

Comprehensive Annual Financial Report

of the

Freehold Regional High School District

County of Monmouth

Englishtown, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

**Sean Boyce, CPA
Finance Department**

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1-6
Roster of Officials	7
Consultants and Advisors	8
Organizational Chart	9
FINANCIAL SECTION	
Independent Auditor's Report	10-12
REQUIRED SUPPLEMENTARY INFORMATION - Part I	13
Management's Discussion and Analysis (Unaudited)	14-23
BASIC FINANCIAL STATEMENTS	24
A. District-Wide Financial Statements:	25
A-1 Statement of Net Position	26
A-2 Statement of Activities	27
B. Major Fund Financial Statements:	28
Governmental Funds:	
B-1 Balance Sheet	29-30
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance	31
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Other Funds:	33
Propriety Funds:	
B-4 Statement of Net Position	34
B-5 Statement of Revenues, Expenses, and Changes in Net Position	35
B-6 Statement of Cash Flows	36
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	37
B-8 Statement of Changes in Fiduciary Net Position	38
Notes to the Financial Statements	39-84

TABLE OF CONTENTS (CONTINUED)

	PAGE
REQUIRED SUPPLEMENTARY INFORMATION - Part II	85
C. Budgetary Comparison Schedules:	86
C-1 General Fund	87-101
C-2 Special Revenue Fund	102
C-3 Budget to GAAP Reconciliation	103
REQUIRED SUPPLEMENTARY INFORMATION - Part III	104
L. Schedules Related to Accounting and Reporting for Pension (GASB 68)	105
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System – Last Ten Years	106
L-2 Schedule of the District's Contributions – Public Employees Retirement System – Last Ten Years	107
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability Teachers Pension and Annuity Fund – Last Ten Years	108
L-4 Schedules Related to Accounting and Reporting for Pension (GASB 68) Note to RSI III for the Fiscal Year Ended June 30, 2015	109
OTHER SUPPLEMENTARY INFORMATION	110
D. School Level Schedules	N/A
E. Special Revenue Fund:	111
E-1 Combining Schedule of Revenues and Expenditures - Budgetary Basis	112-114
E-2 Demonstrably Effective Program Aid Schedule of Expenditures - Budgetary Basis	N/A
E-3 Early Childhood Program Aid Schedule of Expenditures - Budgetary Basis	N/A
E-4 Distance Learning Network Aid Schedule of Expenditures - Budgetary Basis	N/A
E-5 Instructional Supplement Aid Schedule of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund	115
F-1 Summary Statement of Project Expenditures – Budgetary Basis	116
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	117
F-2a Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis – Freehold Boro High School – Roof Replacement	118
F-2b Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis – Marlboro High School – Roof Replacement	119

TABLE OF CONTENTS (CONTINUED)

	PAGE
F. Capital Projects Fund (Continued)	
F-2c Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis – Freehold Boro High School – Boiler & HVAC Replacement	120
F-2d Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis – Districtwide Energy Savings Improvement Plan	121
F-2e Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis – Colts Neck High School Roof Replacement	122
F-2f Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis – Howell High School Roof Replacement	123
F-2g Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis – Freehold Township High School Roof Replacement	124
F-2h Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis – Manalapan High School Roof Replacement	125
G. Proprietary Funds	126
Enterprise Fund:	
G-1 Combining Statement of Net Position	127
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	128
G-3 Combining Statement of Cash Flows	129
H. Fiduciary Fund	130
H-1 Combining Statement of Fiduciary Net Position	131
H-2 Combining Statement of Changes in Fiduciary Net Position	132
H-3 Schedule of Receipts and Disbursements - Student Activity Agency Fund	133
H-4 Schedule of Receipts and Disbursements - Payroll Agency Fund	134
H-5 Schedule of Receipt and Disbursements - Other Agency Funds	N/A
I. Long-Term Debt	135
I-1 Schedule of Serial Bonds	136
I-2 Schedule of Obligations Under Capital Leases	137
I-3 Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Debt Service Fund	138

TABLE OF CONTENTS (CONTINUED)

	PAGE
STATISTICAL SECTION - UNAUDITED	
J-1 Net Position by Component	139
J-2 Changes in Net Position	140-141
J-3 Fund Balances – Governmental Funds	142
J-4 Changes in Fund Balances – Governmental Funds	143
J-5 General Fund Other Local Revenue by Source	144
J-6 Assessed Value and Actual Value of Taxable Property	145-147
J-7 Direct and Overlapping Property Tax Rates	148-150
J-8 Principal Property Tax Payers – Current Year and Ten Years Ago	151-154
J-9 Property Tax Levies and Collections	155
J-10 Ratios of Outstanding Debt by Type	156
J-11 Ratios of Net Bonded Debt Outstanding	157
J-12 Direct and Overlapping Governmental Activities Debt	158
J-13 Legal Debt Margin Information	159
J-14 Demographic and Economic Statistics	160-163
J-15 Principal Employers – Current Year and Last Year	164
J-16 Full-Time Equivalent District Employees by Function/Program	165
J-17 Operating Statistics	166
J-18 School Building Information	167
J-19 Schedule of Required Maintenance	168
J-20 Insurance Schedule	169
SINGLE AUDIT SECTION	
K-1 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with Government Auditing Standards	170-171
K-2 Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal and State Financial Assistance Program and on Internal Control Over Compliance in Accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04	172-173
K-3 Schedule of Expenditures of Federal Awards, Schedule A	174
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	175
K-5 Notes to the Schedules of Expenditures of Awards and State Financial Assistance	176-177
K-6 Schedule of Findings and Questioned Costs	178-181
K-7 Schedule of Prior Audit Findings	182

INTRODUCTORY SECTION



FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

*Administration Building
11 Pine Street Englishtown NJ 07726*

*(732) 792-7300 ext. 8519
Fax: (732) 446-5192*

December 7, 2015

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

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Freehold Regional High School District (District) for the fiscal year ended June 30, 2015. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. This report will provide the taxpayers of the Freehold Regional High School District with comprehensive financial data in a format enabling them to gain an understanding of the School District's financial affairs.

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

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

Reporting Entity

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

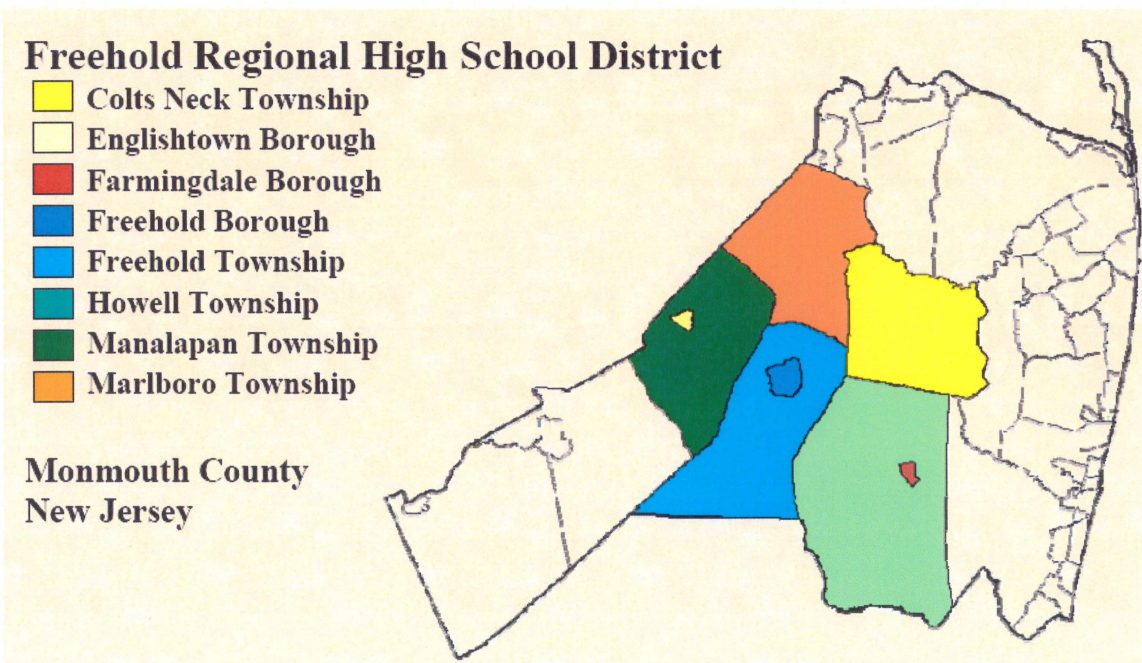
School District Organization

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

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

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

Geographically, the District is comprised of the Townships of Colts Neck, Freehold, Howell, Manalapan and Marlboro and the Boroughs of Englishtown, Farmingdale and Freehold. Established in 1953, the District's total area is 198 square miles. Of the 11,302.5 resident students, 11,133 students are enrolled in one of the Freehold Regional High School District's six high schools.



Economic Condition and Outlook

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

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

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

Educational Program

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

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

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

Freehold Township High School is currently piloting an International Baccalaureate (IB) Diploma Program (DP), a comprehensive and rigorous pre-university course of studies for highly motivated students that is widely recognized in the United States and around the world. Universities want IB DP students because the IB Diploma Program is rigorous, academically challenging, and consistent with the preparation that students need to be successful after high school. The IB program promotes an emphasis on the acquisition of both written and oral communication skills; a course of study which supports inquiry, understanding, and critical thinking; content knowledge and study habits for success beyond high school; and international awareness.

The opening of our IB program signals achievement of a key project in our strategic plan, and was undertaken in full alignment with our district mission. All students in the pilot school had an opportunity to explore the IB option, without any competitive or other barriers. As the program proceeds, we are exploring options for offering the opportunity to students in other district schools.

Major Initiatives

Strategic Planning

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

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

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

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

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

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

Middle States

During the course of the 2014-2015 school year the Freehold Regional High School District engaged in a comprehensive self-study and strategic planning process. To guide our efforts our district adhered to the Middle States Association of Colleges and Schools *Excellence by Design* accreditation protocol for school systems. The Middle States Association is a non-profit, peer-administered organization that provides leadership in educational growth and improvement for its member schools. In the fall of the 2015-2016 school year our district will be visited by a validation team sent by Middle States. Our ultimate goal is for our school district to be recommended by this team for re-accreditation by the Middle States Association.

Accreditation responds to the public's demands for improved quality and greater accountability for schools serving society's needs. Accreditation agencies such as Middle States enjoy a unique "public trust" role in the United States. In other words, accredited schools can be trusted by the public to be what they claim to be and do what they claim to do. Whatever an accredited school says about itself has both the sanction and the confidence of the profession.

Capital Planning

The district established a capital plan that addresses the needs of the facilities without draining resources from the instructional program. In March 2014 the board approved more than \$20 million in improvements anchored by an Energy Savings Improvement Program (ESIP). State ESIP laws provide all government agencies in New Jersey with a flexible tool to improve and reduce energy usage with minimal expenditure of new financial resources. Over 60% of the proposed work seeks to upgrade Heating, Ventilation and Air Conditioning (HVAC) equipment and control systems, with the balance of the proposed improvements involving roofing, lighting retrofits and other energy efficiency measures. In addition to funding under ESIP, the district is accessing subsidies managed by the NJ Board of Public Utilities and NJ Department of Education facility grants. Construction on most phases of the capital plan was well under way during the 2014-15 school year, and it is anticipated that all projects will be completed by the end of summer 2016.

AFFORDABLE CARE ACT

The new reporting requirements necessary to implement the Affordable Care Act (ACA) is intended to provide sufficient information to allow the IRS to determine compliance with both the employer and the individual responsibility requirements. Section 6056 requires that Applicable Large Employers (ALEs) file information returns with the IRS regarding coverage offered to full-time employees and provide statements regarding this coverage to the employees. This reporting is used to administer the employer responsibility requirements. As the ACA continues to mature, additional regulatory guidance is expected regarding future provisions that may impact the cost and/or level of coverage currently available.

GASB 68

In fiscal year 2015, the District implemented GASB 68 "Accounting and Financial Reporting for Pensions." This statement requires states and local government employers to recognize a proportionate share of the net pension liability, deferred inflows and outflows, and pension expense of the pension plan on their district-wide financial statements. For FRHSD, this liability represents the proportionate share of the net pension liability for employees in the Public Employees' Retirement System (PERS) only. Additional information regarding GASB 68 can be found in the Management Discussion and Analysis section of this document.

Acknowledgements and Achievements

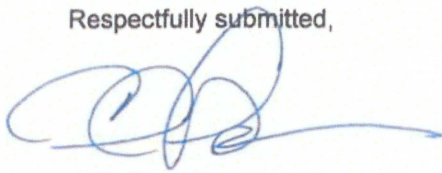
Among the district's many achievements:

- The Greater Monmouth Chamber of Commerce selected superintendent Charles Sampson for the Chairman's Award in their 2015 Circle of Excellence.
- FRHSD was accepted into the League of Innovative Schools by Digital Promise.
- New Jersey School Boards Association selected the Regional Assistance Program at Marlboro High School for the Innovations in Special Education Award.

- New Jersey School Public Relations Association awarded FRHSD first place in their video category for the School Communications Awards for the Future Ready video.
- The College Board named FRHSD to the Annual AP District Honor Roll for the fifth time for increasing access to Advanced Placement course work while simultaneously maintaining or increasing the percentage of students earning scores of 3 or higher on Advanced Placement exams.
- Class of 2015 acceptance into top colleges and universities including Ivy League schools.

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to be 'CS', with a long horizontal flourish extending to the right.

Charles Sampson
Superintendent of Schools

A handwritten signature in blue ink, appearing to be 'SB', with a long horizontal flourish extending to the right.

Sean Boyce, CPA
Assistant Superintendent for Business

FREEHOLD REGIONAL HIGH SCHOOL BOARD OF EDUCATION
ENGLISHTOWN, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Harold Moses, President	2015
Jennifer Sutera, Vice President	2015
Vincent Accettola	2017
William Bruno	2015
Elizabeth Canario	2016
Samuel Carollo	2017
Amy Fankhauser	2016
Kathie Lavin	2016
Michael Messinger	2017

Other Officials

Charles Sampson, Superintendent of Schools

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

Mark Toscano, Esq., Solicitor

**FREEHOLD REGIONAL HIGH SCHOOL BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

JUNE 30, 2015

Audit Firm

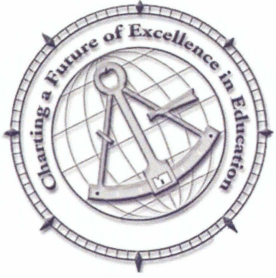
Suplee, Clooney & Company
308 East Broad Street
Westfield, NJ 07090

Attorney

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

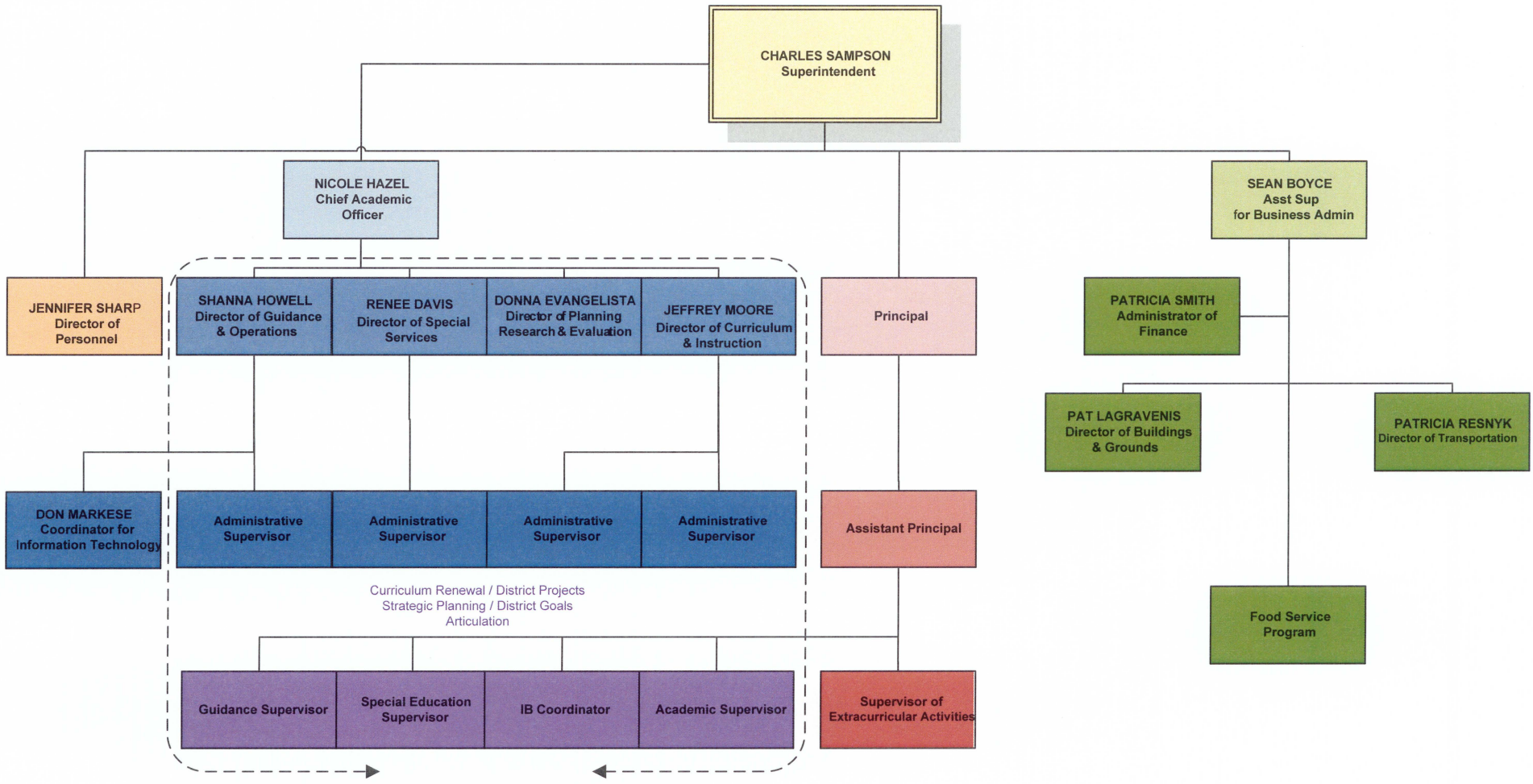
Official Depository

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



Freehold Regional High School District ADMINISTRATIVE ORGANIZATION

6



FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Freehold Regional High School District, County of Monmouth, New Jersey as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

SUPLEE, CLOONEY & COMPANY

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Freehold Regional High School District, County of Monmouth, New Jersey as of June 30, 2015, 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 6 to the basic financial statements, in 2015, the County adopted Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions (an Amendment of GASB Statement No. 27) and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement 68). Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information in Exhibit C-1 through C-3 and the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

SUPLEE, CLOONEY & COMPANY

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 7, 2015 on our consideration of the Freehold Regional High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Freehold Regional High School District's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

December 7, 2015

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

The discussion and analysis of Freehold Regional High School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance. Certain comparative information between the current fiscal year (2014-2015) and the prior fiscal year (2013-2014) is presented in the MD&A. In fiscal year 2015 the District implemented GASB 68 "Accounting and Financial Reporting for Pensions". Information necessary to restate the financial information provided for fiscal year 2014 was not available, therefore the information has not been restated.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2015 are as follows:

- Net Position of governmental activities appears to have decreased significantly from 2014 when reviewing the comparative financial information presented here in the MD&A. This is the result of the implementation of GASB 68, for which the prior year has not been restated in this presentation. Beginning Net Position of governmental activities has been restated in the District-wide financial statements, and reflects a decrease of \$40,081 from the prior year. This represents a decrease of less than 1.0 percent from 2014.
- Net Position of business-type activities increased \$68,095, which represents a 2.0 percent increase from 2014. The District replaced the food service management company effective July 1, 2014. Service is running smoothly and the operation is expected to continue to be self-sustaining.
- Property taxes continue to provide the majority of revenue for the Governmental Funds accounting for 62.7 percent in 2015. During the four years the tax cap has been in place, the District has forgone nearly \$15 million in available property tax.
- Governmental Funds expenses (exclusive of the Capital Projects Fund) increased by \$9,498,212 which represents a 4.94 percent increase over 2014. Expenses required for staff training, curriculum revisions and textbooks associated with the implementation of mandates PARCC, Common Core and the teacher evaluation system are reflected in the financial statements. An increase in Capital Outlay resulted from the District investing in technology infrastructure upgrades to its network, media centers and computer labs, as well as track rehabilitation at two schools.
- The Capital Projects Fund reflects the establishment of more than \$20 million of facility improvements funded under the state's Energy Savings Improvement Program (ESIP). Under the program, energy conservation measures are funded by capital leases instead of serial bonds. Lease payments are provided for through energy savings, and without impact on instructional programs.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

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

The focus of governmental accounting differs from that of business enterprises. In government, the financial statement user is concerned with determining accountability for funds, evaluating operating results, and assessing the level of service that can be provided by the government along with its ability to meet obligations as they become due. In comparison, the primary emphasis in the private sector from both an operational and reporting perspective is on the maximization of profits.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

This document looks at all financial transactions and asks the question, "How did we do financially during 2015?" The *Statement of Net Position* and the *Statement of Activities* attempt to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's Net Position and changes in those assets. This change in Net Position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs, and other factors.

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Notes to the Basic Financial Statements

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

THE SCHOOL DISTRICT AS A WHOLE

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

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

Table 1 provides a summary of the School District's Net Position for 2015 and 2014.

**TABLE 1
Net Position**

	2014-2015			2013-2014 (As Restated)		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
ASSETS						
Current & Other Assets	\$59,912,864	\$510,341	\$60,423,205	\$58,584,580	\$820,885	\$59,405,465
Capital Assets	107,286,886	220,747	107,507,633	106,195,254	238,357	106,433,611
Total Assets	167,199,750	731,088	167,930,838	164,779,834	1,059,242	165,839,076
DEFERRED OUTFLOWS OF RESOURCES:						
Loss on Refunding of Long Term Debt	148,021		148,021	182,324		182,324
Pension Related	5,708,258		5,708,258			
Total Deferred Outflow of Resources	5,856,279		5,856,279	182,324		182,324
LIABILITIES						
Long-Term Liabilities	95,571,425		95,571,425	49,584,501		49,584,501
Other Liabilities	18,717,265	294,879	19,012,144	12,075,432	691,128	12,766,560
Total Liabilities	114,288,690	294,879	114,583,569	61,659,933	691,128	62,351,061
DEFERRED INFLOWS OF RESOURCES:						
Pension Related	2,906,490		2,906,490			
Total Deferred Inflow of Resources	2,906,490		2,906,490			
NET POSITION						
Net Investment in Capital Assets	76,758,415	220,747	76,979,162	74,331,409	238,357	74,569,766
Restricted	30,394,625		30,394,625	31,027,126		31,027,126
Unrestricted						
Pension Related (Deficit)	(48,130,339)		(48,130,339)			
Other (Deficit)	(3,161,852)	215,462	(2,946,390)	(2,056,310)	129,757	(1,926,553)
Total Net Position	\$55,860,849	\$436,209	\$56,297,058	\$103,302,225	\$368,114	\$103,670,339

The District's June 30, 2014 financial statements have been restated to reflect modifications to the capital assets inventory performed last year. The Net Position as of June 30, 2014 has not been restated to reflect the District's Net Pension Liability required by the implementation of GASB 68.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Table 2 details the changes in Net Position for fiscal year 2015 and 2014.

**TABLE 2
CHANGES IN NET POSITION**

	2014-2015			2013-2014 (As Restated)		
	<u>Governmental Activities</u>	<u>Business Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business Activities</u>	<u>Total</u>
Revenues:						
Program Revenues:						
Charges for Services	\$319,039	\$2,786,853	\$3,105,892	\$257,418	\$2,764,527	\$3,021,945
Operating Grants & Contributions	\$35,821,867	\$605,298	\$36,427,165	\$16,856,815	\$470,547	\$17,327,362
General Revenues						
Property Taxes	\$125,566,418		\$125,566,418	\$123,178,159		\$123,178,159
Grants (includes State Aid) and Entitlements	\$56,667,840		\$56,667,840	\$55,104,317		\$55,104,317
Other Revenues	\$148,292		\$148,292	\$303,863		\$303,863
Transfers						
	<u>\$218,523,456</u>	<u>\$3,392,151</u>	<u>\$221,915,607</u>	<u>\$195,700,572</u>	<u>\$3,235,074</u>	<u>\$198,935,646</u>
Expenses:						
Instruction	\$121,813,903		\$121,813,903	\$104,003,715		\$104,003,715
Pupils and Instructional Staff	\$40,433,428		\$40,433,428	\$35,853,061		\$35,853,061
General Administration, School Administration, Central Services						
Information Technology & Maintenance	\$32,962,023		\$32,962,023	\$30,266,945		\$30,266,945
Transportation	\$17,118,697		\$17,118,697	\$16,740,367		\$16,740,367
Interest on Long-Term Debt	\$1,353,737		\$1,353,737	\$1,548,571		\$1,548,571
Business-Type		\$3,324,056	\$3,324,056		\$3,448,659	\$3,448,659
Other	\$4,881,749		\$4,881,749	\$4,836,889		\$4,836,889
Total Expenses	<u>\$218,563,537</u>	<u>\$3,324,056</u>	<u>\$221,887,593</u>	<u>\$193,249,548</u>	<u>\$3,448,659</u>	<u>\$196,698,207</u>
Change in Net Position	(\$40,081)	\$68,095	\$28,014	\$2,451,024	(\$213,585)	\$2,237,439
Net Position July 1, (as restated)	<u>\$55,900,930</u>	<u>\$368,114</u>	<u>\$56,269,044</u>	<u>\$100,851,201</u>	<u>\$581,699</u>	<u>\$101,432,900</u>
Net Position June 30,	<u>\$55,860,849</u>	<u>\$436,209</u>	<u>\$56,297,058</u>	<u>\$103,302,225</u>	<u>\$368,114</u>	<u>\$103,670,339</u>

The presentation of net position in the District's June 30, 2015 financial statements includes revenues from federal and state grant programs as well as the state's on-behalf contributions to the Teachers' Pension and Annuity Fund. Corresponding amounts have been appropriately assigned throughout governmental expenses.

As previously noted, the information for FY2014 has not been restated to reflect the effect of the District's implementation of GASB 68 and the related pension liability. Both revenues and expenses increased mainly as a result of the district recognizing a larger on-behalf TPAF contribution as a revenue and as an expense based upon the State's Actuarial report.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for Governmental Activities. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**TABLE 3
NET COST OF SERVICES**

	Total Cost of Services <u>2015</u>	Total Cost of Services <u>2014</u>	Net Cost of Services <u>2015</u>	Net Cost of Services <u>2014</u>
Instruction	\$121,813,903	\$104,003,715	\$93,518,261	\$90,710,422
Pupils and Instructional Staff	\$40,433,428	35,853,061	35,332,656	33,504,997
General Administration, School Administration, Central Services				
Information Technology & Maintenance	\$32,962,023	29,888,247	30,546,353	28,796,205
Transportation	\$17,118,697	16,674,449	17,118,697	16,674,449
Interest on Long-Term Debt	\$1,353,737	1,548,571	1,024,915	1,167,737
Business-Type	\$3,324,056	3,448,659	(68,095)	213,585
Other	\$4,881,749	4,836,889	4,881,749	4,836,889
Total Expenses	<u>\$221,887,593</u>	<u>\$196,253,591</u>	<u>\$182,354,536</u>	<u>\$175,904,284</u>

As noted above, the presentation of position in the District's June 30, 2015 financial statements include the allocation of expenses funded by federal and state grant programs as well as the state's on-behalf contributions to the Teachers' Pension and Annuity Fund totaling \$32,605,379.

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Business-Type Activities

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

THE SCHOOL DISTRICT'S FUNDS

All governmental funds are accounted for using the modified accrual basis of accounting. Totals (excluding Capital Projects) for revenues amounted to \$200,301,409 and expenditures were \$201,578,025. Other Financing sources and uses consisting largely of Capital Lease proceeds totaled \$331,100. The net change in fund balance was a decrease of \$945,516. As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Governmental Funds Revenues and Expenditures (exclusive of Capital Projects) are summarized in Table 4 and Chart 1 below.

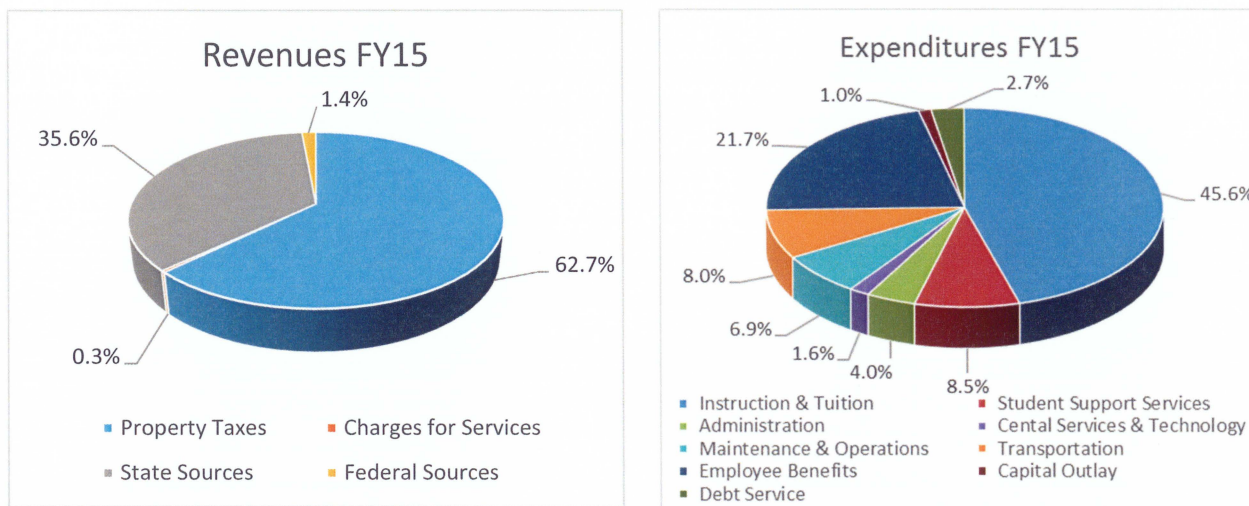
**Table 4
Governmental Funds Revenues and Expenditures
(Exclusive of Capital Projects)**

REVENUES:				
	<u>Amount</u>	<u>Percentage</u>	<u>Increase/Decrease from 2014</u>	<u>Percentage Change</u>
Local Sources	\$126,150,881	62.99%	\$2,293,891	1.85%
State Sources	71,321,721	35.61%	2,507,113	3.64%
Federal Sources	<u>2,828,807</u>	<u>1.41%</u>	<u>(62,019)</u>	<u>-2.15%</u>
	<u>\$200,301,409</u>	<u>100.01%</u>	<u>\$4,738,985</u>	<u>2.42%</u>
EXPENDITURES				
	<u>Amount</u>	<u>Percentage</u>	<u>Increase/Decrease from 2014</u>	<u>Percentage Change</u>
Current Expense:				
Instruction	\$74,490,697	36.96%	\$2,266,464	3.14%
Undistributed	116,733,612	57.91%	6,138,890	5.55%
Capital Outlay	2,053,185	1.02%	1,118,826	119.74%
Special Revenue	2,892,031	1.43%	(34,468)	-1.18%
Debt Service:				
Principal	4,030,000	2.00%	200,000	5.22%
Interest	<u>1,378,500</u>	<u>0.68%</u>	<u>(191,500)</u>	<u>-12.20%</u>
Total	<u>\$201,578,025</u>	<u>100.00%</u>	<u>\$9,498,212</u>	<u>4.94%</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

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



Highlights include the following:

- Property tax levy increased in the aggregate by 1.90%, which is below the state imposed cap calculation. During the four years the tax cap has been in place, the District has forgone nearly \$15 million in available property tax levy.
- Increases in Instruction & Tuition represent additional instructional staff, as well as a 4.3% increase in tuition expenditures.
- Student Support Services were significantly impacted by the increasing number of students with special needs. In addition, the implementation of mandates PARCC, Common Core and the teacher evaluation system required funding for staff training, curriculum revisions and textbooks.
- Additional lease payments and related interest charges account for the increase reflected in Central Services & Technology.
- Transportation costs are representative of student need based programs and placements. As noted above, the fiscal year 2015 financial statements reflect the impact of the increasing number of students with special needs.
- The state's contribution to social security and pension costs for TPAF members increased by 15.2% from fiscal year 2014. These payments are made on-behalf of the District, and are reflected throughout the financial statements.
- An increase in Capital Outlay resulted from the District investing in technology upgrades to its network, media centers and computer labs, as well as track rehabilitation at two schools.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Capital Projects

The district established a capital plan that addresses the needs of the facilities without draining resources from the instructional program. In March 2014 the board approved more than \$20 million in improvements anchored by an Energy Savings Improvement Program (ESIP). State ESIP laws provide all government agencies in New Jersey with a flexible tool to improve and reduce energy usage with minimal expenditure of new financial resources. Over 60% of the proposed work seeks to upgrade Heating, Ventilation and Air Conditioning (HVAC) equipment and control systems, with the balance of the proposed improvements involving roofing, lighting retrofits and other energy efficiency measures. In addition to funding under ESIP, the district is accessing subsidies managed by the NJ Board of Public Utilities and NJ Department of Education facility grants. Construction on most phases of the capital plan was well under way during the 2014-15 school year, and it is anticipated that all projects will be completed by the end of summer 2016. Additional information on projects in progress can be found in the Capital Projects Fund financial statements.

CAPITAL ASSETS

For comparative reasons, the District's June 30, 2014 financial statements have been restated to reflect modifications to the capital assets inventory performed in 2014. Table 5 shows fiscal year 2015 balances compared to 2014 after restatement.

**Table 5
Capital Assets at June 30, 2015**

	Beginning Balance (As Restated)	Additions	Transfers or Retirements	Ending Balance
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 446,488			\$ 446,488
Construction In Progress	395,274	\$ 5,987,630		6,382,904
Total capital assets not being depreciated	841,762	5,987,630	-	6,829,392
<i>Capital assets being depreciated:</i>				
Site improvements	13,381,853			13,381,853
Building and improvements	203,146,324	599,181		203,745,505
Equipment	16,567,033	718,798	(257,120)	17,028,711
Total capital assets being depreciated	233,095,210	1,317,979	(257,120)	234,156,069
Total Gross Assets (Memo Only)	233,936,972	7,305,609	(257,120)	240,985,461
Less accumulated depreciation for:				
Site improvements	(5,165,240)	(664,403)		(5,829,643)
Building and improvements	(109,810,290)	(4,666,126)		(114,476,416)
Equipment	(12,766,188)	(883,448)	257,120	(13,392,516)
Total accumulated depreciation	(127,741,718)	(6,213,977)	257,120	(133,698,575)
Total capital assets being depreciated, net	105,353,492	(4,895,998)	-	100,457,494
Government activities capital assets, net	\$ 106,195,254	\$ 1,091,632	\$ -	\$ 107,286,886
Business-type activities:				
<i>Capital assets being depreciated:</i>				
Equipment	616,238	21,743		637,981
Less accumulated depreciation	(377,881)	(39,353)		(417,234)
Enterprise fund capital assets, net	\$ 238,357	\$ (17,610)	\$ -	\$ 220,747

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONCLUDED)**

DEBT ADMINISTRATION

Among the district's outstanding liabilities at June 30, 2015, \$2,533,414 is for compensated absences, \$27,264,150 for obligations under capital leases, \$48,771,057.00 for Net Pension Liability and \$23,540,000 of serial bonds for school construction. As noted earlier, capital leases issued under ESIP are repaid with energy savings rather than additional property tax levy.

CONTACTING THE SCHOOL DISTRICT

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

Please visit our website at www.frhsd.com.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2015

DISTRICT-WIDE FINANCIAL STATEMENTS

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2015

Functions/Programs	Expenses	Indirect Cost Allocation	Programs Revenues		Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 64,324,667	\$ 23,190,201	\$ 124,280	\$ 18,718,747	\$ (68,671,841)	\$	\$ (68,671,841)
Special	18,634,127	5,805,843		7,398,961	(17,041,009)		(17,041,009)
Other Instruction	7,414,034	2,445,031	77,768	1,975,886	(7,805,411)		(7,805,411)
Support services:							
Tuition	14,711,492				(14,711,492)		(14,711,492)
Student & instruction related services	19,741,946	5,979,990		5,100,772	(20,621,164)		(20,621,164)
General administrative services	1,599,510	101,667			(1,701,177)		(1,701,177)
School administrative services	7,775,769	2,897,561		2,298,679	(8,374,651)		(8,374,651)
Central service	1,647,686	396,095			(2,043,781)		(2,043,781)
Admin information technology	1,738,965	861,710			(2,600,675)		(2,600,675)
Plant operations and maintenance	14,153,022	1,790,038	116,991		(15,826,069)		(15,826,069)
Pupil transportation	15,264,472	1,854,225			(17,118,697)		(17,118,697)
Unallocated benefits	43,990,133	(43,990,133)					
Interest on Long-Term Debt	1,353,737			328,822	(1,024,915)		(1,024,915)
Unallocated depreciation	6,213,977	(1,332,228)			(4,881,749)		(4,881,749)
Total governmental activities	<u>218,563,537</u>		<u>319,039</u>	<u>35,821,867</u>	<u>(182,422,631)</u>		<u>(182,422,631)</u>
Business-type activities							
Food Service	3,096,810		2,559,607	605,298		68,095	68,095
Non-Major Funds	227,246		227,246				
Total business-type activities	<u>3,324,056</u>		<u>2,786,853</u>	<u>605,298</u>		<u>68,095</u>	<u>68,095</u>
Total primary government	<u>\$ 221,887,593</u>		<u>\$ 3,105,892</u>	<u>\$ 36,427,165</u>	<u>\$ (182,422,631)</u>	<u>\$ 68,095</u>	<u>\$ (182,354,536)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 121,473,208	\$	\$ 121,473,208
Taxes levied for debt service					4,093,210		4,093,210
Federal and state aid not restricted					54,428,665		54,428,665
Federal and state aid restricted					2,239,175		2,239,175
Miscellaneous income					148,292		148,292
Total general revenues					<u>182,382,550</u>		<u>182,382,550</u>
Change in net position					(40,081)	68,095	28,014
Net Position - beginning (as restated)					\$ 55,900,930	\$ 368,114	\$ 56,269,044
Net Position ending					<u>\$ 55,860,849</u>	<u>\$ 436,209</u>	<u>\$ 56,297,058</u>

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$ 22,025,091	\$ 150,059	\$ 22,175,150
Receivables, net	9,912,729	342,976	10,255,705
Inventory		17,306	17,306
Restricted assets:			
Restricted cash and cash equivalents	27,975,044		27,975,044
Capital assets:			
Land and Construction in progress	6,829,392		6,829,392
Other Capital Assets net of depreciation	100,457,494	220,747	100,678,241
Total Assets	<u>167,199,750</u>	<u>731,088</u>	<u>167,930,838</u>
DEFERRED OUTFLOW OF RESOURCES:			
Loss on Refunding of Long Term Debt	148,021		148,021
Pension Related	5,708,258		5,708,258
Total Deferred Outflow of Resources	<u>5,856,279</u>		<u>5,856,279</u>
LIABILITIES:			
Accounts payable	5,932,312	231,348	6,163,660
Payable to state government	13,095		13,095
Unearned revenue	177,529	63,531	241,060
Accrued Interest Payable	392,333		392,333
Accrued Liability for Insurance Claims	5,664,800		5,664,800
Noncurrent liabilities:			
Due within one year:			
Bonds and capital leases payable	6,537,196		6,537,196
Due beyond one year:			
Compensated absences payable	2,533,414		2,533,414
Bonds and capital leases payable	44,266,954		44,266,954
Net Pension Liability	48,771,057		48,771,057
Total liabilities	<u>114,288,690</u>	<u>294,879</u>	<u>114,583,569</u>
DEFERRED INFLOW OF RESOURCES:			
Pension Related	<u>2,906,490</u>		<u>2,906,490</u>
NET POSITION:			
Net investment in capital assets	76,758,415	220,747	76,979,162
Restricted for:			
Other purposes	30,394,625		30,394,625
Unrestricted (deficit)	<u>(51,292,191)</u>	<u>215,462</u>	<u>(51,076,729)</u>
Total net position	<u>\$ 55,860,849</u>	<u>\$ 436,209</u>	<u>\$ 56,297,058</u>

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

MAJOR FUND FINANCIAL STATEMENTS

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:				
Cash and cash equivalents	\$ 30,339,759	\$	\$	\$ 30,339,759
Cash with Fiscal Agents	279,224		19,381,152	19,660,376
Other receivables	36,843	33,909		70,752
Due from other funds	5,390,859			5,390,859
Receivables from other governments	3,443,439	580,375	1,386,490	5,410,304
Total assets	\$ 39,490,124	\$ 614,284	\$ 20,767,642	\$ 60,872,050
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 2,473,040	\$ 87,973	\$ 1,210,249	\$ 3,771,262
Payable to state government		13,095		13,095
Interfund payables	470,709	371,737	116,740	959,186
Unearned revenue	36,050	141,479		177,529
Accrued Liability for Insurance Claims	5,664,800			5,664,800
Total liabilities	8,644,599	614,284	1,326,989	10,585,872
Fund balances:				
Restricted:				
Capital Reserve Account	4,330,272			4,330,272
Capital Reserve - designated for subsequent years	1,800,000			1,800,000
Emergency Reserve Account	252,001			252,001
Maintenance Reserve Account	1,732,395			1,732,395
Maintenance Reserve - designated for subsequent years	200,000			200,000
Reserved Excess Surplus designated for subsequent years expenditures	11,169,674			11,169,674
Reserve for Excess surplus	9,910,283			9,910,283
Capital Projects fund			7,799,283	7,799,283
Assigned:				
Designated for subsequent years expenditures	1,000,000			1,000,000
Encumbrances	450,900		11,641,370	12,092,270
Total fund balances	30,845,525		19,440,653	50,286,178
Total liabilities and fund balances	\$ 39,490,124	\$ 614,284	\$ 20,767,642	\$ 60,872,050

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

Total Fund Balances (Brought Forward)	\$	50,286,178
Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Assets	\$ 240,985,461	
Accumulated Depreciation	<u>(133,698,575)</u>	107,286,886
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Net Pension Expense	(48,771,057)	
Compensated Absences	(2,533,414)	
Capital Lease Payable	(27,264,150)	
Bonds Payable	<u>(23,540,000)</u>	(102,108,621)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Deferred Outflows:		
Pension related	3,547,208	
Employer Contribution related to pensions	<u>2,161,050</u>	
	5,708,258	
Loss on Refunding Debt	<u>148,021</u>	5,856,279
Deferred Inflows:		
Pension related		(2,906,490)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accounts Payable - Pension Related	(2,161,050)	
Accrued Interest Payable	<u>(392,333)</u>	<u>(2,553,383)</u>
Net Position of Governmental Activities	\$	<u><u>55,860,849</u></u>

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local Tax Levy	\$ 121,473,208	\$	\$	\$ 4,093,210	\$ 125,566,418
Tuition	124,280				124,280
Unrestricted Miscellaneous Revenue	135,277				135,277
Interest Earned on Emergency Reserve	519				519
Interest Earned on Maintenance Reserve	3,983				3,983
Interest Earned on Capital Reserve Funds	8,513				8,513
Other Restricted Miscellaneous Revenue	194,759	117,132	2,251		314,142
Total - local sources	121,940,539	117,132	2,251	4,093,210	126,153,132
State sources	69,970,046	36,385	1,248,342	1,315,290	72,570,063
Federal sources	90,293	2,738,514			2,828,807
Total revenues	192,000,878	2,892,031	1,250,593	5,408,500	201,552,002
EXPENDITURES:					
Current expense:					
Regular instruction	54,580,063				54,580,063
Special instruction	13,525,207	2,622,272			16,147,479
Other Instruction	6,385,427				6,385,427
Support services:					
Tuition	14,711,492				14,711,492
Student & instruction related services	16,959,352	265,394			17,224,746
General administrative services	1,581,794				1,581,794
School administrative services	6,579,123				6,579,123
Central service	1,575,000				1,575,000
Administrative information technology services	1,702,294				1,702,294
Plant operations and maintenance	13,821,891				13,821,891
Pupil transportation	16,052,557				16,052,557
Unallocated benefits	43,750,109				43,750,109
Debt Service:					
Principal				4,030,000	4,030,000
Interest				1,378,500	1,378,500
Capital outlay	2,053,185	4,365	5,256,160		7,313,710
Total expenditures	193,277,494	2,892,031	5,256,160	5,408,500	206,834,185
Excess (deficiency) of revenues over (under) expenditures	(1,276,616)		(4,005,567)		(5,282,183)
Other financing sources (uses):					
Capital Lease	331,100		3,250,000		3,581,100
Transfer			(2,251)		(2,251)
Total other financing sources (uses)	331,100		3,247,749		3,578,849
Net change in fund balances	(945,516)		(757,818)		(1,703,334)
Fund balances, July 1, 2014	\$ 31,791,041	\$	\$ 20,198,471	\$	\$ 51,989,512
Fund balances, June 30, 2015	\$ 30,845,525	\$	\$ 19,440,653	\$	\$ 50,286,178

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total net change in fund balances - governmental funds (from B-2)	\$	(1,703,334)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation expense		(6,213,977)
Capital outlays	\$ 7,313,710	
Less: Capital Outlays not capitalized	(8,101)	7,305,609
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the statement of activities.		
		4,030,000
Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of Net Position.		
Capital lease proceeds - Current Year		
		(3,581,100)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the statement of activities.		
Payment of capital lease payable		
		1,058,925
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		
		67,167
Bond Issue costs are reported in the Governmental Funds as expenditures in the year the bonds are issued. However, on the Statement of Activities the costs are amortized over the life of the Bonds.		
		(34,303)
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
District pension contributions	2,147,451	
Less: Pension expense	(2,876,495)	(729,044)
In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		(240,024)
Change in net position of governmental activities (A-2)	\$	(40,081)

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

OTHER FUNDS

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2015

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		<u>TOTAL</u>
	<u>MAJOR FUND</u> <u>FOOD SERVICE</u> <u>FUND</u>	<u>NON-MAJOR FUND</u> <u>EXTRA-CURRICULAR</u> <u>FUND</u>	
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 150,059	\$	\$ 150,059
Accounts receivable:			
State	3,486		3,486
Federal	102,526		102,526
Other	8,649		8,649
Interfund Receivable	202,186	26,129	228,315
Inventories	17,306		17,306
	<u>484,212</u>	<u>26,129</u>	<u>510,341</u>
Total current assets			
Noncurrent assets:			
Furniture, machinery and equipment	637,981		637,981
Less accumulated depreciation	<u>(417,234)</u>		<u>(417,234)</u>
	<u>220,747</u>		<u>220,747</u>
Total noncurrent assets			
Total assets	<u>\$ 704,959</u>	<u>\$ 26,129</u>	<u>\$ 731,088</u>
LIABILITIES:			
Current liabilities:			
Accounts Payable	\$ 231,348	\$	\$ 231,348
Unearned Revenue	<u>37,402</u>	<u>26,129</u>	<u>63,531</u>
	<u>\$ 268,750</u>	<u>\$ 26,129</u>	<u>\$ 294,879</u>
Total current liabilities			
NET POSITION:			
Net investment in capital assets	\$ 220,747	\$	\$ 220,747
Unrestricted	<u>215,462</u>		<u>215,462</u>
Total net position	<u>\$ 436,209</u>	<u>\$</u>	<u>\$ 436,209</u>

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>MAJOR FUND</u>	<u>NON-MAJOR FUND</u>	<u>TOTAL</u>
	<u>FOOD SERVICE</u>	<u>EXTRA-CURRICULAR</u>	
	<u>FUND</u>	<u>FUND</u>	
OPERATING REVENUES:			
Charges for services:			
Daily sales	\$ 2,559,607	\$	\$ 2,559,607
Fees - individuals		227,246	227,246
	<hr/>	<hr/>	<hr/>
Total operating revenues	2,559,607	227,246	2,786,853
OPERATING EXPENSES:			
Cost of sales	1,377,340		1,377,340
Salaries and benefits	1,362,472	96,713	1,459,185
Supplies and materials	114,923	2,385	117,308
Miscellaneous	105,369	3,108	108,477
Depreciation	39,353		39,353
Facility Rental		114,840	114,840
League Fees		10,200	10,200
	<hr/>	<hr/>	<hr/>
Total operating expenses	3,096,810	227,246	3,324,056
Operating (loss)	<hr/> (537,203)	<hr/>	<hr/> (537,203)
NONOPERATING REVENUES (EXPENSES):			
State Sources			
State school lunch program	18,517		18,517
Federal Sources			
National school lunch program	465,317		465,317
School breakfast program	42,383		42,383
National food distribution commodities	79,081		79,081
Total nonoperating revenues (expenses)	<hr/> 605,298	<hr/>	<hr/> 605,298
Income (loss) before contributions and transfers	<hr/> 68,095	<hr/>	<hr/> 68,095
Change in net position	68,095		68,095
Total net position - beginning	<hr/> 368,114	<hr/>	<hr/> 368,114
Total net position - ending	<u>\$ 436,209</u>	<u>\$</u>	<u>\$ 436,209</u>

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		<u>TOTAL</u>
	<u>MAJOR FUND</u> <u>FOOD SERVICE</u> <u>FUND</u>	<u>NON-MAJOR FUND</u> <u>EXTRA-CURRICULAR</u> <u>FUND</u>	
Cash flows from operating activities:			
Receipts from customers	\$ 2,564,322	\$ 253,111	\$ 2,817,433
Payments to employees	(1,289,101)	(96,713)	(1,385,814)
Payments for Employee Benefits	(51,467)		(51,467)
Payments to suppliers	(1,652,970)	(130,533)	(1,783,503)
Net cash provided by (used for) operating activities	<u>(429,216)</u>	<u>25,865</u>	<u>(403,351)</u>
Cash flows from noncapital financing activities:			
State sources	16,722		16,722
Federal sources	473,341		473,341
Operating subsidies and transfers to other funds	(226,511)	(25,865)	(252,376)
Net cash provided by noncapital financing activities	<u>263,552</u>	<u>(25,865)</u>	<u>237,687</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets	(21,743)		(21,743)
Net cash provided by (used for) capital and related financing activities	<u>(21,743)</u>		<u>(21,743)</u>
Net increase (decrease) in cash and cash equivalents	(187,407)		(187,407)
Cash and cash equivalents, July 1, 2014	<u>337,466</u>		<u>337,466</u>
Cash and cash equivalents, June 30, 2015	<u>\$ 150,059</u>	<u>\$</u>	<u>\$ 150,059</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (537,203)	\$	\$ (537,203)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	39,353		39,353
Federal commodities	79,081		79,081
Change in assets and liabilities:			
(Increase) decrease in accounts receivable, net	(6,240)		(6,240)
Increase (decrease) in unearned revenue	10,953	25,865	36,818
Increase (decrease) in accounts payable	(15,722)		(15,722)
(Increase) decrease in inventories	562		562
	<u>107,987</u>	<u>25,865</u>	<u>133,852</u>
Net cash provided by (used for) operating activities	<u>\$ (429,216)</u>	<u>\$ 25,865</u>	<u>\$ (403,351)</u>

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Insurance Trust</u>	<u>Private Purpose Trust</u>	<u>Agency Funds</u>
ASSETS:			
Cash and cash equivalents	\$ 814,527	\$ 941,403	\$ 7,846,945
Interfund receivable	<u>243,000</u>	<u> </u>	<u> </u>
Total assets	\$ <u>1,057,527</u>	\$ <u>941,403</u>	\$ <u>7,846,945</u>
LIABILITIES:			
Accounts payable	\$ 69,352	\$	
Interfund payable			4,902,988
Payable to student groups			996,101
Wage Payable - Summer Payroll			1,946,014
Payroll deductions and withholdings			<u>1,842</u>
Total liabilities	\$ <u>69,352</u>	\$ <u> </u>	\$ <u>7,846,945</u>
NET POSITION:			
Held in trust for State Unemployment Insurance claims and other purposes	\$ 988,175	\$	
Held in trust for scholarships and other purposes		<u>941,403</u>	
Total net position	\$ <u>988,175</u>	\$ <u>941,403</u>	\$ <u>-0-</u>

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Unemployment Compensation Insurance Trust</u>	<u>Private Purpose Trust</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Plan member	\$ 243,246		\$ 243,246
Donations		\$ 28,929	28,929
Total contributions	<u>243,246</u>	<u>28,929</u>	<u>272,175</u>
Investment earnings:			
Interest	<u>537</u>	<u>676</u>	<u>1,213</u>
Net investment earnings	<u>537</u>	<u>676</u>	<u>1,213</u>
Total additions	<u>243,783</u>	<u>29,605</u>	<u>273,388</u>
DEDUCTIONS:			
Quarterly Contribution Reports	99,215		99,215
Unemployment Claims	199,494		199,494
Scholarships Awarded		<u>37,602</u>	<u>37,602</u>
Total deductions	<u>298,709</u>	<u>37,602</u>	<u>336,311</u>
Change in net position	(54,926)	(7,997)	(62,923)
Net position beginning of year	<u>1,043,101</u>	<u>949,400</u>	<u>1,992,501</u>
Net position end of year	<u>\$ 988,175 \$</u>	<u>\$ 941,403 \$</u>	<u>\$ 1,929,578</u>

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Freehold Regional High School District is a Type II District located in Monmouth County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education of the Freehold Regional High School District, comprised of nine elected individuals, is the primary governing authority of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39), as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (continued)

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

Basis of Presentation

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

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements are presented for each fund category-governmental, proprietary, and fiduciary. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE as the oversight entity believes that the presentation of all funds as major is important for the public interest and to promote consistency among District financial reporting models.

Governmental Funds

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

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Proprietary Funds

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

Fiduciary Funds

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

The District's Fiduciary funds are as follows:

Payroll Summer Payroll and Student Activities Funds These are agency funds used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting-Measurement Focus

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

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation for expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

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

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

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated (NJSA 18A:22-44.2) revenue recognition of one or more deferred State Aid payments for budgetary purposes only due to the State deferral of such payments into the subsequent budget year and the accounting treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditures of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

Interfunds

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

Inventories and Prepaid Expenses

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

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

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

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

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

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

Fund Equity

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

Unearned Revenue

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities and Long-Term Obligations

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

Net Position

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

Fund Balance Reserves

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

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves (Continued)

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

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education. The District does not report any Fund Balance in this category

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

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

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

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

Revenues Exchange and Non-exchange Transactions

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-exchange Transactions (Continued)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the District, these revenues are sales in the Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Extraordinary and Special Items

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

Management Estimates

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

Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions (continued)

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has two items that qualify for reporting in this category, deferred amounts from refunding debt and deferred amounts related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies as a Deferred Inflow. Deferred amounts related to pensions.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Deposits

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

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

Deposits

The Freehold Regional High School District had the following cash and cash equivalents at June 30, 2015:

<u>Fund Type</u>	<u>Amount</u>
Cash in Bank:	
Governmental Funds	\$ 31,684,017
Proprietary Funds	150,059
Fiduciary Funds	<u>10,311,984</u>
Total Cash in Bank	\$ 42,146,060
Less: Reconciling Items	<u>(2,053,367)</u>
	<u>\$ 40,092,693</u>

Custodial Credit Risk- Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2015, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$42,146,060, \$250,000 was covered by Federal Depository Insurance, \$41,894,847 was covered under the provisions of NJGUDPA and \$1,213 was on deposit with the New Jersey Cash Management Fund.

Investments

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

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

Investments (Continued)

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

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

Investments (Continued)

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

As of June 30, 2015, the District has \$1,213 on deposit with New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1, and existing investment practices of NJARM, the District is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: RECEIVABLES

Receivables at June 30, 2015 are listed below. All receivables are considered collectible in full. A summary of the principal items of governmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	District-Wide Financial <u>Statements</u>
State Aid	\$4,639,866	\$4,639,866
Federal Aid	580,375	580,375
Interfunds	5,390,859	4,431,673
Other	260,815	260,815
Gross Receivables	10,871,915	9,912,729
Less: Allowance for Uncollectibles		-
Total Receivables, Net	\$10,871,915	\$9,912,729

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 4: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	<u>Beginning Balance (As Restated)</u>	<u>Additions</u>	<u>Transfers or Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 446,488			\$ 446,488
Construction In Progress	395,274	\$ 5,987,630		6,382,904
Total capital assets not being depreciated	<u>841,762</u>	<u>5,987,630</u>		<u>6,829,392</u>
<i>Capital assets being depreciated:</i>				
Site improvements	13,381,853			13,381,853
Building and improvements	203,146,324	599,181		203,745,505
Equipment	16,567,033	718,798	(257,120)	17,028,711
Total capital assets being depreciated	<u>233,095,210</u>	<u>1,317,979</u>	<u>(257,120)</u>	<u>234,156,069</u>
Total Gross Assets (Memo Only)	233,936,972	7,305,609	(257,120)	240,985,461
Less accumulated depreciation for:				
Site improvements	(5,165,240)	(664,403)		(5,829,643)
Building and improvements	(109,810,290)	(4,666,126)		(114,476,416)
Equipment	(12,766,188)	(883,448)	257,120	(13,392,516)
Total accumulated depreciation	<u>(127,741,718)</u>	<u>(6,213,977)</u>	<u>257,120</u>	<u>(133,698,575)</u>
Total capital assets being depreciated, net	<u>105,353,492</u>	<u>(4,895,998)</u>		<u>100,457,494</u>
Government activities capital assets, net	\$ <u>106,195,254</u>	\$ <u>1,091,632</u>	\$ _____	\$ <u>107,286,886</u>
Business-type activities:				
<i>Capital assets being depreciated:</i>				
Equipment	\$ 616,238	\$ 21,743	\$ _____	637,981
Less accumulated depreciation	<u>(377,881)</u>	<u>(39,353)</u>		<u>(417,234)</u>
Enterprise fund capital assets, net	<u>238,357</u>	<u>(17,610)</u>		<u>220,747</u>

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 4: CAPITAL ASSETS (CONTINUED)

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

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ (8,954)
Other Instruction	(1,557)
Student & Instruction Related Services	(96,948)
General Administrative Services	(30,392)
School Administrative Services	(4,735)
Central Service	(1,511)
Administrative Technology	(656,788)
Plant, Operations & Maintenance	(63,700)
Pupil Transportation	(467,643)
Unallocated	<u>(4,881,749)</u>
	<u>\$ (6,213,977)</u>

NOTE 5: LONG-TERM LIABILITIES

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

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

<u>Issue</u>	<u>Amount Outstanding June 30, 2015</u>	<u>Bonds Authorized But Not Issued</u>
\$42,690,000.00 in Refunding School Bonds dated November 16, 2001, due in remaining annual installments ranging between \$4,240,000.00 and \$5,205,000.00 beginning March 1, 2016 and ending March 1, 2020 with interest of 5.00%	\$ <u>23,540,000</u>	\$ <u>-0-</u>
	\$ <u><u>23,540,000</u></u>	\$ <u><u>-0-</u></u>

Refunding School Bonds

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (18 to 20 years). The cost associated with the issues of the various bonds amounted to \$639,077. The current year portion charged to the Statement of Activities was \$34,303 leaving a balance of \$148,021. Under the escrow agreement, the escrow is irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the refunded obligations are considered to be defeased and the liability for those bonds has been removed from the financial statements.

Bonds Authorized but Not Issued

As of June 30, 2015 the District had no Bonds Authorized but not issued.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Capital Leases Payable

The District is leasing various equipment and improvements totaling \$28,692,489 as follows:

<u>Description</u>	<u>Date</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Amount</u>
Technology Improvements and School Buses	12/31/13	5 Years	1.433%	\$1,155,792
District Wide Energy Savings Improvement Plan	12/31/13	15 Years	2.690%	\$17,498,000
Roof, Boiler and HVAC Replacement	12/31/13	5 Years	1.390%	\$2,957,597
School Buses and Technology	12/31/13	5 Years	1.334%	\$3,500,000
Roof Replacement	12/31/14	5 Years	1.570%	\$3,250,000
School Buses	12/31/14	5 Years	1.390%	\$331,100

The following is a schedule of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2015:

Fiscal Year Ended <u>June 30,</u>	Governmental <u>Funds</u>
2016	3,241,102
2017	4,750,409
2018	3,766,665
2019	2,764,426
2020-2024	7,306,969
2025-2029	7,412,811
2030-2031	3,158,261
Total Minimum Lease Payments	\$32,400,643
Less: Amount Representing Interest	5,136,493
Present Value of Lease Payments	<u>\$27,264,150</u>

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

OPERATING LEASES

The District has a commitment to lease building space, and a parking lot under an operating lease that expires on October 31, 2019. The District also has operating leases for copiers which expire on various dates over the next three years. The total operating lease payments made during the year ended June 30, 2015 were \$295,089. Future minimum lease payments are as follows:

Years Ending June 30,	Principal
2016	\$ 255,085
2017	186,018
2018	178,758
2019	61,353
2020	<u>1,759</u>
Total minimum lease payments	<u>\$ 682,973</u>

NOTE 6: PENSION PLANS

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: PENSION PLANS (CONTINUED)

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

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

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

Significant Legislation

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: PENSION PLANS (CONTINUED)

Pension Plan Design Changes

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

Funding Changes

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

COLA Suspension

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

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43:3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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

Contribution Requirements The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: PENSION PLANS (CONTINUED)

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

Three Year Trend Information for PERS

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2015	\$2,056,601	100%	\$2,056,601
2014	\$2,080,891	100%	\$2,080,891
2013	\$1,815,385	100%	\$1,815,385

Three Year Trend Information for TPAF (On-Behalf)

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2015	\$3,901,407	100%	\$3,901,407
2014	\$3,070,663	100%	\$3,070,663
2013	\$4,500,451	100%	\$4,500,451

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District for the years ended June 30, 2015, 2014 and 2013 \$5,536,782, \$5,462,436, and \$5,385,922 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported a liability of \$48,771,057.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was 0.260491093 percent, which was an increase of 0.0124724257 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$2,876,495.00. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Changes of assumptions		\$1,533,624.00
Net difference between projected and actual earnings on pension plan investments	\$2,906,490.00	
Changes in proportion and differences between District contributions and proportionate share of contributions		2,013,584.00
District contributions subsequent to the measurement date		<u>2,161,050.00</u>
	<u>2,906,490.00</u>	<u>5,708,258.00</u>

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

\$2,161,050.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	<u>June 30</u>	<u>Amount</u>
2016		(\$444,706.36)
2017		(\$444,706.36)
2018		(\$444,706.36)
2019		\$281,916.15
Thereafter		\$124,043.11

Additional Information

Collective balances at December 31, 2013 and 2014 are as follows

	<u>12/31/2014</u>	<u>12/31/2013</u>
Collective deferred outflows of resources	\$952,194,675	Not Available
Collective deferred inflows of resources	1,479,224,662	Not Available
Collective net pension liability	18,722,735,003	19,111,986,911
District's Proportion	0.2604910930%	0.2480186673%

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which rolled forward to June 30, 2014. The total pension liability for the July 1, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.01 Percent
Salary Increases	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bond	1.00%	2.49%
Intermediate Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2014 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2014		
	1% Decrease <u>4.39%</u>	At Current Discount Rate <u>5.39%</u>	1% Increase <u>6.39%</u>
District's proportionate share of the pension liability	61,355,650.00	48,771,057.00	38,203,201.00

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2015 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$352,004,160</u>
	<u><u>\$352,004,160</u></u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the proportion of the TPAF net pension liability associated with the District was .7258543595%.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue of \$20,875,112 for contributions provided by the State.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

Mortality rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (continued)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate- Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
	<u>100.00%</u>	

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability,

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 7: GASB 45 – OTHER POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School Commission for the years ended June 30, 2015, 2014 and 2013 were \$6,193,485, \$5,034,731, and \$5,088,874 and respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School Commission was not determined or made available by the State of New Jersey.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 8: LITIGATION

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

NOTE 9: CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2014-2015 fiscal year were subject to the U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$500,000. Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

NOTE 10: RISK MANAGEMENT

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 10: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the District's unemployment trust fund for the current and previous two years:

Year Ended			Employee			Amount	Ending	
<u>June 30,</u>	<u>Interest</u>		<u>Contributions</u>		<u>Reimbursed</u>		<u>Balance</u>	
2015	\$	537	\$	243,246	\$	298,709	\$	988,175
2014		510		241,449		297,589		1,043,101
2013		383		237,623		390,928		1,098,731

Workers' Compensation Insurance - The Board is self-insured for workers' compensation insurance. Claims are managed by PMA Management Corp. through a service agreement for which competitive proposals were sought. The financial statements reflect the current expenses of the program as well as an accrued liability for future claims against the current fiscal year. At June 30, 2015, the amount was \$2,120,000.

Health Benefits - The District provides health benefits to employees through a minimum premium insurance policy administered by Horizon Blue Cross Blue Shield of New Jersey ("Horizon"). The incurred but not reported liability ("IBNR") actuarially computed by Horizon was \$3,544,800, at June 30, 2015. It was also noted that the entire IBNR is adjusted for changes in estimate at year end and such changes are reflected in the district's budget and the entire liability is treated as a liability for budgetary purposes.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 11: COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the Districts agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net assets. As of June 30, 2015, a liability existed for compensated absences for governmental fund-types in the district- wide Statement of Net Position of \$2,533,414.

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

NOTE 12: FUND BALANCE APPROPRIATED

General Fund The table below reflects the District's Fund Balance at June 30, 2015 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last state aid payment which under GAAP is not recognized:

	Budgetary		GAAP
	<u>Basis</u>	<u>Adjustment</u>	<u>Basis</u>
Restricted:			
Designated for Subsequent			
Year's Expenditures:			
Excess Surplus	\$ 11,169,674	\$	\$ 11,169,674
Maintenance Reserve	200,000		200,000
Capital Reserve	1,800,000		1,800,000
Excess Surplus Current Year	9,910,283		9,910,283
Maintenance Reserve	1,732,395		1,732,395
Capital Reserve	4,330,272		4,330,272
Emergency Reserve	252,001		252,001
Assigned:			
Designated for Subsequent			
Year's Expenditures:	1,000,000		1,000,000
Encumbrances	1,031,639	(580,739)	450,900
Unassigned	4,515,796	(4,515,796)	
	\$ 35,942,060	\$ (5,096,535)	\$ 30,845,525

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

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

General Fund Expenditures:			
Fiscal Year Ended, June 30 2015		\$	193,277,494
Less:			
Capital Leases (non-budgeted)	\$	331,100	
Reimb. TPAF Social Security Contributions		5,536,782	
Reimb. TPAF Pension Contributions		<u>10,094,892</u>	
			<u>15,962,774</u>
Adjusted General Fund Expenditures			177,314,720
Excess Surplus Percentage			<u>2.00%</u>
			3,546,294
Increased by:			
Non-Public Transportation Aid (unbudgeted)		70,307	
Extraordinary Aid (unbudgeted)		<u>899,195</u>	
			<u>969,502</u>
Maximum Unreserved/Undesignated General Fund Balance			4,515,796
Actual Unassigned General Fund Balance			<u>14,426,079</u>
Excess Surplus		\$	<u><u>9,910,283</u></u>
Recapitulation of Excess Surplus, June 30, 2015:			
Reserved for Excess Surplus - Designated for Subsequent Year's Expenditure		\$	11,169,674
Reserved for Excess Surplus			<u>9,910,283</u>
		\$	<u><u>21,079,957</u></u>

Based on the above calculation, as of June 30, 2015, \$11,169,674 is reported as Reserved Fund Balance Excess Surplus Designated for Subsequent Year's Expenditure and is required to be appropriated for property tax relief in the 2015-16 budget. \$9,910,283 is reported as Reserved Fund Balance Excess Surplus and is required to be appropriated for property tax relief in the 2016-17 budget.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2015:

<u>Fund</u>	<u>Interfund Balance</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 5,390,859	\$ 470,709
Special Revenue Fund		371,737
Capital Projects Fund		116,740
Proprietary Funds	228,315	
Fiduciary Funds	243,000	4,902,988
	\$ 5,862,174	\$ 5,862,174

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

NOTE 15: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Freehold Regional High School District Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line item appropriations, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special election dates authorized by N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 15: CAPITAL RESERVE ACCOUNT (CONTINUED)

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Balance, July 1, 2014	\$	4,121,759
Increased by:		
Board Resolution dated 06/22/15	\$	2,000,000
Interest		8,513
		2,008,513
Balance, June 30, 2015	\$	6,130,272
Recapitulation:		
Capital Reserve		4,330,272
Capital Reserve - Designated for Subsequent Years Expenditure		1,800,000
Balance, June 30, 2015	\$	6,130,272

NOTE 16: EMERGENCY RESERVE ACCOUNT

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

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

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

At June 30, 2015, the balance of the Emergency Reserve Account was \$252,001 and is within the statutory limitations.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 16: EMERGENCY RESERVE ACCOUNT (CONTINUED)

The activity of the emergency reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Balance, July 1, 2014	\$	251,481
Increased by:		
Interest	\$	520
		520
Balance, June 30, 2015	\$	252,001

NOTE 17: MAINTENANCE RESERVE ACCOUNT

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

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

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

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

At June 30, 2015, the balance of the Maintenance Reserve Account was \$1,932,395 and is within the statutory limitations.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 17: MAINTENANCE RESERVE ACCOUNT (CONTINUED)

The activity of the emergency reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Balance, July 1, 2014	\$	1,928,412
Increased by:		
Interest	\$	<u>3,983</u>
		<u>3,983</u>
Balance, June 30, 2015	\$	<u><u>1,932,395</u></u>
Recapitulation:		
Maintenance Reserve		1,732,395
Maintenance Reserve - Designated for Subsequent Years Expenditure		<u>200,000</u>
Balance, June 30, 2015	\$	<u><u>1,932,395</u></u>

NOTE 18: INVENTORY

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food and Supplies \$17,306

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2015

NOTE 19: PRIOR PERIOD ADJUSTMENTS

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

		<u>Governmental</u>
		<u>Activities</u>
Beginning Net Position 06/30/14	\$	104,638,580
Adjustments:		
Recognition of Net Pension Liability		(47,401,295)
Overstatement of Net Investment in Capital Assets		<u>(1,336,355)</u>
Beginning Net Position 06/30/14 (As restated)	\$	<u><u>55,900,930</u></u>

The Unrestricted Net Asset balance was restated to properly reflect the District's Net Position under GASB 68. In addition, Net Investment in Capital Assets was restated to properly reflect a lease purchase of assets from the previous period.

NOTE 20: SUBSEQUENT EVENTS

The Board of Education has evaluated subsequent events occurring after the financial statement date through December 7, 2015 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events that need to be disclosed except as noted below.

On August 14, 2015 the District entered into a lease agreement in the amount of \$1,661,250 for the purchase of twenty two school buses, one maintenance vehicle and one courier van. The lease is for a term of five years with an interest rate of 1.433%

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
REVENUES					
Local sources:					
Local Tax Levy	\$ 121,473,208		\$ 121,473,208	\$ 121,473,208	
Tuition	25,000		25,000	124,280	99,280
Unrestricted Miscellaneous Revenue	150,000		150,000	135,277	(14,723)
Interest Earned on Emergency Reserve	1,500		1,500	519	(981)
Interest Earned on Maintenance Reserve	7,000		7,000	3,983	(3,017)
Interest Earned on Capital Reserve Funds	1,500		1,500	8,513	7,013
Other Restricted Miscellaneous Revenue	150,000		150,000	194,759	44,759
Total - local sources	121,808,208		121,808,208	121,940,539	132,331
State sources:					
Equalization Aid	40,713,982		40,713,982	40,713,982	
Categorical Transportation Aid	1,110,522		1,110,522	1,110,522	
Categorical Special Education Aid	7,030,185		7,030,185	7,030,185	
Security Aid	735,594		735,594	735,594	
Adjustment Aid			1,636,230	1,636,230	
PARCC Readiness Aid			113,720	113,720	
Per Pupil Growth Aid			113,720	113,720	
Other State Aids Out of Cap	1,863,670			70,307	70,307
Extraordinary Aid	1,925,421		1,925,421	2,824,616	899,195
On-behalf TPAF Pension (non-budgeted)				3,901,407	3,901,407
On-behalf TPAF Post Retirement Contributions (non-budgeted)				6,193,485	6,193,485
Reimbursed TPAF Social Security Contributions (non-budgeted)				5,536,782	5,536,782
Total - state sources	53,379,374		53,379,374	69,980,550	16,601,176
Federal sources:					
Medicaid reimbursement	74,580		74,580	90,293	15,713
Total - federal sources	74,580		74,580	90,293	15,713
Total revenues	175,262,162		175,262,162	192,011,382	16,749,220

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

EXPENDITURES	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Grades 9-12	\$ 52,489,534	\$ (1,416,740)	\$ 51,072,794	\$ 50,898,004	\$ 174,790
Total Salaries of teachers:	<u>52,489,534</u>	<u>(1,416,740)</u>	<u>51,072,794</u>	<u>50,898,004</u>	<u>174,790</u>
Regular Programs - Home Instruction:					
Salaries of teachers	220,000	30,935	250,935	250,935	
Purchased professional educational services	<u>104,000</u>	<u></u>	<u>104,000</u>	<u>72,985</u>	<u>31,015</u>
Total Regular Programs - Home Instruction:	<u>324,000</u>	<u>30,935</u>	<u>354,935</u>	<u>323,920</u>	<u>31,015</u>
Regular programs - undistributed instruction:					
Purchased professional educational services	20,000	(6,500)	13,500	13,435	65
Purchased technical services	136,075	(6,802)	129,273	128,005	1,268
Other purchased services(400-500 series)	622,738	(36,189)	586,549	505,642	80,907
General supplies	1,349,024	172,803	1,521,827	1,499,841	21,986
Textbooks	1,259,598	(38,282)	1,221,316	1,209,097	12,219
Other Objects	<u>2,000</u>	<u>119</u>	<u>2,119</u>	<u>2,119</u>	
Total Regular programs - undistributed instruction	<u>3,389,435</u>	<u>85,149</u>	<u>3,474,584</u>	<u>3,358,139</u>	<u>116,445</u>
Total Regular Programs - Instruction	<u>56,202,969</u>	<u>(1,300,656)</u>	<u>54,902,313</u>	<u>54,580,063</u>	<u>322,250</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Special education:					
Cognitive - Mild:					
Salaries of teachers	\$ 305,114	\$ (175,000)	\$ 130,114	\$ 127,462	\$ 2,652
Other salaries for instruction	237,187	9,299	246,486	246,486	
Other purchased services(400-500 series)	300		300	260	40
General supplies	6,843	(388)	6,455	6,317	138
Textbooks	1,073		1,073	1,073	
Other Objects	300		300		300
Total Cognitive - Mild	<u>550,817</u>	<u>(166,089)</u>	<u>384,728</u>	<u>381,598</u>	<u>3,130</u>
Cognitive - Moderate:					
Salaries of teachers	152,599		152,599	146,188	6,411
Other salaries for instruction	227,518	7,022	234,540	234,540	
Other purchased services(400-500 series)		555	555	555	
General supplies	2,000	(909)	1,091	966	125
Total Cognitive - Moderate	<u>382,117</u>	<u>6,668</u>	<u>388,785</u>	<u>382,249</u>	<u>6,536</u>
Learning and / or Language Disabilities:					
Salaries of teachers	1,097,646	(370,000)	727,646	722,900	4,746
Other salaries for instruction	320,387	52,200	372,587	372,574	13
Purchased professional educational services	25,000		25,000	13,201	11,799
Other purchased services(400-500 series)	12,700	1,900	14,600	10,850	3,750
General supplies	12,765	(2,305)	10,460	9,799	661
Textbooks	3,830	600	4,430	4,313	117
Other Objects	800	(300)	500		500
Total Learning and / or Language Disabilities	<u>1,473,128</u>	<u>(317,905)</u>	<u>1,155,223</u>	<u>1,133,637</u>	<u>21,586</u>
Visual Impairments:					
Salaries of teachers	75,867	(75,867)			
Purchased professional educational services	27,000	(27,000)			
Total Visual Impairments:	<u>102,867</u>	<u>(102,867)</u>			
Auditory Impairmenets:					
Salaries of teachers	151,735	(108,000)	43,735	43,591	144
Purchased professional educational services	25,000	(10,000)	15,000		15,000
Total Auditory Impairments:	<u>176,735</u>	<u>(118,000)</u>	<u>58,735</u>	<u>43,591</u>	<u>15,144</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Behavioral Disabilities:					
Salaries of teachers	\$ 171,508	\$ 43,000	\$ 214,508	\$ 214,500	\$ 8
Other salaries for instruction	74,247	(12,200)	62,047	44,908	17,139
Purchased professional educational services	430,000	75,000	505,000	377,400	127,600
General supplies	2,000	(1,241)	759	759	
Total Behavioral Disabilities:	<u>677,755</u>	<u>104,559</u>	<u>782,314</u>	<u>637,567</u>	<u>144,747</u>
Resource room/resource center:					
Salaries of teachers	8,195,480	1,820,000	10,015,480	10,015,270	210
Other salaries for instruction	40,643	(40,000)	643		643
General supplies	30,041	(2,765)	27,276	24,439	2,837
Textbooks	7,935	(5,658)	2,277	2,219	58
Other Objects	300	(300)			
Total Resource room/resource center	<u>8,274,399</u>	<u>1,771,277</u>	<u>10,045,676</u>	<u>10,041,928</u>	<u>3,748</u>
Autism:					
Salaries of teachers	303,830	(62,330)	241,500	241,500	
Other salaries for instruction	358,301	35,396	393,697	393,697	
Purchased professional - educational services	1,000		1,000	800	200
General supplies	18,000	(1,200)	16,800	16,618	182
Total Autism	<u>681,131</u>	<u>(28,134)</u>	<u>652,997</u>	<u>652,615</u>	<u>382</u>
Home Instruction:					
Salaries of teachers	160,000	22,760	182,760	182,760	
Purchased professional - educational services	370,000	(200,000)	170,000	69,262	100,738
Total Preschool disabilities-full -time	<u>530,000</u>	<u>(177,240)</u>	<u>352,760</u>	<u>252,022</u>	<u>100,738</u>
Total special education	<u>12,848,949</u>	<u>972,269</u>	<u>13,821,218</u>	<u>13,525,207</u>	<u>296,011</u>
Basic skills/remedial:					
Salaries of teachers	876,870	(161,000)	715,870	715,687	183
Total basic skills/remedial	<u>876,870</u>	<u>(161,000)</u>	<u>715,870</u>	<u>715,687</u>	<u>183</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Bilingual education:					
Salaries of teachers	\$ 228,255	\$ 17,245	\$ 245,500	\$ 245,500	
Other purchased services (400-500 series)	1,000		1,000		1,000
General supplies	2,000		2,000	1,838	162
Textbooks	500		500		500
Total bilingual education	<u>231,755</u>	<u>17,245</u>	<u>249,000</u>	<u>247,338</u>	<u>1,662</u>
School sponsored Co-curricular and Extra-Curricular activities:					
Salaries	1,124,042		1,124,042	913,301	210,741
Purchased services (300-500 series)	51,625	(11,097)	40,528	31,492	9,036
Supplies and Materials	45,195	(11,949)	33,246	23,833	9,413
Other Objects	41,156	(7,372)	33,784	26,935	6,849
Total school sponsored Co-curricular and Extra-curricular activities	<u>1,262,018</u>	<u>(30,418)</u>	<u>1,231,600</u>	<u>995,561</u>	<u>236,039</u>
School sponsored athletics:					
Salaries	3,223,292	8,571	3,231,863	2,981,711	250,152
Purchased services (300-500 series)	579,101	(25,255)	553,846	487,921	65,925
Supplies and Materials	310,567	14,972	325,539	302,741	22,798
Other Objects	115,500	11,250	126,750	125,547	1,203
Total school sponsored athletics	<u>4,228,460</u>	<u>9,538</u>	<u>4,237,998</u>	<u>3,897,920</u>	<u>340,078</u>
Other instructional programs:					
Salaries	485,000	29,721	514,721	514,721	
Purchased services (300-500 series)	18,760	2,260	21,020	6,672	14,348
Supplies and Materials	8,000		8,000	6,616	1,384
Textbooks	5,000	(2,260)	2,740		2,740
Other Objects	2,500		2,500	912	1,588
Total other instructional programs	<u>519,260</u>	<u>29,721</u>	<u>548,981</u>	<u>528,921</u>	<u>20,060</u>
Total other instructional programs	<u>7,118,363</u>	<u>(134,914)</u>	<u>6,983,449</u>	<u>6,385,427</u>	<u>598,022</u>
Total - instruction	<u>76,170,281</u>	<u>(463,301)</u>	<u>75,706,980</u>	<u>74,490,697</u>	<u>1,216,283</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-regular	\$ 25,000	\$	\$ 25,000	\$ 15,906	\$ 9,094
Tuition to other LEA's within the state-special	40,331	18,000	58,331	49,330	9,001
Tuition to county vocational school district-regular	3,627,900	(340,000)	3,287,900	3,198,835	89,065
Tuition to county vocational school district-special	793,900		793,900	728,260	65,640
Tuition to CSSD and regional day schools	2,006,510	(68,600)	1,937,910	1,578,603	359,307
Tuition to private schools for the handicapped within state	10,169,439	199,445	10,368,884	8,011,193	2,357,691
Tuition to private schools for the handicapped - special, out-state	1,050,494	140,600	1,191,094	1,021,696	169,398
Tuition-state facilities	160,833		160,833	107,669	53,164
Total undistributed expenditures - instruction	<u>17,874,407</u>	<u>(50,555)</u>	<u>17,823,852</u>	<u>14,711,492</u>	<u>3,112,360</u>
Attendance and social work services:					
Salaries	732,141		732,141	731,402	739
Other purchased services (400-500 series)	110		110	55	55
Supplies and Materials	2,900	(192)	2,708	2,305	403
Total attendance and social work services	<u>735,151</u>	<u>(192)</u>	<u>734,959</u>	<u>733,762</u>	<u>1,197</u>
Health services:					
Salaries	1,127,647	(4,050)	1,123,597	1,086,723	36,874
Purchased professional and technical services	109,150	14,397	123,547	89,280	34,267
Other Purchased Services (400-500 series)	2,200	55	2,255	1,345	910
Supplies and materials	22,710	(6,303)	16,407	15,507	900
Other Objects	485	(255)	230	85	145
Total health services	<u>1,262,192</u>	<u>3,844</u>	<u>1,266,036</u>	<u>1,192,940</u>	<u>73,096</u>
Other support services - speech, OT, PT & related services:					
Salaries	556,495	(63,000)	493,495	477,103	16,392
Purchased professional - Educational services	213,500	137,000	350,500	314,377	36,123
Supplies and materials	2,050	(1,597)	453	296	157
Total other support services - speech, OT, PT & related services	<u>772,045</u>	<u>72,403</u>	<u>844,448</u>	<u>791,776</u>	<u>52,672</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Other support services- Extraordinary Services					
Salaries	\$ 1,742,097	\$ 271,806	\$ 2,013,903	\$ 2,013,903	
Purchased Professional - Educational Services	<u>2,114,638</u>		<u>2,114,638</u>	<u>1,696,230</u>	418,408
Total other support services - Extraordinary Services	<u>3,856,735</u>	<u>271,806</u>	<u>4,128,541</u>	<u>3,710,133</u>	<u>418,408</u>
Other support services - Guidance:					
Salaries of other professional staff	3,847,178	163,557	4,010,735	4,010,735	
Salaries of secretarial and clerical assistants	724,002	(50,000)	674,002	673,318	684
Other Salaries	6,000		6,000	4,650	1,350
Other Purchased Professional and Technical Services	75,000		75,000	73,365	1,635
Other Purchased Services (400-500 series)	45,800	(10,661)	35,139	29,236	5,903
Supplies and Materials	46,988	(1,500)	45,488	43,848	1,640
Other objects	<u>2,530</u>	<u>(955)</u>	<u>1,575</u>	<u>270</u>	<u>1,305</u>
Total other support services - Guidance	<u>4,747,498</u>	<u>100,441</u>	<u>4,847,939</u>	<u>4,835,422</u>	<u>12,517</u>
Other support services - child study teams:					
Salaries of other professional staff	2,463,572	21,085	2,484,657	2,484,657	
Salaries of secretarial and clerical assistants	348,526	23,347	371,873	371,873	
Purchased Professional - Educational Services	862,500	50,000	912,500	666,418	246,082
Other Purchased Professional and Technical Services	12,000		12,000	5,029	6,971
Other Purchased Services (400-500 series)		200	200	195	5
Residential Costs	303,755		303,755	235,681	68,074
Misc. Pur Serv (400-500 series o/ than resid. Costs)	8,000	(534)	7,466	22	7,444
Supplies and Materials	<u>105,450</u>	<u>(16,817)</u>	<u>88,633</u>	<u>55,803</u>	<u>32,830</u>
Total other support services - child study teams	<u>4,103,803</u>	<u>77,281</u>	<u>4,181,084</u>	<u>3,819,678</u>	<u>361,406</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Improvement of instructional services:					
Salaries of Supervisors of Instruction	\$ 310,348	\$ (11,819)	\$ 298,529	\$ 279,073	\$ 19,456
Salaries of secretarial and clerical assistants	152,727	7,680	160,407	160,407	
Other Salaries	268,712	16,340	285,052	238,566	46,486
Purchased Professional - Educational Services		5,000	5,000	2,300	2,700
Other Purchased Services (400-500)	78,910	(16,106)	62,804	46,305	16,499
Supplies and Materials	11,500		11,500	4,628	6,872
Other objects	22,200	1,000	23,200	22,067	1,133
Total Improvement of instructional services:	844,397	2,095	846,492	753,346	93,146
Educational media services/school library:					
Salaries	470,247	(114,000)	356,247	356,041	206
Purchased Professional and Technical Services	68,900	8,596	77,496	77,338	158
Other Purchased Services (400-500)	15,350	(2,408)	12,942	12,286	656
Supplies and Materials	47,900	(11,539)	36,361	36,157	204
Total educational media services/school library	602,397	(119,351)	483,046	481,822	1,224
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	288,344		288,344	260,187	28,157
Purchased Professional - Educational Services	172,000	23,621	195,621	184,533	11,088
Other Purchased Services (400-500)	195,957	(22,779)	173,178	134,973	38,205
Supplies and Materials	65,800		65,800	58,165	7,635
Other objects	3,500		3,500	2,615	885
Total instructional staff training services:	725,601	842	726,443	640,473	85,970

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Support services general administration:					
Salaries	\$ 343,140	\$	\$ 343,140	\$ 326,965	\$ 16,175
Legal services	458,000		458,000	352,536	105,464
Audit Fees	59,750		59,750	59,750	
Architectural/Engineering Services	50,000	122,000	172,000	69,139	102,861
Other purchased professional services	5,000	(460)	4,540		4,540
Purchased technical services	20,835		20,835	14,838	5,997
Communications/telephone	639,800	(6,400)	633,400	534,633	98,767
BOE Other purchased services(580-585)	5,000		5,000	2,429	2,571
Misc. purchased services (400-500 Series, other than 530 & 585)	193,470	49,605	243,075	174,058	69,017
General supplies	12,000	(605)	11,395	8,658	2,737
BOE in-house training/meeting supplies	5,000		5,000	110	4,890
Miscellaneous expenditures	16,410		16,410	12,015	4,395
BOE membership dues and fees	28,000		28,000	26,663	1,337
Total support services general administration	<u>1,836,405</u>	<u>164,140</u>	<u>2,000,545</u>	<u>1,581,794</u>	<u>418,751</u>
Support services school administration:					
Salaries of principals/asst. principals	3,414,274	214,270	3,628,544	3,271,214	357,330
Salaries of other professional staff	1,986,198	175,000	2,161,198	1,703,562	457,636
Salaries of secretarial and clerical assistants	1,347,791	50,000	1,397,791	1,279,128	118,663
Other Purchased Services (400-500 series)	79,870	5,301	85,171	64,298	20,873
Supplies and Materials	120,115	5,783	125,898	123,073	2,825
Other objects	158,402	(3,071)	155,331	137,848	17,483
Total support services school administration	<u>7,106,650</u>	<u>447,283</u>	<u>7,553,933</u>	<u>6,579,123</u>	<u>974,810</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Central Services:					
Salaries	\$ 1,500,853	\$ (62,500)	\$ 1,438,353	\$ 1,342,412	\$ 95,941
Purchased professional services	63,300	(2,500)	60,800	45,074	15,726
Purchased technical services	30,400	54,000	84,400	25,905	58,495
Misc. purchased services (400-500 series)	67,800	(7,000)	60,800	59,332	1,468
Supplies and materials	46,500	1,000	47,500	36,168	11,332
Interest on Lease Purchase Agreement	80,260	50,000	130,260	60,034	70,226
Miscellaneous expenditures	6,900	550	7,450	6,075	1,375
Total central services	1,796,013	33,550	1,829,563	1,575,000	254,563
Administrative Information Technology:					
Salaries	615,176	62,500	677,676	677,597	79
Purchased technical services	392,650		392,650	392,447	203
Other purchased services (400-500 series)	649,454	51,753	701,207	557,020	144,187
Supplies and Materials	60,000	15,607	75,607	75,230	377
Total Administrative Information Technology	1,717,280	129,860	1,847,140	1,702,294	144,846
Required Maintenance for School Facilities:					
Salaries	1,039,414		1,039,414	788,038	251,376
Cleaning, Repair and Maintenance Services	1,275,585	(19,190)	1,256,395	1,194,164	62,231
General supplies	436,000	(59,232)	376,768	316,447	60,321
Other objects	80,000	(30,000)	50,000	14,981	35,019
Total Required Maintenance for School Facilities	2,830,999	(108,422)	2,722,577	2,313,630	408,947

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Custodial Services :					
Salaries	\$ 4,319,013	\$	\$ 4,319,013	\$ 4,133,059	\$ 185,954
Purchased professional and technical services	33,000		33,000	27,595	5,405
Cleaning, repair and maintenance services	175,000		175,000	160,872	14,128
Rental of land and building - other than lease purchase agreement	239,000		239,000	226,466	12,534
Lease Purchase Payments-Energy Savings Improvement Prog.		264,141	264,141	264,141	
Other purchased property services	334,000	33,000	367,000	266,885	100,115
Insurance	635,700		635,700	631,220	4,480
General supplies	375,000		375,000	370,202	4,798
Energy (Natural Gas)	1,031,300		1,031,300	911,944	119,356
Energy (Electricity)	2,485,000	(264,141)	2,220,859	1,893,510	327,349
Energy (Gasoline)	1,204,400	(474,900)	729,500	688,757	40,743
Total custodial services	10,831,413	(441,900)	10,389,513	9,574,651	814,862
Care & Upkeep of Grounds:					
Salaries	861,794		861,794	735,439	126,355
Cleaning, Repair and Maintenance Services	440,000	70,000	510,000	504,724	5,276
General supplies	185,000	(20,000)	165,000	128,284	36,716
Other objects	2,500		2,500		2,500
Total Care and Upkeep of Grounds	1,489,294	50,000	1,539,294	1,368,447	170,847
Security:					
Salaries	444,226	13,163	457,389	457,389	
Purchased Professional & Technical Services (300-500)	58,000	26,216	84,216	69,216	15,000
Cleaning, Repair and Maintenance Services	5,000	1,549	6,549	4,100	2,449
General Supplies	13,500	29,555	43,055	34,458	8,597
Total Security	520,726	70,483	591,209	565,163	26,046
Total operation and maintenance of plant services	15,672,432	(429,839)	15,242,593	13,821,891	1,420,702

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Student transportation services:					
Salaries of Non-Instructional Aides	\$ 393,108	\$	\$ 393,108	\$ 299,655	\$ 93,453
Salaries for pupil transportation (between home and school)-regular	3,340,573	172,609	3,513,182	3,512,817	365
Salaries for pupil transportation (between home and school)-Special Ed	1,017,856	(172,609)	845,247	819,456	25,791
Salaries for pupil transportation (other than between home & school)	602,430		602,430	369,075	233,355
Management Fee - ESC &CTSA transportation programs	212,000	3,373	215,373	215,373	
Other Purchased professional and technical services	83,800	120,000	203,800	179,818	23,982
Cleaning, Repair and Maintenance Services	707,300		707,300	683,265	24,035
Lease Purchase Payments - School Buses	414,447		414,447	344,178	70,269
Contracted Services - between home and school vendors	4,175,000	126,000	4,301,000	4,255,941	45,059
Contracted services (other than btw home & school)-vendors	375,000	(61,161)	313,839	274,854	38,985
Contract. Serv. (btw home and Sch) Joint Agreements					
Contract. Serv. (spec ed students)-vendors	20,000		20,000	4,517	15,483
Contract. Serv. (spec ed students)-Joint Agreements	13,000	72,000	85,000	84,855	145
Contracted services (regular students) - ESCs & CTSA	735,000	(119,800)	615,200	615,145	55
Contracted services (spec ed students) - ESCs & CTSA	3,185,000	291,733	3,476,733	3,476,733	
Contract. Serv - Aid in Lieu Pymts-Non-Public Schools	110,500	44,598	155,098	155,098	
Contract. Serv - Aid in Lieu Pymts-Charter Schools	1,768		1,768		1,768
Travel	1,000	125	1,125	874	251
Miscellaneous purchased services - Transportation(580-590)	148,900	(9,904)	138,996	133,658	5,338
General supplies	20,600	(100)	20,500	9,697	10,803
Transportation Supplies	606,000	9,900	615,900	615,289	611
Other objects	2,780	(25)	2,755	2,259	496
Total student transportation services	16,166,062	476,739	16,642,801	16,052,557	590,244

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 2,103,000	\$	\$ 2,103,000	\$ 2,064,904	\$ 38,096
Other retirement contributions - PERS	2,098,000	32,500	2,130,500	2,130,493	7
Unemployment Compensation	157,800	(32,500)	125,300	4,687	120,613
Workers Compensation	648,500	210,000	858,500	593,180	265,320
Health Benefits	26,177,000	(1,030,700)	25,146,300	22,938,763	2,207,537
Tuition Reimbursements	200,000	24,324	224,324	224,324	
Other Employee Benefits	211,050	(11,424)	199,626	162,084	37,542
Total Unallocated Benefits - Employee Benefits:	<u>31,595,350</u>	<u>(807,800)</u>	<u>30,787,550</u>	<u>28,118,435</u>	<u>2,669,115</u>
On-behalf TPAF Pension (non-budgeted)				3,901,407	(3,901,407)
On-behalf TPAF Post Retirement Contributions (non-budgeted)				6,193,485	(6,193,485)
Reimbursed TPAF Social Security Contributions (non-budgeted)				5,536,782	(5,536,782)
Total On-behalf contributions				<u>15,631,674</u>	<u>(15,631,674)</u>
Total personal services	<u>31,595,350</u>	<u>(807,800)</u>	<u>30,787,550</u>	<u>43,750,109</u>	<u>(12,962,559)</u>
Total Undistributed Expenditures	<u>111,414,418</u>	<u>372,547</u>	<u>111,786,965</u>	<u>116,733,612</u>	<u>(4,946,647)</u>
TOTAL EXPENDITURES - GENERAL CURRENT EXPENSE FUND 11	<u>187,584,699</u>	<u>(90,754)</u>	<u>187,493,945</u>	<u>191,224,309</u>	<u>(3,730,364)</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
CAPITAL OUTLAY:					
Equipment:					
Regular program - Instruction					
Grades 9-12	\$ 59,450	\$ 36,361	\$ 95,811	\$ 94,449	\$ 1,362
Special education					
Resource Center		2,196	2,196	2,139	57
School sponsored and other instructional program	19,000	(12,537)	6,463	5,463	1,000
Undistributed Expenditures					
Child Study Team		14,756	14,756	6,593	8,163
Administrative Information Technology	302,989	6,473	309,462	309,382	80
Maintenance of school facility	60,000	29,950	89,950	44,072	45,878
Custodial services	30,000		30,000	29,349	651
Care & upkeep grounds	70,000		70,000	69,011	989
Security	44,000	60,000	104,000	48,136	55,864
Student Transportation- non instructional equipment	25,000	(25,000)			
Student Transportation- school buses		49,500	49,500	49,052	448
Cafeteria		11,240	11,240	10,346	894
Total Equipment	<u>610,439</u>	<u>172,939</u>	<u>783,378</u>	<u>667,992</u>	<u>115,386</u>
Facilities acquisition and construction services:					
Architectural/Engineering Services	27,060		27,060	21,476	5,584
Construction services	1,821,075	(82,185)	1,738,890	1,024,516	714,374
Assessment for Debt Service on SDA Funding	8,101		8,101	8,101	
Total facilities acquis. and const. services	<u>1,856,236</u>	<u>(82,185)</u>	<u>1,774,051</u>	<u>1,054,093</u>	<u>719,958</u>
Assets acquired under capital leases (non-budgeted)					
Undistributed expenditures:					
Transportation				331,100	(331,100)
Total assets acquired under capital leases (non-budgeted)				<u>331,100</u>	<u>(331,100)</u>
TOTAL CAPITAL OUTLAY	<u>2,466,675</u>	<u>90,754</u>	<u>2,557,429</u>	<u>2,053,185</u>	<u>504,244</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Transfer of Funds to Charter School	\$ 30,000	\$	\$ 30,000	\$	\$ 30,000
TOTAL EXPENDITURES	<u>190,081,374</u>	<u></u>	<u>190,081,374</u>	<u>193,277,494</u>	<u>(3,196,120)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,819,212)</u>	<u></u>	<u>(14,819,212)</u>	<u>(1,266,112)</u>	<u>13,553,100</u>
Other financing sources					
Capital leases (non-budgeted)				331,100	331,100
Total other financing sources				<u>331,100</u>	<u>331,100</u>
Excess of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	<u>(14,819,212)</u>	<u></u>	<u>(14,819,212)</u>	<u>(935,012)</u>	<u>13,884,200</u>
Fund balances, July 1	<u>36,877,072</u>	<u></u>	<u>36,877,072</u>	<u>36,877,072</u>	<u></u>
Fund balances, June 30	<u>\$ 22,057,860</u>	<u>\$</u>	<u>\$ 22,057,860</u>	<u>\$ 35,942,060</u>	<u>\$ 13,884,200</u>
Recapitulation:					
Restricted:					
Excess Surplus -Designated for Subsequent Year's Expenditures				\$ 11,169,674	
Excess Surplus - Current Year				9,910,283	
Maintenance Reserve				1,732,395	
Maintenance Reserve - Designated for Subsequent Year				200,000	
Capital Reserve				4,330,272	
Capital Reserve - Designated for Subsequent Year				1,800,000	
Emergency Reserve				252,001	
Assigned:					
Designated for Subsequent Year's Expenditures				1,000,000	
Encumbrances				1,031,639	
Unassigned				<u>4,515,796</u>	
				35,942,060	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: Last Two State Aid Payments not recognized on GAAP basis				<u>5,096,535</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 30,845,525</u>	

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
Federal sources	\$ 2,127,817	\$ 634,971	\$ 2,762,788	\$ 2,738,514	\$ (24,274)
State sources	17,822	33,119	50,941	36,385	(14,556)
Other sources	91,637	122,602	214,239	117,132	(97,107)
Total revenues	<u>2,237,276</u>	<u>790,692</u>	<u>3,027,968</u>	<u>2,892,031</u>	<u>(135,937)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	158,314		158,314	158,314	
Other salaries	419,013	(251,261)	167,752	125,243	42,509
Other purchased professional-educational services	12,856	49,222	62,078	62,078	
Other purchased services	34,785	9,801	44,586	44,575	11
Tuition	1,543,283	553,714	2,096,997	2,096,809	188
Supplies and materials	36,680	113,643	150,323	120,616	29,707
Textbooks	4,607	6,356	10,963	8,406	2,557
Miscellaneous Expenditures		6,231	6,231	6,231	
Total instruction	<u>2,209,538</u>	<u>487,706</u>	<u>2,697,244</u>	<u>2,622,272</u>	<u>74,972</u>
Support services:					
Other salaries		124,287	124,287	106,951	17,336
Personal services - employee benefits		58,930	58,930	49,063	9,867
Purchased professional - educational services	7,238	50,280	57,518	47,079	10,439
Other purchased services	13,500	15,428	28,928	19,754	9,174
Supplies and materials	7,000	44,695	51,695	42,547	9,148
Total support services	<u>27,738</u>	<u>293,620</u>	<u>321,358</u>	<u>265,394</u>	<u>55,964</u>
Facilities acquisition and construction services:					
Instructional equipment		9,366	9,366	4,365	5,001
Total facilities acquisition and construction serv.		<u>9,366</u>	<u>9,366</u>	<u>4,365</u>	<u>5,001</u>
Total expenditures	<u>2,237,276</u>	<u>790,692</u>	<u>3,027,968</u>	<u>2,892,031</u>	<u>135,937</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 192,011,382	\$ 2,892,031
Difference - budget to GAAP:		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(5,096,535)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	5,086,031	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>192,000,878</u>	<u>2,892,031</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	193,277,494	2,892,031
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ <u>193,277,494</u>	\$ <u>2,892,031</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

Fiscal Year Ending June 30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered- Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2014	0.2480186673%	\$ 47,401,295	\$ 20,748,006	228.46%	40.71%
2015	0.2604910930%	48,771,057	20,709,186	235.50%	42.74%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

Fiscal Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2014	\$ 1,868,770	\$ 1,868,770	\$ -0-	\$ 20,748,006	9.01%
2015	2,147,451	2,147,451	-0-	20,709,186	10.37%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS PENSION AND ANNUITY FUND
LAST TEN YEARS

Fiscal Year Ending June 30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered- Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2014	0.6964971070%	\$ -0-	\$ 79,332,366	-0-	33.76%
2015	0.7258543595%	-0-	81,348,671	-0-	33.64%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)
NOTE TO RSI III
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms:

None

Change in assumptions:

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 5.55% to 5.39%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms:

None

Change in assumptions:

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 4.95% to 4.68%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>TITLE I</u>	<u>TITLE II A</u>	<u>TITLE III</u>	<u>TITLE III IMMIGRANT</u>	<u>IDEA PART B</u>	<u>CARL D PERKINS</u>
REVENUES:						
Federal sources	\$ 385,800	\$ 148,365	\$ 15,983	\$ 11,453	\$ 2,129,292	\$ 20,909
State sources						
Other sources						
Total revenues	<u>\$ 385,800</u>	<u>\$ 148,365</u>	<u>\$ 15,983</u>	<u>\$ 11,453</u>	<u>\$ 2,129,292</u>	<u>\$ 20,909</u>
EXPENDITURES:						
Instruction:						
Salaries of teachers	158,314					
Other salaries	42,348			3,480		
Other purchased professional-educational services	56,508		4,320			
Other purchased services						600
Tuition					2,096,809	
Supplies and materials	55,423		3,670	4,707	28,782	12,113
Textbooks						
Miscellaneous Expenditures				3,000		3,231
Total instruction	<u>312,593</u>		<u>7,990</u>	<u>11,187</u>	<u>2,125,591</u>	<u>15,944</u>
Support services:						
Other Salaries for Instruction						
Other Salaries	20,611	85,764	576			
Personal services - employee benefits	39,012	6,561	44	266		
Purchased professional - educational services	5,501	19,425	6,000			
Purchased Technical Services						
Other purchased services	8,083	4,940	1,373			600
Supplies and materials		31,675			3,701	
Total support services	<u>73,207</u>	<u>148,365</u>	<u>7,993</u>	<u>266</u>	<u>3,701</u>	<u>600</u>
Facilities acquisition and construction serv:						
Instructional equipment						4,365
Total facilities acquisition and construction serv.						<u>4,365</u>
Total expenditures	<u>\$ 385,800</u>	<u>\$ 148,365</u>	<u>\$ 15,983</u>	<u>\$ 11,453</u>	<u>\$ 2,129,292</u>	<u>\$ 20,909</u>

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FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>JROTC</u>	<u>NON- PUBLIC TEXTBOOKS</u>	<u>NON - PUBLIC NURSING</u>	<u>NON - PUBLIC EXAMINATION & CLASSIFICATION</u>	<u>NON - PUBLIC TECHNOLOGY</u>	<u>COLLEGE FAIR</u>	<u>PSAT</u>
REVENUES:							
Federal sources	\$ 26,712						
State sources		8,406	14,893	1,260	5,788		
Other sources						10,788	38,630
Total revenues	<u>\$ 26,712</u>	<u>\$ 8,406</u>	<u>\$ 14,893</u>	<u>\$ 1,260</u>	<u>\$ 5,788</u>	<u>\$ 10,788</u>	<u>\$ 38,630</u>
EXPENDITURES:							
Instruction:							
Salaries of teachers							
Other salaries							28,850
Other purchased professional-educational services							
Other purchased services	26,712					7,483	9,780
Tuition							
Supplies and materials					5,788	3,305	
Textbooks		8,406					
Miscellaneous Expenditures							
Total instruction	<u>26,712</u>	<u>8,406</u>			<u>5,788</u>	<u>10,788</u>	<u>38,630</u>
Support services:							
Other Salaries for Instruction							
Other salaries							
Personal services - employee benefits							
Purchased professional - educational services			14,893	1,260			
Purchased Technical Services							
Other purchased services							
Supplies and materials							
Total support services			<u>14,893</u>	<u>1,260</u>			
Facilities acquisition and construction serv:							
Instructional equipment							
Total facilities acquisition and construction serv.							
Total expenditures	<u>\$ 26,712</u>	<u>\$ 8,406</u>	<u>\$ 14,893</u>	<u>\$ 1,260</u>	<u>\$ 5,788</u>	<u>\$ 10,788</u>	<u>\$ 38,630</u>

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FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	SADD/DCH	PROJECT IGNITION	WIB	CASE	OTHER LOCAL	COMPARATIVE TOTALS	
						2015	2014
REVENUES:							
Federal sources	\$	\$	\$	\$	\$	\$ 2,738,514	\$ 2,791,943
State sources				6,038		36,385	17,006
Other sources	9,000	1,841	48,756		8,117	117,132	117,550
Total revenues	\$ 9,000	\$ 1,841	\$ 48,756	\$ 6,038	\$ 8,117	\$ 2,892,031	\$ 2,926,499
EXPENDITURES:							
Instruction:							
Salaries of teachers						158,314	56,500
Other salaries	9,000		41,565			125,243	152,084
Other purchased professional-educational services		1,250				62,078	2,987
Other purchased services						44,575	45,340
Tuition						2,096,809	2,062,781
Supplies and materials		591	732	3,388	2,117	120,616	242,885
Textbooks						8,406	3,079
Miscellaneous Expenditures						6,231	56,741
Total instruction	9,000	1,841	42,297	3,388	2,117	2,622,272	2,622,397
Support services:							
Other Salaries for Instruction							
Other salaries						106,951	128,809
Personal services - employee benefits			3,180			49,063	26,280
Purchased professional - educational services						47,079	52,979
Purchased Technical Services							28,901
Other purchased services			2,108	2,650		19,754	6,575
Supplies and materials			1,171		6,000	42,547	42,210
Total support services			6,459	2,650	6,000	265,394	285,754
Facilities acquisition and construction serv:							
Instructional equipment						4,365	18,348
Total facilities acquisition and construction serv.						4,365	18,348
Total expenditures	\$ 9,000	\$ 1,841	\$ 48,756	\$ 6,038	\$ 8,117	\$ 2,892,031	\$ 2,926,499

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
AS OF JUNE 30, 2015

ISSUE/PROJECT TITLE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		(MEMO ONLY) UNEXPENDED PROJECT BALANCE
			PRIOR YEAR	CURRENT YEAR	
Freehold Boro High School - Roof Replacement	6/20/2014	\$ 1,551,321	\$ 83,018	\$ 872,126	596,177
Marlboro High School - Roof Replacement	6/20/2014	841,911	58,737	734,328	48,846
Freehold Boro High School - Boiler & HVAC Replacement	6/20/2014	2,536,095	96,030	594,657	1,845,408
Districtwide Energy Savings Improvement Plan	3/10/2014	17,500,000	159,489	2,311,287	15,029,224
Colts Neck High School - Roof Replacement	6/26/2015	867,622		68,125	799,497
Howell High School - Roof Replacement	6/26/2015	2,213,694		406,048	1,807,646
Freehold Township High School - Roof Replacement	6/26/2015	1,291,358		111,127	1,180,231
Manalapan High School - Roof Replacement	6/26/2015	1,026,138		158,462	867,676
Totals		\$ 27,828,139	\$ 397,274	\$ 5,256,160	22,174,705
				Fund balance - budgetary basis	22,174,705
				Less: SDA Grant Not Recognized	(2,734,052)
				Fund balance - GAAP basis	\$ 19,440,653

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

Revenues and Other Financing Sources:	
State Sources - SDA Grant	\$ 2,148,812
Capital Lease	3,250,000
Interest Earnings	2,251
Total revenues	<u>5,401,063</u>
Expenditures and Other Financing Uses:	
Legal services	15,277
Architectural/engineering services	1,320,173
Other purchased professional and technical services	45,824
Construction services	3,874,886
Total expenditures	<u>5,256,160</u>
Excess (deficiency) of revenues over (under) expenditures	<u>144,903</u>
Other financing sources (uses):	
Transfers out	(2,251)
Total other financing sources (uses)	<u>(2,251)</u>
Net change in fund balance	142,652
Fund balance - beginning (as restated)	<u>22,032,053</u>
Fund balance - ending	\$ <u><u>22,174,705</u></u>
Fund Balance - budgetary basis	\$ 22,174,705
SDA Grant not Recognized	<u>(2,734,052)</u>
Fund Balance - GAAP basis (B-1)	\$ <u><u>19,440,653</u></u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
FREEHOLD BORO HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods*</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 620,528	\$	620,528	\$ 620,528
Capital Lease	930,793		930,793	930,793
Total revenues	<u>1,551,321</u>		<u>1,551,321</u>	<u>1,551,321</u>
Expenditures and Other Financing Uses:				
Legal services	5,507		5,507	6,000
Architectural/engineering services	71,535	20,398	91,933	100,000
Other purchased professional and technical services	5,976	667	6,643	15,008
Construction services		851,061	851,061	1,430,313
Total expenditures	<u>83,018</u>	<u>872,126</u>	<u>955,144</u>	<u>1,551,321</u>
Excess (deficiency) of revenues over (under) expenditure: \$	<u>1,468,303</u>	<u>(872,126)</u>	<u>596,177</u>	

* As restated

Additional project information:

Project Number	1650-050-14-G2AF
Grant Date	06/20/14
Lease Authorization Date	03/10/14
Lease Authorized	\$930,793
Lease Issued	\$930,793
Original Authorized Cost	\$1,551,321
Additional Authorized Cost	-0-
Revised Authorized Cost	\$1,551,321
Percentage Increase over Original Authorized Cost	N/A
Percentage completion	80.00%
Original target completion date	FY15
Revised target completion date	FY16

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
MARLBORO HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods*</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 336,764	\$	\$ 336,764	\$ 336,764
Capital Lease	505,147		505,147	505,147
Total revenues	<u>841,911</u>		<u>841,911</u>	<u>841,911</u>
Expenditures and Other Financing Uses:				
Legal services	2,989		2,989	3,000
Architectural/engineering services	51,300	15,945	67,245	74,200
Other purchased professional and technical services	4,448	3,963	8,411	8,425
Construction services		714,420	714,420	756,286
Total expenditures	<u>58,737</u>	<u>734,328</u>	<u>793,065</u>	<u>841,911</u>
Excess (deficiency) of revenues over (under) expenditure: \$	<u>783,174</u>	<u>(734,328)</u>	<u>48,846</u>	

* As restated

Additional project information:

Project Number	1650-080-14-G2AJ
Grant Date	06/20/14
Lease Authorization Date	03/10/14
Lease Authorized	\$505,147
Lease Issued	\$505,147
Original Authorized Cost	\$841,911
Additional Authorized Cost	-0-
Revised Authorized Cost	\$841,911
Percentage Increase over Original Authorized Cost	N/A
Percentage completion	90.00%
Original target completion date	FY15
Revised target completion date	FY16

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
FREEHOLD BORO HIGH SCHOOL - BOILER & HVAC REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods*</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 1,014,438	\$	1,014,438	\$ 1,014,438
Capital Lease	1,521,657		1,521,657	1,521,657
Total revenues	<u>2,536,095</u>		<u>2,536,095</u>	<u>2,536,095</u>
Expenditures and Other Financing Uses:				
Legal services	9,003		9,003	19,000
Architectural/engineering services	82,501	6,117	88,618	160,000
Other purchased professional and technical services	4,526	4,818	9,344	68,975
Construction services		583,722	583,722	2,288,120
Total expenditures	<u>96,030</u>	<u>594,657</u>	<u>690,687</u>	<u>2,536,095</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,440,065</u>	<u>(594,657)</u>	<u>\$ 1,845,408</u>	<u>\$</u>

* As restated

Additional project information:

Project Number	1650-050-14-G2AE
Grant Date	06/20/14
Lease Authorization Date	03/10/14
Lease Authorized	\$1,521,657
Lease Issued	\$1,521,657
Original Authorized Cost	\$2,536,095
Additional Authorized Cost	-0-
Revised Authorized Cost	\$2,536,095
Percentage Increase over Original Authorized Cost	N/A
Percentage completion	40.00%
Original target completion date	FY15
Revised target completion date	FY16

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
DISTRICTWIDE ENERGY SAVINGS IMPROVEMENT PLAN
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources:				
Energy savings obligations (ESIP)	\$ 17,500,000	\$	\$ 17,500,000	\$ 17,500,000
Total revenues	<u>17,500,000</u>		<u>17,500,000</u>	<u>17,500,000</u>
Expenditures and Other Financing Uses:				
Legal services	17,500		17,500	39,600
Architectural/engineering services	114,489	934,130	1,048,619	1,049,000
Other purchased professional and technical services	27,500	13,487	40,987	421,372
Construction services		<u>1,363,670</u>	<u>1,363,670</u>	<u>15,990,028</u>
Total expenditures	<u>159,489</u>	<u>2,311,287</u>	<u>2,470,776</u>	<u>17,500,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 17,340,511</u>	<u>\$ (2,311,287)</u>	<u>\$ 15,029,224</u>	<u>\$</u>
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Lease Authorization Date	03/10/14			
Lease Authorized	\$17,500,000			
Lease Issued	\$17,500,000			
Original Authorized Cost	\$17,500,000			
Additional Authorized Cost	-0-			
Revised Authorized Cost	\$17,500,000			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	15.00%			
Original target completion date	FY16			
Revised target completion date	FY16			

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
COLTS NECK HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$	\$ 345,327	\$ 345,327	\$ 345,327
Capital Lease		522,295	522,295	522,295
Total revenues	-	867,622	867,622	867,622
Expenditures and Other Financing Uses:				
Legal services		1,987	1,987	2,000
Architectural/engineering services		53,038	53,038	80,000
Other purchased professional and technical services		3,484	3,484	7,125
Construction services		9,616	9,616	778,497
Total expenditures	-	68,125	68,125	867,622
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 799,497	\$ 799,497	-
Additional project information:				
Project Number	1650-010-14-G2WA			
Grant Date	06/26/15			
Lease Authorization Date	02/11/15			
Lease Authorized	\$517,991			
Lease Issued	\$517,991			
Original Authorized Cost	\$863,318			
Additional Authorized Cost	-0-			
Revised Authorized Cost	\$863,318			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	10.00%			
Original target completion date	FY16			
Revised target completion date	FY16			

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
HOWELL HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$	\$ 881,085	\$ 881,085	\$ 881,085
Capital Lease		1,332,609	1,332,609	1,332,609
Total revenues	-	2,213,694	2,213,694	2,213,694
Expenditures and Other Financing Uses:				
Legal services		4,922	4,922	4,925
Architectural/engineering services		131,964	131,964	131,975
Other purchased professional and technical services		7,709	7,709	7,725
Construction services		261,453	261,453	2,069,069
Total expenditures	-	406,048	406,048	2,213,694
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 1,807,646	\$ 1,807,646	-

Additional project information:

Project Number	1650-060-14-G2AH
Grant Date	06/26/15
Lease Authorization Date	02/11/15
Lease Authorized	\$1,321,627
Lease Issued	\$1,321,627
Original Authorized Cost	\$2,202,712
Additional Authorized Cost	-0-
Revised Authorized Cost	\$2,202,712

Percentage Increase over Original Authorized Cost	N/A
Percentage completion	25.00%
Original target completion date	FY16
Revised target completion date	FY16

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
FREEHOLD TOWNSHIP HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$	\$	513,981	\$ 513,981
Capital Lease		777,377	777,377	777,377
Total revenues	-	1,291,358	1,291,358	1,291,358
Expenditures and Other Financing Uses:				
Legal services		3,080	3,080	4,000
Architectural/engineering services		65,396	65,396	90,000
Other purchased professional and technical services		4,921	4,921	9,600
Construction services		37,730	37,730	1,187,758
Total expenditures	-	111,127	111,127	1,291,358
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 1,180,231	\$ 1,180,231	\$ -
Additional project information:				
Project Number	1650-055-14-G2AG			
Grant Date	06/26/15			
Lease Authorization Date	02/11/15			
Lease Authorized	\$770,971			
Lease Issued	\$770,971			
Original Authorized Cost	\$1,284,952			
Additional Authorized Cost	-0-			
Revised Authorized Cost	\$1,284,952			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	10.00%			
Original target completion date	FY16			
Revised target completion date	FY16			

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
MANALAPAN HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$	\$ 408,419	\$ 408,419	\$ 408,419
Capital Lease		617,719	617,719	617,719
Total revenues	-	1,026,138	1,026,138	1,026,138
Expenditures and Other Financing Uses:				
Legal services		5,288	5,288	5,300
Architectural/engineering services		93,185	93,185	93,274
Other purchased professional and technical services		6,775	6,775	7,000
Construction services		53,214	53,214	920,564
Total expenditures	-	158,462	158,462	1,026,138
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 867,676	\$ 867,676	-
Additional project information:				
Project Number		1650-070-14-G2AI		
Grant Date		06/26/15		
Lease Authorization Date		02/11/15		
Lease Authorized		\$612,629		
Lease Issued		\$612,629		
Original Authorized Cost		\$1,021,048		
Additional Authorized Cost		-0-		
Revised Authorized Cost		\$1,021,048		
Percentage Increase over Original Authorized Cost		N/A		
Percentage completion		10.00%		
Original target completion date		FY16		
Revised target completion date		FY16		

PROPRIETARY FUND DETAIL STATEMENTS

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

FOOD SERVICES FUND:

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

EXTRACURRICULAR FUND

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		COMPARATIVE TOTALS	
	MAJOR FUNDS	NON-MAJOR FUNDS	JUNE 30	
	FOOD SERVICE FUND	EXTRA-CURRICULAR FUND	2015	2014
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 150,059	\$	\$ 150,059	\$ 337,466
Accounts receivable:				
State	3,486		3,486	1,691
Federal	102,526		102,526	68,167
Other	8,649		8,649	395,430
Interfund receivable	202,186	26,129	228,315	264
Inventories	17,306		17,306	17,867
	<u>484,212</u>	<u>26,129</u>	<u>510,341</u>	<u>820,885</u>
Total current assets				
Noncurrent assets:				
Furniture, machinery and equipment	637,981		637,981	616,238
Less accumulated depreciation	<u>(417,234)</u>		<u>(417,234)</u>	<u>(377,881)</u>
	<u>220,747</u>		<u>220,747</u>	<u>238,357</u>
Total noncurrent assets				
Total assets	<u>\$ 704,959</u>	<u>\$ 26,129</u>	<u>\$ 731,088</u>	<u>\$ 1,059,242</u>
LIABILITIES:				
Current liabilities:				
Accounts payable	\$ 231,348	\$	\$ 231,348	\$ 247,070
Interfund payable	-			417,345
Unearned revenue	37,402	26,129	63,531	26,713
	<u>268,750</u>	<u>26,129</u>	<u>294,879</u>	<u>691,128</u>
Total current liabilities				
Total liabilities	<u>\$ 268,750</u>	<u>\$ 26,129</u>	<u>\$ 294,879</u>	<u>\$ 691,128</u>
NET POSITION:				
Net investment in capital assets	\$ 220,747	\$	\$ 220,747	\$ 238,357
Unrestricted	<u>215,462</u>		<u>215,462</u>	<u>129,757</u>
Total net position	<u>\$ 436,209</u>	<u>\$</u>	<u>\$ 436,209</u>	<u>\$ 368,114</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		COMPARATIVE TOTALS	
	MAJOR FUNDS	NON-MAJOR FUNDS	JUNE 30	
	FOOD SERVICE FUND	EXTRA-CURRICULAR FUND	2015	2014
OPERATING REVENUES:				
Charges for services:				
Daily sales	\$ 2,559,607		\$ 2,559,607	\$ 2,527,739
Fees - individuals		227,246	227,246	236,788
Total operating revenues	<u>2,559,607</u>	<u>227,246</u>	<u>2,786,853</u>	<u>2,764,527</u>
OPERATING EXPENSES:				
Cost of sales	1,377,340		1,377,340	1,078,870
Salaries and benefits	1,362,472	96,713	1,459,185	1,936,007
Supplies and materials	114,923	2,385	117,308	82,306
Management fee	97,353		97,353	
Miscellaneous	105,369	3,108	108,477	168,487
Depreciation	39,353		39,353	49,337
Facility rental		114,840	114,840	126,112
League fees		10,200	10,200	7,540
Total operating expenses	<u>3,096,810</u>	<u>227,246</u>	<u>3,324,056</u>	<u>3,448,659</u>
Operating income (loss)	<u>(537,203)</u>		<u>(537,203)</u>	<u>(684,132)</u>
NONOPERATING REVENUES (EXPENSES):				
State sources				
State school lunch program	18,517		18,517	9,397
Federal sources				
National school lunch program	465,317		465,317	330,221
School breakfast program	42,383		42,383	17,280
National food distribution commodities	79,081		79,081	113,649
Total nonoperating revenues (expenses)	<u>605,298</u>		<u>605,298</u>	<u>470,547</u>
Change in net position	68,095		68,095	(213,585)
Total net position - beginning	<u>368,114</u>		<u>368,114</u>	<u>581,699</u>
Total net position - ending	<u>\$ 436,209</u>	<u>\$</u>	<u>\$ 436,209</u>	<u>\$ 368,114</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS - ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES		COMPARATIVE TOTALS JUNE 30	
	ENTERPRISE FUND			
	MAJOR FUNDS FOOD SERVICE FUND	NON-MAJOR FUNDS EXTRA-CURRICULAR FUND		
			2015	2014
Cash flows from operating activities:				
Receipts from customers	\$ 2,564,322	253,111	\$ 2,817,433	\$ 2,763,218
Payments to employees	(1,289,101)	(96,713)	(1,385,814)	(1,521,883)
Payments for employee benefits	(51,467)		(51,467)	(471,367)
Payments to suppliers	(1,652,970)	(130,533)	(1,783,503)	(1,383,938)
Net cash provided by (used for) operating activities	(429,216)	25,865	(403,351)	(613,970)
Cash flows from noncapital financing activities:				
State sources	16,722		16,722	10,707
Federal sources	473,341		473,341	389,152
Operating subsidies and transfers to other funds	(226,511)	(25,865)	(252,376)	36,493
Net cash provided by noncapital financing activities	263,552	(25,865)	237,687	436,352
Cash flows from capital and related financing activities:				
Purchases of capital assets	(21,743)		(21,743)	(4,500)
Net cash provided by (used for) capital and related financing activities	(21,743)		(21,743)	(4,500)
Net increase (decrease) in cash and cash equivalents	(187,407)		(187,407)	(182,118)
Cash and cash equivalents, July 1, 2014	337,466		337,466	519,584
Cash and cash equivalents, June 30, 2015	\$ 150,059	\$	\$ 150,059	\$ 337,466
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (537,203)	\$	\$ (537,203)	\$ (684,132)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	39,353		39,353	38,095
Federal commodities	79,081		79,081	113,649
Change in assets and liabilities:				
(Increase) decrease in accounts receivable, net	(6,240)		(6,240)	(43,425)
Increase (decrease) in unearned revenue	10,953	25,865	36,818	(7,033)
Increase (decrease) in accounts payable	(15,722)		(15,722)	(42,396)
(Increase) decrease in inventories	562		562	11,272
	107,987	25,865	133,852	70,162
Net cash provided by (used for) operating activities	\$ (429,216)	\$ 25,865	\$ (403,351)	\$ (613,970)

FIDUCIARY FUNDS DETAIL STATEMENTS

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

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

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

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

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

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2015

	AGENCY FUNDS			UNEMPLOYMENT COMPENSATION INSURANCE TRUST	PRIVATE PURPOSE TRUST	TOTAL JUNE 30 2015
	STUDENT ACTIVITY	PAYROLL AGENCY	TOTAL AGENCY			
ASSETS:						
Cash and cash equivalents	\$ 996,101	\$ 6,850,844	\$ 7,846,945	\$ 814,527	\$ 941,403	\$ 9,602,875
Interfund Receivable				243,000		243,000
Total assets	\$ 996,101	\$ 6,850,844	\$ 7,846,945	\$ 1,057,527	\$ 941,403	\$ 9,845,875
LIABILITIES:						
Accounts payable	\$	\$	\$	\$ 69,352	\$	\$ 69,352
Interfund payable		4,902,988	4,902,988			4,902,988
Payable to student groups	996,101		996,101			996,101
Wages payable - Summer Payroll		1,946,014	1,946,014			1,946,014
Payroll deductions and withholdings		1,842	1,842			1,842
Total liabilities	\$ 996,101	\$ 6,850,844	\$ 7,846,945	\$ 69,352	\$	\$ 7,916,297
NET POSITION:						
Held in trust for State Unemployment Insurance claims and other purposes	\$	\$	\$	\$ 988,175	\$	\$ 988,175
Held in trust for scholarships and other purposes					941,403	941,403
Total net position	\$	\$	\$	\$ 988,175	\$ 941,403	\$ 1,929,578

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>UNEMPLOYMENT COMPENSATION INSURANCE TRUST</u>	<u>PRIVATE PURPOSE TRUST</u>	<u>TOTAL</u>
ADDITIONS:			
Contributions:			
Plan Members	\$ 243,246		\$ 243,246
Donations		28,929	28,929
Total contributions	<u>243,246</u>	<u>28,929</u>	<u>272,175</u>
Investment earnings:			
Interest	<u>537</u>	<u>676</u>	<u>1,213</u>
Net investment earnings	<u>537</u>	<u>676</u>	<u>1,213</u>
Total additions	<u>243,783</u>	<u>29,605</u>	<u>273,388</u>
DEDUCTIONS:			
Quarterly Contribution Reports	99,215		99,215
Unemployment Claims	199,494		199,494
Scholarships Awarded		37,602	37,602
Total deductions	<u>298,709</u>	<u>37,602</u>	<u>336,311</u>
Change in net assets	(54,926)	(7,997)	(62,923)
Net position beginning of year	<u>1,043,101</u>	<u>949,400</u>	<u>1,992,501</u>
Net position end of year	<u>\$ 988,175</u>	<u>\$ 941,403</u>	<u>\$ 1,929,578</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BALANCE</u> <u>JULY 1, 2014</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2015</u>
High School:				
Colts Neck	\$ 116,664	\$ 538,704	530,641	\$ 124,727
Freehold Borough	127,775	328,939	332,596	124,118
Freehold Township	129,918	466,448	453,053	143,313
Howell	167,554	386,764	385,141	169,177
Manalapan	162,515	453,218	421,788	193,945
Marlboro	234,230	451,411	444,820	240,821
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ <u>938,656</u>	\$ <u>2,625,484</u>	\$ <u>2,568,039</u>	\$ <u>996,101</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BALANCE</u> <u>JULY 1, 2014</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2015</u>
ASSETS:				
Cash and cash equivalents	\$ 6,833,559	\$ 116,233,825	\$ 116,216,540	\$ 6,850,844
Total assets	<u>6,833,559</u>	<u>116,233,825</u>	<u>116,216,540</u>	<u>6,850,844</u>
LIABILITIES:				
Payroll deductions and withholdings	6,602	48,754,138	48,758,898	1,842
Wages payable - summer payroll	1,408,379	1,946,014	1,408,379	1,946,014
Employee pay		60,476,639	60,476,639	
Intrafunds payable	48,042	243,246	291,288	
Interfunds payable	<u>5,370,536</u>	<u>4,813,788</u>	<u>5,281,336</u>	<u>4,902,988</u>
Total liabilities	\$ <u>6,833,559</u>	\$ <u>116,233,825</u>	\$ <u>116,216,540</u>	\$ <u>6,850,844</u>

LONG-TERM DEBT SCHEDULES

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2015

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>MATURITIES</u>		<u>RATE OF INTEREST</u>	<u>BALANCE JULY 1, 2014</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2015</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Refunded - Additions and renovations of Colts Neck, Freehold, Freehold Twp, Howell, Manalapan, and Marlboro High Schools	11/16/2001	42,690,000.00	3/1/2016	4,240,000	5.00%	\$ 27,570,000	\$ 4,030,000	\$ 23,540,000
			3/1/2017	4,460,000	5.00%			
			3/1/2018	4,695,000	5.00%			
			3/1/2019	4,940,000	5.00%			
			3/1/2020	5,205,000	5.00%			
					\$ 27,570,000	\$ 4,030,000	\$ 23,540,000	

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
 AS OF JUNE 30, 2015

SERIES	TERM	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL LEASE	AMOUNT OUTSTANDING JUNE 30, 2014 (AS RESTATED)	INCREASE	DECREASE	AMOUNT OUTSTANDING JUNE 30, 2015
<u>Governmental Funds:</u>							
School Buses and Technology	5 Years	1.433%	1,155,792	\$ 931,164	\$	227,846	\$ 703,318
District Wide Energy Savings Improvement Plan (ESIP)	15 Years	2.690%	17,498,000	17,498,000			17,498,000
Roof Replacement, Boiler & HVAC Replacement	5 Years	1.390%	2,957,597	2,957,597		226,233	2,731,364
Roof Replacement	5 Years	1.570%	3,250,000		3,250,000		3,250,000
School Buses	5 Years	1.390%	331,100		331,100	68,061	263,039
School Buses and Technology	5 Years	1.334%	3,500,000	3,355,214		536,785	2,818,429
Grand Total				\$ 24,741,975	\$ 3,581,100	\$ 1,058,925	\$ 27,264,150

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 4,093,210	\$	\$ 4,093,210	\$ 4,093,210	\$
State sources:					
Debt service aid type II	<u>1,315,290</u>	<u> </u>	<u>1,315,290</u>	<u>1,315,290</u>	<u> </u>
Total revenues	<u>5,408,500</u>	<u> </u>	<u>5,408,500</u>	<u>5,408,500</u>	<u> </u>
EXPENDITURES:					
Regular debt service:					
Interest	1,378,500		1,378,500	1,378,500	
Redemption of principal	<u>4,030,000</u>	<u> </u>	<u>4,030,000</u>	<u>4,030,000</u>	<u> </u>
Total regular debt service-expenditures	<u>5,408,500</u>	<u> </u>	<u>5,408,500</u>	<u>5,408,500</u>	<u> </u>
Excess (deficiency) of revenues over (under) expenditures					
Fund balance, July 1	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balance, June 30	<u>\$ <u> </u></u>	<u>\$ <u> </u></u>	<u>\$ <u> </u></u>	<u>\$ <u> </u></u>	<u>\$ <u> </u></u>

STATISTICAL SECTION - UNAUDITED

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATISTICAL SECTION

Contents

Page

Financial Trends:

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

J-1 to J-4

Revenue Capacity:

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

J-5 to J-9

Debt Capacity:

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

J-14 to J-15

Operating Information:

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

Sources

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

NET POSITION BY COMPONENT

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Government Activities:										
Net Investment in capital assets	\$ 76,758,415	\$ 74,331,409	\$ 76,397,045	\$ 64,842,350	\$ 65,477,800	\$ 66,304,436	\$ 64,266,384	\$ 62,547,581	\$ 60,099,328	\$ 57,132,033
Restricted	30,394,625	31,027,126	27,308,431	21,024,274	12,809,243	6,513,220	8,567,707	7,261,951	5,619,907	5,619,979
Unrestricted (deficit)	(51,292,191)	(2,056,310)	(1,962,535)	(195,128)	951,687	3,468,668	(395,231)	(741,832)	1,620,498	2,532,519
Total Government Activities Net Position	\$ <u>55,860,849</u>	\$ <u>103,302,225</u>	\$ <u>101,742,941</u>	\$ <u>85,671,496</u>	\$ <u>79,238,730</u>	\$ <u>76,286,324</u>	\$ <u>72,438,860</u>	\$ <u>69,067,700</u>	\$ <u>67,339,733</u>	\$ <u>65,284,531</u>
Business-Type Activities:										
Net Investment in capital assets	\$ 220,747	\$ 238,357	\$ 271,952	\$ 89,992	\$ 105,119	\$ 126,753	\$ 118,069	\$ 136,825	\$ 116,619	\$ 68,813
Unrestricted	215,462	129,757	309,747	624,296	814,829	751,526	746,865	631,922	765,204	727,740
Total Business-Type Activities Net Position	\$ <u>436,209</u>	\$ <u>368,114</u>	\$ <u>581,699</u>	\$ <u>714,288</u>	\$ <u>919,948</u>	\$ <u>878,279</u>	\$ <u>864,934</u>	\$ <u>768,747</u>	\$ <u>881,823</u>	\$ <u>796,553</u>
District-wide:										
Net Investment in capital assets	\$ 76,979,162	\$ 74,569,766	\$ 76,668,997	\$ 64,932,342	\$ 65,582,919	\$ 66,431,189	\$ 64,384,453	\$ 62,684,406	\$ 60,215,947	\$ 57,200,846
Restricted	30,394,625	31,027,126	27,308,431	21,024,274	12,809,243	6,513,220	8,567,707	7,261,951	5,619,907	5,619,979
Unrestricted (deficit)	(51,076,729)	(1,926,553)	(1,652,788)	429,168	1,766,516	4,220,194	351,634	(109,910)	2,385,702	3,260,259
Total District Net Position	\$ <u>56,297,058</u>	\$ <u>103,670,339</u>	\$ <u>102,324,640</u>	\$ <u>86,385,784</u>	\$ <u>80,158,678</u>	\$ <u>77,164,603</u>	\$ <u>73,303,794</u>	\$ <u>69,836,447</u>	\$ <u>68,221,556</u>	\$ <u>66,081,084</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET POSITION

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 87,514,868	\$ 75,200,178	\$ 80,476,846	\$ 79,320,371	\$ 77,375,649	\$ 79,855,943	\$ 72,166,199	\$ 70,640,599	\$ 65,596,742	\$ 61,929,493
Special Education	24,439,970	20,497,345	17,229,076	13,906,774	12,282,407	9,471,600	10,412,993	8,983,892	11,840,343	8,672,561
Other Special Education	9,859,065	8,306,192	8,998,877	8,916,004	8,978,180	9,136,052	9,114,401	8,612,612	8,751,303	7,879,500
Support Services:										
Tuition	14,711,492	14,104,095	13,343,824	13,994,362	13,678,378	12,197,151	13,015,812	15,013,306	10,952,382	10,652,056
Student & instruction related services	25,721,936	21,748,966	19,632,989	18,231,436	17,684,670	18,477,174	17,399,289	15,462,451	15,742,207	14,558,601
General Administrative Services	1,701,177	1,675,898	9,448,283	9,419,268	9,211,957	9,288,344	8,678,752	8,517,200	9,288,997	8,272,250
School Administrative Services	10,673,330	9,221,080	2,011,069	2,155,127	1,754,559	2,267,175	5,477,731	5,547,284	4,932,793	4,472,690
Central Services/Admin. Information Technology	4,644,456	3,690,894	4,122,564	3,588,070	3,419,374	3,299,725				
Plant Operations and Maintenance	15,943,060	15,679,073	15,303,296	15,753,689	16,427,929	17,465,039	18,045,436	19,505,838	17,834,928	17,045,818
Pupil Transportation Services	17,118,697	16,740,367	16,297,004	16,174,059	15,747,415	18,190,193	18,485,087	16,490,332	16,617,218	15,520,978
Unallocated Employee Benefits										
Special Schools					240	390,309	347,995	235,386	285,750	262,183
Capital Outlay								83,796		
Transfer to Charter Schools				29,312	14,656	15,292			2,062	9,220
Interest on Long-Term Debt	1,353,737	1,548,571	1,699,266	1,872,820	2,033,833	2,201,017	2,364,710	3,382,765	2,874,208	3,171,408
Unallocated Depreciation and Amortization	4,881,749	4,836,889	34,303	34,303	34,303	34,303	34,303	34,303	34,303	41,323
Total Governmental Activities Expenses	<u>218,563,537</u>	<u>193,249,548</u>	<u>188,597,397</u>	<u>183,395,595</u>	<u>178,643,552</u>	<u>182,289,317</u>	<u>175,542,708</u>	<u>172,509,764</u>	<u>164,753,236</u>	<u>152,488,081</u>
Business-Type Activities:										
Food Service	\$ 3,096,810	\$ 3,211,871	\$ 3,433,767	\$ 3,568,347	\$ 3,360,076	\$ 3,426,440	\$ 3,919,325	\$ 3,663,544	\$ 3,606,359	\$ 3,300,482
Extra Curricular Fund	227,246	236,788	213,993	238,976	227,348	222,845				
SAT Prep Program				25,538	20,963					
Total Business-Type Activities Expenses	<u>3,324,056</u>	<u>3,448,659</u>	<u>3,647,760</u>	<u>3,832,861</u>	<u>3,608,387</u>	<u>3,649,285</u>	<u>3,919,325</u>	<u>3,663,544</u>	<u>3,606,359</u>	<u>3,300,482</u>
Total District Expenses	<u>\$ 221,887,593</u>	<u>\$ 196,698,207</u>	<u>\$ 192,245,157</u>	<u>\$ 187,228,456</u>	<u>\$ 182,251,939</u>	<u>\$ 185,938,602</u>	<u>\$ 179,462,033</u>	<u>\$ 176,173,308</u>	<u>\$ 168,359,595</u>	<u>\$ 155,788,563</u>
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction	\$ 319,039	\$ 257,418	\$ 159,313	\$ 254,971	\$ 75,241	\$ 352,974	\$ 107,441	\$ 214,292	\$ 174,415	\$ 147,684
Operating Grants and Contributions	35,821,867	16,856,815	426,007	468,018	609,714	798,443	855,928	1,471,379	1,006,820	1,109,485
Capital Grants and Contributions									17,060	40,901
Total Governmental Activities Program Revenues	<u>36,140,906</u>	<u>17,114,233</u>	<u>585,320</u>	<u>722,989</u>	<u>684,955</u>	<u>1,151,417</u>	<u>963,369</u>	<u>1,685,671</u>	<u>1,198,295</u>	<u>1,298,070</u>
Business-Type Activities:										
Charges for Services:										
Food Service	2,559,607	2,527,739	2,642,037	2,909,211	2,941,180	2,944,677	3,461,930	3,128,462	3,316,227	3,226,904
Extra Curricular Fund	227,246	236,788	190,193	262,776	227,348	222,845				
SAT Prep Program				22,202	24,299					
Operating Grants and Contributions	605,298	470,547	486,782	433,012	457,229	495,107	553,582	422,006	375,402	353,287
Total Business-Type Activities Program Revenues	<u>3,392,151</u>	<u>3,235,074</u>	<u>3,319,012</u>	<u>3,627,201</u>	<u>3,650,055</u>	<u>3,662,629</u>	<u>4,015,512</u>	<u>3,550,468</u>	<u>3,691,629</u>	<u>3,580,191</u>
Total District Program Revenues	<u>\$ 39,533,057</u>	<u>\$ 20,349,307</u>	<u>\$ 3,904,332</u>	<u>\$ 4,350,190</u>	<u>\$ 4,335,010</u>	<u>\$ 4,814,046</u>	<u>\$ 4,978,881</u>	<u>\$ 5,236,139</u>	<u>\$ 4,889,924</u>	<u>\$ 4,878,261</u>
Net (Expense)/Revenue:										
Governmental Activities	\$ (182,422,631)	\$ (176,135,315)	\$ (188,012,077)	\$ (182,672,605)	\$ (177,958,597)	\$ (181,137,900)	\$ (174,579,339)	\$ (170,824,093)	\$ (163,554,941)	\$ (151,190,011)
Business-Type Activities	68,095	(213,585)	(328,748)	(205,660)	41,669	13,344	96,187	(113,076)	85,270	279,709
Total District-wide Net (Expense)/Revenue	<u>\$ (182,354,536)</u>	<u>\$ (176,348,900)</u>	<u>\$ (188,340,825)</u>	<u>\$ (182,878,265)</u>	<u>\$ (177,916,928)</u>	<u>\$ (181,124,556)</u>	<u>\$ (174,483,152)</u>	<u>\$ (170,937,169)</u>	<u>\$ (163,469,671)</u>	<u>\$ (150,910,302)</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET POSITION

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 121,473,208	\$ 119,091,381	\$ 116,756,256	\$ 115,600,253	\$ 115,600,253	\$ 112,783,657	\$ 110,882,300	\$ 106,617,596	\$ 100,847,680	\$ 93,500,842
Taxes Levied for Debt Service	4,093,210	4,086,778	4,076,750	4,071,262	4,062,938	3,462,300	3,474,896	5,025,434	5,216,532	5,374,658
Unrestricted Grants and Contributions	54,428,665	54,015,433	68,350,311	64,262,301	56,750,964	62,218,157	62,811,715	60,138,111	58,446,860	53,489,295
Restricted Grants and Contributions	2,239,175	1,088,884	3,808,529	4,250,267	3,899,599	5,935,387				
Tuition Received							194,536	603,643	856,768	653,451
Miscellaneous Income	148,292	303,863	576,640	931,185	597,250	585,862	587,052	167,276	271,500	239,549
Transfers									(28,875)	
Gain/(Loss) on Sale of Equipment				(9,896)					(322)	4,700
Total Governmental Activities	<u>182,382,550</u>	<u>178,586,339</u>	<u>193,568,486</u>	<u>189,105,372</u>	<u>180,911,004</u>	<u>184,985,363</u>	<u>177,950,499</u>	<u>172,552,060</u>	<u>165,610,143</u>	<u>153,262,495</u>
Business-Type Activities:										
Other Transfers										
Total Business-Type Activities										
Total District-wide	<u>\$ 182,382,550</u>	<u>\$ 178,586,339</u>	<u>\$ 193,568,486</u>	<u>\$ 189,105,372</u>	<u>\$ 180,911,004</u>	<u>\$ 184,985,363</u>	<u>\$ 177,950,499</u>	<u>\$ 172,552,060</u>	<u>\$ 165,610,143</u>	<u>\$ 153,262,495</u>
Changes in Net Position:										
Governmental Activities	\$ (40,081)	\$ 2,451,024	\$ 5,556,409	\$ 6,432,766	\$ 2,952,407	\$ 3,847,463	\$ 3,371,160	\$ 1,727,967	\$ 2,055,202	\$ 2,072,484
Business-Type Activities	<u>68,095</u>	<u>(213,585)</u>	<u>(328,748)</u>	<u>(205,660)</u>	<u>41,669</u>	<u>13,344</u>	<u>96,187</u>	<u>(113,076)</u>	<u>85,270</u>	<u>279,709</u>
Total District	<u>\$ 28,014</u>	<u>\$ 2,237,439</u>	<u>\$ 5,227,661</u>	<u>\$ 6,227,106</u>	<u>\$ 2,994,075</u>	<u>\$ 3,860,807</u>	<u>\$ 3,467,347</u>	<u>\$ 1,614,891</u>	<u>\$ 2,140,472</u>	<u>\$ 2,352,193</u>

* 2014 has not been restated for the impact of GASB 68

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Restricted	\$ 29,394,625	\$ 31,027,126	\$ 27,073,450	\$ 21,024,274	\$ 12,827,685	\$	\$	\$	\$	\$
Assigned	1,450,900	763,915	1,000,000	2,218,598	2,587,356					
Committed										
Unassigned					153,276					
Reserved						7,092,073	9,550,771	7,019,262	3,795,928	5,619,907
Unreserved						4,289,726	741,628	1,487,631	5,556,140	4,054,842
Total General Fund	\$ 30,845,525	\$ 31,791,041	\$ 28,073,450	\$ 23,242,872	\$ 15,568,317	\$ 11,381,799	\$ 10,292,399	\$ 8,506,893	\$ 9,352,068	\$ 9,674,749
All Other Governmental Funds:										
Restricted	\$ 7,799,283	\$ 20,088,887	\$	\$	\$	\$	\$	\$	\$	\$
Committed										
Reserved										
Unreserved, Reported In:										
Special Revenue Fund										
Capital Projects Fund	11,641,370	109,584								
Debt Service Fund										72
Total All Other Governmental Funds	\$ 19,440,653	\$ 20,198,471	\$	\$	\$	\$	\$	\$	\$	\$ 72

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

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Tax Levy	\$ 125,566,418	\$ 123,178,159	\$ 120,833,006	\$ 119,671,515	\$ 119,663,191	\$ 116,245,957	\$ 114,357,196	\$ 111,643,030	\$ 106,064,212	\$ 98,875,500
Tuition Charges	124,280	72,563	62,177	166,772	75,241	236,050	35,527	108,800	174,415	147,684
Transportation Fees	135,277	294,534	36,974	38,940	70,015	60,443	194,536	603,643	856,768	653,451
Miscellaneous	327,157	311,734	636,802	917,144	629,048	642,344	658,966	272,768	271,500	239,549
State Sources	72,570,063	68,952,756	69,676,088	63,785,249	58,073,019	56,905,827	60,739,212	58,666,732	56,864,580	52,184,257
Federal Sources	2,828,807	2,890,826	2,908,759	5,195,337	3,085,445	12,046,159	2,928,431	2,942,758	2,589,099	2,414,523
Total Revenues	201,552,002	195,700,572	194,153,806	189,774,957	181,595,959	186,136,780	178,913,868	174,237,731	166,820,574	154,514,964
Expenditures:										
Instruction:										
Regular	54,580,063	53,226,236	54,461,270	53,010,885	50,466,657	55,759,577	51,645,808	50,031,689	44,767,309	44,619,339
Special	16,147,479	15,292,601	12,044,633	9,709,787	8,241,644	6,768,646	7,286,673	6,965,827	8,503,189	5,983,465
Other	6,385,427	6,327,793	6,519,860	6,474,132	6,342,900	6,879,582	6,633,811	6,649,245	6,525,571	6,106,800
Support Services:										
Tuition	14,711,492	14,104,095	13,343,824	13,994,362	13,678,378	12,197,151	13,015,812	11,494,308	10,952,382	10,652,056
Student & instruction related services	17,224,746	15,900,229	14,016,576	12,952,335	12,306,294	13,609,000	12,976,196	11,952,401	11,631,945	11,122,006
School Administrative Services	6,579,123	6,507,814	6,558,728	6,550,897	6,218,510	6,641,945	6,322,266	6,516,811	6,427,288	6,148,834
General Administrative Services	1,581,794	1,535,368	1,817,374	1,985,654	1,635,170	2,108,923				
General and Central Services							4,577,957	4,353,463	3,961,467	3,671,247
Central Services/Admin. Information Tech	3,277,294	2,594,840	2,792,121	2,660,101	2,433,933	2,404,433				
Plant Operations and Maintenance	13,821,891	13,908,423	12,570,393	12,971,617	13,434,482	14,546,194	15,210,424	14,803,886	14,919,095	14,602,429
Student Transportation Services	16,052,557	14,960,904	14,006,185	13,836,574	13,149,260	15,718,142	15,526,401	14,984,584	13,890,500	13,166,507
Unallocated Employee Benefits	43,750,109	41,368,803	43,899,725	41,829,101	43,493,500	39,128,215	35,400,749	37,266,935	35,107,074	28,694,578
Special Schools					240	278,502	251,758	235,386	202,322	193,217
Charter Schools				29,312	14,656	15,292			2,062	9,220
Debt Service:										
Principal	4,030,000	3,830,000	3,635,000	3,455,000	3,280,000	3,100,000	2,960,000	4,985,000	4,980,000	4,950,000
Interest and Other Charges	1,378,500	1,570,000	1,751,750	1,924,500	2,088,500	2,257,275	2,418,425	2,647,345	2,945,608	3,242,808
Capital Outlay	7,313,710	1,349,981	2,673,424	716,145	625,315	3,634,504	2,902,082	2,196,026	2,298,640	2,664,341
Total Expenditures	206,834,185	192,477,087	190,090,863	182,100,402	177,409,441	185,047,381	177,128,362	175,082,906	167,114,452	155,826,847
Excess/(Deficiency) of Revenues	194,111,975	185,727,106								
Over/(Under) Expenditures	(5,282,183)	3,223,485	4,062,943	7,674,555	4,186,518	1,089,399	1,785,506	(845,175)	(293,878)	(1,311,883)
Other Financing Sources/(Uses)										
Capital leases (non-budgeted)	3,581,100	2,957,597								
Transfers In										288,216
Transfers Out	(2,251)								(28,875)	(288,216)
Proceeds from energy savings obligations (ESIP)		17,500,000								
Total Other Financing Sources/(Uses)	3,578,849	20,457,597							(28,875)	
Net Change in Fund Balances	\$ (1,703,334)	\$ 23,681,082	\$ 4,062,943	\$ 7,674,555	\$ 4,186,518	\$ 1,089,399	\$ 1,785,506	\$ (845,175)	\$ (322,753)	\$ (1,311,883)
Debt Service as a Percentage of Noncapital Expenditures										
	2.71%	2.83%	2.87%	2.97%	3.04%	2.95%	3.09%	4.41%	4.81%	5.35%

Source: District records

Note: Noncapital expenditures are total expenditures less Capital Outlay.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

Fiscal Year Ending June 30,	Restricted		Unrestricted		Annual Totals
	Athletic Fees	Facility Rental	Refund of Prior Year Expenditures	Miscellaneous	
2015	\$ 77,768	\$ 116,991	\$ 71,847	\$ 63,430	330,036
2014	69,696	115,159	72,082	222,452	479,389
2013	68,612	97,136	91,737	240,266	497,751
2012	69,310	88,199	429,465	244,140	831,114
2011	103,985	101,813	122,723	194,264	522,785
2010	97,112	116,924	197,482	134,864	546,382
2009	113,391	71,914	280,321	87,665	553,291
2008	122,378	105,492	722	6,042	234,634
2007	114,218	84,675	17,959	8,926	225,778
2006	119,080	91,783	2,447	7,944	221,254

Source: District records

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

LAST TEN FISCAL YEARS
UNAUDITED

	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities (1)	Net Valuation Taxable	Total Direct School Tax Rate (2)	Estimated Actual (County Equalized) Value
Colts Neck													
2015	\$ 38,448,100	\$ 2,503,435,400	\$ 257,605,800	\$ 4,125,100	\$ 164,609,600	\$ -	\$ -	\$ 2,968,224,000	\$ -	\$ 3,159,066	\$ 2,971,383,066	N/A	\$ 3,050,578,903
2014	39,881,800	2,540,498,000	263,017,800	4,159,900	167,385,000	-	-	3,014,942,500	-	3,079,851	3,018,022,351	0.447	3,066,222,327
2013	41,257,000	2,558,728,600	263,081,000	4,158,700	178,123,400	-	-	3,045,348,700	-	3,723,634	3,049,072,334	0.408	3,122,799,191
2012	44,509,600	2,575,313,400	255,778,700	4,145,400	184,744,300	-	-	3,064,491,400	-	3,723,975	3,068,215,375	0.390	3,117,456,897
2011	44,725,400	2,580,986,900	253,914,500	4,109,600	192,544,000	-	-	3,076,280,400	-	3,812,767	3,080,093,167	0.391	3,203,755,368
2010	47,351,200	2,590,014,000	269,599,800	4,158,600	196,701,900	-	-	3,107,825,500	-	5,087,706	3,112,913,206	0.383	3,342,807,536
2009	20,075,000	1,230,598,800	116,469,200	3,595,050	81,269,400	-	-	1,452,007,450	-	1,787,172	1,453,794,622	0.822	3,445,743,076
2008	23,323,500	1,223,359,000	112,221,650	4,585,550	78,003,100	-	-	1,441,492,800	-	1,315,836	1,442,808,636	0.831	3,388,417,905
2007	24,759,000	1,206,627,700	106,773,400	3,712,550	71,775,300	-	-	1,413,647,950	-	1,280,728	1,414,928,678	0.812	3,263,252,356
2006	23,410,900	1,175,807,800	114,839,800	3,826,700	73,643,900	-	-	1,391,529,100	-	1,346,355	1,392,875,455	0.765	2,929,709,638
Englishtown													
2015	\$ 1,654,800	\$ 183,619,000	\$ -	\$ -	\$ 34,989,900	\$ 6,358,900	\$ 13,228,100	\$ 239,850,700	\$ -	\$ -	\$ 239,850,700	N/A	\$ 225,811,551
2014	1,867,700	200,060,300	-	-	39,188,600	7,267,200	1,262,100	249,645,900	-	-	249,645,900	0.372	221,639,386
2013	3,274,100	206,535,000	-	-	35,332,500	7,617,200	1,262,100	254,020,900	-	-	254,020,900	0.404	231,103,589
2012	2,384,300	201,896,900	-	-	35,742,000	8,583,900	1,262,100	249,869,200	-	-	249,869,200	0.393	235,241,820
2011	3,788,700	198,279,700	-	-	39,134,100	9,879,300	1,262,100	252,343,900	-	-	252,343,900	0.299	242,547,058
2010	3,892,300	198,206,200	-	-	42,019,600	9,879,300	1,262,100	255,259,500	-	4,454,063	259,713,563	0.320	250,970,511
2009	3,978,000	198,110,000	-	-	42,080,100	9,879,300	1,262,100	255,309,500	-	5,904,759	261,214,259	0.303	246,645,548
2008	3,353,400	198,838,400	-	-	42,425,900	10,229,600	1,262,100	256,109,400	-	3,772,717	259,882,117	0.268	237,664,306
2007	1,454,000	80,771,800	-	-	14,729,700	2,975,900	743,200	100,674,600	-	1,170,831	101,845,431	0.646	218,018,531
2006	2,781,400	75,336,000	-	-	13,585,100	3,275,900	743,200	95,721,600	-	1,551,774	97,273,374	0.683	189,388,163
Farmingdale													
2015	\$ 1,905,600	\$ 106,279,000	\$ 563,600	\$ 2,700	\$ 27,115,000	\$ 3,319,800	\$ 15,314,700	\$ 154,500,400	\$ -	\$ -	\$ 154,500,400	N/A	\$ 139,832,315
2014	1,865,300	110,869,600	600,000	14,200	20,523,500	2,742,800	13,947,400	150,562,800	-	-	150,562,800	0.298	137,417,398
2013	1,865,300	111,706,500	721,700	14,200	20,320,000	2,742,800	13,947,400	151,317,900	-	-	151,317,900	0.397	145,089,919
2012	1,918,800	112,133,500	721,700	14,200	20,320,000	2,742,800	13,947,400	151,798,400	-	2,529,438	154,327,838	0.350	149,581,365
2011	1,918,800	111,858,800	721,700	14,200	20,480,300	2,742,800	13,947,400	151,684,000	-	2,558,005	154,242,005	0.360	147,441,135
2010	1,918,800	112,002,400	721,700	14,200	20,480,300	2,742,800	13,947,400	151,827,600	-	2,815,873	154,643,473	0.277	153,164,638
2009	2,179,300	110,849,000	721,700	14,200	19,871,300	2,742,800	13,947,400	150,325,700	-	2,462,182	152,787,882	0.316	158,529,010
2008	2,129,800	110,554,200	721,700	14,200	19,871,300	2,742,800	13,947,400	149,981,400	-	2,330,926	152,312,326	0.335	153,839,777
2007	2,192,700	110,413,000	721,700	14,200	19,617,700	2,742,800	13,507,100	149,209,200	-	1,971,969	151,181,169	0.372	150,439,213
2006	2,393,100	109,439,200	721,700	14,200	19,613,700	2,742,800	13,507,100	148,431,800	-	2,288,899	150,720,699	0.419	150,166,193

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

LAST TEN FISCAL YEARS
UNAUDITED

	Vacant						Total Assessed Value	Less: Tax-Exempt Property	Public Utilities (1)	Net Valuation Taxable	Total Direct School Tax Rate (2)	Estimated Actual (County Equalized) Value	
	Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment						
Freehold Borough													
2015	\$ 10,120,100	\$ 741,225,500	\$ -	\$ -	\$ 230,456,500	\$ 25,345,900	\$ 22,065,400	\$ 1,029,213,400	\$ 1,390,000	\$ -	\$ 1,029,213,400	N/A	\$ 939,635,035
2014	10,235,100	755,357,200	-	-	237,225,100	25,345,900	22,388,400	1,050,551,700	1,423,600	-	1,050,551,700	0.311	974,389,434
2013	10,236,400	764,565,800	-	-	239,840,300	25,345,900	22,388,400	1,062,376,800	2,476,800	-	1,062,376,800	0.321	1,025,327,919
2012	10,244,400	767,610,400	-	-	241,264,600	25,345,900	22,388,400	1,066,853,700	3,408,000	-	1,066,853,700	0.341	1,139,215,781
2011	10,342,700	768,700,500	-	-	241,539,000	25,345,900	22,388,400	1,068,316,500	4,151,700	9,917,155	1,078,233,655	0.378	1,205,130,817
2010	11,375,600	766,577,000	-	-	242,880,100	25,345,900	22,374,900	1,068,553,500	1,254,600	10,281,773	1,078,835,273	0.379	1,193,198,764
2009	11,552,000	765,785,300	-	-	236,440,200	25,345,900	23,097,700	1,062,221,100	1,180,800	11,377,335	1,073,598,435	0.382	1,275,015,424
2008	11,815,100	763,101,500	-	-	237,093,900	34,727,100	22,941,400	1,069,679,000	1,360,200	10,469,969	1,080,148,969	0.375	1,232,617,952
2007	13,574,000	761,011,000	-	-	238,891,500	34,727,100	22,941,400	1,071,145,000	1,430,600	9,846,278	1,080,991,278	0.368	1,172,895,348
2006	16,481,600	756,389,400	-	-	243,545,100	34,727,100	23,720,400	1,074,863,600	1,586,600	10,503,653	1,085,367,253	0.372	1,075,024,072
Freehold Township													
2015	\$ 55,908,800	\$ 4,266,398,600	\$ 29,970,000	\$ 1,464,900	\$ 1,320,216,200	\$ 148,905,300	\$ 71,094,300	\$ 5,893,958,100	\$ 3,612,600	\$ -	\$ 5,893,958,100	N/A	\$ 6,121,778,492
2014	50,881,700	3,955,292,200	27,666,200	1,440,900	1,239,936,400	146,563,700	60,794,300	5,482,575,400	41,400	-	5,482,575,400	0.480	5,837,654,006
2013	56,004,900	3,949,909,700	28,280,200	1,466,400	1,243,834,300	146,521,200	60,794,300	5,486,811,000	-	-	5,486,811,000	0.471	5,873,438,863
2012	67,931,000	4,548,659,400	32,524,700	1,509,700	1,245,930,300	156,782,100	61,500,000	6,114,837,200	-	-	6,114,837,200	0.411	6,197,354,750
2011	69,363,900	4,551,925,900	31,282,000	1,541,900	1,247,563,400	154,791,300	61,500,000	6,117,968,400	-	41,218,304	6,159,186,704	0.399	6,427,603,681
2010	79,832,500	4,549,534,600	30,233,300	1,654,900	1,291,205,600	154,573,100	61,500,000	6,168,534,000	-	49,220,887	6,217,754,887	0.394	6,647,432,225
2009	95,225,000	4,529,646,900	30,709,200	1,670,000	1,341,345,700	154,573,100	64,320,400	6,217,490,300	-	68,077,410	6,285,567,710	0.373	6,734,691,283
2008	43,886,000	2,245,621,400	14,932,600	1,700,500	644,466,200	74,628,300	30,165,900	3,055,400,900	-	32,780,996	3,088,181,896	0.707	6,390,779,856
2007	49,811,400	2,205,318,600	14,730,600	1,764,500	633,230,100	71,697,200	30,948,600	3,007,501,000	-	36,970,360	3,044,471,360	0.700	6,037,954,660
2006	65,790,600	2,146,671,100	15,123,200	1,726,900	642,767,600	79,946,600	30,948,600	2,982,974,600	-	42,025,816	3,025,000,416	0.662	5,391,727,021
Howell													
2015	\$ 127,426,600	\$ 5,157,744,800	\$ 98,908,600	\$ 2,755,700	\$ 616,492,200	\$ 107,704,400	\$ 32,259,800	\$ 6,143,292,100	\$ -	\$ 8,470,420	\$ 6,151,762,520	N/A	\$ 6,452,258,346
2014	137,473,900	4,623,682,700	89,384,800	2,673,500	611,874,200	101,664,900	-	5,566,754,000	-	7,632,229	5,574,386,229	0.452	6,087,370,787
2013	155,567,400	4,579,708,000	89,858,000	2,768,800	594,385,000	101,856,600	-	5,524,143,800	-	8,867,486	5,533,011,286	0.483	6,199,518,124
2012	147,940,600	4,554,735,400	85,598,100	2,640,500	595,545,700	103,344,900	-	5,489,805,200	-	11,032,948	5,500,838,148	0.478	6,509,420,350
2011	209,120,660	5,751,615,760	107,280,600	2,607,500	660,378,520	133,162,000	-	6,864,165,040	-	11,110,173	6,875,275,213	0.380	6,762,336,368
2010	237,133,360	5,747,380,000	107,553,000	2,707,600	662,086,020	134,095,700	-	6,890,955,680	-	13,114,350	6,904,070,030	0.385	6,954,660,611
2009	253,365,700	5,735,865,900	104,001,400	2,426,100	662,057,600	109,299,300	-	6,867,016,000	-	10,565,151	6,877,581,151	0.370	7,070,767,733
2008	264,011,700	5,707,045,800	107,499,400	2,543,100	667,961,100	111,543,900	-	6,860,605,000	-	9,626,317	6,870,231,317	0.371	7,044,038,272
2007	249,995,100	5,667,270,700	108,077,700	2,510,100	703,025,300	115,926,300	-	6,846,805,200	-	8,875,863	6,855,681,063	0.353	6,558,866,149
2006	101,993,950	2,438,894,540	43,202,800	2,265,300	297,604,900	55,716,850	-	2,939,678,340	-	4,399,393	2,944,077,733	0.786	5,787,205,601

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

LAST TEN FISCAL YEARS
UNAUDITED

	Vacant							Total	Less:		Net	Total	Estimated Actual
	Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Assessed	Tax-Exempt	Public	Valuation	Direct	(County
								Value	Property	Utilities (1)	Taxable	School	Equalized)
												Rate (2)	Value
Manalapan													
2015	\$ 38,765,800	\$ 5,657,693,750	\$ 34,267,100	\$ 2,250,500	\$ 387,171,100	\$ 20,451,600	\$ -	\$ 6,140,599,850	\$ -	\$ -	\$ 6,140,599,850	N/A	\$ 6,269,587,347
2014	47,846,600	5,359,086,600	32,130,400	2,269,200	380,616,076	20,269,600	-	5,842,218,476	-	-	5,842,218,476	0.436	6,109,982,591
2013	58,673,900	5,299,331,500	31,538,900	2,316,400	378,911,200	20,269,600	-	5,791,041,500	-	-	5,791,041,500	0.425	5,978,278,610
2012	70,482,900	5,241,149,800	32,267,800	2,352,300	377,401,400	22,667,200	-	5,746,321,400	-	-	5,746,321,400	0.420	6,169,252,662
2011	84,044,500	5,183,906,700	32,780,800	2,354,500	371,293,700	22,667,200	-	5,697,047,400	-	6,951,526	5,703,998,926	0.421	6,281,820,516
2010	102,803,800	5,111,395,600	32,933,900	2,253,000	380,040,400	22,667,200	-	5,652,093,900	-	9,382,496	5,661,476,396	0.432	6,459,604,048
2009	160,219,400	5,732,755,500	36,725,800	2,314,400	425,667,300	24,603,500	-	6,382,285,900	-	7,636,903	6,389,922,803	0.364	6,480,948,402
2008	200,478,700	5,658,484,200	36,779,500	2,315,700	403,109,300	24,603,500	-	6,325,770,900	-	6,259,661	6,332,030,561	0.360	6,261,851,792
2007	200,229,100	5,485,094,000	36,588,500	2,296,200	402,831,900	24,603,500	-	6,151,643,200	-	5,707,918	6,157,351,118	0.363	5,837,550,667
2005	79,348,800	2,154,592,600	16,211,800	2,126,100	181,799,700	11,519,100	-	2,445,598,100	-	2,977,355	2,448,575,455	0.812	4,480,195,412
Marlboro													
2015	\$ 69,839,100	\$ 6,439,597,624	\$ 37,757,200	\$ 1,094,700	\$ 444,223,200	\$ 82,478,300	\$ 21,756,900	\$ 7,096,747,024	\$ -	\$ -	\$ 7,096,747,024	N/A	\$ 7,224,893,419
2014	77,822,900	6,099,931,774	35,205,200	1,036,800	428,732,400	84,673,900	18,619,900	6,746,022,874	-	-	6,746,022,874	0.447	7,013,277,224
2013	85,204,500	6,098,106,500	36,036,300	1,036,500	424,031,300	86,543,000	18,619,900	6,749,578,000	-	-	6,749,578,000	0.433	7,085,446,679
2012	92,253,900	6,234,133,500	38,633,800	1,045,400	420,120,900	88,021,000	18,619,900	6,892,828,400	-	9,347,305	6,902,175,705	0.403	7,266,197,377
2011	94,958,900	6,231,140,500	37,886,600	1,046,500	415,286,900	88,491,100	19,584,200	6,888,394,700	-	9,144,385	6,897,539,085	0.395	7,482,621,521
2010	103,816,500	6,236,324,400	38,815,400	1,051,500	425,388,900	94,454,200	23,225,300	6,923,076,200	-	10,332,044	6,933,408,244	0.388	7,588,204,970
2009	43,870,600	2,899,810,000	16,268,600	765,050	179,521,700	40,955,700	3,343,100	3,184,534,750	-	4,173,653	3,188,708,403	0.827	7,698,068,929
2008	49,225,500	2,869,073,200	16,223,300	770,350	176,080,600	39,136,700	3,343,100	3,153,852,750	-	3,868,514	3,157,721,264	0.843	7,588,651,622
2007	53,984,300	2,839,037,100	16,367,200	786,550	173,463,400	40,301,700	3,343,100	3,127,283,350	-	4,230,659	3,131,514,009	0.851	7,209,924,440
2006	59,314,400	2,776,197,500	16,205,900	783,750	179,117,800	42,131,400	2,965,200	3,076,715,950	-	4,500,670	3,081,216,620	0.834	6,365,196,819

Source: County Board of Taxation

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

Reassessment occurs when ordered by the County Board of Taxation.

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

(2) Tax rates are per \$100.

N/A Rates for 2015 not available at time of publication

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

	<u>Freehold Regional</u>			<u>Overlapping Rates</u>				<u>Total Direct & Overlapping Tax Rate</u>
	<u>General Obligation</u>	<u>Debt Service</u>	<u>Total Direct</u>	<u>Elementary School</u>	<u>Local Purpose</u>	<u>Library/ Other</u>	<u>Monmouth County</u>	
	<u>Basic Rate a</u>	<u>Debt Service b</u>	<u>Total Direct</u>	<u>Elementary School</u>	<u>Local Purpose</u>	<u>Library/ Other</u>	<u>Monmouth County</u>	
Colts Neck								
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	0.432	0.015	0.447	0.705	0.214	0.012	0.309	1.687
2013	0.394	0.014	0.408	0.686	0.203	0.012	0.309	1.618
2012	0.377	0.013	0.390	0.680	0.194	0.012	0.294	1.570
2011	0.378	0.013	0.391	0.674	0.188	0.012	0.286	1.551
2010	0.370	0.013	0.383	0.667	0.170	0.025	0.292	1.537
2009	0.797	0.025	0.822	1.407	0.343	0.025	0.615	3.212
2008	0.805	0.026	0.831	1.392	0.334	0.025	0.610	3.192
2007	0.775	0.037	0.812	1.378	0.305	0.025	0.631	3.151
2006	0.728	0.037	0.765	1.348	0.295	0.091	0.571	3.070
Englishtown								
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	0.360	0.012	0.372	0.812	0.558	-	0.268	2.010
2013	0.391	0.013	0.404	0.786	0.498	-	0.281	1.969
2012	0.376	0.017	0.393	0.778	0.462	-	0.276	1.909
2011	0.289	0.010	0.299	0.860	0.405	-	0.264	1.828
2010	0.309	0.011	0.320	0.808	0.385	-	0.264	1.777
2009	0.294	0.009	0.303	0.752	0.365	-	0.249	1.669
2008	0.260	0.008	0.268	0.758	0.328	-	0.237	1.591
2007	0.616	0.030	0.646	1.912	0.785	-	0.617	3.960
2006	0.650	0.033	0.683	1.789	0.785	0.071	0.533	3.861
Farmingdale								
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	0.288	0.010	0.298	1.027	0.212	-	0.290	1.827
2013	0.384	0.013	0.397	1.041	0.212	-	0.293	1.943
2012	0.342	0.008	0.350	0.960	0.211	-	0.290	1.811
2011	0.348	0.012	0.360	0.926	0.208	-	0.275	1.769
2010	0.268	0.009	0.277	0.920	0.203	-	0.278	1.678
2009	0.307	0.009	0.316	0.900	0.183	-	0.275	1.674
2008	0.325	0.010	0.335	0.915	0.173	-	0.269	1.692
2007	0.355	0.017	0.372	0.928	0.140	-	0.276	1.716
2006	0.398	0.021	0.419	0.913	0.124	0.036	0.268	1.760

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

	<u>Freehold Regional</u>			<u>Overlapping Rates</u>			<u>Total Direct & Overlapping Tax Rate</u>	
	<u>Basic Rate</u> <u>a</u>	<u>General Obligation Debt Service</u> <u>b</u>	<u>Total Direct</u>	<u>Elementary School</u>	<u>Local Purpose</u>	<u>Library/ Other</u>		<u>Monmouth County</u>
Freehold Borough								
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	0.301	0.010	0.311	0.933	0.875	0.031	0.269	2.419
2013	0.310	0.011	0.321	0.862	0.851	0.032	0.277	2.343
2012	0.329	0.012	0.341	0.842	0.814	0.036	0.293	2.326
2011	0.365	0.013	0.378	0.810	0.785	0.037	0.300	2.310
2010	0.366	0.013	0.379	0.796	0.791	-	0.283	2.249
2009	0.371	0.011	0.382	0.780	0.756	-	0.289	2.207
2008	0.363	0.012	0.375	0.756	0.718	-	0.278	2.127
2007	0.351	0.017	0.368	0.736	0.659	-	0.277	2.040
2006	0.354	0.018	0.372	0.667	0.630	0.015	0.265	1.949
Freehold Township								
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	0.464	0.016	0.480	1.151	0.358	0.030	0.330	2.349
2013	0.455	0.016	0.471	1.117	0.348	0.030	0.327	2.293
2012	0.398	0.013	0.411	0.983	0.294	0.030	0.292	2.010
2011	0.385	0.014	0.399	0.966	0.274	0.030	0.291	1.960
2010	0.381	0.013	0.394	0.936	0.250	0.030	0.286	1.896
2009	0.362	0.011	0.373	0.922	0.235	0.030	0.282	1.842
2008	0.685	0.022	0.707	1.792	0.445	0.030	0.523	3.497
2007	0.669	0.032	0.700	1.791	0.409	0.030	0.541	3.471
2006	0.630	0.032	0.662	1.722	0.389	0.086	0.484	3.343
Howell								
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	0.437	0.015	0.452	1.293	0.448	0.020	0.346	2.559
2013	0.467	0.016	0.483	1.277	0.457	0.020	0.348	2.585
2012	0.367	0.111	0.478	1.287	0.453	0.020	0.347	2.585
2011	0.367	0.013	0.380	1.037	0.354	0.020	0.279	2.070
2010	0.372	0.013	0.385	1.029	0.326	0.020	0.277	2.037
2009	0.359	0.011	0.370	1.021	0.282	0.020	0.268	1.961
2008	0.359	0.012	0.371	0.999	0.266	0.020	0.266	1.922
2007	0.337	0.016	0.353	0.977	0.266	0.020	0.267	1.883
2006	0.747	0.039	0.786	2.123	0.533	0.090	0.530	4.062

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

	<u>Freehold Regional</u>			<u>Overlapping Rates</u>			<u>Total Direct & Overlapping Tax Rate</u>	
	<u>General Obligation</u>	<u>Debt Service</u>	<u>Total Direct</u>	<u>Elementary School</u>	<u>Local Purpose</u>	<u>Library/ Other</u>		<u>Monmouth County</u>
	<u>Basic Rate</u>	<u>Debt Service</u>	<u>Total Direct</u>	<u>Elementary School</u>	<u>Local Purpose</u>	<u>Library/ Other</u>	<u>Monmouth County</u>	
	<u>a</u>	<u>b</u>						
Manalapan								
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	0.422	0.014	0.436	0.945	0.352	0.020	0.327	2.080
2013	0.411	0.014	0.425	0.925	0.345	0.020	0.316	2.031
2012	0.410	0.010	0.420	0.912	0.339	0.020	0.315	2.006
2011	0.407	0.014	0.421	0.902	0.332	0.020	0.312	1.987
2010	0.418	0.015	0.432	0.889	0.332	0.020	0.313	1.986
2009	0.353	0.011	0.364	0.758	0.295	0.020	0.264	1.701
2008	0.349	0.011	0.360	0.776	0.284	0.020	0.259	1.699
2007	0.347	0.016	0.363	0.748	0.248	0.020	0.266	1.645
2006	0.785	0.040	0.825	1.675	0.474	0.083	0.550	3.607
Marlboro								
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	0.432	0.015	0.447	1.002	0.377	0.010	0.327	2.163
2013	0.419	0.014	0.433	0.985	0.360	0.010	0.317	2.105
2012	0.399	0.004	0.403	0.956	0.338	0.010	0.311	2.018
2011	0.382	0.013	0.395	0.981	0.310	0.010	0.308	2.004
2010	0.374	0.013	0.388	0.980	0.297	0.010	0.304	1.979
2009	0.802	0.025	0.827	2.070	0.588	0.020	0.639	4.144
2008	0.817	0.026	0.843	2.073	0.567	0.020	0.626	4.129
2007	0.813	0.038	0.851	2.043	0.544	0.020	0.641	4.099
2006	0.793	0.041	0.834	2.013	0.533	0.095	0.562	4.037

Source: County Board of Taxation

N/A Rates for 2015 not available at time of publication

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO
UNAUDITED

Community/Taxpayer	2015		Community/Taxpayer	2005	
	Taxable Assessed Value	As a % of Community's Net Assessed Valuation		Taxable Assessed Value	As a % of Community's Net Assessed Valuation
Colts Neck			Colts Neck		
Trump National Golf Club	\$ 32,006,800	1.08%	Due Process Gold & Horse Stables, LLC	\$ 9,890,800	0.74%
Due Process Golf & Horse Stables, LLC	22,941,700	0.77%	Laird & Co. Inc.	4,788,100	0.36%
Wellspring Stables Florida, LLC	11,618,400	0.39%	Shadow Isle Golf Club, LLC	4,283,600	0.32%
Individual Taxpayer 1	9,105,800	0.31%	Pegasus Properties LLC	3,798,700	0.28%
Individual Taxpayer 2	8,000,000	0.27%	Rojen Inc	3,772,000	0.28%
Laird & Co. Inc.	7,927,600	0.27%	Assisted Living at Colts Neck, Inc.	3,700,000	0.28%
24 Realty, LLC	7,839,400	0.26%	Individual Taxpayer 1	3,104,000	0.23%
Pegasus Properties LLC	5,969,700	0.20%	Pebble Creek At Colts Neck	3,095,000	0.23%
Colts Neck Shopping Center Associates	5,967,500	0.20%	36 Highway 34 South Associates, LLC	2,908,400	0.22%
36 Highway 34 South Associates LLC	5,809,700	0.20%	Colts Neck Shopping Center Assoc	2,595,400	0.19%
Total	\$ 117,186,600	3.95%	Total	\$ 41,936,000	3.14%
Englishtown			Englishtown		
Stamford Square LLC	\$ 12,271,500	5.12%	Ruck, Di Rubbio, & MacCauley	\$ 5,000,000	5.29%
Three Corners Ventures LLC	4,762,200	1.99%	Englishtown Industrial Park	2,462,500	2.60%
BAL Governor's Crossing LLC	4,210,000	1.76%	Individual Taxpayer 1	1,203,100	1.27%
BTR Englishtown LLC	3,100,000	1.29%	Verizon New Jersey	600,000	0.63%
Village Center Associates, LLC	2,965,700	1.24%	Wemacs LLC	598,000	0.63%
Wemacs LLC	2,387,000	1.00%	K&K Englishtown, Inc.	550,000	0.58%
DCD LLC	1,987,000	0.83%	Sovereign Bank	450,000	0.48%
Brooklawn Gardens Inc	1,925,100	0.80%	Jolor Realty Co.	422,800	0.45%
Five South Main Street LLC	1,850,000	0.77%	Individual Taxpayer 2	412,600	0.44%
Sovereign Bank	1,208,100	0.50%	Individual Taxpayer 3	406,300	0.43%
Total	\$ 36,666,600	15.29%	Total	\$ 12,105,300	12.80%

Source: Municipal Tax Assessors

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO
UNAUDITED

Community/Taxpayer	2015		Community/Taxpayer	2005	
	Taxable Assessed Value	As a % of Community's Net Assessed Valuation		Taxable Assessed Value	As a % of Community's Net Assessed Valuation
Farmingdale			Farmingdale		
Farmingdale Garden Apartments, LLC	\$ 12,799,200	8.28%	Farmingdale Garden Apartments, LLC	\$ 11,500,000	17.44%
30 Southard Ave, Farmingdale LLC	7,522,700	4.87%	Individual Taxpayer 1	3,795,400	5.75%
Farmingdale Shopping Center, LLC	3,600,300	2.33%	Individual Taxpayer 2	2,876,600	4.36%
R.T. Equities LLC	2,387,200	1.55%	Farmingdale Shopping Center, LLC	2,442,200	3.70%
Farmingdale BP JFD Associates	1,494,100	0.97%	Verizon Communications	2,321,144	3.52%
Academy Apartments LLC	1,387,200	0.90%	R.T. Equities LLC	2,107,200	3.20%
Farmingdale Train Station, LLC	1,139,700	0.74%	Individual Taxpayer 3	1,070,400	1.62%
Bell Atlantic	1,009,200	0.65%	Bell Atlantic	992,800	1.51%
Roadside Holdings, LLC	826,400	0.53%	Farmingdale BP	904,100	1.37%
Bank of America	714,400	0.46%	Individual Taxpayer 4	896,700	1.36%
Total	\$ 32,880,400	21.28%	Total	\$ 28,906,544	43.83%
Freehold Borough			Freehold Borough		
Nestle USA	\$ 23,674,400	2.30%	Nestle USA	\$ 27,300,000	5.60%
Freehold Racing Association	23,225,300	2.26%	Freehold Racing Association	20,499,200	4.20%
AEW Brookside	14,269,000	1.39%	Bell Atlantic	3,000,000	0.62%
East Coach Post & Coach	6,420,700	0.62%	Post & Coach Freehold Association	2,925,000	0.60%
Park Plaza Shopping	5,310,900	0.52%	Freefern Associates	2,600,000	0.53%
Freefern Associates	4,565,000	0.44%	Park Plaza Shopping Center	2,500,000	0.51%
18-20 E.Main Street LLC	4,295,700	0.42%	Delli Santi	1,750,000	0.36%
Spring Terrace Apartments LLC	3,000,000	0.29%	Chiu's Building	1,550,100	0.32%
Chiu's Property Inc.	2,650,000	0.26%	31 East Main Street, LLC	1,468,700	0.30%
JCP&L	2,626,200	0.26%	Millennium Assisted	1,386,100	0.28%
Total	\$ 90,037,200	8.75%	Total	\$ 64,979,100	13.32%

Source: Municipal Tax Assessors

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO
UNAUDITED

Community/Taxpayer	2015		Community/Taxpayer	2005	
	Taxable Assessed Value	As a % of Community's Net Assessed Valuation		Taxable Assessed Value	As a % of Community's Net Assessed Valuation
Freehold Twp.			Freehold Twp.		
Freemall Associates, LLC	\$ 315,292,500	5.35%	Freemall Associates	\$ 154,401,000	5.34%
Freehold Financing, LLC	45,393,900	0.77%	Macy's East	24,897,800	0.86%
Iron Mountain, Inc.	44,595,700	0.76%	New Jersey Bell	23,220,000	0.80%
Center for Aging DBA/Appplewood	30,000,000	0.51%	Center for Aging (Appplewood)	19,489,500	0.67%
Freemall Associates	30,403,400	0.52%	Iron Mountain, Inc.	16,423,500	0.57%
New Jersey Bell Tel. Co.	25,254,900	0.43%	Raintreetowne Center Associates, LP	15,614,900	0.54%
Raintreetowne Center Associates, LP	22,998,900	0.39%	Nordstrom, Inc.	14,257,000	0.49%
Freehold Shopping Associates	22,656,900	0.38%	Loews Theater c/o Freemall	12,557,600	0.43%
Wal-Mart Business Trust	22,558,600	0.38%	The May Dept. Stores Co.(Lord & Taylor)	12,204,600	0.42%
Macy's East, Inc.	21,984,700	0.37%	JC Penney	12,050,600	0.42%
Total	\$ 581,139,500	9.86%	Total	\$ 305,116,500	10.54%
Howell			Howell		
Buffalo-Parkton & Feuerstein & Wainco	\$ 39,000,000	0.63%	Buffalo-Parkton & Feuerstein & Wain Co.	\$ 19,738,400	0.70%
Sunnyside @ Howell LLC	24,442,500	0.40%	Howell Friendship Real Estate Co.	14,194,800	0.50%
Home Depot USA Inc.	17,466,500	0.28%	Lowe's Home Centers Inc.	13,268,800	0.47%
Lowe's Home Centers, Inc.	16,171,000	0.26%	WDH Howell LLC	12,638,600	0.45%
DS & DJ Realty, LLC	15,305,700	0.25%	Home Depot USA Inc.	11,380,000	0.40%
Target Corporation	13,800,000	0.22%	Target Corp.	9,900,800	0.35%
Brochin, Leona & Mur - Levin Man. Corp	13,500,000	0.22%	Wal-Mart Real Estate Business Trust	8,488,700	0.30%
Wal Mart Stores, Inc.	13,150,200	0.21%	Crawford Holdings, LLC	7,932,000	0.28%
Eagle Golf Enterprises, LLC	12,437,600	0.20%	Fairfield Park LLC	6,828,000	0.24%
Fairfield Park LLC	11,500,000	0.19%	Eagle Golf Enterprises	6,427,900	0.23%
Total	\$ 176,773,500	2.88%	Total	\$ 110,798,000	3.93%

Source: Municipal Tax Assessors

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO
UNAUDITED

Community/Taxpayer	2015		Community/Taxpayer	2005	
	Taxable Assessed Value	As a % of Community's Net Assessed Valuation		Taxable Assessed Value	As a % of Community's Net Assessed Valuation
Manalapan			Manalapan		
Manalapan Realty	\$ 42,593,600	0.69%	Manalapan Realty	\$ 26,921,600	1.13%
Manalapan VF	29,989,700	0.49%	Manalapan VF	11,793,000	0.50%
Towne Pointe Associates	13,573,200	0.22%	Towne Pointe Associates	8,082,300	0.34%
Trans Equity Realty, LLC	9,694,600	0.16%	Battleground Dev d/b/a Fairways	6,994,000	0.29%
Taylor 9 South Associates LLC	7,593,400	0.12%	Westmon Corporation	4,767,100	0.20%
Monmouth Investors LLC	7,500,000	0.12%	Trans Equity Realty, LLC	4,450,000	0.19%
Lenine, LLC	7,356,000	0.12%	DR Horton Inc. D/B/A SGS	4,107,800	0.17%
Pension Road Realty Associates	6,400,000	0.10%	200 Manalapan, LLC	4,100,000	0.17%
Englishtown Auction Sales, Inc	6,245,200	0.10%	Lenine, LLC	3,850,000	0.16%
Bleach Associates	6,218,700	0.10%	Reiss Manufacturing, Inc.	3,779,800	0.16%
Total	\$ 137,164,400	2.23%	Total	\$ 78,845,600	3.32%
Marlboro			Marlboro		
Marlboro Plaza	\$ 38,423,500	0.54%	Marlboro Plaza	\$ 20,897,800	0.71%
Union Hill Nine Associates LLC	30,549,100	0.43%	Union Hill Nine	16,704,700	0.57%
TMC Marlboro LLC	22,500,000	0.32%	TMC Marlboro	13,624,200	0.46%
American Plaza, LLC	20,718,500	0.29%	Marlboro Loews Retail	9,058,400	0.31%
Brooks Edge Plaza LLC	12,886,000	0.18%	BTS Marlboro	6,384,400	0.22%
Marlboro Lowe's	12,501,900	0.18%	Lucas Development	5,937,900	0.20%
Royal Pines at Marlboro LLC	11,400,000	0.16%	Sunrise Assisted Living	5,464,700	0.19%
Triangle Business Park, LLC	11,043,800	0.16%	Verizon	5,176,020	0.18%
Sunrise Marlboro Assisted Living	9,300,000	0.13%	Kara Homes	5,172,700	0.18%
Lucas Development LLC	8,801,500	0.12%	Exclusive Plaza	4,155,800	0.14%
Total	\$ 178,124,300	2.51%	Total	\$ 92,576,620	3.15%

Source: Municipal Tax Assessors

FREEHOLD REGIONAL HIGH SCHOOL DISTRICTPROPERTY TAX LEVIES AND COLLECTIONLAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	<u>Collected within the Fiscal Year of the Levy</u>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 125,566,418	\$ 125,566,418	100.00%	-
2014	123,178,158	123,178,158	100.00%	-
2013	120,833,006	120,833,006	100.00%	-
2012	119,671,515	119,671,515	100.00%	-
2011	119,663,191	119,663,191	100.00%	-
2010	116,245,957	109,834,446	94.48%	6,411,511
2009	114,357,196	110,406,396	96.55%	3,950,800
2008	111,643,030	111,643,030	100.00%	-
2007	106,064,212	106,064,212	100.00%	-
2006	98,875,500	98,875,500	100.00%	-

Source: District records

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Bond Anticipation Notes (BANs)	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases					
2015	\$ 23,540,000	-	-	-	\$ 23,540,000	N/A	N/A	
2014	27,570,000	-	-	-	27,570,000	0.23%	\$ 143	
2013	31,400,000	-	-	-	31,400,000	0.27%	164	
2012	35,035,000	-	-	-	35,035,000	0.31%	183	
2011	38,490,000	-	-	-	38,490,000	0.50%	201	
2010	41,770,000	-	-	-	41,770,000	0.40%	219	
2009	44,870,000	-	-	-	44,870,000	0.41%	235	
2008	47,830,000	-	-	-	47,830,000	0.45%	251	
2007	52,815,000	-	-	-	52,815,000	0.53%	278	
2006	57,795,000	-	-	-	57,795,000	0.64%	307	

N/A - Information not currently available.

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

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

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>School District Population</u>	<u>Net Assessed Value Taxable</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2015	\$ 23,540,000	193,994	\$ 29,832,515,460	0.08%	\$ 121
2014	27,570,000	193,378	28,113,985,730	0.10%	143
2013	31,400,000	192,039	28,077,229,720	0.11%	164
2012	35,035,000	191,883	28,803,438,566	0.12%	183
2011	38,490,000	191,883	30,200,912,655	0.13%	201
2010	41,770,000	191,860	30,322,815,072	0.14%	218
2009	44,870,000	191,061	25,683,175,265	0.17%	235
2008	47,830,000	190,338	22,383,317,086	0.21%	252
2007	52,815,000	190,196	21,937,964,106	0.24%	278
2006	57,795,000	188,422	14,293,430,471	0.40%	307

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

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2015

UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Colts Neck Township	\$ 9,937,227	100.000%	\$ 9,937,227
Englishtown Borough	2,005,234	100.000%	2,005,234
Borough of Farmingdale	537,776	100.000%	537,776
Borough of Freehold	8,763,953	100.000%	8,763,953
Freehold Township	46,706,464	100.000%	46,706,464
Howell Township	58,496,451	100.000%	58,496,451
Manalapan Township	16,626,767	100.000%	16,626,767
Marlboro Township	36,080,327	100.000%	36,080,327
Other debt			
Monmouth County	428,759,490	<u>Net Valuation</u>	
Colts Neck Township		2,971,383,066	2.773%
Englishtown Borough		239,850,700	0.224%
Borough of Farmingdale		154,500,400	0.144%
Borough of Freehold		1,029,213,400	0.960%
Freehold Township		5,893,958,100	5.500%
Howell Township		6,151,762,520	5.741%
Manalapan Township		6,140,599,850	5.730%
Marlboro Township		7,096,747,024	6.622%
Subtotal, overlapping debt			297,894,765
Freehold Regional High School District Direct Debt		<u>County total</u>	<u>23,540,000</u>
		107,164,139,697	
Total Direct and Overlapping Debt			<u>\$ 321,434,765</u>

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

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ended June 30,				Fiscal Year Ended June 30,					
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$ 893,432,552	\$ 897,823,311	\$ 919,819,452	\$ 948,256,347	\$ 971,666,105	\$ 978,159,048	\$ 955,264,285	\$ 895,449,731	\$ 780,200,630	\$ 712,525,468
Total Net Debt Applicable to Limit	<u>23,540,000</u>	<u>27,570,000</u>	<u>31,400,000</u>	<u>35,035,000</u>	<u>38,490,000</u>	<u>41,770,000</u>	<u>44,870,000</u>	<u>47,830,000</u>	<u>52,815,000</u>	<u>57,795,000</u>
Legal Debt Margin	<u>\$ 869,892,552</u>	<u>\$ 870,253,311</u>	<u>\$ 884,784,452</u>	<u>\$ 913,221,347</u>	<u>\$ 933,176,105</u>	<u>\$ 936,389,048</u>	<u>\$ 910,394,285</u>	<u>\$ 847,619,731</u>	<u>\$ 727,385,630</u>	<u>\$ 654,730,468</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.71%	3.17%	3.55%	3.84%	4.12%	4.46%	4.93%	5.64%	7.26%	8.83%

Year	Equalized Valuation Basis
2012	29,634,369,228
2013	29,448,953,153
2014	<u>30,259,932,856</u>
	[A] <u>\$ 89,343,255,237</u>
Average Equalized Valuation of Taxable Property	[A/3] <u>\$ 29,781,085,079</u>
Debt limit (3% of average)	[B] \$ 893,432,552 (a)
Net bonded school debt as of June 30, 2015	[C] <u>23,540,000</u>
Legal debt margin	[B-C] <u>\$ 869,892,552</u>

Source: Abstract of Ratables and District Records.

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICTDEMOGRAPHIC AND ECONOMIC STATISTICSLAST TEN FISCAL YEARSUNAUDITED

Fiscal Year Ended June 30,	Community	School District Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2014	Colts Neck	10,065	N/A	N/A	4.7%
	Englishtown	1,962	N/A	N/A	6.7%
	Farmingdale	1,298	N/A	N/A	8.4%
	Freehold Borough	11,973	N/A	N/A	5.2%
	Freehold Twp.	35,812	N/A	N/A	5.1%
	Howell	51,897	N/A	N/A	6.2%
	Manalapan	39,987	N/A	N/A	5.5%
	Marlboro	41,000	N/A	N/A	4.9%
2013	Colts Neck	10,099	\$ 635,237,199	\$ 62,901	3.1%
	Englishtown	1,948	122,531,148	62,901	6.4%
	Farmingdale	1,311	82,463,211	62,901	6.1%
	Freehold Borough	12,047	757,768,347	62,901	7.0%
	Freehold Twp.	36,064	2,268,461,664	62,901	6.4%
	Howell	51,732	3,253,994,532	62,901	7.6%
	Manalapan	39,851	2,506,667,751	62,901	7.0%
	Marlboro	40,326	2,536,545,726	62,901	5.9%
2012	Colts Neck	10,094	\$ 620,034,044	\$ 61,426	7.6%
	Englishtown	1,909	117,262,234	61,426	7.1%
	Farmingdale	1,314	80,713,764	61,426	5.0%
	Freehold Borough	12,097	743,070,322	61,426	12.6%
	Freehold Twp.	36,086	2,216,618,636	61,426	7.4%
	Howell	51,109	3,139,421,434	61,426	8.9%
	Manalapan	39,229	2,409,680,554	61,426	8.3%
	Marlboro	40,201	2,469,386,626	61,426	6.8%

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30,	Community	School District Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2011	Colts Neck	10,151	\$ 592,361,605	\$ 58,355	7.3%
	Englishtown	1,848	107,840,040	58,355	6.8%
	Farmingdale	1,330	77,612,150	58,355	4.8%
	Freehold Borough	12,063	703,936,365	58,355	12.1%
	Freehold Twp.	36,219	2,113,559,745	58,355	7.1%
	Howell	51,127	2,983,516,085	58,355	8.8%
	Manalapan	38,913	2,270,768,115	58,355	7.9%
	Marlboro	40,232	2,347,738,360	58,355	6.2%
2010	Colts Neck	10,152	\$ 669,209,688	\$ 65,919	7.3%
	Englishtown	1,848	56,018,424	30,313	6.8%
	Farmingdale	1,330	41,795,250	31,425	4.7%
	Freehold Borough	12,063	281,441,853	23,331	12.0%
	Freehold Twp.	36,214	1,466,811,856	40,504	7.7%
	Howell	51,119	1,811,606,241	35,439	8.9%
	Manalapan	38,908	1,597,134,492	41,049	7.8%
	Marlboro	40,226	2,030,608,480	50,480	6.6%
2009	Colts Neck	10,065	\$ 551,270,115	\$ 54,771	7.2%
	Englishtown	1,916	104,941,236	54,771	6.7%
	Farmingdale	1,572	86,100,012	54,771	4.7%
	Freehold Borough	11,432	626,142,072	54,771	11.9%
	Freehold Twp.	34,589	1,894,474,119	54,771	7.5%
	Howell	51,551	2,823,499,821	54,771	8.8%
	Manalapan	39,390	2,157,429,690	54,771	7.8%
	Marlboro	40,546	2,220,744,966	54,771	6.6%

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30,	Community	School District Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2008	Colts Neck	10,055	\$ 576,684,415	\$ 57,353	4.3%
	Englishtown	1,915	109,830,995	57,353	4.0%
	Farmingdale	1,569	89,986,857	57,353	2.8%
	Freehold Borough	11,413	654,569,789	57,353	7.3%
	Freehold Twp.	34,674	1,988,657,922	57,353	4.2%
	Howell	51,297	2,942,036,841	57,353	4.7%
	Manalapan	38,912	2,231,719,936	57,353	4.2%
	Marlboro	40,503	2,322,968,559	57,353	3.6%
2007	Colts Neck	10,076	\$ 562,502,776	\$ 55,826	3.4%
	Englishtown	1,892	105,622,792	55,826	3.1%
	Farmingdale	1,574	87,870,124	55,826	2.2%
	Freehold Borough	11,444	638,872,744	55,826	5.7%
	Freehold Twp.	34,828	1,944,307,928	55,826	3.2%
	Howell	51,274	2,862,422,324	55,826	3.5%
	Manalapan	38,535	2,151,254,910	55,826	3.2%
	Marlboro	40,573	2,265,028,298	55,826	2.7%
2006	Colts Neck	10,150	\$ 532,864,850	\$ 52,499	3.7%
	Englishtown	1,863	97,805,637	52,499	3.4%
	Farmingdale	1,581	83,000,919	52,499	2.4%
	Freehold Borough	11,515	604,525,985	52,499	6.3%
	Freehold Twp.	34,282	1,799,770,718	52,499	3.5%
	Howell	51,135	2,684,536,365	52,499	3.8%
	Manalapan	37,617	1,974,854,883	52,499	3.5%
	Marlboro	40,279	2,114,607,221	52,499	3.0%

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30,	Community	School District Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2005	Colts Neck	10,181	\$ 489,421,032	\$ 48,072	3.6%
	Englishtown	1,819	87,442,968	48,072	3.4%
	Farmingdale	1,593	76,578,696	48,072	3.5%
	Freehold Borough	11,589	557,106,408	48,072	6.2%
	Freehold Twp.	34,145	1,641,418,440	48,072	3.2%
	Howell	51,017	2,452,489,224	48,072	3.6%
	Manalapan	37,260	1,791,162,720	48,072	3.0%
	Marlboro	40,012	1,923,456,864	48,072	2.7%

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

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

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

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

N/A - Information not currently available

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND LAST YEAR
UNAUDITED

<u>Employer</u>	<u>2015</u>		<u>2014</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Meridian Health System Inc., Wall	10,197	3.10%	9,932	3.02%
Saker Shoprites Inc., Freehold	3,186	0.97%	2,250	0.68%
CentraState Healthcare Inc., Freehold	2,669	0.81%	2,626	0.80%
Monmouth Medical Center, Long Branch	2,400	0.73%	2,200	0.67%
Commvault, Tinton Falls	1,973	0.60%	1,740	0.53%
Monmouth University, W. Long Branch	1,375	0.42%	1,350	0.41%
Vonage Holdings Corp., Holmdel	1,258	0.38%	933	0.28%
NJ Resources, Wall	963	0.29%	945	0.29%
Food Circus Supermarkets Inc., Middletown	750	0.23%	750	0.23%
Visiting Nurse Assoc of Central Jersey, Red Bank	713	0.22%	1,400	0.43%
	<u>25,484</u>	<u>7.75%</u>	<u>24,126</u>	<u>7.34%</u>

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

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

<u>Function/Program</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instruction										
Regular	619.9	620.8	619.6	627.2	627.2	753.5	794.2	756.1	783.0	772.0
Special education	177.9	168.0	168.0	154.0	139.0	43.0	44.8	35.3	37.0	38.5
Other instruction	2.0	2.0	2.0	3.0	3.0	19.0	15.6	12.2	12.0	12.0
Support Services:										
Student & Instruction Rel. Svcs	208.5	223.0	223.0	205.8	202.8	177.7	185.1	187.5	176.0	186.0
School Administrative Services	44.0	44.0	44.0	61.0	61.0	59.0	65.5	61.4	65.0	61.0
General and Central Services	36.0	36.0	36.0	31.5	31.5	31.3	36.3	35.5	38.0	55.0
Plant Operations & Maintenance	119.0	118.0	117.0	128.5	128.5	137.0	158.0	149.0	150.0	151.0
Pupil Transportation	<u>146.0</u>	<u>145.0</u>	<u>145.0</u>	<u>148.0</u>	<u>148.0</u>	<u>148.0</u>	<u>158.0</u>	<u>159.0</u>	<u>136.0</u>	<u>159.0</u>
Total	<u>1,353.3</u>	<u>1,356.8</u>	<u>1,354.6</u>	<u>1,359.0</u>	<u>1,341.0</u>	<u>1,368.5</u>	<u>1,457.5</u>	<u>1,396.0</u>	<u>1,397.0</u>	<u>1,434.5</u>

Source: District Records

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures a	Cost Per Pupil	Percentage Change	Teaching Staff b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) c	Average Daily Attendance (ADA) c	% Change in Average Daily Enrollment	Student Attendance Percentage
2015	11,302.5	\$194,111,975	17,174	4.97%	770	1:14.8	11,066.5	10,412.0	(1.66)	94.1%
2014	11,352.0	185,727,106	16,361	2.87%	776	1:15.2	11,253.9	10,558.1	0.06	93.8%
2013	11,445.0	182,030,689	15,905	4.59%	768	1:15.8	11,247.1	10,573.5	1.64	94.0%
2012	11,573.0	175,985,090	15,207	4.12%	749	1:14.8	11,065.3	10,457.2	(4.56)	94.5%
2011	11,737.0	176,004,757	14,996	-0.12%	737	1:15.9	11,594.5	10,912.9	0.18	94.1%
2010	11,726.0	176,055,601	15,014	2.76%	796	1:14.7	11,573.8	10,919.7	0.19	94.3%
2009	11,556.5	168,847,855	14,611	3.47%	818	1:14.1	11,552.1	10,908.2	(1.13)	94.4%
2008	11,703.0	165,254,535	14,121	5.03%	813	1:14.4	11,684.2	11,036.7	2.21	94.5%
2007	11,669.0	156,890,204	13,445	7.90%	799	1:14.7	11,549.9	10,889.6	1.03	94.3%
2006	11,634.5	144,969,698	12,460	7.17%	800	1:14.6	11,432.1	10,737.2	2.41	93.9%

Source: District records

Note: Enrollment based on annual October district count.

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

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

c Average daily enrollment & average daily attendance are obtained from the School Registers.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
District Building										
High Schools										
Colts Neck High School (1998)										
Square Feet	219,490	219,490	219,490	219,490	219,490	219,490	219,490	219,490	219,490	219,490
Capacity (students)	1,748	1,748	1,748	1,748	1,748	1,748	1,748	1,748	1,748	1,748
Enrollment	1,450	1,493	1,513	1,478	1,523	1,481	1,550	1,721	1,780	1,773
Freehold Borough High School (1954)										
Square Feet	187,256	187,256	187,256	187,256	187,256	187,256	187,256	187,256	187,256	187,256
Capacity (students)	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564
Enrollment	1,478	1,551	1,580	1,566	1,534	1,433	1,395	1,416	1,402	1,387
Freehold Township High School (1968)										
Square Feet	256,293	256,293	256,293	256,293	256,293	256,293	256,293	256,293	256,293	256,293
Capacity (students)	2,224	2,224	2,224	2,224	2,224	2,224	2,224	2,224	2,224	2,224
Enrollment	2,102	2,091	2,127	2,162	2,193	2,208	2,191	2,240	2,190	2,151
Howell High School (1962)										
Square Feet	249,497	249,497	249,497	249,497	249,497	249,497	249,497	249,497	249,497	249,497
Capacity (students)	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274
Enrollment	2,217	2,252	2,299	2,456	2,488	2,475	2,351	2,317	2,115	1,948
Manalapan High School (1968)										
Square Feet	256,293	256,293	256,293	256,293	256,293	256,293	256,293	256,293	256,293	256,293
Capacity (students)	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341
Enrollment	1,934	1,917	1,948	1,991	2,038	2,065	2,018	2,029	1,952	1,974
Marlboro High School (1966)										
Square Feet	264,142	264,142	264,142	264,142	264,142	264,142	264,142	264,142	264,142	264,142
Capacity (students)	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450
Enrollment	1,956	1,950	1,971	1,920	1,961	2,015	2,052	2,155	2,160	2,246
Other										
Administration Building (1982)										
Square Feet	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Transportation										
Square Feet	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600
Maintenance Offices										
Square Feet	400	400	400	400	400	400	400	400	400	400

Number of Schools at June 30, 2015

 High School = 6

 Other = 3

Source: District records, ASSA

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

GENERAL FUND

SCHEDULE OF ALLOWABLE MAINTENANCE FOR SCHOOL FACILITIES

LAST NINE FISCAL YEARS ENDING JUNE 30
UNAUDITED

Undistributed Expenditures - Required
Maintenance for School Facilities
11-000-261-XXX

School Facilities	Project (#)s	2015	2014	2013	2012	2011	2010	2009	2008	2007	Total
Colts Neck High School	NA	\$ 553,134	\$ 513,687	\$ 491,650	\$ 394,641	\$ 494,294	\$ 455,955	\$ 510,603	\$ 370,897	\$ 444,859	\$ 3,676,586
Freehold Borough High School	NA	313,838	316,229	388,514	342,022	345,303	395,160	442,524	327,869	560,535	3,118,156
Freehold Township High School	NA	390,224	446,244	413,928	473,569	392,440	547,144	612,725	454,676	602,446	3,943,172
Howell High School	NA	375,371	380,272	356,269	473,569	344,248	547,144	612,725	454,676	896,564	4,065,467
Manalapan-Englishtown High School	NA	345,078	401,235	453,715	473,569	333,065	547,144	612,725	454,426	799,762	4,075,641
Marlboro High School	NA	335,985	357,148	508,045	473,569	356,815	547,144	612,725	454,676	902,624	4,212,746
Total School Facilities		<u>2,313,630</u>	<u>2,414,815</u>	<u>2,612,121</u>	<u>2,630,939</u>	<u>2,266,165</u>	<u>3,039,691</u>	<u>3,404,027</u>	<u>2,517,220</u>	<u>4,206,790</u>	<u>23,091,768</u>
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		<u>\$ 2,313,630</u>	<u>\$ 2,414,815</u>	<u>\$ 2,612,121</u>	<u>\$ 2,630,939</u>	<u>\$ 2,266,165</u>	<u>\$ 3,039,691</u>	<u>\$ 3,404,027</u>	<u>\$ 2,517,220</u>	<u>\$ 4,206,790</u>	<u>\$ 23,091,768</u>

Source: District Records

FREEHOLD REGIONAL HIGH SCHOOL DISTRICTINSURANCE SCHEDULEFOR THE YEAR ENDED JUNE 30, 2015UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Wells Fargo Insurance Services		
Property	\$ 356,841,272	\$ 5,000
Boiler/Machinery	75,000,000	1,000
Liability		
General	1,000,000	-
Excess Liability	10,000,000	1,000,000
Automobile	1,000,000	1,000
Employee Dishonesty	500,000	5,000
Board Legal	1,000,000	5,000
New Jersey School Boards Insurance Group		
Workers Compensation	Statutory	N/A
Crime:		
Board Secretary	500,000	1,000
P.E.P.L.E., Inc.		
Environmental Impairment Liability	1,000,000	15,000 or 50,000 depending on condition

Source: District Records

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@senco.com

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Freehold Regional High School District (the "District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 7, 2015.

Internal Control Over Financial Reporting

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

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

SUPLEE, CLOONEY & COMPANY

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We did note an immaterial instance of noncompliance that we have reported to the Board of Education of the Freehold Regional High School District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated December 7, 2015.

Purpose of This Report

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


CERTIFIED PUBLIC ACCOUNTANTS

December 7, 2015


PUBLIC SCHOOL ACCOUNTANT NO. 93



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

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

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

Report on Compliance for Each Major Federal and State Program

We have audited the Freehold Regional High School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Freehold Regional High School District's major federal and state programs for the year ended June 30, 2015. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

SUPLEE, CLOONEY & COMPANY

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

Opinion on Each Major Federal and State Program

In our opinion, the Freehold Regional High School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Freehold Regional High School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Freehold Regional High School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *OMB Circular A-133* and New Jersey *OMB 04-04*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Freehold Regional High School District's internal control over compliance.

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

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

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


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

December 7, 2015

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT PERIOD		AWARD AMOUNT	BALANCE AT JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF P/Y'S BALANCE	BALANCE JUNE 30, 2015					
		FROM	TO						(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	DUE GRANTOR			
General Fund:														
U.S. Department of Education														
Passed-through State Department of Education:														
Medical Assistance Program (SEMI)	93.778	7/1/2014	6/30/2015	90,293	\$	\$	90,293	\$	(90,293)	\$	\$	\$		
Total General Fund							90,293		(90,293)					
Special Revenue Fund:														
U.S. Department of Education														
Passed-through State Department of Education:														
Title I, Part A Basic	84.010	7/1/14	6/30/15	409,519		323,198	(385,800)			(62,602)				
Title I, Part A Basic	84.010	7/1/13	6/30/14	352,573	(27,367)	27,367								
Title II, Part A Teacher & Principal Training	84.281	7/1/14	6/30/15	169,217		102,690	(148,365)			(45,675)				
Title II, Part A Teacher & Principal Training	84.281	7/1/13	6/30/14	148,527	(79,057)	79,057								
Title III	84.365	7/1/14	6/30/15	15,983		14,828	(15,983)			(1,155)				
Title III	84.365	7/1/13	6/30/14	20,607	(1,109)	1,109								
Title III, Immigrant	84.365	7/1/14	6/30/15	14,243		10,957	(11,453)			(496)				
I.D.E.A. Part B Basic	84.027	7/1/14	6/30/15	2,132,737		1,664,805	(2,129,292)			(464,487)				
I.D.E.A. Part B Basic	84.027	7/1/13	6/30/14	2,062,781	(2,062,781)	2,062,781								
Vocational Education - Perkins	84.048	7/1/14	6/30/15	20,944		14,949	(20,909)			(5,960)				
Vocational Education - Perkins	84.048	7/1/13	6/30/14	17,141	(17,113)	17,113								
JROTC	84.000	7/1/13	6/30/14	24,815	(297)	297								
JROTC	84.000	7/1/14	6/30/15	26,712		26,712	(26,712)							
Total U.S. Department of Education							4,345,863		(2,738,514)		(580,375)			
Total Special Revenue Fund							4,345,863		(2,738,514)		(580,375)			
Enterprise Fund:														
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Commodity Supplemental Food Program	10.565	7/1/14	6/30/15	78,821		78,821	(78,700)				120			
Commodity Supplemental Food Program	10.565	7/1/13	6/30/14	113,649	380		(380)							
School Breakfast Program	10.553	7/1/14	6/30/15	42,383		32,663	(42,383)			(9,719)				
School Breakfast Program	10.553	7/1/13	6/30/14	17,280	(3,665)	3,665								
National School Lunch Program	10.555	7/1/14	6/30/15	441,150		353,004	(441,150)			(88,145)				
National School Lunch Program	10.555	7/1/13	6/30/14	319,380	(62,426)	62,426								
Healthy Hunger Free Kids Act	10.551	7/1/14	6/30/15	24,168		19,506	(24,168)			(4,662)				
Healthy Hunger Free Kids Act	10.551	7/1/13	6/30/14	10,841	(2,076)	2,076								
Total Enterprise Fund							552,162		(586,781)		(102,526)	120		
Total Federal Financial Assistance					\$	(2,255,511)	\$	4,988,318	\$	(3,415,588)	\$	(682,901)	\$	120

See accompanying notes to schedules of financial assistance.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE JUNE 30, 2014		BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE JUNE 30, 2015			MEMO CUMULATIVE	
				DUE STATE/ (ACCTS REC)	CASH RECEIVED			(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	DUE GRANTOR	BUDGETARY RECEIVABLE	TOTAL EXPENDITURES
State Department of Education												
General Funds												
Categorical Special Education Aid	14-495-034-5120-011	7/1/13-6/30/14	\$ 7,030,185	\$	\$ 697,992		\$ (697,992)	\$	\$	\$	\$	\$ 7,030,185
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	40,713,962		4,042,291		(4,042,291)					40,713,962
Categorical Security Aid	14-495-034-5120-084	7/1/13-6/30/14	735,594		73,035		(73,035)					735,594
Categorical Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	1,110,522		110,260		(110,260)					1,110,522
Adjustment Aid	14-495-034-5120-085	7/1/13-6/30/14	1,636,230		162,453		(162,453)					1,636,230
Categorical Special Education Aid	15-495-034-5120-011	7/1/14-6/30/15	7,030,185		6,333,842	(7,030,185)	696,343			696,343		7,030,185
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	40,713,962		36,681,246	(40,713,962)	4,032,736			4,032,736		40,713,962
Categorical Security Aid	15-495-034-5120-084	7/1/14-6/30/15	735,594		662,733	(735,594)	72,861			72,861		735,594
Categorical Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	1,110,522		1,000,524	(1,110,522)	109,998			109,998		1,110,522
Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	1,636,230		1,474,161	(1,636,230)	162,069			162,069		1,636,230
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	113,720		102,456	(113,720)	11,264			11,264		113,720
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	113,720		102,456	(113,720)	11,264			11,264		113,720
Extraordinary Special Education Costs Aid	14-100-034-5120-473	7/1/13-6/30/14	2,608,991	(2,608,991)	2,608,991							2,608,991
Extraordinary Special Education Costs Aid	15-100-034-5120-473	7/1/14-6/30/15	2,824,616			(2,824,616)		(2,824,616)			2,824,616	2,824,616
Non-Public Transportation Costs Aid	14-100-034-5120-068	7/1/13-6/30/14	73,833	(73,833)	73,833							73,833
Non-Public Transportation Costs Aid	15-100-034-5120-068	7/1/14-6/30/15	70,307			(70,307)		(70,307)			70,307	70,307
Reimbursed TPAF Social Security	14-495-034-5095-051	7/1/13-6/30/14	5,470,226	(269,264)	269,264							5,470,226
Reimbursed TPAF Social Security	15-495-034-5095-051	7/1/14-6/30/15	5,536,782		5,261,870	(5,536,782)		(274,912)			274,912	5,536,782
Total General Funds				(2,952,088)	59,657,407	(59,885,658)	10,504	(3,169,835)			8,266,370	119,265,221
Special Revenue Fund												
N.J. Nonpublic Aid												
Textbook Aid	14-100-034-5120-064	7/1/13-6/30/14	6,143	3,064			(3,064)					3,079
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	10,963		10,963	(6,407)				2,556		8,407
Nursing Services	14-100-034-5120-070	7/1/13-6/30/14	9,650	29			(29)					9,621
Nursing Services	15-100-034-5120-070	7/1/14-6/30/15	18,590		18,590	(14,893)				3,697		14,893
Technology Aid	14-100-034-5120-373	7/1/13-6/30/14	2,240	61			(61)					2,179
Technology Aid	15-100-034-5120-373	7/1/14-6/30/15	5,888		5,888	(5,788)				100		5,788
Handicapped Services:												
Supplemental Instruction	14-100-034-5120-066	7/1/13-6/30/14	2,082	1,388			(1,388)					694
Supplemental Instruction	15-100-034-5120-066	7/1/14-6/30/15	3,139		3,139					3,139		
Speech	14-100-034-5120-066	7/1/13-6/30/14	781	781			(781)					
Exam and Classification	14-100-034-5120-066	7/1/13-6/30/14	2,866	1,433			(1,433)					1,433
Exam and Classification	15-100-034-5120-066	7/1/14-6/30/15	4,863		4,863	(1,260)				3,603		1,260
NJ CASE - NJ Department of Agriculture		4/1/2015-6/30/15	7,498		7,498	(6,038)				1,460		
ELL Scaffolding Writer			4,299	145						145		4,299
Total Special Revenue Fund				6,901	50,941	(36,386)	(6,756)			1,605	13,095	51,653
Debt Service Fund:												
Debt Service Aid Type II	15-100-034-5120-125	7/1/14-6/30/15	1,315,290		1,315,290	(1,315,290)						1,315,290
Total Debt Service Fund					1,315,290	(1,315,290)						1,315,290
Enterprise Fund:												
National School Lunch Program (State Share)	14-100-034-5120-122	7/1/13-6/30/14	9,397	(1,691)	1,691							9,397
National School Lunch Program (State Share)	15-100-034-5120-122	7/1/14-6/30/15	18,517		15,031	(18,517)		(3,486)			3,486	18,517
Total Enterprise Fund				(1,691)	16,722	(18,517)		(3,486)			3,486	27,914
New Jersey Economic Development Authority												
Capital Projects Fund:												
Freehold Boro High School - Roof	1650-080-14-G2AF	Ongoing	620,528	(41,276)		(455,146)		(496,422)			496,422	496,422
Marlboro High School - Roof	1650-080-14-G2AJ	Ongoing	336,764	(30,155)		(239,256)		(269,411)			269,411	269,411
Freehold Boro High School - Boiler/HVAC	1650-080-14-G2AE	Ongoing	1,014,438	(66,717)		(339,058)		(405,775)			405,775	405,775
Colts Neck High School - Roof	1650-010-14-G2WA	Ongoing	345,327			(34,533)		(34,533)			34,533	34,533
Freehold Township High School - Roof	1650-055-14-G2AG	Ongoing	513,981			(51,398)		(51,398)			51,398	51,398
Howell High School - Roof	1650-060-14-G2AH	Ongoing	881,085			(88,108)		(88,108)			88,108	88,108
Manalapan High School - Roof	1650-070-14-G2AI	Ongoing	408,419			(40,842)		(40,842)			40,842	40,842
Total Capital Projects Fund				(138,148)		(1,248,341)		(1,386,489)			1,386,489	1,386,489
Total State Financial Assistance Subject to OMB 04-04			\$	(3,085,026)	\$ 61,040,360	\$ (62,504,192)	\$ 3,748	\$ (4,559,810)	\$ 1,605	\$ 13,095	\$ 9,656,345	\$ 122,046,567
On Behalf TPAF Contributions Not Subject to OMB 04-04												
On-behalf TPAF Pension/Medical	15-495-034-5095-050	7/1/14-6/30/15	10,094,892		10,094,892	(10,094,892)						
Total State Financial Assistance					71,135,252	(72,599,084)						

See accompanying notes to schedules of financial assistance

Freehold Regional High Regional School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2015

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

Freehold Regional High Regional School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2015

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$10,504 for the general fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 90,293	\$ 69,970,046	\$ 70,060,339
Special Revenue Fund	2,738,514	36,385	2,774,899
Capital Projects Fund		1,248,342	1,248,342
Debt Service Fund		1,315,290	1,315,290
Proprietary Fund	<u>586,781</u>	<u>18,517</u>	<u>605,298</u>
Financial Assistance	3,415,588	72,588,580	76,004,168
GAAP Adjustment		<u>10,504</u>	<u>10,504</u>
Total Awards & Financial Assistance	\$ <u><u>3,415,588</u></u>	\$ <u><u>72,599,084</u></u>	\$ <u><u>76,014,672</u></u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2015. The amount reported as TPAF pension contributions reported in the financial statements represents the amount paid by the state on behalf of the district for the year ended June 30, 2015.

Freehold Regional High Regional School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Program(s)

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

Freehold Regional High Regional School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

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

Federal Program(s) (Continued)

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

84.281	Title II
84.027	I.D.E.A. Part B Basic

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

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

Freehold Regional High Regional School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

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

State Program(s)

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

<u>Grant Number</u>	<u>Program</u>
15-495-034-5120-078	Equalization Aid
15-495-034-5120-089	Categorical Special Education Aid
15-495-034-5120-084	Security Aid
15-495-034-5195-085	Adjustment Aid
15-495-034-5120-098	PARCC Readiness Aid
15-495-034-5120-097	Per Pupil Growth Aid
15-495-034-5120-002	Reimbursed TPAF Social Security
5880-xx-xx-xxxx	School Development Authority

Freehold Regional High Regional School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

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

State Program(s) Continued)

- (5) Program Threshold Determination:
 - Type A State Program Threshold > \$1,875,126
 - Type B State Program Threshold <= \$1,875,126

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

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

Internal Control Findings

None Reported

Compliance Findings

None Reported

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

Federal Programs – None Reported

State Programs – None Reported

Freehold Regional High Regional School District

Schedule of Prior Year Audit Findings

Not Applicable

