

SCHOOL DISTRICT
OF
RUMSON-FAIR HAVEN REGIONAL
OF MONMOUTH COUNTY

Rumson-Fair Haven Regional High School District
Rumson, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2017

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Of the

Rumson-Fair Haven Regional High School District
of Monmouth County

Rumson, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by

Rumson-Fair Haven Regional Board of Education
Finance Department

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INTRODUCTORY SECTION



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November 14, 2017

Honorable President and
Members of the Board of Education
Rumson-Fair Haven Regional School District
Rumson, New Jersey

Dear Board Members/Citizens:

It is with pleasure we submit the Comprehensive Annual Financial Report (CAFR) of the Rumson-Fair Haven Regional High School for the fiscal year ended June 30, 2017. This CAFR includes the district's basic financial statements prepared in accordance with generally accepted accounting principles for local governments. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the district. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities, including the Management's Discussion and Analysis, have been included.

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

- The Introductory Section contains a Letter of Transmittal, Roster of Officials, List of Consultants, Independent Auditors and Advisors, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the district's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the school district, generally presented on a multi-year basis;
- The Single Audit Section – 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 the New Jersey State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." Information related to this Single Audit, including the independent auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the Single Audit Section of this report.

SCHOOL DISTRICT ORGANIZATION

The Rumson-Fair Haven Regional High School is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14 as amended by GASB Statement No. 39. The Rumson-Fair Haven Regional Board of Education and its High School constitute the district's reporting entity.

The district continues to maintain a high quality of education and provides a full range of programs and services appropriate to grades 9 through 12. These include regular education, as well as those for students with disabilities both in and out of district.

The Board of Education, comprised of nine members, each elected to three-year terms, meets on the second and third Tuesday of each month for the regular monthly meeting. During its meetings the board determines district goals and priorities and conducts other business. Board meetings are open to the public and begin at 7:00 PM.

Various Booster groups are highly active in the district and provide community support for a variety of programs and activities for the children.

To maintain effective communications, the district uses several options to insure a consistent flow of information to our stakeholders. During the budget review process, information about the budget is posted on the district website. Additional communication tools utilized by the district include a district website that is updated regularly with important information for parents, such as school closures, delayed openings, medical/health alerts, new curriculum initiatives, new board projects, and more. The district also communicates with parents via Blackboard, a system that provides both phone and e-mail contact options. The ability to contact the entire parent population within 20 minutes about changes in the school day, i.e., early closure, or to be able to update them in an emergency situation, is a vital component in insuring that our communication efforts are timely, accurate, and effective.

MAINTAINING OUR SCHOOL SYSTEM

Our first priority is maintaining current educational programming and opportunities for students. We strongly believe that maintaining programs and opportunities translates into "staying ahead of the curve." In other words, "maintaining" translates to developing new, yet sensible (research-based) programs. This budget is built without adding new programs and keeping existing initiatives and programs.

RAISING STANDARDS AND EXPANDING OPPORTUNITIES

We will continue to work on key initiatives such as:

- 1) Writing across the curriculum
- 2) Building grit and perseverance skills in our students
- 3) Developing mindfulness skills in our students and staff

BUILDING PROFESSIONALISM

Our professional development initiatives are built into our budget. For next year, initiatives include: student and staff wellness writing across the curriculum and enhancing critical thinking. Our faculty helps plan programming.

PROTECTING OUR INVESTMENT - CAPITAL AND MAINTENANCE RESERVE

A great deal of time has been spent lately on planning for facilities new and old. A maintenance plan has been written for existing facilities and equipment. Facility upgrades are being considered and reserves are being looked at to fund.

PLANNING FOR THE FUTURE

Every summer the entire administrative team meets with the Board to plan for the future. Every initiative is discussed and goals are written in the ensuing months. Every topic; monetary, facilities, curricula, wellness, public relations, etc. is discussed and planned for.

MATH

We have recently held meetings with our two sending districts and are aligning the math curriculum accordingly. Algebra I is being tweaked, so all of the basic skills that are important to the districts and aligned with PARCC, have been addressed.

Board policy has been revised so that the district is not financially liable for math courses that go beyond our curriculum.

SCIENCE

All curricula is aligned to standards. Articulation is ongoing with the sending districts. Examining facilities and research related to science classrooms to see if facility planning is needed.

ENGLISH AND LANGUAGE ARTS

Recently, we discontinued an initiative with Syracuse University to teach college level class here for seniors and replaced it with a course from Rutgers. We have successfully implemented the course this year and will be evaluating its success over the summer. Continued review will be on-going next year. We also have implemented writing across the curriculum and English teachers have served as models and mentors.

SOCIAL STUDIES

Articulation meetings with sending districts are being held on an ongoing basis. The Social Studies department is helping the English department's efforts in promoting writing across the curriculum.

21st CENTURY LIFE AND CAREERS

We continue to examine the infusing of 21st century life and careers standards into existing curricula offerings. Every course we revise and work on in any way examines the linkage to 21st century and careers standards.

VISUAL AND PERFORMING ARTS

There exists an excellent linkage to the sending districts. This connection helped our program to grow slightly over the years. We engage in many joint ventures with the sending districts.

COMPREHENSIVE HEALTH AND PHYSICAL EDUCATION

We reviewed and revised the physical education curriculum to infuse writing and reflection in the curriculum. We are continuing work to develop curriculum that provides life skills and training to all students.

WORLD LANGUAGE

We continue our exchange programs (Spanish and Chinese) and are looking to expand the program to include French. We hosted 16 students and 2 adults from Avila, Spain and currently planning to go to Avila next year.

TECHNOLOGY

We recently audited all courses to ascertain technology skills that are taught. We are currently working on scope and sequence that would ensure all of our students are taught the essential technological skills prior to graduation.

INTERNAL CONTROLS

Management of the district is responsible for establishing and maintaining an internal control system 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 system 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 estimates and judgments by management.

As a recipient of federal and state awards, the district also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws, regulations, contracts and grants related to those programs. This internal control system 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 adequacy of the internal control system, including that portion related to federal and state financial assistance programs, as well as to determine that the district has complied with applicable laws, regulations, contracts and grants.

BUDGETARY CONTROLS

In addition to internal controls, the district maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue funds, and the debt service fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section. P.L. 2011, c 202 allowed school districts to elect to eliminate the budget vote and adopt a budget approved by the Board of Education and the New Jersey Department of Education (NJDOE) providing that the tax levy increase does not exceed 2% plus any allowable waivers.

ACCOUNTING SYSTEM AND REPORTS

The District's financial statements are presented in conformity with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is an encumbrance accounting system that is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance at fiscal year end. These funds are explained in "Notes to the Basic Financial Statements," Note 1.

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. In addition to meeting the requirements set forth in State Statutes, the audit also was designed to meet requirements of Title 2 U.S. Code of Federal Requirements Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the New Jersey OMB's Circular 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". The auditors' report on the basic financial statements, required

supplementary information, individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the Single Audit are included in the single audit section of this report.

Accounting principles generally accepted in the United States require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the Rumson-Fair Haven Regional Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our business office staff.

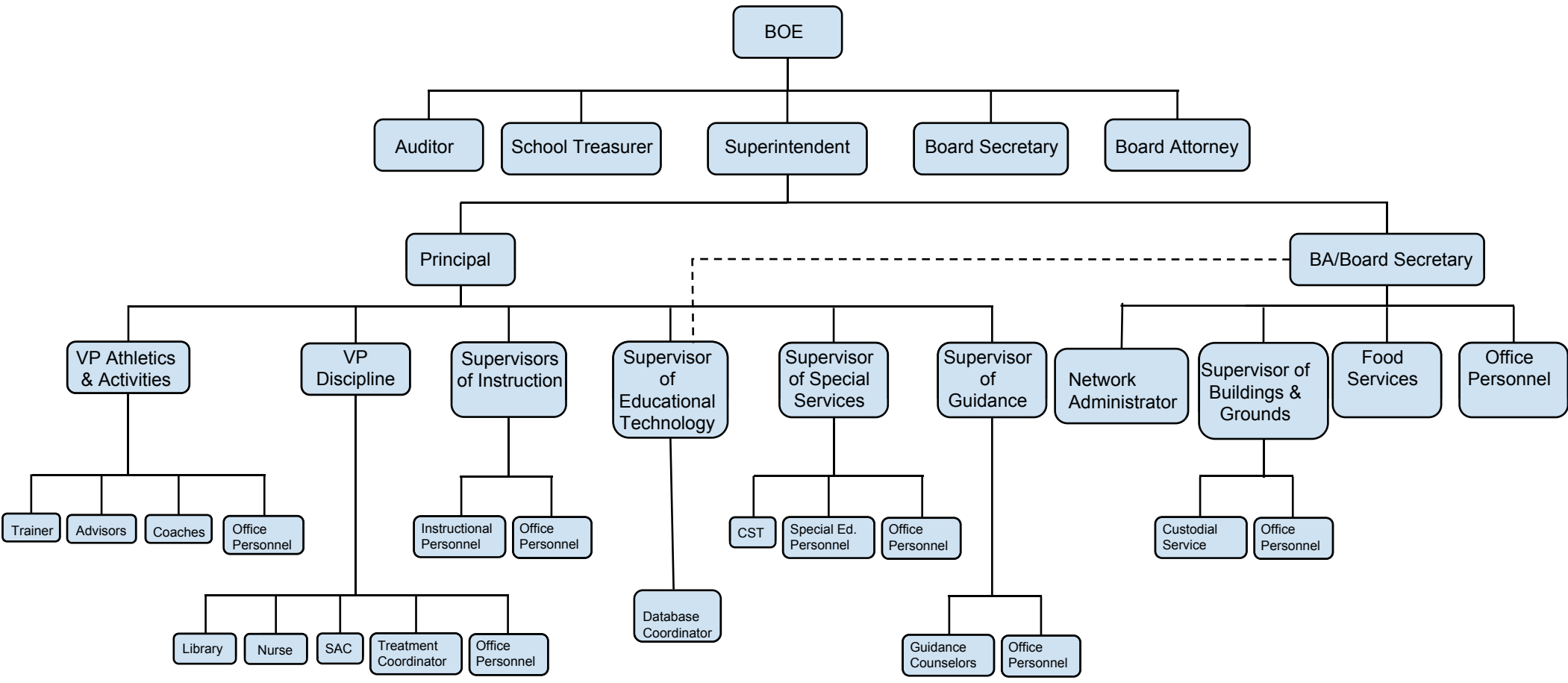
Respectfully submitted,



Dr. Peter Righi
Superintendent of Schools



Frank E. Gripp III
School Business Administrator/
Board Secretary



Rumson-Fair Haven Regional High School District
Rumson, New Jersey

Roster of Officials
June 30, 2017

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Lisa Walters, President	2017
Lourdes Lucas, Vice President	2018
Jim Wassel	2019
Michael Goione	2019
John Caruso	2018
Sarah Maris	2018
Annie McGinty	2017
Kaye Wise	2019
Chuck Volker	2017

Other Officials

Dr. Peter Righi, Superintendent
Frank E. Gripp, III, School Business Administrator/Board Secretary
Anthony Sciarrillo, Esquire

Rumson-Fair Haven Regional High School District
Consultants and Advisors

Audit Firm

Kathryn Perry, CPA
Jump, Perry and Company, L.L.P.
12 Lexington Avenue
Toms River, New Jersey 08753

Attorney

Tony Sciarrillo, Esq.
Lindabury, McCormick & Estabrook
53 Cardinal Drive
P.O. Box 2369
Westfield, New Jersey 07091-2369

Official Depositories

Wells Fargo Bank
Rumson, New Jersey

PNC Bank
Fair Haven, New Jersey

Rumson-Fair Haven Bank and Trust
Fair Haven, New Jersey

State of NJ Cash Management Fund

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Honorable President and
Members of the Board of Education
Rumson-Fair Haven Regional High School District:
County of Monmouth
Rumson, New Jersey

Report of 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 Board of Education of Rumson-Fair Haven Regional High School District in the County of Monmouth, State of New Jersey, as of and for the 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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with the 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 of 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 School 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 School 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 Rumson-Fair Haven Regional High School District in the 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 and budgetary comparison information as presented 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 Rumson-Fair Haven Regional High School District's basic financial statements. The introductory section, combining fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by 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, and is also not a required part of the basic financial statements.

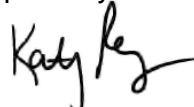
The combining fund financial statements and schedules and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 Board of Education of the Rumson-Fair Haven Regional High School District in the County of Monmouth, State of New Jersey 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 Rumson-Fair Haven Regional High School District in the County of Monmouth, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted,



Jump, Perry & Company L.L.P.
Toms River, New Jersey

Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

Toms River, New Jersey
November 1, 2017

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Rumson-Fair Haven Regional High School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2017

Unaudited

The discussion and analysis of Rumson-Fair Haven Regional High School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School Board'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 Board's financial performance.

Financial Highlights

Key financial highlights for June 30, 2017 are as follows:

In total, net position totaled \$4,929,336, which represents a 4.00 percent decrease from June 30, 2016.

General revenues accounted for \$19,390,671 in revenue or 89.94 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$2,168,345 or 10.06 percent of total revenues of \$21,559,016.

Total assets decreased by \$11,558 as current assets decreased by \$380,442 and capital assets decreased by \$392,000.

The School Board had \$20,967,217 in expenses; only \$2,168,345 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$19,390,671 were adequate to provide for these programs.

Among major funds, the General Fund had \$19,659,422 in revenues and \$19,312,912 in expenditures and transfers. The General Fund's balance increased \$346,510 over June 30, 2016. The General Fund's balance is \$4,797,560.

Using this Comprehensive Annual Financial Report (CAFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the School Board, presenting both an aggregate view of the School Board's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For government funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the School Board's most significant funds with all other non-major funds presented in total in one column. In the case of Rumson-Fair Haven Regional High School District, the General Fund is by far the most significant.

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

This document contains all funds used by the School Board to provide programs and activities viewing the School Board as a whole and reports the culmination of all financial transactions. The report answers the question "How Did We Do Financially During Fiscal Year June 30, 2017?" The Statement of Net Position and the Statement of Activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School Board's net position and changes in those assets. This change in net position is important because reports whether the School Board's financial position has improved or diminished.

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

Governmental Activities - All of the School Board's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activities - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Funds are reported as a business activity.

Reporting the School Board's Most Significant Funds

Fund Financial Statement

The Analysis of the School Board's major funds begins on page 27. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund and Special Revenue Fund.

Governmental Funds

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

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities.

The School Board as a Whole

The Statement of Net Position provides the financial perspective of the School Board as a whole.

Table 1 provides a summary comparison of the School Board's net position for June 30, 2017 and 2016.

Table 1

Net Position as of June 30, 2017 and June 30, 2016

	June 30, 2017			June 30, 2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 4,930,597	\$ 155,463	\$ 5,086,060	\$ 4,588,866	\$ 116,752	\$ 4,705,618
Capital assets, net	15,493,628	63,585	15,557,213	15,879,617	69,596	15,949,213
Total assets	20,424,225	219,048	20,643,273	20,468,483	186,348	20,654,831
Deferred outflow of resources	1,908,271	-	1,908,271	552,482	-	552,482
Liabilities:						
Current liabilities	1,261	-	1,261	3,133	-	3,133
Net pension liability	-	-	-	-	-	-
Long-term liabilities outstanding	7,137,882	-	7,137,882	6,275,949	-	6,275,949
Total liabilities	7,139,143	-	7,139,143	6,279,082	-	6,279,082
Deferred inflow of resources	27,978	-	27,978	135,607	-	135,607
Net position:						
Net investment in capital assets	13,944,675	63,585	14,008,260	13,571,244	69,596	13,640,840
Restricted	4,471,177	-	4,471,177	4,218,768	-	4,218,768
Unrestricted	(3,250,477)	155,463	(3,095,014)	(3,183,736)	116,752	(3,066,984)
Total Net Position	\$ 15,165,375	\$ 219,048	\$ 15,384,423	\$ 14,606,276	\$ 186,348	\$ 14,792,624

The School Board's combined net position were \$15,384,423 on June 30, 2017. This is a change of 4.00% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2017 and 2016.

Table 2

Changes in Net Position

	June 30, 2017			June 30, 2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ -	\$ 872,021	\$ 872,021	\$ -	\$ 783,547	\$ 783,547
Operating and capital grants and contributions	1,296,324	-	1,296,324	1,304,489	-	1,304,489
General revenues:						
Property taxes	18,231,103	-	18,231,103	17,626,580	-	17,626,580
Federal and state aid Not restricted to specific purposes	816,176	-	816,176	721,880	-	721,880
Investment earnings	-	-	-	-	-	-
Miscellaneous	343,392	-	343,392	192,571	-	192,571
Total revenues	20,686,995	872,021	21,559,016	19,845,520	783,547	20,629,067
Expenses						
Instructional services	8,780,303	-	8,780,303	8,551,029	-	8,551,029
Support services	11,326,613	839,321	12,165,934	10,923,740	744,076	11,667,816
Interest on long-term liabilities	20,980	-	20,980	59,700	-	59,700
Total expenses	20,127,896	839,321	20,967,217	19,534,469	744,076	20,278,545
Change in net position	559,099	32,700	591,799	311,051	39,471	350,522
Net position - beginning	<u>14,606,276</u>	<u>186,348</u>	<u>14,792,624</u>	<u>14,295,225</u>	<u>146,877</u>	<u>14,442,102</u>
Net position (deficit) - ending	<u>\$ 15,165,375</u>	<u>\$ 219,048</u>	<u>\$ 15,384,423</u>	<u>\$ 14,606,276</u>	<u>\$ 186,348</u>	<u>\$ 14,792,624</u>

The tax levy increase was due in general to cover increased costs in salaries and benefits, equipment, materials and the debt service. The Federal and State aid-restricted increased due to the increase in grants available.

Regular instructional costs increased due to contractual increases in salary and benefits as well as program maintenance and enhancements.

Other support services increased primarily due to the additional other purchased professional services from the Special Revenue Fund.

Expenses for Fiscal Year June 30, 2017

Business-Type Activities

Revenues for the District's business-type activities (food service program and intramurals) were comprised of charges for services and royalties.

Total Enterprise Fund revenues exceeded expenses by \$32,700.

Charges for services represent \$872,021 of revenue. This represents the amount paid by patrons for daily food service and catering.

Governmental Activities

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

Table 3

Governmental Activities

	2017		2016	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 8,780,303	\$ 8,780,303	\$ 8,551,029	\$ 8,551,029
Support Services:				
Pupils and Instructional Staff	8,898,807	7,602,483	8,520,133	7,215,644
General Administration, School Administration, Business Operation and Maintenance of Facilities	2,427,806	2,427,806	2,403,607	2,403,607
Pupil Transportation	-	-	-	-
Interest and Fiscal Charges	20,980	20,980	59,700	59,700
Total Expenses	\$ 20,127,896	\$ 18,831,572	\$ 19,534,469	\$ 18,229,980

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership. Approximately 95% of the student population participates in extracurricular activities.

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

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

Operation and maintenance of facilities activities involve keeping the school grounds, buildings, and equipment in an effective working condition.

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

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

The School Board's Funds

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Borough of Rumson, State of New Jersey and other entities. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2017, it reported a combined fund balance of \$4,929,336, which is a decrease of \$343,603. The Reconciliation of the Statement of Revenue Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities, Exhibit B-3, presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2017.

<u>Revenue</u>	<u>2016-17 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2016-17</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 18,574,495	89.79 %	\$ 755,344	4.07 %
State Sources	1,882,435	9.10	77,428	4.11
Federal Sources	<u>230,065</u>	<u>1.11</u>	<u>8,703</u>	<u>3.78</u>
Total	<u>\$ 20,686,995</u>	<u>100.00 %</u>	<u>\$ 841,475</u>	<u>11.96 %</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2017.

<u>Expenditures</u>	<u>2016-17 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2016-17</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 7,903,171	38.85 %	\$ 233,305	2.95 %
Undistributed Expenditures	11,598,991	57.02	995,849	8.59
Capital Outlay	60,830	0.30	(407,328)	(669.62)
Debt Service:				
Principal	735,000	3.61	20,000	2.72
Interest	<u>45,400</u>	<u>0.22</u>	<u>(14,300)</u>	<u>(31.50)</u>
Total	<u>\$ 20,343,392</u>	<u>100.00 %</u>	<u>\$ 827,526</u>	<u>(686.86)%</u>

General Fund Budgeting Highlights

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

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in Section C of the CAFR, entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

The General Fund finished the fiscal year approximately \$1,287,721 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$320,281 more than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are Capital Reserve \$2,290,984, Maintenance Reserve \$1,089,660 and Emergency Reserve \$250,000. These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District

The expenditures were less due to cost containment by the Board even after the salary and benefit increases. General supplies were purchased at better prices than expected due to the school board joining other schools in cooperative bidding. Through efforts made in finding jointures with other local districts, and increase students on district owned vehicles the district transportation costs were lowered for special needs students.

The excesses will be carried forward into the beginning fund balance from the 2016-2017 fiscal year and will be used to reduce the local tax levy for the 2018-2019 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2017, the School Board had \$15,557,213 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2017 and June 30, 2016

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 7,500	\$ 7,500	\$ -	\$ -	\$ 7,500	\$ 7,500
Construction in Progress	-	-	-	-	-	-
Building and Improvements	14,482,318	15,421,238	-	-	14,482,318	15,421,238
Machinery and Equipment	1,003,810	450,879	63,585	69,596	1,067,395	520,475
Total	\$ 15,493,628	\$ 15,879,617	\$ 63,585	\$ 69,596	\$ 15,557,213	\$ 15,949,213

During the current fiscal year, \$610,415 of fixed assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

Debt Administration. The District's long-term liabilities are as follows for the governmental activities at June 30, 2017 and June 30, 2016.

	June 30, 2017	June 30, 2016
Pension Liability-PERS	<u>5,348,272</u>	<u>3,809,153</u>
Total long-term liabilities	<u>\$ 5,348,272</u>	<u>\$ 3,809,153</u>

For more detailed information, please refer to the Capital Assets and Long-term debt notes in the basic financial statements.

Economic Factors and Next Year's Budget

For the 2016-2017 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 10.21% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 89.79% of total revenue is from local tax levy.

The \$(3,250,477) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

The 2016-2017 budget was adopted in May 2016 based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey funding from the State for the current year remained below the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Borough of Rumson for increased aid.

The School Board anticipates a slight increase in enrollment for the 2017-2018 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School School Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Rumson-Fair Haven Regional High School District, 74 Ridge Road, Rumson, NJ, 07760.

BASIC FINANCIAL STATEMENTS

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Statement of Net Position
June 30, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,211,821	\$ 154,277	\$ 3,366,098
Capital reserve cash	1,488,747	-	1,488,747
Receivables - other	11,970	-	11,970
Receivables - state	166,209	-	166,209
Receivables - federal	51,699	-	51,699
Inventory	-	1,186	1,186
Interfund receivable	151	-	151
Other asset	-	-	-
Capital assets, non depreciable	-	-	-
Capital assets, depreciable net:	15,493,628	63,585	15,557,213
Total assets	<u>20,424,225</u>	<u>219,048</u>	<u>20,643,273</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	1,894,246	-	1,894,246
Deferred charge on refunding	14,025	-	14,025
Total deferred outflows of resources	<u>1,908,271</u>	<u>-</u>	<u>1,908,271</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	-	-	-
Other liabilities	20	-	20
Interfund payable	-	-	-
Payable to state government	-	-	-
Unearned revenue	1,241	-	1,241
Noncurrent liabilities:			
Due within one year	760,000	-	760,000
Due beyond one year	6,377,882	-	6,377,882
Total liabilities	<u>7,139,143</u>	<u>-</u>	<u>7,139,143</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	-	-	-
Deferred premium on refunding	27,978	-	27,978
Total deferred inflows of resources	<u>27,978</u>	<u>-</u>	<u>27,978</u>
NET POSITION			
Net investment in capital assets	13,944,675	63,585	14,008,260
Restricted for:			
Debt service	21,628	-	21,628
Capital projects	2,401,132	-	2,401,132
Other purposes	2,048,417	-	2,048,417
Unrestricted	(3,250,477)	155,463	(3,095,014)
Total net position	<u>\$ 15,165,375</u>	<u>\$ 219,048</u>	<u>\$ 15,384,423</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 6,710,905	\$ -	\$ -	\$ -	\$ (6,710,905)	\$ -	\$ (6,710,905)
Special education instruction	969,025	-	-	-	(969,025)	-	(969,025)
Other special instruction	1,100,373	-	-	-	(1,100,373)	-	(1,100,373)
Support services and undistributed costs:							
Instruction	1,349,959	-	-	-	(1,349,959)	-	(1,349,959)
Attendance and social work	30,438	-	-	-	(30,438)	-	(30,438)
Health services	127,484	-	-	-	(127,484)	-	(127,484)
Other support services	1,249,978	-	-	-	(1,249,978)	-	(1,249,978)
Improvement of instruction	708,618	-	-	-	(708,618)	-	(708,618)
Educational media services	116,669	-	-	-	(116,669)	-	(116,669)
Instruction staff training	9,820	-	-	-	(9,820)	-	(9,820)
General administrative services	549,808	-	-	-	(549,808)	-	(549,808)
School administrative services	547,923	-	-	-	(547,923)	-	(547,923)
School central services	317,281	-	-	-	(317,281)	-	(317,281)
School admin info technology	19,776	-	-	-	(19,776)	-	(19,776)
Allowed maintenance for school facilities	814,499	-	-	-	(814,499)	-	(814,499)
Other operation & maintenance of plant	625,957	-	-	-	(625,957)	-	(625,957)
Care & upkeep of grounds	82,128	-	-	-	(82,128)	-	(82,128)
Security	5,539	-	-	-	(5,539)	-	(5,539)
Student transportation services	1,046,606	-	-	-	(1,046,606)	-	(1,046,606)
Unallocated employee benefits	2,427,806	-	-	-	(2,427,806)	-	(2,427,806)
Non-budgeted expenditures	1,296,324	-	1,296,324	-	-	-	-
Interest expense	20,980	-	-	-	(20,980)	-	(20,980)
Total governmental activities	20,127,896	-	1,296,324	-	(18,831,572)	-	(18,831,572)
Business-type activities:							
Food Service	811,128	842,574	-	-	-	31,446	31,446
Intramurals	28,193	29,447	-	-	-	1,254	1,254
Total business-type activities	839,321	872,021	-	-	-	32,700	32,700
Total primary government	\$ 20,967,217	\$ 872,021	\$ 1,296,324	\$ -	\$ (18,831,572)	\$ 32,700	\$ (18,798,872)
General revenues:							
Taxes:							
Property taxes levied for general purpose					17,450,703	-	17,450,703
Taxes levied for debt service					780,400	-	780,400
Federal and state aid					816,176	-	816,176
Miscellaneous income					343,392	-	343,392
Total general revenues					19,390,671	-	19,390,671
Change in net position					559,099	32,700	591,799
Net position—beginning					14,606,276	186,348	14,792,624
Net position—ending					\$ 15,165,375	219,048	\$ 15,384,423

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
 Balance Sheet
 Governmental Funds
 June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,327,676	\$ (50,458)	\$ (87,045)	\$ 21,648	\$ 3,211,821
Capital reserve account	1,488,747	-	-	-	1,488,747
Receivables, net	-	-	-	-	-
Receivables from other funds	151	-	197,193	-	197,344
Receivables from state	166,209	-	-	-	166,209
Receivables from federal	-	51,699	-	-	51,699
Receivables from other governments	11,970	-	-	-	11,970
Other receivables	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ 4,994,753</u>	<u>\$ 1,241</u>	<u>\$ 110,148</u>	<u>\$ 21,648</u>	<u>\$ 5,127,790</u>
LIABILITIES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Cash overdraft	-	-	-	-	-
Accrued salaries and benefits	-	-	-	-	-
Interfund payable	197,193	-	-	-	197,193
Other current liabilities	-	-	-	20	20
Payable to state government	-	-	-	-	-
Deferred revenue	-	1,241	-	-	1,241
Total liabilities	<u>197,193</u>	<u>1,241</u>	<u>-</u>	<u>20</u>	<u>198,454</u>
FUND BALANCES					
Restricted for:					
Unexpended additional spending proposal					
Capital reserve account	2,290,984	-	-	-	2,290,984
Maintenance reserve account	1,089,660	-	-	-	1,089,660
Emergency reserve account	250,000	-	-	-	250,000
Excess surplus - current year	6,265	-	-	-	6,265
Excess surplus -- designated for					
Subsequent year's expenditures	-	-	-	-	-
Debt service fund	-	-	-	21,628	21,628
Capital projects fund	-	-	38,481	-	38,481
Other purposes	-	-	-	-	-
Committed to:					
Other purposes	202,492	-	71,667	-	274,159
Assigned to:					
Debt service fund	-	-	-	-	-
Designated by the BOE for subsequent year's expenditures	500,000	-	-	-	500,000
Capital projects fund	-	-	-	-	-
Other purposes	-	-	-	-	-
Unassigned to:					
General fund	458,159	-	-	-	458,159
Special revenue fund	-	-	-	-	-
Total fund balances	<u>4,797,560</u>	<u>-</u>	<u>110,148</u>	<u>21,628</u>	<u>4,929,336</u>
Total liabilities and fund balances	<u>\$ 4,994,753</u>	<u>\$ 1,241</u>	<u>\$ 110,148</u>	<u>\$ 21,648</u>	

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 \$30,129,759 and the accumulated depreciation is \$14,636,131. 15,493,628

Deferred outflows related to the PERS pension plan 1,894,246

Deferred inflows related to the PERS pension plan -

Bond issuance costs are being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$73,632. 14,025

Bond premium is being amortized over the life of the related bonds. The amortization is not recorded in the funds. The original costs were \$146,890. (27,978)

Long-term liabilities, including bonds payable but not including current portion of compensated absences of \$0 are not due and payable in the current period and therefore are not reported as liabilities in the funds. (7,137,882)

Net position of governmental activities \$ 15,165,375

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Fiscal 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	\$ 17,450,703	\$ -	\$ -	\$ 780,400	\$ 18,231,103
Tuition charges	241,657	-	-	-	241,657
Interest on investments	6,286	-	-	-	6,286
Interest earned on capital reserve funds	6,842	-	-	-	6,842
Miscellaneous	71,499	17,108	-	-	88,607
Total - Local sources	17,776,987	17,108	-	780,400	18,574,495
State sources	1,882,435	-	-	-	1,882,435
Federal sources	-	230,065	-	-	230,065
Total revenues	19,659,422	247,173	-	780,400	20,686,995
EXPENDITURES					
Current:					
Regular instruction	\$ 5,653,225	\$ 215,237	\$ -	\$ -	\$ 5,868,462
Special education instruction	939,292	-	-	-	939,292
Other special instruction	1,095,417	-	-	-	1,095,417
Undistributed - current:					
Instruction	1,265,715	-	-	-	1,265,715
Attendance and social work	30,438	-	-	-	30,438
Health services	115,719	11,765	-	-	127,484
Other support services	1,233,647	16,331	-	-	1,249,978
Improvement of instruction	704,778	3,840	-	-	708,618
Educational media services	116,669	-	-	-	116,669
Instruction staff training	9,820	-	-	-	9,820
General administrative services	549,808	-	-	-	549,808
School administrative services	460,376	-	-	-	460,376
School central services	317,281	-	-	-	317,281
School admin info technology	19,776	-	-	-	19,776
Required maintenance for school facilities	814,499	-	-	-	814,499
Other operation & maintenance of plant	1,170,247	-	-	-	1,170,247
Care & upkeep of grounds	82,128	-	-	-	82,128
Security	5,539	-	-	-	5,539
Student transportation services	1,046,606	-	-	-	1,046,606
Unallocated employee benefits	2,327,685	-	-	-	2,327,685
Non-budgeted expenditures	1,296,324	-	-	-	1,296,324
Debt service:					
Principal	-	-	-	735,000	735,000
Interest and other charges	-	-	-	45,400	45,400
Capital outlay	57,923	-	2,907	-	60,830
Total expenditures	19,312,912	247,173	2,907	780,400	20,343,392
Excess (Deficiency) of revenues over expenditures	346,510	-	(2,907)	-	343,603
OTHER FINANCING SOURCES (USES)					
Transfer to Capital Reserve	-	-	-	-	-
Transfer from Capital Projects	-	-	-	-	-
Costs for bond issuance	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	346,510	-	(2,907)	-	343,603
Fund balance—July 1	4,451,050	-	113,055	21,628	4,585,733
Fund balance—June 30	\$ 4,797,560	\$ -	\$ 110,148	\$ 21,628	\$ 4,929,336

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2017

Total net change in fund balances - governmental funds (from B-2)	\$	343,603
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
	Depreciation expense \$	(991,109)
	Capital outlays	605,120
		(385,989)
In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey		(100,121)
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.		735,000
In the Statement of Activities, the amortization of bond premium is recorded as a reduction to interest expense. In the governmental funds, the amortization is not recorded.		48,964
In the Statement of Activities, the amortization of bond cost is recorded as a reduction to interest expense. In the governmental funds, the amortization is not recorded.		(24,544)
In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) 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, essentially, the amounts actually paid.		(57,814)
		(57,814)
Change in net positions of governmental activities	\$	559,099

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2017

	Business-type Activities - Enterprise Funds		
	Food Service	Intramural	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 103,298	\$ 50,979	\$ 154,277
Other receivables	-	-	-
Inventories	1,186	-	1,186
Total current assets	104,484	50,979	155,463
Noncurrent assets:			
Furniture, machinery & equipment	174,742	-	174,742
Less accumulated depreciation	(111,157)	-	(111,157)
Total noncurrent assets	63,585	-	63,585
Total assets	\$ 168,069	\$ 50,979	\$ 219,048
LIABILITIES			
Current liabilities:			
Accounts payable	-	-	-
Interfund payable	-	-	-
Accrued salaries and benefits	-	-	-
Total current liabilities	-	-	-
Noncurrent Liabilities:			
Compensated absences	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	-	-	-
NET POSITION			
Invested in capital assets net of related debt	63,585	-	63,585
Restricted for:			
Other	-	-	-
Unrestricted	104,484	50,979	155,463
Total net position	168,069	50,979	219,048
Total liabilities and net position	\$ 168,069	\$ 50,979	\$ 219,048

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2017

	Business-type Activities - Enterprise Fund		
	Food Service	Intramural	Total Enterprise
Operating revenues:			
Local sources:			
Daily sales reimbursable programs			
School breakfast	\$ -	\$ -	\$ -
School lunch	-	-	-
Total daily sales reimbursable programs	-	-	-
Daily sales non-reimbursable programs	825,085	-	825,085
Special functions	17,489	-	17,489
Miscellaneous	-	29,447	29,447
Total operating revenues	<u>842,574</u>	<u>29,447</u>	<u>872,021</u>
Operating expenses:			
Salaries	297,481	24,750	322,231
Employee benefits	57,862	2,193	60,055
Purchased property	6,370	-	6,370
Other purchased services	66,035	-	66,035
Supplies and materials	11,122	1,250	12,372
Depreciation	11,306	-	11,306
Cost of sales - reimbursable programs	-	-	-
Cost of sales - non-reimbursable programs	360,952	-	360,952
Total operating expenses	<u>811,128</u>	<u>28,193</u>	<u>839,321</u>
Operating income	<u>31,446</u>	<u>1,254</u>	<u>32,700</u>
Nonoperating revenues (expenses):			
Interest income	-	-	-
State sources:			
Vending machine grant	-	-	-
State school lunch program	-	-	-
State school breakfast program	-	-	-
Federal sources:			
School breakfast program	-	-	-
National school lunch program	-	-	-
Food distribution program	-	-	-
After school snack program	-	-	-
Total nonoperating revenues (expenses)	-	-	-
Income before contributions & transfers	<u>31,446</u>	<u>1,254</u>	<u>32,700</u>
Transfers in (out)	-	-	-
Change in net position	<u>31,446</u>	<u>1,254</u>	<u>32,700</u>
Total net position—beginning	136,623	49,725	186,348
Total net position—ending	<u>\$ 168,069</u>	<u>\$ 50,979</u>	<u>\$ 219,048</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Food Services Enterprise Fund
Combining Statement of Cash Flows
for the Fiscal Year ended June 30, 2017

	Business-type Activities - Enterprise Funds		
	Food Service	Intramural	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other funds	\$ 842,574	\$ 29,447	\$ 872,021
Payments to employees & benefits	(355,343)	(26,943)	(382,286)
Payments to suppliers	(444,421)	(1,250)	(445,671)
Net cash provided by (used in) operating activities	<u>42,810</u>	<u>1,254</u>	<u>44,064</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	-	-	-
Federal sources	-	-	-
Board interfund loans	-	-	-
Net cash provided by non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Change in capital contributions	-	-	-
Purchases of capital assets	(5,295)	-	(5,295)
Gain/Loss on sale of fixed assets (proceeds)	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(5,295)</u>	<u>-</u>	<u>(5,295)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	-	-	-
Proceeds from sale/maturities of investments	-	-	-
Net increase (decrease) in cash and cash equivalents	<u>37,515</u>	<u>1,254</u>	<u>38,769</u>
Balances—beginning of year	65,783	49,725	115,508
Balances—end of year	<u>\$ 103,298</u>	<u>\$ 50,979</u>	<u>\$ 154,277</u>
Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:			
Operating loss	\$ 31,446	\$ 1,254	\$ 32,700
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:			
Depreciation and net amortization	11,306	-	11,306
(Increase) decrease in inventories	58	-	58
Total adjustments	<u>11,364</u>	<u>-</u>	<u>11,364</u>
Net cash provided by (used in) operating activities	<u>\$ 42,810</u>	<u>\$ 1,254</u>	<u>\$ 44,064</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2017

	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	\$ 229,582	\$ 512,665	\$ 273,340
Total assets	<u>229,582</u>	<u>512,665</u>	<u>273,340</u>
LIABILITIES			
Payroll deductions and withholdings	-	-	8,007
Payable to student groups	-	-	265,182
Interfund payable	-	-	151
Total liabilities	<u>-</u>	<u>-</u>	<u>273,340</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	229,582	-	-
Reserved for scholarships	-	512,665	-
Total net position	<u>229,582</u>	<u>512,665</u>	<u>-</u>
Total liabilities and net position	<u>\$ 229,582</u>	<u>\$ 512,665</u>	<u>\$ 273,340</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2017

	Scholarship Funds	Unemployment Compensation Fund	Total
ADDITIONS			
Contributions:			
Board	\$ -	\$ 14,270	\$ 14,270
Other	369,349	-	369,349
Total Contributions	<u>369,349</u>	<u>14,270</u>	<u>383,619</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	-	-	-
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>-</u>	<u>-</u>	<u>-</u>
Total additions	<u>369,349</u>	<u>14,270</u>	<u>383,619</u>
DEDUCTIONS			
Unemployment claims	-	6,093	6,093
Scholarships awarded	386,200	-	386,200
Total deductions	<u>386,200</u>	<u>6,093</u>	<u>392,293</u>
Change in net position	(16,851)	8,177	(8,674)
Net position—beginning of the year	<u>529,516</u>	<u>221,405</u>	<u>750,921</u>
Net position—end of the year	<u>\$ 512,665</u>	<u>\$ 229,582</u>	<u>\$ 742,247</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Rumson-Fair Haven Regional High School District is a Type II district located in the county of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year staggered terms. The purpose of the District is to educate students in grades 9-12. The Rumson-Fair Haven Regional High School District had an approximate enrollment of 998 students at June 30, 2017.

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The district-wide financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include elementary school, junior high schools and a senior high school located in Rumson and Fair Haven. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation, Basis of Accounting:

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. Items not meeting that definition of assets and liabilities have been classified as deferred outflows or deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Presentation

The School District has Bond Costs which have been classified as a Deferred Outflow and the Bond Premium has been classified as a Deferred Inflow. The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 13.

In June, 2015, GASB issued Statement No. 74, Financial Reporting for Postemployment Benefits Other Than Pension Plans (Replaces GASB No. 43 and No. 57) and Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (Replaces GASB No. 45 and No. 57). The primary objective of these Statements is to improve accounting and financial reporting by state and local governments for postemployment benefits. It also improves information provided by state and local governmental employers about financial support for postemployment benefits that is provided by other entities. These Statements result from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of these Statements will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net postemployment benefit liability and a more comprehensive measure of pension expense. The requirements of these Statements are effective for financial statements for periods beginning after June 15, 2016 (GASB No. 74) and June 15, 2017 (GASB No. 75). The effect of these new standards on the School District has not been measured.

District-Wide Statements: The district-wide financial statements (A-1 and A-2) include the statement of net position and the statement of activities. These Statements include the financial activities of the overall District, except for fiduciary activities. All interfund activity, excluding the fiduciary funds, has been eliminated in the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities, generally financed in whole or in part with fees charged to external customers.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies (Cont'd)

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Presentation (Cont'd):

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

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The Fund Financial Statements provide information about the District's funds, including its fiduciary funds. Separate statements for each Fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education ("NJDOE") has elected to require New Jersey districts to treat each governmental fund as a major fund. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated Fund Balance. Expenditures are those that result in the acquisition of or additions to Fixed Assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Presentation (Cont'd):

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

The District reports the following proprietary funds:

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

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

Enterprise (Food Service) Fund - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs (i.e., expenses including depreciation and indirect costs) of providing primarily through user charges.

The District reports the following fund types:

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expandable Trust Fund - An Expandable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expandable Trust Funds account for assets where both the principal and interest may be spent. The Expandable Trust Fund includes the Unemployment Compensation Insurance Fund and the Scholarship Account.

Agency Funds - Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include payroll and student activities funds.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Accounting

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

District-Wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds use the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds, Proceeds, if general long-term debt and acquisitions under capital releases, are reported as other financing sources.

All governmental and business-type activities and Enterprise Funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Property Taxes: Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable".

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. **Summary of Significant Accounting Policies (Cont'd)**

C. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office and are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting, except for Special Revenue 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 6:20-2A.2(m)1. All budget amendments/transfers must be approved by Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally-authorized revisions of the annual budgets during the year.

Appropriations, except remaining project appropriations, encumbrances, and unexpected grant appropriation, lapse at the end of each fiscal year. The Capital Project Fund presents the remaining project appropriations compared to current-year expenditures.

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

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

1. **Summary of Significant Accounting Policies (Cont'd)**

D. Encumbrance Accounting:

Under Encumbrance Accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve and portion of the applicable appropriation. Open encumbrances in governmental funds other than the Special Revenue Fund are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund, for which the District has received advances are reflected in the Balance Sheet as deferred revenues at fiscal year-end.

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

E. Assets, Liabilities, and Equity:

Interfund Transactions:

Transfers between Governmental and Business-Type activities on the District-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 to the funds that initially paid for them are not presented on the financial statements.

Inventories:

Inventory purchases, other than those recorded in the Enterprise Fund, are recorded as expenditures during the first year of purchase. Enterprise Fund inventories are valued at cost, which approximates market, using the first-in/first-out ("FIFO") method.

Deferred Outflows/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*, represent 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 future periods and so will *not* be recognized as an inflow of resources (revenue) until that time.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. Summary of Significant Accounting Policies (Cont'd)

E. Assets, Liabilities, and Equity (Cont'd):

Capital Assets:

The District has an established formal system of accounting for its Capital Assets. Purchased or constructed Capital Assets are reported at cost. Donated Capital Assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District does not possess any infrastructure.

All reported Capital Assets except for Land and Construction in Progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building and Improvements	20-50 years
Furniture and Equipment	5-20 years
Vehicles	8 years

Compensated Absences:

The Districts accounts for Compensated Absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Board. 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 the employee is accrued as the employees earn the rights to the benefits.

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

In the District-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund-types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, no liability existed for compensated absences in the Food Service Fund.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. **Summary of Significant Accounting Policies (Cont'd)**

E. Assets, Liabilities, and Equity (Cont'd):

Unearned/Deferred Revenue:

Unearned/Deferred revenue in the special revenue fund represents cash which has been received but not yet earned.

Accrued Liabilities and Long-Term Obligations:

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

Net Position:

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

Fund Balance Reserves:

The District reserves those portions of Fund Balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation in future periods. A Fund Balance Reserve has been established for encumbrances, maintenance, capital and subsequent year's expenditures.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. **Summary of Significant Accounting Policies (Cont'd)**

E. Assets, Liabilities, and Equity (Cont'd):

Revenues - Exchange and Nonexchange Transactions:

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

Nonexchange Transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from Nonexchange Transactions must also be available before it can be recognized.

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

Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service and intramural. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

1. **Summary of Significant Accounting Policies (Cont'd)**

E. Assets, Liabilities, and Equity (Cont'd):

Allocation of Indirect Expenses:

The District reports all Direct Expenses by function in the Statement of Activities. Direct Expenses are those that are clearly identifiable with a function. Indirect Expenses are allocated to functions but are reported separately in the Statement of Activities. Employee Benefits, including the employer's share of Social Security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the Indirect Expense column of the Statement of Activities. Depreciation expense that could not be attributable to a specific function is considered an Indirect Expense and is reported separately in the Statement of Activities. Interest on long-term debt is considered an Indirect Expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items:

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

Management Estimates:

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

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

2. Capital Reserve Account

A Capital Reserve Account was established by the Rumson-Fair Haven Regional High School District by inclusion of \$165,641 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Capital Reserve Account are restricted to Capital Projects in the District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a District may increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes or by transfer by Board Resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the excess approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C 6:23A-5.1(d)7, 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 June 30, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance June 30, 2016	\$ 1,484,142
Add:	
Increase per Resolution	800,000
Transfer from Capital Projects	-
Interest Earnings	6,842
Less:	
Withdrawals	<u>-</u>
Ending Balance, June 30, 2017	<u>\$ 2,290,984</u>

The June 30, 2017 LRFP balance of local support costs of uncompleted Capital Projects is \$18,901,469.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

3. Maintenance Reserve Account

A maintenance Reserve Account was established by the Rumson-Fair Haven Regional High School District by inclusion of \$ 200,000 for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Maintenance Reserve Account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP). Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.2(g), 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 balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2017.

The activity of the Maintenance Reserve for the June 30, 2016 to June 30, 2017 fiscal year is as follows:

Balance, June 30, 2016	\$ 1,089,660
Add:	
Increase per Resolution	-
Less:	
Withdrawals	<u>-</u>
Balance, June 30, 2017	<u>\$ 1,089,660</u>

4. Emergency Reserve Account

An Emergency Reserve Account was established by the Rumson-Fair Haven Regional High School District by inclusion of \$ 200,000 for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Emergency Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

The activity of the Emergency Reserve for the June 30, 2016 to June 30, 2017 fiscal year is as follows:

Balance, June 30, 2016	\$ <u>250,000</u>
Balance, June 30, 2017	\$ <u>250,000</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

5. Transfers to Capital Outlay

During the year ending June 30, 2017, the District transferred \$- to the Capital Outlay Account.

6. Deposits and Investments

The Board of Education considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as Cash and Cash Equivalents.

Deposits

The Board's deposits are insured through the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Bank balances at June 30, 2017 are insured up to \$ 250,000 in aggregate by the FDIC for each bank. At June 30, 2017, the book value of the Board's deposits were \$5,870,432.

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the Risk that, in the event of a bank failure, the Board's deposit might not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$ 250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds 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, bail funds, or 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.

At June 30, 2017, the Board's bank balances of \$6,225,051 were exposed to Custodial Credit Risk as follows:

	<u>2016</u>
Insured	\$ 3,162,049
Uninsured and Uncollateralized	<u>3,063,002</u>
	<u>\$ 6,225,051</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

6. Deposits and Investments (Cont'd)

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully-collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2017, the Board had no investments.

Interest Rate Risk

On January 25, 2007, the Board adopted a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investments as noted above (N.J.S.A. 18A:20-37). The District has an investment policy that further limits its investment choices.

Investment and interest earnings in the Capital Projects Fund are assigned to the Debt Service Fund in accordance with Board policy.

New Jersey Asset and Rebate Management Program

The Program has been established as a joint investment trust, (the "Trust"), by local governmental units in the State of New Jersey, (the "State"), consistent with the Interlocal Services Act, constituting Chapter 208 of the Pamphlet Laws of 1973 of the State of New Jersey and the acts amendatory thereof and supplemental thereto (N.J.S.A. 40:8A-1 et seq.), (the "Interlocal Services Act"), to make available to counties, municipalities, school districts, authorities, or other political subdivisions of the State, and where applicable, any bond trustee acting on behalf of such local government, a convenient method for investing and accounting for surplus cash and tax exempt debt proceeds. The Program seeks to invest tax-exempt bond and note proceeds in compliance with arbitrage management and rebate requirements of the Internal Revenue Code of 1986, as amended. The Program also provides for record keeping, depository and arbitrage rebate calculation.

As of June 30, 2017, the District had \$2,832,573 on deposit with the New Jersey Asset and Rebate Management Program.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

7. Receivables

Receivables at June 30, 2017, consisted of state aid, accrued interest, interfund, intergovernmental, and other. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial <u>Statements</u>	District-Wide Financial <u>Statements</u>
State Aid	\$ 166,209	\$ 166,209
Federal Aid	51,699	51,699
Other	11,970	11,970
Interfunds	<u>151</u>	<u>151</u>
	230,029	230,029
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 230,029</u>	<u>\$ 230,029</u>

8. Interfund Balances and Transfers

Balances due to/from other funds at June 30, 2017 consist of the following:

\$ 151	Due to General Fund from Trust & Agency Fund representing cash advance.
<u>197,193</u>	Due to Capital Projects Fund from General Fund representing cash advance.
<u>\$ 197,344</u>	

9. Inventory

As of June 30, 2017, the District had the following inventory:

Food	\$ 536
Supplies	<u>650</u>
	<u>\$ 1,186</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Capital Assets

The District did not have its Fixed Assets appraised by an independent appraiser as of June 30, 2017. The valuation was no properly updated and did not include all the District's Capital Assets. As such, materially accurate asset valuation totals, accumulated depreciation expense and depreciation expense amounts were not ascertainable.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 7,500	\$ -	\$ -	\$ 7,500
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>7,500</u>
Capital Assets Being Depreciated				
Site Improvements	905,353	-	-	905,353
Building and Building Improvements	27,027,397	-	-	27,027,397
Machinery and Equipment	<u>1,584,389</u>	<u>605,120</u>	<u>-</u>	<u>2,189,509</u>
Totals at Historical Cost	<u>29,517,139</u>	<u>605,120</u>	<u>-</u>	<u>30,122,259</u>
Less Accumulated Depreciation for:				
Site Improvements	(831,462)	(31,853)	-	(863,315)
Building and Building Improvements	(11,680,050)	(907,067)	-	(12,587,117)
Machinery and Equipment	<u>(1,133,510)</u>	<u>(52,189)</u>	<u>-</u>	<u>(1,185,699)</u>
Total Accumulated Depreciation	<u>(13,645,022)</u>	<u>(991,109)</u>	<u>-</u>	<u>(14,636,131)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>15,872,117</u>	<u>(385,989)</u>	<u>-</u>	<u>15,486,128</u>
Government Activity Capital Assets, Net	<u>\$ 15,879,617</u>	<u>(385,989)</u>	<u>-</u>	<u>\$ 15,493,628</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Building Improvements	\$ 12,875	-	-	\$ 12,875
Equipment	156,572	5,295	-	161,867
Less Accumulated Depreciation	<u>(99,851)</u>	<u>(11,306)</u>	<u>-</u>	<u>(111,157)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 69,596</u>	<u>(6,011)</u>	<u>\$ -</u>	<u>\$ 63,585</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

10. Capital Assets (Cont'd)

The NJ State Department of Education has set the capitalization threshold used by school districts in the State of New Jersey at \$2,000.

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 842,443
Student and Instruction Related Services	84,244
School Administration Services	29,733
Other Special Instruction	4,956
Special Education Instruction	<u>29,733</u>
Total	<u>\$ 991,109</u>

11. Long-Term Obligations

A. Long-Term Obligation Activity:

Changes in Long-Term Obligations for the year ended June 30, 2017, are as follows:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Increases/</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>				
Compensated Absences Payable	\$ 196,796	\$ 57,814	\$ 254,610	\$ -
PERS Pension Liability	3,809,153	1,539,119	5,348,272	-
Bonds Payable	<u>2,270,000</u>	<u>(735,000)</u>	<u>1,535,000</u>	<u>760,000</u>
	<u>\$ 6,275,949</u>	<u>\$ 861,933</u>	<u>\$ 7,137,882</u>	<u>\$ 760,000</u>

Compensated absences and capital leases, if applicable, have been liquidated in the General Fund.

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bondholders are willing to accept a lower interest rate than they would taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The Federal Tax Code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the Federal Government based on requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally-allowable returns.

Rebatable arbitrage liabilities related to the District debt are not recorded in governmental funds. There is no recognition in the Balance Sheet or Income Statement until rebatable amounts are due and payable to the Federal Government. There are no rebatable amounts at June 30, 2017.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

11. Long-Term Obligations (Cont'd)

B. Debt Service Requirements:

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

2004 School Bonds

On December 9, 2003, the voters approved a referendum authorizing the issuance of \$8,798,000 in bonds for the purpose of constructing and renovating the HVAC system and other equipment, furnishings and site work. On February 25, 2004, \$8,798,000 of School Bonds were issued. The bonds have been refunded. The new bonds approved resulted in an issuance of \$3,730,000. The remaining outstanding Bonds mature annually on February 1 of each year from February 2012 and ending 2019. Interest is payable semi-annually at 2.0%.

The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

The District, in conjunction with the issuance of the Bonds, has agreed to undertake and provide certain information to bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories.

Redemption

The Bonds maturing prior to February 1, 2015 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after February 1, 2015 are redeemable in whole or in part after February 1, 2014.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

11. Long-Term Obligations (Cont'd)

B. Debt Service Requirements (Cont'd):

Debt Service Requirements on serial bonds payable at June 30, 2017 are as follows:

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 760,000	\$ 30,700	\$ 790,700
2019	<u>775,000</u>	<u>15,500</u>	<u>790,500</u>
	<u>\$ 1,535,000</u>	<u>\$ 46,200</u>	<u>\$ 1,581,200</u>

C. Bonds Authorized But Not Issued

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

D. Capital Leases

As of June 30, 2017, the District had no capital leases.

12. Operating Leases

As of June 30, 2017, the District had no operating leases.

13. Pension Plans

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System ("PERS") or the Teachers' Pension and Annuity Fund ("TPAF") which have been established by State statute and are administered by the New Jersey Division of Pension and Benefits ("Division"). According to the State of New Jersey Administrative Code, all obligations of both systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly-available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

Teachers' Pension and Annuity Fund ("TPAF")

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

For the year ended June 30, 2017, the District recognized pension expense of \$856,045 and revenue of \$856,045 for support provided by the State on the fund financials.

At June 30, 2017, the District has no deferred outflow, deferred inflows or pension liability for the TPAF plan as all future costs are to be incurred by the State of New Jersey. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed. These items are not included on the district-wide financials. The District's proportionate share is 0.0767383243% of the total plan. The information below was provided from the State of New Jersey June 30, 2016 audit of the TPAF fund and has been adjusted to the District's proportionate share:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 211,759	\$ 102,764
Changes of assumptions	11,994,749	-
Net difference between projected and actual earnings on pension plan investments	1,095,936	-
Changes in proportion and differences between District contributions and proportionate share of contributions	80,722	46,897
District contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 13,383,166</u>	<u>\$ 149,661</u>

The District's proportionate share of the pension liability at June 30, 2016 as it relates to the District is \$60,367,252.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

Teachers' Pension and Annuity Fund ("TPAF")(Cont'd)

The District's proportionate share of other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense by the State of New Jersey as follows:

Year ended June 30:	
2017	\$ 1,948,030
2018	1,948,030
2019	2,282,079
2020	2,134,248
2021	1,802,850
Thereafter	<u>3,145,275</u>
Total	<u>\$ 13,260,512</u>

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00 %	0.39 %
US Government Bonds	1.50 %	1.28 %
US Credit Bondst	13.00 %	2.76 %
US Mortgages	2.00 %	2.38 %
US Inflation-Indexed Bonds	1.50 %	1.41 %
US High Yield Bonds	2.00 %	4.70 %
US Equity Market	26.00 %	5.14 %
Foreign-Developed Equity	13.25 %	5.91 %
Emerging Market Equity	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 %

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the 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 Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 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 Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2016 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (2.22 %)	Current Discount Rate (3.22 %)	1% Increase (4.22 %)
District's proportionate share of the net pension liability	72,424,231	60,645,459	51,026,572

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

Public Employees' Retirement System ("PERS")

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

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

Public Employees' Retirement System ("PERS") (Cont'd)

For the year ended June 30, 2017, the District recognized pension expense of \$100,121. As detailed in GASB 68 the District's proportionate share of the deferred outflows of resources and deferred inflows of resources and pension liability is required to be disclosed and recorded. These items are included on the district-wide financials. The District's proportionate share is 0.0180580346% of the total plan. The information below was provided from the State of New Jersey June 30, 2016 audit of the PERS fund and has been adjusted to the District's proportionate share. At June 30, 2017, the 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	\$ 99,462	\$ -
Changes of assumptions	1,107,876	-
Net difference between projected and actual earnings on pension plan investments	203,934	-
Changes in proportion and differences between District contributions and proportionate share of contributions	321,345	-
District contributions subsequent to the measurement date	<u>161,629</u>	<u>-</u>
Total	<u>\$ 1,894,246</u>	<u>\$ -</u>

The District's proportionate share of the pension liability at June 30, 2016 as it relates to the District is \$5,348,272 and has been recorded on the district-wide financials.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ 317,735
2018	317,735
2019	368,107
2020	309,264
2021	98,432
Thereafter	-
Total	<u>\$ 1,411,273</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00 %	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 US 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 US	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. This single blended discount rate was based on the 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 Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

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

The following presents the collective net pension liability of the participating employers as of June 30, 2016, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (2.98 %)	Current Discount Rate (3.98 %)	1% Increase (4.98 %)
District's proportionate share of the net pension liability	6,553,683	5,348,272	4,353,101

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

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by the N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years or service prior to retirement (or highest three years' compensation if other than the final three years).

Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

13. Pension Plans (Cont'd)

Contribution Requirements

Year Funding June 30,	<u>Three-Year Trend Information for PERS</u>		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2017	\$ 160,999	100 %	\$ -
2016	139,742	100 %	-
2015	133,081	100 %	-

Year Funding June 30,	<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2017	\$ 1,571,653	100 %	\$ -
2016	1,345,974	100 %	-
2015	1,038,975	100 %	-

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.78% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution included funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

There was a current year contribution to the TPAF post-retirement medical benefits made by the state of New Jersey on behalf of the Board in the amount of \$1,571,653. The State did not make any normal contributions on behalf of the Board. Also, in accordance with N.J.S.A 18A: 66-66, the State of New Jersey reimbursed the District \$580,716 during the year ended June 30, 2017 for the employer's share of social security contributions for TPAF members as calculated on their base salaries.

These amounts have been included in the general purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenues and expenditures in accordance with Governmental Accounting Standards.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

14. Post-Retirement Benefits

Legislation enacted during 1991 provides early retirement incentives for certain member of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1992 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The District will assume the increased cost for the early retirement as it affects their district.

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 premiums 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 of attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education of 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.

15. Deferred Compensation

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

AXA Equitable

Valic

16. Risk Management

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

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

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

16. Risk Management (Cont'd)

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016 / 2017	\$ 14,270	\$ -	\$ (6,093)	\$ 229,582
2015 / 2016	13,902	-	(6,398)	221,405
2014 / 2015	13,697	-	(9,841)	213,901

17. Contingent Liabilities

Grant Programs

The District participates in federally-assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board.

18. Fund Balance Appropriated

Fund balance will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used.

- Nonspendable Fund Balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- Restricted Fund Balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed Fund Balance - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

18. Fund Balance Appropriated (Cont'd)

- Assigned Fund Balance - amounts a District intends to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board delegates the authority.
- Unassigned Fund Balance - amounts that are available for any purpose; these amounts are reported only in the General Fund.

Fund balance reporting is the result of State Statutes, New Jersey Department of Education regulations and motions (resolutions/ordinances) that are passed at Board meetings. The Board acts on these motions under the guidance of the District's Superintendent and Business Administrator.

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of each fiscal year, utilizing adjusting journal entries.

First, non-spendable fund balances are determined; then, restricted fund balances for specific purposes are determined (not including non-spendable amounts). Any remaining fund balance amounts for the non-General Funds are classified as restricted fund balances.

There is a potential for the non-General Funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceed the positive fund balances for the non-General Funds.

Classification Totals

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Fund Balances:					
Restricted	3,636,909	-	21,628	38,481	3,697,018
Committed	202,492	-	-	71,667	274,159
Assigned	500,000	-	-	-	500,000
Unassigned	<u>458,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>458,159</u>
	<u>4,797,560</u>	<u>-</u>	<u>21,628</u>	<u>110,148</u>	<u>4,929,336</u>

19. Calculation of Excess Surplus

The Designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. 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 is \$6,265.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2017

20. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2017. The school district files tax returns in the U.S. federal jurisdiction and New Jersey. The school district has no open year prior to June 30, 2014.

21. Subsequent Events

Management has evaluated subsequent events through November 1, 2017, the date the financial statements were available to be issued.

22. Tax Abatement

As defined by the Governmental Accounting Standards Board (GASB), 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.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 17,450,703	\$ -	\$ 17,450,703	\$ 17,450,703	\$ -
Interest earned on maintenance reserve	-	-	-	6,286	6,286
Interest earned on capital reserve funds	-	-	-	6,842	6,842
Tuition - from individuals	133,360	-	133,360	241,657	108,297
Miscellaneous	10,000	-	10,000	71,499	61,499
Total - local sources	<u>17,594,063</u>	<u>-</u>	<u>17,594,063</u>	<u>17,776,987</u>	<u>182,924</u>
State sources:					
Categorical Special Education Aid	366,737	-	366,737	366,737	-
Categorical Transportation Aid	40,363	-	40,363	40,363	-
Security aid	15,063	-	15,063	15,063	-
PARCC Readiness Aid	8,920	-	8,920	8,920	-
Per Pupil Growth Aid	8,920	-	8,920	8,920	-
Professional learning community aid	9,960	-	9,960	9,960	-
Equalization aid	-	-	-	-	-
Academic achievement	-	-	-	-	-
Reward program	-	-	-	-	-
Foundation aide	-	-	-	-	-
Extraordinary aid	-	-	-	121,204	121,204
Consolidated aid	-	-	-	-	-
Non-public transportation	-	-	-	16,153	16,153
TPAF -LTDI (on-behalf - Non-budgeted)	-	-	-	2,328	2,328
TPAF - post retirement medical (on-behalf-Non-budgeted)	-	-	-	713,280	713,280
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	856,045	856,045
TPAF social security (reimbursed - Non-budgeted)	-	-	-	580,716	580,716
Total state sources	<u>449,963</u>	<u>-</u>	<u>449,963</u>	<u>2,739,689</u>	<u>2,289,726</u>
Total revenues	<u>18,044,026</u>	<u>-</u>	<u>18,044,026</u>	<u>20,516,676</u>	<u>2,472,650</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Grades 9-12 - Salaries of teachers	\$ 5,103,033	\$ 49,691	\$ 5,152,724	\$ 5,152,210	\$ 514
Regular Programs - Home Instruction:					
Salaries of teachers	23,500	-	23,500	18,577	4,923
Purchased professional-educational services	15,000	-	15,000	3,593	11,407
Regular Programs - Undistributed Instruction					
Purchased professional-educational services	900	1,000	1,900	1,000	900
Purchased technical services	11,650	-	11,650	3,690	7,960
Other purchased services (400-500 series)	100,285	22,500	122,785	104,252	18,533
Software Instruction	-	-	1,425	-	1,425
General supplies	337,244	(4,775)	332,469	295,475	36,994
Textbooks	125,577	(24,300)	101,277	73,244	28,033
Other objects	900	550	1,450	1,184	266
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>5,718,089</u>	<u>44,666</u>	<u>5,764,180</u>	<u>5,653,225</u>	<u>110,955</u>
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	80,296	(11,700)	68,596	68,575	21
Other salaries for instruction	61,500	(22,288)	39,212	37,937	1,275
General supplies	2,500	1,090	3,590	3,008	582
Textbooks	1,400	(590)	810	567	243
Total Multiple Disabilities	<u>145,696</u>	<u>(33,488)</u>	<u>112,208</u>	<u>110,087</u>	<u>2,121</u>
Resource Room/Resource Center:					
Salaries of Teachers	790,407	(9,794)	780,613	780,537	76
Other Salaries for Instruction	24,750	21,255	46,005	46,003	2
General supplies	6,000	(4,184)	1,816	1,758	58
Textbooks	1,700	(500)	1,200	907	293
Total Resource Room/Resource Center	<u>822,857</u>	<u>6,777</u>	<u>829,634</u>	<u>829,205</u>	<u>429</u>
TOTAL SPECIAL EDUCATION- INSTRUCTION	<u>968,553</u>	<u>(26,711)</u>	<u>941,842</u>	<u>939,292</u>	<u>2,550</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	17,137	19,520	36,657	34,944	1,713
Total Basic Skills/Remedial - Instruction	<u>17,137</u>	<u>19,520</u>	<u>36,657</u>	<u>34,944</u>	<u>1,713</u>
Bilingual Education - Instruction					
Salaries of Teachers	-	2,880	2,880	2,880	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other objects	-	-	-	-	-
Total Bilingual Education - Instruction	<u>-</u>	<u>2,880</u>	<u>2,880</u>	<u>2,880</u>	<u>-</u>
School-Spon. Curricular Actvts. - Instruction					
Salaries	\$ 135,000	\$ -	\$ 135,000	\$ 134,989	\$ 11
Purchased Services (300-500 series)	28,750	-	28,750	16,911	11,839
Supplies and Materials	39,983	(1,200)	38,783	27,269	11,514

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Objects	7,085	-	7,085	3,171	3,914
Total School-Spon. Cocurricular Actvts. - Instruction	<u>210,818</u>	<u>(1,200)</u>	<u>209,618</u>	<u>182,340</u>	<u>27,278</u>
School-Spon. Athletics - Instruction					
Salaries	587,304	55,500	642,804	642,719	85
Purchased Services (300-500 series)	102,700	(500)	102,200	97,633	4,567
Supplies and Materials	99,197	76,075	175,272	126,608	48,664
Other Objects	11,000	-	11,000	8,293	2,707
Total School-Spon. Cocurricular Actvts. - Instruction	<u>800,201</u>	<u>131,075</u>	<u>931,276</u>	<u>875,253</u>	<u>56,023</u>
Total Instruction	<u>7,714,798</u>	<u>170,230</u>	<u>7,886,453</u>	<u>7,687,934</u>	<u>198,519</u>
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state - Regular	5,700	(5,201)	499	499	-
Tuition to Co. Voc. School Dist. - reg.	253,076	64,000	317,076	316,200	876
Tuition to Co. Voc. School Dist. - special	33,000	(33,000)	-	-	-
Tuition to Private Sch for Disbl w/ State	1,083,730	(123,179)	960,551	949,016	11,535
Tuition - Other	-	-	-	-	-
Total Undistributed Expenditures - Instruction:	<u>1,375,506</u>	<u>(97,380)</u>	<u>1,278,126</u>	<u>1,265,715</u>	<u>12,411</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	45,605	-	45,605	29,380	16,225
Other Purchased Services (400-500 series)	1,000	-	1,000	-	1,000
Supplies and Materials	1,500	(200)	1,300	1,058	242
Total Undistributed Expend. - Attend. & Social Work	<u>48,105</u>	<u>(200)</u>	<u>47,905</u>	<u>30,438</u>	<u>17,467</u>
Undist. Expend. - Health Services					
Salaries	102,653	-	102,653	102,020	633
Purchased professional and technical services	10,750	-	10,750	10,375	375
Other purchased services (400-500 series)	765	-	765	380	385
Supplies and materials	6,441	-	6,441	2,944	3,497
Total Undistributed Expenditures - Health Services	<u>120,609</u>	<u>-</u>	<u>120,609</u>	<u>115,719</u>	<u>4,890</u>
Undist. Expend. - Speech, OT, PT and Related Services					
Salaries	-	-	-	-	-
Purchased Prof. Ed. Services	193,030	-	193,030	79,410	113,620
Total Undist. Expend. - Speech, OT, PT and Related Services	<u>193,030</u>	<u>-</u>	<u>193,030</u>	<u>79,410</u>	<u>113,620</u>
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	573,882	3,750	577,632	575,240	2,392
Salaries of Secretarial and Clerical Assistants	94,265	29,875	124,140	102,554	21,586
Other Salaries	69,467	125	69,592	69,569	23
Purchased Professional - Educational Services	13,000	(3,750)	9,250	5,356	3,894
Other Purch. Prof. & Tech. Svc.	8,037	-	8,037	7,115	922
Other Purchased Services (400-500 series)	29,950	-	29,950	27,559	2,391
Supplies and Materials	11,995	-	11,995	4,472	7,523
Other Objects	815	-	815	804	11
Total Undistributed Expenditures - Guidance	<u>801,411</u>	<u>30,000</u>	<u>831,411</u>	<u>792,669</u>	<u>38,742</u>
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	294,453	(11,500)	282,953	282,390	563
Salaries of Secretarial and Clerical assistants	64,496	11,500	75,996	59,436	16,560
Purchased Professional - Educational Services	15,750	(100)	15,650	4,775	10,875
Other Purchased Prof. & Tech. Services	10,810	100	10,910	10,880	30
Residential costs	6,200	(6,200)	-	-	-
Misc. Purch Serv	-	5,200	5,200	452	4,748
Supplies and Materials	2,926	1,000	3,926	3,635	291
Total Undistributed Expenditures - Child Study Teams	<u>394,635</u>	<u>-</u>	<u>394,635</u>	<u>361,568</u>	<u>33,067</u>
Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.					
Salaries Superv. Of Instr.	670,892	(30,000)	640,892	622,678	18,214
Salaries Other Prof. Staff	15,000	-	15,000	13,298	1,702
Salaries Secr. & Clerical Asst.	48,832	4,000	52,832	49,891	2,941
Purchased Professional - Educational Services	2,000	-	2,000	1,940	60
Other Purchased Services (400-500 series)	18,000	(3,600)	14,400	11,452	2,948
Supplies and Materials	-	-	-	-	-
Other objects	6,100	(400)	5,700	5,519	181
Total Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.	<u>760,824</u>	<u>(30,000)</u>	<u>730,824</u>	<u>704,778</u>	<u>26,046</u>
Undist. Expend. - Educational Media Services/School Library					
Salaries	87,926	-	87,926	86,430	1,496
Other Purchased Services (400-500)	24,042	1,200	25,242	24,985	257
Supplies and Materials	7,230	(1,000)	6,230	5,254	976
Total Undist. Expend. - Educational Media Services/School Library	<u>119,198</u>	<u>200</u>	<u>119,398</u>	<u>116,669</u>	<u>2,729</u>
Undist. Expend. - Instruction Staff Training Services					
Other Purchased Prof. and Tech. Services	31,900	-	31,900	4,675	27,225
Other Purchased Services (400-500 series)	16,000	-	16,000	5,145	10,855
Supplies and Materials	1,000	-	1,000	-	1,000
Total Undist. Expend. - Instruction Staff Training Services	<u>48,900</u>	<u>-</u>	<u>48,900</u>	<u>9,820</u>	<u>39,080</u>
Undist. Expend. - Support Service - General Administration					
Salaries	\$ 257,268	\$ (6,000)	\$ 251,268	\$ 240,388	\$ 10,880
Legal Services	100,000	(12,674)	87,326	52,957	34,369
Audit Fees	20,000	-	20,000	19,730	270
Expenditure & Internal Control Audit Fees	-	6,000	6,000	3,720	2,280
Other Purchased Professional Services	3,500	-	3,500	3,422	78

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Purchased technical services	-	8,200	8,200	3,927	
Communications/Telephone	35,500	(15,000)	20,500	12,215	8,285
BOE Other Purchased Services	-	900	900	739	161
Misc. Purch. Serv.(400-500)	165,000	26,324	191,324	181,166	10,158
General Supplies	8,500	(3,735)	4,765	4,695	70
BOE In-house Training/Meeting Supplies	1,000	-	1,000	338	662
Judgments Against the School District	100,000	(8,200)	91,800	10,000	81,800
Miscellaneous Expenditures	4,000	4,285	8,285	8,262	23
BOE Membership Dues and Fees	12,500	(100)	12,400	8,249	4,151
Total Undist. Expend. - Support Service - General Administration	707,268	-	707,268	549,808	157,460
Undist. Expend. - Support Service - School Administration					
Salaries of Principals/Assistant principals	288,270	425	288,695	288,692	3
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial and Clerical Assistants	116,295	8,075	124,370	120,864	3,506
Purchased Professional and Technical Services	3,875	(3,800)	75	-	75
Other Purchased Services (400-500 series)	36,960	(5,690)	31,270	27,995	3,275
Supplies and Materials	9,765	(2,000)	7,765	5,528	2,237
Other Objects	17,400	1,600	19,000	17,297	1,703
Total Undist. Expend. - Support Service - School Administration	472,565	(1,390)	471,175	460,376	10,799
Undistributed Expenditures- Central Services					
Salaries	304,983	-	304,983	304,275	708
Purchased Technical Services	13,500	-	13,500	1,706	11,794
Misc. Purchased Services	9,250	-	9,250	7,555	1,695
Supplies and Materials	3,500	-	3,500	2,250	1,250
Miscellaneous Expenditures	2,250	-	2,250	1,495	755
Total Central Services	333,483	-	333,483	317,281	16,202
Administration Information Technology					
Salaries	-	3,200	3,200	1,250	1,950
Purchased technical services	22,000	(3,200)	18,800	18,526	274
Total Admin info tech	22,000	-	22,000	19,776	2,224
Required Maint for School Facilities					
Cleaning, Repair and Maintenance Services	178,900	665,488	844,388	770,129	74,259
General Supplies	82,500	3,668	86,168	44,370	41,798
Total Required Maintenance for School Facilities	261,400	669,156	930,556	814,499	116,057
Custodial Services					
Salaries	341,743	-	341,743	339,190	2,553
Purchased Professional and Technical Services	24,000	43,020	67,020	43,291	23,729
Cleaning, Repair and Maintenance Services	264,315	17,300	281,615	262,235	19,380
Other Purchased Property Services	63,500	2,500	66,000	58,802	7,198
Insurance	118,500	1,925	120,425	120,401	24
Miscellaneous Purchased Services	4,000	-	4,000	1,903	2,097
General Supplies	66,000	600	66,600	53,367	13,233
Energy (Natural Gas)	20,250	(8,500)	11,750	4,080	7,670
Energy (Electricity)	322,000	(34,925)	287,075	286,878	197
Other objects	1,500	-	1,500	100	1,400
Total Custodial services	1,225,808	21,920	1,247,728	1,170,247	77,481
Care and Upkeep of Grounds					
Salaries	2,000	-	2,000	-	2,000
Purchased Professional and Technical Services	-	-	-	-	-
Cleaning, Repair and Maintenance Services	67,000	(23,000)	44,000	39,630	4,370
Grounds EQP Lease	-	30,000	30,000	30,000	-
General Supplies	19,500	-	19,500	12,498	7,002
Total Care and Upkeep of Grounds	88,500	7,000	95,500	82,128	13,372
Security					
Purchased Professional and Technical Services	10,000	-	10,000	5,000	5,000
General Supplies	5,000	-	5,000	539	4,461
Total Security	15,000	-	15,000	5,539	9,461
Total Oper. And Maintenance of Plant Services	1,590,708	698,076	2,288,784	2,072,413	216,371
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	8,896	15	8,911	8,909	2
Contract Svc (btw Home & Sch.)-vendors	175,438	(2,460)	172,978	172,978	-
Contr Serv (Oth.than Bet Home & Sch) - Vend	220,460	29,870	250,330	225,815	24,515
Contract Serv. (Reg Students) - ESCs & CSTAs	274,678	24,355	299,033	274,819	24,214
Contract Serv.(Spl. Ed. Students) - ESCs & CTASAs	314,865	70,210	385,075	362,759	22,316
Contr Serv. - Aid in Lieu Pymts-NonPub Sch	27,500	(20,000)	7,500	1,326	6,174
Total Student Transportation Services	1,021,837	101,990	1,123,827	1,046,606	77,221

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Regular Programs - Instruction					
Tuition Reimbursement	35,000	(35,000)	-	-	-
Total Regular Programs - Instruction	35,000	(35,000)	-	-	-
Improvement of Instruction Services					
Tuition Reimbursement	6,000	(6,000)	-	-	-
Total Improvement of Instruction Services	6,000	(6,000)	-	-	-
Operation and Maintenance of Plant Service					
Other Employee Benefits	2,000	(2,000)	-	-	-
Total Operation and Maintenance of Plant Service	2,000	(2,000)	-	-	-
Total Allocated Benefits	43,000	(43,000)	-	-	-
Personal Services- Employee Benefits					
Social Security Contributions	175,000	-	175,000	169,039	5,961
Other Retirement Contributions - PERS	150,000	10,999	160,999	160,999	-
Unemployment Compensation	-	-	-	-	-
Workmen's Compensation	88,500	-	88,500	88,381	119
Health Benefits	2,352,058	(170,999)	2,181,059	1,871,627	309,432
Tuition Reimbursement	-	41,000	41,000	36,440	4,560
Other Employee Benefits	-	2,000	2,000	1,199	801
Total Personal Services-Employee Benefits	2,765,558	(117,000)	2,648,558	2,327,685	320,873
On-behalf TPAF LTDI (non-budgeted)	-	-	-	2,328	(2,328)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	713,280	(713,280)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	856,045	(856,045)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	580,716	(580,716)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	2,152,369	(2,152,369)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,808,558	(160,000)	2,648,558	4,480,054	(1,831,496)
TOTAL UNDISTRIBUTED EXPENDITURES	10,818,637	541,296	11,359,933	12,423,100	(1,063,167)
TOTAL GENERAL CURRENT EXPENSE	18,533,435	711,526	19,246,386	20,111,034	(864,648)
Equipment					
Regular Programs - Instruction:					
Grades 9-12	\$ 6,000	\$ (2,668)	\$ 3,332	\$ 3,332	\$ -
Special Education- Instruction:					
School - Sponsored and Other Instructional Program	-	-	-	-	-
General Administration					
Undist. Expend.-Support Serv.- Related & Extra	-	-	-	-	-
Undistributed exp.-Non-instructional services					
Non-instructional Equip.	-	-	-	-	-
Total Equipment	6,000	(2,668)	3,332	3,332	-
Facilities Acquisition and Construction Services					
Construction Services	-	-	-	-	-
Supplies & Materials	-	-	-	-	-
Assessment for Debt Service on SDA Funding	54,591	-	54,591	54,591	-
Total Facilities Acquisition and Construction Services	54,591	-	54,591	54,591	-
TOTAL CAPITAL OUTLAY	60,591	(2,668)	57,923	57,923	-
TOTAL EXPENDITURES	18,594,026	708,858	19,304,309	20,168,957	(864,648)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(550,000)	(708,858)	(1,260,283)	347,719	1,608,002
Other Financing Sources / Uses:					
Transfer from Capital Projects	-	-	-	-	-
Cancellation of State Receivable	-	-	-	-	-
Total Other Financing Sources:	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	(550,000)	(710,283)	(1,260,283)	347,719	1,608,002
Fund Balance, July 1	4,489,371	-	4,489,371	4,489,371	-
Fund Balance, June 30	\$ 3,939,371	\$ (710,283)	\$ 3,229,088	\$ 4,837,090	\$ 1,608,002

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted Fund Balance:					
Maintenance reserve				\$ 1,089,660	
Emergency Reserve				250,000	
Excess surplus - current year				6,265	
Excess surplus-designated for subsequent year's expenditures				-	
Capital reserve				2,290,984	
Committed Fund Balance:					
Other purposes				-	
Year-end encumbrances				202,492	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				500,000	
Unrestricted/undesignated				497,689	
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				(39,530)	
Fund balance per governmental funds (GAAP)				\$ 458,159	

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ -	\$ 18,347	\$ 18,347	\$ 17,108	\$ (1,239)
State sources	-	-	-	-	-
Federal sources	135,000	(91,634)	43,366	230,065	186,699
Total Revenues	<u>135,000</u>	<u>(73,287)</u>	<u>61,713</u>	<u>247,173</u>	<u>185,460</u>
EXPENDITURES					
Instruction:					
Personal services-salaries	135,000	68,639	203,639	203,639	-
Purchased professional and technical services	-	1,100	1,100	1,100	-
General supplies	-	10,902	10,902	9,418	1,484
Tuition	-	-	-	-	-
Other objects	-	1,080	1,080	1,080	-
Total instruction	<u>135,000</u>	<u>81,721</u>	<u>216,721</u>	<u>215,237</u>	<u>1,484</u>
Support services:					
Personal services - salaries	-	-	-	-	-
Purchased professional and technical services	-	10,095	10,095	10,095	-
Other purchased services	-	1,670	1,670	1,670	-
Employee benefits	-	16,331	16,331	16,331	-
Travel	-	-	-	-	-
Supplies- materials	-	3,840	3,840	3,840	-
Other objects	-	-	-	-	-
Total support services	<u>-</u>	<u>31,936</u>	<u>31,936</u>	<u>31,936</u>	<u>-</u>
EXPENDITURES:					
Facilities acquisition and const. serv.:					
Instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>135,000</u>	<u>113,657</u>	<u>248,657</u>	<u>247,173</u>	<u>1,484</u>
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
Total outflows	<u>135,000</u>	<u>113,657</u>	<u>248,657</u>	<u>247,173</u>	<u>1,484</u>
Excess (deficiency) of revenues					
Over (under) expenditures	<u>\$ -</u>	<u>\$ (186,944)</u>	<u>\$ (186,944)</u>	<u>\$ -</u>	<u>\$ 186,944</u>
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis			\$ -		
Fund balance per governmental funds (GAAP)			<u>\$ -</u>		

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal 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 basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 20,516,676	[C-2]	\$ 247,173
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		-
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(856,045)		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(39,530)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		38,321		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 19,659,422	[B-2]	\$ 247,173
 Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 20,168,957	[C-2]	\$ 247,173
Differences - budget to GAAP:				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(856,045)		-
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.		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 19,312,912	[B-2]	\$ 247,173

REQUIRED SUPPLEMENTARY INFORMATION - PART III

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-PERS
For the Fiscal Year Ended June 30, 2017

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability	0.0161430529%	0.0162541387%	0.0180580346%
District's proportionate share of the net pension liability	\$ 3,162,163	\$ 3,809,153	\$ 5,348,272
District's covered-employee payroll	1,141,200	1,138,190	1,184,539
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	277.09%	334.67%	451.51%
Plan fiduciary net position as a percentage of the total pension liability	67.89%	61.84%	45.35%

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

* The schedule is presented to illustrate the requirements 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.

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District Contributions-PERS
For the Fiscal Year Ended June 30, 2017

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contributions	\$ 133,081	\$ 139,742	\$ 160,999
Contributions in relation to the contractually required contribution	<u>133,081</u>	<u>139,742</u>	<u>160,999</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,141,200	\$ 1,138,190	\$ 1,184,539
Contributions as a percentage of covered-employee payroll	11.66%	12.28%	13.59%

* The schedule is presented to illustrate the requirements 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.

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-TPAF
For the Fiscal Year Ended June 30, 2017

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability	0.0745429505%	0.0742711461%	0.0767383243%
District's proportionate share of the net pension liability	\$ 39,840,781	\$ 46,942,536	\$ 60,367,252
District's covered-employee payroll	7,807,842	7,945,192	8,159,094
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	510.27%	590.83%	739.88%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%

The District has a special funding situation and is not required to make any payments for this liability therefore it is not recorded on the CAFR.

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

* The schedule is presented to illustrate the requirements 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.

Rumson-Fair Haven Regional High School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2017

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	3.08 %
Salary increases: 2012-2021	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 rates were based on the RP-2000 Combined Healthy and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on 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 scale. 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.

OTHER SUPPLEMENTARY INFORMATION

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2017

	<u>Title I 16/17</u>	<u>Title II Part A 16/17</u>	<u>I.D.E.A. B-Basic Reg Prog 16/17</u>
Revenues:			
Local sources	-	\$ -	\$ -
State sources	-	-	-
Federal sources	<u>57,362</u>	<u>10,095</u>	<u>162,608</u>
Total revenues	<u>57,362</u>	<u>10,095</u>	<u>162,608</u>
Expenditures:			
Instruction:			
Salaries	41,031	-	162,608
Purchased professional services	-	-	-
General supplies	-	-	-
Tuition	-	-	-
Other Objects	-	-	-
Total instruction	<u>41,031</u>	<u>-</u>	<u>162,608</u>
Support services:			
Other support services - students - special:			
Salaries	-	-	-
Purchased prof. and tech. services	-	10,095	-
Other purchased services	-	-	-
Employee benefits	16,331	-	-
Travel	-	-	-
Supplies and materials	-	-	-
Total other support services - students - special	<u>16,331</u>	<u>10,095</u>	<u>-</u>
Total support services	<u>16,331</u>	<u>10,095</u>	<u>-</u>
Equipment:			
Regular programs instruction	-	-	-
Non-instructional equipment	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>57,362</u>	<u>\$ 10,095</u>	<u>\$ 162,608</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2017

(Continued from prior page)

	RFH Education Foundation 16/17	Other	Total 2017
Revenues:			
Local sources	\$ 9,859	7,249	\$ 17,108
State sources	-	-	-
Federal sources	-	-	230,065
Total revenues	<u>9,859</u>	<u>7,249</u>	<u>247,173</u>
Expenditures:			
Instruction:			
Salaries	-	-	203,639
Purchased professional services	1,100	-	1,100
General supplies	6,009	3,409	9,418
Tuition	-	-	-
Other objects	<u>1,080</u>	<u>-</u>	<u>1,080</u>
Total instruction	<u>8,189</u>	<u>3,409</u>	<u>215,237</u>
Support services:			
Other support services - students - special:			
Salaries	-	-	-
Purchased prof. and tech. services	-	-	10,095
Other purchased services	1,670	-	1,670
Employee benefits	-	-	16,331
Travel	-	-	-
Supplies and materials	-	3,840	3,840
Other objects	<u>-</u>	<u>-</u>	<u>-</u>
Total other support services - students - special	<u>1,670</u>	<u>3,840</u>	<u>31,936</u>
Total support services	<u>1,670</u>	<u>3,840</u>	<u>31,936</u>
Equipment:			
Regular programs instruction	-	-	-
Non-instructional equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 9,859</u>	<u>\$ 7,249</u>	<u>\$ 247,173</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2017

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2017
			Prior Years	Current Year	
HVAC Project - SP 4580-050-04-000Y	12/9/2003	\$ 14,663,877	\$ 14,550,822	\$ (2,907)	\$ 110,148
Totals		\$ 14,663,877	\$ 14,550,822	\$ (2,907)	\$ 110,148

RUMSON-FAIR HAVEN 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

State Sources - SDA Grant	-
Bond proceeds and transfers	-
Capital lease proceeds	-
Transfer from capital reserve	-
Interest	-
Total revenues	<u>-</u>

Expenditures and Other Financing Uses

Purchased professional and technical services	-
Land and improvements	-
Construction services	2,907
Supplies	-
Total expenditures	<u>2,907</u>

Excess (deficiency) of revenues over (under) expenditures	(2,907)
Fund balance - beginning	113,055
Fund balance - ending	<u><u>110,148</u></u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
HVAC PROJECT
For the Fiscal Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 5,865,551	\$ -	\$ 5,865,551	\$ 5,865,551
Bond proceeds and transfers	8,798,000	-	8,798,000	8,798,000
Local Revenue	326	-	326	326
Total revenues	14,663,877	-	14,663,877	14,663,877
Expenditures and Other Financing Uses				
Purchased prof. and technical services	1,814,999	-	1,814,999	2,296,986
Construction services	12,725,800	2,907	12,728,707	12,356,867
Supplies	10,023	-	10,023	10,024
Total expenditures	14,550,822	2,907	14,553,729	14,663,877
Excess (deficiency) or revenues over (under) expenditures	\$ 113,055	\$ (2,907)	\$ 110,148	\$ -
Additional project information:				
Project Number	SP 4580-050-04-000Y			
Grant Date	2003/04			
Bond Authorization Date	12/9/2003			
Bonds Authorized	\$ 8,798,000			
Bonds Issued	\$ 8,798,000			
Original Authorized Cost	\$ 14,663,877			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 14,663,877			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	99.00%			
Original target completion date	2005			
Revised target completion date	2009			

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Position
June 30, 2017

	Business-type Activities - Enterprise Funds		
	Food Service	Intramural	Total Enterprise
Assets:			
Current assets:			
Cash and cash equivalents	\$ 103,298	\$ 50,979	\$ 154,277
Accounts receivable:			
State	-	-	-
Federal	-	-	-
Others	-	-	-
Interfund	-	-	-
Inventories	1,186	-	1,186
Total current assets	<u>104,484</u>	<u>50,979</u>	<u>155,463</u>
Fixed assets:			
Equipment	161,867	-	161,867
Buildings and improvements	12,875	-	12,875
Accumulated depreciation	(111,157)	-	(111,157)
Total fixed assets	<u>63,585</u>	<u>-</u>	<u>63,585</u>
Total assets	<u>\$ 168,069</u>	<u>\$ 50,979</u>	<u>\$ 219,048</u>
Liabilities and Net Position:			
Liabilities:			
Accounts payable	-	-	-
Accrued salaries and benefits	-	-	-
Compensated absences	-	-	-
Interfund payable	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net position:			
Invested in capital assets	63,585	-	63,585
Restricted for other purposes	-	-	-
Unrestricted net position	104,484	50,979	155,463
Total net position	<u>168,069</u>	<u>50,979</u>	<u>219,048</u>
Total liabilities and net position	<u>\$ 168,069</u>	<u>\$ 50,979</u>	<u>\$ 219,048</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Enterprise Funds
Combined Statement of Revenues, Expenses and
Changes in Net Position
For the Fiscal Year ended June 30, 2017

	Business-type Activities - Enterprise Funds		
	Food Service	Intramural	Total Enterprise
Operating revenues:			
Local sources:			
Daily sales-reimbursable programs:			
School breakfast program	\$ -	\$ -	\$ -
School lunch program	-	-	-
Total-daily sales-reimbursable programs	-	-	-
Daily sales non-reimbursable programs	825,085	-	825,085
Special functions	17,489	-	17,489
Miscellaneous	-	29,447	29,447
Total operating revenues	842,574	29,447	872,021
Operating expenses:			
Salaries	297,481	24,750	322,231
Employee benefits	57,862	2,193	60,055
Purchased property	6,370	-	6,370
Other purchased services	66,035	-	66,035
Supplies and materials	11,122	1,250	12,372
Depreciation	11,306	-	11,306
Cost of sales - reimbursable programs	-	-	-
Cost of sales - non-reimbursable programs	360,952	-	360,952
Total operating expenses	811,128	28,193	839,321
Operating income (loss)	31,446	1,254	32,700
Nonoperating revenues:			
State sources:			
State school lunch program	-	-	-
Federal sources:			
National school lunch program	-	-	-
Food distribution program	-	-	-
Interest	-	-	-
Total nonoperating revenues	-	-	-
Change in net position before transfers	31,446	1,254	32,700
Transfers in (out)	-	-	-
Change in net position	31,446	1,254	32,700
Total unrestricted net position beginning	136,623	49,725	186,348
Total unrestricted net position ending	\$ 168,069	\$ 50,979	\$ 219,048

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
 Food Services Enterprise Fund
 Combining Statement of Cash Flows
 for the Fiscal Year ended June 30, 2017

	Business-type Activities - Enterprise Funds		
	Food Service	Intramural	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other funds	\$ 842,574	\$ 29,447	\$ 872,021
Payments to employees & benefits	(355,343)	(26,943)	(382,286)
Payments to suppliers	(444,421)	(1,250)	(445,671)
Net cash provided by (used in) operating activities	<u>42,810</u>	<u>1,254</u>	<u>44,064</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	-	-	-
Federal sources	-	-	-
Board interfund loans	-	-	-
Net cash provided by non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Change in capital contributions	-	-	-
Purchases of capital assets	(5,295)	-	(5,295)
Gain/Loss on sale of fixed assets (proceeds)	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>(5,295)</u>	<u>-</u>	<u>(5,295)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	-	-	-
Proceeds from sale/maturities of investments	-	-	-
Net cash provided by (used for) investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>37,515</u>	<u>1,254</u>	<u>38,769</u>
Balances—beginning of year	<u>65,783</u>	<u>49,725</u>	<u>115,508</u>
Balances—end of year	<u>\$ 103,298</u>	<u>\$ 50,979</u>	<u>\$ 154,277</u>

Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:

Operating loss	\$ 31,446	\$ 1,254	\$ 32,700
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:			
Depreciation and net amortization	11,306	-	11,306
Federal commodities	-	-	-
(Increase) decrease in accounts receivable, net	-	-	-
(Increase) decrease in inventories	58	-	58
Increase (decrease) in accounts payable	-	-	-
Increase (decrease) in accrued salaries benefits	-	-	-
Increase (decrease) in compensated absences	-	-	-
Total adjustments	<u>11,364</u>	<u>-</u>	<u>11,364</u>
Net cash provided by (used in) operating activities	<u>\$ 42,810</u>	<u>\$ 1,254</u>	<u>\$ 44,064</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
June 30, 2017

	<u>Student Activity</u>	<u>Payroll Agency</u>	<u>Scholarship Fund</u>	<u>Unemployment Compensation Trust</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 265,182	\$ 8,158	\$ 512,665	\$ 229,582	\$ 1,015,587
Total assets	<u>265,182</u>	<u>8,158</u>	<u>512,665</u>	<u>229,582</u>	<u>1,015,587</u>
LIABILITIES					
Payroll deductions and withholdings	-	8,007	-	-	8,007
Payable to student groups	265,182	-	-	-	265,182
Interfund payable	-	151	-	-	151
Total liabilities	<u>265,182</u>	<u>8,158</u>	<u>-</u>	<u>-</u>	<u>273,340</u>
Fund Balances					
Reserved for future payment	-	-	512,665	229,582	742,247
Total fund balances	<u>-</u>	<u>-</u>	<u>512,665</u>	<u>229,582</u>	<u>742,247</u>
Total liabilities and fund balances	<u>\$ 265,182</u>	<u>\$ 8,158</u>	<u>\$ 512,665</u>	<u>\$ 229,582</u>	<u>\$ 1,015,587</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2017

	Scholarship Funds	Unemployment Compensation Fund	Total
ADDITIONS			
Contributions:			
Board	\$ -	\$ 14,270	\$ 14,270
Other	369,349	-	369,349
Total contributions	<u>369,349</u>	<u>14,270</u>	<u>383,619</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	-	-	-
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>-</u>	<u>-</u>	<u>-</u>
Total additions	<u>369,349</u>	<u>14,270</u>	<u>383,619</u>
DEDUCTIONS			
Quarterly contribution reports	-	-	-
Unemployment claims	-	6,093	6,093
Scholarships awarded	386,200	-	386,200
Refunds of contributions	-	-	-
Administrative expenses	-	-	-
Total deductions	<u>386,200</u>	<u>6,093</u>	<u>392,293</u>
Change in net position	(16,851)	8,177	(8,674)
Net position—beginning of the year	<u>529,516</u>	<u>221,405</u>	<u>750,921</u>
Net position—end of the year	<u>\$ 512,665</u>	<u>\$ 229,582</u>	<u>\$ 742,247</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
Student Activities Funds	<u>\$ 281,748</u>	<u>\$ 449,541</u>	<u>\$ 466,107</u>	<u>\$ 265,182</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS:				
Cash and cash equivalents	\$ 8,143	\$ 11,396,062	\$ 11,396,047	\$ 8,158
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 8,143</u>	<u>11,396,062</u>	<u>11,396,047</u>	<u>8,158</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 7,992	8,007	7,992	\$ 8,007
Accrued salaries and wages	-	-	-	-
Intrafund payable	-	-	-	-
Interfund payable	151	-	-	151
Other current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 8,143</u>	<u>\$ 8,007</u>	<u>\$ 7,992</u>	<u>\$ 8,158</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Private Purpose Scholarship Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS:				
Cash and cash equivalents:				
Kaleen Pezzuti Memorial Fund	\$ 13,330	\$ 22	\$ 1,500	\$ 11,852
Lee Rose Memorial Fund	2,817	-	1,000	1,817
Superintendent's Award	16,751	2	2,845	13,908
Frank W. Baigent Scholarship Fund	351,857	362,810	368,055	346,612
General Scholarships	<u>144,761</u>	<u>6,515</u>	<u>12,800</u>	<u>138,476</u>
	529,516	369,349	386,200	512,665
Investments:				
Anonymous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 529,516</u>	<u>\$ 369,349</u>	<u>\$ 386,200</u>	<u>\$ 512,665</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
 Long-Term Debt
 Schedule of Serial Bonds
 June 30, 2017

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Refinanced</u>	<u>Balance June 30, 2017</u>
Refunding 2004 Bonds	2/1/2013	3,730,000	2/1/2017	735,000	2.000%	<u>2,270,000</u>	<u>-</u>	<u>(735,000)</u>	<u>-</u>	<u>1,535,000</u>
			2/1/2018	760,000	2.000%					
			2/1/2019	775,000	2.000%					
						<u>\$ 2,270,000</u>	<u>\$ -</u>	<u>\$ (735,000)</u>	<u>\$ -</u>	<u>\$ 1,535,000</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 780,400	\$ -	\$ 780,400	\$ 780,400	\$ -
Miscellaneous	-	-	-	-	-
State Sources:					
Debt Service Aid Type II	-	-	-	-	-
Debt Service Aid Type I	-	-	-	-	-
<u>Total - State Sources</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>780,400</u>	<u>-</u>	<u>780,400</u>	<u>780,400</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	45,400	-	45,400	45,400	-
Redemption of Principal	735,000	-	735,000	735,000	-
<u>Total Regular Debt Service</u>	<u>780,400</u>	<u>-</u>	<u>780,400</u>	<u>780,400</u>	<u>-</u>
Total Expenditures	<u>780,400</u>	<u>-</u>	<u>780,400</u>	<u>780,400</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	21,628	-	21,628	21,628	-
Fund Balance, June 30	<u>\$ 21,628</u>	<u>\$ -</u>	<u>\$ 21,628</u>	<u>\$ 21,628</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ 21,628</u>	<u>\$ -</u>	<u>\$ 21,628</u>	<u>\$ 21,628</u>	<u>\$ -</u>

STATISTICAL SECTION

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RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Statistical Section

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Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	108-112
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial	113-114
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it	115-119

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.*

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Net Assets/Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 10,145,705	\$ 11,190,723	\$ 11,995,205	\$ 12,333,157	\$ 12,567,547	\$ 12,405,448	\$ 13,671,872	\$ 13,433,987	\$ 13,571,244	\$ 13,944,675
Restricted	3,582,097	3,343,222	2,594,418	3,065,359	3,426,122	4,354,038	3,120,494	3,920,795	4,218,768	4,471,177
Unrestricted	110,956	80,886	149,265	164,724	95,981	91,208	260,550	(3,059,557)	(3,183,736)	(3,250,477)
Total governmental activities net assets/position	<u>13,838,758</u>	<u>14,614,831</u>	<u>14,738,888</u>	<u>15,563,240</u>	<u>16,089,650</u>	<u>16,850,694</u>	<u>17,052,916</u>	<u>14,295,225</u>	<u>14,606,276</u>	<u>15,165,375</u>
Business-type activities										
Net investment in capital assets	62,311	55,725	60,138	53,074	46,441	39,809	33,177	80,549	69,596	63,585
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	57,559	54,899	49,042	66,684	71,255	101,493	116,482	66,328	116,752	155,463
Total business-type activities net assets/position	<u>119,870</u>	<u>110,624</u>	<u>109,180</u>	<u>119,758</u>	<u>117,696</u>	<u>141,302</u>	<u>149,659</u>	<u>146,877</u>	<u>186,348</u>	<u>219,048</u>
District-wide										
Net investment in capital assets	10,208,016	11,246,448	12,055,344	12,386,230	12,613,988	12,445,257	13,705,049	13,514,536	13,640,840	14,008,260
Restricted	3,582,097	3,343,222	2,594,418	3,065,359	3,426,122	4,354,038	3,120,494	3,920,795	4,218,768	4,471,177
Unrestricted	168,515	135,785	198,306	231,408	167,236	192,701	377,032	(2,993,229)	(3,066,984)	(3,095,014)
Total district net assets/position	<u>13,958,628</u>	<u>14,725,455</u>	<u>14,848,068</u>	<u>15,682,997</u>	<u>16,207,346</u>	<u>16,991,996</u>	<u>17,202,575</u>	<u>14,442,102</u>	<u>14,792,624</u>	<u>15,384,423</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Changes in Net Assets/Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction										
Regular	(7,400,409)	(7,247,154)	(7,540,130)	(7,279,519)	(7,863,183)	6,085,044	6,259,316	6,432,317	6,525,479	6,710,905
Special education	(1,266,147)	(1,263,649)	(1,267,600)	(1,359,452)	(1,406,388)	888,195	891,548	923,779	1,029,550	969,025
Other special education	(32,066)	(31,278)	(24,370)	(21,131)	(42,037)	762,375	1,004,506	929,316	996,000	1,100,373
Vocational										
Other instruction	(727,866)	(708,425)	(744,974)	(704,743)	(692,131)					
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition	(353,536)	(364,455)	(444,453)	(443,372)	(401,696)					
Student & Instruction Related Services	(2,163,454)	(2,387,619)	(2,698,999)	(2,460,706)	(2,589,474)					
Instruction						660,165	904,891	872,928	1,115,237	1,349,959
Attendance and social work						28,658	25,777	37,453	41,022	30,438
Health services						115,405	122,207	125,354	130,684	127,484
Improvement of instr. services						668,126	705,261	697,897	737,805	708,618
Educational media services						112,002	121,723	115,501	110,525	116,669
Instruction staff training						22,909	12,903	14,122	15,796	9,820
School Administrative services	(475,053)	(501,687)	(501,137)	(521,245)	(512,846)	411,527	381,896	506,821	501,264	547,923
General administration	(521,596)	(570,511)	(510,909)	(544,187)	(513,620)	483,699	580,060	682,986	609,826	549,808
Central Services	(254,904)	(274,771)	(316,604)	(330,909)	(353,117)	286,751	294,232	306,106	313,160	317,281
Plant operations and maintenance	(2,397,757)	(2,016,967)	(1,955,400)	(2,116,988)	(2,115,164)	1,272,625	1,283,543	1,371,271	1,459,079	1,528,123
Administrative information technology	(11,650)	(9,815)	(18,730)	(9,815)	(55,563)	18,668	26,377	17,128	13,284	19,776
Pupil transportation	(918,350)	(966,585)	(1,050,824)	(857,834)	(721,643)	645,679	817,813	839,528	941,875	1,046,606
Other support services						1,080,940	1,152,704	1,146,549	1,226,087	1,249,978
Business and other support services						-	-	-	-	-
Non-budgeted expenditures						1,550,045	1,389,860	1,204,680	1,304,489	1,296,324
Special Schools						-	-	-	-	-
Interest on long-term debt	(250,913)	(236,663)	(221,313)	(205,313)	(188,083)	260,228	83,510	61,390	59,700	20,980
Unallocated employee benefits						2,399,028	2,469,119	2,431,198	2,403,607	2,427,806
Total governmental activities expenses	<u>(16,773,701)</u>	<u>(16,579,579)</u>	<u>(17,295,443)</u>	<u>(16,855,214)</u>	<u>(17,454,945)</u>	<u>17,752,069</u>	<u>18,527,246</u>	<u>18,716,324</u>	<u>19,534,469</u>	<u>20,127,896</u>
Business-type activities:										
Food service	(578,058)	(566,979)	(601,336)	(568,075)	(557,909)	550,041	570,097	591,641	727,283	811,128
Child Care						71,356	26,255	32,472	16,793	28,193
Total business-type activities expense	<u>(578,058)</u>	<u>(566,979)</u>	<u>(601,336)</u>	<u>(568,075)</u>	<u>(557,909)</u>	<u>621,397</u>	<u>596,352</u>	<u>624,113</u>	<u>744,076</u>	<u>839,321</u>
Total district expenses	<u>(17,351,759)</u>	<u>(17,146,558)</u>	<u>(17,896,779)</u>	<u>(17,423,289)</u>	<u>(18,012,854)</u>	<u>18,373,466</u>	<u>19,123,598</u>	<u>19,340,437</u>	<u>20,278,545</u>	<u>20,967,217</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Changes in Net Assets/Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	282,637	196,110	153,373	133,350	190,605	-	-	-	-	-
Pupil transportation	205,980	220,820	235,239	187,818	71,964	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	133,575	114,530	118,885	7,722	10,119	1,550,045	1,389,860	1,204,680	1,304,489	1,296,324
Capital grants and contributions	879,833	227,431	204,888	158,125	110,071	-	-	-	-	-
Total governmental activities program revenues	<u>1,502,025</u>	<u>758,891</u>	<u>712,385</u>	<u>487,015</u>	<u>382,759</u>	<u>1,550,045</u>	<u>1,389,860</u>	<u>1,204,680</u>	<u>1,304,489</u>	<u>1,296,324</u>
Business-type activities:										
Charges for services:										
Food service	554,801	540,711	566,119	567,167	544,502	534,453	571,075	584,690	754,868	842,574
Child Care	-	-	-	-	-	65,810	33,634	36,641	28,679	29,447
Operating grants and contributions	15,948	17,022	21,818	11,486	11,345	12,903	-	-	-	-
Capital grants and contributions	9,225	-	11,955	-	-	-	-	-	-	-
Total business type activities program revenues	<u>579,974</u>	<u>557,733</u>	<u>599,892</u>	<u>578,653</u>	<u>555,847</u>	<u>613,166</u>	<u>604,709</u>	<u>621,331</u>	<u>783,547</u>	<u>872,021</u>
Total district program revenues	<u>2,081,999</u>	<u>1,316,624</u>	<u>1,312,277</u>	<u>1,065,668</u>	<u>938,606</u>	<u>2,163,211</u>	<u>1,994,569</u>	<u>1,826,011</u>	<u>2,088,036</u>	<u>2,168,345</u>
Net (Expense)/Revenue										
Governmental activities	(15,271,676)	(15,820,688)	(16,583,058)	(16,368,199)	(17,072,186)	(17,752,069)	(18,527,246)	(18,716,324)	(19,534,469)	(20,127,896)
Business-type activities	1,915	(9,246)	(1,444)	10,577	(2,061)	(621,397)	(596,352)	(624,113)	(744,076)	(839,321)
Total district-wide net expense	<u>(15,269,761)</u>	<u>(15,829,934)</u>	<u>(16,584,502)</u>	<u>(16,357,622)</u>	<u>(17,074,247)</u>	<u>(18,373,466)</u>	<u>(19,123,598)</u>	<u>(19,340,437)</u>	<u>(20,278,545)</u>	<u>(20,967,217)</u>
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes levied for general purposes, net	13,498,102	14,038,026	14,318,786	14,891,537	15,056,632	15,310,626	15,616,839	16,316,506	16,851,880	17,450,703
Taxes levied for debt service	698,240	673,121	695,985	760,608	769,143	775,605	760,698	768,600	774,700	780,400
Unrestricted grants and contributions	2,296,938	1,752,196	1,594,977	1,485,614	1,728,955	541,275	694,769	657,962	721,880	816,176
Federal and State Aid Restricted	-	-	-	-	-	-	-	-	-	-
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	118,029	38,936	5,258	1,117	370	-	-	-	-	-
Miscellaneous income	72,598	94,482	92,109	53,672	43,496	335,562	267,302	230,177	192,571	343,392
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>16,683,907</u>	<u>16,596,761</u>	<u>16,707,115</u>	<u>17,192,548</u>	<u>17,598,596</u>	<u>16,963,068</u>	<u>17,339,608</u>	<u>17,973,245</u>	<u>18,541,031</u>	<u>19,390,671</u>
Change in Net Assets/Position										
Governmental activities	1,412,232	776,073	124,057	824,353	526,409	761,044	202,222	461,601	311,051	559,099
Business-type activities	1,916	(9,246)	(1,444)	10,577	(2,061)	(8,231)	8,357	(2,782)	39,471	32,700
Total district	<u>1,414,148</u>	<u>766,827</u>	<u>122,613</u>	<u>834,930</u>	<u>524,348</u>	<u>752,813</u>	<u>210,579</u>	<u>458,819</u>	<u>350,522</u>	<u>591,799</u>

RUMSON-FAIR HAVEN 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	\$ 3,406,732	\$ 3,031,845	\$ 2,290,053	\$ -	\$ -	\$ 4,141,418	\$ 2,907,896	\$ 3,759,321	\$ 4,084,085	\$ 4,339,401
Unreserved	280,644	277,644	294,483	-	-	240,503	387,179	335,284	366,965	458,159
Restricted	-	-	-	2,126,422	2,677,727	-	-	-	-	-
Committed	-	-	-	114,100	-	-	-	-	-	-
Assigned	-	-	-	709,482	615,945	-	-	-	-	-
Unassigned	-	-	-	321,379	307,911	-	-	-	-	-
Total general fund	<u>\$ 3,687,377</u>	<u>\$ 3,309,489</u>	<u>\$ 2,584,536</u>	<u>\$ 3,271,383</u>	<u>\$ 3,601,583</u>	<u>\$ 4,381,921</u>	<u>\$ 3,295,075</u>	<u>\$ 4,094,605</u>	<u>\$ 4,451,050</u>	<u>\$ 4,797,560</u>
All Other Governmental Funds										
Reserved	\$ 255,755	\$ 386,693	\$ 374,466	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	190,970	190,970	139,846	113,055	38,481
Debt service fund	180	205	170	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	21	22	21,650	21,628	21,628	21,628	21,628
Capital projects fund	-	-	-	-	190,970	-	-	-	-	-
Committed to										
Other purposes	-	-	-	-	-	-	-	-	-	71,667
Assigned	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	170	-	-	-	-	-	-
Capital projects fund	-	-	-	179,936	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 255,935</u>	<u>\$ 386,897</u>	<u>\$ 374,635</u>	<u>\$ 180,126</u>	<u>\$ 190,992</u>	<u>\$ 212,620</u>	<u>\$ 212,598</u>	<u>\$ 161,474</u>	<u>\$ 134,683</u>	<u>\$ 131,776</u>

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RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax levy	14,196,342	14,711,147	15,014,771	15,652,145	15,825,775	16,086,231	16,377,537	17,085,106	17,626,580	18,231,103
Tuition charges	282,637	196,110	153,373	133,350	190,605	-	195,073	170,701	143,020	241,657
Interest earnings	118,029	38,936	5,089	1,117	370	621	311	-	-	13,128
Miscellaneous	278,578	315,301	312,348	241,492	115,461	305,703	71,918	59,476	49,551	88,607
Transportation fees	-	-	-	-	10,878	-	-	-	-	-
State sources	3,104,621	1,927,592	1,557,271	1,288,971	1,667,231	1,966,020	1,885,002	1,698,452	1,805,007	1,882,435
Federal sources	205,724	166,564	345,938	362,490	181,913	125,300	199,627	164,190	221,362	230,065
Other financing sources	-	-	-	-	-	-	-	-	-	-
Total revenue	18,185,931	17,355,651	17,388,790	17,679,565	17,981,355	18,494,753	18,729,468	19,177,925	19,845,520	20,686,995
Expenditures										
Instruction	5,933,677	6,257,189	6,534,880	6,101,047	6,486,661	-	-	-	-	-
Regular instruction	1,039,576	1,104,655	1,124,304	1,173,332	1,212,789	5,360,437	5,430,297	5,612,482	5,679,164	5,868,462
Special education instruction	32,066	10,907	24,370	21,131	42,037	862,621	862,289	894,844	999,680	939,292
School Sponsored/Other special instruction	584,593	628254.46	651,281	665,968	634,340	758,113	999,629	924,493	991,022	1,095,417
Support Services:										
Instruction	353,536	364,455	444,453	443,372	401,696	587,704	821,989	790,944	1,030,605	1,265,715
Support Services Students	1,398,477	1,507,719	1,639,168	1,529,578	1,564,924	-	-	-	-	-
Attendance and social work	-	-	-	-	-	28,658	25,777	37,453	41,022	30,438
Health services	-	-	-	-	-	115,405	122,207	125,354	130,684	127,484
Other support services	-	-	-	-	-	1,080,940	1,152,704	1,146,549	1,226,087	1,249,978
Improvement of instruction	-	-	-	-	-	668,126	705,261	697,897	737,805	708,618
Educational media services	-	-	-	-	-	112,002	121,723	115,501	110,525	116,669
Instruction staff training	620,539	696,120	888,399	722,845	816,627	22,909	12,903	14,122	15,796	9,820
General administrative services	494,584	486,742	485,543	524,663	476,949	483,699	580,060	682,986	609,826	549,808
School administrative services	461,304	540,496	486,602	484,971	494,290	448,588	375,303	435,627	443,486	460,376
School central services	243,080	261,483	301,338	309,713	332,183	286,751	294,232	306,106	313,160	317,281
School admin info technology	11,650	9,815	18,730	9,815	55,563	18,668	26,377	17,128	13,284	19,776
Allowed maintenance for school facilities	-	-	-	-	-	207,280	123,617	184,924	224,161	814,499
Other operation & maintenance of plant	2,143,491	1,781,174	1,684,862	1,396,805	1,358,978	992,394	1,059,585	1,131,736	1,184,682	1,257,914
Student transportation services	918,350	966,585	1,050,824	857,834	721,643	645,679	817,813	839,528	941,875	1,046,606
Business and other support services	-	-	-	-	-	-	-	-	-	-
Unallocated employee benefits	204,951	241,728	265,802	328,588	323,790	2,399,028	2,469,119	2,424,537	2,275,655	2,327,685
Non-budgeted expenditures	-	-	-	-	-	1,550,045	1,389,860	1,204,680	1,304,489	1,296,324
Other	-	-	-	-	-	-	-	-	-	-
On-Behalf TPAF Post Retirement Contributions	543,374	456,110	455,336	484,632	465,894	-	-	-	-	-
On-Behalf TAPF Pension Contributions	495,564	23,908	24,244	22,817	231,758	-	-	-	-	-
Reimbursed TPAF Social Security	506,184	531,532	554,907	521,944	534,375	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	79,011	423,577	24,562	78,659	211,830	309,763	1,664,871	74,028	468,158	60,830
Special Revenue	247,681	210,354	400,459	396,251	193,929	-	-	-	-	-
Debt service:										
Principal	480,000	505,000	525,000	550,000	575,000	615,000	665,000	695,000	715,000	735,000
Interest and other charges	255,513	241,713	226,563	210,813	194,313	138,977	95,720	73,600	59,700	45,400
Total expenditures	17,047,199	17,249,516	17,811,625	16,834,778	17,329,570	17,692,787	19,816,336	18,429,519	19,515,866	20,343,392
Excess (Deficiency) of revenues over (under) expenditures	1,138,732	106,134	(422,835)	844,786	651,785	801,966	(1,086,868)	748,406	329,654	343,603
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	-	329,342	406,226	20	211,683	-	-	-	-	-
Transfers out	-	(329,342)	(406,226)	(20)	(211,683)	(18,360)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(18,360)	-	-	-	-
Net change in fund balances	1,138,732	106,134	(422,835)	844,786	651,785	783,606	(1,086,868)	748,406	329,654	343,603
Debt service as a percentage of noncapital expenditures	4.33%	4.44%	4.23%	4.54%	4.49%	4.34%	4.19%	4.19%	4.07%	3.85%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.
 Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

RUMSON-FAIR HAVEN 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,	Sale of Capital Assets	Interest on Investments	Event Receipts	Rentals	Prior Year Refunds	Transportation Fees	Miscellaneous	Annual Totals
2008	-	-	-	-	-	-	574,762	574,762
2009	-	-	-	-	-	-	467,622	467,622
2010	-	-	-	-	-	-	416,289	416,289
2011	-	-	-	-	-	-	339,917	339,917
2012	-	-	-	-	-	-	280,080	280,080
2013	-	621	-	-	-	10,878	-	11,499
2014	-	311	-	-	-	-	34,766	35,077
2015	-	-	-	-	-	-	32,067	32,067
2016	-	-	-	-	-	-	15,909	15,909
2017	-	-	-	-	-	-	71,499	71,499

Source: District records

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years**

Rumson Borough

Calendar Year Ended Dec 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b	Total Direct Regional Tax Rate
2008	45,975,700	2,747,446,100	6,051,700	31,000	101,724,700	-	3,668,100	2,904,897,300	-	1,340,414	1,389,197,202	3,638,605,916	0.425	0.373
2009	42,970,900	2,802,888,200	6,051,700	32,600	102,395,500	-	1,494,800	2,955,833,700	-	1,626,628	1,387,534,300	3,765,682,073	0.441	0.361
2010	37,540,800	2,819,687,500	6,051,700	29,200	102,464,300	-	628,700	2,966,402,200	-	1,903,707	2,968,305,907	3,625,612,976	0.458	0.381
2011	38,412,300	2,807,299,400	6,307,600	32,000	102,610,100	-	628,700	2,955,290,100	-	1,405,766	2,956,695,866	3,482,171,902	0.468	0.379
2012	41,969,100	2,809,034,000	-	30,200	103,446,700	-	628,700	2,955,108,700	-	1,363,484	3,248,954,038	3,441,790,050	0.480	0.389
2013	54,489,000	2,757,376,100	-	26,800	99,895,900	-	628,700	2,912,416,500	-	1,277,630	2,913,694,130	3,320,270,792	0.496	0.407
2014	54,489,000	2,757,376,100	-	26,800	99,895,900	-	628,700	2,912,416,500	-	1,277,630	2,913,694,130	3,320,270,792	0.496	0.407
2015	47,011,900	3,192,319,600	7,361,700	25,000	80,679,000	-	31,338,400	3,358,735,600	-	1,124,732	3,359,860,332	3,320,270,792	0.446	0.374
2016	38,095,200	3,290,090,400	6,891,700	25,000	111,691,600	-	488,900	3,447,282,800	-	1,126,150	3,448,408,950	3,337,400,638	0.446	0.372
2017	35,813,400	3,286,000,000	6,898,900	29,400	110,281,900	-	1,024,700	3,440,048,300	-	1,124,274	3,441,172,574	3,441,172,574	0.467	0.378

Source: Municipal Tax Assessor

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

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

* Revaluation effective 2004

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

^b Tax rates are per \$100

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

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Fair-Haven Borough

Calendar Year Ended Dec 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b	Total Direct Regional Tax Rate
2008	10,976,600	1,088,054,500	-	-	37,360,200	-	-	1,136,391,300	-	464,997	1,136,856,297	1,597,417,358	1.024	0.334
2009	11,701,300	1,098,504,400	-	-	38,035,100	-	-	1,148,240,800	-	5,781,747	1,154,022,547	1,533,094,129	1.054	0.358
2010	8,257,500	1,108,252,100	-	-	38,035,100	-	-	1,154,544,700	-	593,599	1,155,138,299	1,563,193,686	1.088	0.377
2011	8,336,600	1,112,471,500	-	-	38,126,700	-	-	1,158,934,800	-	456,964	1,159,391,764	1,547,381,557	1.102	0.387
2012	11,706,700	1,112,721,000	-	-	38,126,700	-	-	1,162,554,400	-	-	1,162,554,400	1,505,176,258	1.120	0.396
2013	10,626,900	1,115,672,700	-	-	37,727,500	-	-	1,164,027,100	-	488,358	1,164,515,458	1,458,033,006	1.137	0.391
2014	10,626,900	1,115,672,700	-	-	37,727,500	-	-	1,164,027,100	-	448,358	1,164,475,458	1,458,033,006	1.137	0.391
2015	9,108,000	1,470,013,900	-	-	50,248,000	-	-	1,529,369,900	-	441,313	1,529,811,213	1,458,033,006	0.932	0.320
2016	11,427,100	1,510,231,800	-	-	51,014,900	-	-	1,572,673,800	-	443,518	1,573,117,318	1,573,117,318	0.914	0.326
2017	15,738,400	1,570,109,300	-	-	52,250,800	-	-	1,638,098,500	-	450,247	1,638,548,747	1,677,914,624	0.878	0.345

Source: Municipal Tax Assessor

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

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

* Revaluation effective 2004

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

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

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Rumson-Fair Haven Regional High
 School District Direct Rate

Overlapping Rates

Fiscal Year Ended June 30,	Basic Rate ^a		General Obligation Debt Service ^b		(From J-6) Total Direct School Tax Rate		Total Regional High School Tax Rate		Municipal		Monmouth County		Total Direct and Overlapping Tax Rate	
	Rumson Borough	Fair-Haven Borough	Rumson Borough	Fair-Haven Borough	Rumson Borough	Fair-Haven Borough	Rumson Borough	Fair-Haven Borough	Rumson Borough	Fair-Haven Borough	Rumson Borough	Fair-Haven Borough	Rumson Borough	Fair- Haven Borough
2008	0.356	0.318	0.017	0.016	0.425	1.024	0.373	0.334	0.302	0.481	0.318	0.357	1.791	2.530
2009	-	-	0.017	0.019	0.441	1.054	0.361	0.358	0.302	0.470	0.327	0.362	1.448	2.263
2010	-	-	0.017	0.019	0.458	1.088	0.381	0.377	0.323	0.458	0.328	0.366	1.507	2.308
2011	-	-	0.017	0.019	0.468	1.102	0.379	0.387	0.332	0.457	0.329	0.375	1.525	2.340
2012	0.017	0.020	0.017	0.020	0.480	1.120	0.389	0.396	0.342	0.456	0.301	0.338	1.546	2.350
2013	0.369	0.377	0.019	0.019	0.050	1.137	0.407	0.391	0.359	0.457	0.309	0.342	1.959	2.723
2014	0.388	0.373	0.019	0.019	0.496	1.137	0.407	0.391	0.359	0.457	0.309	0.342	1.959	2.719
2015	0.355	0.304	0.016	0.015	0.446	0.932	0.374	0.320	0.322	0.404	0.315	0.312	1.828	2.287
2016	0.329	0.399	0.016	0.015	0.446	0.914	0.372	0.326	0.329	0.399	0.273	0.272	1.765	2.325
2017	0.335	0.389	-	0.000	0.467	0.878	0.378	0.345	0.335	0.389	0.256	0.255	1.771	2.256

Source: Municipal Tax Collector

Note:

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

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

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

* Information used for 2008-09 budget.

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Principal Property Taxpayers,
Current Year and Ten Years Ago

Rumson 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	0	0		0	0	
Taxpayer 2	0	0		0	0	
Taxpayer 3	0	0		0	0	
Taxpayer 4	0	0		0	0	
Taxpayer 5	0	0		0	0	
Taxpayer 6	0	0		0	0	
Taxpayer 7	0	0		0	0	
Taxpayer 8	0	0		0	0	
Taxpayer 9	0	0		0	0	
Taxpayer 10	0	0		0	0	
Total	\$ -			\$ -		

Fair-Haven 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	0	0		0	0	
Taxpayer 2	0	0		0	0	
Taxpayer 3	0	0		0	0	
Taxpayer 4	0	0		0	0	
Taxpayer 5	0	0		0	0	
Taxpayer 6	0	0		0	0	
Taxpayer 7	0	0		0	0	
Taxpayer 8	0	0		0	0	
Taxpayer 9	0	0		0	0	
Taxpayer 10	0	0		0	0	
Total	\$ -			\$ -		

Source: Municipal Tax Assessor

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	14,196,342	14,196,342	100.00%	-
2009	14,711,147	14,711,147	100.00%	-
2010	15,014,771	15,014,771	100.00%	-
2011	15,652,145	15,652,145	100.00%	-
2012	15,825,775	15,825,775	100.00%	-
2013	16,086,231	16,086,231	100.00%	-
2014	16,377,537	16,377,537	100.00%	-
2015	17,085,107	17,085,107	100.00%	-
2016	17,626,580	17,626,580	100.00%	-
2017	18,231,103	18,231,103	100.00%	-

Source: Municipal Chief Financial Officer

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

RUMSON BOROUGH

Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2008	5,174,732.860	-	-	-	-	5,174,733	N/A	716.92
2009	4,778,977.040	-	-	-	-	4,778,977	N/A	657.90
2010	4,245,038.010	-	-	-	-	4,245,038	N/A	594.79
2011	3,908,174.000	-	-	-	-	3,908,174	N/A	548.75
2012	3,512,054.703	-	-	-	-	3,512,055	N/A	492.57
2013	2,966,766.000	-	-	-	-	2,966,766	N/A	N/A
2014	2,576,000.000	-	-	-	-	2,576,000	N/A	N/A
2015	2,252,165.000	-	-	-	-	2,252,165	N/A	N/A
2016	2,113,259.896	-	-	-	-	2,113,260	N/A	N/A
2017	1,579,052,177	-	-	-	-	1,579,052	N/A	N/A

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

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

FAIR HAVEN

Fiscal Year Ended June 30,	Governmental Activities				Business- Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipa- tion Notes (BANs)	Capital Leases			
2008	1,823,267.140	-	-	-	-	1,823,267	N/A	308.30
2009	1,714,022.960	-	-	-	-	1,714,023	N/A	290.02
2010	1,722,961.990	-	-	-	-	1,722,962	N/A	290.21
2011	1,509,826.000	-	-	-	-	1,509,826	N/A	246.66
2012	1,447,945.297	-	-	-	-	1,447,945	N/A	236.28
2013	1,378,234.000	-	-	-	-	1,378,234	N/A	N/A
2014	1,104,000.000	-	-	-	-	1,104,000	N/A	N/A
2015	884,375.000	-	-	-	-	884,375	N/A	N/A
2016	871,740.104	-	-	-	-	871,740	N/A	N/A
2017	690,947,823	-	-	-	-	690,948	N/A	N/A

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

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

General Bonded Debt Outstanding

RUMSON BOROUGH

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2008	None	-	5,174,733	0.18%	716.82
2009	None	-	4,778,977	0.18%	657.90
2010	None	-	4,245,038	0.14%	594.79
2011	None	-	3,908,175	0.13%	548.75
2012	None	-	3,512,055	0.13%	492.57
2013	None	-	2,966,766	0.00%	-
2014	None	-	2,576,000	0.00%	-
2015	None	-	2,252,165	0.00%	-
2016	None	-	2,113,260	0.00%	-
2017	None	-	1,579,052	0.00%	-

FAIR HAVEN BOROUGH

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2008	None	-	1,823,267	0.20%	308.30
2009	None	-	1,714,023	0.20%	290.02
2010	None	-	1,722,962	0.15%	290.21
2011	None	-	1,509,825	0.13%	246.66
2012	None	-	1,447,945	0.12%	236.28
2013	None	-	1,378,234	-	-
2014	None	-	1,104,000	-	-
2015	None	-	884,375	-	-
2016	None	-	871,740	-	-
2017	None	-	690,948	-	-

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

a Use Estimated County equalized value from J-6

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

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2017

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Rumson Borough	\$ 1,579,052,177		
Fair Haven Borough	690,947,823.00	0.00%	\$ 2,270,000,000
Monmouth County General Obligation Debt:			
Rumson Borough	-	0.00%	\$ -
Fair Haven Borough	-	0.00%	-
Subtotal, overlapping debt			2,270,000,000
Rumson-Fair Haven Regional High School District Direct Debt			1,535,000
Total direct and overlapping debt			\$ 2,271,535,000

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 Rumson Borough and Fair Haven Borough. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Legal Debt Margin Information,
Last Ten Fiscal Years

		Equalized valuation basis									
		Total	Rumson Borough	Fair Haven Borough							
	2017	5,078,146,800	3,440,048,300	1,638,098,500							
	2016	5,019,956,600	3,447,282,800	1,572,673,800							
	2015	4,076,443,600	2,912,416,500	1,164,027,100							
	[A]	<u>\$ 14,174,547,000</u>	9,799,747,600	4,374,799,400							
Average equalized valuation of taxable property	[A/3]	\$ 4,724,849,000									
Debt limit (3 % of average equalization value)	[B]	141,745,470	a								
	[C]	<u>\$ 1,535,000</u>									
	[B-C]	<u>\$ 140,210,470</u>									
Fiscal Year											
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Debt limit	145,329,653	154,387,411	156,240,792	155,171,363	151,653,264	147,548,236	145,035,739	130,409,927	139,845,057	141,745,470	
Total net debt applicable to limit	<u>6,998,000</u>	<u>6,493,000</u>	<u>5,968,000</u>	<u>5,418,000</u>	<u>4,960,000</u>	<u>4,345,000</u>	<u>3,680,000</u>	<u>2,985,000</u>	<u>2,270,000</u>	<u>1,535,000</u>	
Legal debt margin	<u>\$ 138,331,653</u>	<u>\$ 147,894,411</u>	<u>\$ 150,272,792</u>	<u>\$ 149,753,363</u>	<u>\$ 146,693,264</u>	<u>\$ 143,203,236</u>	<u>\$ 141,355,739</u>	<u>\$ 127,424,927</u>	<u>\$ 137,575,057</u>	<u>\$ 140,210,470</u>	
Total net debt applicable to the limit as a percentage of debt limit	4.82%	4.21%	3.82%	3.49%	3.27%	2.94%	2.54%	2.29%	1.62%	1.08%	

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

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
RUMSON BOROUGH				
2008	7,264	N/A	N/A	3.10%
2009	7,394	N/A	N/A	N/A
2010	7,137	N/A	N/A	N/A
2011	7,122	N/A	71,253	N/A
2012	7,130	N/A	79,388	N/A
2013	7,044	N/A	N/A	N/A
2014	7,066	N/A	N/A	N/A
2015	7,104	N/A	N/A	N/A
2016	7,006	N/A	N/A	N/A
2017	6,824	N/A	N/A	N/A
FAIR HAVEN BOROUGH				
2008	5,910	N/A	54,801	3.50%
2009	6,021	N/A	N/A	N/A
2010	5,937	N/A	N/A	N/A
2011	6,121	N/A	50,215	N/A
2012	6,128	N/A	54,244	N/A
2013	6,108	N/A	N/A	N/A
2014	6,081	N/A	N/A	N/A
2015	5,995	N/A	N/A	N/A
2016	6,081	N/A	N/A	N/A
2017	5,976	N/A	N/A	N/A

Source:

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

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

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

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

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
 Principal Employers
 Current Year and Ten Years Ago

Employer	2017			2008		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0.00%	-		0.00%

Source: Municipal Tax Collector

Municipality didn't have the information available a time to publication of this report.

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction										
Regular	72.0	71.8	71.8	79.0	75.8	75.8	75.8	75.8	76.8	76.8
Special education	13.6	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Other special education	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Vocational	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other instruction	5.6	5.5	0.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0
Nonpublic school programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adult/continuing education programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Support Services:										
Student & instruction related services	21.4	21.6	23.0	21.0	21.5	21.5	21.5	21.5	21.5	21.5
General administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	4.5	4.7	5.7	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Other administrative services	2.1	2.1	2.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Central services	0.0	0.0	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Information Technology	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0
Plant operations and maintenance	7.0	7.0	7.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Pupil transportation	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other support services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special Schools	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Food Service	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Child Care										
Total	132.3	131.8	129.1	136.0	132.3	133.3	133.3	133.3	134.3	134.3

Source: District Personnel Records

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						High School					
2008	993.0	14,439,873	14,542	7.43%	91.0	10.9:1		989.6	908.9	-1.92%	91.85%
2009	966.0	14,857,324	15,380	5.77%	85.8	11.3:1		967.7	896.8	-2.21%	92.67%
2010	972.0	16,154,024	16,619	8.06%	87.8	11:01		978.1	925.3	1.07%	94.60%
2011	965.0	15,986,090	16,566	-0.32%	79.0	12.2:1		952.4	898.0	-2.63%	94.29%
2012	934.0	16,389,411	17,548	5.93%	75.8	12.3:1		908.9	856.7	-4.57%	94.26%
2013	897.0	14,889,330	16,599	-5.41%	75.8	11.8:1		895.0	845.3	-1.53%	94.45%
2014	929.0	16,892,299	18,183	9.54%	75.8	12.3:1		917.0	867.0	2.46%	94.55%
2015	942.0	17,592,721	18,676	2.71%	75.8	11.22:1		935.7	889.2	2.04%	95.03%
2016	998.0	18,033,086	18,069	-3.25%	76.8	12.99:1		986.5	941.7	5.43%	95.46%
2017	1,001.0	18,594,026	18,575	-0.54%	76.8	13.03:1		985.5	937.2	5.32%	95.10%

Sources: District records

Note: Enrollment based on annual October district count ASSA 10/14/11 count for FYE 2014.

- a Operating expenditures equal total expenditures less debt service, on behalf and capital outlay per schedule c -1
- 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). From Gvancardo

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
District Building										
High School										
Rumson-Fair Haven Regional High School (1935, 1957, 1963, 1971 sections)										
Square Feet	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000
Capacity (students)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	1,000.0	966.0	972.0	965.0	934.0	895	929.0	942.0	998.0	1,001.0

Number of Schools at June 30, 2017
Senior High School = 1

Note: Rumson-Fair Haven Regional High School is a one district school. The buildings are 148,000 square feet. Capacity is 1,200 students.

Source: District Facilities Office

Exhibit J-19

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-xxx

		Rumson-Fair Haven Regional High School	Total
* School Facilities			
Project # (s)			
2008	N/A	755,503	755,503
2009	N/A	274,521	274,521
2010	N/A	448,243	942,677
2011	N/A	235,509	919,057
2012	N/A	264,654	264,654
2013	N/A	225,640	225,640
2014	N/A	271,400	271,400
2015	N/A	256,400	256,400
2016	N/A	224,161	224,161
2017	N/A	814,499	814,499
Total School Facilities		<u>\$ 3,770,530</u>	<u>\$ 3,770,530</u>

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

Source: District records

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Insurance Schedule
June 30, 2017

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - MOCSSIF/NJSBAIG		
Blanket Buildings and Contents (Special		
Form Coverage/Replacement Cost)	450,000,000.00	5,000.00
Extra Expense	50,000.00	
Comprehensive General Liability	16,000,000.00	1,000.00
Money and Securities	50,000.00	500.00
Data Processing Equipment	600,000.00	1,000.00
Automobile Policy - MOCSSIF/NJSBAIG	16,000,000.00	1,000.00
Workers Compensation - MOCSSIF/NJSBAIG	6,000,000.00	-
School Board Legal Liability - New Jersey	16,000.00	1,000.00
School Boards Association Insurance Group		
Student Accident and Athletic Account - Bollinger	Variable	1,500.00
Fidelity Bond Insurance:	-	-
Selective Insurance Company:		
Board Secretary	225,000.00	1,000.00
Treasurer of School Moneys	225,000.00	1,000.00
Crime - Employee Dishonesty - NJSBAIG	500,000.00	1,000.00
Excess Workers Compensation - Life	-	-
Insurance Co. of NA		

Source: District records

SINGLE AUDIT SECTION

INDEPENDENT AUDITORS' 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
Rumson-Fair Haven Regional High School District
County of Monmouth
Rumson, New Jersey 07760

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Board of Education of the Rumson-Fair Haven Regional High School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Board of Education of the Rumson-Fair Haven Regional High School District 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 Board of Education of the Rumson-Fair Haven Regional High School District in the County of Monmouth, State of New Jersey'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 Board of Education of the Rumson-Fair Haven Regional High School District in the County of Monmouth, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of Board of Education of the Rumson-Fair Haven Regional High School District 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 School District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

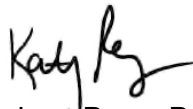
As part of obtaining reasonable assurance about whether the Board of Education of Rumson-Fair Haven Regional High School District financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 Division of 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 in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

Jump, Perry and Company, LLP
Toms River, NJ



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

Toms River, NJ
November 1, 2017

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

Honorable President and
Members of the Board of Education
Rumson-Fair Haven Regional High School District
County of Monmouth
Rumson, New Jersey 07760

Report on Compliance for Each Major Federal and State Program

We have audited Rumson-Fair Haven Regional High School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Rumson-Fair Haven Regional High School District's major federal programs for the year ended June 30, 2017. Rumson-Fair Haven Regional High School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Rumson-Fair Haven Regional High School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, the Uniform Guidance and the New Jersey OMB 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 federal and state program occurred. An audit includes examining, on a test basis, evidence about Rumson-Fair Haven Regional High 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 federal and state program. However, our audit does not provide a legal determination of Rumson-Fair Haven Regional High School District's compliance.

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of Rumson-Fair Haven 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 Rumson-Fair Haven Regional High School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the New Jersey OMB 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 Rumson-Fair Haven Regional High School District's internal control over compliance.


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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey State OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Jump, Perry and Company, L.L.P.
Toms River, New Jersey

A handwritten signature in black ink, appearing to read "Kathy Perry". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

November 1, 2017

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 for the Fiscal Year ended June 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance at June 30, 2016</u>	<u>Adjustments</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Repayment of Prior years' Balances</u>	<u>Deferred Revenue at June 30, 2017</u>	<u>Accounts Receivable at June 30, 2017</u>	<u>Due to Grantor at June 30, 2017</u>
U.S. Department of Education											
Passed-through State Department of Education:											
Title I, Basic Allocation	84.010	7/1/16-6/30/17	51,899	-	-	5,663	(57,362)	-	-	(51,699)	-
Title I, Basic Allocation - Carryover	84.010	7/1/15-6/30/16	53,426	59	(59)	-	-	-	-	-	-
Title II - Part A	84.340	7/1/16-6/30/17	10,095	-	-	10,095	(10,095)	-	-	-	-
I.D.E.A. Part B Basic	84.027	7/1/16-6/30/17	162,608	-	-	162,608	(162,608)	-	-	-	-
Total Special Revenue Fund				<u>59</u>	<u>(59)</u>	<u>178,366</u>	<u>(230,065)</u>	<u>-</u>	<u>-</u>	<u>(51,699)</u>	<u>-</u>
Total Expenditures of Federal Awards				<u>59</u>	<u>(59)</u>	<u>178,366</u>	<u>(230,065)</u>	<u>-</u>	<u>-</u>	<u>(51,699)</u>	<u>-</u>

See accompanying notes to schedules of expenditures.

RUMSON-FAIR HAVEN 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	Grant Period	Award Amount	Balance at June 30, 2016	Adjustments	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2017	(Accounts Receivable) at June 30, 2017	Due to Grantor at June 30, 2017	MEMO		
												Budgetary Receivable	Cumulative Total Expenditures	
New Jersey Department of Education														
General Fund:														
Extraordinary Aid	16-100-034-5120-044	7/1/15-6/30/16	49,305	(49,305)	-	-	-	-	-	-	-	-	-	-
Extraordinary Aid	17-100-034-5120-044	7/1/16-6/30/17	121,204	-	-	-	(121,204)	-	-	(121,204)	-	-	-	(121,204)
Special Education Categorical Aid	16-495-034-5120-089	7/1/15-6/30/16	372,879	(38,321)	-	38,321	-	-	-	-	-	-	-	(366,737)
Special Education Categorical Aid	17-495-034-5120-089	7/1/16-6/30/17	366,737	-	-	327,207	(366,737)	-	-	-	-	(39,530)	-	(40,363)
Categorical Transportation Aid	17-495-034-5120-084	7/1/16-6/30/17	40,363	-	-	40,363	(40,363)	-	-	-	-	-	-	(16,153)
Nonpublic Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	16,153	-	-	-	(16,153)	-	-	(16,153)	-	-	-	-
Nonpublic Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	13,367	(13,367)	-	13,367	-	-	-	-	-	-	-	-
Parcc Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	8,920	-	-	8,920	(8,920)	-	-	-	-	-	-	(8,920)
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	8,920	-	-	8,920	(8,920)	-	-	-	-	-	-	(8,920)
Categorical Security Aid	17-495-034-5120-084	7/1/16-6/30/17	15,063	-	-	15,063	(15,063)	-	-	-	-	-	-	(15,063)
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	9,960	-	-	9,960	(9,960)	-	-	-	-	-	-	(9,960)
On-Behalf TPAF Pension Contribution	17-100-034-5095-002	7/1/16-6/30/17	856,045	-	-	856,045	(856,045)	-	-	-	-	-	-	(856,045)
On-Behalf TPAF Post-Retirement Medical	17-100-034-5095-001	7/1/16-6/30/17	713,280	-	-	713,280	(713,280)	-	-	-	-	-	-	(713,280)
On-Behalf TPAF Long-Term Disability Insurance	17-100-034-5095-004	7/1/16-6/30/17	2,328	-	-	2,328	(2,328)	-	-	-	-	-	-	(2,328)
Reimbursed TPAF Social Security Tax Contribution	16-495-034-5094-003	7/1/15-6/30/16	572,912	(28,089)	-	28,089	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Tax Contribution	17-495-034-5094-003	7/1/16-6/30/17	580,716	-	-	551,864	(580,716)	-	-	(28,852)	-	-	-	(580,716)
Total General Fund				<u>(129,082)</u>	<u>-</u>	<u>2,613,727</u>	<u>(2,739,689)</u>	<u>-</u>	<u>-</u>	<u>(166,209)</u>	<u>-</u>	<u>(39,530)</u>	<u>-</u>	<u>(2,739,689)</u>
Total Expenditures of State Awards				<u>(129,082)</u>	<u>-</u>	<u>2,613,727</u>	<u>(2,739,689)</u>	<u>-</u>	<u>-</u>	<u>(166,209)</u>	<u>-</u>	<u>(39,530)</u>	<u>-</u>	<u>(2,739,689)</u>
Less: On-Behalf TPAF Pension System Contributions							<u>1,571,653</u>							
Total for State Financial Assistance - Major Program Determination							<u>(1,168,036)</u>							

See accompanying notes to schedules of expenditures.

Rumson-Fair Haven Regional High School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2017

1. General

The accompanying schedules of expenditures of award present the activity of all federal and state awards of the Board of Education, Rumson-Fair Haven Regional High School District. The Board of Education is defined in Note 1(A) to the Board's general purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

2. Basis of Accounting

The accompanying schedules of expenditures of federal and state awards are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements.

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

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

Rumson-Fair Haven Regional High School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2017

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$857,254) for the general fund and \$0 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,882,435	\$ 1,882,435
Special Revenue Fund	230,065	-	230,065
Capital Projects Fund	-	-	-
Debt Service Fund	-	-	-
Food Service Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total awards and financial assistance	<u>\$ 230,065</u>	<u>\$ 1,882,435</u>	<u>\$ 2,112,500</u>

4. Relationship to Federal and State Financial Reports

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

5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2017.

The TPAF post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 15-08.

Rumson-Fair Haven Regional High School District

Schedule of Findings and Questioned Costs

June 30, 2017

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified
that are not considered to be
material weaknesses? yes none reported

Noncompliance material to general-purpose
financial statements noted? yes no

Federal Awards Section - N/A

Internal Control over major programs: N/A

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified
that are not considered to be
material weaknesses? yes none reported

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are
required to be reported in accordance with
2 CFR section .516(a) of the Uniform Guidance? yes no

Identification of major programs:

CFDA Number(s)
N/AName of Federal Program or Cluster

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

Auditee qualified as low-risk auditee? yes no

Rumson-Fair Haven Regional High School District
 Schedule of Findings and Questioned Costs (continued)

June 30, 2017

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

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes ___ none reported

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

Internal Control over major programs:

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

2) Significant deficiencies identified that
 are not considered to be material
 weaknesses? ___ yes X none reported

Any audit findings disclosed that are required
 to be reported in accordance with NJOMB
 Circular Letter 15-08? ___ yes X no

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5094-003	Reimbursed TPAF Social Security Contributions

Section II - Financial Statement Findings

No matters were reported for the period ended June 30, 2017.

Section III - State Award Findings and Questioned Costs

No matters were reported for the period ended June 30, 2017.

Rumson-Fair Haven Regional High School District

Summary Schedule of Prior Audit Findings

June 30, 2017

There were no prior year findings for the period ended June 30, 2016.