

RED BANK REGIONAL HIGH SCHOOL DISTRICT

Little Silver, New Jersey
County of Monmouth

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

RED BANK REGIONAL HIGH SCHOOL DISTRICT

LITTLE SILVER, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by

**Red Bank Regional High School District
Business Administrator's Office**

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	7
Consultants and Advisors	8

FINANCIAL SECTION

Independent Auditors' Report	11
------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion & Analysis	17
------------------------------------	----

BASIC FINANCIAL STATEMENTS

A. Government-Wide Financial Statements:

A-1 Statement of Net Position	29
A-2 Statement of Activities	30

B. Fund Financial Statements:

Governmental Funds:

B-1 Balance Sheet	37
B-2 Statement of Revenues, Expenditures & Changes in Fund Balance	38
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balance of Governmental Funds to the Statement of Activities	39

Proprietary Funds:

B-4 Statement of Net Position	43
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position	44
B-6 Statement of Cash Flows	45

Fiduciary Funds:

B-7 Statement of Fiduciary Net Position	49
B-8 Statement of Changes in Fiduciary Net Position	50

Notes to Financial Statements	53
-------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules:

C-1 Budgetary Comparison Schedule - General Fund	91
C-1a Combining Schedule of Revenue, Expenditures & Changes in Fund Balance - Budget & Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	96

Notes to the Required Supplementary Information:

C-3 Budget-to-GAAP Reconciliation	99
-----------------------------------	----

TABLE OF CONTENTS

PAGE

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	103
L-2 Schedule of the District Contributions	104
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	105
Notes to the Required Supplementary Information - Part III	
L-4 Change of Benefit Terms and Assumptions	109

REQUIRED SUPPLEMENTARY INFORMATION - PART III

D. School Based Budget Schedules Fund:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget & Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures - Special Revenue Fund - Budgetary Basis	117
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	121
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	122
F-2a Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Auditorium Renovations	123
F-2b Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Security Upgrades	124
F-2c Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis - Science/Biology Lab & Prep Room	125
G. Proprietary Funds:	
Enterprise Funds:	
G-1 Combining Statement of Net Position	N/A
G-2 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	N/A
G-3 Combining Statement of Cash Flows	N/A
Internal Service Funds:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	133
H-2 Combining Statement of Changes in Fiduciary Net Position	134

TABLE OF CONTENTS

PAGE

H-3 Student Activity Agency Fund Schedule of Receipts & Disbursements	135
H-4 Payroll Agency Fund Schedule of Receipts & Disbursements	136
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	139
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	140

STATISTICAL SECTION (unaudited)

Financial Trends:

J-1 Net Position by Component	145
J-2 Changes in Net Position	146
J-3 Fund Balances - Governmental Funds	148
J-4 Changes in Fund Balance - Governmental Funds	149
J-5 Other Local Revenue by Source - General Fund	151

Revenue Capacity:

J-6 Assessed Value & Estimated Actual Value of Taxable Property	155
J-7 Direct & Overlapping Property Tax Rates	158
J-8 Principal Property Taxpayers	161
J-9 Property Tax Levies & Collections	164

Debt Capacity:

J-10 Ratios of Outstanding Debt by Type	167
J-11 Ratios of General Bonded Debt Outstanding	168
J-12 Direct & Overlapping Governmental Activities Debt	169
J-13 Legal Debt Margin Information	170

Demographic & Economic Information:

J-14 Demographic & Economic Statistics	173
J-15 Principal Employers	176

Operating Information:

J-16 Full-Time Equivalent District Employees by Function/Program	181
J-17 Operating Statistics	182
J-18 School Building Information	183
J-19 Schedule of Required Maintenance	184
J-20 Insurance Schedule	185

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 Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	189
K-2 Independent Auditor's Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by Uniform Guidance and New Jersey OMB Circular 15-08	191
K-3 Schedule of Expenditures of Federal Awards, Schedule A	195
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	196
K-5 Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	199
K-6 Schedule of Findings & Questioned Costs	201
K-7 Summary Schedule of Prior Audit Findings	204

INTRODUCTORY SECTION

Christina M. Galvao
School Business Administrator
Board Secretary



101 Ridge Road
Little Silver, New Jersey 07739
Phone: (732) 842-8000 Ext. 1-218
Fax: (732) 842-8504
cgalvao@rbrhs.org

RED BANK REGIONAL HIGH SCHOOL

OUR MISSION TO ENSURE THE ACADEMIC SUCCESS & PERSONAL GROWTH OF ALL STUDENTS WHILE DEVELOPING IN THEM A PASSION FOR LEARNING

December 1, 2016

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

Dear Members of the Board of Education:

I am pleased to submit The Comprehensive Annual Financial Report of the Red Bank Regional Board of Education (hereafter the "District") for the fiscal year ending June 30, 2016. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the independent Auditor's Report, Management Discussion and Analysis (MD&A) and the basic financial statements including the government-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the financial statements and required supplemental information (RSI). The Statistical section includes selected financial and demographic information presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit section of this report.

- 1. REPORTING ENTITY AND ITS SERVICES:** The District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board as established by GASB No. 14. All funds of the District are included in this report. The Red Bank Regional Board of Education and its high school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 9 through 12 including general education, special education and vocational education programs.

In the 2015-2016 fiscal year the District's official enrollment was 1191 students comprised of resident students from Little Silver, Red Bank and Shrewsbury Boroughs, as well as 267 out of district tuition paying students.

The following details the changes in the student enrollment of the District over the last ten years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-2016	1191	-1.57%
2014-2015	1210	3.86%
2013-2014	1165	-1.27%
2012-2013	1180	0.77%
2011-2012	1171	2.54%
2010-2011	1142	5.25%
2009-2010	1085	-1.90%
2008-2009	1106	0.64%
2007-2008	1099	

2. ECONOMIC CONDITION AND OUTLOOK:

The major funding source for the operating budget continues to be the local tax levy. The local tax levy funded 73% of the 2015-2016 budget. The reliance on the local taxpayers to fund the majority of the District's budget will likely continue under the provisions of the School Funding Reform Act of 2008. According to the NJ Department of Education, Office of School Funding, the District's tax levy exceeds the Local Fair Share and the district's total budget exceeds the "adequacy model" used to calculate state aid.

3. MAJOR INITIATIVES: The district has begun the process of developing a Strategic Plan with stakeholders. Curricular initiatives include a review of the Academies for revision or expansion. Facilities projects include the construction of a Fitness Center, conversion of a classroom to a Science Lab, replacing the gym floor with a new wood floor, renovation to the physical education locker rooms and a project to enhance the building's security system.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line items basis. Open encumbrances at year-end either are canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

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

7. CASH MANAGEMENT: The investment policy of the District is by state statute as detailed in "Notes to the Financial Statements", Note 1. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

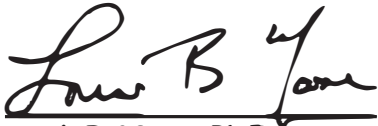
9. OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accounts or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's *Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports, related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Red Bank Regional Board of Education 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.

Respectfully Submitted,

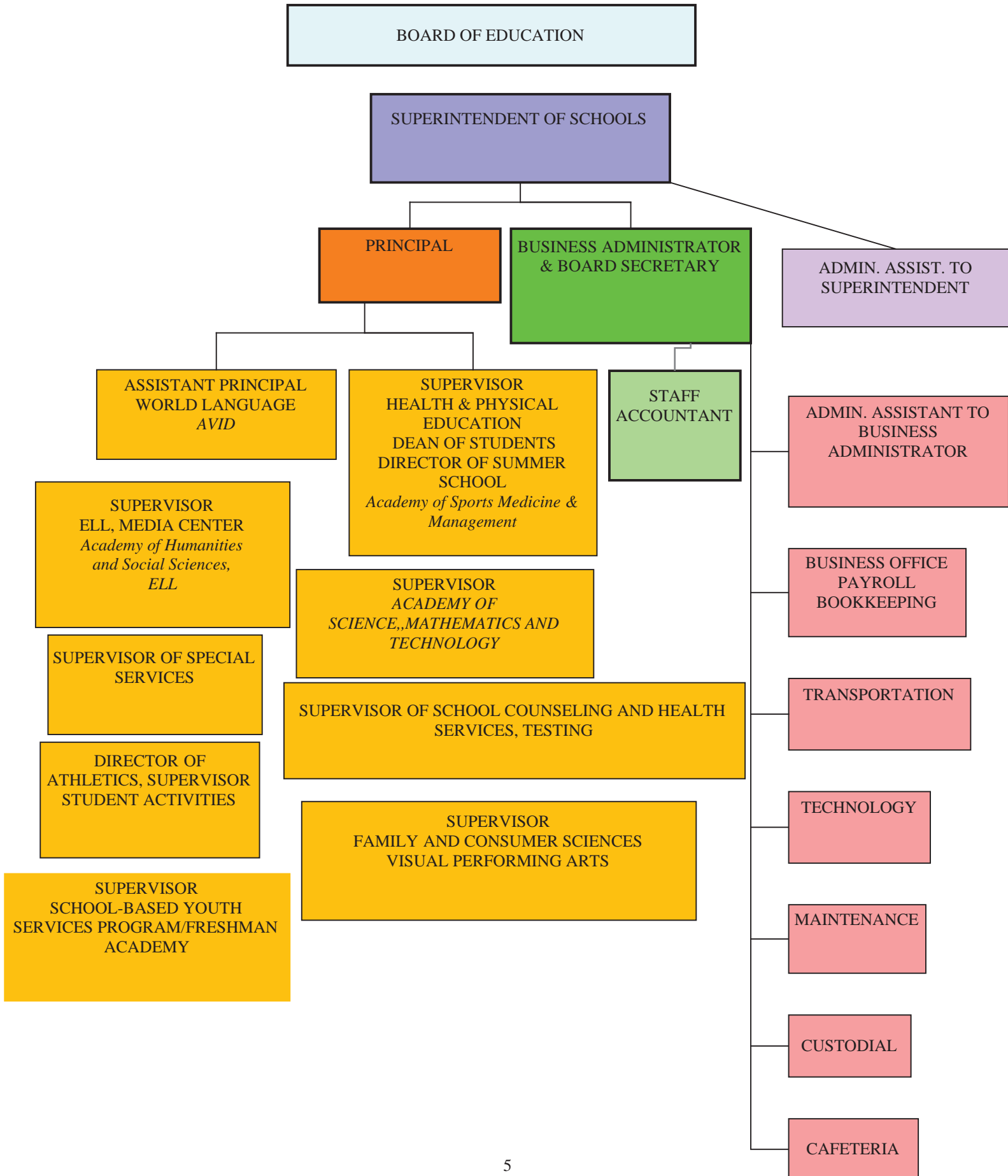
A handwritten signature in black ink, appearing to read "Louis B. Moore". The signature is written in a cursive style and is positioned above a solid horizontal line.

Louis B. Moore, Ph.D.
Superintendent

A handwritten signature in black ink, appearing to read "Christina M. Galvao". The signature is written in a cursive style and is positioned above a solid horizontal line.

Christina M. Galvao
Business Administrator/Board Secretary

RED BANK REGIONAL HIGH SCHOOL ADMINISTRATIVE CHART 2015-2016



This page intentionally left blank.

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

ROSTER OF OFFICIALS

June 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
John Garofalo, President	2017
Emily A. Doherty, Vice-President	2016
Diane Davis	2016
Irwin I. Katz	2016
Eugene Koster	2017
Eileen Mahoney	2018
Randy Mendelson	2018
Frank Neary, Jr.	2017
Patrick Noble	2018

Other Officials

Louis B. Moore, Ph.D., Superintendent

Christina M. Galvao, Board Secretary/Business Administrator

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

CONSULTANTS AND ADVISORS

ARCHITECT

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

AUDIT FIRM

Robert W. Allison, CPA, RMA
Holman Frenia Allison, P. C.
912 Highway 33, Suite 2
Freehold, New Jersey 07728

ATTORNEY

Anthony Sciarrillo, Esq.
PO Box 2369
Westfield, New Jersey 07091

FISCAL AGENTS

McManimon & Scotland
1037 Raymond Boulevard, Suite 400
Newark, New Jersey 07102

OFFICIAL DEPOSITORY

TD Bank
568 River Road
Fair Haven, New Jersey 07704

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

FINANCIAL SECTION

This page intentionally left blank.



INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Education
Red Bank Regional Board of Education
County of Monmouth
Little Silver, New Jersey 07739

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 Red Bank Regional Board of Education, County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2016, 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; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Red Bank Regional Board of Education, County of Monmouth, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Red Bank Regional Board of Education's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by *U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are also not a required part of the basic financial statements.

The accompanying combining statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying

combining statements and Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 01, 2016 on our consideration of the Red Bank Regional Board of Education'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 Red Bank Regional Board of Education's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.



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

Freehold, New Jersey
December 01, 2016

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

This page intentionally left blank.

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
101 RIDGE ROAD, LITTLE SILVER, NJ 07739**

MONMOUTH COUNTY

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Introduction

The discussion and analysis of Red Bank Regional High School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

The Statement of Net Position presents the district's assets and liabilities in order of liquidity, except for liabilities with current and long-term elements that will be presented accordingly. Net position represents the difference between assets and liabilities, and will be presented in three categories: invested in capital assets net of related debt, restricted assets and unrestricted assets. Using this methodology requires depreciation of capital assets.

The Statement of Activities provides an overview of the cost of providing educational services by major categories of expense and revenue. These two statements report the district's net position and how they have changed year to year, reflecting a variety of influences such as the current change in educational philosophy (resulting in increased purchases of new materials, consultants, etc.), voter approval of tax levy, interest income, successful grant applications, etc. An additional factor influencing these results is the level of state funding received, which has remained at a flat level over the past five years.

Financial Highlights

Key financial highlights for 2016 are as follows:

- ◆ In the Governmental Activities general revenues accounted for \$23,672,720.34 in revenue or 76.32% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$7,345,578.73 or 23.68% of total revenues of \$31,018,299.07.
- ◆ Total net position increased by \$513,069.98.
- ◆ In the Governmental Activities the School District had \$30,505,229.09 in expenses; only \$7,345,578.73 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$23,672,720.34 were adequate to provide for these programs.
- ◆ The General Fund had \$28,093,474.11 in revenues and other financing sources and \$28,902,716.20 in expenditures and other financing uses. The General Fund's balance decreased \$809,242.09 from 2015.

Using this General Accepted Accounting Principles Report (GAAP)

The Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position as of June 30, 2015 and June 30, 2016.

Table 1

Net Position

	<u>2016</u>	<u>2015</u>
Assets:		
Current and Other Assets	\$ 5,021,798.18	\$ 5,816,200.77
Capital Assets, Net	23,839,210.83	22,464,214.00
Total Assets	<u>28,861,009.01</u>	<u>28,280,414.77</u>
Deferred Outflow of Resources:		
Deferred Outflow Related to pension	1,609,311.00	623,727.00
Total Deferred Outflow related to Resources:	<u>1,609,311.00</u>	<u>623,727.00</u>
Total Assets and Deferred Outflow of Resources	<u>30,470,320.01</u>	<u>28,904,141.77</u>
Liabilities:		
Long-term Liabilities	453,406.47	10,155,050.50
Other Liabilities	11,417,193.93	567,717.90
Total Liabilities	<u>11,870,600.40</u>	<u>10,722,768.40</u>
Deferred Outflow of Resources:		
Deferred Outflow Related to pension	122,198.00	343,477.00
Total Deferred Outflow related to Resources:	<u>122,198.00</u>	<u>343,477.00</u>
Total Liabilities and Deferred Inflow of Resources	<u>11,992,798.40</u>	<u>11,066,245.40</u>
Net Position		
Net Investment in Capital Assets	20,144,210.83	18,166,753.43
Restricted	3,261,390.62	2,841,069.49
Unrestricted	(4,928,079.88)	(3,169,881.55)
Total Net Position	<u>\$ 18,477,521.57</u>	<u>\$ 17,837,941.37</u>

Table 2

Changes in Net Position

	<u>2016</u>	<u>2015</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 4,188,470.36	\$ 4,450,370.41
Operating Grants & Contributions	3,611,591.40	4,677,260.31
Property Taxes	21,337,599.04	20,941,323.98
Grants & Entitlements	2,222,409.41	2,093,431.86
Other	<u>112,711.89</u>	<u>137,326.37</u>
Total Revenues	<u>31,472,782.10</u>	<u>32,299,712.93</u>
Program Expenses		
Instruction	11,541,831.47	11,408,749.77
Support Services:		
Pupils and Instructional Staff	4,453,020.82	4,334,332.72
General Administration, School Administration		
Business Operations & Maintenance of Facilities	4,446,338.99	4,226,614.38
Pupil Transportation	1,509,274.88	1,438,371.15
Employee Benefits	7,221,989.85	7,929,089.89
Special Schools		
Interest on Long-Term Debt	228,500.23	248,036.54
Food Service	436,689.99	450,866.74
Other	<u>1,104,272.85</u>	<u>1,097,715.28</u>
Total Expenses	<u>30,941,919.08</u>	<u>31,133,776.47</u>
Increase/(Decrease) in Net Position	<u>\$ 530,863.02</u>	<u>\$ 1,165,936.46</u>

Governmental Activities

On February 1, 2012, the Board of Education approved eliminating the vote on its annual school budget that is within the statutory cap imposed by the State of New Jersey and moving the annual school election to November in accordance with Public Law S-1348. The decision was made based on the Board's determination that the statutory restrictions on the local tax levy increase for the annual school appropriations is appropriate and sufficient to control and maintain a thorough and efficient education for the students of the Red Bank Regional School District.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services, identifying the cost of these services supported by tax revenue and unrestricted State entitlements. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

Governmental Activities

	2016		2015	
	Total Cost of <u>Service</u>	Net Cost of <u>Services</u>	Total Cost of <u>Service</u>	Net Cost of <u>Services</u>
Instruction	\$ 11,541,831.47	\$ 7,824,084.06	\$ 11,408,749.77	\$ 7,412,580.76
Support Services:				
Pupils & Instructional Staff	4,453,020.82	4,453,020.82	4,334,332.72	4,334,332.72
General Administration, School Administration, Business	1,913,365.37	1,913,365.37	1,878,083.79	1,878,083.79
Operation & Maintenance of Facilities	2,532,973.62	2,532,973.62	2,348,530.59	2,348,530.59
Pupils Transportation	1,509,274.88	1,099,068.05	1,438,371.15	1,067,638.86
Employee Benefits	7,221,989.85	4,004,365.36	7,929,089.89	3,632,474.04
Interest on Long-Term Debt	228,500.23	228,500.23	248,036.54	248,036.54
Other	1,104,272.85	1,104,272.85	1,097,715.28	1,097,715.28
Total Expenses	\$ 30,505,229.09	\$ 23,159,650.36	\$ 30,682,909.73	\$ 22,019,392.58

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to pupils including curriculum and staff development. Curriculum and staff development includes expenses associated with research, planning, development and evaluation of educational materials and methodology intended to accomplish the District’s mission “to ensure the academic success and personal growth of all students while developing a passion for learning.”

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

Operation and maintenance of plant activities involve keeping the school grounds, buildings, and equipment operating efficiently and effectively. The district’s in-house staff of maintenance workers and the contracted custodial service is charged with keeping the district’s facilities functioning.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law. Additionally it provides for the transportation for those students attending out of district schools by school or parent designation.

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

Other includes unallocated depreciation and amortization.

The School District's Funds

Information about the School District's major funds is included in the 2015-2016 comprehensive annual financial report as presented by the School District. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$30,236,905.07 and expenditures of \$31,278,779.59. This reflects the bond proceeds that are not included in revenue on the District's Statement of Activities.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2016, and the amount and percentage of increases and decreases in relation to prior-year revenues.

<u>Revenues</u>	<u>Amounts</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2014-2015</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 25,340,449.17	83.81%	\$ 132,758.52	0.53%
State Sources	4,363,013.10	14.43%	517,622.57	13.46%
Federal Sources	<u>533,442.80</u>	<u>1.76%</u>	<u>(881.38)</u>	<u>-0.16%</u>
Total	<u>\$ 30,236,905.07</u>	<u>100.00%</u>	<u>\$ 649,499.71</u>	<u>2.20%</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Project Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2016:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2013/14</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenses:				
Instruction	\$ 11,541,831.47	36.90%	\$ 133,081.70	1.17%
Undistributed Expenditures	16,528,429.54	52.84%	911,216.40	5.83%
Capital Outlay	2,460,918.58	7.87%	1,344,159.81	120.36%
Debt Service:				
Principal	550,000.00	1.76%	15,000.00	2.80%
Interest	<u>197,600.00</u>	<u>0.63%</u>	<u>(18,707.50)</u>	<u>-8.65%</u>
Total	<u>\$ 31,278,779.59</u>	<u>100.00%</u>	<u>\$ 2,384,750.41</u>	<u>8.25%</u>

General Fund Budgeting Highlights

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

The original and final General Fund budget estimated revenue was \$25,479,642.00.

Capital Assets

At the end of the fiscal year 2016 the School District had \$23,781,796.73 invested in Land, Construction in Progress, Site Improvements, Building and Building Improvements, and Machinery and Equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2016 and 2015

	2015	2014
Land	\$ 5,379,640.00	\$ 5,379,640.00
Construction in Progress	1,164,734.21	66,831.72
Site Improvements	2,751,581.15	1,133,391.00
Buildings & Improvements	13,859,987.09	15,428,941.35
Equipment & Machinery	<u>625,854.28</u>	<u>554,173.16</u>
	<u>\$ 23,781,796.73</u>	<u>\$ 22,562,977.23</u>

The District has continued to train its faculty on differentiated instruction to address the core of the District mission statement, "to ensure the academic success...of all students." The implementation of this training in the classroom relies heavily on a flexible technology infrastructure. The continued establishment of this infrastructure, including the purchase of new technology, has also contributed to the increased value of the District's Capital Assets.

Debt Administration

At June 30, 2016, the District had a 17-year Refunding School Bond with an unpaid principal balance of \$575,000.00 for the refinancing of an early retirement pension obligation due to the State of New Jersey. The District also had a 12-year Refunding School Bond with an unpaid principal balance of \$3,120,000.00.

Table 5

Outstanding Debt at June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
2010 Refunding Bonds	\$ 3,120,000.00	\$ 3,570,000.00
2003 Refunding Bonds	<u>575,000.00</u>	<u>675,000.00</u>
Total	<u>\$ 3,695,000.00</u>	<u>\$ 4,245,000.00</u>

Current Financial Issues and Concerns

The Red Bank Regional High School District is in very good financial condition presently earning an AA bond rating from Standard and Poor's in August 2013. A major concern is the funding mechanism for state aid to education that causes an increased reliance on local property taxes. The Red Bank Regional constituent towns (Little Silver, Red Bank and Shrewsbury) are primarily residential communities, with comparatively few commercial ratables; thus the burden is focused on homeowners to foot the tax burden.

The Board of Education and Administration annually conduct a review of cost centers in the District to determine where costs savings may be effectuated. Additionally, the District continues to add to the number of shared services agreements with other local school districts and municipalities that will result in cost savings to the residents of the District.

The Board and administration remain extremely sensitive to the financial concerns of the taxpayers, particularly those on fixed incomes, and will be diligently searching for alternate sources of revenue and cost reductions. Consistent with this concern, the District utilizes a five-year budget model that assesses the tactical and strategic impact that legislative changes and operational efficiencies place upon the District's future year budgets.

In general, the Red Bank Regional Board of Education has consistently committed itself to sound, conservative fiscal management, providing the most efficient and effective education possible given the demands and challenges associated with the need to improve students' academic performances, and there is no reason to believe that this commitment will not continue as the District moves forward.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions on this report or need additional financial information, please contact Christina M. Galvao, School Business Administrator/Board Secretary at Red Bank Regional Board of Education, 101 Ridge Road, Little Silver, NJ 07739 or send an e-mail to cgalvao@rbrhs.org.

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

A. Government-Wide Financial Statements

This page intentionally left blank

RED BANK REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental <u>Activities</u>	Business -Type <u>Activities</u>	<u>Totals</u>
ASSETS			
Cash & Cash Equivalents	\$ 718,517.34	\$ 45,500.20	\$ 764,017.54
Accounts Receivable, Net	917,402.71	25,088.00	942,490.71
Inventory	-	6,431.78	6,431.78
Restricted Cash & Cash Equivalents	3,308,858.15	-	3,308,858.15
Capital Assets, Net (Note 5)	23,781,796.73	57,414.10	23,839,210.83
Total Assets	28,726,574.93	134,434.08	28,861,009.01
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	1,609,311.00	-	1,609,311.00
Total Deferred Outflows of Resources	1,609,311.00	-	1,609,311.00
Total Assets and Deferred Outflows of Resources	30,335,885.93	134,434.08	30,470,320.01
LIABILITIES			
Accounts Payable	312,259.10	-	312,259.10
Accrued Interest Payable	68,717.71	-	68,717.71
Unearned Revenue	64,505.84	7,923.86	72,429.70
Noncurrent Liabilities (Note 7):			
Due Within One Year	592,857.57	-	592,857.57
Due Beyond One Year	10,824,336.36	-	10,824,336.36
Total Liabilities	11,862,676.58	7,923.86	11,870,600.44
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	122,198.00	-	122,198.00
Total Deferred Inflows of Resources	122,198.00	-	122,198.00
Total Liabilities and Deferred Inflows of Resources	11,984,874.58	7,923.86	11,992,798.44
NET POSITION			
Net Investment in Capital Assets	20,086,796.73	57,414.10	20,144,210.83
Restricted for:			
Capital Projects	1,179,187.08	-	1,179,187.08
Debt Service Fund	(68,717.95)	-	(68,717.95)
General Fund	2,150,921.49	-	2,150,921.49
Unrestricted	(4,997,176.00)	69,096.12	(4,928,079.88)
Total Net Position	\$ 18,351,011.35	\$ 126,510.22	\$ 18,477,521.57

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

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
GOVERNMENTAL ACTIVITIES							
Instruction:							
Regular Special Education	\$ 8,835,059.57	\$ 3,717,747.41	\$ -	\$ -	\$ (5,117,312.16)	\$ -	\$ (5,117,312.16)
Other Special Instruction	1,117,447.79	-	-	-	(1,117,447.79)	-	(1,117,447.79)
Other Instruction	488,289.32	-	-	-	(488,289.32)	-	(488,289.32)
Support Services:	1,101,034.79	-	-	-	(1,101,034.79)	-	(1,101,034.79)
Tuition	1,426,192.04	-	-	-	(1,426,192.04)	-	(1,426,192.04)
Student and Instruction Related Services	3,026,828.78	-	-	-	(3,026,828.78)	-	(3,026,828.78)
General Administration	687,600.84	-	-	-	(687,600.84)	-	(687,600.84)
School Administrative Services	632,505.67	-	-	-	(632,505.67)	-	(632,505.67)
Central Services	465,070.06	-	-	-	(465,070.06)	-	(465,070.06)
Admin Information Technology	128,188.80	-	-	-	(128,188.80)	-	(128,188.80)
Plant Operations and Maintenance	2,532,973.62	-	-	-	(2,532,973.62)	-	(2,532,973.62)
Pupil Transportation	1,509,274.88	172,390.83	237,816.00	-	(1,099,068.05)	-	(1,099,068.05)
Employee Benefits	7,221,989.85	-	3,217,624.49	-	(4,004,365.36)	-	(4,004,365.36)
Interest & Other Charges on Long-Term Debt	228,500.23	-	-	-	(228,500.23)	-	(228,500.23)
Unallocated Depreciation	1,104,272.85	-	-	-	(1,104,272.85)	-	(1,104,272.85)
Total Government Activities	30,505,229.09	3,890,138.24	3,455,440.49	-	(23,159,650.36)	-	(23,159,650.36)
BUSINESS-TYPE ACTIVITIES							
Food Service	436,689.99	298,332.12	156,150.91	-	-	17,793.04	17,793.04
Total Business-Type Activities	436,689.99	298,332.12	156,150.91	-	-	17,793.04	17,793.04

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

This page intentionally left blank.

B. Fund Financial Statements

This page intentionally left blank

Governmental Funds

This page intentionally left blank

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUND
Cash and Cash Equivalents	\$ 997,930.17	\$ -	\$ -	\$ 0.76	\$ 997,930.93
Due From Other Funds	464.14	-	11,069.65	-	11,533.79
Receivables From Other Governments:					
State	119,937.01	15,222.91	173,650.91	-	308,810.83
Federal	-	134,503.42	-	-	134,503.42
Other Receivables	463,858.04	10,230.42	-	-	474,088.46
Restricted Cash	3,308,858.15	-	-	-	3,308,858.15
Total Assets	4,891,047.51	159,956.75	184,720.56	0.76	5,235,725.58
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Deficit	-	115,943.45	163,470.14	-	279,413.59
Accounts Payable	277,094.78	35,164.32	-	-	312,259.10
Interfund Payable	11,069.65	464.14	-	-	11,533.79
Unearned Revenue	56,121.00	8,384.84	-	-	64,505.84
Total Liabilities	344,285.43	159,956.75	163,470.14	-	667,712.32
Fund Balances:					
Restricted:					
Reserved Excess Surplus:					
Designated for Subsequent Year's Expenditures	508,876.77	-	-	-	508,876.77
Reserve for Excess Surplus	266,671.72	-	-	-	266,671.72
Capital Reserve	1,157,936.66	-	-	-	1,157,936.66
Maintenance Reserve	1,250,800.00	-	-	-	1,250,800.00
Emergency Reserve	124,573.00	-	-	-	124,573.00
Capital Projects Fund	-	-	21,250.42	-	21,250.42
Debt Service Fund	-	-	-	(0.24)	(0.24)
Assigned:					
Other Purposes	336,638.99	-	-	-	336,638.99
Designated for Subsequent Year's Expenditures	345,261.23	-	-	1.00	345,262.23
Unassigned	556,003.71	-	-	-	556,003.71
Total Fund Balances	4,546,762.08	-	21,250.42	0.76	4,568,013.26
Total Liabilities and Fund Balances	\$ 4,891,047.51	\$ 159,956.75	\$ 184,720.56	\$ 0.76	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$43,703,343.38 and the accumulated depreciation is \$19,921,546.65	23,781,796.73
Deferred outflows and inflows of resources related to pensions and deferred charges and/or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	1,487,113.00
Accrued interest payable is not recorded in the fund financial statements due to the fact that payable is not due in the period.	(68,717.71)
Long-term liabilities, including bonds payable, capital leases, post retirement liability, Unamortized Bond Premium and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(11,417,193.93)
Net Position of Governmental Activities	\$ 18,351,011.35

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 20,590,000.08	\$ -	\$ -	\$ 747,598.96	\$ 21,337,599.04
Tuition Charges	3,717,747.41	-	-	-	3,717,747.41
Transportation Fees	172,390.83	-	-	-	172,390.83
Miscellaneous	39,475.30	73,236.59	-	-	112,711.89
Total - Local Sources	<u>24,519,613.62</u>	<u>73,236.59</u>	<u>-</u>	<u>747,598.96</u>	<u>25,340,449.17</u>
State Sources	3,573,860.49	655,681.70	133,470.91	-	4,363,013.10
Federal Sources	-	533,442.80	-	-	533,442.80
Total Revenues	<u>28,093,474.11</u>	<u>1,262,361.09</u>	<u>133,470.91</u>	<u>747,598.96</u>	<u>30,236,905.07</u>
Expenditures:					
Current:					
Regular Instruction	7,866,741.15	968,318.42	-	-	8,835,059.57
Special Education Instruction	1,117,447.79	-	-	-	1,117,447.79
Other Special Instruction	488,289.32	-	-	-	488,289.32
Other Instruction	1,101,034.79	-	-	-	1,101,034.79
Support Services and Undistributed Costs:					
Tuition	1,426,192.04	-	-	-	1,426,192.04
Student and Instruction Related Services	2,798,371.52	228,457.26	-	-	3,026,828.78
General Administration	687,600.84	-	-	-	687,600.84
School Administrative Services	632,505.67	-	-	-	632,505.67
Central Services	465,070.06	-	-	-	465,070.06
Administrative Information Technology	128,188.80	-	-	-	128,188.80
Plant Operations and Maintenance	2,532,973.62	-	-	-	2,532,973.62
Pupil Transportation	1,509,274.88	-	-	-	1,509,274.88
Employee Benefits	6,119,794.85	-	-	-	6,119,794.85
Debt Service:					
Principal	-	-	-	550,000.00	550,000.00
Interest and Other Charges	-	-	-	197,600.00	197,600.00
Capital Outlay	2,027,238.90	65,585.41	368,094.27	-	2,460,918.58
Total Expenditures	<u>28,900,724.23</u>	<u>1,262,361.09</u>	<u>368,094.27</u>	<u>747,600.00</u>	<u>31,278,779.59</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	<u>(807,250.12)</u>	<u>-</u>	<u>(234,623.36)</u>	<u>(1.04)</u>	<u>(1,041,874.52)</u>
Other Financing Sources/(Uses):					
Capital Reserve - Transfer to Capital Projects	(1,991.97)	-	1,991.97	-	-
Total Other Financing Sources/(Uses)	<u>(1,991.97)</u>	<u>-</u>	<u>1,991.97</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(809,242.09)	-	(232,631.39)	(1.04)	(1,041,874.52)
Fund Balance - July 1	5,356,004.17	-	253,881.81	1.80	5,609,887.78
Fund Balance - June 30	<u>\$ 4,546,762.08</u>	<u>\$ -</u>	<u>\$ 21,250.42</u>	<u>\$ 0.76</u>	<u>\$ 4,568,013.26</u>

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

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (1,041,874.52)

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:

Capital Expense	2,421,855.58	
Depreciation Expense	<u>(1,104,272.85)</u>	1,317,582.73

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	291,082.00	
State Share of Unfunded TPAF Pension Expense	781,394.00	
Unfunded TPAF Pension Expense	(781,394.00)	
Pension Expense	<u>(629,858.00)</u>	(338,776.00)

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.

550,000.00

Accrual of interest of capital leases and bonds is not an expenditure in the governmental funds, but the adjustment is charged to expense and is reported in the statement of activities.

Prior Year	70,322.91	
Current Year	<u>(68,717.71)</u>	1,605.20

Loss on the early extinguishments of debt and original issue premiums are recorded when incurred in the governmental funds but are deferred and recognized in the statement of activities over the life of the refunding:

Amortization of Original Issue Premiums		6,557.57
---	--	----------

Repayment of compensated absences 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.

Prior Year	100,537.50	
Current Year	<u>(82,562.50)</u>	17,975.00

Change in Net Position of Governmental Activities \$ 513,069.98

This page intentionally left blank.

Proprietary Funds

This page intentionally left blank

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF FUND NET POSITION
 JUNE 30, 2016**

	BUSINESS TYPE ACTIVITIES ENTERPRISE FUND FOOD SERVICE
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 45,500.20
Accounts Receivable:	
State	476.97
Federal	23,345.21
Other	1,265.82
Inventories	6,431.78
Total - Current Assets	77,019.98
Noncurrent Assets:	
Furniture, Machinery and Equipment	169,926.35
Less:	
Accumulated Depreciation	(112,512.25)
Total - Noncurrent Assets	57,414.10
Total Assets	134,434.08
LIABILITIES	
Current Liabilities:	
Unearned Revenue	7,923.86
Total Liabilities	7,923.86
Net Position:	
Net Investment in Capital Assets	57,414.10
Unrestricted	69,096.12
Total Net Position	\$ 126,510.22

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

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2016**

	BUSINESS TYPE ACTIVITIES ENTERPRISE FUND <hr/> FOOD SERVICE
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 72,519.55
Daily Sales - Non-Reimbursable Programs	225,812.57
	<hr/>
Total Operating Revenues	298,332.12
	<hr/>
Operating Expenses:	
Cost of Goods Sold	215,700.57
Salaries & Wages	141,047.77
Payroll Taxes	21,494.87
Uniform Expense	1,035.05
Workers Comp & Liability Insurance	12,561.12
Administrative Expense	6,935.22
Management Fee	29,000.00
Depreciation Expense	7,386.02
Miscellaneous Expenditures	1,529.37
	<hr/>
Total Operating Expenses	436,689.99
	<hr/>
Operating Loss	(138,357.87)
	<hr/>
Nonoperating Revenues:	
Interest Earnings	77.18
State Sources:	
State School Lunch Program	2,721.08
Federal Sources:	
Federal School Lunch Program	104,340.31
Healthy Hunger-Free Kids Act	3,356.46
Federal School Breakfast Program	25,463.44
Food Distribution Program	20,192.44
	<hr/>
Total Nonoperating Revenues	156,150.91
	<hr/>
Change in Net Position	17,793.04
Total Net Position - Beginning	108,717.18
	<hr/>
Total Net Position - Ending	\$ 126,510.22
	<hr/> <hr/>

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

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND <u>FOOD SERVICE</u>
Cash Flows From Operating Activities:	
Receipts From Customers	\$ 327,331.72
Payments to Employees	(141,047.77)
Payments To Suppliers	<u>(293,287.03)</u>
Net Cash Used For Operating Activities	<u>(107,003.08)</u>
Cash Flows From Noncapital Financing Activities:	
Federal and State Sources	<u>119,546.28</u>
Net Cash Provided By Noncapital Financing Activities	<u>119,546.28</u>
Cash Flows From Investing Activities:	
Interest Earnings	<u>77.18</u>
Net Cash Provided/(Used) by Investing Activities	<u>77.18</u>
Net Increase in Cash and Cash Equivalents	12,620.38
Balance - Beginning of Year	<u>32,879.82</u>
Balance - End of Year	<u><u>\$ 45,500.20</u></u>
Reconciliation of Operating Loss To Net Cash	
Used For Operating Activities:	
Operating Income/(Loss)	\$ (138,357.87)
Adjustments To Reconcile Operating Loss To	
Net Cash Used For Operating Activities:	
Depreciation	7,386.02
Food Distribution Program	20,192.44
(Increase)/Decrease in Interfund Receivable	26,828.41
(Increase)/Decrease in Accounts Receivable	96.64
(Increase)/Decrease in Inventories	(2,864.90)
Increase/(Decrease) in Accounts Payable	(22,358.37)
Increase/(Decrease) in Unearned Revenue	<u>2,074.55</u>
Net Cash Used For Operating Activities	<u><u>\$ (107,003.08)</u></u>

This page intentionally left blank.

Fiduciary Fund

This page intentionally left blank

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2016**

	UNEMPLOYMENT COMPENSATION TRUST	PRIVATE PURPOSE SCHOLARSHIPS FUND	AGENCY FUNDS	TOTALS
ASSETS				
Cash and Cash Equivalents	\$ 107,296.09	\$ 3,026,896.35	\$ 480,221.79	\$ 3,614,414.23
Interfund Receivable	2,048.57	-	-	2,048.57
Total Assets	<u>\$ 109,344.66</u>	<u>\$ 3,026,896.35</u>	<u>\$ 480,221.79</u>	<u>\$ 3,616,462.80</u>
LIABILITIES				
Interfund Payable	\$ -	\$ -	\$ 2,048.57	\$ 2,048.57
Due to State	7,010.05	-	-	7,010.05
Payable To Student Groups	-	-	126,275.18	126,275.18
Payroll Deductions and Withholdings	-	-	351,898.04	351,898.04
Total Liabilities	<u>7,010.05</u>	<u>-</u>	<u>480,221.79</u>	<u>487,231.84</u>
NET POSITION				
Held in Trust for Unemployment Claims and Other Purposes	102,334.61	-	-	102,334.61
Nonexpendable Scholarship	-	2,852,769.72	-	2,852,769.72
Reserved for Scholarships	-	174,126.63	-	174,126.63
Total Net Position	<u>102,334.61</u>	<u>3,026,896.35</u>	<u>-</u>	<u>3,129,230.96</u>
Total Liabilities and Net Position	<u>\$ 109,344.66</u>	<u>\$ 3,026,896.35</u>	<u>\$ 480,221.79</u>	<u>\$ 3,616,462.80</u>

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

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016**

	UNEMPLOYMENT COMPENSATION TRUST	PRIVATE PURPOSE SCHOLARSHIPS FUND	TOTALS
ADDITIONS			
Employee Contributions	\$ 30,004.73	\$ -	\$ 30,004.73
Donations	-	1,400.00	1,400.00
Total Contributions	<u>30,004.73</u>	<u>1,400.00</u>	<u>31,404.73</u>
Investment Earnings:			
Interest	<u>108.61</u>	<u>61,982.98</u>	<u>62,091.59</u>
Net Investment Earnings	<u>108.61</u>	<u>61,982.98</u>	<u>62,091.59</u>
Total Additions	<u>30,113.34</u>	<u>63,382.98</u>	<u>93,496.32</u>
DEDUCTIONS			
Quarterly Contribution Reports	13,672.45	-	13,672.45
Unemployment Claims	12,871.47	-	12,871.47
Scholarships Awarded	-	19,428.50	19,428.50
Total Deductions	<u>26,543.92</u>	<u>19,428.50</u>	<u>45,972.42</u>
Change in Net Position	3,569.42	43,954.48	47,523.90
Net Position - Beginning of Year	<u>98,765.19</u>	<u>2,982,941.87</u>	<u>3,081,707.06</u>
Net Position - End of Year	<u>\$ 102,334.61</u>	<u>\$ 3,026,896.35</u>	<u>\$ 3,129,230.96</u>

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

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

This page intentionally left blank

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies

The financial statements of the Red Bank Regional Board of Education (the 'District') have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

A. Reporting Entity

The Red Bank Regional Board of Education is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year staggered terms. These terms are staggered so that three members' terms expire each year. The District provides a full range of educational services appropriate to grade levels 9 through 12. These include regular, vocational, as well as special education for handicapped youngsters. The Red Bank Regional Board of Education has an approximate enrollment at June 30, 2016 of 1,191 students.

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

- ◆ the organization is legally separate (can sue or be sued in their own name);
- ◆ the District holds the corporate powers of the organization;
- ◆ the District appoints a voting majority of the organization's board
- ◆ the District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the District
- ◆ there is a fiscal dependency by the organization on the District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. The District had no component units as of for the year ended June 30, 2016.

Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District's fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

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

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

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

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

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

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

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

The District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Additionally, the District reports the following major fiduciary funds:

Private Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently maintains the following private purpose trust funds:

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

Scholarship Fund – Revenues consist of interest income and donations. Expenditures consist of scholarships provided to students.

Agency Funds - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity’s own operating programs. The district currently maintains Payroll funds and Student Activity Funds as Agency Funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. 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. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

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

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Encumbrances

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

Cash and Cash Equivalents

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

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

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

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2016 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Equipment & Vehicles	5 – 10 Years
Buildings	20 – 50 Years
Improvements	10 – 20 Years

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In the Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government 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, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- **Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2016.

- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – 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.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended June 30, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the District's financial statements.

Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net 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.

In addition to liabilities, the statement of net 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 periods and so will not be recognized as an inflow of resources (revenue) until that time.

Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2016 through the date of December 01, 2016, which is the date the financial statements were available to be issued.

Note 2. Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2016, the District’s bank balance of \$8,216,977.83 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 500,000.00
Collateralized by securities held by	
Pledging financial institution	4,050,050.48
Uninsured and uncollateralized	<u>3,666,927.35</u>
Total	<u><u>\$ 8,216,977.83</u></u>

Investments

New Jersey statutes permit the Board to purchase the following types of securities:

1. Bonds and other obligations of the United State or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank , which have a maturity date not greater than twelve months from the date of purchase.
3. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 2. Cash Deposits (continued):

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentrations - The District places no limit in the amount the District may invest in any one issuer

The District did not hold any investments at June 30, 2016.

Note 3. Reserve Accounts

A. Capital Reserve

A capital reserve account was established by the Red Bank Regional 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, 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 appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-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.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 3. Reserve Accounts (continued):

The activity of the capital reserve for the July 01, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$ 810,290.59
Transfer per June Resolution	400,000.00
Interest Earnings	3,903.98
Withdrawals for Capital Expenditures	<u>(56,257.91)</u>
Ending Balance, June 30, 2016	<u><u>\$ 1,157,936.66</u></u>

The June 30, 2016 LRFPP balance of local support costs of uncompleted capital projects. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Rang Facilities Plan.

B. Maintenance Reserve Account

The Red Bank Regional Board of Education established a Maintenance Reserve Account for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Maintenance Plan (M-1). A district may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both

The activity of the maintenance reserve for the July 01, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$ 850,800.00
Transfer per June Resolution	<u>400,000.00</u>
Ending Balance, June 30, 2016	<u><u>\$ 1,250,800.00</u></u>

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 3. Reserve Accounts (continued):

Emergency Reserve Account

An Emergency Reserve Account was established by the Red Bank Regional Board of Education for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Emergency Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

The activity of the emergency reserve for the June 30, 2015 to June 30, 2016 fiscal year is as follows:

Ending Balance, June 30, 2016	<u><u>\$ 124,573.00</u></u>
-------------------------------	-----------------------------

Note 4. Accounts Receivable

Accounts receivable at June 30, 2016 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Funds	Total
State Aid	\$ 119,967.01	\$ 15,222.91	\$ 173,650.91	\$ 476.97	\$ 309,317.80
Federal Aid	-	134,503.42	-	23,345.21	157,848.63
Other	463,858.04	10,230.42	-	1,265.82	475,354.28
Total	<u><u>\$ 583,825.05</u></u>	<u><u>\$ 159,956.75</u></u>	<u><u>\$ 173,650.91</u></u>	<u><u>\$ 25,088.00</u></u>	<u><u>\$ 942,520.71</u></u>

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2016 was as follows:

	June 30, 2015	Additions	Deletions	June 30, 2016
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	\$ 5,379,640.00	\$ -	\$ -	\$ 5,379,640.00
Construction in progress	796,639.94	368,094.27	-	1,164,734.21
Total capital assets not being depreciated	<u>6,176,279.94</u>	<u>368,094.27</u>	<u>-</u>	<u>6,544,374.21</u>
Site Improvements	2,598,358.00	1,840,268.15	-	4,438,626.15
Buildings and improvements	28,189,573.48	-	-	28,189,573.48
Machinery and equipment	4,317,276.38	213,493.16	-	4,530,769.54
Subtotal	35,105,207.86	2,053,761.31	-	37,158,969.17
Less: accumulated depreciation:				
Site Improvements	(1,576,006.00)	(111,039.00)	-	(1,687,045.00)
Buildings and improvements	(13,545,109.26)	(784,477.13)	-	(14,329,586.39)
Machinery and equipment	(3,696,158.54)	(208,756.72)	-	(3,904,915.26)
Total accumulated depreciation	<u>(18,817,273.80)</u>	<u>(1,104,272.85)</u>	<u>-</u>	<u>(19,921,546.65)</u>
Total capital assets being depreciated, net	<u>16,287,934.06</u>	<u>949,488.46</u>	<u>-</u>	<u>17,237,422.52</u>
Governmental activities capital assets, net	<u>\$ 22,464,214.00</u>	<u>\$ 1,317,582.73</u>	<u>\$ -</u>	<u>\$ 23,781,796.73</u>
Business-Type Activities:				
Capital assets being depreciated:				
Equipment	\$ 169,926.35	\$ -	\$ -	\$ 169,926.35
Subtotal	<u>169,926.35</u>	<u>-</u>	<u>-</u>	<u>169,926.35</u>
Less: accumulated depreciation:				
Equipment	(105,126.22)	(7,386.02)	-	(112,512.24)
Total accumulated depreciation	<u>(105,126.22)</u>	<u>(7,386.02)</u>	<u>-</u>	<u>(112,512.24)</u>
Total capital assets being depreciated, net	<u>64,800.13</u>	<u>(7,386.02)</u>	<u>-</u>	<u>57,414.11</u>
Business-type activities capital assets, net	<u>\$ 64,800.13</u>	<u>\$ (7,386.02)</u>	<u>\$ -</u>	<u>\$ 57,414.11</u>

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 5. Capital Assets (continued):

Depreciation expense was charged to governmental functions/programs as follows:

Governmental Activities:	
Unallocated	\$ (1,104,272.85)
Total Depreciation Expense - Governmental Activities	\$ (1,104,272.85)

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2016 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 464.14	\$ 11,069.65
Special Revenue Fund	-	464.14
Capital Projects	11,069.65	-
Unemployment Fund	-	2,048.57
Payroll Agency Fund	2,048.57	-
	\$ 13,582.36	\$ 13,582.36

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 26,828.41
Food Service Fund	26,828.41	-
	\$ 26,828.41	\$ 26,828.41

The purpose of interfund transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 7. Long-Term Obligations

A. Long-Term Obligation Activity

During the fiscal year ended June 30, 2016 the following changes occurred in liabilities reported in the long-term debt:

	June 30, 2015	Accrued/ Increases	Retired/ Decreases	June 30, 2015	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 4,245,000.00	\$ -	\$ (550,000.00)	\$ 3,695,000.00	\$ 575,000.00
Amortization of Bond Premium	45,903.00	-	(6,557.57)	39,345.43	6,557.57
Net Pension Liability	5,763,565.00	1,836,721.00	-	7,600,286.00	-
Compensated Absences	100,537.50	-	(17,975.00)	82,562.50	11,300.00
Total	\$ 10,155,005.50	\$ 1,836,721.00	\$ (574,532.57)	\$ 11,417,193.93	\$ 592,857.57

B. Bonds Payable

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

On March 15, 2003, the District issued School Refunding Bonds totaling \$1,600,000.00 for the purpose of refinancing its Early Retirement Incentive Program obligation. The Bonds bear interest rating of 1.50% to 5.30% per annum payable semi-annually on the fifteenth day of January and July of each year, until maturity. The principal is due annually on the fifteenth day of July through 2021, installments range from \$100,000.00 to \$125,000.00.

On April 24, 2010, the District issued School Refunding Bonds totaling \$5,300,000.00 for the purpose of refunding 2002 General Obligation Bonds. The Bonds bear interest rating 2.00% to 5.40% per annum payable semi-annually on the fifteenth day of February and March of each year, until maturity. The principal is due annually on the fifteenth day of February through 2022, installments range from \$450,000.00 to \$565,000.00.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 7. Long-Term Obligations (continued):

B. Bonds Payable (continued):

Principal and Interest due on the outstanding bonds is as follows:

Year-ending June 30,	Principal	Interest	Total
2017	575,000.00	173,692.50	748,692.50
2018	610,000.00	147,245.00	757,245.00
2019	620,000.00	122,532.50	742,532.50
2020	650,000.00	91,054.70	741,054.70
2021	675,000.00	58,062.80	733,062.80
2021-2022	565,000.00	28,250.00	593,250.00
Total	\$ 3,695,000.00	\$ 620,837.50	\$ 4,315,837.50

C. Bonds Authorized But Not Issued

As of June 30, 2016, the District had no authorized but not issued bonds.

D. Capital Leases

As of June 30, 2016 the District had no capital leases.

E. Compensated Absences

Compensated Absences will be paid from the fund from which the employees' salaries are paid.

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Three-Year Trend Information for PERS

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2016	\$ 645,345	100%	\$ 7,600,286
6/30/2015	324,152	100%	\$ 5,763,565
6/30/2014	225,278	100%	5,704,151

Components of Pension Liability - At June 30, 2016, the District reported a liability of \$7,600,286.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The District's proportion measured as of June 30, 2015, was 0.03386% percent, which was an increase of 0.00307% from its proportion measured as of June 30, 2014.

Collective Balances at June 30, 2016 and June 30, 2015

	<u>6/30/2016</u> July 1, 2015	<u>6/30/2015</u> July 1, 2014
Actuarial valuation date		
Deferred Outflows of Resources	\$ 1,609,311	\$ 623,727
Deferred Inflows of Resources	\$ 122,198	\$ 343,477
Net Pension Liability	\$ 7,600,286	\$ 5,763,565
District's portion of the Plan's total net pension Liability	0.03386%	0.03078%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2016, the District recognized pension expense of \$629,858.00. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 816,210	\$ -
Changes of assumptions	181,316	-
Net difference between projected and actual earnings on pension plan investments	-	122,198
Changes in proportion and differences between District contributions and proportionate share of contributions	611,785	-
Total	\$ 1,609,311	\$ 122,198

The \$1,609,311 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 June 30:	
2016	278,298
2017	278,298
2018	278,298
2019	364,167
2020	288,051
Thereafter	-

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.21%
Total	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals 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 actuarially determined 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 District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability as of June 30, 2015, calculated using the discount rate as disclosed above, as well as what the District's

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
District's proportionate share of the net pension liability	\$ 9,446,226	\$ 7,600,286	\$ 6,052,664

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation - 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.

**Three-Year Trend Information for TPAF & Post Retirement Medical Contributions
(Paid on behalf of the District)**

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2016	\$ 507,662	100%	-
6/30/2015	\$ 303,623	100%	-
6/30/2014	233,645	100%	-

Teachers Pensions and Annuity Fund (TPAF) - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

	<u>TPAF</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

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, 2014 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 (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
Total	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals 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 employers' 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 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.

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 9: 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, 2016, 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.

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

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the

State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

Fiscal Year	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2015-2016	\$ 30,004.73	\$ 108.61	\$ 26,543.92	102,334.61
2014-2015	21,388.65	74.13	19,919.78	98,765.19
2013-2014	29,601.54	83.69	21,369.60	97,222.19

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 10. Risk Management (continued):

Joint Insurance Pool – The Red Bank Regional Board of Education is a member of New Jersey School Alliance Insurance Fund. The Fund provides its members with the following coverage's:

Property – Blanket Building & Grounds	Excess Liability
General and Automobile Liability	Workers' Compensation
School Board Legal Liability	Comprehensive Crime Coverage
Employers Liability	Environmental Impairment Liability

Note 11. Contingent Liabilities

State and Federal Grantor Agencies - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Pending Litigation – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's attorney that resolution of these matters will not have a material adverse effect on the financial condition of the District.

Note 12. Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

Note 13. Deferred Compensation

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

Siracusa Benefits	Met Life
AXA/Equitable	Vanguard

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 14. 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 vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of Net Position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2016 is \$82,562.50.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016 there was no liability for compensated absences in the proprietary fund types.

Note 15. Fund Balance Disclosure

General Fund – of the \$4,546,762.08 General Fund fund balance at June 30, 2016, \$1,157,936.66 has been restricted for the Capital Reserve Account; \$1,250,800.00 has been restricted for Maintenance Reserve Account; \$124,573.00 has been restricted for Emergency Reserve Account; \$508,876.77 is restricted for excess surplus designated for subsequent years expenditures; \$266,671.72 is restricted current year excess surplus; \$336,688.99 is assigned to Other Purposes; \$345,261.23 is assigned to designated by the Board of Education for subsequent year's expenditures and \$556,003.71 is unassigned.

Capital Projects Fund – The fund balance of \$21,250.42 has been restricted for future Capital Projects.

Debt Service Fund – of the Debt Service Fund fund balance at June 30, 2016, \$.76 is restricted in accordance with N.J.S.A 7F-41c(2).

Note 16. Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$266,671.71.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Note 17. Deficit in Net Position

Restricted Net Position – The School District had a deficit in restricted net position for Debt Service in the amount of \$68,717.95 at June 30, 2016. The deficit is caused by the accrual of bond interest in the government-wide financial statements.

Unrestricted Net Position – The School District had a deficit in unrestricted net position in the amount of \$4,997,176.00 at June 30, 2015. The deficit is due to the final June state aid payment not recognized under GAAP and by the implementation of GASB 68 which requires the district to report their proportionate share of the net pension liability for the Public Employee’s Retirement System (PERS) at June 30, 2016.

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

This page intentionally left blank

C. Budgetary Comparison Schedules

This page intentionally left blank

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 20,590,000.00	\$ -	\$ 20,590,000.00	\$ 20,590,000.08	\$ 0.08
Tuition from Individuals	10-1310	278,000.00	-	278,000.00	409,747.20	131,747.20
Tuition from Other LEA's within the State	10-1320	3,426,100.00	-	3,426,100.00	3,297,000.21	(129,099.79)
Tuition from Summer School	10-1350	-	-	-	11,000.00	11,000.00
Transportation Fees From Other LEAs	10-1420-1440	125,000.00	-	125,000.00	172,390.83	47,390.83
Rents and Royalties	10-1910	-	-	-	1,803.00	1,803.00
Unrestricted Miscellaneous Revenues	10-1XXX	31,299.00	-	31,299.00	37,672.30	6,373.30
Total Local Sources		24,450,399.00	-	24,450,399.00	24,519,613.62	69,214.62
State Sources:						
Extraordinary Aid	10-3131	-	-	-	115,321.00	115,321.00
Categorical Special Education Aid	10-3132	518,148.00	-	518,148.00	518,148.00	-
Equalization Aid	10-3176	89,062.00	-	89,062.00	89,062.00	-
Categorical Security Aid	10-3177	114,422.00	-	114,422.00	114,422.00	-
Categorical Transportation Aid	10-3121	233,200.00	-	233,200.00	233,200.00	-
Adjustment Aid	10-3178	20,284.00	-	20,284.00	20,284.00	-
PARCC Readiness Aid	10-3190	9,250.00	-	9,250.00	9,250.00	-
Per Pupil Growth Aid	10-3190	9,250.00	-	9,250.00	9,250.00	-
Additional Adjustment Aid	10-3190	19,890.00	-	19,890.00	19,890.00	-
Nonpublic Transportation	10-3XXX	-	-	-	4,616.00	4,616.00
TPAF Contributions (On-Behalf - Non-Budgeted)		-	-	-	781,394.00	781,394.00
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)		-	-	-	930,424.00	930,424.00
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	724,412.49	724,412.49
Total State Sources		1,013,506.00	-	1,013,506.00	3,569,673.49	2,556,167.49
Medicaid Reimbursement		15,737.00	-	15,737.00	-	(15,737.00)
Total Federal Sources		15,737.00	-	15,737.00	-	(15,737.00)
Total Revenues		25,479,642.00	-	25,479,642.00	28,089,287.11	2,609,645.11
Expenditures:						
Current Expense:						
Regular Programs - Instruction:						
Salaries of Teachers:						
Grades 9-12	11-140-100-101	7,014,200.00	(128,988.36)	6,885,211.64	6,858,971.37	26,240.27
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	50,000.00	-	50,000.00	26,760.80	23,239.20
Other Purchased Services	11-150-100-500	12,000.00	-	12,000.00	6,447.00	5,553.00
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	309,700.00	(1,500.00)	308,200.00	271,696.77	36,503.23
Purchased Professional - Educational Services	11-190-100-320	12,150.00	18,000.00	30,150.00	19,965.47	10,184.53
Purchased Technical Services	11-190-100-340	92,925.00	5,390.02	98,315.02	96,256.17	2,058.85
Other Purchased Services	11-190-100-500	18,850.00	3,000.00	21,850.00	10,603.98	11,246.02
General Supplies	11-190-100-610	535,764.00	13,698.42	549,462.42	470,568.56	78,893.86
Textbooks	11-190-100-640	58,704.00	(9,168.00)	49,536.00	13,902.50	35,633.50
Other Objects	11-190-100-800	97,802.00	26,380.00	124,182.00	91,568.53	32,613.47
Total Regular Programs - Instruction		8,202,095.00	(73,187.92)	8,128,907.08	7,866,741.15	262,165.93
Special Education - Instruction - Cognitive - Mild:						
Salaries of Teachers	11-201-100-101	117,000.00	3,400.00	120,400.00	118,987.50	1,412.50
Other Salaries for Instruction	11-201-100-106	74,000.00	1,355.00	75,355.00	75,342.66	12.34
General Supplies	11-201-100-610	3,000.00	-	3,000.00	440.93	2,559.07
Textbooks	11-201-100-640	500.00	-	500.00	-	500.00
Total Special Education - Instruction - Cognitive - Mild		194,500.00	4,755.00	199,255.00	194,771.09	4,483.91
Special Educ. - Instruction - Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	610,000.00	(8,600.00)	601,400.00	595,136.82	6,263.18
Other Salaries for Instruction	11-213-100-106	305,000.00	20,819.18	325,819.18	325,770.65	48.53
General Supplies	11-213-100-610	7,000.00	-	7,000.00	1,769.23	5,230.77
Textbooks	11-213-100-640	1,000.00	-	1,000.00	-	1,000.00
Total Spec. Educ. - Instruction - Resource Room/Resource Center		923,000.00	12,219.18	935,219.18	922,676.70	12,542.48
Special Educ. - Instruction - Home Instruction:						
Salaries of Teachers	11-219-100-101	1,500.00	380.82	1,880.82	-	1,880.82
Total Special Educ. - Instruction - Home Instruction		1,500.00	380.82	1,880.82	-	1,880.82
Total Special Education - Instruction		1,119,000.00	17,355.00	1,136,355.00	1,117,447.79	18,907.21

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Basic Skills/Remedial - Instruction:						
Salaries of Teachers	11-230-100-101	53,000.00	-	53,000.00	52,125.00	875.00
Other Salaries for Instruction	11-230-100-106	68,000.00	253.00	68,253.00	17,514.64	50,738.36
General Supplies	11-230-100-610	1,000.00	(612.93)	387.07	-	387.07
Total Basic Skills/Remedial - Instruction		122,000.00	(359.93)	121,640.07	69,639.64	52,000.43
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-101	214,000.00	-	214,000.00	211,100.00	2,900.00
Other Salaries for Instruction	11-240-100-106	109,500.00	93,517.00	203,017.00	202,018.67	998.33
General Supplies	11-240-100-610	5,000.00	(670.00)	4,330.00	3,945.72	384.28
Textbooks	11-240-100-640	1,000.00	670.00	1,670.00	1,585.29	84.71
Other Objects	11-240-100-800	500.00	-	500.00	-	500.00
Total Bilingual Education - Instruction		330,000.00	93,517.00	423,517.00	418,649.68	4,867.32
School Sponsored Co/Extra-Curricular Activities - Instruction:						
Salaries	11-401-100-100	190,000.00	(1,102.50)	188,897.50	188,897.50	-
Total School Sponsored Co/Extra-Curr. Activities - Instruction		190,000.00	(1,102.50)	188,897.50	188,897.50	-
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	515,000.00	48,713.41	563,713.41	563,713.41	-
Purchased Services	11-402-100-500	161,275.00	14,464.75	175,739.75	173,300.65	2,439.10
Supplies and Materials	11-402-100-600	98,672.00	4,554.32	103,226.32	102,891.60	334.72
Other Objects	11-402-100-800	3,616.00	-	3,616.00	3,517.25	98.75
Total School Sponsored Athletics - Instruction		778,563.00	67,732.48	846,295.48	843,422.91	2,872.57
Summer School - Instruction:						
Salaries	11-422-100-101	45,000.00	23,123.36	68,123.36	68,123.36	-
Other Salaries for Instruction	11-422-200-100	3,000.00	-	3,000.00	591.02	2,408.98
Total Summer School - Instruction		48,000.00	23,123.36	71,123.36	68,714.38	2,408.98
Total - Instruction		10,789,658.00	127,077.49	10,916,735.49	10,573,513.05	343,222.44
Undistributed Expenditures:						
Instruction:						
Tuition To Other LEAs Within State - Special	11-000-100-562	109,180.00	28,000.00	137,180.00	120,321.27	16,858.73
Tuition To County Voc. School District - Regular	11-000-100-563	336,360.00	23,000.00	359,360.00	332,486.00	26,874.00
Tuition To County Voc. School District - Special	11-000-100-564	63,600.00	15,000.00	78,600.00	76,850.00	1,750.00
Tuition To Private Schools for the Disabled Within State	11-000-100-566	1,314,260.00	(98,388.24)	1,215,871.76	864,228.77	351,642.99
Tuition - State Facilities	11-000-100-568	50,005.00	-	50,005.00	32,306.00	17,699.00
Total Undistributed Expenditures - Instruction		1,873,405.00	(32,388.24)	1,841,016.76	1,426,192.04	414,824.72
Undist. Expend. - Attendance and Social Work Services:						
Salaries	11-000-211-100	181,000.00	7,007.00	188,007.00	187,697.56	309.44
Salaries of Community/School Coordinators	11-000-211-174	151,700.00	400.00	152,100.00	148,875.50	3,224.50
Total Undist. Expend. - Attendance and Social Work Services		332,700.00	7,407.00	340,107.00	336,573.06	3,533.94
Undist. Expend. - Health Services:						
Salaries	11-000-213-100	119,000.00	6,586.00	125,586.00	125,448.66	137.34
Purchased Professional and Technical Services	11-000-213-300	21,550.00	420.00	21,970.00	21,934.50	35.50
Supplies and Materials	11-000-213-600	3,400.00	4,680.00	8,080.00	5,284.21	2,795.79
Other Objects	11-000-213-800	350.00	-	350.00	246.17	103.83
Total Undist. Expend. - Health Services		144,300.00	11,686.00	155,986.00	152,913.54	3,072.46
Undist. Expend. - Speech, OT, PT - Related Services:						
Salaries	11-000-216-100	94,000.00	(3,300.00)	90,700.00	90,681.25	18.75
Purchased Professional - Educational Services	11-000-216-320	-	1,900.00	1,900.00	1,900.00	-
Total Undist. Expend. - Speech, OT, PT - Related Services		94,000.00	(1,400.00)	92,600.00	92,581.25	18.75
Other Support Services- Students - Extra Svc:						
Salaries	11-000-217-100	169,000.00	(44,958.00)	124,042.00	123,996.40	45.60
Total Undist. Expend. - Other Support Services - Students - Extra		169,000.00	(44,958.00)	124,042.00	123,996.40	45.60

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Undist. Expend. - Other Support Serv. Students - Guidance:						
Salaries of Other Professional Staff	11-000-218-104	452,000.00	8,127.00	460,127.00	460,028.27	98.73
Salaries of Secretarial and Clerical Assistants	11-000-218-105	127,500.00	1,682.00	129,182.00	128,743.90	438.10
Purchased Professional - Educational Services	11-000-218-320	42,500.00	(555.00)	41,945.00	38,242.96	3,702.04
Other Purchased Professional and Technical Services	11-000-218-390	7,700.00	-	7,700.00	7,355.35	344.65
Other Purchased Services	11-000-218-500	4,700.00	-	4,700.00	980.94	3,719.06
Supplies and Materials	11-000-218-600	27,150.00	(4,217.50)	22,932.50	16,656.77	6,275.73
Other Objects	11-000-218-800	18,845.00	1,000.00	19,845.00	15,847.62	3,997.38
Total Undist. Expend. - Other Support Serv. Students - Regular		680,395.00	6,036.50	686,431.50	667,855.81	18,575.69
Undist. Expend. - Other Support Serv. Students - Child Study Team:						
Salaries of Other Professional Staff	11-000-219-104	604,000.00	11,000.00	615,000.00	614,118.00	882.00
Salaries of Secretarial and Clerical Assistants	11-000-219-105	60,000.00	(1,500.00)	58,500.00	58,474.92	25.08
Other Purchased Professional and Technical Services	11-000-219-390	30,000.00	(1,900.00)	28,100.00	17,867.65	10,232.35
Supplies and Materials	11-000-219-600	3,500.00	99.00	3,599.00	2,598.40	1,000.60
Other Objects	11-000-219-800	3,500.00	-	3,500.00	2,111.66	1,388.34
Total Undist. Expend. - Other Support Serv. Students - Child Study		701,000.00	7,699.00	708,699.00	695,170.63	13,528.37
Undist. Expend. - Improvement of Instructional Services:						
Salaries of Supervisors of Instruction	11-000-221-102	436,000.00	(32,500.00)	403,500.00	403,429.68	70.32
Salaries of Secretarial and Clerical Assistants	11-000-221-105	121,000.00	(41,000.00)	80,000.00	79,530.72	469.28
Other Salaries	11-000-221-110	15,000.00	-	15,000.00	14,940.00	60.00
Salaries Facilitations, Math, Literacy Coaches	11-000-221-176	30,000.00	-	30,000.00	15,450.00	14,550.00
Total Undist. Expend. - Improvement of Instructional Services		602,000.00	(73,500.00)	528,500.00	513,350.40	15,149.60
Undist. Expend. - Educational Media/School Library:						
Salaries	11-000-222-100	154,900.00	5,320.00	160,220.00	159,671.84	548.16
Supplies and Materials	11-000-222-600	38,100.00	-	38,100.00	36,007.40	2,092.60
Total Undist. Expend. - Educational Media/School Library		193,000.00	5,320.00	198,320.00	195,679.24	2,640.76
Undist. Expend. - Instructional Staff Training Services:						
Purchased Professional - Educational Services	11-000-223-320	36,000.00	(25,820.00)	10,180.00	589.01	9,590.99
Other Purchased Services	11-000-223-500	50,280.00	(1,711.55)	48,568.45	19,662.18	28,906.27
Total Undist. Expend. - Instructional Staff Training Services		86,280.00	(27,531.55)	58,748.45	20,251.19	38,497.26
Undist. Expend. - Support Services - General Administration:						
Salaries	11-000-230-100	227,750.00	31,640.00	259,390.00	233,714.85	25,675.15
Legal Services	11-000-230-331	20,000.00	98,800.00	118,800.00	118,258.84	541.16
Audit Fees	11-000-230-332	38,000.00	2,150.00	40,150.00	40,150.00	-
Other Purchased Professional Services	11-000-230-339	-	6,740.36	6,740.36	6,422.10	318.26
Communications/Telephone	11-000-230-530	20,000.00	(19,670.00)	330.00	-	330.00
BOE Other Purchased Services	11-000-230-585	2,500.00	275,576.00	278,076.00	270,354.49	7,721.51
Miscellaneous Purchased Services	11-000-230-590	210,000.00	(210,000.00)	-	-	-
General Supplies	11-000-230-610	500.00	350.00	850.00	353.61	496.39
BOE In-House Training/Meeting Supplies	11-000-230-630	3,000.00	2,539.00	5,539.00	5,457.75	81.25
Miscellaneous Expenditures	11-000-230-890	2,000.00	(180.00)	1,820.00	1,820.00	-
BOE Membership Dues and Fees	11-000-230-895	11,250.00	(180.00)	11,070.00	11,069.20	0.80
Total Undist. Expend. - Support Services - General Administration		535,000.00	187,765.36	722,765.36	687,600.84	35,164.52
Undist. Expend. - Support Services - School Administration:						
Salaries of Principals/Assistant Principals	11-000-240-103	397,000.00	(1,720.00)	395,280.00	395,063.27	216.73
Salaries of Secretarial and Clerical Assistants	11-000-240-105	190,000.00	(10,384.00)	179,616.00	179,133.27	482.73
Supplies and Materials	11-000-240-600	42,550.00	13,011.00	55,561.00	54,116.13	1,444.87
Other Objects	11-000-240-800	3,000.00	1,193.00	4,193.00	4,193.00	-
Total Undist. Expend. - Support Services - School Administration		632,550.00	2,100.00	634,650.00	632,505.67	2,144.33
Undist. Expend. - Central Services:						
Salaries	11-000-251-100	386,900.00	1,192.00	388,092.00	387,831.70	260.30
Purchased Professional Services	11-000-251-330	1,300.00	1,010.00	2,310.00	2,310.00	-
Purchased Technical Services	11-000-251-340	33,000.00	19,166.00	52,166.00	52,165.10	0.90
Supplies and Materials	11-000-251-600	5,500.00	12,542.00	18,042.00	17,956.54	85.46
Other Objects	11-000-251-890	4,600.00	500.00	5,100.00	4,806.72	293.28
Total Undist. Expend. - Central Services		431,300.00	34,410.00	465,710.00	465,070.06	639.94
Undist. Expend. - Admin. Info. Technology:						
Salaries	11-000-252-100	201,921.00	(70,000.00)	131,921.00	128,188.80	3,732.20
Total Undist. Expend. - Admin. Info. Technology		201,921.00	(70,000.00)	131,921.00	128,188.80	3,732.20
Interest Earned on Maintenance Reserve	10-606	200.00	(200.00)	-	-	-

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Undist. Expend. - Required Maintenance for School Facilities:						
Salaries	11-000-261-100	187,000.00	13,106.72	200,106.72	200,106.72	-
Cleaning, Repair and Maintenance Services	11-000-261-420	489,554.00	292,716.11	782,270.11	488,683.14	293,586.97
General Supplies	11-000-261-610	21,000.00	-	21,000.00	20,835.72	164.28
Total Undist. Expend. - Required Maintenance for School Facilities		697,554.00	305,822.83	1,003,376.83	709,625.58	293,751.25
Undist. Expend. - Custodial Services:						
Salaries	11-000-262-100	146,000.00	11,000.00	157,000.00	156,303.32	696.68
Salaries of Non-Instructional Aids	11-000-262-107	139,500.00	5,284.00	144,784.00	143,783.95	1,000.05
Purchased Professional and Technical Services	11-000-262-300	14,000.00	-	14,000.00	2,240.00	11,760.00
Cleaning, Repair and Maintenance Services	11-000-262-420	649,000.00	(2,500.00)	646,500.00	607,641.19	38,858.81
Other Purchased Property Services	11-000-262-490	60,000.00	13,700.00	73,700.00	70,529.56	3,170.44
Insurance	11-000-262-520	80,000.00	(1,000.00)	79,000.00	78,058.75	941.25
General Supplies	11-000-262-610	90,000.00	41,000.00	131,000.00	118,974.51	12,025.49
Energy (Natural Gas)	11-000-262-621	130,000.00	(31,492.00)	98,508.00	78,339.73	20,168.27
Energy (Electricity)	11-000-262-622	450,000.00	(54,000.00)	396,000.00	393,160.42	2,839.58
Other Objects	11-000-262-800	3,600.00	-	3,600.00	1,345.76	2,254.24
Total Undist. Expend. - Custodial Services		1,762,100.00	(18,008.00)	1,744,092.00	1,650,377.19	93,714.81
Undist. Expend. - Care & Upkeep of Grounds:						
Cleaning, Repair, & Maintenance Services	11-000-263-420	6,000.00	8,310.00	14,310.00	14,238.75	71.25
General Supplies	11-000-263-610	33,000.00	(5,810.00)	27,190.00	26,077.47	1,112.53
Total Undist. Expend. - Care & Upkeep of Grounds		39,000.00	2,500.00	41,500.00	40,316.22	1,183.78
Undist. Expend. - Security:						
Salaries	11-000-266-100	57,000.00	6,000.00	63,000.00	62,654.63	345.37
Purchased Professional and Technical Services	11-000-266-300	70,000.00	-	70,000.00	70,000.00	-
Total Undist. Expend. - Security		127,000.00	6,000.00	133,000.00	132,654.63	345.37
Total Undist. Expend. - Oper. & Maint. of Plant						
		2,625,654.00	296,314.83	2,921,968.83	2,532,973.62	388,995.21
Undist. Expend. - Student Transportation Services:						
Salaries for Pupil Transp (Bet. Home & School) - Regular	11-000-270-160	53,600.00	-	53,600.00	53,046.00	554.00
Contracted Services (Bet. Home & School) - Vendors	11-000-270-511	25,000.00	448,226.51	473,226.51	472,321.01	905.50
Contracted Services (Other Than Bet. Home & School) - Vendors	11-000-270-512	440,000.00	(229,320.18)	210,679.82	210,262.93	416.89
Contracted Services (Special Ed. Students) - Vendors	11-000-270-514	190,809.00	(113,869.97)	76,939.03	76,939.03	-
Contracted Services (Regular Students) ESCs and CTASAs	11-000-270-517	75,288.00	324,212.00	399,500.00	363,958.98	35,541.02
Contracted Services (Special Ed. Students) ESCs and CTASAs	11-000-270-518	408,000.00	(115,420.00)	292,580.00	292,569.13	10.87
Contracted Services - Aid in Lieu of Payments - NonPub Sch	11-000-270-503	306,000.00	(264,235.36)	41,764.64	40,177.80	1,586.84
Misc. Purchased Services - Transportation	11-000-270-593	9,000.00	(9,000.00)	-	-	-
Total Undist. Expend. - Student Transportation Services		1,507,697.00	40,593.00	1,548,290.00	1,509,274.88	39,015.12
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	340,000.00	-	340,000.00	329,319.19	10,680.81
Other Retirement Contributions - Regular	11-000-291-241	331,344.00	(21,049.30)	310,294.70	292,541.83	17,752.87
Workmen's Compensation	11-000-291-260	140,000.00	(13,000.00)	127,000.00	126,896.71	103.29
Health Benefits	11-000-291-270	3,085,563.00	(143,629.00)	2,941,934.00	2,819,772.18	122,161.82
Tuition Reimbursement	11-000-291-280	50,000.00	-	50,000.00	31,939.00	18,061.00
Other Employee Benefits	11-000-291-290	95,000.00	(10,876.58)	84,123.42	83,095.45	1,027.97
Total Unallocated Benefits - Employee Benefits		4,041,907.00	(188,554.88)	3,853,352.12	3,683,564.36	169,787.76
TPAF Contributions (On-Behalf - Non-Budgeted)		-	-	-	781,394.00	(781,394.00)
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)		-	-	-	930,424.00	(930,424.00)
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	724,412.49	(724,412.49)
Total On-Behalf Contributions		-	-	-	2,436,230.49	(2,436,230.49)
Total Personal Services - Employee Benefits		4,041,907.00	(188,554.88)	3,853,352.12	6,119,794.85	(2,266,442.73)
Total Undistributed Expenditures		14,852,109.00	160,999.02	15,013,108.02	16,299,972.28	(1,286,864.26)
Total Expenditures - Current Expense		25,641,967.00	287,876.51	25,929,843.51	26,873,485.33	(943,641.82)
CAPITAL OUTLAY						
Interest Deposit to Capital Reserve	10-604	750.00	(750.00)	-	-	-
Total Capital Outlay		750.00	(750.00)	-	-	-
Equipment:						
Grades 9-12	12-140-100-730	124,000.00	(17,242.59)	106,757.41	88,557.81	18,199.60
School Sponsored & Other Instr. Programs	12-4XX-100-730	18,000.00	6,747.30	24,747.30	24,747.30	-
Undist. Expend. - Support Services Students-Regular	12-000-210-730	-	8,650.00	8,650.00	-	8,650.00
Undist. Expend. - General Administration	12-000-230-730	-	2,300.00	2,300.00	-	2,300.00
Undist. Expend. - School Administration	12-000-240-730	-	17,500.00	17,500.00	-	17,500.00
Undist. Expend. - Custodial Services	12-000-262-730	10,000.00	1,000.00	11,000.00	-	11,000.00
Undist. Expend. - Care and Upkeep of Grounds	12-000-263-730	10,000.00	46,191.37	56,191.37	14,312.99	41,878.38
Total Equipment		162,000.00	65,146.08	227,146.08	127,618.10	99,527.98

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Facilities Acquisition and Construction Services:						
Other Purchased Professional & Tech. Services	12-000-400-390	-	20,289.65	20,289.65	20,289.65	-
Construction Services	12-000-400-450	140,000.00	1,700,268.15	1,840,268.15	1,840,268.15	-
Assessment for Debt Service on SDA Funding	12-000-400-896	39,063.00	-	39,063.00	39,063.00	-
Capital Outlay - Transfer to Capital Projects	12-000-400-931	-	-	-	-	-
Total Facilities Acquisition and Construction Services		<u>179,063.00</u>	<u>1,720,557.80</u>	<u>1,899,620.80</u>	<u>1,899,620.80</u>	<u>-</u>
Total Capital Outlay		<u>341,813.00</u>	<u>1,784,953.88</u>	<u>2,126,766.88</u>	<u>2,027,238.90</u>	<u>99,527.98</u>
Total Expenditures		<u>25,983,780.00</u>	<u>2,072,830.39</u>	<u>28,056,610.39</u>	<u>28,900,724.23</u>	<u>(844,113.84)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		<u>(504,138.00)</u>	<u>(2,072,830.39)</u>	<u>(2,576,968.39)</u>	<u>(811,437.12)</u>	<u>1,765,531.27</u>
Other Financing Sources/(Uses):						
Operating Transfers:						
Capital Reserve - Transfer to Capital Projects	12-000-400-931	(350,000.00)	-	(350,000.00)	(1,991.97)	348,008.03
Total Other Financing Sources/(Uses)		<u>(350,000.00)</u>	<u>-</u>	<u>(350,000.00)</u>	<u>(1,991.97)</u>	<u>348,008.03</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses		<u>(854,138.00)</u>	<u>(2,072,830.39)</u>	<u>(2,926,968.39)</u>	<u>(813,429.09)</u>	<u>2,113,539.30</u>
Fund Balances, July 1		<u>5,453,454.17</u>	<u>-</u>	<u>5,453,454.17</u>	<u>5,453,454.17</u>	<u>-</u>
Fund Balances, June 30		<u>\$ 4,599,316.17</u>	<u>\$ (2,072,830.39)</u>	<u>\$ 2,526,485.78</u>	<u>\$ 4,640,025.08</u>	<u>\$ 2,113,539.30</u>

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	2,020,364.10
Cancellation of Prior Year Encumbrances	(1,799.65)
Withdrawal from Capital Reserve	<u>54,265.94</u>
Total Transfers	<u>\$ 2,072,830.39</u>

RECAPITULATION OF FUND BALANCE

Restricted:	
Reserved Excess Surplus:	
Designated for Subsequent Year's Expenditures	\$ 508,876.77
Reserve for Excess Surplus - Current Year	266,671.72
Capital Reserve	1,157,936.66
Maintenance Reserve	1,250,800.00
Emergency Reserve	124,573.00
Assigned:	
Year-End Encumbrances	336,638.99
Designated for Subsequent Year's Expenditures	345,261.23
Unassigned	<u>649,266.71</u>
	4,640,025.08
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payments not recognized on GAAP Basis	<u>(93,263.00)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 4,546,762.08</u>

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	JUNE 30, 2016				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources	\$ -	\$ 109,962.41	\$ 109,962.41	\$ 75,921.43	\$ (34,040.98)
State Sources	572,606.00	85,307.45	657,913.45	653,462.50	(4,450.95)
Federal Sources	431,588.00	179,737.00	611,325.00	533,442.80	(77,882.20)
Total Revenues	1,004,194.00	375,006.86	1,379,200.86	1,262,826.73	(116,374.13)
Expenditures:					
Instruction:					
Salaries	402,104.00	(3,801.50)	398,302.50	395,264.20	3,038.30
Purchased Professional and Technical Services		-			-
Purchased Services	219,823.00	63,602.45	283,425.45	471,358.87	(187,933.42)
Other Purchased Services	281,535.00	(108,475.57)	173,059.43	4,050.00	169,009.43
Supplies	2,487.00	104,115.61	106,602.61	43,083.95	63,518.66
Textbooks	48,921.00	3,782.00	52,703.00	52,703.00	-
Other Objects	-	5,025.00	5,025.00	5,024.04	0.96
Total Instruction	954,870.00	64,247.99	1,019,117.99	971,484.06	47,633.93
Support Services:					
Personal Services - Employee Benefits	-	9,294.46	9,294.46	9,294.46	-
Professional and Technical Services	-	139,589.00	139,589.00	128,495.57	11,093.43
Other Purchased Services	42,724.00	73,770.00	116,494.00	82,707.23	33,786.77
Supplies and Materials	-	26,410.00	26,410.00	-	26,410.00
Other Objects	6,600.00	(4,600.00)	2,000.00	5,260.00	(3,260.00)
Total Support Services	49,324.00	244,463.46	293,787.46	225,757.26	68,030.20
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	-	66,295.41	66,295.41	65,585.41	710.00
Total Facilities Acquisition and Construction Services	-	66,295.41	66,295.41	65,585.41	710.00
Total Expenditures	1,004,194.00	375,006.86	1,379,200.86	1,262,826.73	116,374.13
Total Outflows	1,004,194.00	375,006.86	1,379,200.86	1,262,826.73	116,374.13
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

This page intentionally left blank

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE YEAR ENDED JUNE 30, 2016**

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

	GENERAL FUND	SPECIAL REVENUE FUND
SOURCES/INFLOWS OF RESOURCES		
Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules	\$ 28,089,287.11	\$ 1,262,826.73
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Less: Current Year Encumbrances	-	(5,384.84)
Add: Prior Year Encumbrances	-	4,919.20
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	97,450.00	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(93,263.00)	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 28,093,474.11	\$ 1,262,361.09
USES/OUTFLOWS OF RESOURCES		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	\$ 28,900,724.23	\$ 1,262,826.73
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Less: Current Year Encumbrances	-	(5,384.84)
Add: Prior Year Encumbrances	-	4,919.20
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 28,900,724.23	\$ 1,262,361.09

This page intentionally left blank.

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

This page intentionally left blank

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the net pension liability (asset)	0.03386%	0.03078%	0.02985%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	\$ 7,600,286	\$ 5,763,565	\$ 5,704,151	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$ 2,413,062	\$ 2,459,033	\$ 2,294,750	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	314.96%	234.38%	248.57%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%	48.72%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 311,595	\$ 291,082	253,777	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
Contributions in relation to the contractually required contribution	311,595	291,082	253,777	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
District's covered-employee payroll	\$ 2,413,062	\$ 2,459,033	2,294,750	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
Contributions as a percentage of covered-employee payroll	12.91%	11.84%	11.06%	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the net pension liability (asset)	0.094460%	0.095930%	0.011907%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$59,703,767	\$51,271,493	\$ 52,088,826	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$10,109,522	\$ 9,849,061	\$ 9,787,278	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A	**N/A

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

This page intentionally left blank.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

This page intentionally left blank

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

Teachers Pension and Annuity Fund (TPAF)

Basis of Presentation. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated July 28, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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.

Changes of assumptions. 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.

Public Employees' Retirement System (PERS)

Basis of Presentation. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated April 14, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

This page intentionally left blank.

OTHER SUPPLEMENTARY INFORMATION

This page intentionally left blank

D. School Based Budget Schedules

Not Applicable

This page intentionally left blank

E. Special Revenue Fund

This page intentionally left blank

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Non-Public Aid							
	Auxiliary Services				Handicapped			
	Textbooks	Nursing	Security	Technology	Compensatory Education	Home Instruction	Exam and Class	Supplementary Instruction
<u>Revenues</u>								
Local Sources	\$ -	-	-	-	-	-	-	-
State Sources	52,703.00	82,645.00	23,149.99	23,996.28	51,355.00	15,222.45	63,424.00	63,379.78
Federal Sources	-	-	-	-	-	-	-	-
Total Revenues	\$ 52,703.00	\$ 82,645.00	\$ 23,149.99	\$ 23,996.28	\$ 51,355.00	\$ 15,222.45	\$ 63,424.00	\$ 63,379.78
<u>Expenditures</u>								
Instruction:								
Salaries	-	-	-	-	-	-	-	-
Purchased Professional and Technical Services	-	82,645.00	23,149.99	-	51,355.00	15,222.45	63,424.00	63,379.78
Purchased Services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Textbooks	52,703.00	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-	-
Total Instruction	52,703.00	82,645.00	23,149.99	-	51,355.00	15,222.45	63,424.00	63,379.78
Support Services:								
Personal Services - Employee Benefits	-	-	-	-	-	-	-	-
Professional and Technical Services	-	-	-	23,996.28	-	-	-	-
Other Purchased Services	-	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-	-
Total Support Services	-	-	-	23,996.28	-	-	-	-
Facilities Acquisition and Construction Services:								
Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-
Total Expenditures	\$ 52,703.00	\$ 82,645.00	\$ 23,149.99	\$ 23,996.28	\$ 51,355.00	\$ 15,222.45	\$ 63,424.00	\$ 63,379.78

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	School Based Youth Services Program	I.D.E.A. PART B	No Child Left Behind					Comcast Grant	Totals	
			Title I	Title II Part A	Rutgers Grant	NJSIG Safety Grant	Education Foundation			
Revenues										
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ 500.00	\$ -	\$ -	\$ 72,661.43	\$ -	\$ 75,921.43
State Sources	277,587.00	-	-	-	-	-	-	-	-	653,462.50
Federal Sources	3,050.00	367,956.56	143,206.17	19,230.07	-	-	-	-	-	533,442.80
Total Revenues	\$ 280,637.00	\$ 367,956.56	\$ 143,206.17	\$ 19,230.07	\$ 500.00	\$ 2,760.00	\$ 72,661.43	\$ -	\$ -	\$ 1,262,826.73
Expenditures										
Instruction:										
Salaries	\$ 273,587.00	\$ 31,961.70	\$ 83,415.50	\$ 6,300.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 395,264.20
Purchased Professional and Technical Services	-	148,813.95	2,002.68	-	-	-	-	21,366.02	-	471,358.87
Purchased Services	4,050.00	-	-	-	-	-	-	-	-	4,050.00
Supplies	1,000.00	8,511.65	33,572.30	-	-	-	-	-	-	43,083.95
Textbooks	-	-	-	-	-	-	-	-	-	52,703.00
Other Objects	-	-	5,024.04	-	-	-	-	-	-	5,024.04
Total Instruction	278,637.00	189,287.30	124,014.52	6,300.00	-	-	21,366.02	-	-	971,484.06
Support Services:										
Personal Services - Employee Benefits	-	2,792.25	6,020.21	482.00	-	-	-	-	-	9,294.46
Professional and Technical Services	-	102,148.31	750.98	1,600.00	-	-	-	-	-	128,495.57
Other Purchased Services	-	59,438.70	12,420.46	10,848.07	-	-	-	-	-	82,707.23
Other Objects	2,000.00	-	-	-	500.00	-	-	-	-	5,260.00
Total Support Services	2,000.00	164,379.26	19,191.65	12,930.07	500.00	2,760.00	-	-	-	225,757.26
Facilities Acquisition and Construction Services:										
Construction Services	-	14,290.00	-	-	-	-	51,295.41	-	-	65,585.41
Total Facilities Acquisition and Construction Services	-	14,290.00	-	-	-	-	51,295.41	-	-	65,585.41
Total Expenditures	\$ 280,637.00	\$ 367,956.56	\$ 143,206.17	\$ 19,230.07	\$ 500.00	\$ 2,760.00	\$ 72,661.43	\$ -	\$ -	\$ 1,262,826.73

F. Capital Projects Fund

This page intentionally left blank

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2016**

Project Title/Issue	Date	Original Appropriations	Total Expenditures		Unexpended Balance
			Prior Years	Current Year	
Auditorium Renovation	04/11	244,731.00	238,623.35	-	6,107.65
Security Project	02/14	136,942.50	131,142.50	5,800.00	-
Science Lab & Prep Room	06/15	412,820.37	27,498.24	362,294.27	23,027.86
		\$ 794,493.87	\$ 397,264.09	\$ 368,094.27	\$ 29,135.51
Less: Unearned SDA Revenue					(7,885.09)
Fund Balance (B-2)					\$ 21,250.42

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2016**

Revenues and Other Financing Sources:	
Transfer From Capital Reserve	1,991.97
	<hr/>
Total Revenues	1,991.97
	<hr/>
Expenditures and Other Financing Sources:	
Purchased Professional and Technical Services	5,823.79
Construction Services	362,270.48
	<hr/>
Total Expenditures	368,094.27
	<hr/>
Excess/(Deficiency) of Revenues	
Over/(Under) Expenditures	(366,102.30)
Fund Balance - July 1	395,237.81
	<hr/>
Fund Balance - June 30	\$ 29,135.51
	<hr/> <hr/>

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
AUDITORIUM RENOVATIONS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Prior</u>	<u>Current</u>	<u>Totals</u>	<u>Revised</u>
	<u>Periods</u>	<u>Year</u>	<u>Totals</u>	<u>Authorized</u>
				<u>Cost</u>
Revenues and Other Financing Sources:				
State Sources - ROD Grant	\$ 80,116.00	\$ -	\$ 80,116.00	\$ 80,116.00
Transfer From Capital Reserve	164,615.00	-	164,615.00	164,615.00
			-	
Total Revenues	<u>244,731.00</u>	<u>-</u>	<u>244,731.00</u>	<u>244,731.00</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	25,923.85	-	25,923.85	25,923.85
Construction Services	212,699.50	-	212,699.50	218,807.15
Total Expenditures	<u>238,623.35</u>	<u>-</u>	<u>238,623.35</u>	<u>244,731.00</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 6,107.65</u>	<u>\$ -</u>	<u>\$ 6,107.65</u>	<u>\$ -</u>

Additional Project Information:

Project Date	September 2010
Grant Date	April 2011
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorization Cost	200,290.00
Additional Authorization Cost	44,441.00
Revised Authorization Cost	244,731.00
Percentage Increase over Original Authorized Cost	Not Applicable
Percentage Completion	98%
Original Target Completion Date	October 2011
Revised Target Completion Date	Not Applicable

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
SECURITY UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - ROD Grant	\$ 40,180.00	\$ -	\$ 40,180.00	\$ 40,180.00
Transfer From Capital Reserve	94,770.53	1,991.97	96,762.50	96,762.50
Total Revenues	134,950.53	1,991.97	136,942.50	136,942.50
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	18,150.50	300.00	18,450.50	24,650.00
Construction Services	112,992.00	5,500.00	118,492.00	112,292.50
Total Expenditures	131,142.50	5,800.00	136,942.50	136,942.50
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 3,808.03	\$ (3,808.03)	\$ -	\$ -

Additional Project Information:

DOE Project #	4365-050-14-1003
SDA Project #	4365-050-14-G2DT
Grant #	G5-5519
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorization Cost	100,450.00
Additional Authorization Cost	36,492.50
Revised Authorization Cost	136,942.50
Percentage Increase over Original Authorized Cost	Not Applicable
Percentage Completion	100%
Original Target Completion Date	Not Applicable
Revised Target Completion Date	Not Applicable

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS
SCIENCE/BIOLOGY LAB & PREP ROOM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - ROD Grant	\$ 141,356.00	\$ -	\$ 141,356.00	\$ 141,356.00
Transfer From Capital Reserve	271,464.37	-	271,464.37	271,464.37
Total Revenues	412,820.37	-	412,820.37	412,820.37
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	27,498.24	5,523.79	33,022.03	31,500.00
Construction Services	-	356,770.48	356,770.48	381,320.37
Total Expenditures	27,498.24	362,294.27	389,792.51	412,820.37
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 385,322.13	\$ (362,294.27)	\$ 23,027.86	\$ -
Additional Project Information:				
DOE Project #				4365-050-10-1001
SDA Project #				4365-050-10-G0PC
Grant #				G5-4460
Bond Authorization Date				Not Applicable
Bonds Authorized				Not Applicable
Bonds Issued				Not Applicable
Original Authorization Cost				353,390.00
Additional Authorization Cost				59,430.37
Revised Authorization Cost				412,820.37
Percentage Increase over Original Authorized Cost				Not Applicable
Percentage Completion				94%
Original Target Completion Date				Not Applicable
Revised Target Completion Date				Not Applicable

This page intentionally left blank.

G. Proprietary Funds

This page intentionally left blank

Enterprise Funds

This section has already been included in Statements B-4, B-5 and B-6

This page intentionally left blank

H. Fiduciary Fund

This page intentionally left blank

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Agency Fund	Totals 2016
ASSETS				
Cash and Cash Equivalents	\$ 107,296.09	\$ 3,026,896.35	\$ 480,221.79	3,614,414.23
Interfund Receivable	2,048.57	-	-	2,048.57
Total Assets	\$ 109,344.66	\$ 3,026,896.35	\$ 480,221.79	\$ 3,616,462.80
LIABILITIES				
Interfund Payable	\$ -	\$ -	2,048.57	2,048.57
Due to State	7,010.05	-	-	7,010.05
Payable To Student Groups	-	-	126,275.18	126,275.18
Payroll Deductions and Withholdings	-	-	351,898.04	351,898.04
Total Liabilities	7,010.05	-	480,221.79	487,231.84
NET POSITION				
Held in Trust for Unemployment Claims and Other Purposes	102,334.61	-	-	102,334.61
Nonexpendable Scholarship Reserved for Scholarships	-	2,852,769.72	-	2,852,769.72
	-	174,126.63	-	174,126.63
Total Net Position	\$ 102,334.61	\$ 3,026,896.35	\$ -	\$ 3,129,230.96

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016**

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Totals
Additions:			
Employee Contributions	\$ 30,004.73	\$ -	\$ 30,004.73
Donations	-	1,400.00	1,400.00
Total Contributions	30,004.73	1,400.00	31,404.73
Investment Earnings:			
Interest	108.61	61,982.98	62,091.59
Total Investment Earnings	108.61	61,982.98	62,091.59
Total Additions	30,113.34	63,382.98	93,496.32
Deductions:			
Quarterly Contribution Reports	13,672.45	-	13,672.45
Unemployment Claims	12,871.47	-	12,871.47
Scholarships Awarded	-	19,428.50	19,428.50
Total Deductions	26,543.92	19,428.50	45,972.42
Change in Net Position	3,569.42	43,954.48	47,523.90
Net Position - Beginning of Year	98,765.19	2,982,941.87	3,081,707.06
Net Position - End of Year	\$ 102,334.61	\$ 3,026,896.35	\$ 3,129,230.96

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Balance July 1, 2015	Cash Receipts	Cash Disbursements	Balance June 30, 2016
ASSETS				
Cash and Cash Equivalents	\$ 131,496.78	\$ 407,713.78	\$ 412,935.38	\$ 126,275.18
Total Assets	<u>\$ 131,496.78</u>	<u>\$ 407,713.78</u>	<u>\$ 412,935.38</u>	<u>\$ 126,275.18</u>
LIABILITIES				
Senior High School:				
Red Bank Regional	\$ 131,472.00	\$ 304,986.08	\$ 310,218.38	\$ 126,239.70
Red Bank Regional Athletic Fund	24.78	102,727.70	102,717.00	35.48
Total Liabilities	<u>\$ 131,496.78</u>	<u>\$ 407,713.78</u>	<u>\$ 412,935.38</u>	<u>\$ 126,275.18</u>

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
ASSETS				
Cash and Cash Equivalents	\$ 382,119.04	\$ 7,734,734.12	\$ 7,762,906.55	\$ 353,946.61
Total Assets	<u>\$ 382,119.04</u>	<u>\$ 7,734,734.12</u>	<u>\$ 7,762,906.55</u>	<u>\$ 353,946.61</u>
LIABILITIES				
Due To Unemployment Trust Fund	\$ 4,742.48	\$ 23,850.01	\$ 26,543.92	\$ 2,048.57
Payroll Deductions and Withholdings	377,376.56	7,710,884.11	7,736,362.63	351,898.04
Total Liabilities	<u>\$ 382,119.04</u>	<u>\$ 7,734,734.12</u>	<u>\$ 7,762,906.55</u>	<u>\$ 353,946.61</u>

I. Long-Term Debt

This page intentionally left blank

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2016**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2015	Retired Current Year	Balance June 30, 2016
			Date	Amount				
Refunding School Bonds (Pension Series 2003)	03/15/03	\$ 1,600,000.00	07/15/16	105,000.00	5.30%	675,000.00	100,000.00	575,000.00
			07/15/17	110,000.00	5.30%			
			07/15/18	115,000.00	5.30%			
			07/15/19	120,000.00	5.30%			
			07/15/20	125,000.00	5.30%			
Refunding School Bonds	04/24/10	5,300,000.00	02/15/17	200,000.00	3.625%	3,570,000.00	450,000.00	3,120,000.00
			02/15/17	270,000.00	5.000%			
			02/15/18	500,000.00	3.750%			
			02/15/19	505,000.00	5.000%			
			02/15/20	530,000.00	5.000%			
			02/15/21	100,000.00	4.000%			
		02/15/21	450,000.00	5.000%				
		02/15/22	565,000.00	5.000%				
						\$ 4,245,000.00	\$ 550,000.00	\$ 3,695,000.00

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive/ (Negative) Final To Actual
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 747,599.00	\$ -	\$ 747,599.00	\$ 747,598.96	\$ (0.04)
Total Revenues	747,599.00	-	747,599.00	747,598.96	(0.04)
<u>Expenditures</u>					
Regular Debt Service:					
Interest on Early Retirement Bonds	164,750.00	-	164,750.00	164,750.00	-
Interest on Bonds	32,850.00	-	32,850.00	32,850.00	-
Redemption of Principal	550,000.00	-	550,000.00	550,000.00	-
Total Regular Debt Service	747,600.00	-	747,600.00	747,600.00	-
Total Expenditures	747,600.00	-	747,600.00	747,600.00	-
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	(1.00)	-	(1.00)	(1.04)	(0.04)
Fund Balance, July 1	1.80	-	1.80	1.80	-
Fund Balance, June 30	\$ 0.80	\$ -	\$ 0.80	\$ 0.76	\$ (0.04)

STATISTICAL SECTION (Unaudited)

This page intentionally left blank

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that the Exhibits are presented for the last ten fiscal years.

This page intentionally left blank

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

	FISCAL YEAR ENDING JUNE 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Government Activities:										
Net Investment in Capital Assets	\$ 17,116,153.84	\$ 17,278,930.00	\$ 17,586,972.00	\$ 17,771,775.15	\$ 17,542,094.73	\$ 17,980,544.28	\$ 17,616,452.69	\$ 17,658,330.51	\$ 18,166,753.43	\$ 20,086,796.73
Restricted	3,690,296.13	3,898,494.14	4,033,476.56	3,193,507.74	3,236,233.86	2,885,448.52	4,582,900.67	3,503,672.67	2,841,069.49	3,261,390.61
Unrestricted	243,702.44	873,306.92	27,751.77	637,371.40	403,447.27	411,221.35	379,436.35	1,227,399.56	(3,169,881.55)	(4,997,176.00)
Total Government Activities Net Position	\$ 21,050,152.41	\$ 22,050,731.06	\$ 21,648,200.33	\$ 21,602,654.29	\$ 21,181,775.86	\$ 21,277,214.15	\$ 22,578,789.71	\$ 22,389,402.74	\$ 17,837,941.37	\$ 18,351,011.35
Business-Type Activities:										
Net Investment in Capital Assets	\$ 19,037.57	\$ 39,704.36	\$ 36,604.49	\$ 52,168.53	\$ 52,180.05	\$ 85,640.26	\$ 79,572.17	\$ 72,186.15	\$ 64,800.13	\$ 57,414.10
Unrestricted	46,557.88	59,676.97	99,380.91	91,457.51	102,999.77	96,509.88	46,094.49	23,284.20	43,917.05	69,096.12
Total Business-Type Activities Net Position	\$ 65,595.45	\$ 99,381.33	\$ 135,985.40	\$ 143,626.04	\$ 155,179.82	\$ 182,150.14	\$ 125,666.66	\$ 95,470.35	\$ 108,717.18	\$ 126,510.22
District-wide:										
Net Investment in Capital Assets	\$ 17,135,191.41	\$ 17,318,634.36	\$ 17,623,576.49	\$ 17,823,943.68	\$ 17,594,274.78	\$ 18,066,184.54	\$ 17,696,024.86	\$ 17,730,516.66	\$ 18,231,553.56	\$ 20,144,210.83
Restricted	3,690,296.13	3,898,494.14	4,033,473.56	3,193,507.74	3,236,233.86	2,885,448.52	4,582,900.67	3,503,672.67	2,841,069.49	3,261,390.61
Unrestricted	290,260.32	932,983.89	127,132.68	728,828.91	506,447.04	507,731.23	425,530.84	1,250,683.76	(3,125,964.50)	(4,928,079.88)
Total District Net Position	\$ 21,115,747.86	\$ 22,150,112.39	\$ 21,784,182.73	\$ 21,746,280.33	\$ 21,336,955.68	\$ 21,459,364.29	\$ 22,704,456.37	\$ 22,484,873.09	\$ 17,946,658.55	\$ 18,477,521.57

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ (9,084,606.15)	\$ (9,841,069.59)	\$ (9,920,702.40)	\$ (10,616,755.56)	\$ (11,131,960.10)	\$ (10,968,926.40)	\$ (7,928,482.58)	\$ (8,721,626.05)	\$ (8,777,426.20)	\$ (8,835,059.57)
Special Education	(1,246,832.10)	(1,431,563.23)	(1,490,462.25)	(1,762,250.28)	(1,490,756.14)	(1,570,561.49)	(1,071,032.32)	(1,071,221.66)	(1,188,448.20)	(1,117,447.79)
Other Special Education	(575,572.94)	(671,303.50)	(605,405.76)	(600,640.01)	(603,075.71)	(594,070.14)	(400,070.98)	(387,082.19)	(418,897.64)	(488,289.32)
Other Instruction	(833,219.83)	(976,572.01)	(1,011,346.44)	(1,079,318.10)	(1,251,201.28)	(1,105,785.06)	(996,920.27)	(913,672.58)	(1,023,977.73)	(1,101,034.79)
Support Services:										
Tuition	(1,306,906.29)	(1,127,838.95)	(1,478,420.39)	(1,115,016.22)	(1,162,661.68)	(1,178,396.15)	(1,304,222.47)	(1,470,994.74)	(1,263,233.58)	(1,426,192.04)
Student and Instruction Related Services	(3,405,431.48)	(3,599,180.82)	(3,777,452.71)	(3,948,234.34)	(4,171,262.66)	(4,089,920.28)	(2,948,427.59)	(3,037,522.25)	(3,071,099.14)	(3,026,828.78)
General Administration	(506,624.47)	(716,243.29)	(674,677.70)	(837,403.52)	(803,417.59)	(983,492.10)	(673,264.68)	(630,806.25)	(630,684.24)	(687,600.84)
School Administrative Services	(766,352.25)	(780,916.77)	(748,782.94)	(865,665.30)	(613,691.86)	(839,967.23)	(577,587.48)	(633,560.60)	(613,532.67)	(632,505.67)
Central Services	(520,452.17)	(342,588.37)	(367,562.58)	(402,436.58)	(651,994.83)	(435,967.77)	(418,632.12)	(438,479.49)	(436,154.32)	(465,070.06)
Admin Information Technology				(100,317.45)	(102,129.81)	(105,593.90)	(137,646.54)	(171,997.38)	(197,712.56)	(128,188.80)
Plant Operations and Maintenance	(2,197,949.29)	(2,306,582.21)	(2,744,542.10)	(2,270,926.59)	(2,230,290.20)	(2,764,716.44)	(1,884,522.10)	(2,597,160.44)	(2,348,530.59)	(2,532,973.62)
Pupil Transportation	(1,619,343.21)	(1,505,862.67)	(1,704,608.17)	(1,571,358.54)	(1,458,274.79)	(1,373,948.18)	(1,313,757.18)	(1,445,221.28)	(1,438,371.15)	(1,509,274.88)
Unallocated Benefits							(6,101,162.77)	(5,564,526.01)	(7,929,089.89)	(7,221,989.85)
Special Schools	(294,227.93)	(270,426.99)	(309,475.60)	(223,801.73)	(31,094.44)	(21,938.39)	(14,112.96)	(7,530.96)	-	-
Interest on Long-Term Debt	(363,921.47)	(349,180.12)	(333,497.51)	(316,949.38)	(122,677.58)	(162,953.27)	(264,995.63)	(260,922.37)	(248,036.54)	(228,500.23)
Unallocated Depreciation	(312,514.00)	(786,334.00)	(810,877.00)	(826,075.00)	(895,674.17)	(895,674.17)	(1,054,448.03)	(1,097,715.28)	(1,097,715.28)	(1,104,272.85)
Total Governmental Activities Expenses	(23,033,953.58)	(24,705,662.52)	(26,181,813.55)	(26,537,148.60)	(26,720,162.84)	(27,091,910.97)	(27,107,285.70)	(28,493,039.53)	(30,682,909.73)	(30,505,229.09)
Business-Type Activities:										
Food Service	(605,127.63)	(716,173.87)	(684,412.52)	(656,605.98)	(720,630.98)	(713,221.63)	(719,844.72)	(596,389.72)	(450,866.74)	(456,689.99)
Total Business-Type Activities Expenses	(605,127.63)	(716,173.87)	(684,412.52)	(656,605.98)	(720,630.98)	(713,221.63)	(719,844.72)	(596,389.72)	(450,866.74)	(456,689.99)
Total District Expenses	(23,639,081.21)	(25,421,836.39)	(26,866,226.07)	(27,193,754.58)	(27,440,793.82)	(27,805,132.60)	(27,827,130.42)	(29,089,429.25)	(31,133,776.47)	(30,941,919.08)
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 2,676,494.99	\$ 3,064,078.24	\$ 3,306,939.62	\$ 3,194,333.00	\$ 3,405,644.26	\$ 3,488,725.95	\$ 3,819,756.77	\$ 3,858,249.86	\$ 3,996,169.01	\$ 3,717,747.41
Pupil Transportation	246,783.94	263,835.66	262,015.00	266,706.00	282,375.26	215,262.20	139,871.37	132,027.54	132,871.29	172,390.83
Central and Other Support Services										
Operating Grants and Contributions	162,466.00	162,466.00	3,570.67	93,671.00	13,753.26	219,008.43	2,347,723.69	2,052,050.00	4,534,476.85	3,455,440.49
Capital Grants and Contributions				260,298.00	(184,758.73)					
Total Governmental Activities Program Revenues	3,085,744.93	3,490,379.90	3,572,525.29	3,815,008.00	3,517,014.05	3,922,996.58	6,307,351.83	6,042,327.40	8,663,517.15	7,345,578.73
Business-Type Activities:										
Charges for Services:										
Food Service	561,876.38	662,972.00	632,160.31	566,365.92	618,566.56	605,680.30	538,240.16	444,113.98	321,330.11	298,332.12
Operating Grants and Contributions	47,728.18	63,987.75	84,580.53	93,532.20	113,618.20	134,511.65	125,121.08	122,079.43	142,783.46	156,150.91
Total Business-Type Activities Program Revenues	609,604.56	726,959.75	716,740.84	659,898.12	732,184.76	740,191.95	663,361.24	566,193.41	464,113.57	454,483.03
Total District Program Revenues	3,695,349.49	4,217,339.65	4,289,266.13	4,474,906.12	4,249,198.81	4,663,188.53	6,970,713.07	6,608,520.81	9,127,630.72	7,800,061.76
Net (Expense)/Revenue:										
Governmental Activities	\$ (19,948,208.65)	\$ (21,215,282.62)	\$ (22,609,288.26)	\$ (22,722,140.60)	\$ (23,203,148.79)	\$ (23,168,914.39)	\$ (20,799,933.87)	\$ (22,450,712.13)	\$ (22,019,392.58)	\$ (23,159,650.36)
Business-Type Activities	4,476.93	10,785.88	32,328.32	3,292.14	11,553.78	26,970.32	(56,483.48)	(30,196.31)	13,246.83	17,793.04
Total District-wide Net (Expense)/Revenue	(19,943,731.72)	(21,204,496.74)	(22,576,959.94)	(22,718,848.46)	(23,191,595.01)	(23,141,944.07)	(20,856,417.35)	(22,480,908.44)	(22,006,145.75)	(23,141,857.32)

RED BANK REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Assets:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 15,953,619.00	\$ 16,591,764.00	\$ 17,255,435.00	\$ 17,886,750.00	\$ 18,270,890.00	\$ 18,617,308.00	\$ 18,989,654.00	\$ 19,340,947.12	\$ 20,190,015.98	\$ 20,590,000.08
Taxes Levied for Debt Service	769,396.00	770,027.00	774,729.00	773,529.00	781,420.00	744,400.00	729,405.00	757,810.92	751,308.00	747,598.96
Unrestricted Grants and Contributions	4,425,689.61	4,703,127.34	4,057,633.17	3,824,491.85	3,623,021.41	3,832,254.84	2,205,897.36	2,107,978.70	2,093,431.86	2,222,409.41
Investment Earnings	157,840.80	114,688.62	23,695.87	19,967.81	8,473.20	4,956.81	2,682.04	1,759.58	-	-
Special Items:										
FEMA reimbursements	-	-	-	-	-	-	4,691.94	-	-	-
Insurance reimbursements	-	-	-	-	-	-	19,117.56	-	-	-
Miscellaneous Income	87,626.55	59,254.31	99,540.24	176,204.40	98,465.75	65,433.03	150,061.53	153,870.34	137,326.37	112,711.89
Transfers	-	(23,000.00)	(4,275.75)	(4,348.50)	-	-	-	-	-	-
Loss on Disposition of Assets	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	21,394,171.96	22,215,861.27	22,206,757.53	22,676,594.56	22,782,270.36	23,264,352.68	22,101,509.43	22,362,366.66	23,172,082.21	23,672,720.34
Business-Type Activities:										
Transfers	-	23,000.00	4,275.75	4,348.50	-	-	-	-	-	-
Total Business-Type Activities	-	23,000.00	4,275.75	4,348.50	-	-	-	-	-	-
Total District-wide	\$ 21,394,171.96	\$ 22,238,861.27	\$ 22,211,033.28	\$ 22,680,943.06	\$ 22,782,270.36	\$ 23,264,352.68	\$ 22,101,509.43	\$ 22,362,366.66	\$ 23,172,082.21	\$ 23,672,720.34
Changes in Net Position:										
Governmental Activities	\$ 1,445,963.31	\$ 1,000,578.65	\$ (402,530.73)	\$ (45,546.04)	\$ (420,878.43)	\$ 95,438.29	\$ 1,301,575.56	\$ (88,345.47)	\$ 1,152,689.63	\$ 513,069.98
Business-Type Activities	4,476.93	33,785.88	36,604.07	7,640.64	11,553.78	26,970.32	(56,483.48)	(30,196.31)	13,246.83	17,793.04
Total District	\$ 1,450,440.24	\$ 1,034,364.53	\$ (365,926.66)	\$ (37,905.40)	\$ (409,324.65)	\$ 122,408.61	\$ 1,245,092.08	\$ (118,541.78)	\$ 1,165,936.46	\$ 530,863.02

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Reserved	\$ 2,849,054.84	\$ 3,891,068.59	\$ 3,374,056.71	\$ 2,469,445.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	349,261.04	355,190.19	326,557.44	874,413.91	-	-	-	-	-	-
Restricted	-	-	-	-	2,132,870.70	1,743,339.20	3,100,684.27	3,558,985.69	2,657,509.79	3,308,858.15
Assigned	-	-	-	-	639,866.21	631,249.75	1,034,949.79	751,114.64	2,161,532.67	681,900.22
Unassigned	-	-	-	-	615,234.14	582,906.23	531,194.85	584,067.42	536,961.71	556,003.71
Total General Fund	\$ 3,198,315.88	\$ 4,246,258.78	\$ 3,700,614.15	\$ 3,343,859.21	\$ 3,387,971.05	\$ 2,957,495.18	\$ 4,666,828.91	\$ 4,894,167.75	\$ 5,356,004.17	\$ 4,546,762.08
All Other Governmental Funds:										
Reserved	\$ -	\$ 202,888.00	\$ 9,578.01	\$ 90,450.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported In:										
Special Revenue Fund	(2,465.40)	(2,465.40)	-	-	-	-	-	-	-	-
Capital Projects Fund	1,031,440.92	623,543.40	649,839.85	623,885.81	-	-	-	-	-	-
Debt Service Fund	0.57	1.31	1.55	9,726.63	-	-	-	-	-	-
Restricted for:										
Debt Service Fund	-	-	-	-	37,712.88	27,987.88	0.38	1.30	1.80	0.76
Capital Projects Fund	-	-	-	-	425,784.07	482,871.69	447,266.23	22,342.55	253,881.81	21,250.42
Total All Other Governmental Funds	\$ 1,028,976.09	\$ 823,967.31	\$ 659,419.41	\$ 724,062.44	\$ 463,496.95	\$ 510,859.57	\$ 447,266.61	\$ 22,343.85	\$ 253,883.61	\$ 21,251.18

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**
(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Tax Levy	\$ 16,723,015.00	\$ 17,361,791.00	\$ 18,030,164.00	\$ 18,660,279.00	\$ 19,052,310.00	\$ 19,361,708.00	\$ 19,719,059.00	\$ 20,098,758.04	\$ 20,941,323.98	\$ 21,337,599.04
Tuition Charges	2,676,494.99	3,064,078.24	3,306,939.62	3,194,333.01	3,405,644.26	3,488,725.95	3,819,756.77	3,858,249.86	3,996,169.01	3,717,747.41
Transportation Fees	246,783.94	263,835.66	262,015.00	266,706.04	282,375.26	215,262.20	139,871.37	132,027.54	132,871.29	172,390.83
Interest Earnings	157,840.80	2,806.57	23,695.87	19,967.81	1,136.77	2,682.04	1,759.58	-	-	-
Miscellaneous	87,626.55	171,136.36	159,540.24	254,894.90	106,939.04	69,253.07	150,061.53	153,870.34	137,326.37	112,711.89
State Sources	4,128,449.67	4,346,253.04	3,394,943.11	3,315,869.71	2,470,275.19	3,262,176.21	3,593,878.43	3,845,390.53	3,845,390.53	4,363,013.10
Federal Sources	459,705.94	519,340.30	666,260.73	862,591.14	981,740.75	789,087.06	651,580.32	566,150.27	534,324.18	533,442.80
Total Revenues	24,479,916.89	25,729,241.17	25,843,558.57	26,574,641.61	26,299,284.50	27,187,349.26	28,385,051.76	28,404,694.06	29,587,405.36	30,236,905.07
Expenditures:										
Instruction:										
Regular	6,819,799.99	7,304,446.65	7,640,141.00	8,200,481.36	8,360,640.15	7,885,679.26	7,907,968.68	8,721,626.05	8,777,426.20	8,835,059.57
Special	891,213.18	1,012,461.42	1,250,600.69	1,278,933.11	1,056,555.49	1,080,826.14	1,089,032.32	1,071,221.66	1,188,448.20	1,117,447.79
Other	410,505.48	729,953.69	784,249.42	439,882.10	438,709.24	412,226.31	400,070.98	387,082.19	418,897.64	488,289.32
School-Sponsored/Other Instructional	644,806.55	491,269.00	454,041.88	830,842.85	939,264.35	847,508.35	996,920.27	913,672.58	1,023,977.73	1,101,034.79
Support Services:										
Tuition	1,306,906.29	1,127,838.95	1,478,420.39	1,115,016.22	1,162,661.68	1,178,396.15	1,304,222.47	1,470,994.74	1,263,233.58	1,426,192.04
Student and Instruction Related										
Services	2,661,357.84	2,744,913.69	2,942,691.32	2,984,940.13	3,152,272.48	2,983,067.57	2,948,427.59	3,037,522.25	3,071,099.14	3,026,828.78
General Administration	411,081.52	519,887.58	469,237.95	554,822.92	529,355.39	661,478.93	673,264.68	673,806.25	630,684.24	687,600.84
School Administrative Services	619,723.58	582,005.00	578,907.36	641,532.25	623,754.76	603,677.41	577,587.48	633,560.60	613,532.67	632,505.67
Central Services	394,585.46	342,588.37	367,562.58	402,436.58	436,364.12	435,967.77	418,632.12	438,479.49	436,134.32	465,070.06
Admin. Information Technology	-	-	-	100,317.45	102,129.81	105,593.90	137,646.54	171,997.38	197,712.56	128,188.80
Plant Operations and Maintenance	1,965,694.42	2,070,074.13	2,526,539.14	2,065,735.65	2,010,369.17	2,506,522.41	1,845,459.10	2,597,160.44	2,348,530.59	2,532,973.62
Pupil Transportation	1,608,346.85	1,490,158.37	1,687,581.93	1,552,698.60	1,389,957.53	1,349,730.35	1,313,757.18	1,445,221.28	1,438,371.15	1,509,274.88
Business and Other Support Services:										
Other										
Employee Benefits	4,267,287.98	4,764,743.28	4,428,660.31	4,894,020.54	5,282,328.62	5,806,705.74	6,124,702.18	5,615,936.01	5,617,894.89	6,119,794.85
Special Schools	211,866.90	194,252.26	243,161.74	152,383.15	26,735.52	19,612.84	14,112.96	7,530.96	-	-
Capital Outlay	475,211.33	718,687.60	862,951.68	805,867.34	251,186.09	939,344.38	253,923.44	658,656.10	1,116,758.77	2,460,918.58
Special Revenue	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	400,000.00	415,000.00	435,000.00	450,000.00	515,000.00	485,000.00	500,000.00	520,000.00	535,000.00	550,000.00
Interest and Other Charges	369,396.26	355,026.26	339,728.76	392,494.77	238,453.75	269,125.00	257,392.50	237,810.00	216,307.50	197,600.00
Total Expenditures	23,455,783.63	24,863,306.25	26,489,476.15	26,862,405.02	26,515,738.15	27,570,462.51	26,763,120.49	28,602,277.98	28,894,029.18	31,278,779.59
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	1,024,133.26	865,934.92	(645,917.59)	(287,763.41)	(216,453.65)	(383,113.25)	1,621,931.27	(197,583.92)	693,376.18	(1,041,874.52)
Other Financing Sources/(Uses):										
FEMA reimbursements	-	-	-	-	-	-	4,691.94	-	-	-
Insurance reimbursements	-	-	-	-	-	-	19,117.56	-	-	-
Capital Leases (Non-Budgeted)	-	-	-	-	-	-	-	-	-	-
Capital Reserve to Capital Projects	-	-	-	-	-	-	-	-	-	-
Proceeds From Refunding	-	-	-	5,714,883.20	-	-	-	-	-	-

RED BANK REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Payments To Escrow Agent	-	-	-	(5,714,883.20)	-	-	-	-	-	-
Transfers In	-	2,806.57	(4,275.75)	(4,348.50)	-	-	-	-	-	-
Transfers Out	-	(25,806.57)	(60,000.00)	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	(23,000.00)	(64,275.75)	(4,348.50)	-	-	23,809.50	-	-	-
Net Change in Fund Balances	\$ 1,024,133.26	\$ 842,934.92	\$ (710,193.34)	\$ (292,111.91)	\$ (216,453.65)	\$ (383,113.25)	\$ 1,645,740.77	\$ (197,583.92)	\$ 693,376.18	\$ (1,041,874.52)

Debt Service as a Percentage of Noncapital Expenditures

	3.35%	3.19%	3.02%	3.23%	2.87%	2.83%	2.86%	2.71%	2.70%	2.59%
--	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Source: District records

Note: Noncapital expenditures are total expenditures less Capital Outlay.
 Central Service and Administrative Information Technology account classifications were added beginning with year-end June 30, 2005.
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.
 * Special Revenue allocation not available
 ** Debt Service breakdown not available
 *** Other Financing Sources/(Uses) not available

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

Fiscal Year Ending June 30,	Refund of Prior Year Expenditure	Rentals	Interest on Investments	Miscellaneous	Interest Earned on Capital Reserve	Tuition	Transportation Fees	Totals
2007	\$ 27,785.05	\$ 780.00	\$ 152,694.49	\$ 36,576.31	\$ -	\$ -	\$ 246,783.94	\$ 464,619.79
2008	-	-	-	151,607.53	-	3,064,078.24	263,835.66	3,479,521.43
2009	10,690.40	8,344.00	23,695.87	28,428.11	-	3,306,939.62	262,015.00	3,640,113.00
2010	12,800.56	8,604.25	19,967.81	104,030.31	-	3,194,333.01	266,706.04	3,606,441.98
2011	22,501.12	13,013.50	6,483.32	49,596.28	1,989.88	3,405,644.26	282,375.26	3,781,603.62
2012	14,746.15	4,780.50	4,444.09	25,291.28	636.77	3,488,725.95	215,262.20	3,753,886.94
2013	14,026.83	59,979.00	250.00	25,747.12	2,432.04	3,819,756.77	139,871.37	4,062,063.13
2014	10,394.11	61,887.50	125.00	66,203.95	1,634.58	3,858,249.86	132,027.54	4,130,522.54
2015	-	8,433.88	-	89,009.94	-	3,996,169.01	132,871.29	4,226,484.12
2016	-	1,803.00	-	37,672.30	-	3,717,747.41	172,390.83	3,929,613.54

Source: District records

This page intentionally left blank.

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

This page intentionally left blank.

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

RED BANK BOROUGH

Year Ending December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment
2007	\$ 20,091,700.00	1,346,966,100.00	-	-	\$ 659,393,500.00	\$ 54,245,000.00	\$ 147,770,000.00
2008	R 20,991,400.00	1,353,253,700.00	-	-	685,713,600.00	54,293,500.00	148,477,600.00
2009	27,096,400.00	1,359,504,500.00	-	-	692,196,800.00	53,777,800.00	145,835,600.00
2010	18,514,900.00	1,369,449,500.00	-	-	676,474,300.00	52,048,700.00	142,895,200.00
2011	19,743,700.00	1,366,109,731.00	-	-	668,896,500.00	50,437,500.00	143,148,400.00
2012	24,247,600.00	1,355,504,971.00	-	-	663,883,700.00	49,873,800.00	143,218,400.00
2013	27,456,500.00	1,341,471,541.00	-	-	663,668,500.00	44,789,400.00	142,412,000.00
2014	26,904,400.00	1,304,980,421.00	-	-	656,484,700.00	43,564,600.00	153,793,800.00
2015	27,662,000.00	1,232,412,421.00	-	-	619,175,000.00	38,353,100.00	151,200,400.00
2016	15,255,500.00	1,200,435,700.00	-	-	651,025,800.00	28,665,200.00	175,123,800.00

	Total Assessed Value	Less: Tax - Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2007	2,610,186,300.00	\$ 381,720,000.00	\$ 10,065,629.00	2,238,531,929.00	\$ 2,206,288,322.00	0.534
2008	R 2,644,113,800.00	381,384,000.00	8,998,871.00	2,271,728,671.00	2,329,032,383.00	0.538
2009	2,651,659,800.00	373,248,700.00	9,345,276.00	2,287,756,376.00	2,391,495,945.00	0.530
2010	2,633,662,800.00	374,280,200.00	9,542,164.00	2,268,924,764.00	2,350,735,911.00	0.556
2011	2,622,772,331.00	374,436,500.00	10,721,303.00	2,259,057,134.00	2,233,687,962.00	0.569
2012	2,610,849,771.00	374,121,300.00	10,572,944.00	2,247,301,415.00	2,143,209,232.00	0.588
2013	2,598,058,441.00	378,260,500.00	8,348,145.00	2,228,146,086.00	2,013,589,296.00	0.616
2014	2,564,370,721.00	378,642,800.00	6,675,440.00	2,192,403,361.00	1,990,213,711.00	0.683
2015	2,444,637,521.00	375,834,600.00	6,567,944.00	2,075,370,865.00	2,075,371,065.00	0.422
2016	2,070,506,000.00	-	7,593,910.00	2,078,099,910.00	2,070,506,000.00	0.445

Source: Municipal Tax Assessor

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

- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b Tax rates are per \$100
- R Reassessment of property values
- N/A At the time of CAFR Completion, this data was not yet available

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

LITTLE SILVER BOROUGH

Year Ending December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment
2007	\$ 13,882,900.00	\$ 1,144,025,300.00	\$ 3,376,500.00	\$ 15,800.00	\$ 83,976,300.00	-	-
2008	15,409,600.00	1,149,913,900.00	3,376,500.00	15,800.00	83,930,100.00	-	-
2009	14,215,700.00	1,134,855,600.00	3,376,500.00	15,800.00	84,643,500.00	-	-
2010	9,474,700.00	1,146,434,300.00	3,376,500.00	15,800.00	84,557,900.00	-	-
2011	9,557,900.00	1,152,263,400.00	3,376,500.00	15,500.00	84,557,900.00	-	-
2012	11,934,400.00	1,152,141,400.00	3,376,500.00	15,500.00	84,456,800.00	-	-
2013	15,317,400.00	1,233,714,800.00	4,051,200.00	17,300.00	100,897,600.00	-	-
2014	24,062,400.00	1,330,815,200.00	4,128,500.00	17,300.00	100,937,900.00	-	-
2015	18,214,300.00	1,453,902,900.00	4,339,100.00	17,300.00	110,084,100.00	-	-
2016	9,345,600.00	1,501,675,100.00	4,035,000.00	17,300.00	113,702,100.00	-	-

	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2007	\$ 1,311,840,500.00	\$ 66,563,700.00	\$ 1,037,264.00	\$ 1,246,314,064.00	\$ 1,602,673,685.00	0.871
2008	1,319,373,200.00	66,727,300.00	1,054,252.00	1,253,700,152.00	1,663,930,297.00	0.859
2009	1,303,735,500.00	66,628,400.00	1,227,857.00	1,238,334,957.00	1,672,532,650.00	0.885
2010	1,310,487,600.00	66,628,400.00	2,303,833.00	1,246,163,033.00	1,672,771,740.00	0.909
2011	1,317,262,900.00	67,491,700.00	1,021,967.00	1,250,793,167.00	1,630,286,375.00	0.919
2012	1,319,281,100.00	67,356,500.00	989,441.00	1,252,914,041.00	1,621,138,834.00	0.934
2013	1,443,275,500.00	89,277,200.00	1,395,197.00	1,355,393,497.00	1,577,836,354.00	0.882
2014	1,554,919,100.00	94,957,800.00	974,140.00	1,460,935,440.00	1,719,005,830.00	0.834
2015	1,683,533,600.00	96,975,900.00	1,217,399.00	1,587,775,099.00	1,587,775,099.00	0.457
2016	1,628,775,100.00	-	1,180,677.00	1,629,955,777.00	1,628,775,100.00	0.439

Source: Municipal Tax Assessor

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

- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b Tax rates are per \$100
- R Reassessment of property values
- N/A At the time of CAFR Completion, this data was not yet available

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$100 OF ASSESSED VALUE)**

RED BANK BOROUGH

Year Ending December 31,	School District Direct Rate				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Direct School Tax Rate	Total of Red Bank	Local School Rate	Monmouth County			
2007	0.506	0.028	0.534	0.384	0.371	0.252		1.541	
2008	0.511	0.027	0.538	0.445	0.365	0.246		1.594	
2009	0.504	0.026	0.530	0.462	0.367	0.254		1.613	
2010	0.532	0.024	0.556	0.484	0.374	0.265		1.679	
2011	0.543	0.026	0.569	0.509	0.377	0.257		1.712	
2012	0.562	0.026	0.588	0.523	0.385	0.261		1.757	
2013	0.593	0.023	0.616	0.555	0.384	0.255		1.810	
2014	0.657	0.026	0.683	0.543	0.396	0.247		1.869	
2015	0.407	0.015	0.422	0.574	0.770	0.267		2.033	
2016	0.429	0.016	0.445	1.825	0.796	0.282		3.348	

Source: Municipal Tax Assessor

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

The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the

^a Net Valuation taxable.

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

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

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$100 OF ASSESSED VALUE)**

LITTLE SILVER BOROUGH

Year Ending December 31,	School District Direct Rate				Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct School Tax Rate	Borough of Little Silver	Local School Rate	Monmouth County		
2007	0.401	0.019	0.871	0.468	0.434	0.347	2.120	
2008	N/A	N/A	0.859	0.492	0.446	0.338	2.135	
2009	N/A	N/A	0.885	0.512	0.475	0.347	2.219	
2010	N/A	N/A	0.909	0.508	0.479	0.363	2.259	
2011	N/A	N/A	0.919	0.521	0.493	0.366	2.299	
2012	N/A	N/A	0.934	0.528	0.534	0.377	2.373	
2013	0.849	0.033	0.882	0.498	0.510	0.000	1.890	
2014	0.803	0.031	0.834	0.469	0.482	0.365	2.150	
2015	0.441	0.016	0.457	0.441	0.791	0.320	2.009	
2016	0.424	0.015	0.439	1.679	0.429	0.305	2.852	

Source: Municipal Tax Assessor

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

The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable.

^a Rates for debt service are based on each year's requirements.

^b At the time of CAFR Completion, this data was not yet available

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$100 OF ASSESSED VALUE)**

SHREWSBURY BOROUGH

Year Ending December 31,	School District Direct Rate				Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Direct School Tax Rate	Borough of Shrewsbury	Local School Rate	Monmouth County		
2007	0.398	0.019	0.809	0.724	0.452	0.371	2.356	
2008	N/A	N/A	0.835	0.745	0.511	0.363	2.454	
2009	N/A	N/A	0.860	0.755	0.540	0.399	2.554	
2010	N/A	N/A	0.885	0.786	0.570	0.393	2.634	
2011	N/A	N/A	0.920	0.802	0.591	0.396	2.709	
2012	N/A	N/A	0.934	0.819	0.554	0.387	2.694	
2013	0.721	0.028	0.749	0.649	0.463	0.307	2.168	
2014	0.733	0.029	0.762	0.663	0.521	0.325	2.271	
2015	0.481	0.018	0.499	0.632	0.521	0.325	1.977	
2016	0.461	0.017	0.478	1.811	0.068	0.299	2.656	

Source: Municipal Tax Assessor

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

The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable.

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

At the time of CAFR Completion, this data was not yet available

a
b
N/A

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

RED BANK BOROUGH

	2016			2007		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer 1		1			1	
Taxpayer 2		2			2	
Taxpayer 3		3			3	
Taxpayer 4		4			4	
Taxpayer 5		5			5	
Taxpayer 6		6			6	
Taxpayer 7		7			7	
Taxpayer 8		8			8	
Taxpayer 9		9			9	
Taxpayer 10		10			10	
			DATA NOT AVAILABLE			
Total	\$ -			\$ -		

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

LITTLE SILVER BOROUGH

	2016			2007		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer 1		1			1	
Taxpayer 2		2			2	
Taxpayer 3		3			3	
Taxpayer 4		4			4	
Taxpayer 5		5			5	
Taxpayer 6		6			6	
Taxpayer 7		7			7	
Taxpayer 8		8			8	
Taxpayer 9		9			9	
Taxpayer 10		10			10	
			DATA NOT AVAILABLE			
Total	\$ -			\$ -		

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

SHREWSBURY BOROUGH

	2016			2007		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer 1		1			1	
Taxpayer 2		2			2	
Taxpayer 3		3			3	
Taxpayer 4		4			4	
Taxpayer 5		5			5	
Taxpayer 6		6			6	
Taxpayer 7		7			7	
Taxpayer 8		8			8	
Taxpayer 9		9			9	
Taxpayer 10		10			10	
Total	\$ -			\$ -		

DATA NOT AVAILABLE

Source: Municipal Tax Assessor

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Year Ended December 31,	Taxes Levied for the Fiscal Year	Collector Within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 17,337,509.00	\$ 17,337,509.00	100.00%	-
2008	17,361,791.00	17,361,791.00	100.00%	-
2009	18,030,164.00	18,030,164.00	100.00%	-
2010	18,660,279.00	18,660,279.00	100.00%	-
2011	19,052,310.00	19,052,310.00	100.00%	-
2012	19,361,708.00	19,361,708.00	100.00%	-
2013	19,361,708.00	19,361,708.00	100.00%	-
2014	20,098,758.04	20,098,758.04	100.00%	-
2015	20,941,323.98	20,941,323.98	100.00%	-
2016	21,337,599.04	21,337,599.04	100.00%	-

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

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

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's debt and its debt capacity.

This page intentionally left blank

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ending June 30,	<u>Governmental Activities</u>			Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Total District		
2007	\$ 8,290,000.00	\$ 9,094.16	\$ 8,299,094.16	N/A	373.88
2008	7,875,000.00	-	7,875,000.00	N/A	354.73
2009	7,440,000.00	-	7,440,000.00	N/A	306.01
2010	6,800,000.00	-	6,800,000.00	N/A	N/A
2011	6,285,000.00	-	6,285,000.00	N/A	286.28
2012	5,800,000.00	-	5,800,000.00	N/A	N/A
2013	5,300,000.00	-	5,300,000.00	N/A	241.29
2014	4,780,000.00	-	4,780,000.00	0.47%	217.99
2015	4,245,000.00	-	4,245,000.00	N/A	188.77
2016	3,695,000.00	-	3,695,000.00	N/A	166.08

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

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

b Includes Early Retirement Incentive Plan ("ERIP") refunding
N/A At the time of CAFR completion, data was not yet available

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year <u>Ending June 30,</u>	<u>General Bonded Debt Outstanding</u>		Percentage of Actual Taxable Value ^a of <u>Property</u>	Per <u>Capita</u> ^b
	<u>General Obligation Bonds</u>	<u>Net General Bonded Debt Outstanding</u>		
2007	\$ 8,290,000.00	8,290,000.00	0.19%	373.88
2008	7,875,000.00	7,875,000.00	0.16%	354.73
2009	7,440,000.00	7,440,000.00	0.13%	306.01
2010	6,800,000.00	6,800,000.00	0.13%	N/A
2011	6,285,000.00	6,285,000.00	0.15%	286.28
2012	5,800,000.00	5,800,000.00	0.14%	N/A
2013	5,300,000.00	5,300,000.00	0.12%	241.29
2014	4,780,000.00	4,780,000.00	0.10%	217.99
2015	4,245,000.00	4,245,000.00	0.09%	188.77
2016	3,695,000.00	3,695,000.00	0.08%	166.08

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

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

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

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Red Bank Borough	13,667,882.02	100.00%	\$ 13,667,882.02
Little Silver Borough	3,721,231.70	100.00%	3,721,231.70
Shrewsbury Borough	9,373,506.44	100.00%	9,373,506.44
Monmouth County General Obligation Debt:			
Red Bank Borough (1.842118%)	4,333,285,696.80	1.84%	79,824,232.94
Little Silver Borough (1.449112%)	4,333,285,696.80	1.45%	62,794,178.33
Shrewsbury Borough (0.993477%)	4,333,285,696.80	0.99%	43,050,177.05
Subtotal, Overlapping Debt			212,431,208.49
Red Bank Regional High School District Direct Debt			3,695,000.00
Total Direct and Overlapping Debt			\$ 216,126,208.49

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation.
Debt Outstanding data provided by each governmental unit.

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

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

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

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2014

Equalized Valuation Basis

	Total	Red Bank Borough	Little Silver Borough	Shrewsbury Borough
2015	\$ 4,839,236,478.00	\$ 2,061,518,094.00	\$1,658,425,130.00	\$1,119,293,254.00
2014	4,734,468,539.00	2,029,271,118.00	1,642,805,559.00	1,062,391,862.00
2013	4,636,138,685.00	1,998,017,949.00	1,591,067,333.00	1,047,053,403.00
(A)	<u>\$ 9,370,607,224.00</u>	<u>\$ 4,027,289,067.00</u>	<u>\$ 3,233,872,892.00</u>	<u>\$ 2,109,445,265.00</u>

Average Equalized Valuation of Taxable Property

(A/3)	\$ 3,123,535,741.33
-------	---------------------

Debt Limit (3% of Average Equalization Value) a

(B)	93,706,072.24
-----	---------------

Total Net Debt Applicable To Limit

(C)	<u>3,695,000.00</u>
-----	---------------------

Legal Debt Margin

(B-C)	<u>\$ 90,011,072.24</u>
-------	-------------------------

	2007	2008	2009	2010	2011
Debt Limit					
Total Net Debt Applicable To Limit	\$ 130,479,157.00	\$ 144,456,406.00	\$ 153,662,302.00	\$ 104,747,612.00	\$ 155,098,529.00
Legal Debt Margin	8,290,000.00	7,875,000.00	7,440,000.00	6,800,000.00	6,285,000.00

	\$ 122,189,157.00	\$ 136,581,406.00	\$ 146,222,302.00	\$ 97,947,612.00	\$ 148,813,529.00
--	-------------------	-------------------	-------------------	------------------	-------------------

Total Net Debt Applicable to the Limit

as a Percentage of Debt Limit

	6.35%	5.45%	4.84%	6.49%	4.05%
--	-------	-------	-------	-------	-------

Debt Limit

Total Net Debt Applicable To Limit

	\$ 95,143,791.63	\$ 95,143,792.00	\$ 92,558,030.67	\$ 93,145,678.62	\$ 93,706,072.24
	5,800,000.00	5,300,000.00	4,780,000.00	4,245,000.00	3,695,000.00

Legal Debt Margin

	\$ 89,343,791.63	\$ 89,843,792.00	\$ 87,778,030.67	\$ 88,900,678.62	\$ 90,011,072.24
--	------------------	------------------	------------------	------------------	------------------

Total Net Debt Applicable to the Limit

as a Percentage of Debt Limit

	6.10%	5.57%	5.16%	4.56%	3.94%
--	-------	-------	-------	-------	-------

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

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

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

This page intentionally left blank

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

RED BANK BOROUGH

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2007	11,873	696,019,006	58,622	5.10%
2008	11,859	702,230,685	59,215	6.50%
2009	11,914	698,422,508	58,622	N/A
2010	12,287	736,175,605	59,915	10.70%
2011	12,262	703,066,294	57,337	10.80%
2012	12,242	747,239,438	61,039	11.30%
2013	12,263	772,581,263	63,001	N/A
2014	12,230	771,309,410	63,067	4.60%
2015	12,204	805,695,876	66,019	4.30%
2016	N/A	N/A	N/A	N/A

Source:

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

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

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

^d Unemployment data ¶ At the time of CAFR completion, data was not yet available

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

LITTLE SILVER BOROUGH

<u>Year</u>	<u>Population</u> ^a	<u>Personal Income</u> ^b	<u>Per Capita Personal Income</u> ^c	<u>Unemployment Rate</u> ^d
2007	6,119	358,708,018	58,622	2.80%
2008	6,114	362,040,510	59,215	3.60%
2009	6,141	359,997,702	58,622	N/A
2010	5,974	357,932,210	59,915	6.10%
2011	5,969	342,244,553	57,337	6.10%
2012	5,956	363,548,284	61,039	6.40%
2013	5,952	374,981,952	63,001	4.70%
2014	5,911	372,789,037	63,067	4.40%
2015	5,913	390,370,347	66,019	3.70%
2016	N/A	N/A	N/A	N/A

Source:

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

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

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

^d Unemployment data provided At the time of CAFR completion, data was not yet available

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

SHREWSBURY BOROUGH

<u>Year</u>	<u>Population</u> ^a	<u>Personal Income</u> ^b	<u>Per Capita Personal Income</u> ^c	<u>Unemployment Rate</u> ^d
2007	3,754	220,066,988	58,622	1.10%
2008	3,775	223,536,625	59,215	1.40%
2009	3,772	221,122,184	58,622	N/A
2010	3,808	228,156,320	59,915	2.40%
2011	3,794	217,536,578	57,337	2.50%
2012	3,801	232,009,239	61,039	2.60%
2013	3,865	243,498,865	63,001	N/A
2014	4,047	255,232,149	63,067	N/A
2015	4,131	272,724,489	66,019	3.50%
2016	N/A	N/A	N/A	N/A

Source:

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

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

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

^d Unemployment data p At the time of CAFR completion, data was not yet available

Operating Information

Operating information is intended to provide contextual information about the School District's operation and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operation

This page intentionally left blank

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

Function/Program	FISCAL YEAR ENDING JUNE 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction:	133	132	132	132	129	129	129	130	132	132
Regular										
Special Education										
Other Special Education										
Vocational										
Other Instruction										
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student and Instruction Related Services	34	34	33	32	35	35	35	34	34	34
General Administration	2	2	3	3	3	3	3	3	3	3
School Administrative Services	8	8	8	8	7	7	7	8	8	8
Other Administrative Services										
Central Services	5	5	5	5	5	5	5	5	5	5
Administrative Information Technology										
Plant Operations and Maintenance	12	12	12	12	11	11	12	12	12	12
Pupil Transportation	1	1	1	1	1	1	1	1	1	1
Other Support Services										
Special Schools										
Food Service										
Child Care										
Total	195	194	196	195	193	193	195	193	197	197

Source: District Personnel Records

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

School Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Middle School			Senior High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^d	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	School	School					
2007	1,086	22,639,637.00	20,846.81	20.19%	112	N/A	N/A	1:9.7	1,114.8	1,045.3	-2.31%	93.77%	
2008	1,099	23,751,599.00	21,612.01	3.67%	111	N/A	N/A	1:9.9	1,113.0	1,047.8	0.24%	94.20%	
2009	1,106	25,487,733.05	23,044.97	6.63%	126	N/A	N/A	1:8.8	1,115.6	1,054.2	0.61%	94.50%	
2010	1,085	25,214,043.00	23,238.75	0.84%	126	N/A	N/A	1:8.6	1,097.7	1,039.7	-1.38%	94.70%	
2011	1,142	25,511,098.31	22,338.97	-3.87%	125	N/A	N/A	1:9.1	1,122.0	1,061.1	2.06%	94.50%	
2012	1,171	25,876,993.15	22,098.20	-1.08%	125	N/A	N/A	1:9.3	1,149.0	1,092.0	2.91%	95.10%	
2013	1,180	25,751,805.00	21,823.56	-1.24%	126	N/A	N/A	1:9.4	1,176.0	1,113.2	1.94%	94.68%	
2014	1,165	27,185,811.88	23,335.46	6.93%	126	N/A	N/A	1:9.3	1,169.0	1,112.0	-0.11%	95.12%	
2015	1,210	27,025,962.91	22,335.51	2.35%	126	N/A	N/A	1:9.3	1,200.5	1,143.7	2.74%	95.27%	
2016	1,191	28,070,261.01	23,568.65	1.00%	126	N/A	N/A	1:9.3	1,185.0	1,227.0	10.34%	103.54%	

Note: Enrollment based on annual October District count.

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

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

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

District/Building	FISCAL YEAR ENDING JUNE 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
High School:										
Red Bank Regional High School (1975)										
Square Feet	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Capacity (Students)	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346	1,346
Enrollment	1,086	1,099	1,116	1,116	1,133	1,136	1,180	1,165	1,165	1,165
Other:										
Athletic Building (1980)										
Square Feet	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Central Administration (1975)										
Square Feet	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Self-Contained Special Education School (1995)										
Square Feet	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Fitness Center (2015)										
Square Feet	-	-	-	-	-	-	-	-	-	3,000

Number of Schools at June 30, 2016
Senior High School = 1
Other = 0

Source: District Facilities Office

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

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

	Project # (s)	Red Bank Regional High School	Total
2007	N/A	151,475.50	151,475.50
2008	N/A	195,954.07	195,954.07
2009	N/A	507,472.10	507,472.10
2010	N/A	347,366.00	347,366.00
2011	N/A	337,442.12	337,442.12
2012	N/A	859,005.27	859,005.27
2013	N/A	475,519.11	475,519.11
2014	N/A	606,937.69	606,937.69
2015	N/A	480,400.12	480,400.12
2016	N/A	709,625.58	709,625.58
Total School Facilities		<u>\$ 4,671,197.56</u>	<u>\$ 4,671,197.56</u>

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

Source: District records

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2016**

<u>Company</u>	<u>Type of Coverage</u>	<u>Premium</u>	<u>Coverage</u>	<u>Deductible</u>
COMMERCIAL PACKAGE POLICY		\$78,259		
New Jersey School Insurance Group	Property Blanket Building & Contents		\$51,003,418	\$2,500
	Blanket Extra Expense		\$50,000,000	\$2,500
	Electronic Data Processing Equipment and Software		\$1,000,000	\$1,000
	Boiler & Machinery		Included	
	Comprehensive General Liability			
	Per Occurrence		\$11,000,000	
	General Aggregate		\$11,000,000	
	Employee Benefit Liability		\$11,000,000	\$1,000
	Automotive Liability		\$11,000,000	
New Jersey School Insurance Group	School Board Legal Liability	\$31,065	\$2,000,000	\$5,000
New Jersey School Insurance Group	Worker's Compensation	\$126,897	\$2,000,000	
	Surety Bonds			
Selective	BA/BS	\$700	\$250,000	
Selective	Payroll Clerk	\$280	\$100,000	
Selective	Payroll Administrator	\$280	\$100,000	
New Jersey School Insurance Group	Employee Dishonesty	Incl in Pkg	\$500,000	\$1,000
Firemans Fund	NJ CAP - Excess	\$5,104	\$50M Excess	
Catlin&US Fire	Student Accident	\$224,073	\$5M AME	

Source: Boynton & Boynton

This page intentionally left blank.

SINGLE AUDIT SECTION

This page intentionally left blank



EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Red Bank Regional Board of Education
County of Monmouth
Little Silver, New Jersey 07739

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Red Bank Regional Board of Education, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Red Bank Regional Board of Education’s basic financial statements, and have issued our report thereon dated December 01, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.



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

Freehold, New Jersey
December 01, 2016



EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members
of the Board of Education
Red Bank Regional Board of Education
County of Monmouth
Little Silver, New Jersey 08075

Report on Compliance for Each Major State Program

We have audited Red Bank Regional Board of Education’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major state programs for the year ended June 30, 2016. Red Bank Regional Board of Education’s major state programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Red Bank Regional Board of Education’s major 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 15-08 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 state program occurred. An audit includes examining, on a test basis, evidence about Red Bank Regional Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, Red Bank Regional Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the Red Bank Regional Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Red Bank Regional Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Red Bank Regional Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a 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 the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

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

Freehold, New Jersey
December 01, 2016

This page intentionally left blank.

RED BANK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2016

Enterprise Fund U.S. Department of Agriculture: Passed Through State Department of Education: Child Nutrition Cluster: Noncash Assistance: Food Distribution Program Cash Assistance: School Breakfast Program School Breakfast Program Subtotal	Federal CFDA Number	Federal FAIN Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2015	Cash Received	Budgetary Expenditures	Sub Recipient Expenditures	Balance at June 30, 2016	
									(Accounts Receivable)	Unearned Revenue
	10.555	16161NJ304N1099	\$ 20,192.44	07/01/15 06/30/16	\$ -	\$ 22,561.07	\$ (20,192.44)	\$ -	\$ -	\$ 2,368.63
	10.553	16161NJ304N1099	25,463.44	07/01/15 06/30/16	-	20,647.40	(25,463.44)	-	(4,816.04)	-
	10.553	16161NJ304N1099	18,600.40	07/01/14 06/30/15	(1,578.24)	1,578.24	-	-	-	-
Subtotal					(1,578.24)	22,225.64	(25,463.44)	-	(4,816.04)	-
National School Lunch Program	10.555	16161NJ304N1099	104,340.31	07/01/15 06/30/16	-	86,402.60	(104,340.31)	-	(17,937.71)	-
National School Lunch Program	10.555	16161NJ304N1099	95,614.55	07/01/14 06/30/15	(5,478.58)	5,478.58	-	-	-	-
Healthy Hunger Free Kids Act	10.555	16161NJ304N1099	3,356.46	07/01/15 06/30/16	-	2,765.28	(3,356.46)	-	(591.18)	-
Healthy Hunger Free Kids Act	10.555	16161NJ304N1099	3,403.08	07/01/14 06/30/15	(193.86)	193.86	-	-	-	-
Subtotal					(5,672.44)	94,840.32	(107,696.77)	-	(18,528.89)	-
Total Child Nutrition Cluster					(7,250.68)	139,627.03	(153,352.65)	-	(23,344.93)	2,368.63
Total U.S. Department of Agriculture					(7,250.68)	139,627.03	(153,352.65)	-	(23,344.93)	2,368.63
Special Revenue Fund U.S. Department of Education: Passed-Through State Department of Education: Title I - Part A Title I - Part A Subtotal	84.010A 84.010A	S010A150030 S010A150030	134,461.00 114,191.00	07/01/15 06/30/16 07/01/14 06/30/15	- (23,739.38)	119,828.00 23,739.38	(143,206.17) -	- -	(23,378.17) -	- -
Title II - Part A Teacher and Principal Training Title II - Part A Teacher and Principal Training Subtotal	84.367A 84.367A	S367A150029 S367A150029	10,269.00 18,752.00	07/01/15 06/30/16 07/01/14 06/30/15	- (19,381.90)	10,916.00 19,382.00	(19,230.07) -	- -	(8,314.07) 0.10	- -
					(19,381.90)	30,298.00	(19,230.07)	-	(8,313.97)	-
I.D.E.A. Part B, Basic I.D.E.A. Part B, Basic Subtotal	84.027 84.027	H027A150100 H027A150100	390,935.00 339,219.00	07/01/14 06/30/16 07/01/15 06/30/15	- (118,300.19)	265,144.00 118,300.19	(265,808.25) -	(102,148.31) -	(102,812.56) -	- -
					(118,300.19)	383,444.19	(265,808.25)	(102,148.31)	(102,812.56)	-
Total U.S. Department of Education					(161,421.47)	557,309.57	(428,244.49)	(102,148.31)	(134,504.70)	-
Total Federal Financial Awards					\$ (168,672.15)	\$ 696,936.60	\$ (581,597.14)	\$ (102,148.31)	\$ (157,849.63)	\$ 2,368.63

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

RED BANK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		June 30, 2015		June 30, 2016		Memorandum Only							
			From	To	Deferred Revenues/ (Accounts Receivable)	Due To Grantor	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Unearned Revenue	Due To Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education General Fund																
Equalization Aid	16-495-034-5120-078	89,062.00	07/01/15	06/30/16	\$ -	\$ -	\$ 89,062.00	\$ (89,062.00)	\$ -	\$ -	\$ -	\$ -	\$ 8,195.50	\$ -	\$ -	\$ 89,062.00
Transportation Aid	16-495-034-5120-014	233,200.00	07/01/15	06/30/16	-	-	233,200.00	(233,200.00)	-	-	-	-	21,459.10	-	-	233,200.00
Special Education Aid	16-495-034-5120-089	518,148.00	07/01/15	06/30/16	-	-	518,148.00	(518,148.00)	-	-	-	-	47,680.07	-	-	518,148.00
Security Aid	16-495-034-5120-084	114,422.00	07/01/15	06/30/16	-	-	114,422.00	(114,422.00)	-	-	-	-	10,529.13	-	-	114,422.00
Adjustment Aid	16-495-034-5120-085	40,174.00	07/01/15	06/30/16	-	-	40,174.00	(40,174.00)	-	-	-	-	3,696.82	-	-	40,174.00
Per Pupil Growth Aid	16-495-034-5120-097	9,250.00	07/01/15	06/30/16	-	-	9,250.00	(9,250.00)	-	-	-	-	851.19	-	-	9,250.00
PARCC Readiness	16-495-034-5120-098	9,250.00	07/01/15	06/30/16	-	-	9,250.00	(9,250.00)	-	-	-	-	851.19	-	-	9,250.00
Reimbursement of Nonpublic Transportation	16-495-034-5120-015	4,616.00	07/01/15	06/30/16	-	-	-	(4,616.00)	-	-	-	-	-	-	-	4,616.00
Reimbursement of Nonpublic Transportation	15-495-034-5120-015	4,661.00	07/01/14	06/30/15	(4,661.00)	-	4,661.00	-	-	-	-	-	-	-	-	-
Extraordinary Aid	16-495-034-5120-044	115,321.00	07/01/15	06/30/16	-	-	-	(115,321.00)	-	-	-	-	-	-	-	115,321.00
Extraordinary Aid	15-100-034-5120-473	127,889.00	07/01/15	06/30/16	(127,889.00)	-	127,889.00	-	-	-	-	-	-	-	-	-
On-Behalf TPAF Pension System Contribution	16-495-034-5095-001	781,394.00	07/01/15	06/30/16	-	-	781,394.00	(781,394.00)	-	-	-	-	-	-	-	781,394.00
On-Behalf TPAF Pension System Contribution - Post Retirement	16-495-034-5095-002	930,424.00	07/01/15	06/30/16	-	-	930,424.00	(930,424.00)	-	-	-	-	-	-	-	930,424.00
Reimbursed TPAF Social Security Contributions	16-100-034-5095-002	724,412.49	07/01/15	06/30/16	-	-	724,412.49	(724,412.49)	-	-	-	-	-	-	-	724,412.49
Total General Fund					(132,550.00)	-	3,582,286.49	(3,569,673.49)	-	-	(119,937.00)	-	93,263.00	-	-	3,569,673.49
Special Revenue Fund																
N.J. Nonpublic Textbook Aid	16-100-034-5120-064	52,703.00	07/01/15	06/30/16	-	-	52,703.00	(52,703.00)	-	-	-	-	-	-	-	52,703.00
N.J. Nonpublic Textbook Aid	15-100-034-5120-064	57,310.39	07/01/14	06/30/15	-	243.61	-	-	-	(243.61)	-	-	-	-	-	-
N.J. Nonpublic Nursing Services Aid	16-100-034-5120-070	83,340.00	07/01/15	06/30/16	-	-	83,340.00	(82,645.00)	-	-	695.00	-	-	-	-	82,645.00
N.J. Nonpublic Nursing Services Aid	15-100-034-5120-070	91,815.00	07/01/14	06/30/15	-	10,173.02	-	-	-	(10,173.02)	-	-	-	-	-	-
N.J. Nonpublic Security Aid	16-100-034-5120-509	23,150.00	07/01/15	06/30/16	-	-	23,150.00	(23,149.99)	-	(0.01)	-	-	-	-	-	-
N.J. Nonpublic Technology Aid	16-100-034-5120-373	23,998.00	07/01/15	06/30/16	-	-	23,998.00	(23,996.28)	-	-	1.72	-	-	-	-	23,996.28
N.J. Nonpublic Technology Aid	15-100-034-5120-373	30,912.00	07/01/14	06/30/15	-	0.68	-	-	-	(0.68)	-	-	-	-	-	-
N.J. Nonpublic Auxiliary Services Aid:																
Compensatory Education	16-100-034-5120-067	51,355.00	07/01/14	06/30/15	-	-	51,355.00	(51,355.00)	-	-	-	-	-	-	-	51,355.00
Compensatory Education	15-100-034-5120-067	56,435.00	07/01/14	06/30/15	-	21,449.05	-	-	-	(21,449.05)	-	-	-	-	-	-
Home Instruction	16-100-034-5120-067	15,222.45	07/01/15	06/30/16	-	-	-	(15,222.45)	-	-	-	-	(15,222.45)	-	-	15,222.45
Home Instruction	15-100-034-5120-067	16,774.46	07/01/14	06/30/15	(16,744.46)	-	16,744.46	-	-	-	-	-	-	-	-	-
N.J. Nonpublic Handicapped Aid:																
Examination and Classification	16-100-034-5120-066	63,424.00	07/01/15	06/30/16	-	-	63,424.00	(63,424.00)	-	-	-	-	-	-	-	63,424.00
Examination and Classification	15-100-034-5120-066	79,621.00	07/01/14	06/30/15	-	24,305.68	-	-	-	(24,305.68)	-	-	-	-	-	-
Supplementary Instruction	16-100-034-5120-066	64,084.00	07/01/15	06/30/16	-	-	64,084.00	(63,379.78)	-	-	704.22	-	-	-	-	63,379.78
Supplementary Instruction	15-100-034-5120-066	60,422.00	07/01/14	06/30/15	-	3,138.81	-	-	-	(3,138.81)	-	-	-	-	-	-
School Based Youth Services Program	N/A	280,637.00	07/01/15	06/30/16	-	-	277,587.00	(277,587.00)	-	-	-	-	-	-	-	277,587.00
Total Special Revenue Fund					(16,744.46)	59,310.85	656,385.46	(653,462.50)	(0.01)	(59,310.85)	(15,222.45)	-	1,400.94	-	-	630,312.51

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		June 30, 2015		Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	June 30, 2016		Memorandum Only		
			From	To	Deferred Revenues/ (Accounts Receivable)	Due To Grantor					(Accounts Receivable)	Unearned Revenue	Due To Grantor	Budgetary Receivable	Cumulative Total Expenditures
Capital Projects Fund NJ Economic Development Authority: SDA Grant: Security SDA Grant: Science Labs	G5-5519 G5-4460	40,180.00 141,356.00	2/28/2014 6/18/2015	completion completion	(40,180.00)	-	-	(124,055.09)	(9,415.82)	-	(40,180.00) (133,470.91)	-	-	-	124,055.09
Total Capital Projects Fund					(40,180.00)	-	-	(124,055.09)	(9,415.82)	-	(173,650.91)	-	-	-	124,055.09
Enterprise Fund State School Lunch Program State School Lunch Program	16-100-010-3350-023 15-100-010-3350-023	2,721.08 3,034.81	07/01/15 07/01/14	06/30/16 06/30/15	-	2,244.11 236.48	(2,721.08)	-	-	-	(476.97)	-	-	-	2,721.08
Total Enterprise Fund					(236.48)	2,480.59	(2,721.08)	-	-	-	(476.97)	-	-	-	2,721.08
Total State Financial Assistance					\$ (189,710.94)	\$ 59,310.85	\$ 4,241,152.54	(4,349,912.16)	\$ (9,415.83)	\$ (59,310.85)	\$ (309,287.33)	\$ -	\$ 1,400.94	\$ 93,263.00	\$ 4,326,762.17
Less: Grants Not Subject to New Jersey OMB Circular 04-04 and/or 15-08: On-Behalf TPAF Pension System Contribution On-Behalf TPAF Pension System Contribution - Post Retirement	16-495-034-5095-001 16-495-034-5095-002	781,394.00 930,424.00	07/01/15 07/01/15	06/30/16 06/30/16			781,394.00 930,424.00								
Total State Financial Assistance subject to New Jersey OMB Circular 04-04 and/or 15-08							\$ (2,638,094.16)								

This page intentionally left blank.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1. General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal awards and state financial assistance programs of the Red Bank Regional Board of Education. The Board of Education is defined in Note 1 to the District's basic financial statements. All Federal and State awards received directly from Federal and State agencies, as well as federal awards and state financial assistance passed through other government agencies 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 financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Of the federal and state expenditures presented in the schedules of expenditures of federal awards and state financial assistance, the Red Bank Regional Board of Education did not provide any federal or state awards to sub recipients.

Noncash assistance is reported in the schedule of expenditures of federal awards as the entitlement value, as determined by the United States Department of Agriculture, of the food commodities received and disbursed during the year ended June 30, 2016. Unearned revenue represents the value of commodities left in the ending inventory of the District as of June 30, 2016.

Red Bank Regional Board of Education has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance.

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *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

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE (continued)
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3. Relationship to Basic Financial Statements (continued)

related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$4,217 for the general fund and \$465.64 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as presented as follows:

	State	Federal	Total
General Fund	\$ 3,753,860.49	\$ -	\$ 3,753,860.49
Special Revenue Fund	655,681.70	533,442.80	1,189,124.50
Capital Projects Fund	133,470.91	-	133,470.91
Food Service Fund	2,721.08	153,352.65	156,073.73
Total Awards and Financial Assistance	<u>\$ 4,545,734.18</u>	<u>\$ 686,795.45</u>	<u>\$ 5,232,529.63</u>

4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Red Bank Regional Board of Education had the no loan balances outstanding at June 30, 2016:

Note 6. Other

Revenues and expenditures reported under the Food Distribution Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified? No
- 2) Significant deficiencies identified that are not considered to be material weaknesses? None Reported

Noncompliance material to basic financial Statements noted? No

Federal Awards – NOT APPLICABLE

Dollar threshold used to distinguish between type A and type B programs:

Auditee qualified as low-risk auditee?

Internal Control over major programs:

- 1) Material weakness(es) identified?
- 2) Significant deficiencies identified that are not considered To be material weaknesses?

Type of auditor’s report issued on compliance for major programs

Any audit findings disclosed that are required to be reported in accordance With 2 CFR 200 Section .516(a) of the Uniform Guidance?

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
NOT APPLICABLE		

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section I – Summary of Auditor’s Results

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance With 2 CFR 200 Section .516(a) of the Uniform Guidance or NJOMB Circular Letter 15-08 as applicable?	No

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-078	Equalization Aid

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016
(continued)**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

No Current Year Findings

Section III – Schedule of Federal Award Findings & Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Not Applicable

Section IV –State Financial Assistance Findings & Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

No Current Year Findings

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2016**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (¶.511 (a)(b)) and NJOMB's Circular 04-04 and/or 15-08, as applicable.

No Prior Year Findings