

RED BANK REGIONAL HIGH SCHOOL DISTRICT

Little Silver, New Jersey
County of Monmouth

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

RED BANK REGIONAL HIGH SCHOOL DISTRICT

LITTLE SILVER, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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
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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
L-4 Change of Benefit Terms and Assumptions	106
Notes to the Required Supplementary Information - Part III	107

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
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	131
H-2 Combining Statement of Changes in Fiduciary Net Position	132
H-3 Student Activity Agency Fund Schedule of Receipts & Disbursements	133
H-4 Payroll Agency Fund Schedule of Receipts & Disbursements	134

TABLE OF CONTENTS

PAGE

I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	137
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	138

STATISTICAL SECTION (unaudited)

Financial Trends:	
J-1 Net Position by Component	143
J-2 Changes in Net Position	144
J-3 Fund Balances - Governmental Funds	146
J-4 Changes in Fund Balance - Governmental Funds	147
J-5 Other Local Revenue by Source - General Fund	148
Revenue Capacity:	
J-6 Assessed Value & Estimated Actual Value of Taxable Property	153
J-7 Direct & Overlapping Property Tax Rates	156
J-8 Principal Property Taxpayers	159
J-9 Property Tax Levies & Collections	162
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	165
J-11 Ratios of General Bonded Debt Outstanding	166
J-12 Direct & Overlapping Governmental Activities Debt	167
J-13 Legal Debt Margin Information	168
Demographic & Economic Information:	
J-14 Demographic & Economic Statistics	171
J-15 Principal Employers	174
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	179
J-17 Operating Statistics	180
J-18 School Building Information	181
J-19 Schedule of Required Maintenance	182
J-20 Insurance Schedule	183

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>	187
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	189
K-3 Schedule of Expenditures of Federal Awards, Schedule A	193
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	194
K-5 Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	197
K-6 Schedule of Findings & Questioned Costs - Section I	199
K-7 Schedule of Findings & Questioned Costs - Section II	201
K-8 Summary Schedule of Prior Year Audit Findings	203

INTRODUCTORY SECTION

Louis Moore, Ph.D.
Superintendent



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RED BANK REGIONAL HIGH SCHOOL

Office of the Superintendent of Schools

November 1, 2017

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 High School District (hereafter the "District") for the fiscal year ending June 30, 2017. 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 High School District and all its schools 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.

OVER 100 YEARS OF ACADEMIC EXCELLENCE

In the 2016-2017 fiscal year, the District’s official enrollment was 1178 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>
2016-2017	1178	-1.09%
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	1.20%

2. ECONOMIC CONDITION AND OUTLOOK: In Monmouth County, unemployment rate increased from 3.40% in 2016 to 3.80% as of June 30, 2017 for the constituent towns. Per capita income for the constituent towns was \$69,410.

The major funding source for the operating budget continues to be the local tax levy. The local tax levy funded 83.75% of the 2016-2017 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 completed a Strategic Plan with stakeholders. Curricular initiatives included the review of the Academies for revisions or expansion. Professional development of staff in instructional technology was increased and dual credit programs for students were expanded. A facilities review and demographic study were also completed to identify future building needs.

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, 2017.

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.

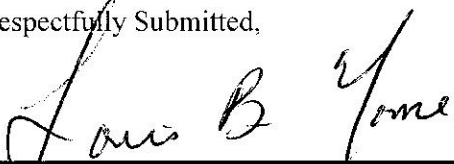
9. OTHER INFORMATION:

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.

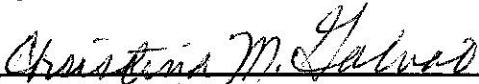
10. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Red Bank Regional High School District 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,

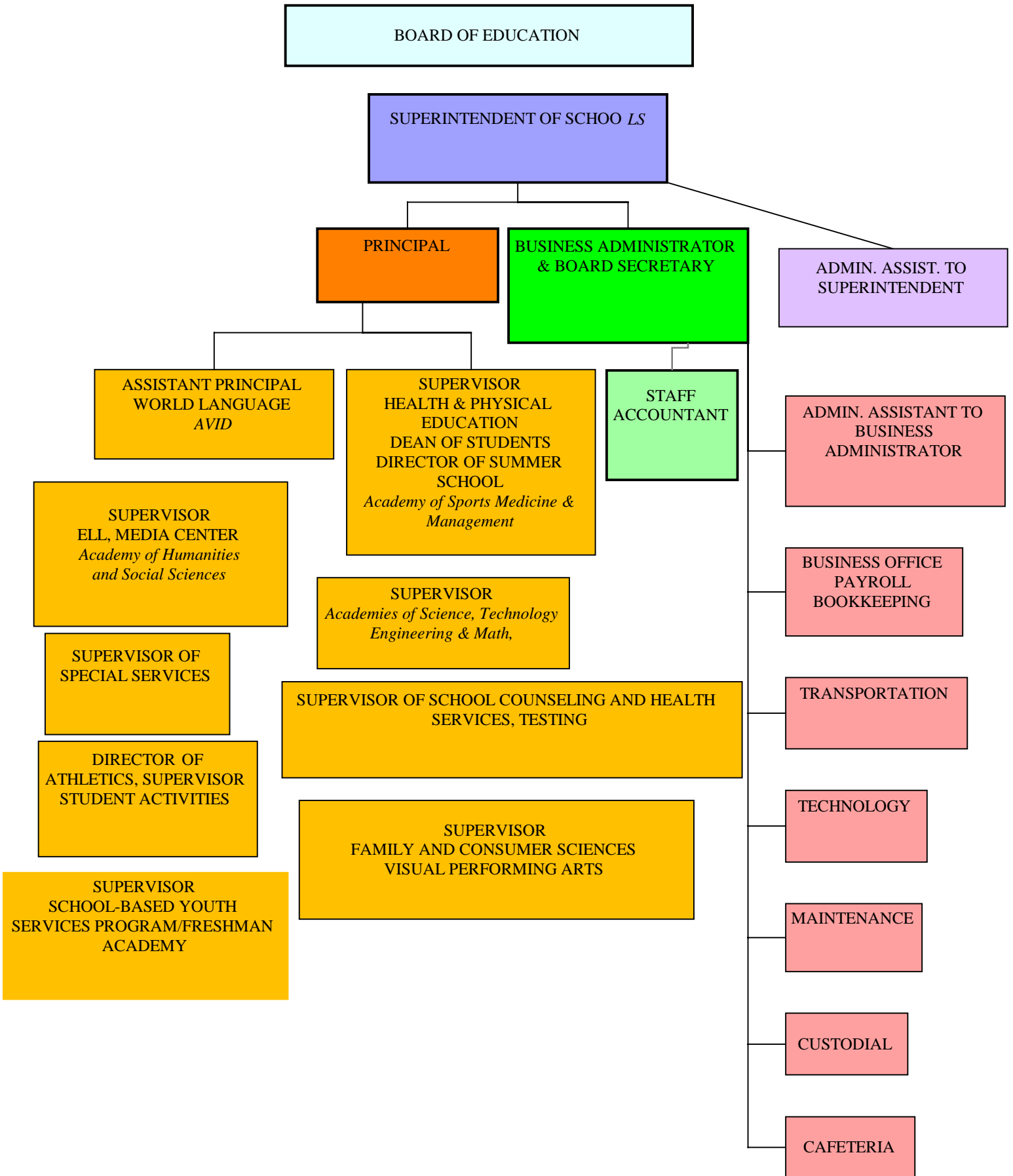
A handwritten signature in cursive script that reads "Louis B. Moore". The signature is written in black ink and is positioned above a horizontal line.

Louis B. Moore Ph.D.
Superintendent of Schools

A handwritten signature in cursive script that reads "Christina M. Galvao". The signature is written in black ink and is positioned above a horizontal line.

Christina M. Galvao
Business Administrator/Board Secretary

RED BANK REGIONAL HIGH SCHOOL ADMINISTRATIVE CHART 2016-2017



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**RED BANK REGIONAL HIGH SCHOOL DISTRICT
LITTLE SILVER, NEW JERSEY**

ROSTER OF OFFICIALS

June 30, 2017

<u>Members of the Board of Education</u>	<u>Term Expires</u>
John Garofalo, President	2017
Emily A. Doherty, Vice-President	2019
Diane Davis	2019
Irwin I. Katz	2019
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 HIGH SCHOOL DISTRICT
LITTLE SILVER, NEW JERSEY**

CONSULTANTS AND ADVISORS

ARCHITECT

Dicara Rubino Architects
30 Galesi Drive
Wayne, NJ 07470

AUDIT FIRM

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

ATTORNEY

Anthony Sciarrillo, Esq.
Sciarrillo, Cornell, Merlino, McKeever & Osbourne, LLC.
238 St. Paul Street
Westfield, New Jersey 07090

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

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HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Red Bank Regional High School District, County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 High School District, County of Monmouth, State of New Jersey, as of June 30, 2017, 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 High School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, statistical section and schedule of expenditures of federal awards 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 state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and related 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 related major fund supporting statements and schedules and schedules 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 November 1, 2017 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District'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
November 1, 2017

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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**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, 2017**

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, 2017. 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 2017 are as follows:

- ◆ In the Governmental Activities general revenues accounted for \$26,913,907.74 in revenue or 87.92% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,696,916.73 or 12.08% of total revenues of \$30,610,824.47
- ◆ Total net position decreased by \$1,580,647.38.
- ◆ In the Governmental Activities the School District had \$32,191,471.85 in expenses; only \$3,696,916.73 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$26,913,907.74 were adequate to provide for these programs.
- ◆ The General Fund had \$28,526,060.99 in revenues and other financing sources and \$28,859,680.85 in expenditures and other financing uses. The General Fund's balance decreased \$333,619.86 from 2016.

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, 2016 and June 30, 2017.

Table 1

Net Position

	<u>2017</u>	<u>2016</u>
Assets:		
Current and Other Assets	\$ 4,847,465.67	\$ 5,021,798.18
Capital Assets, Net	<u>22,947,417.84</u>	<u>23,839,210.83</u>
Total Assets	<u>27,794,883.51</u>	<u>28,861,009.01</u>
Deferred Outflow of Resources:		
Deferred Outflow Related to pension	<u>3,771,974.00</u>	<u>1,609,311.00</u>
Total Deferred Outflow related to Resources:	<u>3,771,974.00</u>	<u>1,609,311.00</u>
Total Assets and Deferred Outflow of Resources	<u>31,566,857.51</u>	<u>30,470,320.01</u>
Liabilities:		
Long-term Liabilities	947,664.28	453,406.47
Other Liabilities	<u>13,715,395.36</u>	<u>11,417,193.97</u>
Total Liabilities	<u>14,663,059.64</u>	<u>11,870,600.44</u>
Deferred Inflow of Resources:		
Deferred Inflow Related to pension	<u>-</u>	<u>122,198.00</u>
Total Deferred Inflow related to Resources:	<u>-</u>	<u>122,198.00</u>
Total Liabilities and Deferred Inflow of Resources	<u>14,663,059.64</u>	<u>11,992,798.44</u>
Net Position		
Net Investment in Capital Assets	19,827,417.84	20,144,210.83
Restricted	2,845,386.86	3,261,390.62
Unrestricted	<u>(5,769,006.83)</u>	<u>(4,928,079.88)</u>
Total Net Position	<u>\$ 16,903,797.87</u>	<u>\$ 18,477,521.57</u>

Table 2

Changes in Net Position

Program Revenues:		
Charges for Services	\$ 3,735,995.74	\$ 4,188,470.36
Operating Grants & Contributions	393,092.81	3,611,591.40
Property Taxes	21,750,493.00	21,337,599.04
Grants & Entitlements	5,071,947.97	2,222,409.41
Other	<u>91,466.77</u>	<u>112,711.89</u>
Total Revenues	<u>31,042,996.29</u>	<u>31,472,782.10</u>
Program Expenses		
Instruction	12,054,881.14	11,541,831.47
Support Services:		
Pupils and Instructional Staff	4,710,113.37	4,453,020.82
General Administration, School Administration		
Business Operations & Maintenance of Facilities	4,776,159.87	4,446,338.99
Pupil Transportation	1,720,107.76	1,509,274.88
Employee Benefits	7,617,714.08	7,221,989.85
Special Schools		
Interest on Long-Term Debt	195,866.05	228,500.23
Food Service	425,248.14	436,689.99
Other	<u>1,116,629.58</u>	<u>1,104,272.85</u>
Total Expenses	<u>32,616,719.99</u>	<u>30,941,919.08</u>
Increase/(Decrease) in Net Position	<u>\$ (1,573,723.70)</u>	<u>\$ 530,863.02</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

	2017		2016	
	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	\$ 12,054,881.14	\$ 8,699,957.03	\$ 11,541,831.47	\$ 7,824,084.06
Support Services:				
Pupils & Instructional Staff	3,223,693.57	3,223,693.57	4,453,020.82	4,453,020.82
General Administration, School Administration, Business	2,009,869.74	2,009,869.74	1,913,365.37	1,913,365.37
Operation & Maintenance of Facilities	2,766,290.13	2,766,290.13	2,532,973.62	2,532,973.62
Pupils Transportation	1,720,107.76	1,378,115.14	1,509,274.88	1,099,068.05
Employee Benefits	7,617,714.08	7,617,714.08	7,221,989.85	4,004,365.36
Interest on Long-Term Debt	195,866.05	195,866.05	228,500.23	228,500.23
Other	2,603,049.38	2,603,049.38	1,104,272.85	1,104,272.85
Total Expenses	\$ 32,191,471.85	\$ 28,494,555.12	\$ 30,505,229.09	\$ 23,159,650.36

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 2016-2017 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 \$30,610,824.47 and expenditures of \$30,944,443.83. 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, 2017, 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 2015-2016</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 25,298,212.50	82.64%	\$ (42,236.67)	-0.17%
State Sources	4,710,899.48	15.39%	347,886.38	7.97%
Federal Sources	601,712.49	1.97%	68,269.69	12.80%
Total	\$ 30,610,824.47	100.00%	\$ 373,919.40	1.24%

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, 2017:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2015/16</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenses:				
Instruction	\$ 12,054,881.14	38.96%	\$ 513,049.67	4.50%
Undistributed Expenditures	17,877,197.08	57.77%	1,348,767.54	8.64%
Capital Outlay	263,673.11	0.85%	(2,196,495.47)	-196.68%
Debt Service:				
Principal	575,000.00	1.86%	25,000.00	4.67%
Interest	173,692.50	0.56%	(23,907.50)	-11.05%
Total	\$ 30,944,443.83	100.00%	\$ (333,585.76)	-1.15%

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 \$25,984,162.00.

Capital Assets

At the end of the fiscal year 2017 the School District had \$22,947,417.85 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, 2017 and 2016

	2017	2016
Land	\$ 5,379,640.00	\$ 5,379,640.00
Construction in Progress	1,164,734.21	1,164,734.21
Site Improvements	2,640,542.15	2,751,581.15
Buildings & Improvements	13,075,509.96	13,859,987.09
Equipment & Machinery	<u>686,991.53</u>	<u>625,854.28</u>
	<u>\$ 22,947,417.85</u>	<u>\$ 23,781,796.73</u>

Debt Administration

At June 30, 2017, the District reported a 17-year Refunding School Bond with an unpaid principal balance of \$470,000.00 for the refinancing of an early retirement pension obligation due to the State of New Jersey. The District also reported a 12-year Refunding School Bond with an unpaid principal balance of \$2,650,000.00.

Table 5

Outstanding Debt at June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
2010 Refunding Bonds	\$ 2,650,000.00	\$ 3,120,000.00
2003 Refunding Bonds	<u>470,000.00</u>	<u>575,000.00</u>
Total	<u>\$ 3,120,000.00</u>	<u>\$ 3,695,000.00</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

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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RED BANK REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

ASSETS	Governmental Activities	Business -Type Activities	Totals
Cash & Cash Equivalents	\$ 1,462,311.61	\$ 113,445.55	\$ 1,575,757.16
Receivables, Net (Note 4)	970,661.67	9,491.44	980,153.11
Inventory	-	6,303.42	6,303.42
Restricted Cash & Cash Equivalents	2,285,251.98	-	2,285,251.98
Capital Assets, Net (Note 5)			
Non-Depreciable	6,544,374.21	-	6,544,374.21
Depreciable	16,345,403.05	57,640.58	16,403,043.63
Total Assets	27,608,002.52	186,880.99	27,794,883.51
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions (Note 8)	3,771,974.00	-	3,771,974.00
Total Deferred Outflows of Resources	3,771,974.00	-	3,771,974.00
Total Assets and Deferred Outflows of Resources	31,379,976.52	186,880.99	31,566,857.51
LIABILITIES			
Accounts Payable	401,831.29	62,744.85	464,576.14
Due to Other Governments	376,818.75	-	376,818.75
Accrued Interest Payable	58,385.83	-	58,385.83
Internal Balances	17,441.32	(17,441.32)	-
Unearned Revenue	39,740.00	8,143.56	47,883.56
Noncurrent Liabilities (Note 7):			
Due Within One Year	693,265.07	-	693,265.07
Due Beyond One Year	13,022,130.29	-	13,022,130.29
Total Liabilities	14,609,612.55	53,447.09	14,663,059.64
NET POSITION			
Net Investment in Capital Assets	19,769,777.26	57,640.58	19,827,417.84
Restricted for:			
Capital Projects	21,250.42	-	21,250.42
Debt Service Fund	1.26	-	1.26
Reserved Excess Surplus:			
Designated for Subsequent Year's Expenditures	266,671.72	-	266,671.72
Reserve for Excess Surplus	272,211.48	-	272,211.48
Capital Reserve	1,159,678.98	-	1,159,678.98
Maintenance Reserve	1,001,000.00	-	1,001,000.00
Emergency Reserve	124,573.00	-	124,573.00
Unrestricted (Deficit)	(5,844,800.15)	75,793.32	(5,769,006.83)
Total Net Position	\$ 16,770,363.97	\$ 133,433.90	\$ 16,903,797.87

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, 2017**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
GOVERNMENTAL ACTIVITIES							
Instruction:							
Regular	\$ 9,224,368.25	\$ 3,354,924.11	\$ -	\$ -	\$ (5,869,444.14)	\$ (5,869,444.14)	
Special Education	1,137,004.06	-	-	-	(1,137,004.06)	(1,137,004.06)	
Other Special Instruction	546,775.64	-	-	-	(546,775.64)	(546,775.64)	
Other Instruction	1,146,733.19	-	-	-	(1,146,733.19)	(1,146,733.19)	
Support Services:							
Tuition	1,486,419.80	-	-	-	(1,486,419.80)	(1,486,419.80)	
Student and Instruction Related Services	3,223,693.57	-	-	-	(3,223,693.57)	(3,223,693.57)	
General Administration	741,732.33	-	-	-	(741,732.33)	(741,732.33)	
School Administrative Services	630,393.09	-	-	-	(630,393.09)	(630,393.09)	
Central Services	480,463.34	-	-	-	(480,463.34)	(480,463.34)	
Admin Information Technology	157,280.98	-	-	-	(157,280.98)	(157,280.98)	
Plant Operations and Maintenance	2,766,290.13	-	-	-	(2,766,290.13)	(2,766,290.13)	
Pupil Transportation	1,720,107.76	101,328.62	240,664.00	-	(1,378,115.14)	(1,378,115.14)	
Employee Benefits	7,617,714.08	-	-	-	(7,617,714.08)	(7,617,714.08)	
Interest & Other Charges on Long-Term Debt	195,866.05	-	-	-	(195,866.05)	(195,866.05)	
Unallocated Depreciation	1,116,629.58	-	-	-	(1,116,629.58)	(1,116,629.58)	
Total Government Activities	32,191,471.85	3,456,252.73	240,664.00	-	(28,494,555.12)	(28,494,555.12)	
BUSINESS-TYPE ACTIVITIES							
Food Service	425,248.14	279,743.01	152,428.81	-	-	6,923.68	6,923.68
Total Business-Type Activities	425,248.14	279,743.01	152,428.81	-	-	6,923.68	6,923.68
Total Primary Government	\$ 32,616,719.99	\$ 3,735,995.74	\$ 393,092.81	\$ -	(28,494,555.12)	6,923.68	(28,487,631.44)

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, 2017**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS
	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
GENERAL REVENUES:						
Property Taxes Levied for:						
General Purposes				21,001,800.00	-	21,001,800.00
Debt Service				748,693.00	-	748,693.00
Federal and State Aid Not Restricted				5,071,947.97	-	5,071,947.97
Miscellaneous Income				91,466.77	-	91,466.77
Total General Revenues				26,913,907.74	-	26,913,907.74
Change in Net Position				(1,580,647.38)	6,923.68	(1,573,723.70)
Net Position - Beginning				18,351,011.35	126,510.22	18,477,521.57
Net Position - Ending				\$ 16,770,363.97	\$ 133,433.90	\$ 16,903,797.87

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

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B. Fund Financial Statements

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Governmental Funds

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**RED BANK REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUND
Cash and Cash Equivalents	\$ 1,728,448.34	\$ -	\$ -	\$ 1.26	\$ 1,728,449.60
Interfund Receivable	464.14	-	11,069.65	-	11,533.79
Receivables From Other Governments:					
State	182,615.08	26,853.56	173,650.91	-	383,119.55
Federal	-	142,984.40	-	-	142,984.40
Other Receivables	437,804.47	6,753.25	-	-	444,557.72
Restricted Cash & Cash Equivalents	2,285,251.98	-	-	-	2,285,251.98
Total Assets	4,634,584.01	176,591.21	184,720.56	1.26	4,995,897.04
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Deficit	-	102,667.85	163,470.14	-	266,137.99
Accounts Payable	356,190.82	45,640.47	-	-	401,831.29
Interfund Payable	28,510.97	464.14	-	-	28,975.11
Due to Other Governments	-	24,818.75	-	-	24,818.75
Unearned Revenue	36,740.00	3,000.00	-	-	39,740.00
Total Liabilities	421,441.79	176,591.21	163,470.14	-	761,503.14
Fund Balances:					
Restricted:					
Reserved Excess Surplus:					
Designated for Subsequent Year's Expenditures	266,671.72	-	-	-	266,671.72
Reserve for Excess Surplus	272,211.48	-	-	-	272,211.48
Capital Reserve	1,159,678.98	-	-	-	1,159,678.98
Maintenance Reserve	1,001,000.00	-	-	-	1,001,000.00
Emergency Reserve	124,573.00	-	-	-	124,573.00
Capital Projects Fund	-	-	21,250.42	-	21,250.42
Debt Service Fund	-	-	-	1.26	1.26
Assigned:					
Other Purposes	669,943.53	-	-	-	669,943.53
Designated for Subsequent Year's Expenditures	112,501.28	-	-	-	112,501.28
Unassigned	606,562.23	-	-	-	606,562.23
Total Fund Balances	4,213,142.22	-	21,250.42	1.26	4,234,393.90
Total Liabilities and Fund Balances	\$ 4,634,584.01	\$ 176,591.21	\$ 184,720.56	\$ 1.26	

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 \$43,927,953.49 and the accumulated depreciation is \$21,038,176.23.	22,889,777.26
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. Deferred Outflows Related to Pensions	3,771,974.00
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds	(58,385.83)
Accrued pension contributions for the June 30, 2017 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position	(352,000.00)
Long-term liabilities, including bonds payable, net pension 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	(13,715,395.36)
Net Position of Governmental Activities:	\$ 16,770,363.97

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 21,001,800.00	\$ -	\$ -	\$ 748,693.00	\$ 21,750,493.00
Tuition Charges	3,354,924.11	-	-	-	3,354,924.11
Transportation Fees	101,328.62	-	-	-	101,328.62
Miscellaneous	50,511.59	40,955.18	-	-	91,466.77
Total - Local Sources	<u>24,508,564.32</u>	<u>40,955.18</u>	<u>-</u>	<u>748,693.00</u>	<u>25,298,212.50</u>
State Sources	4,009,755.58	701,143.90	-	-	4,710,899.48
Federal Sources	7,741.09	593,971.40	-	-	601,712.49
Total Revenues	<u>28,526,060.99</u>	<u>1,336,070.48</u>	<u>-</u>	<u>748,693.00</u>	<u>30,610,824.47</u>
Expenditures:					
Current:					
Regular Instruction	8,186,460.33	1,037,907.92	-	-	9,224,368.25
Special Education Instruction	1,137,004.06	-	-	-	1,137,004.06
Other Special Instruction	546,775.64	-	-	-	546,775.64
Other Instruction	1,146,733.19	-	-	-	1,146,733.19
Support Services and Undistributed Costs:					
Tuition	1,486,419.80	-	-	-	1,486,419.80
Student and Instruction Related Services	2,930,531.01	293,162.56	-	-	3,223,693.57
General Administration	741,732.33	-	-	-	741,732.33
School Administrative Services	630,393.09	-	-	-	630,393.09
Central Services	480,463.34	-	-	-	480,463.34
Administrative Information Technology	157,280.98	-	-	-	157,280.98
Plant Operations and Maintenance	2,766,290.13	-	-	-	2,766,290.13
Pupil Transportation	1,720,107.76	-	-	-	1,720,107.76
Employee Benefits	6,670,816.08	-	-	-	6,670,816.08
Debt Service:					
Principal	-	-	-	575,000.00	575,000.00
Interest and Other Charges	-	-	-	173,692.50	173,692.50
Capital Outlay	258,673.11	5,000.00	-	-	263,673.11
Total Expenditures	<u>28,859,680.85</u>	<u>1,336,070.48</u>	<u>-</u>	<u>748,692.50</u>	<u>30,944,443.83</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	<u>(333,619.86)</u>	<u>-</u>	<u>-</u>	<u>0.50</u>	<u>(333,619.36)</u>
Fund Balance - July 1	<u>4,546,762.08</u>	<u>-</u>	<u>21,250.42</u>	<u>0.76</u>	<u>4,568,013.26</u>
Fund Balance - June 30	<u>\$ 4,213,142.22</u>	<u>\$ -</u>	<u>\$ 21,250.42</u>	<u>\$ 1.26</u>	<u>\$ 4,234,393.90</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, 2017**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (333,619.36)

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	224,610.11	
Depreciation Expense	<u>(1,116,629.58)</u>	(892,019.47)

Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period. (854,852.00)

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. 575,000.00

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	68,717.71	
Current Year	<u>(58,385.83)</u>	10,331.88

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
---	--	----------

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Prior Year	82,562.50	
Current Year	<u>(174,608.50)</u>	(92,046.00)

Change in Net Position of Governmental Activities \$ (1,580,647.38)

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Proprietary Funds

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**RED BANK REGIONAL HIGH SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF FUND NET POSITION
 JUNE 30, 2017**

	BUSINESS TYPE ACTIVITIES ENTERPRISE FUND <hr/> FOOD SERVICE
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 113,445.55
Accounts Receivable:	
State	132.96
Federal	7,586.92
Other	1,771.56
Interfund Receivable	17,441.32
Inventories	6,303.42
	<hr/>
Total - Current Assets	146,681.73
	<hr/>
Noncurrent Assets:	
Furniture, Machinery and Equipment	177,801.35
Less:	
Accumulated Depreciation	(120,160.77)
	<hr/>
Total - Noncurrent Assets	57,640.58
	<hr/>
Total Assets	204,322.31
	<hr/>
LIABILITIES	
Current Liabilities:	
Accounts Payable	62,744.85
Unearned Revenue	8,143.56
	<hr/>
Total Liabilities	70,888.41
	<hr/>
Net Position:	
Net Investment in Capital Assets	57,640.58
Unrestricted	75,793.32
	<hr/>
Total Net Position	\$ 133,433.90
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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, 2017**

	BUSINESS TYPE ACTIVITIES ENTERPRISE FUND
	FOOD SERVICE
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 64,714.95
Daily Sales - Non-Reimbursable Programs	215,028.06
	279,743.01
Total Operating Revenues	279,743.01
Operating Expenses:	
Cost of Sales - Reimbursable Programs	119,312.63
Cost of Sales - Non-Reimbursable Programs	81,745.16
Salaries & Wages	146,276.31
Payroll Taxes	19,941.85
Uniform Expense	934.58
Workers Comp & Liability Insurance	12,805.49
Administrative Expense	1,671.62
Management Fee	29,000.00
Depreciation Expense	7,648.52
Miscellaneous Expenditures	5,911.98
	425,248.14
Total Operating Expenses	425,248.14
Operating Loss	(145,505.13)
Nonoperating Revenues:	
Interest Earnings	176.00
State Sources:	
State School Lunch Program	2,559.73
Federal Sources:	
Federal School Lunch Program	105,532.60
Healthy Hunger-Free Kids Act	3,123.30
Federal School Breakfast Program	22,988.35
Food Distribution Program	18,048.83
	152,428.81
Total Nonoperating Revenues	152,428.81
Change in Net Position	6,923.68
Total Net Position - Beginning	126,510.22
Total Net Position - Ending	\$ 133,433.90

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, 2017**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
	FOOD SERVICE
Cash Flows From Operating Activities:	
Receipts From Customers	\$ 262,015.65
Payments to Employees	(146,276.31)
Payments To Suppliers	(190,401.27)
	(74,661.93)
Net Cash Used For Operating Activities	(74,661.93)
Cash Flows From Noncapital Financing Activities:	
Federal and State Sources	150,306.28
	150,306.28
Net Cash Provided By Noncapital Financing Activities	150,306.28
Cash Flows From Investing Activities:	
Interest Earnings	176.00
	176.00
Net Cash Provided/(Used) by Investing Activities	176.00
Cash Flows From Capital & Related Financing Activities:	
Purchase of Capital Assets	(7,875.00)
	(7,875.00)
Net Cash Provided/(Used) by Capital & Related Financing Activities	(7,875.00)
Net Increase in Cash and Cash Equivalents	67,945.35
Balance - Beginning of Year	45,500.20
	45,500.20
Balance - End of Year	\$ 113,445.55
Reconciliation of Operating Loss To Net Cash Used For Operating Activities:	
Operating Income/(Loss)	\$ (145,505.13)
Adjustments To Reconcile Operating Loss To Net Cash Used For Operating Activities:	
Depreciation	7,648.52
Food Distribution Program	18,048.83
(Increase)/Decrease in Interfund Receivable	(17,441.32)
(Increase)/Decrease in Accounts Receivable	(505.74)
(Increase)/Decrease in Inventories	128.36
Increase/(Decrease) in Accounts Payable	62,744.85
Increase/(Decrease) in Unearned Revenue	219.70
	219.70
Net Cash Used For Operating Activities	\$ (74,661.93)

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Fiduciary Fund

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RED BANK REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2017

ASSETS	UNEMPLOYMENT COMPENSATION TRUST	PRIVATE PURPOSE SCHOLARSHIPS FUND	AGENCY FUNDS	TOTALS
Cash and Cash Equivalents	\$ 87,509.86	\$ 3,034,880.07	\$ 525,177.58	\$ 3,647,567.51
Interfund Receivable	2,602.07	-	-	2,602.07
Total Assets	<u>\$ 90,111.93</u>	<u>\$ 3,034,880.07</u>	<u>\$ 525,177.58</u>	<u>\$ 3,650,169.58</u>
LIABILITIES				
Interfund Payable	\$ -	\$ -	\$ 2,602.07	\$ 2,602.07
Due to State	5,071.17	-	-	5,071.17
Payable To Student Groups	-	-	137,864.54	137,864.54
Payroll Deductions and Withholdings	-	-	384,710.97	384,710.97
Total Liabilities	<u>5,071.17</u>	<u>-</u>	<u>525,177.58</u>	<u>530,248.75</u>
NET POSITION				
Held in Trust for Unemployment Claims and Other Purposes	85,040.76	-	-	85,040.76
Nonexpendable Scholarship	-	2,927,769.72	-	2,927,769.72
Reserved for Scholarships	-	107,110.35	-	107,110.35
Total Net Position	<u>85,040.76</u>	<u>3,034,880.07</u>	<u>-</u>	<u>3,119,920.83</u>
Total Liabilities and Net Position	<u>\$ 90,111.93</u>	<u>\$ 3,034,880.07</u>	<u>\$ 525,177.58</u>	<u>\$ 3,650,169.58</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, 2017**

	UNEMPLOYMENT COMPENSATION TRUST	PRIVATE PURPOSE SCHOLARSHIPS FUND	TOTALS
ADDITIONS			
Employee Contributions	\$ 31,363.55	\$ -	\$ 31,363.55
Donations	-	-	-
Total Contributions	<u>31,363.55</u>	<u>-</u>	<u>31,363.55</u>
Investment Earnings:			
Interest	182.89	25,423.72	25,606.61
Net Investment Earnings	<u>182.89</u>	<u>25,423.72</u>	<u>25,606.61</u>
Total Additions	<u>31,546.44</u>	<u>25,423.72</u>	<u>56,970.16</u>
DEDUCTIONS			
Quarterly Contribution Reports	39,668.65	-	39,668.65
Unemployment Claims	9,171.64	-	9,171.64
Scholarships Awarded	-	17,440.00	17,440.00
Total Deductions	<u>48,840.29</u>	<u>17,440.00</u>	<u>66,280.29</u>
Change in Net Position	(17,293.85)	7,983.72	(9,310.13)
Net Position - Beginning of Year	<u>102,334.61</u>	<u>3,026,896.35</u>	<u>3,129,230.96</u>
Net Position - End of Year	<u>\$ 85,040.76</u>	<u>\$ 3,034,880.07</u>	<u>\$ 3,119,920.83</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, 2017

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RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Red Bank Regional High School District (hereafter referred to as the "School District") have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The Red Bank Regional High School District is a Type II School District located in the County of Monmouth, State of New Jersey. As a Type II School District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members' terms expire each year. The purpose of the School District is to educate students in grades kindergarten through twelfth at its five schools. The School District has an approximate enrollment at June 30, 2017 of 1,203 students.

The primary criterion for including activities within the School 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 School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization's board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District
- ◆ there is a fiscal dependency by the organization on the School District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School 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 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34*. The School District had no component units as of for the year ended June 30, 2017.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A. Government-Wide Financial Statements

The School 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 School District accompanied by a total column. Fiduciary activities of the School District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the 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 School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

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.

B. 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. The School 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 School 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 School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

B. Governmental Fund Financial Statements (continued):

fund liability is incurred. 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 asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The School District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the School 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 School 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,

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

B. Governmental Fund Financial Statements (continued):

improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

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 proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for the accumulation of financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

C. 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 would also be presented in these statements. However, internal service funds balances and activities would be 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 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.

The School District reports the following major proprietary funds:

Food Service Fund – The food service fund accounts for the financial transactions related to the food service operations of the School District.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

D. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The School District's fiduciary funds include Agency and Private-Purpose Trust Funds and, 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.

The School District reports the following 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 School 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 School 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 (payroll and student activity funds) are assets held by a governmental entity either as trustee or as an agent for other parties and cannot be used to finance the governmental entities own operating programs.

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 School 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 one or more June 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

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Budgets/Budgetary Control (continued):

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 School 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.

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 School 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, Cash Equivalents and Investments

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

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). 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.

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 Governmental Unit Deposit Protection Act (“GUDPA”).

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Cash, Cash Equivalents and Investments (continued):

GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. 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.

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents

Tuition Receivable/Payable

Tuition rates were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are determined.

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.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in 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 market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. 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. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Capital Assets (continued):

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	5-12 Years
Vehicles	5-10 Years	4-6 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 School 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 School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

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 School 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.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Accounting 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 reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Deferred Outflows and Deferred Inflows 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.

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.

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.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

Pensions

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 pension plan's fiduciary net position of the Public Employees' Retirement System (PERS) and Teacher's Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

- 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 that existing resources have been specifically committed for use in satisfying those contractual requirements.
- 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 School 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

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Fund Balance (continued):

School 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 into the following three components:

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – This component of net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – This component of 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

The following GASB Statements became effective for the fiscal year ended June 30, 2017:

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. The adoption of this Statement had no impact on the School 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. The adoption of this Statement had no impact on the School 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 applicability of

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

Impact of Recently Issued Accounting Principles (continued):

Statement No. 68, *Accounting and Financial Reporting for Pensions*. The adoption of this Statement had no impact on the School 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. The adoption of this Statement had no impact on the School District's financial statements.

Recently Issued Accounting Pronouncements

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

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 School 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 have a material impact on the School 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 have a material impact on the School 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 School District's financial statements.

Statement No. 83, *Certain Asset Retirement Obligations*. An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement No. 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. The requirements of this

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

Impact of Recently Issued Accounting Principles (continued):

Statement are effective for reporting periods beginning after June 15, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 85, *Omnibus 2017*. This Statement provides guidance that addresses several different accounting and financial reporting issues identified during the implementation and application of other GASB pronouncements. The guidance in Statement No. 85 is effective for periods beginning after June 15, 2017. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 86, *Accounting for Certain Debt Extinguishment*. Statement No. 86 provides guidance for transactions in which cash and other monetary assets acquired with only existing resources, that is, resources other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. Statement No. 86 is effective for reporting periods beginning after June 15, 2017. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after December 15, 2019. Management does not expect this Statement to have a material impact on the School District's financial statements.

Note 2. Deposits and Investments

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. Cash

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 fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2017, the School District's bank balance of \$7,951,521.83 was exposed to custodial credit risk as follows:

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 2. Deposits and Investments (continued):

Deposits (continued):

Insured under FDIC and GUDPA	\$ 4,227,564.90
Uninsured and Uncollateralized	<u>3,723,956.93</u>
	<u>\$ 7,951,521.83</u>

Investments

The School District had no investments at June 30, 2017.

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the School District 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 School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School 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 School 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.

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$ 1,157,936.66
Increased by:	
Interest Earnings	<u>1,742.32</u>
Ending Balance, June 30, 2017	<u>\$ 1,159,678.98</u>

The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the School District's Long Rang Facilities Plan.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 3. Reserve Accounts (continued):

Maintenance Reserve

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account 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 balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$ 1,250,800.00
Increased by:	
Interest Earnings	<u>200.00</u>
	1,251,000.00
Decreased by:	
Budget Withdrawals	<u>(250,000.00)</u>
Ending Balance, June 30, 2017	<u>\$ 1,001,000.00</u>

Emergency Reserve

An emergency reserve account was established for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve account is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

The activity of the emergency reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Ending Balance, June 30, 2017 & 2016	<u>\$ 124,573.00</u>
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RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 4. Accounts Receivable

Accounts receivable at June 30, 2017 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2017, consisted of the following:

Description	Governmental Funds			Total Governmental Activities	Proprietary Funds	
	General Fund	Special Revenue Fund	Capital Projects Fund		Food Service Fund	Total Business-Type Activities
Federal Awards	\$ -	\$ 142,984.40	\$ -	\$ 142,984.40	\$ 7,586.92	\$ 7,586.92
State Awards	182,615.08	26,853.56	173,650.91	383,119.55	132.96	132.96
Other	437,804.47	6,753.25	-	444,557.72	1,771.56	1,771.56
Total	\$ 620,419.55	\$ 176,591.21	\$ 173,650.91	\$ 970,661.67	\$ 9,491.44	\$ 9,491.44

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Additions	Retirements and Transfers	Balance June 30, 2017
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 5,379,640.00	\$ -	\$ -	\$ 5,379,640.00
Construction in Progress	1,164,734.21	-	-	1,164,734.21
Total Capital Assets not being depreciated	6,544,374.21	-	-	6,544,374.21
Capital Assets being depreciated:				
Land Improvements	4,438,626.15	-	-	4,438,626.15
Buildings and Improvements	28,189,573.48	-	-	28,189,573.48
Equipment	4,530,769.54	224,610.11	-	4,755,379.65
Total Capital Assets being depreciated	37,158,969.17	224,610.11	-	37,383,579.28
Less: Accumulated Depreciation:				
Land Improvements	(1,687,045.00)	(111,039.00)	-	(1,798,084.00)
Buildings and Improvements	(14,329,586.39)	(784,477.13)	-	(15,114,063.52)
Equipment	(3,904,915.26)	(221,113.45)	-	(4,126,028.71)
Total Accumulated Depreciation	(19,921,546.65)	(1,116,629.58)	-	(21,038,176.23)
Total Capital Assets being depreciated, net	17,237,422.52	(892,019.47)	-	16,345,403.05
Total Governmental Activities Capital Assets, net	\$ 23,781,796.73	\$ (892,019.47)	\$ -	\$ 22,889,777.26

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 5. Capital Assets (continued):

	Balance July 1, <u>2016</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2017</u>
Business-Type Activities:				
Equipment	\$ 169,926.35	\$ 7,875.00	\$ -	\$ 177,801.35
	<u>169,926.35</u>	<u>7,875.00</u>	<u>-</u>	<u>177,801.35</u>
Less: Accumulated Depreciation:				
Equipment	(112,512.24)	(7,648.52)	-	(120,160.76)
	<u>(112,512.24)</u>	<u>(7,648.52)</u>	<u>-</u>	<u>(120,160.76)</u>
Total Business-Type Activities Capital				
Assets, net	\$ 57,414.11	\$ 226.48	\$ -	\$ 57,640.59
	<u>\$ 57,414.11</u>	<u>\$ 226.48</u>	<u>\$ -</u>	<u>\$ 57,640.59</u>

Depreciation expense was not allocated among the various functions/programs of the School District.

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2017 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 464.14	\$ 28,510.97
Special Revenue Fund	-	464.14
Capital Projects Fund	11,069.65	-
Food Service Fund	<u>17,441.32</u>	<u>-</u>
	<u>\$ 28,975.11</u>	<u>\$ 28,975.11</u>

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.

A summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 17,441.32	\$ -
Food Service Fund	-	17,441.32
Payroll Fund	2,048.57	-
Unemployment Fund	<u>-</u>	<u>2,048.57</u>
	<u>\$ 19,489.89</u>	<u>\$ 19,489.89</u>

The purpose of the 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
YEAR ENDED JUNE 30, 2017 (continued)**

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2017 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance <u>July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2017</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 3,695,000.00	\$ -	\$ 575,000.00	\$ 3,120,000.00	\$ 610,000.00
Amortization of Bond Premiums	39,345.43	-	6,557.57	32,787.86	6,557.57
Compensated Absences	82,562.50	126,856.00	34,810.00	174,608.50	76,707.50
Net Pension Liability	7,600,286.00	2,787,713.00	-	10,387,999.00	-
	<u>\$ 11,417,193.93</u>	<u>\$ 2,914,569.00</u>	<u>\$ 616,367.57</u>	<u>\$ 13,715,395.36</u>	<u>\$ 693,265.07</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences and net pension liability are liquidated by the general fund.

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

On March 15, 2003, the School District issued \$1,600,000.00 of Refunding Bonds to refund the callable portion of the outstanding Bond Issue. The Refunding Bonds were issued at interest rates varying from 1.50% to 5.30% and mature on July 15th of each year.

On April 24, 2010, the School District issued \$5,300,000.00 of Refunding Bonds to refund the callable portion of the outstanding Bond Issue. The Refunding Bonds were issued at interest rates varying from 2.00% to 5.40% and mature on February 15th of each year.

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

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2022	565,000.00	28,250.00	593,250.00
	<u>\$ 3,120,000.00</u>	<u>\$ 447,145.00</u>	<u>\$ 3,567,145.00</u>

Bonds Authorized but not Issued

As of June 30, 2017, the School District had no bonds authorized but not issued.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

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.

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.

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 2016, 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

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

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

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.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2017, the School District reported a liability of \$10,387,999.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. 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, 2015, to the measurement date of June 30, 2016. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The School District's proportion measured as of June 30, 2016, was 0.03507%, which was an increase of 0.00122% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School District recognized full accrual pension expense of \$1,166,429.00 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 measurement date. At June 30, 2017 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 193,185.00	\$ -
Changes of Assumptions	2,151,839.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	396,104.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	678,846.00	-
School District contributions subsequent to measurement date	352,000.00	
	\$ 3,771,974.00	\$ -

\$352,000.00 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2016-2017 total salaries for PERS employees multiplied by an employer pension contribution rate of 13.37%. The payable is due on April 1, 2018 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

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

Year Ending June 30,	
2018	\$ 786,427.00
2019	786,426.00
2020	872,294.00
2021	719,285.00
2022	<u>255,542.00</u>
	<u>\$ 3,419,974.00</u>

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	-
June 30, 2015	5.00	-
June 30, 2016	5.00	-

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

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

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.57, 5.72 and 6.44 years for the 2016, 2015, and 2014 amounts, respectively.

Actuarial Assumptions – The collective total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. 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.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 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 contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2016, calculated using the discount rate of 3.98% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

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

	At 1% Decrease <u>(2.98%)</u>	At Current Discount Rate <u>(3.98%)</u>	At 1% Increase <u>(4.98%)</u>
School District's Proportionate Share of the Net Pension Liability	<u>\$ 12,729,281</u>	<u>\$ 10,387,999</u>	<u>\$ 8,455,068</u>

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2017 and 2016:

	<u>6/30/2017</u>	<u>6/30/2016</u>
Collective Deferred Outflows of Resources	\$ 7,815,204,785.00	\$ 2,946,265,815.00
Collective Deferred Inflows of Resources	\$ -	\$ 360,920,604.00
Collective Net Pension Liability	\$ 29,617,131,759.00	\$ 22,447,996,119.00
 School District's portion	 0.03507%	 0.03386%

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/annrpts.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.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

B. Teachers' Pension and Annuity Fund (TPAF)

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 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.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.2% in State fiscal year 2017. 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 2016, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, 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, the School District is 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 School District does 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.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2016 was \$76,775,498.00. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2016, the State proportionate share of

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

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

the TPAF net pension liability attributable to the School District was 0.09760%, which an increase of 0.00313% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the School District recognized \$5,768,610.00 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2016 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.65%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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, 2016 are summarized in the following table:

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (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>
Cash	5.00%	0.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

Discount Rate - The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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 contribution rate in the most recent fiscal year. The State contributed 30% of the 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 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 3.22% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

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

	At 1% Decrease <u>(2.22%)</u>	At Current Discount Rate <u>(3.22%)</u>	At 1% Increase <u>(4.22%)</u>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 91,687,102.00	\$ 76,775,498.00	\$ 64,598,249.00
	\$ 91,687,102.00	\$ 76,775,498.00	\$ 64,598,249.00

Pension Plan Fiduciary Net Position - 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 employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP) (continued)

- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2017, employee contributions totaled \$2,651.83, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$935.91.

Note 9. State Post-Retirement Medical 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 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 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 (APB) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2017, the on-behalf payments for normal costs, post-retirement medical costs, and long-term disability were \$1,110,144.00, \$925,002.00, and \$2,352.00, respectively.

Note 11. Risk Management

The School 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.

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the School 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 School 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:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$ 31,363.55	\$ 182.89	\$ 48,840.29	\$ 85,040.76
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

Property and Liability Insurance – The School 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.

Joint Insurance Pool – The School District also participates in the New Jersey School Alliance Insurance Fund and, public entity risk pool. The Pool provides its members with the following coverage:

Property – Blanket Building & Grounds Environmental Impairment Liability School Board Legal Liability Employers Liability	General & Automobile Liability Workers’ Compensation Excess Liability Comprehensive Crime Coverage
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RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 12. Contingencies

State and Federal Grantor Agencies - The School 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 School 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, 2017 may be impaired. In the opinion of the School 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.

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

Economic Dependency – The School 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 School District’s programs and activities.

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. 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:

AXA Equitable
Siracusa
Met Life
Vanguard

Note 14. Compensated Absences

The School 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.

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

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 14. Compensated Absences (continued):

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2017, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$174,608.50.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

Note 16. Commitments

The School District has contractual commitments at June 30, 2017 to various vendors, which are recorded in the general fund as assigned to other purposes in the amount of \$669,943.53.

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 was \$272,211.48.

Note 18. Fund Balances

General Fund – Of the \$4,213,142.22 General Fund fund balance at June 30, 2017, \$1,159,678.98 has been restricted for the Capital Reserve Account; \$1,001,000.00 has been restricted for the Maintenance Reserve Account; \$124,573.00 has been restricted for the Emergency Reserve Account; \$272,211.48 has been restricted for current year excess surplus; \$266,671.72 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$669,943.53 has been assigned to other purposes; \$112,501.28 has been assigned and included as anticipated revenue for the year ending June 30, 2018; and \$606,562.23 has been unassigned.

RED BANK REGIONAL HIGH SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 18. Fund Balances (continued):

Capital Projects Fund – Of the \$21,250.42 Capital Projects Fund fund balance at June 30, 2017, \$21,250.42 is restricted for future capital projects approved by the School District.

Debt Service Fund – Of the \$1.26 Debt Service Fund fund balance at June 30, 2017, \$1.26 is restricted for future debt service payments.

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District had a deficit in unrestricted net position in the amount of \$5,844,800.15 at June 30, 2017. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2017.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**RED BANK REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/(NEGATIVE) FINAL TO ACTUAL
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 21,001,800.00	\$ -	\$ 21,001,800.00	\$ 21,001,800.00	\$ -
Tuition from Individuals	10-1310	284,000.00	-	284,000.00	493,618.92	209,618.92
Tuition from Other LEA's within the State	10-1320	3,501,100.00	-	3,501,100.00	2,829,522.26	(671,577.74)
Tuition from Other Sources	10-1340	-	-	-	19,301.10	19,301.10
Tuition from Summer School	10-1350	-	-	-	21,600.00	21,600.00
Transportation Fees From Other LEAs	10-1420-1440	125,000.00	-	125,000.00	92,210.45	(32,789.55)
Rents and Royalties	10-1910	-	-	-	5,160.00	5,160.00
Unrestricted Miscellaneous Revenues	10-1XXX	27,452.00	-	27,452.00	45,351.59	17,899.59
Total Local Sources		24,939,352.00	-	24,939,352.00	24,508,564.32	(430,787.68)
State Sources:						
Extraordinary Aid	10-3131	-	-	-	178,451.00	178,451.00
Categorical Special Education Aid	10-3132	521,829.00	-	521,829.00	521,829.00	-
Equalization Aid	10-3176	85,945.00	-	85,945.00	85,945.00	-
Categorical Security Aid	10-3177	116,159.00	-	116,159.00	116,159.00	-
Categorical Transportation Aid	10-3121	236,500.00	-	236,500.00	236,500.00	-
Adjustment Aid	10-3178	40,174.00	-	40,174.00	40,174.00	-
PARCC Readiness Aid	10-3190	9,250.00	-	9,250.00	9,250.00	-
Per Pupil Growth Aid	10-3182	9,250.00	-	9,250.00	9,250.00	-
Professional Learning Community Aid	10-3183	9,600.00	-	9,600.00	9,600.00	-
Nonpublic Transportation	10-3XXX	-	-	-	4,164.00	4,164.00
TPAF Contributions (On-Behalf - Non-Budgeted)		-	-	-	1,110,144.00	1,110,144.00
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)		-	-	-	925,002.00	925,002.00
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)		-	-	-	2,352.00	2,352.00
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	764,871.58	764,871.58
Total State Sources		1,028,707.00	-	1,028,707.00	4,013,691.58	2,984,984.58
Medicaid Reimbursement	10-4200	16,103.00	-	16,103.00	7,741.09	(8,361.91)
Total Federal Sources		16,103.00	-	16,103.00	7,741.09	(8,361.91)
Total Revenues		25,984,162.00	-	25,984,162.00	28,529,996.99	2,545,834.99
Expenditures:						
Current Expense:						
Regular Programs - Instruction:						
Salaries of Teachers:						
Grades 9-12	11-140-100-101	7,213,000.00	(125,818.77)	7,087,181.23	7,078,325.91	8,855.32
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	51,000.00	(10,685.00)	40,315.00	13,768.00	26,547.00
Other Purchased Services	11-150-100-500	12,000.00	8,000.00	20,000.00	18,982.00	1,018.00
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	375,700.00	(85,066.00)	290,634.00	257,177.83	33,456.17
Purchased Professional - Educational Services	11-190-100-320	15,000.00	2,500.00	17,500.00	17,126.85	373.15
Purchased Technical Services	11-190-100-340	179,660.00	(33.24)	179,626.76	161,907.41	17,719.35
Other Purchased Services	11-190-100-500	24,700.00	(2,280.00)	22,420.00	12,161.28	10,258.72
General Supplies	11-190-100-610	642,120.00	(51,977.48)	590,142.52	441,897.15	148,245.37
Textbooks	11-190-100-640	117,176.00	9,061.00	126,237.00	113,730.21	12,506.79
Other Objects	11-190-100-800	117,002.00	(4,300.00)	112,702.00	71,383.69	41,318.31
Total Regular Programs - Instruction		8,747,358.00	(260,599.49)	8,486,758.51	8,186,460.33	300,298.18
Special Education - Instruction - Cognitive - Mild:						
Salaries of Teachers	11-201-100-101	121,000.00	-	121,000.00	116,597.50	4,402.50
Other Salaries for Instruction	11-201-100-106	76,000.00	-	76,000.00	73,807.05	2,192.95
General Supplies	11-201-100-610	2,000.00	-	2,000.00	721.47	1,278.53
Textbooks	11-201-100-640	500.00	-	500.00	-	500.00
Total Special Education - Instruction - Cognitive - Mild		199,500.00	-	199,500.00	191,126.02	8,373.98
Special Educ. - Instruction - Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	638,000.00	(23,500.00)	614,500.00	610,986.16	3,513.84
Other Salaries for Instruction	11-213-100-106	317,000.00	16,200.00	333,200.00	331,945.55	1,254.45
General Supplies	11-213-100-610	7,000.00	-	7,000.00	2,430.97	4,569.03
Textbooks	11-213-100-640	1,000.00	-	1,000.00	515.36	484.64
Total Spec. Educ. - Instruction - Resource Room/Resource Center		963,000.00	(7,300.00)	955,700.00	945,878.04	9,821.96
Special Educ. - Instruction - Home Instruction:						
Salaries of Teachers	11-219-100-101	10,000.00	-	10,000.00	-	10,000.00
Total Special Educ. - Instruction - Home Instruction		10,000.00	-	10,000.00	-	10,000.00
Total Special Education - Instruction		1,172,500.00	(7,300.00)	1,165,200.00	1,137,004.06	28,195.94

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	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	54,000.00	870.00	54,870.00	54,675.00	195.00
Other Salaries for Instruction	11-230-100-106	36,700.00	-	36,700.00	-	36,700.00
General Supplies	11-230-100-610	700.00	-	700.00	41.16	658.84
Total Basic Skills/Remedial - Instruction		91,400.00	870.00	92,270.00	54,716.16	37,553.84
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-101	218,400.00	-	218,400.00	216,650.00	1,750.00
Other Salaries for Instruction	11-240-100-106	165,000.00	106,275.00	271,275.00	271,003.84	271.16
General Supplies	11-240-100-610	5,770.00	-	5,770.00	2,085.74	3,684.26
Textbooks	11-240-100-640	2,300.00	-	2,300.00	2,084.20	215.80
Other Objects	11-240-100-800	500.00	-	500.00	235.70	264.30
Total Bilingual Education - Instruction		391,970.00	106,275.00	498,245.00	492,059.48	6,185.52
School Sponsored Co/Extra-Curricular Activities - Instruction:						
Salaries	11-401-100-100	210,000.00	(3,100.00)	206,900.00	198,278.36	8,621.64
Total School Sponsored Co/Extra-Curr. Activities - Instruction		210,000.00	(3,100.00)	206,900.00	198,278.36	8,621.64
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	526,000.00	51,014.18	577,014.18	577,014.18	-
Purchased Services	11-402-100-500	164,501.00	14,492.09	178,993.09	177,356.10	1,636.99
Supplies and Materials	11-402-100-600	100,645.00	(269.49)	100,375.51	99,688.20	687.31
Other Objects	11-402-100-800	3,688.00	(474.64)	3,213.36	3,184.56	28.80
Total School Sponsored Athletics - Instruction		794,834.00	64,762.14	859,596.14	857,243.04	2,353.10
Summer School - Instruction:						
Salaries	11-422-100-101	57,000.00	26,368.00	83,368.00	81,204.00	2,164.00
Other Salaries for Instruction	11-422-200-100	3,000.00	10,228.06	13,228.06	10,007.79	3,220.27
Total Summer School - Instruction		60,000.00	36,596.06	96,596.06	91,211.79	5,384.27
Total - Instruction		11,468,062.00	(62,496.29)	11,405,565.71	11,016,973.22	388,592.49
Undistributed Expenditures:						
Instruction:						
Tuition To Other LEAs Within State - Special	11-000-100-562	188,116.00	(90,996.45)	97,119.55	97,082.75	36.80
Tuition To County Voc. School District - Regular	11-000-100-563	365,520.00	14,500.00	380,020.00	379,988.00	32.00
Tuition To County Voc. School District - Special	11-000-100-564	86,400.00	4,050.00	90,450.00	90,450.00	-
Tuition To County Special Services & Regular Day Schools	11-000-100-565	-	139,321.00	139,321.00	139,321.00	-
Tuition To Private Schools for the Disabled Within State	11-000-100-566	1,392,100.00	(629,980.00)	762,120.00	761,879.05	240.95
Tuition - State Facilities	11-000-100-568	17,699.00	-	17,699.00	17,699.00	-
Total Undistributed Expenditures - Instruction		2,049,835.00	(563,105.45)	1,486,729.55	1,486,419.80	309.75
Undist. Expend. - Attendance and Social Work Services:						
Salaries	11-000-211-100	191,000.00	11,901.73	202,901.73	202,901.65	0.08
Salaries of Community/School Coordinators	11-000-211-174	154,000.00	5,875.15	159,875.15	150,041.28	9,833.87
Total Undist. Expend. - Attendance and Social Work Services		345,000.00	17,776.88	362,776.88	352,942.93	9,833.95
Undist. Expend. - Health Services:						
Salaries	11-000-213-100	126,800.00	1,862.85	128,662.85	128,636.65	26.20
Purchased Professional and Technical Services	11-000-213-300	22,000.00	7,053.00	29,053.00	28,928.62	124.38
Supplies and Materials	11-000-213-600	3,400.00	(1,600.00)	1,800.00	1,722.65	77.35
Other Objects	11-000-213-800	350.00	(240.00)	110.00	100.05	9.95
Total Undist. Expend. - Health Services		152,550.00	7,075.85	159,625.85	159,387.97	237.88
Undist. Expend. - Speech, OT, PT - Related Services:						
Salaries	11-000-216-100	95,800.00	(2,830.44)	92,969.56	92,750.00	219.56
Total Undist. Expend. - Speech, OT, PT - Related Services		95,800.00	(2,830.44)	92,969.56	92,750.00	219.56
Other Support Services- Students - Extra Srvc:						
Salaries	11-000-217-100	172,500.00	(17,740.00)	154,760.00	154,282.22	477.78
Total Undist. Expend. - Other Support Services - Students - Extra		172,500.00	(17,740.00)	154,760.00	154,282.22	477.78

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	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	461,300.00	3,810.00	465,110.00	464,876.87	233.13
Salaries of Secretarial and Clerical Assistants	11-000-218-105	114,800.00	5,020.00	119,820.00	119,480.82	339.18
Purchased Professional - Educational Services	11-000-218-320	41,500.00	6,000.00	47,500.00	44,609.50	2,890.50
Other Purchased Professional and Technical Services	11-000-218-390	8,300.00	(800.00)	7,500.00	3,174.10	4,325.90
Other Purchased Services	11-000-218-500	4,550.00	-	4,550.00	3,034.37	1,515.63
Supplies and Materials	11-000-218-600	22,250.00	(3,183.28)	19,066.72	15,996.58	3,070.14
Other Objects	11-000-218-800	19,000.00	(1,200.00)	17,800.00	15,743.00	2,057.00
Total Undist. Expend. - Other Support Serv. Students - Regular		671,700.00	9,646.72	681,346.72	666,915.24	14,431.48
Undist. Expend. - Other Support Serv. Students - Child Study Team:						
Salaries of Other Professional Staff	11-000-219-104	616,000.00	16,400.00	632,400.00	632,306.86	93.14
Salaries of Secretarial and Clerical Assistants	11-000-219-105	61,200.00	-	61,200.00	59,299.92	1,900.08
Other Purchased Professional and Technical Services	11-000-219-390	30,000.00	(20,925.00)	9,075.00	8,634.75	440.25
Supplies and Materials	11-000-219-600	3,000.00	-	3,000.00	2,846.17	153.83
Other Objects	11-000-219-800	2,500.00	-	2,500.00	1,734.98	765.02
Total Undist. Expend. - Other Support Serv. Students - Child Study		712,700.00	(4,525.00)	708,175.00	704,822.68	3,352.32
Undist. Expend. - Improvement of Instructional Services:						
Salaries of Supervisors of Instruction	11-000-221-102	423,800.00	18,466.41	442,266.41	442,266.41	-
Salaries of Secretarial and Clerical Assistants	11-000-221-105	74,300.00	14,283.84	88,583.84	88,583.84	-
Other Salaries	11-000-221-110	47,000.00	(12,500.00)	34,500.00	30,760.00	3,740.00
Salaries Facilitations, Math, Literacy Coaches	11-000-221-176	30,600.00	(12,465.00)	18,135.00	18,135.00	-
Total Undist. Expend. - Improvement of Instructional Services		575,700.00	7,785.25	583,485.25	579,745.25	3,740.00
Undist. Expend. - Educational Media/School Library:						
Salaries	11-000-222-100	157,900.00	(17,800.00)	140,100.00	138,294.10	1,805.90
Supplies and Materials	11-000-222-600	37,600.00	-	37,600.00	36,440.30	1,159.70
Total Undist. Expend. - Educational Media/School Library		195,500.00	(17,800.00)	177,700.00	174,734.40	2,965.60
Undist. Expend. - Instructional Staff Training Services:						
Purchased Professional - Educational Services	11-000-223-320	10,000.00	30,478.80	40,478.80	14,232.18	26,246.62
Other Purchased Services	11-000-223-500	61,600.00	(2,707.00)	58,893.00	30,718.14	28,174.86
Total Undist. Expend. - Instructional Staff Training Services		71,600.00	27,771.80	99,371.80	44,950.32	54,421.48
Undist. Expend. - Support Services - General Administration:						
Salaries	11-000-230-100	261,300.00	378.00	261,678.00	261,656.67	21.33
Legal Services	11-000-230-331	50,000.00	61,040.00	111,040.00	111,036.00	4.00
Audit Fees	11-000-230-332	42,000.00	(850.00)	41,150.00	41,150.00	-
Other Purchased Professional Services	11-000-230-339	5,000.00	9,715.00	14,715.00	14,714.42	0.58
Communications/Telephone	11-000-230-530	26,000.00	(3,020.49)	22,979.51	20,330.32	2,649.19
BOE Other Purchased Services	11-000-230-585	-	31.85	31.85	31.85	-
Miscellaneous Purchased Services	11-000-230-590	273,890.00	(4,524.00)	269,366.00	269,365.04	0.96
General Supplies	11-000-230-610	500.00	210.00	710.00	552.44	157.56
BOE In-House Training/Meeting Supplies	11-000-230-630	3,500.00	1,704.36	5,204.36	5,006.36	198.00
Miscellaneous Expenditures	11-000-230-890	5,000.00	1,924.28	6,924.28	6,835.03	89.25
BOE Membership Dues and Fees	11-000-230-895	12,000.00	(800.00)	11,200.00	11,054.20	145.80
Total Undist. Expend. - Support Services - General Administration		679,190.00	65,809.00	744,999.00	741,732.33	3,266.67
Undist. Expend. - Support Services - School Administration:						
Salaries of Principals/Assistant Principals	11-000-240-103	405,000.00	5,890.74	410,890.74	410,890.74	-
Salaries of Secretarial and Clerical Assistants	11-000-240-105	183,600.00	(16,490.74)	167,109.26	165,092.65	2,016.61
Supplies and Materials	11-000-240-600	48,150.00	2,350.00	50,500.00	50,060.70	439.30
Other Objects	11-000-240-800	4,600.00	-	4,600.00	4,349.00	251.00
Total Undist. Expend. - Support Services - School Administration		641,350.00	(8,250.00)	633,100.00	630,393.09	2,706.91
Undist. Expend. - Central Services:						
Salaries	11-000-251-100	395,654.00	22,177.90	417,831.90	417,757.44	74.46
Purchased Professional Services	11-000-251-330	2,400.00	-	2,400.00	1,750.00	650.00
Purchased Technical Services	11-000-251-340	38,500.00	4,100.00	42,600.00	42,320.60	279.40
Supplies and Materials	11-000-251-600	13,400.00	800.00	14,200.00	13,924.06	275.94
Other Objects	11-000-251-890	4,800.00	-	4,800.00	4,711.24	88.76
Total Undist. Expend. - Central Services		454,754.00	27,077.90	481,831.90	480,463.34	1,368.56
Undist. Expend. - Admin. Info. Technology:						
Salaries	11-000-252-100	206,000.00	(48,496.98)	157,503.02	157,280.98	222.04
Total Undist. Expend. - Admin. Info. Technology		206,000.00	(48,496.98)	157,503.02	157,280.98	222.04

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	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	198,000.00	1,016.31	199,016.31	199,016.31	-
Cleaning, Repair and Maintenance Services	11-000-261-420	572,000.00	572,757.00	1,144,757.00	507,322.54	637,434.46
General Supplies	11-000-261-610	30,000.00	(3,000.00)	27,000.00	26,191.60	808.40
Total Undist. Expend. - Required Maintenance for School Facilities		800,000.00	570,773.31	1,370,773.31	732,530.45	638,242.86
Undist. Expend. - Custodial Services:						
Salaries	11-000-262-100	160,500.00	3,096.58	163,596.58	163,596.58	-
Salaries of Non-Instructional Aids	11-000-262-107	143,000.00	(1,466.31)	141,533.69	141,529.21	4.48
Purchased Professional and Technical Services	11-000-262-300	15,200.00	(10,319.68)	4,880.32	4,878.69	1.63
Cleaning, Repair and Maintenance Services	11-000-262-420	660,000.00	8,136.92	668,136.92	645,820.98	22,315.94
Other Purchased Property Services	11-000-262-490	70,000.00	550.70	70,550.70	70,506.88	43.82
Insurance	11-000-262-520	83,000.00	(1,634.75)	81,365.25	81,365.25	-
General Supplies	11-000-262-610	109,000.00	16,712.40	125,712.40	122,918.74	2,793.66
Energy (Natural Gas)	11-000-262-621	130,000.00	(42,679.00)	87,321.00	86,274.34	1,046.66
Energy (Electricity)	11-000-262-622	440,000.00	68,305.00	508,305.00	507,871.49	433.51
Other Objects	11-000-262-800	3,700.00	222.73	3,922.73	3,856.70	66.03
Total Undist. Expend. - Custodial Services		1,814,400.00	40,924.59	1,855,324.59	1,828,618.86	26,705.73
Undist. Expend. - Care & Upkeep of Grounds:						
Cleaning, Repair, & Maintenance Services	11-000-263-420	16,000.00	146,948.00	162,948.00	31,819.35	131,128.65
General Supplies	11-000-263-610	35,000.00	20,588.69	55,588.69	36,788.14	18,800.55
Total Undist. Expend. - Care & Upkeep of Grounds		51,000.00	167,536.69	218,536.69	68,607.49	149,929.20
Undist. Expend. - Security:						
Salaries	11-000-266-100	58,300.00	9,255.01	67,555.01	64,933.33	2,621.68
Purchased Professional and Technical Services	11-000-266-300	72,000.00	-	72,000.00	71,400.00	600.00
Total Undist. Expend. - Security		130,300.00	9,255.01	139,555.01	136,333.33	3,221.68
Total Undist. Expend. - Oper. & Maint. of Plant						
		2,795,700.00	788,489.60	3,584,189.60	2,766,090.13	818,099.47
Undist. Expend. - Student Transportation Services:						
Salaries for Pupil Transp (Bet. Home & School) - Regular	11-000-270-160	54,616.00	5,038.07	59,654.07	59,654.07	-
Contracted Services (Bet. Home & School) - Vendors	11-000-270-511	445,663.00	39,289.93	484,952.93	484,942.77	10.16
Contracted Services (Other Than Bet. Home & School) - Vendors	11-000-270-512	203,066.00	12,617.31	215,683.31	215,672.82	10.49
Contracted Services (Special Ed. Students) - Vendors	11-000-270-514	78,749.00	10,368.00	89,117.00	89,116.78	0.22
Contracted Services (Regular Students) ESCs and CTSA's	11-000-270-517	410,000.00	52,746.00	462,746.00	462,745.36	0.64
Contracted Services (Special Ed. Students) ESCs and CTSA's	11-000-270-518	300,000.00	82,036.00	382,036.00	382,035.54	0.46
Contracted Services - Aid in Lieu of Payments - NonPub Sch	11-000-270-503	40,000.00	(14,059.58)	25,940.42	25,940.42	-
Misc. Purchased Services - Transportation	11-000-270-593	8,484.00	(8,484.00)	-	-	-
Total Undist. Expend. - Student Transportation Services		1,540,578.00	179,551.73	1,720,129.73	1,720,107.76	21.97
Interest Earned on Maintenance Reserve						
	10-606	200.00	-	200.00	200.00	-
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	360,000.00	(26,386.72)	333,613.28	319,618.76	13,994.52
Other Retirement Contributions - Regular	11-000-291-241	325,000.00	(10,700.00)	314,300.00	314,276.63	23.37
Workmen's Compensation	11-000-291-260	132,715.00	(4,800.00)	127,915.00	127,880.57	34.43
Health Benefits	11-000-291-270	2,861,700.00	153,051.60	3,014,751.60	3,014,203.82	547.78
Tuition Reimbursement	11-000-291-280	50,000.00	(26,462.31)	23,537.69	23,537.65	0.04
Other Employee Benefits	11-000-291-290	74,750.00	(5,543.28)	69,206.72	68,929.07	277.65
Total Unallocated Benefits - Employee Benefits		3,804,165.00	79,159.29	3,883,324.29	3,868,446.50	14,877.79
TPAF Contributions (On-Behalf - Non-Budgeted)		-	-	-	1,110,144.00	(1,110,144.00)
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)		-	-	-	925,002.00	(925,002.00)
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)		-	-	-	2,352.00	(2,352.00)
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	764,871.58	(764,871.58)
Total On-Behalf Contributions		-	-	-	2,802,369.58	(2,802,369.58)
Total Personal Services - Employee Benefits		3,804,165.00	79,159.29	3,883,324.29	6,670,816.08	(2,787,491.79)
Total Undistributed Expenditures		15,164,622.00	547,396.15	15,712,018.15	17,584,034.52	(1,871,816.37)
Total Expenditures - Current Expense		26,632,884.00	484,899.86	27,117,783.86	28,601,007.74	(1,483,223.88)
CAPITAL OUTLAY						
Interest Deposit to Capital Reserve	10-604	750.00	-	750.00	-	750.00
Equipment:						
Grades 9-12	12-140-100-730	79,900.00	17,472.60	97,372.60	78,866.29	18,506.31
School Sponsored & Other Instr. Programs	12-4XX-100-730	47,703.00	-	47,703.00	47,649.00	54.00
Undist. Expend. - Support Services Students-Regular	12-000-210-730	-	8,650.00	8,650.00	8,650.00	-
Undist. Expend. - Support Services Students-Special	12-000-219-730	-	2,299.99	2,299.99	2,299.99	-
Undist. Expend. - General Administration	12-000-230-730	-	21,068.16	21,068.16	21,068.16	-
Undist. Expend. - Custodial Services	12-000-262-730	-	10,370.00	10,370.00	10,370.00	-
Undist. Expend. - Care and Upkeep of Grounds	12-000-263-730	38,000.00	41,878.38	79,878.38	50,706.67	29,171.71
Total Equipment		165,603.00	101,739.13	267,342.13	219,610.11	47,732.02

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Facilities Acquisition and Construction Services:						
Assessment for Debt Service on SDA Funding	12-000-400-896	39,063.00	-	39,063.00	39,063.00	-
Total Facilities Acquisition and Construction Services		39,063.00	-	39,063.00	39,063.00	-
Total Capital Outlay		205,416.00	101,739.13	307,155.13	258,673.11	48,482.02
Total Expenditures		26,838,300.00	586,638.99	27,424,938.99	28,859,680.85	(1,434,741.86)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(854,138.00)	(586,638.99)	(1,440,776.99)	(329,683.86)	1,111,093.13
Fund Balances, July 1		4,640,025.08	-	4,640,025.08	4,640,025.08	-
Fund Balances, June 30		\$ 3,785,887.08	\$ (586,638.99)	\$ 3,199,248.09	\$ 4,310,341.22	\$ 1,111,093.13

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	\$ 336,638.99
Withdrawal from Maintenance Reserve	250,000.00
Total Transfers	\$ 586,638.99

RECAPITULATION OF FUND BALANCE

Restricted:		
Reserved Excess Surplus:		
Designated for Subsequent Year's Expenditures		\$ 266,671.72
Reserve for Excess Surplus - Current Year		272,211.48
Capital Reserve		1,159,678.98
Maintenance Reserve		1,001,000.00
Emergency Reserve		124,573.00
Assigned:		
Year-End Encumbrances		669,943.53
Designated for Subsequent Year's Expenditures		112,501.28
Unassigned		703,761.23
		<u>4,310,341.22</u>
Reconciliation to Governmental Funds Statements (GAAP):		
Last State Aid Payments not recognized on GAAP Basis		<u>(97,199.00)</u>
Fund Balance per Governmental Funds (GAAP)		<u>\$ 4,213,142.22</u>

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	JUNE 30, 2017				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources	\$ -	\$ 40,831.98	\$ 40,831.98	\$ 35,570.34	\$ (5,261.64)
State Sources	576,524.00	149,438.65	725,962.65	701,143.90	(24,818.75)
Federal Sources	490,921.00	123,581.00	614,502.00	593,971.40	(20,530.60)
Total Revenues	1,067,445.00	313,851.63	1,381,296.63	1,330,685.64	(50,610.99)
Expenditures:					
Instruction:					
Salaries	366,600.00	18,495.12	385,095.12	380,964.37	4,130.75
Purchased Services	258,726.00	137,888.65	396,614.65	373,233.93	23,380.72
Other Purchased Services	147,000.00	32,950.00	179,950.00	179,228.82	721.18
Instructional Supplies	37,756.00	(26,329.00)	11,427.00	11,165.32	261.68
General Supplies	2,000.00	31,388.49	33,388.49	29,135.67	4,252.82
Textbooks	44,798.00	6,963.00	51,761.00	50,322.97	1,438.03
Other Objects	4,000.00	6,147.88	10,147.88	8,472.00	1,675.88
Total Instruction	860,880.00	207,504.14	1,068,384.14	1,032,523.08	35,861.06
Support Services:					
Salaries	10,000.00	8,000.00	18,000.00	17,043.75	956.25
Personal Services - Employee Benefits	7,565.00	3,140.00	10,705.00	9,971.25	733.75
Professional and Technical Services	164,000.00	45,911.00	209,911.00	208,063.00	1,848.00
Other Purchased Services	23,000.00	9,795.00	32,795.00	25,805.50	6,989.50
Accreted Interest	-	3,000.00	3,000.00	-	3,000.00
Travel	-	3,000.00	3,000.00	2,506.18	493.82
Supplies and Materials	-	23,452.00	23,452.00	22,723.39	728.61
Other Objects	2,000.00	5,049.49	7,049.49	7,049.49	-
Total Support Services	206,565.00	101,347.49	307,912.49	293,162.56	14,749.93
Facilities Acquisition and Construction Services					
Instructional Equipment	-	5,000.00	5,000.00	5,000.00	-
Total Facilities Acquisition and Construction Services:	-	5,000.00	5,000.00	5,000.00	-
Total Expenditures	1,067,445.00	313,851.63	1,381,296.63	1,330,685.64	50,610.99
Total Outflows	1,067,445.00	313,851.63	1,381,296.63	1,330,685.64	50,610.99
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**RED BANK REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE YEAR ENDED JUNE 30, 2017**

**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	\$ 28,529,996.99	\$ 1,330,685.64
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	-	-
Add: Prior Year Encumbrances	-	5,384.84
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	93,263.00	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(97,199.00)</u>	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 28,526,060.99</u>	<u>\$ 1,336,070.48</u>
USES/OUTFLOWS OF RESOURCES		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	\$ 28,859,680.85	\$ 1,330,685.64
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	-	-
Add: Prior Year Encumbrances	-	5,384.84
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 28,859,680.85</u>	<u>\$ 1,336,070.48</u>

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

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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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District's proportion of the net pension liability (asset)	0.03507%	0.03386%	0.03078%	0.02985%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	\$ 10,387,999.00	\$ 7,600,286.00	\$ 5,763,565.00	\$ 5,704,151.00	N/A	N/A	N/A	N/A	N/A	N/A
District's covered-employee payroll*	\$ 2,459,033.05	\$ 2,294,750.00	\$ 2,215,850.00	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	422.44%	314.96%	234.38%	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	40.14%	47.93%	52.08%	48.72%	N/A	N/A	N/A	N/A	N/A	N/A

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 352,000.00	\$ 311,595.00	\$ 291,082.00	\$ 253,777.00	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(352,000.00)	(311,595.00)	(291,082.00)	(253,777.00)	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
District's covered-employee payroll	\$ 2,413,062.45	\$ 2,459,033.05	\$ 2,294,750.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	14.59%	12.67%	11.84%	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**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District's proportion of the net pension liability (asset)	0.000000%	0.000000%	0.000000%	0.000000%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	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	\$ 76,775,498.00	\$ 59,703,767.00	\$ 51,271,493.00	\$ 52,088,826.00	N/A	N/A	N/A	N/A	N/A	N/A
District's covered-employee payroll*	\$ 11,670,690.52	\$ 10,109,521.80	\$ 9,849,061.15	\$ 9,787,278.49	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	22.33%	28.71%	33.64%	33.76%	N/A	N/A	N/A	N/A	N/A	N/A

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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 SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**RED BANK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III
JUNE 30, 2017**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms – None.

Changes in Assumptions – The discount rate changed from 4.13% as of June 30, 2015, to 3.22% as of June 30, 2016.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms – None.

Changes in Assumptions – The discount rate changed from 4.90% as of June 30, 2015, to 3.98% as of June 30, 2016.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**RED BANK REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Non-Public Aid						
	Textbooks	Nursing	Security	Technology	Auxiliary Services		Handicapped Supplementary Instruction
Compensatory Education					Home Instruction	Exam and Class	
<u>Revenues</u>							
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	50,322.97	79,109.73	23,511.04	23,346.51	83,488.00	22,052.65	72,898.00
Federal Sources	-	-	-	-	-	-	-
Total Revenues	\$ 50,322.97	\$ 79,109.73	\$ 23,511.04	\$ 23,346.51	\$ 83,488.00	\$ 22,052.65	\$ 72,898.00
<u>Expenditures</u>							
Instruction:							
Salaries	-	-	-	-	-	-	-
Purchased Services	-	79,109.73	23,511.04	23,346.51	83,488.00	22,052.65	72,898.00
Other Purchased Services	-	-	-	-	-	-	-
Instructional Supplies	-	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-	-
Textbooks	50,322.97	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-
Total Instruction	50,322.97	79,109.73	23,511.04	23,346.51	83,488.00	22,052.65	72,898.00
Support Services:							
Salaries	-	-	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-	-	-
Professional and Technical Services	-	-	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Supplies and Materials	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-
Total Support Services	-	-	-	-	-	-	-
Facilities Acquisition and Construction Services:							
Instructional Equipment	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-
Total Expenditures	\$ 50,322.97	\$ 79,109.73	\$ 23,511.04	\$ 23,346.51	\$ 83,488.00	\$ 22,052.65	\$ 72,898.00

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	School Based Youth Services Program	I.D.E.A. PART B	No Child Left Behind				Perkins Grant	Bucs Athletics Grant	NJSIG Safety Grant	Totals
			Title I	Title II Part A						
Revenues										
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	31,779.34	3,791.00	\$ 35,570.34	
State Sources	277,587.00	-	-	-	-	-	-	-	701,143.90	
Federal Sources	-	424,646.20	125,751.06	33,534.07	10,040.07	-	-	-	593,971.40	
Total Revenues	\$ 277,587.00	\$ 424,646.20	\$ 125,751.06	\$ 33,534.07	\$ 10,040.07	\$ 31,779.34	\$ 3,791.00	\$	1,330,685.64	
Expenditures										
Instruction:										
Salaries	267,665.00	32,369.25	80,930.12	-	-	-	-	-	380,964.37	
Purchased Services	-	-	-	-	-	-	-	-	373,233.93	
Other Purchased Services	-	177,260.26	1,968.56	-	-	-	-	-	179,228.82	
Instructional Supplies	-	2,866.47	8,298.85	-	-	-	-	-	11,165.32	
General Supplies	2,872.51	1,990.00	-	-	-	24,273.16	-	-	29,135.67	
Textbooks	-	-	-	-	-	-	-	-	50,322.97	
Other Objects	-	-	8,472.00	-	-	-	-	-	8,472.00	
Total Instruction	270,537.51	214,485.98	99,669.53	-	-	24,273.16	-	-	1,032,523.08	
Support Services:										
Salaries	-	-	-	17,043.75	-	-	-	-	17,043.75	
Personal Services - Employee Benefits	-	2,476.25	6,191.15	1,303.85	-	-	-	-	9,971.25	
Professional and Technical Services	-	202,563.00	-	-	5,500.00	-	-	-	208,063.00	
Other Purchased Services	-	5,120.97	957.99	15,186.47	4,540.07	-	-	-	25,805.50	
Travel	-	-	-	-	-	2,506.18	-	-	2,506.18	
Supplies and Materials	-	-	18,932.39	-	-	-	-	3,791.00	22,723.39	
Other Objects	7,049.49	-	-	-	-	-	-	-	7,049.49	
Total Support Services	7,049.49	210,160.22	26,081.53	33,534.07	10,040.07	2,506.18	3,791.00	-	293,162.56	
Facilities Acquisition and Construction Services:										
Instructional Equipment	-	-	-	-	-	5,000.00	-	-	5,000.00	
Total Facilities Acquisition and Construction Services	-	-	-	-	-	5,000.00	-	-	5,000.00	
Total Expenditures	\$ 277,587.00	\$ 424,646.20	\$ 125,751.06	\$ 33,534.07	\$ 10,040.07	\$ 31,779.34	\$ 3,791.00	\$	1,330,685.64	

F. Capital Projects Fund

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**RED BANK REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2017**

Project Title/Issue	Date	Original Appropriations	Total Expenditures		Unexpended Balance
				Prior Years	
Auditorium Renovation	04/11	\$ 244,731.00	\$	238,623.35	\$ 6,107.65
Science Lab & Prep Room	06/15	412,820.37		389,792.51	23,027.86
		<u>\$ 657,551.37</u>	<u>\$</u>	<u>628,415.86</u>	<u>\$ 29,135.51</u>
Less: Unearned SDA Revenue					<u>(7,885.09)</u>
Fund Balance (B-2)					<u>\$ 21,250.42</u>

**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, 2017**

Revenues and Other Financing Sources:	
Transfer From Capital Reserve	\$ -
Total Revenues	<u>-</u>
Expenditures and Other Financing Sources:	
Purchased Professional and Technical Services	-
Construction Services	-
Total Expenditures	<u>-</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-
Fund Balance - July 1	<u>29,135.51</u>
Fund Balance - June 30	<u><u>\$ 29,135.51</u></u>

**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, 2017**

	<u>Prior</u> <u>Periods</u>	<u>Totals</u>	<u>Revised</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	244,731.00	244,731.00	244,731.00
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	238,623.35	238,623.35	244,731.00
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 6,107.65	\$ 6,107.65	\$ -

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
SCIENCE/BIOLOGY LAB & PREP ROOM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Prior</u> <u>Periods</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>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	33,022.03	33,022.03	-
Construction Services	356,770.48	356,770.48	412,820.37
Total Expenditures	389,792.51	389,792.51	412,820.37
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 23,027.86	\$ 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

G. Proprietary Funds

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Enterprise Funds

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

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H. Fiduciary Fund

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**RED BANK REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017**

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Agency Fund	Totals 2017
ASSETS				
Cash and Cash Equivalents	\$ 87,509.86	\$ 3,034,880.07	\$ 525,177.58	\$ 3,647,567.51
Interfund Receivable	2,602.07	-	-	2,602.07
Total Assets	\$ 90,111.93	\$ 3,034,880.07	\$ 525,177.58	\$ 3,650,169.58
LIABILITIES				
Interfund Payable	-	-	2,602.07	2,602.07
Due to State	5,071.17	-	-	5,071.17
Payable To Student Groups	-	-	137,864.54	137,864.54
Payroll Deductions and Withholdings	-	-	384,710.97	384,710.97
Total Liabilities	5,071.17	-	525,177.58	530,248.75
NET POSITION				
Held in Trust for Unemployment Claims and Other Purposes	85,040.76	-	-	85,040.76
Nonexpendable Scholarship Reserved for Scholarships	-	2,927,769.72	-	2,927,769.72
	-	107,110.35	-	107,110.35
Total Net Position	\$ 85,040.76	\$ 3,034,880.07	\$ -	\$ 3,119,920.83

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Totals
Additions:			
Employee Contributions	\$ 31,363.55	\$ -	\$ 31,363.55
Total Contributions	<u>31,363.55</u>	<u>-</u>	<u>31,363.55</u>
Investment Earnings:			
Interest	182.89	25,423.72	25,606.61
Total Investment Earnings	<u>182.89</u>	<u>25,423.72</u>	<u>25,606.61</u>
Total Additions	<u>31,546.44</u>	<u>25,423.72</u>	<u>56,970.16</u>
Deductions:			
Quarterly Contribution Reports	39,668.65	-	39,668.65
Unemployment Claims	9,171.64	-	9,171.64
Scholarships Awarded	-	17,440.00	17,440.00
Total Deductions	<u>48,840.29</u>	<u>17,440.00</u>	<u>66,280.29</u>
Change in Net Position	(17,293.85)	7,983.72	(9,310.13)
Net Position - Beginning of Year	<u>102,334.61</u>	<u>3,026,896.35</u>	<u>3,129,230.96</u>
Net Position - End of Year	<u>\$ 85,040.76</u>	<u>\$ 3,034,880.07</u>	<u>\$ 3,119,920.83</u>

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Balance July 1, 2016	Cash Receipts	Cash Disbursements	Balance June 30, 2017
ASSETS				
Cash and Cash Equivalents	\$ 126,275.18	\$ 351,869.99	\$ 340,280.63	\$ 137,864.54
Total Assets	<u>\$ 126,275.18</u>	<u>\$ 351,869.99</u>	<u>\$ 340,280.63</u>	<u>\$ 137,864.54</u>
LIABILITIES				
Senior High School:				
Red Bank Regional	\$ 126,239.70	\$ 253,290.28	\$ 241,690.22	\$ 137,839.76
Red Bank Regional Athletic Fund	35.48	98,579.71	98,590.41	24.78
Total Liabilities	<u>\$ 126,275.18</u>	<u>\$ 351,869.99</u>	<u>\$ 340,280.63</u>	<u>\$ 137,864.54</u>

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
SCHEDULE OF CHANGES IN PAYROLL AGENCY ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
ASSETS				
Cash and Cash Equivalents	\$ 353,946.61	\$ 7,854,820.55	\$ 7,821,454.12	\$ 387,313.04
Total Assets	<u>\$ 353,946.61</u>	<u>\$ 7,854,820.55</u>	<u>\$ 7,821,454.12</u>	<u>\$ 387,313.04</u>
LIABILITIES				
Due To Unemployment Trust Fund	\$ 2,048.57	\$ 49,393.79	\$ 48,840.29	\$ 2,602.07
Payroll Deductions and Withholdings	351,898.04	7,805,426.76	7,772,613.83	384,710.97
Total Liabilities	<u>\$ 353,946.61</u>	<u>\$ 7,854,820.55</u>	<u>\$ 7,821,454.12</u>	<u>\$ 387,313.04</u>

I. Long-Term Debt

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**RED BANK REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2017**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2016	Retired Current Year	Balance June 30, 2017
			Date	Amount				
Refunding School Bonds (Pension Series 2003)	03/15/03	\$ 1,600,000.00	07/15/17	110,000.00	5.30%	\$ 575,000.00	\$ 105,000.00	\$ 470,000.00
			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	02/15/18	500,000.00	3.750%	3,120,000.00	470,000.00	2,650,000.00
			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%			
						\$ 3,695,000.00	\$ 575,000.00	\$ 3,120,000.00

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive/ (Negative) Final To Actual
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 748,693.00	\$ -	\$ 748,693.00	\$ 748,693.00	\$ -
Total Revenues	748,693.00	-	748,693.00	748,693.00	-
<u>Expenditures</u>					
Regular Debt Service:					
Interest on Early Retirement Bonds	27,693.00	-	27,693.00	27,692.50	0.50
Interest on Bonds	146,000.00	-	146,000.00	146,000.00	-
Redemption of Principal	575,000.00	-	575,000.00	575,000.00	-
Total Regular Debt Service	748,693.00	-	748,693.00	748,692.50	0.50
Total Expenditures	748,693.00	-	748,693.00	748,692.50	0.50
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	0.50	(0.50)
Fund Balance, July 1	0.76	-	0.76	0.76	-
Fund Balance, June 30	\$ 0.76	\$ -	\$ 0.76	\$ 1.26	\$ (0.50)

STATISTICAL SECTION (Unaudited)

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FINANCIAL TRENDS/INFORMATION SCHEDULES

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.

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

	FISCAL YEAR ENDING JUNE 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Government Activities:										
Net Investment in Capital Assets	\$ 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	\$ 19,769,777.26
Restricted	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	2,845,386.86
Unrestricted	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)	(5,844,800.15)
Total Government Activities Net Position	\$ 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	\$ 16,770,363.97
Business-Type Activities:										
Net Investment in Capital Assets	\$ 39,704.36	\$ 36,604.49	\$ 52,180.05	\$ 52,180.05	\$ 85,640.26	\$ 79,572.17	\$ 72,186.15	\$ 64,800.13	\$ 57,414.10	\$ 57,640.58
Unrestricted	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	75,793.32
Total Business-Type Activities Net Position	\$ 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	\$ 133,433.90
District-wide:										
Net Investment in Capital Assets	\$ 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	\$ 19,827,417.84
Restricted	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	2,845,386.86
Unrestricted	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)	(5,769,006.83)
Total District Net Position	\$ 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	\$ 16,903,797.87

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ (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)	\$ (9,224,368.25)
Special Education	(1,431,563.23)	(1,694,462.25)	(1,762,250.28)	(1,490,756.14)	(1,570,561.49)	(1,089,032.32)	(1,071,221.66)	(1,188,448.20)	(1,117,447.79)	(1,137,004.06)
Other Special Education	(671,303.50)	(605,405.76)	(600,640.01)	(603,075.71)	(594,070.14)	(400,070.98)	(387,082.19)	(488,289.64)	(488,289.32)	(546,775.64)
Other Instruction	(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)	(1,146,733.19)
Support Services:										
Tuition	(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)	(1,486,419.80)
Student and Instruction Related Services	(3,599,180.82)	(3,777,452.71)	(3,948,234.32)	(4,171,262.66)	(4,089,920.28)	(2,948,427.59)	(3,037,522.25)	(3,071,099.14)	(3,026,828.78)	(3,223,693.57)
General Administration	(716,243.29)	(674,677.70)	(837,403.52)	(803,417.59)	(983,492.10)	(673,264.68)	(673,806.25)	(630,684.24)	(687,600.84)	(741,732.33)
School Administrative Services	(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)	(630,393.09)
Central Services	(342,588.37)	(367,562.58)	(402,436.58)	(651,994.83)	(435,967.77)	(418,632.12)	(438,479.49)	(461,154.32)	(465,070.06)	(480,463.34)
Admin Information Technology	(2,306,582.21)	(2,744,542.10)	(1,003,317.45)	(1,022,129.81)	(1,053,593.90)	(137,646.54)	(171,997.38)	(197,712.56)	(128,188.80)	(157,280.98)
Plant Operations and Maintenance	(1,505,862.67)	(1,704,608.17)	(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)	(2,766,290.13)
Pupil Transportation	(349,180.12)	(333,497.51)	(316,949.38)	(122,677.58)	(162,953.27)	(1,313,757.18)	(1,445,221.28)	(1,438,371.15)	(1,509,274.88)	(1,720,107.76)
Unallocated Benefits	(786,334.00)	(810,877.00)	(826,075.00)	(895,674.17)	(895,674.17)	(6,101,162.77)	(5,564,526.01)	(7,929,089.89)	(7,221,989.85)	(7,617,714.08)
Special Schools	(270,426.99)	(309,475.60)	(223,801.73)	(31,094.44)	(21,938.39)	(14,112.96)	(7,530.96)	(248,036.54)	(228,500.23)	(105,866.05)
Interest on Long-Term Debt	(349,180.12)	(333,497.51)	(316,949.38)	(122,677.58)	(162,953.27)	(1,313,757.18)	(1,445,221.28)	(1,438,371.15)	(1,509,274.88)	(1,720,107.76)
Unallocated Depreciation	(786,334.00)	(810,877.00)	(826,075.00)	(895,674.17)	(895,674.17)	(6,101,162.77)	(5,564,526.01)	(7,929,089.89)	(7,221,989.85)	(7,617,714.08)
Total Governmental Activities Expenses	(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)	(32,191,471.85)
Business-Type Activities:										
Food Service	(716,173.87)	(684,412.52)	(656,605.98)	(720,630.98)	(713,221.63)	(719,844.72)	(596,389.72)	(450,866.74)	(436,689.99)	(425,248.14)
Total Business-Type Activities Expenses	(716,173.87)	(684,412.52)	(656,605.98)	(720,630.98)	(713,221.63)	(719,844.72)	(596,389.72)	(450,866.74)	(436,689.99)	(425,248.14)
Total District Expenses	(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)	(32,616,719.99)
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 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	\$ 3,354,924.11
Pupil Transportation	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	101,328.62
Operating Grants and Contributions	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	240,664.00
Capital Grants and Contributions	-	-	260,298.00	(184,758.73)	-	-	-	-	-	-
Total Governmental Activities Program Revenues	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	3,696,916.73
Business-Type Activities:										
Charges for Services:										
Food Service	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	279,743.01
Operating Grants and Contributions	65,987.75	84,580.53	93,532.20	113,618.20	134,511.65	125,121.08	122,079.43	142,783.46	156,150.91	152,428.81
Total Business-Type Activities Program Revenues	728,959.75	716,740.84	659,898.12	732,184.76	740,191.95	663,361.24	566,193.41	464,113.57	454,483.03	432,171.82
Total District Program Revenues	4,219,339.65	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	4,129,088.55
Net (Expense)/Revenue:										
Governmental Activities	(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)	(28,494,555.12)
Business-Type Activities	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	6,923.68
Total District-wide Net (Expense)/Revenue	(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)	(28,487,631.44)

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
FISCAL YEAR ENDING JUNE 30.										
General Revenues and Other Changes in Net Assets:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 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	\$ 21,001,800.00
Taxes Levied for Debt Service	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	748,693.00
Unrestricted Grants and Contributions	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	5,071,947.97
Investment Earnings	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	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	91,466.77
Transfers	(23,000.00)	(4,275.75)	(4,348.50)	-	-	-	-	-	-	-
Total Governmental Activities	22,215,861.27	22,206,757.53	22,676,594.56	22,782,270.56	23,264,352.68	22,101,509.43	22,362,366.66	23,172,082.21	23,672,720.34	26,913,907.74
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	\$ 22,238,861.27	\$ 22,211,033.28	\$ 22,680,943.06	\$ 22,782,270.56	\$ 23,264,352.68	\$ 22,101,509.43	\$ 22,362,366.66	\$ 23,172,082.21	\$ 23,672,720.34	\$ 26,913,907.74
Changes in Net Position:										
Governmental Activities	\$ 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	\$ (1,580,647.38)
Business-Type Activities	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	6,923.68
Total District	\$ 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	\$ (1,573,723.70)

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
Reserved	\$ 3,891,068.59	\$ 3,374,056.71	\$ 2,469,445.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	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	2,824,135.18
Assigned	-	-	-	639,866.21	631,249.75	1,034,949.79	751,114.64	2,161,532.67	681,900.22	782,444.81
Unassigned	-	-	-	615,234.14	582,906.23	531,194.85	584,067.42	536,961.71	556,003.71	606,562.23
Total General Fund	\$ 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	\$ 4,213,142.22
All Other Governmental Funds:										
Reserved	\$ 202,888.00	\$ 9,578.01	\$ 90,450.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported In:										
Special Revenue Fund	(2,465.40)	-	-	-	-	-	-	-	-	-
Capital Projects Fund	623,543.40	649,839.85	623,885.81	-	-	-	-	-	-	-
Debt Service Fund	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	1.26
Capital Projects Fund	-	-	-	425,784.07	482,871.69	447,266.23	22,342.55	253,881.81	21,250.42	21,250.42
Total All Other Governmental Funds	\$ 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	\$ 21,251.68

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Tax Levy	\$ 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	\$ 21,750,493.00
Tuition Charges	3,064,078.24	3,306,939.62	3,194,333.01	3,405,644.26	3,888,725.95	3,819,756.77	3,858,249.86	3,996,169.01	3,717,747.41	3,354,924.11
Transportation Fees	263,835.66	262,015.00	266,706.04	282,375.26	215,262.04	139,871.37	132,027.54	132,871.29	172,390.83	101,328.62
Interest Earnings	2,806.57	23,695.87	19,967.81	-	1,136.77	2,682.04	1,759.58	-	-	-
Miscellaneous	171,136.36	159,400.24	254,894.90	106,939.04	69,253.07	150,061.53	153,870.34	137,326.37	112,711.89	91,466.77
State Sources	4,346,253.04	3,394,943.11	3,315,869.71	2,470,275.19	3,262,176.21	3,902,040.73	3,593,878.43	3,843,390.53	4,363,013.10	4,710,899.48
Federal Sources	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	601,712.49
Total Revenues	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	30,610,824.47
Expenditures:										
Instruction:										
Regular	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	9,224,368.25
Special	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	1,137,004.06
Other	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	546,775.64
School-Sponsored/Other Instructional Support Services:	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	1,146,733.19
Tuition	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	1,486,419.80
Student and Instruction Related Services	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	3,223,693.57
General Administrator	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	741,732.33
School Administrative Services:	582,005.00	578,907.36	641,532.25	623,754.76	603,677.41	577,587.48	633,560.60	636,532.67	632,505.67	630,393.09
Central Services	342,588.37	367,562.58	402,436.58	436,364.12	435,967.77	418,632.12	438,479.49	436,154.32	465,070.06	480,463.34
Admin. Information Technology	-	-	100,317.45	102,129.81	105,593.90	137,646.54	171,997.38	197,712.56	128,188.80	157,280.98
Plant Operations and Maintenance	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	2,766,290.13
Pupil Transportation	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	1,720,107.76
Employee Benefits	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	6,670,816.08
Capital Schools	194,252.26	243,161.74	152,383.15	26,735.52	19,612.84	14,112.96	7,530.96	-	-	-
Capital Outlay	718,687.60	862,951.68	805,687.34	251,186.09	939,344.38	253,923.44	658,656.16	1,116,758.77	2,460,918.58	263,673.11
Debt Service:										
Principal	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	575,000.00
Interest and Other Charges	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	173,692.50
Total Expenditures	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	30,944,443.83
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	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)	(333,619.36)
Other Financing Sources/(Uses):										
FEMA reimbursements	-	-	-	-	-	4,691.94	-	-	-	-
Insurance reimbursements	-	-	-	-	-	19,117.56	-	-	-	-
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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	\$ 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)	\$ (333,619.36)
Debt Service as a Percentage of Noncapital Expenditures	3.19%	3.02%	3.23%	2.87%	2.83%	2.86%	2.71%	2.70%	2.59%	2.44%

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, 200
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Service:
 * 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
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
2017	-	5,160.00	-	45,351.59	-	3,364,042.28	92,210.45	3,506,764.32

Source: District records

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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.

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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
2008	\$ 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
2017	15,285,900.00	1,223,134,500.00	-	-	645,228,700.00	28,360,900.00	202,216,200.00
					Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b	
		Less: Tax - Exempt Property	Public Utilities ^a	Net Valuation Taxable			
2008	\$ 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	
2017	2,114,226,200.00	-	8,082,581.00	2,122,308,781.00	2,114,226,200.00	0.438	

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 Taxator 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
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	-	-
2017	8,067,100.00	1,535,922,600.00	4,066,300.00	17,300.00	114,869,100.00	-	-

	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
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
2017	1,662,942,400.00	-	1,155,753.00	1,664,098,153.00	1,662,942,400.00	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	Total Direct School Tax Rate	Borough of Red Bank	Local School Rate	Monmouth County	
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	0.551	0.796	0.282	2.074
2017	0.423	0.015	0.438	0.561	0.802	0.275	2.076

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.

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	
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
2017	0.424	0.015	0.439	0.434	0.830	0.295	1.998

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

N/A

**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		
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	0.639	0.684	0.299	2.100	
2017	0.459	0.016	0.475	0.634	0.710	0.296	2.115	

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

	2017			2008		
	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	\$ -			\$ -		

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

LITTLE SILVER BOROUGH

	2017			2008		
	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	\$ -			\$ -		

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

SHREWSBURY BOROUGH

	2017			2008		
	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	
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%	-
2017	21,750,493.00	21,750,493.00	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 outstanding debt and its debt capacity.

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**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>		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases			
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
2017	3,120,000.00	-	3,120,000.00	N/A	140.69

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 Ending June 30,	General Bonded Debt Outstanding		Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Net General Bonded Debt Outstanding		
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
2017	3,120,000.00	3,120,000.00	0.06%	140.69

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 DECEMBER 31, 2016**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Red Bank Borough	26,734,489.06	100.00%	\$ 26,734,489.06
Little Silver Borough	4,153,047.04	100.00%	4,153,047.04
Shrewsbury Borough	8,850,425.77	100.00%	8,850,425.77
Monmouth County General Obligation Debt:			
Red Bank Borough	420,600,000.00	1.84%	7,747,948.03
Little Silver Borough	420,600,000.00	1.45%	6,094,966.56
Shrewsbury Borough	420,600,000.00	0.99%	<u>4,178,562.35</u>
Subtotal, Overlapping Debt			57,759,438.81
Red Bank Regional High School District Direct Debt			<u>3,120,000.00</u>
Total Direct and Overlapping Debt			<u>\$ 60,879,438.81</u>

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

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**

		Red Bank Borough	Little Silver Borough	Shrewsbury Borough
Legal Debt Margin Calculation for Fiscal Year 2017	<u>Total</u>			
Equalized Valuation Basis				
2016	\$ 4,847,181,431.33	\$ 2,069,870,032.33	\$1,661,799,829.33	\$1,115,511,569.67
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
(A)	\$ 9,573,705,017.00	\$ 4,090,789,212.00	\$ 3,301,230,689.00	\$ 2,181,685,116.00
(A/3)	\$ 3,191,235,005.67			
Average Equalized Valuation of Taxable Property				
Debt Limit (3% of Average Equalization Value) a	95,737,050.17			
Total Net Debt Applicable To Limit	3,120,000.00			
Legal Debt Margin	\$ 92,617,050.17			
Debt Limit		<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Net Debt Applicable To Limit	\$ 144,456,406.00	\$ 153,662,302.00	\$ 104,747,612.00	\$ 155,098,529.00
Legal Debt Margin	\$ 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	5.45%	4.84%	6.49%	6.10%
Debt Limit		<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Net Debt Applicable To Limit	\$ 95,143,792.00	\$ 92,558,030.67	\$ 93,145,678.62	\$ 93,706,072.24
Legal Debt Margin	\$ 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	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 STATISTICS

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.

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**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
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	12,160	844,025,600	69,410	3.40%
2017	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^a</u>	<u>Personal Income^b</u>	<u>Per Capita Personal Income^c</u>	<u>Unemployment Rate^d</u>
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	5,895	409,171,950	69,410	3.40%
2017	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^a</u>	<u>Personal Income^b</u>	<u>Per Capita Personal Income^c</u>	<u>Unemployment Rate^d</u>
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	4,122	286,108,020	69,410	3.40%
2017	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

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

LITTLE SILVER BOROUGH

<u>Employer</u>	2017			2008		
	<u>Employees</u>	Rank (Optional)	Percentage of Total Municipal Employment	<u>Employees</u>	Rank (Optional)	Percentage of Total Municipal Employment
		1			1	
		2			2	
		3			3	
		4			4	
		5			5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
			DATA NOT AVAILABLE			
Total	<u>-</u>		<u>-</u>	<u>-</u>		<u>-</u>

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

SHREWSBURY BOROUGH

<u>Employer</u>	2017			2008		
	<u>Employees</u>	Rank (Optional)	Percentage of Total Municipal Employment	<u>Employees</u>	Rank (Optional)	Percentage of Total Municipal Employment
		1			1	
		2			2	
		3			3	
		4			4	
		5			5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
			DATA NOT AVAILABLE			
Total	<u>-</u>		<u>-</u>	<u>-</u>		<u>-</u>

OPERATING INFORMATION

Operating information is intended to provide contextual information about the School District's operations 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 operations.

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

Function/Program	FISCAL YEAR ENDING JUNE 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction:	132	132	132	129	129	129	130	132	132	132
Support Services:										
Student and Instruction Related Services	34	33	32	35	35	35	34	34	34	32
General Administration	2	3	3	3	3	3	3	3	3	3
School Administrative Services	8	8	8	7	7	7	8	8	8	8
Central Services	5	5	5	5	5	5	5	5	5	5
Administrative Information Technology		2	2	2	2	3	3	2	2	3
Plant Operations and Maintenance	12	12	12	11	11	12	12	12	12	11
Pupil Transportation	1	1	1	1	1	1	1	1	1	1
Total	194	196	195	193	193	195	196	193	197	195

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	School			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^d	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2008	1,099	23,751,599.00	21,612.01	3.67%	111	N/A	N/A	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	1,115.6	1,054.2	0.61%	94.50%	
2010	1,085	25,214,043.00	23,238.75	0.84%	126	N/A	N/A	1,097.7	1,039.7	-1.38%	94.70%	
2011	1,142	25,511,098.31	22,338.97	-3.87%	125	N/A	N/A	1,122.0	1,061.1	2.06%	94.50%	
2012	1,171	25,876,993.15	22,098.20	-1.08%	125	N/A	N/A	1,149.0	1,092.0	2.91%	95.10%	
2013	1,180	25,751,805.00	21,823.56	-1.24%	126	N/A	N/A	1,176.0	1,113.2	1.94%	94.68%	
2014	1,165	27,185,811.88	23,335.46	6.93%	126	N/A	N/A	1,169.0	1,112.0	-0.11%	95.12%	
2015	1,210	27,025,962.91	22,335.51	2.35%	126	N/A	N/A	1,200.5	1,143.7	2.74%	95.27%	
2016	1,191	28,070,261.01	23,568.65	1.00%	126	N/A	N/A	1,185.0	1,227.0	10.34%	103.54%	
2017	1,178	29,932,078.22	25,409.23	107.81%	127	N/A	N/A	1,197.0	1,136.0	-7.42%	94.90%	

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	1,099	1,116	1,116	1,133	1,136	1,180	1,165	1,165	1,165	1,178
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	-	-	-	-	-	-	-	-	-	-

Number of Schools at June 30, 2017
 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 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
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
2017	N/A	732,530.45	732,530.45
Total School Facilities		<u>\$ 5,252,252.51</u>	<u>\$ 5,252,252.51</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, 2017**

<u>Company</u>	<u>Type of Coverage</u>	<u>Premium</u>	<u>Coverage</u>	<u>Deductible</u>
<u>COMMERCIAL PACKAGE POLICY</u>		\$82,968.00		
New Jersey School Insurance Group	Property Blanket Building & Contents		\$450,000,000.00	\$2,500.00
	Blanket Extra Expense		\$50,000,000.00	\$2,500.00
	Electronic Data Processing Equipment and Software		\$1,000,000.00	\$1,000.00
	Boiler & Machinery		Included	
	Comprehensive General Liability			
	Per Occurrence		\$11,000,000.00	
	General Aggregate		\$11,000,000.00	
	Employee Benefit Liability		\$11,000,000.00	\$1,000.00
	Automotive Liability		\$11,000,000.00	
New Jersey School Insurance Group	School Board Legal Liability	\$29,129.00	\$2,000,000.00	\$5,000.00
New Jersey School Insurance Group	Worker's Compensation	\$127,881.00	\$2,000,000.00	
	Surety Bonds			
Selective	BA/BS	\$700.00	\$250,000.00	
Selective	Payroll Clerk	\$280.00	\$100,000.00	
Selective	Payroll Administrator	\$280.00	\$100,000.00	
New Jersey School Insurance Group	Employee Dishonesty	Incl in Pkg	\$500,000.00	\$1,000.00
Fireman's Fund	NJ CAP - Excess	\$4,985.00	\$11,000,000.00	
Catlin&US Fire	Student Accident	\$224,073.00	\$1,000,000.00	

Source: Boynton & Boynton

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SINGLE AUDIT SECTION

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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 High School District
County of Monmouth
Little Silver, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Red Bank Regional High School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Red Bank Regional High School District's basic financial statements, and have issued our report thereon dated November 1, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material

weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Red Bank Regional High School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, 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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School 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
November 1, 2017



EXHIBIT K-2

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

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

Report on Compliance for Each Major State Program

We have audited the Red Bank Regional High School District’s compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major state programs for the fiscal year ended June 30, 2017. The Red Bank Regional High School District’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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Red Bank Regional High School District’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; New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards 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 the School District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the Red Bank Regional High School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the Red Bank Regional High School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District'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 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 the School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 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 New Jersey OMB's Circular 15-08. Accordingly, this report 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
November 1, 2017

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RED BANK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Pass Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance at June 30, 2016	Cash Received	Budgetary Expenditures	Passed Through to Sub-Recipients	Adjustments	Balance at June 30, 2017	
					From	To						(Accounts Receivable)	Unearned Revenue
General Fund													
Medical Assistance Program	93.78	1705N5EMAP	100-054-7540-211	\$ 7,741.09	07/01/16	06/30/17	-	7,741.09	(7,741.09)	-	-	-	-
Total Medical Assistance Program							-	7,741.09	(7,741.09)	-	-	-	-
Enterprise Fund													
U.S. Department of Agriculture Passed Through State Department of Education Child Nutrition Cluster													
Noncash Assistance:													
Food Distribution Program	10.555	171NJ304N1099	100-010-3350-026	18,048.83	07/01/16	06/30/17	\$ -	20,358.56	(18,048.83)	\$ -	\$ -	2,309.73	\$ -
Food Distribution Program	10.555	16161NJ304N1099	100-010-3350-026	20,192.44	07/01/15	06/30/16	2,368.63	-	(2,368.63)	-	-	-	-
Cash Assistance:													
School Breakfast Program	10.553	171NJ304N1099	100-010-3350-028	22,988.35	07/01/16	06/30/17	(4,816.04)	21,074.47	(22,988.35)	-	-	(1,913.88)	-
School Breakfast Program	10.553	16161NJ304N1099	100-010-3350-028	25,463.44	07/01/15	06/30/16	(4,816.04)	4,816.04	-	-	-	-	-
Subtotal							(4,816.04)	25,890.51	(22,988.35)	-	-	(1,913.88)	-
National School Lunch Program	10.555	171NJ304N1099	100-010-3350-026	105,532.60	07/01/16	06/30/17	-	100,021.56	(105,532.60)	-	-	(5,511.04)	-
National School Lunch Program	10.555	16161NJ304N1099	100-010-3350-026	104,340.31	07/01/15	06/30/16	(17,937.71)	17,937.71	-	-	-	-	-
Healthy Hunger Free Kids Ac	10.555	171NJ304N1099	100-010-3350-026	3,123.30	07/01/16	06/30/17	-	2,961.30	(3,123.30)	-	-	(162.00)	-
Healthy Hunger Free Kids Ac	10.555	16161NJ304N1099	100-010-3350-026	3,356.46	07/01/15	06/30/16	(591.18)	591.18	-	-	-	-	-
Subtotal							(18,528.89)	121,511.75	(108,655.90)	-	-	(5,673.04)	-
Total Child Nutrition Cluster							(20,976.30)	147,402.26	(134,012.88)	-	-	(7,586.92)	-
Total U.S. Department of Agriculture							(20,976.30)	147,402.26	(134,012.88)	-	-	(7,586.92)	-
Special Revenue Funds													
U.S. Department of Education Passed-Through State Department of Education													
Title I - Part A	84.010A	S010A160030	100-034-5064-194	119,454.00	07/01/16	06/30/17	-	125,690.00	(125,751.06)	-	-	(61.06)	-
Title I - Part A	84.010A	S010A150030	100-034-5064-194	134,461.00	07/01/15	06/30/16	(23,378.17)	23,378.00	-	-	0.17	-	-
Subtotal							(23,378.17)	149,068.00	(125,751.06)	-	0.17	(61.06)	-
Title II - Part A Teacher and Principal Training	84.367A	S367A160029	100-034-5063-290	29,488.00	07/01/16	06/30/17	-	28,402.00	(33,534.07)	-	-	(5,132.07)	-
Title II - Part A Teacher and Principal Training	84.367A	S367A150029	100-034-5063-290	10,269.00	07/01/15	06/30/16	(8,314.07)	8,314.00	-	0.07	-	-	-
Title II - Part A Teacher and Principal Training	84.367A	S367A140029	100-034-5063-290	18,752.00	07/01/14	06/30/15	0.10	-	-	(0.10)	-	-	-
Subtotal							(8,313.97)	36,716.00	(33,534.07)	-	(0.03)	(5,132.07)	-
LD.E.A. Part B, Basic	84.026	H027A160100	100-034-5065-016	369,380.00	07/01/16	06/30/17	-	290,865.00	(424,646.20)	-	-	(133,781.20)	-
LD.E.A. Part B, Basic	84.027	H027A150100	100-034-5065-016	390,935.00	07/01/15	06/30/16	(102,812.56)	102,812.00	-	0.56	-	-	-
Subtotal							(102,812.56)	393,677.00	(424,646.20)	-	0.56	(133,781.20)	-
Perkins (Vocational Education)	84.048A	V048A170030	N/A	15,247.00	07/01/16	06/30/17	-	6,030.00	(10,040.07)	-	-	(4,010.07)	-
Subtotal							-	6,030.00	(10,040.07)	-	-	(4,010.07)	-
Total U.S. Department of Education							(134,504.70)	585,491.00	(593,971.40)	-	0.70	(142,984.40)	-
Total Federal Financial Awards							\$ (155,481.00)	\$ 740,634.35	\$ (735,725.37)	\$ -	\$ 0.70	\$ (150,571.32)	\$ -

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, 2017

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		June 30, 2016		June 30, 2017		Memorandum Only									
			From	To	Unearned Revenues/ (Accounts Receivable)	Due To Grantor	Cash Received	Budgetary Expenditures	Passed Through to Sub-Recipients	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Unearned Revenue	Due To Grantor	Budgetary Receivable	Cumulative Total Expenditures		
State Department of Education																		
General Fund																		
Equitization Aid	495-034-5120-078	85,945.00	07/01/16	06/30/17	\$ -	\$ -	\$ 85,945.00	\$ (85,945.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,120.65	\$ 85,945.00
Transportation Aid	495-034-5120-014	236,500.00	07/01/16	06/30/17	-	-	236,500.00	(236,500.00)	-	-	-	-	-	-	-	-	22,346.07	236,500.00
Special Education Aid	495-034-5120-089	521,829.00	07/01/16	06/30/17	-	-	521,829.00	(521,829.00)	-	-	-	-	-	-	-	-	49,305.86	521,829.00
Security Aid	495-034-5120-084	116,159.00	07/01/16	06/30/17	-	-	116,159.00	(116,159.00)	-	-	-	-	-	-	-	-	10,975.47	116,159.00
Adjustment Aid	495-034-5120-085	40,174.00	07/01/16	06/30/17	-	-	40,174.00	(40,174.00)	-	-	-	-	-	-	-	-	3,795.88	40,174.00
Professional Learning Aid	495-034-5120-101	9,600.00	07/01/16	06/30/17	-	-	9,600.00	(9,600.00)	-	-	-	-	-	-	-	-	907.07	9,600.00
Per Pupil Growth Aid	495-034-5120-097	9,250.00	07/01/16	06/30/17	-	-	9,250.00	(9,250.00)	-	-	-	-	-	-	-	-	874.00	9,250.00
PARCC Readiness	495-034-5120-098	9,250.00	07/01/16	06/30/17	-	-	9,250.00	(9,250.00)	-	-	-	-	-	-	-	-	874.00	9,250.00
Reimbursement of Nonpublic Transportation	495-034-5120-015	4,164.00	07/01/16	06/30/17	-	-	-	(4,164.00)	-	-	-	(4,164.00)	-	-	-	-	-	4,164.00
Reimbursement of Nonpublic Transportation	495-034-5120-015	4,616.00	07/01/15	06/30/16	(4,616.00)	-	4,616.00	-	-	-	-	-	-	-	-	-	-	-
Extraordinary Aid	495-034-5120-044	178,451.00	07/01/16	06/30/17	-	-	-	(178,451.00)	-	-	-	(178,451.00)	-	-	-	-	-	178,451.00
Extraordinary Aid	100-034-5120-473	115,321.00	07/01/15	06/30/16	(115,321.00)	-	115,321.00	-	-	-	-	-	-	-	-	-	-	-
On-Behalf TPAF Pension System Contribution	495-034-5095-001	1,110,144.00	07/01/16	06/30/17	-	-	1,110,144.00	(1,110,144.00)	-	-	-	-	-	-	-	-	-	1,110,144.00
On-Behalf TPAF Pension System Long Term Disability Insurance	495-034-5095-001	2,352.00	07/01/16	06/30/17	-	-	2,352.00	(2,352.00)	-	-	-	-	-	-	-	-	-	2,352.00
On-Behalf TPAF Pension System Contribution - Post Retirement	495-034-5095-002	925,002.00	07/01/16	06/30/17	-	-	925,002.00	(925,002.00)	-	-	-	-	-	-	-	-	-	925,002.00
Reimbursed TPAF Social Security Contributions	100-034-5095-002	764,871.58	07/01/16	06/30/17	-	-	764,871.58	(764,871.58)	-	-	-	-	-	-	-	-	-	764,871.58
Total General Fund					(119,937.00)	-	3,951,013.58	(4,013,691.58)	-	-	-	(182,615.00)	-	-	-	-	97,199.00	4,013,691.58
Special Revenue Fund																		
N.J. Nonpublic Textbook Aid	100-034-5120-064	51,761.00	07/01/16	06/30/17	-	-	51,761.00	(50,322.97)	-	-	-	-	1,438.03	-	-	-	-	50,322.97
N.J. Nonpublic Nursing Services Aid	100-034-5120-070	81,000.00	07/01/16	06/30/17	-	-	81,000.00	(79,109.73)	-	-	-	-	1,890.27	-	-	-	-	79,109.73
N.J. Nonpublic Nursing Services Aid	100-034-5120-070	83,340.00	07/01/15	06/30/16	-	695.00	-	-	-	-	(695.00)	-	-	-	-	-	-	-
N.J. Nonpublic Security Aid	100-034-5120-509	45,000.00	07/01/16	06/30/17	-	-	45,000.00	(23,511.04)	-	-	-	-	-	-	-	-	-	-
N.J. Nonpublic Technology Aid	100-034-5120-373	23,348.00	07/01/16	06/30/17	-	-	23,348.00	(23,346.51)	-	-	-	-	1.49	-	-	-	-	23,346.51
N.J. Nonpublic Technology Aid Services Aid	100-034-5120-373	23,998.00	07/01/15	06/30/16	-	1.72	-	-	-	-	(1.72)	-	-	-	-	-	-	-
Compensatory Education	100-034-5120-067	83,488.00	07/01/16	06/30/17	-	-	83,488.00	(83,488.00)	-	-	-	-	-	-	-	-	-	83,488.00
Home Instruction	100-034-5120-067	15,222.00	07/01/16	06/30/17	-	-	-	(22,052.65)	-	-	-	(22,052.65)	-	-	-	-	-	22,052.65
Home Instruction	100-034-5120-067	15,222.45	07/01/15	06/30/16	(15,222.45)	-	15,222.00	-	-	-	(0.46)	-	-	-	-	-	-	-
N.J. Nonpublic Handicapped Aid - Examination and Classification	100-034-5120-066	68,828.00	07/01/16	06/30/17	-	-	68,828.00	(68,828.00)	-	-	-	-	-	-	-	-	-	68,828.00
Supplementary Instruction	100-034-5120-066	72,898.00	07/01/16	06/30/17	-	-	72,898.00	(72,898.00)	-	-	-	-	-	-	-	-	-	72,898.00
Supplementary Instruction	100-034-5120-066	64,084.00	07/01/15	06/30/16	704.22	-	-	-	-	-	(704.22)	-	-	-	-	-	-	-
School Based Youth Services Program	N/A	277,587.00	07/01/16	06/30/17	-	-	277,587.00	(277,587.00)	-	-	-	(4,800.00)	-	-	-	-	-	277,587.00
Total Special Revenue Fund					(14,518.23)	696.72	714,332.00	(701,143.90)	-	-	(0.46)	(1,400.94)	-	-	-	-	24,818.75	677,632.86

RED BANK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		June 30, 2016		Due To Grantor	Cash Received	Budgetary Expenditures	Passed Through to Sub-Recipients	Adjustments	Repayment of Prior Years' Balances	June 30, 2017		Memorandum Only		
			From	To	Unearned Revenues/ (Accounts Receivable)	Due To Grantor							(Accounts Receivable)	Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures	
Capital Projects Fund																	
NJ Economic Development Authority:																	
SDA Grant: Security	G5-5519	40,180.00	2/28/2014	completion		(40,180.00)	-	-	-	-	-	-	(40,180.00)	-	-	-	-
SDA Grant: Science Labs	G5-4460	141,356.00	6/18/2015	completion		(133,470.91)	-	-	-	-	-	-	(133,470.91)	-	-	-	-
Total Capital Projects Fund						(173,650.91)	-	-	-	-	-	-	(173,650.91)	-	-	-	-
Enterprise Fund																	
State School Lunch Program	100-010-3350-023	2,559.73	07/01/16	06/30/17		-	2,426.77	(2,559.73)	-	-	-	-	(132.96)	-	-	-	2,559.73
State School Lunch Program	100-010-3350-023	2,721.08	07/01/15	06/30/16		(476.97)	476.97	-	-	-	-	-	-	-	-	-	-
Total Enterprise Fund						(476.97)	2,903.74	(2,559.73)	-	-	-	-	(132.96)	-	-	-	2,559.73
Total State Financial Assistance						\$ (308,583.11)	\$ 696.72	\$ 4,668,249.32	\$ (4,717,395.21)	\$ -	\$ (0.46)	\$ (1,400.94)	\$ (383,252.43)	\$ -	\$ 24,818.75	\$ 97,199.00	\$ 4,693,884.17
State Financial Assistance Programs not subject to Calculation for Major Program Determination:																	
On-Behalf TPAF Pension System Contribution	495-034-5095-001	1,110,144.00	07/01/16	06/30/17				1,110,144.00									
On-Behalf TPAF Pension System - Long Term Disability Insurance Contribution - Post Retirement	495-034-5095-001	2,352.00	07/01/16	06/30/17				2,352.00									
Total State Financial Assistance subject to Calculation for Major Program Determination								925,002.00									\$ (2,679,897.21)

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RED BANK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Red Bank Regional High School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) 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*. 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. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent 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 School District for the year ended June 30, 2017. 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, 2017.

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.

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Note 3. Relationship to Basic Financial Statements (continued)

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments 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 \$(3,936.00) for the general fund and \$5,384.84 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 7,741.09	\$ 4,009,755.58	\$ 4,017,496.67
Special Revenue Fund	593,971.40	706,035.66	1,300,007.06
Food Service Fund	<u>149,693.08</u>	<u>2,559.73</u>	<u>152,252.81</u>
Total Awards & Financial Assistance	<u>\$ 751,405.57</u>	<u>\$ 4,718,350.97</u>	<u>\$ 5,469,756.54</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Red Bank Regional High School District had no loan balances outstanding at June 30, 2017.

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued _____ Unmodified _____

Internal control over financial reporting:

1) Material weakness(es) identified? _____ yes X no

2) Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

SECTION IS N/A - NOT REQUIRED

Internal control over major programs:

1) Material weakness(es) identified? _____ yes _____ no

2) Significant deficiency(ies) identified? _____ yes _____ none reported

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 Uniform Guidance? _____ yes _____ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	NOT APPLICABLE	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to determine Type A programs _____

Auditee qualified as low-risk auditee? _____ yes _____ no

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section I - Summary of Auditor's Results (continued)

State Financial Assistance

Dollar threshold used to determine Type A programs \$750,000.00

Auditee qualified as low-risk auditee? yes no

Internal control over major programs:

 1) Material weakness(es) identified? yes no

 2) Significant deficiency(ies) identified? yes no

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

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? yes no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5120-098	Per Pupil Growth Aid
495-034-5120-097	PARCC Readiness Aid
495-034-5120-078	Equalization Aid
495-034-5120-101	Professional Learning Community Aid

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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.

None

**RED BANK REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

N/A – Federal single audit not required

STATE FINANCIAL ASSISTANCE

None

**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, 2017**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

Federal Awards

N/A – No Federal Single Audit in prior year.

State Financial Assistance

No Prior Year Findings.