery, Implements and Equipments of Telephone and Messenger System Companies
 - (b) Tax rates are per \$100
 - * Revalued/Reassessed
 - ** Merger of Local and Regional School Districts

SOUTH HUNTERDON REGIONAL HIGH SCHOOL
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 BY CONSTITUENT DISTRICT-CITY OF LAMBERTVILLE
 LAST TEN YEARS
 (RATE PER \$100 OF ASSESSED VALUE)

Assessment Year	Regional School District Direct Rate								Total Direct & Overlapping Tax Rate
	(From J-7)			Local School Tax	Overlapping Rates			Fire District	
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate		Municipality	County			
2005	*	\$ 0.65	\$ 0.01	\$ 0.66	\$ 0.40	\$ 0.22	\$ 0.38	\$ 0.07	\$ 1.73
2006	*	0.55	0.06	0.61	0.37	0.19	0.34	0.08	1.59
2007	*	0.57	0.06	0.63	0.35	0.19	0.33	0.08	1.58
2008	*	0.61	0.04	0.65	0.36	0.22	0.32	0.08	1.63
2009	*	0.57	0.08	0.65	0.37	0.25	0.34	0.07	1.68
2010	*	0.61	0.09	0.70	0.41	0.25	0.34	0.07	1.77
2011		0.60	0.08	0.68	0.42	0.35	0.33	0.07	1.85
2012		0.57	0.08	0.65	0.45	0.35	0.33	0.07	1.85
2013		0.57	0.08	0.65	0.49	0.36	0.34	0.07	1.91
2014	**	1.12	0.09	1.21		0.36	0.35	0.07	1.99

Sources: Municipal Tax Collector

NOTE:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

(b) Rates for debt service are based on each year's requirements.

* Revalued/Reassessed

** Merger of Local and Regional School Districts

SOUTH HUNTERDON REGIONAL HIGH SCHOOL
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 BY CONSTITUENT DISTRICT-BOROUGH OF STOCKTON
 LAST TEN FISCAL YEARS
 (RATE PER \$100 OF ASSESSED VALUE)

Assessment Year	Regional School District Direct Rate (From J-7)				Local School Tax	Overlapping Rates			Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Municipality		County	Fire District		
2005	\$ 0.69	\$ 0.01	\$ 0.70	\$ 1.14	\$ 0.53	\$ 0.77		\$ 3.14	
2006	0.71	0.07	0.78	1.24	0.55	0.74		3.31	
2007	* 0.34	0.04	0.38	0.57	0.25	0.31		1.51	
2008	* 0.39	0.03	0.42	0.60	0.28	0.31		1.61	
2009	0.39	0.05	0.44	0.65	0.32	0.33		1.74	
2010	0.44	0.06	0.50	0.68	0.34	0.34		1.86	
2011	0.53	0.07	0.60	0.69	0.34	0.34		1.97	
2012	0.59	0.08	0.67	0.71	0.35	0.34		2.07	
2013	0.61	0.08	0.69	0.70	0.37	0.36		2.12	
2014	** 1.22	0.10	1.32		0.38	0.36		2.06	

Sources: Municipal Tax Collector

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

- (a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

* Revalued/Reassessed

** Merger of Local and Regional School Districts

SOUTH HUNTERDON REGIONAL HIGH SCHOOL
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 BY CONSTITUENT DISTRICT-TOWNSHIP OF WEST AMWELL
 LAST TEN FISCAL YEARS
 (RATE PER \$100 OF ASSESSED VALUE)

Assessment Year	Regional School District Direct Rate							Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-7)		Local School Tax	Overlapping Rates		
			Direct	Total		Municipality	County	
2005	\$ 0.48	\$ 0.01	\$ 0.49	\$ 0.60	\$ 0.10	\$ 0.37	\$ 1.56	
2006	0.50	0.05	0.55	0.63	0.13	0.40	1.71	
2007	0.54	0.06	0.60	0.65	0.16	0.38	1.79	
2008	0.53	0.04	0.57	0.65	0.22	0.39	1.83	
2009	0.51	0.07	0.58	0.66	0.25	0.38	1.87	
2010	0.53	0.08	0.61	0.69	0.28	0.36	1.94	
2011	0.59	0.08	0.67	0.69	0.28	0.36	2.00	
2012	*	0.71	0.10	0.81	0.32	0.53	2.48	
2013	*	0.72	0.10	0.82	0.32	0.39	2.36	
2014	*,**	1.12	0.09	1.21	0.31	0.38	1.90	

Sources: Municipal Tax Collector

NOTE:

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

- (a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.
- * Revalued/Reassessed
- ** Merger of Local and Regional School Districts

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS,
 BY CONSTITUENT DISTRICT-CITY OF LAMBERTVILLE
 CURRENT YEAR AND NINE YEARS AGO

	2014			2005		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Assessed Value	Rank	% of Total District Net Assessed Value
Swan Creek Holding Co LP	\$ 4,002,500	1	0.56%	\$ 5,699,700	2	1.01%
Delcampo LLC	4,000,000	2	0.56%	3,646,000	3	0.64%
Hart Venture Group LLC	3,664,100	3	0.52%	2,026,700	7	0.36%
Woodrose Properties LLC	3,560,900	4	0.50%			
BC Property Management	2,987,400	5	0.42%			
Individual Property Owner	2,699,900	6	0.38%	2,706,300	5	0.48%
Route 12-1 Properties LLC	2,615,000	7	0.37%			
DeMarco Investment Company	2,574,400	8	0.36%			
Allied Village Square LLC	2,407,300	9	0.34%	2,025,200	8	0.36%
8 Centre Market Place Realty Inc	2,218,100	10	0.31%			
Orleans at Lambertville LLC				6,836,516	1	1.21%
Lambertville Cracker Company				2,754,847	4	0.49%
Individual Property Owner				2,402,167	6	0.42%
Diamond Silver LLC				1,998,250	9	0.35%
Verizon				1,896,049	10	0.33%
	<u>\$ 30,729,600</u>		<u>4.320%</u>	<u>\$ 31,991,729</u>		<u>5.64%</u>

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS,
 BY CONSTITUENT DISTRICT-BOROUGH OF STOCKTON
 CURRENT YEAR AND NINE YEARS AGO

	2014			2005		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Individual Property Owner	\$ 2,154,400	1	2.30%	\$ 646,900	2	1.52%
Millett Properties LLC	1,836,300	2	1.96%			
Haverstick Properties	1,444,200	3	1.54%			
Finale Partners LLC	1,322,700	4	1.41%			
Individual Property Owner	1,065,900	5	1.14%			0.00%
Individual Property Owner	1,034,800	6	1.11%	595,100	3	1.40%
Individual Property Owner	102,200	7	0.11%			0.00%
Individual Property Owner	914,900	8	0.98%			0.00%
Individual Property Owner	905,800	9	0.97%	475,200	4	1.12%
Individual Property Owner	890,300	10	0.95%			0.00%
Stockton Inn Inc				831,700	1	1.95%
My Ben Associates				447,000	5	1.05%
Individual Property Owner				399,200	6	0.94%
Individual Property Owner				357,100	7	0.84%
Individual Property Owner				354,000	8	0.83%
Individual Property Owner				340,000	9	0.80%
Individual Property Owner				330,600	10	0.78%
	<u>\$ 11,671,500</u>		<u>12.47%</u>	<u>\$ 4,776,800</u>		<u>11.22%</u>

Source: Municipal Tax Assessor

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS,
 BY CONSTITUENT DISTRICT-TOWNSHIP OF WEST AMWELL
 CURRENT YEAR AND NINE YEARS AGO

	2014			2005		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Texas Eastern Transmission Corporation	\$ 7,100,000	1	1.48%	\$ 5,491,900	1	1.08%
OFN Properties LLC C/O P Gould Esq	4,692,800	2	0.98%			
JMJ Farm Holdings LLC	2,521,700	3	0.52%	3,546,000	3	0.70%
Barry Road Properties LLC	2,072,400	4	0.43%			
Breen Real Estate LLC	1,892,200	5	0.39%			
Affordable Self Storage Inc	1,819,900	6	0.38%	1,904,300	7	0.37%
Bender Realty LLC	1,616,710	7	0.34%			
Individual Property Owner	1,589,600	8	0.33%	1,908,100	6	0.38%
Individual Property Owner	1,552,400	9	0.32%			
Individual Property Owner	1,488,300	10	0.31%	1,910,700	5	0.38%
Individual Property Owner				5,404,400	2	1.06%
Individual Property Owner				2,931,500	4	0.58%
Individual Property Owner				1,802,100	8	0.35%
Breen Color Concentrates				1,752,500	9	0.34%
Durling Realty LLC C/O Quick Check				1,695,800	10	0.33%
	<u>\$ 26,346,010</u>		<u>5.47%</u>	<u>\$ 28,347,300</u>		<u>5.58%</u>

Source: Municipal Tax Assessor

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
BY CONSTITUENT DISTRICT-CITY OF LAMBERTVILLE
LAST TEN YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2004	\$ 9,410,544	\$ 9,251,630	98.31%
2005	9,948,386	9,830,516	98.82%
2006	10,547,086	10,374,875	98.37%
2007	11,450,635	11,245,622	98.21%
2008	12,060,078	11,845,189	98.22%
2009	12,578,870	12,362,237	98.28%
2010	12,772,349	12,524,221	98.06%
2011	13,368,923	13,136,096	98.26%
2012	13,325,712	13,084,798	98.19%
2013	13,732,827	13,522,256	98.46%

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

School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a
(a) municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
BY CONSTITUENT DISTRICT-BOROUGH OF STOCKTON
LAST TEN FISCAL YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2004	\$ 1,257,993	\$ 1,205,833	95.85%
2005	1,347,868	1,267,976	94.07%
2006	1,403,284	1,349,235	96.15%
2007	1,474,087	1,409,146	95.59%
2008	1,585,461	1,424,806	89.87%
2009	1,668,525	1,544,735	92.58%
2010	1,768,440	1,630,382	92.19%
2011	1,855,976	1,828,388	98.51%
2012	1,954,038	1,929,102	98.72%
2013	1,987,173	1,956,888	98.47%

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

School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a
(a) municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
BY CONSTITUENT DISTRICT-TOWNSHIP OF WEST AMWELL
LAST TEN FISCAL YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2004	\$ 7,487,183	\$ 7,334,876	97.97%
2005	8,067,624	7,932,692	98.33%
2006	8,937,320	8,790,806	98.36%
2007	9,520,863	9,347,139	98.18%
2008	9,887,901	9,737,339	98.48%
2009	10,078,914	9,914,160	98.37%
2010	10,497,820	10,266,343	97.79%
2011	10,774,871	10,525,807	97.69%
2012	11,055,587	10,759,934	97.33%
2013	11,124,471	10,807,150	97.14%

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

School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a (a) municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Governmental Activities			Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2005	\$ 129,000		\$ 97,746			\$ 226,746	0.05%	\$ 32
2006	15,492,000		96,453			15,588,453	3.56%	2,153
2007	15,492,000		125,611			15,617,611	3.32%	2,160
2008	20,321,000		321,104			20,642,104	4.16%	2,847
2009	19,547,000		279,972			19,826,972	3.97%	2,734
2010	18,732,000		178,370			18,766,354	3.91%	2,585
2011	17,892,000		73,219			17,965,219	3.32%	2,169
2012	17,022,000					17,022,000	2.97%	2,060
2013	16,117,000		40,130		\$ 126,676	16,283,806	2.77%	1,997
2014	15,177,000		129,495		63,828	15,370,323	N/A	2,135

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

(a) See Exhibit J-26 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value (a) of Property	Per Capita (a)
	General Obligation Bonds	Deductions			
2005	\$ 129,000		\$ 129,000	0.01%	\$ 18
2006	15,492,000		15,492,000	1.16%	2,139
2007	15,492,000		15,492,000	1.07%	2,142
2008	19,547,000		20,321,000	1.37%	2,803
2009	19,547,000		19,547,000	1.33%	2,696
2010	18,732,000		18,732,000	1.30%	2,580
2011	17,892,000		17,892,000	1.28%	2,160
2012	17,022,000		17,022,000	1.24%	2,060
2013	16,117,000		16,117,000	1.21%	1,977
2014	15,177,000		15,177,000	1.17%	2,108

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

- (a) See Exhibit J-7 for property tax data.
- (b) Population data can be found in Exhibit NJ J-14.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 BY CONSTITUENT DISTRICT-CITY OF LAMBERTVILLE
 AS OF DECEMBER 31, 2013

GOVERNMENTAL UNIT	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Municipality	\$ 13,267,528	100.00%	\$ 13,267,528
Regional High School	16,117,000	54.72%	8,819,168
County General Obligation Debt	69,514,672	3.42%	2,374,012
Total Direct and Overlapping Debt			<u>\$ 24,460,709</u>

Sources: Assessed Value Data Used to Estimate Applicable Percentages
 Provided by the County Board of Taxation. Debt Outstanding Data
 Provided by Each Governmental Unit.

Note: Overlapping Governments are those that Coincide, at least in Part, with the Geographic Boundaries of the District. This Schedule Estimates the Portion of the Outstanding Debt of Those Overlapping Governments that is Borne by the Residents and Businesses of the Municipality. 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 for Repaying the Debt, of Each Overlapping Payment.

(a) For Debt Repaid with Property Taxes, the Percentage of Overlapping Debt Applicable is Estimated Using Taxable Assessed Property Values. Applicable Percentages were Estimated by Determining the Portion of Another Governmental Unit's Taxable Value that is Within the District's Boundaries and Dividing it by Each Unit's Total Taxable Value.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
BY CONSTITUENT DISTRICT-BOROUGH OF STOCKTON
AS OF DECEMBER 31, 2013

GOVERNMENTAL UNIT	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Municipality	\$ 1,916,553	100.00%	\$ 1,916,553
Regional High School	16,117,000	6.93%	1,116,726
County General Obligation Debt	69,514,672	0.43%	300,609
Total Direct and Overlapping Debt			<u>\$ 3,333,889</u>

Sources: Assessed Value Data Used to Estimate Applicable Percentages
Provided by the County Board of Taxation. Debt Outstanding Data
Provided by Each Governmental Unit.

Note: Overlapping Governments are those that Coincide, at least in Part, with the Geographic Boundaries of the District. This Schedule Estimates the Portion of the Outstanding Debt of Those Overlapping Governments that is Borne by the Residents and Businesses of the Municipality. 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 for Repaying the Debt, of Each Overlapping Payment.

(a) For Debt Repaid with Property Taxes, the Percentage of Overlapping Debt Applicable is Estimated Using Taxable Assessed Property Values. Applicable Percentages were Estimated by Determining the Portion of Another Governmental Unit's Taxable Value that is

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 BY CONSTITUENT DISTRICT-TOWNSHIP OF WEST AMWELL
 AS OF DECEMBER 31, 2013

GOVERNMENTAL UNIT	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Municipality	\$ 4,876,388	100.00%	\$ 4,876,388
Local School District Debt	870,000	100.00%	870,000
Regional High School	16,117,000	38.35%	6,181,105
County General Obligation Debt	69,514,672	2.39%	1,663,878
Total Direct and Overlapping Debt			<u>\$ 13,591,371</u>

Sources: Assessed Value Data Used to Estimate Applicable Percentages
 Provided by the County Board of Taxation. Debt Outstanding Data
 Provided by Each Governmental Unit.

Note: Overlapping Governments are those that Coincide, at least in Part, with the Geographic Boundaries of the District. This Schedule Estimates the Portion of the Outstanding Debt of Those Overlapping Governments that is Borne by the Residents and Businesses of the Municipality. 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 for Repaying the Debt, of Each Overlapping Payment.

(a) For Debt Repaid with Property Taxes, the Percentage of Overlapping Debt Applicable is Estimated Using Taxable Assessed Property Values. Applicable Percentages were Estimated by Determining the Portion of Another Governmental Unit's Taxable Value that is

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION,
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2014

<u>Average Equalized Valuation Basis</u>	
City of Lambertville	\$ 729,994,097
Borough of Stockton	92,435,443
Township of West Amwell	<u>511,632,173</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,334,061,713</u>

Debt Limit (3.5% of Average Equalization Value)	\$ 46,692,160	(a)
Total Net Debt Applicable to Limit	<u>15,177,000</u>	
Legal Debt Margin	<u>\$ 31,515,160</u>	

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 32,915,179	\$ 37,846,486	\$ 42,939,078	\$ 47,196,500	\$ 50,081,807	\$ 50,731,052	\$ 50,276,303	\$ 49,018,194	\$ 47,857,263	\$ 46,692,160
Total Net Debt Applicable	<u>129,000</u>	<u>20,892,344</u>	<u>20,892,344</u>	<u>20,322,344</u>	<u>19,548,344</u>	<u>18,732,000</u>	<u>17,892,000</u>	<u>17,022,000</u>	<u>16,117,000</u>	<u>15,177,000</u>
Legal Debt Margin	<u>\$ 32,786,179</u>	<u>\$ 16,954,142</u>	<u>\$ 22,046,734</u>	<u>\$ 26,874,156</u>	<u>\$ 30,533,463</u>	<u>\$ 31,999,052</u>	<u>\$ 32,384,303</u>	<u>\$ 31,996,194</u>	<u>\$ 31,740,263</u>	<u>\$ 31,515,160</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.39%	55.20%	48.66%	43.06%	39.03%	36.92%	35.59%	34.73%	33.68%	32.50%

Source: Equalized Valuation Bases were Obtained from the Annual Report of the State of New Jersey.
 Department of Treasury, Division of Taxation

(a) Limit Set by NJSA 18A:24-19

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

CONSTITUENT DISTRICT	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
SCHOOL DISTRICT POPULATION (a)										
City of Lambertville	3,829	3,797	3,774	3,763	3,776	3,786	3,906	3,896	3,837	3,863
Borough of Stockton	556	553	550	553	551	551	537	536	536	531
Township of West Amwell	2,810	2,891	2,908	2,935	2,924	2,924	3,840	3,832	3,781	2,805
	<u>7,195</u>	<u>7,241</u>	<u>7,232</u>	<u>7,251</u>	<u>7,251</u>	<u>7,261</u>	<u>8,283</u>	<u>8,264</u>	<u>8,154</u>	<u>7,199</u>
PERSONAL INCOME (b)										
City of Lambertville	\$ 231,489,853	\$ 229,877,974	\$ 245,317,548	\$ 257,280,073	\$ 259,890,752	\$ 250,106,946	\$ 255,241,476	\$ 270,226,560	\$ 276,766,647	N/A
Borough of Stockton	33,614,092	33,479,726	35,751,100	37,809,163	37,923,677	36,399,611	35,090,802	37,176,960	38,662,216	N/A
Township of West Amwell	169,884,170	175,026,922	189,025,816	200,668,885	201,250,148	193,162,364	250,928,640	265,787,520	272,727,311	N/A
	<u>\$ 434,988,115</u>	<u>\$ 438,384,622</u>	<u>\$ 470,094,464</u>	<u>\$ 495,758,121</u>	<u>\$ 499,064,577</u>	<u>\$ 479,668,921</u>	<u>\$ 541,260,918</u>	<u>\$ 573,191,040</u>	<u>\$ 588,156,174</u>	
PER CAPITA PERSONAL INCOME										
County of Hunterdon	<u>\$ 60,457</u>	<u>\$ 60,542</u>	<u>\$ 65,002</u>	<u>\$ 68,371</u>	<u>\$ 68,827</u>	<u>\$ 66,061</u>	<u>\$ 65,346</u>	<u>\$ 69,360</u>	<u>\$ 72,131</u>	N/A
UNEMPLOYMENT RATE (c)										
City of Lambertville	2.9%	2.8%	3.7%	3.2%	4.2%	7.6%	7.8%	7.7%	7.9%	3.0%
Borough of Stockton	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.3%
Township of West Amwell	2.6%	2.5%	2.8%	2.5%	3.2%	5.9%	6.1%	5.9%	6.1%	3.2%

(a) Population Information Provided by the NJ Dept of Labor and Workforce Development
 (b) Personal Income has Been Estimated Based Upon Municipal Population and Per Capita Income Presented for the County of Hunterdon
 (c) Unemployment Data Provided by the NJ Dept of Labor and Workforce Development

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2014			2005		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION / PROGRAM
 LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction:										
Regular	36.0	34.5	35.5	35.0	32.8	32.8	33.3	32.4	34.0	34.7
Special Education	9.5	10.5	10.0	15.0	10.6	9.5	8.5	7.6	7.5	8.2
Other Special Education	7.0	7.5	7.5		10.0	6.0	4.0	4.0	4.0	4.0
Vocational	1.0	1.0		1.0						
Support Services:										
Student and Instruction Related Services	6.0	6.0	7.0	12.6	11.4	9.6	8.1	9.2	8.9	8.5
General Administration	2.0	2.0	2.0	1.6	1.0	1.0	1.0	1.1	1.1	1.5
School Administrative Services	4.0	4.0	3.5	2.0	1.8	1.8	1.8	1.4	1.4	1.0
Central Services	2.0	2.0	2.0	1.6	1.6	1.6	1.5	1.5	2.0	2.0
Administrative Information Technology	1.0	1.0	1.0	1.0	0.3	0.3	0.3	0.3	0.3	0.3
Plant Operations and Maintenance	5.5	6.5	6.5	6.5	6.5	6.5	5.5	6.2	6.2	7.5
Pupil Transportation	8.0	7.0	7.0	8.0	7.0	9.0	7.5	7.5	7.5	7.5
Other Support Services	1.0	0.5	0.5	1.3	1.3	1.3	1.3	1.3	1.3	1.5
Total	<u>83.0</u>	<u>82.5</u>	<u>82.5</u>	<u>85.6</u>	<u>84.3</u>	<u>79.4</u>	<u>72.8</u>	<u>72.5</u>	<u>74.2</u>	<u>76.7</u>

Sources: District Personnel Records

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Average Daily Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2005	352.0	\$ 7,322,545	\$ 20,803	-3.00%	51.0	1 to 6.90	352.0	331.5	-2.20%	94.18%
2006	322.9	8,342,808	25,837	24.20%	55.0	1 to 5.87	322.9	306.5	-8.27%	94.92%
2007	352.7	8,640,214	24,497	-5.19%	50.0	1 to 7.05	352.7	348.5	9.23%	98.81%
2008	341.2	9,374,039	27,474	12.15%	50.0	1 to 6.83	341.2	332.4	-3.26%	97.42%
2009	332.5	9,443,738	28,402	3.38%	53.0	1 to 6.40	332.5	327.2	-2.55%	98.41%
2010	331.2	9,139,241	27,594	-2.84%	51.0	1 to 6.49	331.2	328.6	-0.39%	99.21%
2011	351.6	9,031,389	25,687	-6.91%	49.0	1 to 7.18	351.6	348.1	6.16%	99.00%
2012	369.3	8,811,610	23,860	-7.11%	44.0	1 to 8.40	369.3	366.2	5.03%	99.16%
2013	403.3	9,508,913	23,578	-1.18%	45.5	1 to 8.86	403.3	393.3	9.21%	97.52%
2014	410.7	9,949,121	24,225	2.74%	44.0	1 to 9.33	410.7	392.5	1.83%	95.57%

Source: District Records

(a) Operating Expenditures Equal Total Expenditures Less Debt Service and Capital Outlay.

(b) Teaching Staff Includes Only Full-Time Equivalents or Certificated Staff.

(c) Average Daily Enrollment and Average Daily Attendance are Obtained from the School Register Summary (SRS).

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS

DISTRICT BUILDING	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>Regional High School (1959)</u>										
Square Feet	73,000	73,000	73,000	73,000	99,000	99,000	99,000	99,000	99,000	99,000
Capacity (students)	400	393	393	393	572	572	572	572	572	572
Enrollment	352	333	349	350	341	331	360	375	403	410.5

Source: District Facilities Office

Year of Original Construction is shown in Parentheses. Increase in Square Footage and Capacity are the Result of Renovations and Additions. Enrollment is Based on the Annual October District Count.

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES-REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

*School Facilities

	<u>Amount</u>	<u>Total</u>
2005	\$ 100,547	\$ 100,547
2006	197,367	197,367
2007	94,821	94,821
2008	113,691	113,691
2009	112,871	112,871
2010	155,612	155,612
2011	267,184	267,184
2012	267,733	267,733
2013	247,937	247,937
2014	<u>239,623</u>	<u>239,623</u>
Total School Facilities	<u>\$ 1,797,386</u>	<u>\$ 1,797,386</u>

* School Facilities as Defined Under EFCFA.
(NJAC 6A:26-1.2 and NJAC 6A:26A-1.3)

Source: District Records

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2014
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy-New Jersey School Boards		
Insurance Fund:		
Property-Blanket Building & Contents (Fund Limit)	\$ 350,000,000	\$ 5,000
General	11,000,000	
Blanket Bond/Employee Dishonesty	100,000	500
Automobile Liability	11,000,000	1,000
School Board Legal Liability-New Jersey School Boards		
Insurance Fund:		
Directors and Officers Policy	11,000,000	5,000
Workers Compensation- New Jersey School Boards		
Insurance Fund:		
Per Occurrence	2,000,000	
Environmental Impairment Liability-New Jersey School Boards	1,000,000	10,000
Public Employees' Faithful Performance-Selective Insurance:		
Business Administrator Bond	200,000	

Source: District Records

SINGLE AUDIT SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
(908) 689-5002

INDEPENDENT AUDITOR'S REPORT

December 15, 2014

Honorable President and
Members of the Board of Education
South Hunterdon Regional
High School District
County of Hunterdon, 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 the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the South Hunterdon Regional High School District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements, and have issued our report thereon dated December 15, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board of Education'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 Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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INDEPENDENT AUDITOR'S REPORT

December 15, 2014

Honorable President and
Members of the Board of Education
South Hunterdon Regional
High School District
County of Hunterdon, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the South Hunterdon Regional High School District's (the District) 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 Board of Education's major federal and state programs for the year ended June 30, 2014. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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 NJ 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 Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of The Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal 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 NJ 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 Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133
and Expenditures of State Financial Assistance Required by NJ OMB 04-04**

We have audited the financial statements of the District as of and for the year ended June 30, 2014, and have issued our report thereon dated December 15, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and NJ Circular 04-04 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From /To	Balance June 30, 2013		Cash Received	Budgetary Expenditure	Adjustment	Repay of Prior Year Balance	Balance June 30, 2014			
					(Acct Rec) Unearned Revenue	Carryover Amount					Accounts Receivable	Unearned Revenue	Due to Grantor	
Special Revenue Fund:														
NCLB IA	84.010A	NCLB-489013	\$ 17,241	9/01/2012-8/31/2013	\$ (2,559)		\$ 2,559							
NCLB IA	84.010A	NCLB-489014	19,621	7/01/2013-6/30/2014			13,965	\$ 18,691			\$ (5,656)	\$ 930		
NCLB IIA	84.367A	NCLB-489013	6,939	9/01/2012-8/31/2013	(2,482)		2,485	3						
NCLB IIA	84.367A	NCLB-489012	7,880	9/01/2011-8/31/2012	140			140						
NCLB IIA	84.367A	NCLB-489014	6,904	7/01/2013-6/30/2014			6,904	6,904						
NCLB III	84.365A	NCLB-489013	299	9/01/2012-8/31/2013	(298)				\$ 298					
NCLB III	84.365A	NCLB-489014	257	7/01/2013-6/30/2014			257	257						
IDEA Basic	84.027	IDEA-489014	83,152	7/01/2013-6/30/2014			83,152	83,152						
Perkins Secondary	84.048A	PERK-489014	4,131	7/01/2013-6/30/2014				4,073			(4,131)	58		
Perkins Secondary	84.048A	PERK-489012	21,702	7/01/2011-6/30/2012	152							152		
Small, Rural School Achievement Program (REAP)	84.358A	S358A-131282	33,587	7/01/2013-9/30/2014			33,587	33,587						
Total Special Revenue Fund					(5,047)	\$ -	142,909	146,807	298	\$ -	(9,787)	1,140	\$ -	
US Department of Agriculture Passed Through State Department of Education:														
Enterprise Fund:														
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	N/A	9,142	7/01/2013-6/30/2014			9,142	8,158				984		
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	N/A	8,954	7/01/2012-6/30/2013	1,065			1,065						
National School Lunch Program-Cash Assistance	10.555	N/A	21,144	7/01/2012-6/30/2013	(1,148)		1,148							
National School Lunch Program-Cash Assistance	10.555	N/A	27,640	7/01/2013-6/30/2014			25,886	27,640			(1,754)			
Total Enterprise Fund					(83)	-	36,176	36,863	-	-	(1,754)	984	-	
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (5,130)	\$ -	\$ 179,085	\$ 183,670	\$ 298	\$ -	\$ (11,541)	\$ 2,124	\$ -	

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

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

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From /To	Balance	Cash Received	Budgetary Expenditure	Refunded/ Adjustment	Balance June 30, 2014			MEMO	
				6/30/2013 (Acct Rec) Unearned Rev				Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
<u>State Department of Education</u>												
General Fund:												
Transportation Aid	13-495-034	\$ 192,656	7/01/2012-									
	-5120-014		6/30/2013	\$ (17,681)	\$ 17,681							
Transportation Aid	14-495-034	196,604	7/01/2013-									
	-5120-014		6/30/2014		179,153	\$ 196,604		\$ (17,451)			\$ (17,451)	\$ 196,604
Special Education Aid	13-495-034	214,196	7/01/2012-									
	-5120-089		6/30/2013	(19,658)	19,658							
Special Education Aid	14-495-034	222,528	7/01/2013-									
	-5120-089		6/30/2014		202,776	222,528		(19,752)			(19,752)	222,528
Security Aid	13-495-034	29,225	7/01/2012-									
	-5120-084		6/30/2013	(2,682)	2,682							
Security Aid	14-495-034	30,510	7/01/2013-									
	-5120-084		6/30/2014		27,802	30,510		(2,708)			(2,708)	30,510
School Choice Aid	13-495-034	776,272	7/01/2012-									
	-5120-068		6/30/2013	(71,243)	71,243							
School Choice Aid	14-495-034	829,495	7/01/2013-									
	-5120-068		6/30/2014		755,869	829,495		(73,626)			(73,626)	829,495
Non-Public Remote Transportation	14-495-034	1,352	7/01/2013-									
	-5120-014		6/30/2014			1,352		(1,352)				1,352
Non-Public Remote Transportation	13-495-034	2,929	7/01/2012-									
	-5120-014		6/30/2013	(2,929)	2,929							2,929
Extraordinary Special Education Costs Aid	14-100-034	24,053	7/01/2013-									
	-5120-473		6/30/2014			24,053		(24,053)				24,053
Extraordinary Special Education Costs Aid	13-100-034	27,612	7/01/2012-									
	-5120-473		6/30/2013	(27,612)	27,612							27,612
On-Behalf TPAF Pension Contribution-Normal Cost and Accrued Liability	14-495-034	145,913	7/01/2013-									
	-5095-006		6/30/2014		145,913	145,913						145,913
On-Behalf TPAF Pension Contribution-Non-Contributory Insurance	14-495-034	12,879	7/01/2013-									
	-5095-007		6/30/2014		12,879	12,879						12,879
On-Behalf TPAF Pension Contribution-Post Retirement Medical	14-495-034	260,360	7/01/2013-									
	-5095-001		6/30/2014		260,360	260,360						260,360
Reimbursed TPAF Social Security Contribution	13-495-034	275,143	7/01/2012-									
	-5095-002		6/30/2013	(14,192)	14,192							275,143
Reimbursed TPAF Social Security Contribution	14-495-034	289,416	7/01/2013-									
	-5095-002		6/30/2014		275,297	289,416		(14,119)				289,416
Total General Fund				(155,997)	2,016,046	2,013,110	\$ -	(153,061)	\$ -	\$ -	(113,537)	2,318,794
<u>State Division of Agricultural and Natural Resources-Office of Agricultural Education</u>												
Special Revenue Fund:												
Agricultural CASE Grant	14-100-010	5,000	4/01/2014-									
	-3330-019		6/30/2014		5,000	4,766			234			4,766
Total Special Revenue Fund				-	5,000	4,766	-	-	234	-	-	4,766

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From /To	Balance	Cash Received	Budgetary Expenditure	Refunded/ Adjustment	Balance June 30, 2014			MEMO	
				6/30/2013 (Acct Rec) Unearned Rev				Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
<u>State Department of Education</u>												
Debt Service Fund:												
Debt Service Aid	14-495-034 -5120-017	\$ 352,756	7/01/2013- 6/30/2014		\$ 352,756	\$ 352,756						\$ 352,756
Total Debt Service Fund				\$ -	352,756	352,756	\$ -	\$ -	\$ -	\$ -	\$ -	352,756
<u>State Department of Agriculture</u>												
<u>Enterprise Fund:</u>												
State School Lunch Program	13-100-010 -3350-023	889	7/01/2012- 6/30/2013	(49)	49							889
State School Lunch Program	14-100-010 -3350-023	1,100	7/01/2013- 6/30/2014		981	1,100		(119)				1,100
Total Enterprise Fund				(49)	1,030	1,100	-	(119)	-	-	-	1,989
TOTAL STATE FINANCIAL ASSISTANCE				<u>\$ (156,046)</u>	<u>\$ 2,374,832</u>	<u>\$ 2,371,732</u>	<u>\$ -</u>	<u>\$ (153,180)</u>	<u>\$ 234</u>	<u>\$ -</u>	<u>\$ (113,537)</u>	<u>\$ 2,678,305</u>

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2014

NOTE 1. GENERAL

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, South Hunterdon Regional High School District. The Board of Education is defined in Note 1 (A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule of federal financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's financial statements.

NOTE 3. RELATIONSHIP OF GENERAL PURPOSE FINANCIAL STATEMENTS

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to PL 2003, Ch 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$2,272) for the general fund and (\$5,000) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund			\$ 2,010,838	\$ 2,010,838
Special Revenue Fund	\$ 44,539	\$ 146,807	4,766	196,112
Debt Service Fund			352,756	352,756
Food Service Fund		36,863	1,100	37,963
	<u>\$ 44,539</u>	<u>\$ 183,670</u>	<u>\$ 2,369,460</u>	<u>\$ 2,597,669</u>

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2014
(Continued)

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 under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2014. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

NOTE 6. DETAILS OF ADJUSTMENTS ON SCHEDULE K-3

Schedule K-3 Special Revenue Fund Section:

1. NCLB Title III: adjustments of \$(298) for grant year 2013 represents unexpended funds not received by Grantor which are considered released and prior year encumbrance canceled

SOUTH HUNTERDON REGIONAL HIGH 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

Type of Auditor's Report Issued: Unmodified

Internal Control Over Financial Reporting:

1. Material weakness(es) identified? Yes X No

2. Reportable conditions identified that are not considered to be material weaknesses? Yes X No

Noncompliance Material to Financial Statements Noted? Yes X No

Federal Awards NOT APPLICABLE

Internal Control Over Major Programs:

1. Material weakness(es) identified? Yes No

2. Reportable conditions identified that are not considered to be material weaknesses? Yes No

Type of Auditor's Report Issued on Compliance for Major Programs? _____

Any Audit Findings Disclosed that are Required to be Reported in Accordance with Section .510 (a) of Circular A-133 Yes No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Amount</u>	<u>Name of Federal Program</u>
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SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd) NOT APPLICABLE

Dollar Threshold used to Distinguish Between
Type A and Type B Programs: _____

Auditee qualified as a low-risk auditee _____ Yes _____ No

State Awards

Dollar Threshold used to Distinguish Between
Type A and Type B Programs: \$300,000

Auditee Qualified as low-risk auditee X Yes _____ No

Type of Auditor's Report Issued on Compliance
for Major Programs: Unmodified

Internal Control Over Major Programs:

1. Material weakness(es) identified? _____ Yes X No

2. Reportable conditions identified
that are not considered to be material
weaknesses? _____ Yes X No

Any Audit Findings Disclosed That are Required
to be Reported in Accordance with NJ OMB
Circular Letter 04-04? _____ Yes X No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
14-495-034-5095-002	\$ 289,416	Social Security Reimbursement
14-495-034-5120-014	196,604	Transportation Aid
14-495-034-5120-017	352,756	Debt Service Aid
14-495-034-5120-068	829,495	School Choice Aid
14-495-034-5120-089	222,528	Special Education Aid

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2014.

SECTION III-FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2014.

K-7

SOUTH HUNTERDON REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

There were no prior year findings or questioned costs.