

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, 2018

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, 2018

Prepared by

Rumson-Fair Haven Regional Board of Education  
Finance Department

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## INTRODUCTORY SECTION

**BOARD OF EDUCATION**  
RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL  
74 RIDGE ROAD  
RUMSON, NEW JERSEY 07760-1896  
TELEPHONE (732) 842-1597  
FAX (732) 842-3908

November 1, 2018

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, 2018. 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 multiyear 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 ensuring 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 revised slightly 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 are 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 classes here for seniors and replaced it with a courses from Rutgers. We have successfully implemented the courses this year and will be evaluating their success over the summer. Continued review will be on-going next year. We also have implemented writing across the curriculum initiative 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 yearend 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.

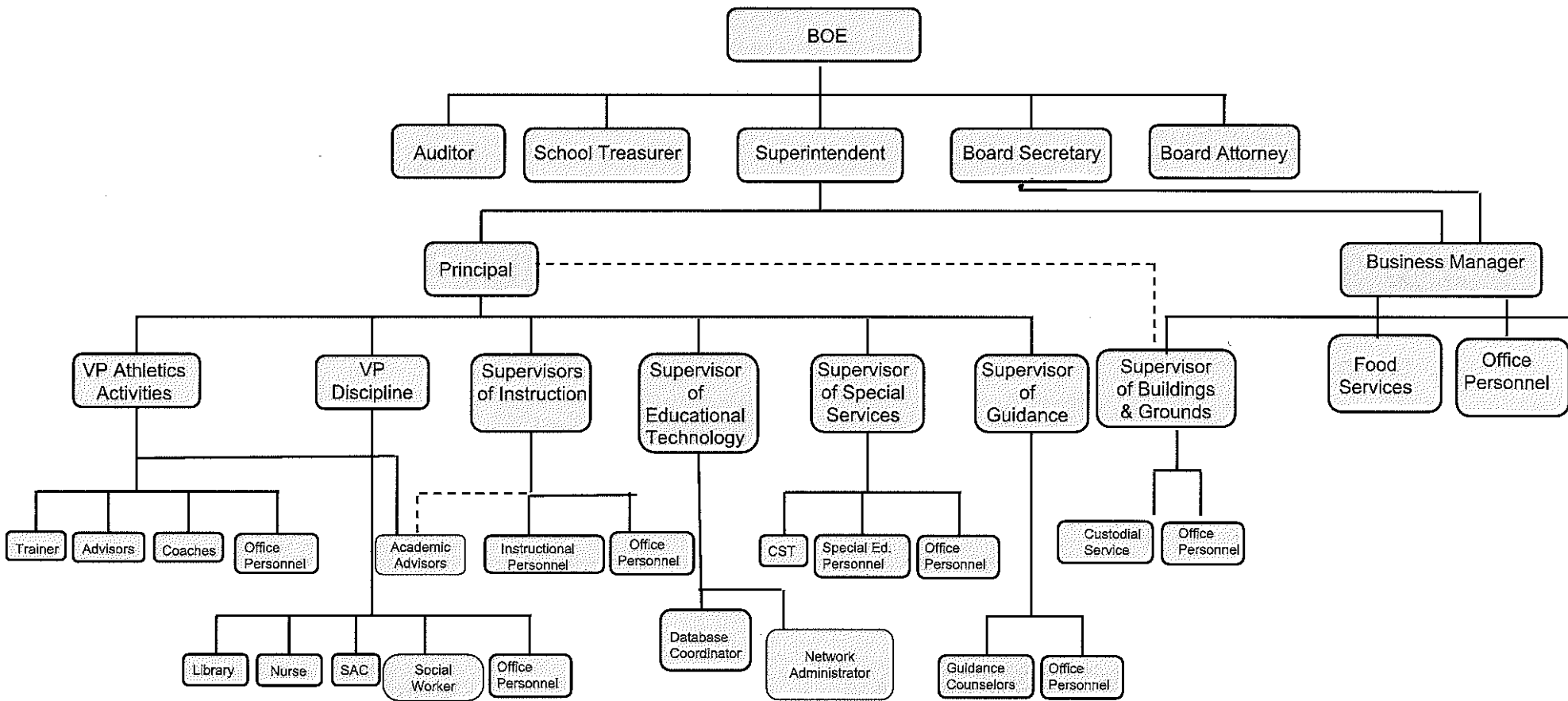
Respectfully submitted,



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, 2018

Members of the Board of Education

Term Expires

Lisa Walters, President

2020

Brian Leddin

2018

Jim Wassel

2019

Michael Goione

2019

John Caruso

2018

Sarah Maris

2018

Annie McGinty

2020

Kaye Wise

2019

Chuck Volker

2020

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, 2018, 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, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

#### *Change in Accounting Principle*

As discussed in Note 1 to the basic financial statements, in 2018, the Board adopted Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (an Amendment of GASB Statement No. 45). Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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.

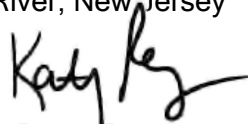
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated January 31, 2019 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  
January 31, 2019

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Rumson-Fair Haven Regional High School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2018

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, 2018. 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, 2018 are as follows:

Net position totaled \$15,833,119, which represents a 2.92 percent decrease from June 30, 2017.

General revenues accounted for \$20,046,844 in revenue or 89.71 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 \$2,300,209 or 10.29 percent of total revenues of \$22,347,053.

Total assets decreased by \$145,458 as current assets decreased by \$478,970 and capital assets, net decreased by \$624,428.

The School Board had \$21,898,357 in expenses; only \$2,300,209 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$20,046,844 were adequate to provide for these programs.

Among major funds, the General Fund had \$20,336,099 in revenues and \$19,801,555 in expenditures and transfers. The General Fund's balance increased \$534,544 over June 30, 2017. The General Fund's balance is \$5,332,104.

**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, 2018?" The Statement of Net Position and the Statement of Activities provides the summary. The statements include all assets, liabilities, deferred outflows of resources, and deferred inflows of resources 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 with Exhibit B-1. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service 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, 2018 and 2017.

Table 1

Net Position as of June 30, 2018 and June 30, 2017

	June 30, 2018			June 30, 2017		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 5,372,436	\$ 192,594	\$ 5,565,030	\$ 4,930,597	\$ 155,463	\$ 5,086,060
Capital assets, net	14,880,506	52,279	14,932,785	15,493,628	63,585	15,557,213
Total assets	20,252,942	244,873	20,497,815	20,424,225	219,048	20,643,273
Deferred outflow of resources	1,346,232	-	1,346,232	1,908,271	-	1,908,271
Liabilities:						
Current liabilities	1,851	-	1,851	1,261	-	1,261
Long-term liabilities outstanding	5,038,647	-	5,038,647	7,137,882	-	7,137,882
Total liabilities	5,040,498	-	5,040,498	7,139,143	-	7,139,143
Deferred inflow of resources	970,430	-	970,430	27,978	-	27,978
Net position:						
Net investment in capital assets	14,103,763	52,279	14,156,042	13,944,675	63,585	14,008,260
Restricted	4,871,725	-	4,871,725	4,471,177	-	4,471,177
Unrestricted	(3,387,242)	192,594	(3,194,648)	(3,250,477)	155,463	(3,095,014)
Total Net Position	\$ 15,588,246	\$ 244,873	\$ 15,833,119	\$ 15,165,375	\$ 219,048	\$ 15,384,423

The School Board's combined net position was \$15,833,119 on June 30, 2018. This is a change of 2.92% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2018 and 2017.

Table 2

Changes in Net Position

	June 30, 2018			June 30, 2017		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ -	\$ 968,500	\$ 968,500	\$ -	\$ 872,021	\$ 872,021
Operating and capital grants and contributions	1,331,709	-	1,331,709	1,296,324	-	1,296,324
General revenues:						
Property taxes	18,742,189	-	18,742,189	18,231,103	-	18,231,103
Federal and state aid	869,817	-	869,817	816,176	-	816,176
Investment earnings	-	-	-	-	-	-
Miscellaneous	434,838	-	434,838	343,392	-	343,392
<b>Total revenues</b>	<b>21,378,553</b>	<b>968,500</b>	<b>22,347,053</b>	<b>20,686,995</b>	<b>872,021</b>	<b>21,559,016</b>
<b>Expenses</b>						
Instructional services	9,221,847	-	9,221,847	8,780,303	-	8,780,303
Support services	11,715,345	942,675	12,658,020	11,326,613	839,321	12,165,934
Interest on long-term liabilities	18,490	-	18,490	20,980	-	20,980
<b>Total expenses</b>	<b>20,955,682</b>	<b>942,675</b>	<b>21,898,357</b>	<b>20,127,896</b>	<b>839,321</b>	<b>20,967,217</b>
<b>Change in net position</b>	<b>422,871</b>	<b>25,825</b>	<b>448,696</b>	<b>559,099</b>	<b>32,700</b>	<b>591,799</b>
<b>Net position - beginning</b>	<b>15,165,375</b>	<b>219,048</b>	<b>15,384,423</b>	<b>14,606,276</b>	<b>186,348</b>	<b>14,792,624</b>
<b>Net position (deficit) - ending</b>	<b>\$ 15,588,246</b>	<b>\$ 244,873</b>	<b>\$ 15,833,119</b>	<b>\$ 15,165,375</b>	<b>\$ 219,048</b>	<b>\$ 15,384,423</b>

The tax levy increase was due in general to cover increased costs in salaries and benefits, equipment, and materials. 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, 2018

### 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 \$25,825.

Charges for services represent \$968,500 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			
	2018		2017	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 9,221,847	\$ 9,221,847	\$ 8,780,303	\$ 8,780,303
Support Services:				
Pupils and Instructional Staff	5,089,448	3,757,739	4,889,290	3,592,966
General Administration, School Administration, Business Operation and Maintenance of Facilities	5,365,023	5,365,023	5,390,717	5,390,717
Pupil Transportation	1,260,874	1,260,874	1,046,606	1,046,606
Interest and Fiscal Charges	<u>18,490</u>	<u>18,490</u>	<u>20,980</u>	<u>20,980</u>
Total Expenses	<u>\$ 20,955,682</u>	<u>\$ 19,623,973</u>	<u>\$ 20,127,896</u>	<u>\$ 18,831,572</u>

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's of Rumson and Fair Haven, 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, 2018, it reported a combined fund balance of \$5,370,585, which is a decrease of \$(441,249). 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, 2018.

<u>Revenue</u>	<u>2018 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2017</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 19,177,027	89.70 %	\$ 602,532	3.24 %
State Sources	1,966,641	9.20	84,206	4.47
Federal Sources	<u>234,885</u>	<u>1.10</u>	<u>4,820</u>	<u>2.10</u>
Total	<u>\$ 21,378,553</u>	<u>100.00 %</u>	<u>\$ 691,558</u>	<u>3.34 %</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, 2018.

<u>Expenditures</u>	<u>2018 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2017</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 8,287,253	39.58 %	\$ 384,082	4.86 %
Undistributed Expenditures	11,608,093	55.44	9,102	0.08
Capital Outlay	251,258	1.20	190,428	313.05
Debt Service:				
Principal	760,000	3.63	25,000	3.40
Interest	<u>30,700</u>	<u>0.15</u>	<u>(14,700)</u>	<u>(32.38)</u>
Total	<u>\$ 20,937,304</u>	<u>100.00 %</u>	<u>\$ 593,912</u>	<u>2.92 %</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 \$1,419,086 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$447,036 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 \$2,590,066, Maintenance Reserve \$1,443,178 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 2017-2018 fiscal year and will be used to reduce the local tax levy for the 2019-2020 fiscal year.

## Capital Assets and Debt Administration

*Capital Assets.* At the end of the fiscal year June 30, 2018, the School Board had \$14,944,090 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2018 and June 30, 2017

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 7,500	\$ 7,500	\$ -	\$ -	\$ 7,500	\$ 7,500
Construction in Progress	-	-	-	-	-	-
Building and Improvements	13,933,854	14,482,318	5,193	5,193	13,939,047	14,487,511
Machinery and Equipment	939,152	1,003,810	58,391	58,391	997,543	1,062,201
<b>Total</b>	<b>\$ 14,880,506</b>	<b>\$ 15,493,628</b>	<b>\$ 63,584</b>	<b>\$ 63,584</b>	<b>\$ 14,944,090</b>	<b>\$ 15,557,212</b>

During the current fiscal year, \$442,916 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 and business-type activities :

	June 30, 2018	June 30, 2017
Bonds Payable (net)	\$ 775,000	\$ 1,535,000
Pension Liability-PERS	3,985,626	5,348,272
Compensated Absences Payable	<u>278,021</u>	<u>254,610</u>
<b>Total Long-Term Liabilities</b>	<b><u>\$ 5,038,647</u></b>	<b><u>\$ 7,137,882</u></b>

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 2017-2018 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 10.30% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 89.70% of total revenue is from local tax levy.

The \$(3,387,242) 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 2017-2018 budget was adopted in May 2017 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's of Rumson and Fair Haven for increased aid.

The School Board anticipates a slight increase in enrollment for the 2018-2019 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, 2018**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,012,579	\$ 191,495	\$ 3,204,074
Capital reserve cash	2,190,066	-	2,190,066
Receivables - other	30,873	-	30,873
Receivables - state	138,767	-	138,767
Inventory	-	1,099	1,099
Interfund receivable	151	-	151
Capital assets, non depreciable	7,500	-	7,500
Capital assets, depreciable net:	14,873,006	52,279	14,925,285
Total assets	<u>20,252,942</u>	<u>244,873</u>	<u>20,497,815</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - PERS	1,344,479	-	1,344,479
Deferred charge on refunding	1,753	-	1,753
Total deferred outflows of resources	<u>1,346,232</u>	<u>-</u>	<u>1,346,232</u>
<b>LIABILITIES</b>			
Other liabilities	20	-	20
Unearned revenue	1,831	-	1,831
Noncurrent liabilities:			
Due within one year	775,000	-	775,000
Due beyond one year	4,263,647	-	4,263,647
Total liabilities	<u>5,040,498</u>	<u>-</u>	<u>5,040,498</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - PERS	966,934	-	966,934
Deferred premium on refunding	3,496	-	3,496
Total deferred inflows of resources	<u>970,430</u>	<u>-</u>	<u>970,430</u>
<b>NET POSITION</b>			
Net investment in capital assets	14,103,763	52,279	14,156,042
Restricted for:			
Capital projects	2,628,547	-	2,628,547
Other purposes	2,243,178	-	2,243,178
Unrestricted	(3,387,242)	192,594	(3,194,648)
Total net position	<u>\$ 15,588,246</u>	<u>\$ 244,873</u>	<u>\$ 15,833,119</u>



**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2018**

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
<b>Governmental activities:</b>							
Current:							
Regular instruction	\$ 7,044,047	\$ -	\$ -	\$ -	\$ (7,044,047)	\$ -	\$ (7,044,047)
Special education instruction	1,012,617	-	-	-	(1,012,617)	-	(1,012,617)
Other special instruction	1,165,183	-	-	-	(1,165,183)	-	(1,165,183)
Support services and undistributed costs:							
Instruction	1,439,480	-	-	-	(1,439,480)	-	(1,439,480)
Attendance and social work	29,784	-	-	-	(29,784)	-	(29,784)
Health services	139,388	-	-	-	(139,388)	-	(139,388)
Other support services	1,287,019	-	-	-	(1,287,019)	-	(1,287,019)
Improvement of instruction	734,214	-	-	-	(734,214)	-	(734,214)
Educational media services	120,400	-	-	-	(120,400)	-	(120,400)
Instruction staff training	7,454	-	-	-	(7,454)	-	(7,454)
General administrative services	645,739	-	-	-	(645,739)	-	(645,739)
School administrative services	504,624	-	-	-	(504,624)	-	(504,624)
School central services	316,571	-	-	-	(316,571)	-	(316,571)
School admin info technology	24,231	-	-	-	(24,231)	-	(24,231)
Allowed maintenance for school facilities	365,881	-	-	-	(365,881)	-	(365,881)
Other operation & maintenance of plant	923,754	-	-	-	(923,754)	-	(923,754)
Care & upkeep of grounds	78,190	-	-	-	(78,190)	-	(78,190)
Security	13,136	-	-	-	(13,136)	-	(13,136)
Student transportation services	1,260,874	-	-	-	(1,260,874)	-	(1,260,874)
Unallocated employee benefits	2,492,897	-	-	-	(2,492,897)	-	(2,492,897)
Non-budgeted expenditures	1,331,709	-	1,331,709	-	-	-	-
Interest expense	18,490	-	-	-	(18,490)	-	(18,490)
<b>Total governmental activities</b>	<b>20,955,682</b>	<b>-</b>	<b>1,331,709</b>	<b>-</b>	<b>(19,623,973)</b>	<b>-</b>	<b>(19,623,973)</b>
<b>Business-type activities:</b>							
Food Service	912,619	966,954	-	-	-	54,335	54,335
Intramurals	30,056	1,546	-	-	-	(28,510)	(28,510)
<b>Total business-type activities</b>	<b>942,675</b>	<b>968,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,825</b>	<b>25,825</b>
<b>Total primary government</b>	<b>\$ 21,898,357</b>	<b>\$ 968,500</b>	<b>\$ 1,331,709</b>	<b>\$ -</b>	<b>\$ (19,623,973)</b>	<b>\$ 25,825</b>	<b>\$ (19,598,148)</b>
<b>General revenues:</b>							
Taxes:							
Property taxes levied for general purpose					17,973,117	-	17,973,117
Taxes levied for debt service					769,072	-	769,072
Federal and state aid					869,817	-	869,817
Miscellaneous income					434,838	-	434,838
<b>Total general revenues</b>					<b>20,046,844</b>	<b>-</b>	<b>20,046,844</b>
<b>Change in net position</b>					<b>422,871</b>	<b>25,825</b>	<b>448,696</b>
<b>Net position—beginning</b>					<b>15,165,375</b>	<b>219,048</b>	<b>15,384,423</b>
<b>Net position—ending</b>					<b>\$ 15,588,246</b>	<b>244,873</b>	<b>\$ 15,833,119</b>

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,066,559	\$ 1,831	\$ (55,831)	\$ 20	\$ 3,012,579
Capital reserve account	2,190,066	-	-	-	2,190,066
Receivables from other funds	151	-	94,312	-	94,463
Receivables from state	138,767	-	-	-	138,767
Other receivables	30,873	-	-	-	30,873
Total assets	<u>\$ 5,426,416</u>	<u>\$ 1,831</u>	<u>\$ 38,481</u>	<u>\$ 20</u>	<u>\$ 5,466,748</u>
<b>LIABILITIES</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund payable	94,312	-	-	-	94,312
Other current liabilities	-	-	-	20	20
Deferred revenue	-	1,831	-	-	1,831
Total liabilities	<u>94,312</u>	<u>1,831</u>	<u>-</u>	<u>20</u>	<u>96,163</u>
<b>FUND BALANCES</b>					
Restricted for:					
Unexpended additional spending proposal					
Capital reserve account	2,590,066	-	-	-	2,590,066
Maintenance reserve account	1,443,178	-	-	-	1,443,178
Emergency reserve account	250,000	-	-	-	250,000
Excess surplus - current year	-	-	-	-	-
Excess surplus -- designated for					
Subsequent year's expenditures	6,265	-	-	-	6,265
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	38,481	-	38,481
Special revenue fund	-	-	-	-	-
Other purposes	-	-	-	-	-
Assigned to:					
Designated by the BOE for subsequent year's expenditures	543,735	-	-	-	543,735
Other purposes	34,312	-	-	-	34,312
Unassigned to:					
General fund	464,548	-	-	-	464,548
Total fund balances	<u>5,332,104</u>	<u>-</u>	<u>38,481</u>	<u>-</u>	<u>5,370,585</u>
Total liabilities and fund balances	<u>\$ 5,426,416</u>	<u>\$ 1,831</u>	<u>\$ 38,481</u>	<u>\$ 20</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 \$30,572,675 and the accumulated depreciation is \$15,692,169.	14,880,506
Deferred outflows related to the PERS pension plan	1,344,479
Deferred inflows related to the PERS pension plan	(966,934)
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.	1,753
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.	(3,496)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(5,038,647)</u>
Net position of governmental activities	<u>\$ 15,588,246</u>

**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, 2018**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 17,973,117	\$ -	\$ -	\$ 769,072	\$ 18,742,189
Tuition charges	264,123	-	-	-	264,123
Interest on investments	15,384	-	-	-	15,384
Interest earned on capital reserve funds	24,082	-	-	-	24,082
Miscellaneous	92,752	38,497	-	-	131,249
Total - Local sources	18,369,458	38,497	-	769,072	19,177,027
State sources	1,966,641	-	-	-	1,966,641
Federal sources	-	234,885	-	-	234,885
Total revenues	20,336,099	273,382	-	769,072	21,378,553
<b>EXPENDITURES</b>					
Current:					
Regular instruction	\$ 5,908,465	\$ 237,949	\$ -	\$ -	\$ 6,146,414
Special education instruction	980,936	-	-	-	980,936
Other special instruction	1,159,903	-	-	-	1,159,903
Undistributed - current:					
Instruction	1,349,717	-	-	-	1,349,717
Attendance and social work	29,784	-	-	-	29,784
Health services	115,301	24,087	-	-	139,388
Other support services	1,275,673	11,346	-	-	1,287,019
Improvement of instruction	734,214	-	-	-	734,214
Educational media services	120,400	-	-	-	120,400
Instruction staff training	7,454	-	-	-	7,454
General administrative services	645,739	-	-	-	645,739
School administrative services	449,532	-	-	-	449,532
School central services	316,571	-	-	-	316,571
School admin info technology	24,231	-	-	-	24,231
Required maintenance for school facilities	365,881	-	-	-	365,881
Other operation & maintenance of plant	1,115,412	-	-	-	1,115,412
Care & upkeep of grounds	78,190	-	-	-	78,190
Security	13,136	-	-	-	13,136
Student transportation services	1,260,874	-	-	-	1,260,874
Unallocated employee benefits	2,338,842	-	-	-	2,338,842
Non-budgeted expenditures	1,331,709	-	-	-	1,331,709
Debt service:					
Principal	-	-	-	760,000	760,000
Interest and other charges	-	-	-	30,700	30,700
Capital outlay	179,591	-	71,667	-	251,258
Total expenditures	19,801,555	273,382	71,667	790,700	20,937,304
Excess (Deficiency) of revenues over expenditures	534,544	-	(71,667)	(21,628)	441,249
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer to Capital Reserve	-	-	-	-	-
Transfer from Capital Projects	-	-	-	-	-
Costs for bond issuance	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	534,544	-	(71,667)	(21,628)	441,249
Fund balance—July 1	4,797,560	-	110,148	21,628	4,929,336
Fund balance—June 30	\$ 5,332,104	\$ -	\$ 38,481	\$ -	\$ 5,370,585

**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, 2018**

<b>Total net change in fund balances - governmental funds (from B-2)</b>	<b>\$</b>	<b>441,249</b>
<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	\$ (1,056,038)
	Capital outlays	<u>442,916</u>
		(613,122)
<p>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.</p>		
		(154,055)
<p>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.</p>		
		760,000
<p>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.</p>		
		24,482
<p>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.</p>		
		(12,272)
<p>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.</p>		
		<u>(23,411)</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>422,871</u></b>

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2018**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Food Service</b>	<b>Intramural</b>	<b>Totals</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 169,026	\$ 22,469	\$ 191,495
Other receivables	-	-	-
Inventories	1,099	-	1,099
Total current assets	<u>170,125</u>	<u>22,469</u>	<u>192,594</u>
Noncurrent assets:			
Furniture, machinery & equipment	174,742	-	174,742
Less accumulated depreciation	(122,463)	-	(122,463)
Total noncurrent assets	<u>52,279</u>	<u>-</u>	<u>52,279</u>
Total assets	<u>\$ 222,404</u>	<u>\$ 22,469</u>	<u>\$ 244,873</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	-	-	-
Interfund payable	-	-	-
Accrued salaries and benefits	-	-	-
Total current liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Noncurrent Liabilities:			
Compensated absences	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	52,279	-	52,279
Restricted for:			
Other	-	-	-
Unrestricted	<u>170,125</u>	<u>22,469</u>	<u>192,594</u>
Total net position	<u>222,404</u>	<u>22,469</u>	<u>244,873</u>
Total liabilities and net position	<u>\$ 222,404</u>	<u>\$ 22,469</u>	<u>\$ 244,873</u>

**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, 2018**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service</b>	<b>Intramural</b>	<b>Total Enterprise</b>
Operating revenues:			
Local sources:			
Daily sales reimbursable programs			
School breakfast	\$ -	\$ -	\$ -
School lunch	-	-	-
Total daily sales reimbursable programs	-	-	-
Daily sales non-reimbursable programs	953,449	-	953,449
Special functions	13,135	-	13,135
Miscellaneous	370	1,546	1,916
Total operating revenues	<u>966,954</u>	<u>1,546</u>	<u>968,500</u>
Operating expenses:			
Salaries	346,118	27,000	373,118
Employee benefits	64,193	2,065	66,258
Purchased property	7,155	-	7,155
Other purchased services	72,478	-	72,478
Supplies and materials	8,684	991	9,675
Depreciation	11,306	-	11,306
Cost of sales - reimbursable programs	-	-	-
Cost of sales - non-reimbursable programs	402,685	-	402,685
Total operating expenses	<u>912,619</u>	<u>30,056</u>	<u>942,675</u>
Operating income	<u>54,335</u>	<u>(28,510)</u>	<u>25,825</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)	<u>-</u>	<u>-</u>	<u>-</u>
Income before contributions & transfers	<u>54,335</u>	<u>(28,510)</u>	<u>25,825</u>
Transfers in (out)	-	-	-
Change in net position	<u>54,335</u>	<u>(28,510)</u>	<u>25,825</u>
Total net position—beginning	168,069	50,979	219,048
Total net position—ending	<u>\$ 222,404</u>	<u>\$ 22,469</u>	<u>\$ 244,873</u>

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Food Services Enterprise Fund**  
**Combining Statement of Cash Flows**  
**for the Fiscal Year ended June 30, 2018**

	Business-type Activities - Enterprise Funds		
	Food Service	Intramural	Total Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and other funds	\$ 966,954	\$ 1,546	\$ 968,500
Payments to employees & benefits	(410,311)	(29,065)	(439,376)
Payments to suppliers	(490,915)	(991)	(491,906)
Net cash provided by (used in) operating activities	<u>65,728</u>	<u>(28,510)</u>	<u>37,218</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State sources	-	-	-
Federal sources	-	-	-
Board interfund loans	-	-	-
Net cash provided by non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Change in capital contributions	-	-	-
Purchases of capital assets	-	-	-
Gain/Loss on sale of fixed assets (proceeds)	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
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	65,728	(28,510)	37,218
Balances—beginning of year	103,298	50,979	154,277
Balances—end of year	<u>\$ 169,026</u>	<u>\$ 22,469</u>	<u>\$ 191,495</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:</b>			
Operating loss	\$ 54,335	\$ (28,510)	\$ 25,825
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	87	-	87
Total adjustments	<u>11,393</u>	<u>-</u>	<u>11,393</u>
Net cash provided by (used in) operating activities	<u>\$ 65,728</u>	<u>\$ (28,510)</u>	<u>\$ 37,218</u>

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**June 30, 2018**

	<b>Unemployment Compensation Trust</b>	<b>Scholarship Fund</b>	<b>Agency Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 230,278	\$ 498,870	\$ 286,995
Total assets	230,278	498,870	286,995
<b>LIABILITIES</b>			
Payroll deductions and withholdings	-	-	8,007
Payable to student groups	-	-	278,837
Interfund payable	-	-	151
Total liabilities	-	-	286,995
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	230,278	-	-
Reserved for scholarships	-	498,870	-
Total net position	230,278	498,870	-
Total liabilities and net position	\$ 230,278	\$ 498,870	\$ 286,995



**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2018**

	<u>Scholarship Funds</u>	<u>Unemployment Compensation Fund</u>	<u>Total</u>
<b>ADDITIONS</b>			
Contributions:			
Board	\$ -	\$ 14,905	\$ 14,905
Other	26,436	-	26,436
Total Contributions	<u>26,436</u>	<u>14,905</u>	<u>41,341</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>26,436</u>	<u>14,905</u>	<u>41,341</u>
<b>DEDUCTIONS</b>			
Unemployment claims	-	14,209	14,209
Scholarships awarded	<u>40,231</u>	<u>-</u>	<u>40,231</u>
Total deductions	<u>40,231</u>	<u>14,209</u>	<u>54,440</u>
Change in net position	(13,795)	696	(13,099)
Net position—beginning of the year	<u>512,665</u>	<u>229,582</u>	<u>742,247</u>
Net position—end of the year	<u>\$ 498,870</u>	<u>\$ 230,278</u>	<u>\$ 729,148</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

**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, 2018.

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, 2018

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.

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.

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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

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

**Basis of Presentation (Cont'd):**

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.

**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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

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

**Basis of Presentation (Cont'd):**

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, 2018

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, 2018

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.

**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.

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

**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:**

Inventories and prepaid expenses, which benefit future periods are recorded as an expenditure during the year of purchase.

Prior to 2018, the District reported inventories at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method. The District began stating inventories prospectively at the lower of FIFO cost and net realizable value. This change was made in response to a recent FASB standard issued as part of the Board's simplification initiative. Under the prior method, "market", was replacement cost, subject to possible adjustments. Net realizable value is based on the selling price. The change is intended to reduce complexity in financial statement preparation. This change had no significant effect on earnings for 2018.

**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.

**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 acquisition 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.



Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

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

Capital Assets: (cont'd)

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, 2018, no liability existed for compensated absences in the Food Service Fund.

Unearned/Deferred Revenue:

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

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

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

**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.

**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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

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

**Revenues - Exchange and Nonexchange Transactions:(cont'd)**

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.

**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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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

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

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.

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, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance June 30, 2017	\$ 2,290,984
Add:	
Increase per Resolution	800,000
Transfer from Capital Projects	-
Interest Earnings	24,082
Less:	
Withdrawals	<u>(525,000)</u>
Ending Balance, June 30, 2018	<u>\$ 2,590,066</u>

The June 30, 2018 LRFP balance of local support costs of uncompleted Capital Projects is \$26,589,759.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

**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, 2018.

The activity of the Maintenance Reserve for the June 30, 2017 to June 30, 2018 fiscal year is as follows:

Balance, June 30, 2017	\$ 1,089,660
Add:	
Increase per Resolution	468,902
Less:	
Withdrawals	<u>(115,384)</u>
Balance, June 30, 2018	<u>\$ 1,443,178</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, 2017 to June 30, 2018 fiscal year is as follows:

Balance, June 30, 2017	\$ <u>250,000</u>
Balance, June 30, 2018	\$ <u>250,000</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

**5. Transfers to Capital Outlay**

During the year ending June 30, 2018, 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, 2018 are insured up to \$ 250,000 in aggregate by the FDIC for each bank. At June 30, 2018, the book value of the Board's deposits were \$6,410,283.

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, 2018, the Board's bank balances of \$7,108,430 were exposed to Custodial Credit Risk as follows:

	<u>2018</u>
Insured	\$ 3,959,645
Uninsured and Uncollateralized	<u>3,148,785</u>
	<u>\$ 7,108,430</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

**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, 2018, 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, 2018, the District had \$3,449,276 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, 2018

**7. Receivables**

Receivables at June 30, 2018, 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	\$ 138,767	\$ 138,767
Federal Aid	-	-
Other	30,873	30,873
Interfunds	<u>151</u>	<u>151</u>
	169,791	169,791
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 169,791</u>	<u>\$ 169,791</u>

**8. Interfund Balances and Transfers**

Balances due to/from other funds at June 30, 2018 consist of the following:

\$ 151	Due to General Fund from Trust & Agency Fund representing cash advance.
<u>94,312</u>	Due to Capital Projects Fund from General Fund representing cash advance.
<u>\$ 94,463</u>	

**9. Inventory**

As of June 30, 2018, the District had the following inventory:

Food	\$ 540
Supplies	<u>559</u>
	<u>\$ 1,099</u>



Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

10. Capital Assets

The District did not have its Fixed Assets appraised by an independent appraiser as of June 30, 2018. 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	390,456	-	27,417,853
Machinery and Equipment	<u>2,189,509</u>	<u>52,460</u>	<u>-</u>	<u>2,241,969</u>
Totals at Historical Cost	<u>30,122,259</u>	<u>442,916</u>	<u>-</u>	<u>30,565,175</u>
Less Accumulated Depreciation for:				
Site Improvements	(863,315)	(31,853)	-	(895,168)
Building and Building Improvements	(12,587,117)	(907,067)	-	(13,494,184)
Machinery and Equipment	<u>(1,185,699)</u>	<u>(117,118)</u>	<u>-</u>	<u>(1,302,817)</u>
Total Accumulated Depreciation	<u>(14,636,131)</u>	<u>(1,056,038)</u>	<u>-</u>	<u>(15,692,169)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>15,486,128</u>	<u>(613,122)</u>	<u>-</u>	<u>14,873,006</u>
Government Activity Capital Assets, Net	<u>\$ 15,493,628</u>	<u>(613,122)</u>	<u>-</u>	<u>\$ 14,880,506</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Building Improvements	\$ 12,875	-	-	\$ 12,875
Equipment	161,867	-	-	161,867
Less Accumulated Depreciation	<u>(111,157)</u>	<u>(11,306)</u>	<u>-</u>	<u>(122,463)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 63,585</u>	<u>(11,306)</u>	<u>\$ -</u>	<u>\$ 52,279</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

**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	\$ 897,633
Student and Instruction Related Services	89,763
School Administration Services	31,681
Other Special Instruction	5,280
Special Education Instruction	<u>31,681</u>
Total	<u>\$ 1,056,038</u>

**11. Long-Term Obligations**

**A. Long-Term Obligation Activity:**

Changes in Long-Term Obligations for the year ended June 30, 2018, are as follows:

	<u>Balance</u> <u>June 30, 2017</u>	<u>Increases/</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>				
Compensated Absences Payable	\$ 254,610	\$ 23,411	\$ 278,021	\$ -
PERS Pension Liability	5,348,272	(1,362,646)	3,985,626	-
Bonds Payable	<u>1,535,000</u>	<u>(760,000)</u>	<u>775,000</u>	<u>775,000</u>
	<u>\$ 7,137,882</u>	<u>\$ (2,099,235)</u>	<u>\$ 5,038,647</u>	<u>\$ 775,000</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, 2018.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

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.

Debt Service Requirements on serial bonds payable at June 30, 2018 are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 775,000	\$ 15,500	\$ 790,500
	<u>\$ 775,000</u>	<u>\$ 15,500</u>	<u>\$ 790,500</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

11. Long-Term Obligations (Cont'd)

C. Bonds Authorized But Not Issued

As of June 30, 2018, the District had no authorized but not issued bonds.

D. Capital Leases

As of June 30, 2018, the District had no capital leases.

12. Operating Leases

As of June 30, 2018, the District had no operating leases.

13. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Pension Plans (cont'd)

**A. Public Employees' Retirement System (PERS) (cont'd)**

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

**Contributions** - The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At**

June 30, 2018, the School District reported a liability of \$3,985,626 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The School District's proportion measured as of June 30, 2017, was .0171215635%, which was a decrease of .0009364711% from its proportion measured as of June 30, 2016.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Pension Plans (cont'd)

**A. Public Employees' Retirement System (PERS) (cont'd)**

For the year ended June 30, 2018, the School District recognized full accrual pension expense of \$154,055 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date. At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 93,848	\$ -
Changes of assumptions	802,966	800,023
Net difference between projected and actual earnings on pension plan investments	27,139	-
Changes in proportion and differences between District contributions and proportionate share of contributions	249,366	166,911
District contributions subsequent to the measurement date	<u>171,160</u>	<u>-</u>
Total	<u>\$ 1,344,479</u>	<u>\$ 966,934</u>

\$171,160 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2017-2018 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2019 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 156,251
2019	235,786
2020	142,874
2021	(190,023)
2022	(138,503)
Thereafter	-
Total	<u>\$ 206,385</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Pension Plans (cont'd)

**A. Public Employees' Retirement System (PERS) (cont'd)**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	-
June 30, 2015	5.00	-
June 30, 2016	5.00	-
June 30, 2017	5.00	-

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.48, 5.57, 5.72 and 6.44 years for the 2017, 2016, 2015 and 2014 amounts, respectively.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

13 Pension Plans (cont'd)

**A. Public Employees' Retirement System (PERS) (cont'd)**

**Actuarial Assumptions** - The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%

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. 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. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male 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, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranged of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:



Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Pension Plans (cont'd)

A. Public Employees' Retirement System (PERS) (cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00 %	5.51 %
Cash Equivalents	5.50 %	1.00 %
U.S. Treasuries	3.00 %	1.87 %
Investment Grade Credit	10.00 %	3.78 %
Public High Yield	2.50 %	6.82 %
Global Diversified Credit	5.00 %	7.10 %
Credit Oriented Hedge Funds	1.00 %	6.60 %
Debt Related Private Equity	2.00 %	10.63 %
Debt Related Real Estate	1.00 %	6.61 %
Private Real Asset	2.50 %	11.83 %
Equity Related Real Estate	6.25 %	9.23 %
U.S. Equity	30.00 %	8.19 %
Non-U.S. Developed Markets Equity	11.50 %	9.00 %
Emerging Markets Equity	6.50 %	11.64 %
Buyouts/Venture Capital	8.25 %	13.08 %

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, 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 contribution rate in the most recent fiscal year. State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, 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, 2018

13. Pension Plans (cont'd)

**A. Public Employees' Retirement System (PERS) (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, 2017 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 (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
District's proportionate share of the net pension liability	4,944,440	3,985,626	3,186,816

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2018 and 2017:

	<u>6/30/18</u>	<u>6/30/17</u>
Collective Deferred Outflows of Resources	723,829,861	7,815,204,785
Collective Deferred Inflows of Resources	-	-
Collective Net Pension Liability	23,278,401,588	29,617,131,759
School District's Portion	.0171215635%	.0180580346%

**B. Teachers' Pension and Annuity (TPAF)**

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

The vesting and benefit provisions are set by N.J.S.A 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Pension Plans (cont'd)

**B. Teachers' Pension and Annuity (TPAF) (cont'd)**

The following represents the membership tiers for TPAF:

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

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

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A. 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A. 18A:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the School District.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Pension Plans (cont'd)

**B. Teachers' Pension and Annuity (TPAF) (cont'd)**

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2017 was \$51,313,544. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the TPAF net pension liability attributable to the School District was .0761061988%, which was a decrease of .0006321255% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the State of New Jersey recognized a pension expense in the amount of \$1,153,323 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2017 measurement date.

**Actuarial Assumptions** - The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Pension Plans (cont'd)

**B. Teachers' Pension and Annuity (TPAF) (cont'd)**

**Long-term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranged of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00 %	5.51 %
Cash Equivalents	5.50 %	1.00 %
U.S. Treasuries	3.00 %	1.87 %
Investment Grade Credit	10.00 %	3.78 %
Public High Yield	2.50 %	6.82 %
Global Diversified Credit	5.00 %	7.10 %
Credit Oriented Hedge Funds	1.00 %	6.60 %
Debt Related Private Equity	2.00 %	10.63 %
Debt Related Real Estate	1.00 %	6.61 %
Private Real Asset	2.50 %	11.83 %
Equity Related Real Estate	6.25 %	9.23 %
U.S. Equity	30.00 %	8.19 %
Non-U.S. Developed Markets Equity	11.50 %	9.00 %
Emerging Markets Equity	6.50 %	11.64 %
Buyouts/Venture Capital	8.25 %	13.08 %

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

13. Pension Plans (cont'd)

**B. Teachers' Pension and Annuity (TPAF) (cont'd)**

**Discount Rate** - The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, 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 contribution rate in the most recent fiscal year. State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, 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, 2017 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 (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
District's proportionate share of the net pension liability	61,185,070	51,501,224	43,523,630

**Pension Plan Fiduciary Net Position** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

**14. Post-Retirement Benefits**

**General Information about the OPEB Plan**

**Plan description and benefits provided**

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. The cost of these benefits is funded through contributions by the State in accordance with, P.L. 1994 c. 62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126 which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service.  
(GASB Cod. Sec. 2300.106(g))

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

**Employees covered by benefit terms**

At June 30, 2016, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	142,331
Active plan members	<u>223,747</u>
Total	<u><u>366,078</u></u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

14. Post-Retirement Benefits (cont'd)

**Total Nonemployer OPEB Liability**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified returned PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State's CAFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>).

**Actuarial assumptions and other imputes**

The total OPEB liability in the June 30, 2017 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.5%
Salary Increases through 2026	PERS 2.15%-4.15% PFRS 2.1%-8.98% TPAF 1.55%-4.55%
Salary Increases after 2026	PERS 3.15%-5.15% PFRS 3.1%-9.98% TPAF 2.0%-5.45%
Discount Rate	3.58%
Healthcare Cost Trend Rates	4.5%-5.9%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

Preretirement mortality rates were based on the RP-2014 Headcount-weighted Healthy Employee Male/Female Mortality Table with Fully Generational Mortality Improvement projections from the central year using Scale MP-2017. Postretirement mortality rates were based on the RP-2014 Headcount-weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. The disabled mortality was based on the RP-2014 Headcount-weighted Male/Female mortality table with fully generational improvement projects from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for PERS-June 30, 2014; TPAF-June 30, 2015 and PFRS-June 30, 2013.



Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

14. Post-Retirement Benefits (cont'd)

Changes in the Total OPEB Liability reported by the State of New Jersey

Balance at June 30, 2016	\$ 57,831,784,184
Changes for the year:	
Service cost	2,391,878,884
Interest on the total OPEB liability	1,699,441,736
Changes in assumptions	(7,086,599,129)
Gross benefit payments by the state	(1,242,412,566)
Contributions from members	<u>45,748,749</u>
Net changes	<u>(4,191,942,326)</u>
Balance at June 30, 2017	<u>\$ 53,639,841,858</u>

Discount rate

The discount rate was 2.85% percent in 2016 and 3.58% percent in 2017. This represents the municipal bond rate chosen by the State of New Jersey Division of Pension and Benefits. The source is the Bond Buyer Go 20-Bond municipal bond index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the June 30, 2017 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease <u>(2.58%)</u>	Current Discount Rate <u>(3.58%)</u>	1% Increase <u>(4.58%)</u>
Total OPEB Liability of the State for School Retirees	\$63,674,362,200	\$53,639,841,858	\$45,680,364,953
Total OPEB Liability of the State Associated with the School District for School Retirees	\$42,924,249	\$36,159,766	\$30,794,112

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

**14. Post-Retirement Benefits (cont'd)**

**Health Care Trend Assumptions**

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% and decreases to 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

**Sensitivity of the total OPEB liability to changes in healthcare cost trend rates**

The following presents the June 30, 2017 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability of the State for School Retirees	\$44,113,584,560	\$53,639,841,858	\$66,290,599,457
Total OPEB Liability of the State Associated with the School District for School Retirees	\$29,737,792	\$36,159,766	\$44,687,913

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2018, the board of education recognized OPEB expense of \$2,485,032 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the Rumson-Fair Haven Regional High School District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

14. Post-Retirement Benefits (cont'd)

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (cont'd)**

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience		
Changes of assumptions	\$ -	\$ 6,343,769,032
Contributions made in fiscal year ending 2018 after June 30, 2017 measurement date	<u>1,190,373,242</u>	<u>-</u>
Total	<u>\$ 1,190,373,242</u>	<u>\$ 6,343,769,032</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Thereafter	<u>(2,629,618,547)</u>
Total	<u>\$ (6,343,769,032)</u>

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, 2018

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>
2017 / 2018	\$ 14,904	\$ -	\$ (14,208)	\$ 230,278
2016 / 2017	14,270	-	(6,093)	229,582
2015 / 2016	13,902	-	(6,398)	221,405

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, 2018

**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	4,289,509	-	-	38,481	4,327,990
Committed	-	-	-	-	-
Assigned	578,047	-	-	-	578,047
Unassigned	<u>464,548</u>	-	-	-	<u>464,548</u>
	<u>5,332,104</u>	<u>-</u>	<u>-</u>	<u>38,481</u>	<u>5,370,585</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, 2018 is \$-.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2018

**20. Uncertain Tax Positions**

The school district had no unrecognized tax benefits at June 30, 2018. 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, 2015.

**21. Subsequent Events**

The school district Management has evaluated subsequent events through January 31, 2019, 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, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 17,973,117	\$ -	\$ 17,973,117	\$ 17,973,117	\$ -
Interest earned on current expense emergency reserve	1	(1)	-	-	-
Interest earned on maintenance reserve	1	(1)	-	15,384	15,384
Interest earned on capital reserve funds	1	(1)	-	24,082	24,082
Tuition - from individuals	133,360	-	133,360	264,123	130,763
Miscellaneous	5,000	-	5,000	92,752	87,752
<b>Total - local sources</b>	<b>18,111,480</b>	<b>(3)</b>	<b>18,111,477</b>	<b>18,369,458</b>	<b>257,981</b>
State sources:					
Categorical Special Education Aid	366,737	-	366,737	417,025	50,288
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	-
Extraordinary aid	-	-	-	118,280	118,280
Non-public transportation	-	-	-	20,487	20,487
TPAF -LTDI (on-behalf - Non-budgeted)	-	-	-	1,949	1,949
TPAF - post retirement medical (on-behalf-Non-budgeted)	-	-	-	744,907	744,907
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	1,153,323	1,153,323
TPAF social security (reimbursed - Non-budgeted)	-	-	-	584,853	584,853
<b>Total state sources</b>	<b>449,963</b>	<b>-</b>	<b>449,963</b>	<b>3,124,050</b>	<b>2,674,087</b>
<b>Total revenues</b>	<b>18,561,443</b>	<b>(3)</b>	<b>18,561,440</b>	<b>21,493,508</b>	<b>2,932,068</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Grades 9-12 - Salaries of teachers	5,280,627	31,000	5,311,627	5,311,388	239
<b>Regular Programs - Home Instruction:</b>					
Salaries of teachers	25,000	3,900	28,900	28,641	259
Purchased professional-educational services	15,000	10,900	25,900	24,197	1,703
<b>Regular Programs - Undistributed Instruction</b>					
Purchased professional-educational services	900	-	900	-	900
Purchased technical services	24,600	-	24,600	22,972	1,628
Other purchased services (400-500 series)	110,810	(1,425)	109,385	106,775	2,610
Software Instruction	-	-	-	-	-
General supplies	319,838	(11,820)	308,018	282,254	25,764
Textbooks	157,051	(13,854)	143,197	130,394	12,803
Other objects	1,150	1,369	2,519	1,844	675
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>5,934,976</b>	<b>20,070</b>	<b>5,955,046</b>	<b>5,908,465</b>	<b>46,581</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Multiple Disabilities:</b>					
Salaries of Teachers	88,755	(20,300)	68,455	68,195	260
Other salaries for instruction	63,168	(200)	62,968	62,918	50
General supplies	2,500	1,300	3,800	3,675	125
Textbooks	1,400	-	1,400	1,374	26
<b>Total Multiple Disabilities</b>	<b>155,823</b>	<b>(19,200)</b>	<b>136,623</b>	<b>136,162</b>	<b>461</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	816,485	(28,433)	788,052	787,819	233
Other Salaries for Instruction	21,056	20,400	41,456	41,402	54
General supplies	6,000	8,899	14,899	14,562	337
Textbooks	1,700	-	1,700	991	709
<b>Total Resource Room/Resource Center</b>	<b>845,241</b>	<b>866</b>	<b>846,107</b>	<b>844,774</b>	<b>1,333</b>
<b>TOTAL SPECIAL EDUCATION- INSTRUCTION</b>	<b>1,001,064</b>	<b>(18,334)</b>	<b>982,730</b>	<b>980,936</b>	<b>1,794</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	24,454	11,409	35,863	35,863	-
<b>Total Basic Skills/Remedial - Instruction</b>	<b>24,454</b>	<b>11,409</b>	<b>35,863</b>	<b>35,863</b>	<b>-</b>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	9,000	(400)	8,600	8,010	590
General Supplies	50	-	50	-	50
Textbooks	57	-	57	-	57
<b>Total Bilingual Education - Instruction</b>	<b>9,107</b>	<b>(400)</b>	<b>8,707</b>	<b>8,010</b>	<b>697</b>



**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>School-Spon. Curricular Actvts. - Instruction</b>					
Salaries	145,000	(4,800)	140,200	140,182	18
Purchased Services (300-500 series)	31,250	(13,400)	17,850	16,480	1,370
Supplies and Materials	33,641	3,200	36,841	15,989	20,852
Other Objects	10,920	-	10,920	2,970	7,950
<b>Total School-Spon. Cocurricular Actvts. - Instruction</b>	<u>220,811</u>	<u>(15,000)</u>	<u>205,811</u>	<u>175,621</u>	<u>30,190</u>
<b>School-Spon. Athletics - Instruction</b>					
Salaries	\$ 688,364	\$ 9,000	\$ 697,364	\$ 697,225	\$ 139
Purchased Services (300-500 series)	96,700	3,912	100,612	100,508	104
Supplies and Materials	110,764	27,438	138,202	133,857	4,345
Other Objects	11,000	-	11,000	8,819	2,181
<b>Total School-Spon. Cocurricular Actvts. - Instruction</b>	<u>906,828</u>	<u>40,350</u>	<u>947,178</u>	<u>940,409</u>	<u>6,769</u>
<b>Total Instruction</b>	<u>8,097,240</u>	<u>38,095</u>	<u>8,135,335</u>	<u>8,049,304</u>	<u>86,031</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Co. Voc. School Dist. - reg.	243,560	54,160	297,720	295,885	1,835
Tuition to Co. Voc. School Dist. - special	34,344	(34,344)	-	-	-
Tuition to Private Sch for Disbl w/i State	1,049,506	12,237	1,061,743	1,053,832	7,911
<b>Total Undistributed Expenditures - Instruction:</b>	<u>1,327,410</u>	<u>32,053</u>	<u>1,359,463</u>	<u>1,349,717</u>	<u>9,746</u>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	29,372	-	29,372	26,732	2,640
Other Purchased Services (400-500 series)	6,900	(3,250)	3,650	3,052	598
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<u>36,272</u>	<u>(3,250)</u>	<u>33,022</u>	<u>29,784</u>	<u>3,238</u>
<b>Undist. Expend. - Health Services</b>					
Salaries	103,780	-	103,780	102,765	1,015
Purchased professional and technical services	10,755	-	10,755	8,743	2,012
Other purchased services (400-500 series)	815	-	815	220	595
Supplies and materials	7,900	(2,000)	5,900	3,573	2,327
<b>Total Undistributed Expenditures - Health Services</b>	<u>123,250</u>	<u>(2,000)</u>	<u>121,250</u>	<u>115,301</u>	<u>5,949</u>
<b>Undist. Expend. - Speech, OT, PT and Related Services</b>					
Purchased Prof. Ed. Services	203,520	(25,338)	178,182	85,368	92,814
<b>Total Undist. Expend. - Speech, OT, PT and Related Services</b>	<u>203,520</u>	<u>(25,338)</u>	<u>178,182</u>	<u>85,368</u>	<u>92,814</u>
<b>Undistributed Expenditures - Guidance</b>					
Salaries of Other Professional Staff	589,448	19,000	608,448	608,331	117
Salaries of Secretarial and Clerical Assistants	106,338	-	106,338	105,968	370
Other Salaries	71,413	-	71,413	71,413	-
Purchased Professional - Educational Services	15,000	(11,600)	3,400	3,380	20
Other Purch. Prof. & Tech. Svc.	7,650	-	7,650	6,537	1,113
Other Purchased Services (400-500 series)	30,395	-	30,395	25,344	5,051
Supplies and Materials	11,855	(4,900)	6,955	5,040	1,915
Other Objects	885	500	1,385	1,329	56
<b>Total Undistributed Expenditures - Guidance</b>	<u>832,984</u>	<u>3,000</u>	<u>835,984</u>	<u>827,342</u>	<u>8,642</u>
<b>Undistributed Expenditures - Child Study Teams</b>					
Salaries of Other Professional Staff	274,777	(51,082)	223,695	223,695	-
Salaries of Secretarial and Clerical assistants	54,644	-	54,644	52,318	2,326
Purchased Professional - Educational Services	15,750	(4,900)	10,850	6,550	4,300
Other Purchased Prof. & Tech. Services	10,810	501	11,311	11,310	1
Other Purchased Services (400-500 series)	6,200	(1,090)	5,110	4,468	642
Residential costs	-	62,000	62,000	62,000	-
Supplies and Materials	2,984	-	2,984	2,622	362
<b>Total Undistributed Expenditures - Child Study Teams</b>	<u>365,165</u>	<u>5,429</u>	<u>370,594</u>	<u>362,963</u>	<u>7,631</u>
<b>Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.</b>					
Salaries Superv. Of Instr.	627,439	15,590	643,029	643,029	-
Salaries Other Prof. Staff	28,500	-	28,500	24,180	4,320
Salaries Secr. & Clerical Asst.	48,944	-	48,944	48,944	-
Purchased Professional - Educational Services	10,700	-	10,700	1,940	8,760
Other Purchased Services (400-500 series)	16,000	-	16,000	10,726	5,274
Other objects	6,750	-	6,750	5,395	1,355
<b>Total Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.</b>	<u>738,333</u>	<u>15,590</u>	<u>753,923</u>	<u>734,214</u>	<u>19,709</u>
<b>Undist. Expend. - Educational Media Services/School Library</b>					
Salaries	90,766	-	90,766	88,528	2,238
Other Purchased Services (400-500)	25,886	-	25,886	25,446	440
Supplies and Materials	7,910	-	7,910	6,426	1,484
<b>Total Undist. Expend. - Educational Media Services/School Library</b>	<u>124,562</u>	<u>-</u>	<u>124,562</u>	<u>120,400</u>	<u>4,162</u>

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Instruction Staff Training Services</b>					
Other Purchased Prof. and Tech. Services	38,700	-	38,700	275	38,425
Other Purchased Services (400-500 series)	15,000	-	15,000	7,179	7,821
<b>Total Undist. Expend. - Instruction Staff Training Services</b>	<b>53,700</b>	<b>-</b>	<b>53,700</b>	<b>7,454</b>	<b>46,246</b>
<b>Undist. Expend. - Support Service - General Administration</b>					
Salaries	\$ 273,264	\$ 293	\$ 273,557	\$ 273,252	\$ 305
Legal Services	70,000	84,707	154,707	132,643	22,064
Audit Fees	22,000	(2,000)	20,000	20,000	-
Expenditure & Internal Control Audit Fees	6,500	-	6,500	3,885	2,615
Other Purchased Professional Services	3,500	19,000	22,500	17,265	5,235
Purchased technical services	7,500	4,500	12,000	1,950	
Communications/Telephone	35,500	(17,500)	18,000	14,355	3,645
BOE Other Purchased Services	1,500	3,200	4,700	2,648	2,052
Misc. Purch. Serv.(400-500)	165,650	11,200	176,850	157,790	19,060
General Supplies	5,000	-	5,000	4,769	231
BOE In-house Training/Meeting Supplies	1,000	-	1,000	376	624
Judgments Against the School District	69,000	(54,000)	15,000	-	15,000
Miscellaneous Expenditures	8,450	600	9,050	8,557	493
BOE Membership Dues and Fees	12,500	-	12,500	8,249	4,251
<b>Total Undist. Expend. - Support Service - General Administration</b>	<b>681,364</b>	<b>50,000</b>	<b>731,364</b>	<b>645,739</b>	<b>85,625</b>
<b>Undist. Expend. - Support Service - School Administration</b>					
Salaries of Principals/Assistant principals	296,342	5,792	302,134	302,134	-
Salaries of Secretarial and Clerical Assistants	89,756	-	89,756	89,756	-
Purchased Professional and Technical Services	3,000	500	3,500	500	3,000
Other Purchased Services (400-500 series)	38,000	1,050	39,050	28,604	10,446
Supplies and Materials	9,225	(500)	8,725	6,570	2,155
Other Objects	18,100	5,725	23,825	21,968	1,857
<b>Total Undist. Expend. - Support Service - School Administration</b>	<b>454,423</b>	<b>12,567</b>	<b>466,990</b>	<b>449,532</b>	<b>17,458</b>
<b>Undistributed Expenditures- Central Services</b>					
Salaries	304,694	-	304,694	303,476	1,218
Purchased Technical Services	13,500	(4,500)	9,000	5,547	3,453
Misc. Purchased Services	9,250	-	9,250	3,928	5,322
Supplies and Materials	3,500	-	3,500	2,160	1,340
Miscellaneous Expenditures	2,250	-	2,250	1,460	790
<b>Total Central Services</b>	<b>333,194</b>	<b>(4,500)</b>	<b>328,694</b>	<b>316,571</b>	<b>12,123</b>
<b>Administration Information Technology</b>					
Salaries	-	5,000	5,000	4,963	37
Purchased technical services	20,000	(500)	19,500	19,268	232
<b>Total Admin info tech</b>	<b>20,000</b>	<b>4,500</b>	<b>24,500</b>	<b>24,231</b>	<b>269</b>
<b>Interest Earned on Maintenance Reserve</b>					
Interest earned on maintenance reserve	1	(1)	-	-	-
<b>Total Interest Earned on Maintenance Reserve</b>	<b>1</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Required Maint for School Facilities</b>					
Cleaning, Repair and Maintenance Services	60,900	(500)	60,400	52,665	7,735
Architect Fee	-	99,000	99,000	79,475	19,525
Building repairs	118,000	160,460	278,460	113,685	164,775
General Supplies	131,500	40,230	171,730	120,006	51,724
Other Objects	1,000	-	1,000	50	950
<b>Total Required Maintenance for School Facilities</b>	<b>311,400</b>	<b>299,190</b>	<b>610,590</b>	<b>365,881</b>	<b>244,709</b>
<b>Custodial Services</b>					
Salaries	350,525	-	350,525	338,625	11,900
Purchased Professional and Technical Services	26,000	24,525	50,525	36,126	14,399
Cleaning, Repair and Maintenance Services	287,821	7,000	294,821	242,435	52,386
Other Purchased Property Services	68,000	-	68,000	54,308	13,692
Insurance	126,000	-	126,000	115,285	10,715
Miscellaneous Purchased Services	4,000	-	4,000	1,408	2,592
General Supplies	66,500	1,745	68,245	47,867	20,378
Energy (Natural Gas)	12,000	-	12,000	6,141	5,859
Energy ( Electricity)	318,000	-	318,000	272,307	45,693
Other objects	500	500	1,000	910	90
<b>Total Custodial services</b>	<b>1,259,346</b>	<b>33,770</b>	<b>1,293,116</b>	<b>1,115,412</b>	<b>177,704</b>
<b>Care and Upkeep of Grounds</b>					
Salaries	2,000	-	2,000	-	2,000
Cleaning, Repair and Maintenance Services	67,000	(20,000)	47,000	34,150	12,850
General Supplies	19,500	(61)	19,439	13,980	5,459
Other objects	-	-	30,061	30,060	1
<b>Total Care and Upkeep of Grounds</b>	<b>88,500</b>	<b>(20,061)</b>	<b>98,500</b>	<b>78,190</b>	<b>20,310</b>

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Security</b>					
Salaries	-	650	650	615	35
Purchased Professional and Technical Services	10,000	(3,250)	6,750	2,644	4,106
General Supplies	5,000	5,800	10,800	9,877	923
<b>Total Security</b>	<u>15,000</u>	<u>3,200</u>	<u>18,200</u>	<u>13,136</u>	<u>5,064</u>
<b>Total Oper. And Maintenance of Plant Services</b>	<u>1,674,246</u>	<u>316,099</u>	<u>2,020,406</u>	<u>1,572,619</u>	<u>447,787</u>
<b>Student Transportation Services</b>					
Salaries for Pupil Transportation (Between Home and School) - Regular	\$ 8,909	\$ 9,500	\$ 18,409	\$ 18,290	\$ 119
Contract Svc (btw Home & Sch.)-vendors	176,437	(2,800)	173,637	173,636	1
Contr Serv (Oth.than Bet Home & Sch) - Vend	220,960	140	221,100	219,440	1,660
Contract Serv. (Reg Students) - ESCs & CSTAs	295,234	43,823	339,057	338,883	174
Contract Serv.(Spl. Ed. Students) - ESCs & CTSAs	421,505	61,314	482,819	482,747	72
Contr Serv. - Aid in Lieu Pymts-NonPub Sch	10,000	22,000	32,000	27,878	4,122
<b>Total Student Transportation Services</b>	<u>1,133,045</u>	<u>133,977</u>	<u>1,267,022</u>	<u>1,260,874</u>	<u>6,148</u>
<b>Regular Programs - Instruction</b>					
Tuition Reimbursement	40,000	(40,000)	-	-	-
<b>Total Regular Programs - Instruction</b>	<u>40,000</u>	<u>(40,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Improvement of Instruction Services</b>					
Tuition Reimbursement	2,500	(2,500)	-	-	-
<b>Total Improvement of Instruction Services</b>	<u>2,500</u>	<u>(2,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Allocated Benefits</b>	<u>42,500</u>	<u>(42,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Interest Earned on Current Expense Emergency Reserve</b>					
Interest earned on current expense emergency reserve	1	(1)	-	-	-
<b>Total Interest Earned on Current Expense Emergency Reserve</b>	<u>1</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Personal Services- Employee Benefits</b>					
Social Security Contributions	180,000	15,000	195,000	194,868	132
Other Retirement Contributions - PERS	174,000	(12,000)	162,000	161,629	371
Unemployment Compensation	-	-	-	-	-
Workmen's Compensation	91,000	(3,000)	88,000	83,150	4,850
Health Benefits	2,315,641	(182,791)	2,132,850	1,867,332	265,518
Tuition Reimbursement	-	42,500	42,500	27,977	14,523
Other Employee Benefits	-	4,000	4,000	3,886	114
<b>Total Personal Services-Employee Benefits</b>	<u>2,760,641</u>	<u>(136,291)</u>	<u>2,624,350</u>	<u>2,338,842</u>	<u>285,508</u>
<b>On-behalf Contributions</b>					
On-behalf TPAF LTDI (non-budgeted)	-	-	-	1,949	(1,949)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	744,907	(744,907)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	1,153,323	(1,153,323)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	584,853	(584,853)
<b>Total On-behalf Contributions</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,485,032</u>	<u>(2,485,032)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>2,803,141</u>	<u>(178,791)</u>	<u>2,624,350</u>	<u>4,823,874</u>	<u>(2,199,524)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>10,904,611</u>	<u>359,334</u>	<u>11,294,006</u>	<u>12,725,983</u>	<u>(1,431,977)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>19,001,851</u>	<u>397,429</u>	<u>19,429,341</u>	<u>20,775,287</u>	<u>(1,345,946)</u>
<b>CAPITAL OUTLAY</b>					
Interest Deposit to Capital Reserve	1	(1)	-	-	-
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Grades 9-12	5,000	-	5,000	-	5,000
<b>Total Equipment</b>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
<b>Facilities Acquisition and Construction Services</b>					
Construction Services	400,000	-	400,000	125,000	275,000
Assessment for Debt Service on SDA Funding	54,591	-	54,591	54,591	-
<b>Total Facilities Acquisition and Construction Services</b>	<u>454,591</u>	<u>-</u>	<u>454,591</u>	<u>179,591</u>	<u>275,000</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>459,592</u>	<u>(1)</u>	<u>459,591</u>	<u>179,591</u>	<u>280,000</u>
<b>TOTAL EXPENDITURES</b>	<u>19,461,443</u>	<u>397,428</u>	<u>19,888,932</u>	<u>20,954,878</u>	<u>(1,065,946)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(900,000)	(397,431)	(1,327,492)	538,630	1,866,122
<b>Fund Balance, July 1</b>	4,837,090	-	4,837,090	4,837,090	-
<b>Fund Balance, June 30</b>	<u>\$ 3,937,090</u>	<u>\$ (427,492)</u>	<u>\$ 3,509,598</u>	<u>\$ 5,375,720</u>	<u>\$ 1,866,122</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Maintenance reserve				\$ 1,443,178	
Emergency Reserve				250,000	
Excess surplus - current year				-	
Excess surplus-designated for subsequent year's expenditures				6,265	
Capital reserve				2,590,066	
<b>Assigned Fund Balance:</b>					
Year-end encumbrances				34,312	
Designated for subsequent year's expenditures				543,735	
<b>Unrestricted/undesignated</b>				508,164	
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Last state aid payment not recognized on GAAP basis				(43,616)	
<b>Fund balance per governmental funds (GAAP)</b>				\$ 464,548	

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local sources	\$ -	\$ 40,572	\$ 40,572	\$ 38,497	\$ (2,075)
State sources	-	-	-	-	-
Federal sources	135,000	99,885	234,885	234,885	-
<b>Total Revenues</b>	<u>135,000</u>	<u>140,457</u>	<u>275,457</u>	<u>273,382</u>	<u>(2,075)</u>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
Personal services-salaries	10,000	30,523	40,523	40,523	-
Purchased professional and technical services	-	1,810	1,810	1,810	-
General supplies	-	34,857	34,857	32,782	2,075
Tuition	125,000	36,629	161,629	161,629	-
Other objects	-	1,205	1,205	1,205	-
<b>Total instruction</b>	<u>135,000</u>	<u>105,024</u>	<u>240,024</u>	<u>237,949</u>	<u>2,075</u>
<b>Support services:</b>					
Personal services - salaries	-	-	-	-	-
Purchased professional and technical services	-	21,387	21,387	21,387	-
Other purchased services	-	2,700	2,700	2,700	-
Employee benefits	-	11,346	11,346	11,346	-
Travel	-	-	-	-	-
Supplies- materials	-	-	-	-	-
Other objects	-	-	-	-	-
<b>Total support services</b>	<u>-</u>	<u>35,433</u>	<u>35,433</u>	<u>35,433</u>	<u>-</u>
<b>EXPENDITURES:</b>					
<b>Facilities acquisition and const. serv.:</b>					
Instructional equipment	-	-	-	-	-
<b>Total facilities acquisition and const. serv.</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>135,000</u>	<u>140,457</u>	<u>275,457</u>	<u>273,382</u>	<u>2,075</u>
<b>Other financing sources (uses)</b>					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
<b>Total outflows</b>	<u>135,000</u>	<u>140,457</u>	<u>275,457</u>	<u>273,382</u>	<u>2,075</u>
<b>Excess (deficiency) of revenues Over (under) expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Last state aid payment not recognized on GAAP basis				\$ -	
<b>Fund balance per governmental funds (GAAP)</b>				<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, 2018

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

		General Fund		Special Revenue Fund
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 21,493,508	[C-2]	\$ 273,382
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.		(1,153,323)		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(43,616)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		39,530		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 20,336,099	[B-2]	\$ 273,382
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 20,954,878	[C-2]	\$ 273,382
Differences - budget to GAAP:				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,153,323)		-
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]	\$ 19,801,555	[B-2]	\$ 273,382

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, 2018**

**Last 10 Fiscal Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability	0.0161430529%	0.0162541387%	0.0180580346%	0.0171215635%
District's proportionate share of the net pension liability	\$ 3,162,163	\$ 3,809,153	\$ 5,348,272	\$ 3,985,626
District's covered-employee payroll	1,141,200	1,138,190	1,184,539	1,197,946
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	277.09%	334.67%	451.51%	332.70%
Plan fiduciary net position as a percentage of the total pension liability	67.89%	61.84%	45.35%	58.18%

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, 2018

Last 10 Fiscal Years\*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contributions	\$ 133,081	\$ 139,742	\$ 160,999	\$ 161,629
Contributions in relation to the contractually required contribution	<u>133,081</u>	<u>139,742</u>	<u>160,999</u>	<u>161,629</u>
Contribution deficiency (excess)	<u>\$ -</u>	<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	0.00%	12.25%	14.15%	13.64%

\* 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, 2018**

**Last 10 Fiscal Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability	0.0745429505%	0.0742711461%	0.0767383243%	0.0761061988%
District's proportionate share of the net pension liability	\$ 39,840,781	\$ 46,942,536	\$ 60,367,252	\$ 51,313,544
District's covered-employee payroll	7,807,842	7,945,192	8,159,094	8,193,112
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	510.27%	590.83%	739.88%	626.30%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%

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 SCHOOL DISTRICT  
 Required Supplementary Information  
 Schedule of Changes in the Total OPEB Liability and Related Ratios  
 For the Fiscal Year Ended June 30, 2018  
 (Unaudited)

Last 10 Fiscal Years\*

	2018
Total OPEB liability	
Service cost	\$ 1,526,736
Interest cost	1,144,405
Changes in assumptions	(4,733,016)
Member contributions	30,840
Gross benefit payments	(837,537)
Net change in total OPEB liability	(2,868,572)
Total OPEB liability - beginning	39,028,338
Total OPEB liability - ending	\$ 36,159,766
District's covered employee payroll	\$ 10,842,657
Total OPEB liability as a percentage of covered employee payroll	333%

\* 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, 2018

**Notes for TPAF Pension Schedules**

Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25 %
Salary increases: 2012-2021	1.65 - 4.15 % based on age
Thereafter	2.65 - 5.15 % based on age
Investment rate of return	7.00 %

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, 2016 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.

**Notes to OPEB Schedule**

Benefit changes: None

Changes in assumptions: The increase in the liability from June 30, 2015 to June 30, 2016 is due to the decrease in the assumed discount rate from 3.8% as of June 30, 2015 to 2.85% as of June 30, 2016. The decrease in the liability from June 30, 2016 to June 30, 2017 is due to the increase in the assumed discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

## OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules  
Not Applicable

E. Special Revenue Fund

**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, 2018**

	Title I 17/18	Title II Part A 17/18	Title IV 17/18	I.D.E.A. B-Basic Reg Prog 17/18
<b>Revenues:</b>				
Local sources	-	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	<u>51,869</u>	<u>11,387</u>	<u>10,000</u>	<u>161,629</u>
<b>Total revenues</b>	<u>51,869</u>	<u>11,387</u>	<u>10,000</u>	<u>161,629</u>
<b>Expenditures:</b>				
Instruction:				
Salaries	40,523	-	-	-
Purchased professional services	-	-	-	-
General supplies	-	-	-	-
Tuition	-	-	-	161,629
Other Objects	-	-	-	-
<b>Total instruction</b>	<u>40,523</u>	<u>-</u>	<u>-</u>	<u>161,629</u>
<b>Support services:</b>				
Other support services - students - special:				
Salaries	-	-	-	-
Purchased prof. and tech. services	-	11,387	10,000	-
Other purchased services	-	-	-	-
Employee benefits	11,346	-	-	-
Travel	-	-	-	-
Supplies and materials	-	-	-	-
<b>Total other support services - students - special</b>	<u>11,346</u>	<u>11,387</u>	<u>10,000</u>	<u>-</u>
<b>Total support services</b>	<u>11,346</u>	<u>11,387</u>	<u>10,000</u>	<u>-</u>
<b>Equipment:</b>				
Regular programs instruction	-	-	-	-
Non-instructional equipment	-	-	-	-
<b>Total equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>51,869</u>	<u>\$ 11,387</u>	<u>\$ 10,000</u>	<u>\$ 161,629</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, 2018**

(Continued from prior page)

	RFH Education Foundation 17/18	Other	Total 2018
<b>Revenues:</b>			
Local sources	\$ 12,328	26,169	\$ 38,497
State sources	-	-	-
Federal sources	-	-	234,885
<b>Total revenues</b>	<u>12,328</u>	<u>26,169</u>	<u>273,382</u>
<b>Expenditures:</b>			
Instruction:			
Salaries	-	-	40,523
Purchased professional services	1,810	-	1,810
General supplies	6,613	26,169	32,782
Tuition	-	-	161,629
Other objects	1,205	-	1,205
<b>Total instruction</b>	<u>9,628</u>	<u>26,169</u>	<u>237,949</u>
<b>Support services:</b>			
Other support services - students - special:			
Salaries	-	-	-
Purchased prof. and tech. services	-	-	21,387
Other purchased services	2,700	-	2,700
Employee benefits	-	-	11,346
Travel	-	-	-
Supplies and materials	-	-	-
Other objects	-	-	-
<b>Total other support services - students - special</b>	<u>2,700</u>	<u>-</u>	<u>35,433</u>
<b>Total support services</b>	<u>2,700</u>	<u>-</u>	<u>35,433</u>
<b>Equipment:</b>			
Regular programs instruction	-	-	-
Non-instructional equipment	-	-	-
<b>Total equipment</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 12,328</u>	<u>\$ 26,169</u>	<u>\$ 273,382</u>

F. Capital Projects Fund

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2018

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2018
			Prior Years	Current Year	
HVAC Project - SP 4580-050-04-000Y	12/9/2003	\$ 14,663,877	\$ 14,553,729	\$ (71,667)	\$ 38,481
Totals		\$ 14,663,877	\$ 14,553,729	\$ (71,667)	\$ 38,481

**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, 2018**

**Revenues and Other Financing Sources**

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

**Expenditures and Other Financing Uses**

Purchased professional and technical services	-
Land and improvements	-
Construction services	71,667
Supplies	-
Total expenditures	71,667

Excess (deficiency) of revenues over (under) expenditures	(71,667)
Fund balance - beginning	110,148
Fund balance - ending	38,481

**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, 2018**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
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	<u>14,663,877</u>	<u>-</u>	<u>14,663,877</u>	<u>14,663,877</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	1,814,999	-	1,814,999	2,296,986
Construction services	12,728,707	71,667	12,800,374	12,356,867
Supplies	10,023	-	10,023	10,024
Total expenditures	<u>14,553,729</u>	<u>71,667</u>	<u>14,625,396</u>	<u>14,663,877</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 110,148</u>	<u>\$ (71,667)</u>	<u>\$ 38,481</u>	<u>\$ -</u>

**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

## G. Proprietary Funds

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Net Position**  
**June 30, 2018**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Food Service</b>	<b>Intramural</b>	<b>Total Enterprise</b>
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 169,026	\$ 22,469	\$ 191,495
Accounts receivable:			
State	-	-	-
Federal	-	-	-
Others	-	-	-
Interfund	-	-	-
Inventories	<u>1,099</u>	<u>-</u>	<u>1,099</u>
<b>Total current assets</b>	<u>170,125</u>	<u>22,469</u>	<u>192,594</u>
<b>Fixed assets:</b>			
Equipment	12,875	-	12,875
Buildings and improvements	161,867	-	161,867
Accumulated depreciation	<u>(122,463)</u>	<u>-</u>	<u>(122,463)</u>
<b>Total fixed assets</b>	<u>52,279</u>	<u>-</u>	<u>52,279</u>
<b>Total assets</b>	<u>\$ 222,404</u>	<u>\$ 22,469</u>	<u>\$ 244,873</u>
<b>Liabilities and Net Position:</b>			
Liabilities:			
Accounts payable	-	-	-
Accrued salaries and benefits	-	-	-
Compensated absences	-	-	-
Interfund payable	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net position:</b>			
Invested in capital assets	52,279	-	52,279
Restricted for other purposes	-	-	-
Unrestricted net position	<u>170,125</u>	<u>22,469</u>	<u>192,594</u>
<b>Total net position</b>	<u>222,404</u>	<u>22,469</u>	<u>244,873</u>
<b>Total liabilities and net position</b>	<u>\$ 222,404</u>	<u>\$ 22,469</u>	<u>\$ 244,873</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, 2018**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Food Service</b>	<b>Intramural</b>	<b>Total Enterprise</b>
<b>Operating revenues:</b>			
<b>Local sources:</b>			
Daily sales-reimbursable programs:			
School breakfast program	\$ -	\$ -	\$ -
School lunch program	-	-	-
Total-daily sales-reimbursable programs	-	-	-
Daily sales non-reimbursable programs	953,449	-	953,449
Special functions	13,135	-	13,135
Miscellaneous	370	1,546	1,916
<b>Total operating revenues</b>	<b>966,954</b>	<b>1,546</b>	<b>968,500</b>
<b>Operating expenses:</b>			
Salaries	346,118	27,000	373,118
Employee benefits	64,193	2,065	66,258
Purchased property	7,155	-	7,155
Other purchased services	72,478	-	72,478
Supplies and materials	8,684	991	9,675
Depreciation	11,306	-	11,306
Cost of sales - reimbursable programs	-	-	-
Cost of sales - non-reimbursable programs	402,685	-	402,685
<b>Total operating expenses</b>	<b>912,619</b>	<b>30,056</b>	<b>942,675</b>
<b>Operating income (loss)</b>	<b>54,335</b>	<b>(28,510)</b>	<b>25,825</b>
<b>Nonoperating revenues:</b>			
State sources:			
State school lunch program	-	-	-
Federal sources:			
National school lunch program	-	-	-
Food distribution program	-	-	-
Interest	-	-	-
<b>Total nonoperating revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>
Change in net position before transfers	54,335	(28,510)	25,825
Transfers in (out)	-	-	-
Change in net position	54,335	(28,510)	25,825
Total unrestricted net position beginning	168,069	50,979	219,048
Total unrestricted net position ending	<b>\$ 222,404</b>	<b>\$ 22,469</b>	<b>\$ 244,873</b>



RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Food Services Enterprise Fund  
 Combining Statement of Cash Flows  
 for the Fiscal Year ended June 30, 2018

	Business-type Activities - Enterprise Funds		
	Food Service	Intramural	Total Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and other funds	\$ 966,954	\$ 1,546	\$ 968,500
Payments to employees & benefits	(410,311)	(29,065)	(439,376)
Payments to suppliers	(490,915)	(991)	(491,906)
<b>Net cash provided by (used in) operating activities</b>	<u>65,728</u>	<u>(28,510)</u>	<u>37,218</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State sources	-	-	-
Federal sources	-	-	-
Board interfund loans	-	-	-
<b>Net cash provided by non-capital financing activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Change in capital contributions	-	-	-
Purchases of capital assets	-	-	-
Gain/Loss on sale of fixed assets (proceeds)	-	-	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	-	-	-
Proceeds from sale/maturities of investments	-	-	-
<b>Net cash provided by (used for) investing activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>65,728</u>	<u>(28,510)</u>	<u>37,218</u>
<b>Balances—beginning of year</b>	<u>103,298</u>	<u>50,979</u>	<u>154,277</u>
<b>Balances—end of year</b>	<u>\$ 169,026</u>	<u>\$ 22,469</u>	<u>\$ 191,495</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:</b>			
Operating loss	\$ 54,335	\$ (28,510)	\$ 25,825
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	87	-	87
Increase (decrease) in accounts payable	-	-	-
Increase (decrease) in accrued salaries benefits	-	-	-
Increase (decrease) in compensated absences	-	-	-
Total adjustments	<u>11,393</u>	<u>-</u>	<u>11,393</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 65,728</u>	<u>\$ (28,510)</u>	<u>\$ 37,218</u>

## H. Fiduciary Funds

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Combining Statement of Fiduciary Net Position  
 June 30, 2018

	Agency		Trust		Total
	Student Activity	Payroll Agency	Scholarship Fund	Unemployment Compensation Trust	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 278,837	\$ 8,158	\$ 498,870	\$ 230,278	\$ 1,016,143
Total assets	<u>278,837</u>	<u>8,158</u>	<u>498,870</u>	<u>230,278</u>	<u>1,016,143</u>
<b>LIABILITIES</b>					
Payroll deductions and withholdings	-	8,007	-	-	8,007
Payable to student groups	278,837	-	-	-	278,837
Interfund payable	-	151	-	-	151
Total liabilities	<u>278,837</u>	<u>8,158</u>	<u>-</u>	<u>-</u>	<u>286,995</u>
<b>Fund Balances</b>					
Reserved for future payment	-	-	498,870	230,278	729,148
Total fund balances	<u>-</u>	<u>-</u>	<u>498,870</u>	<u>230,278</u>	<u>729,148</u>
Total liabilities and fund balances	<u>\$ 278,837</u>	<u>\$ 8,158</u>	<u>\$ 498,870</u>	<u>\$ 230,278</u>	<u>\$ 1,016,143</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, 2018**

	Scholarship Funds	Unemployment Compensation Fund	Total
<b>ADDITIONS</b>			
Contributions:			
Board	\$ -	\$ 14,905	\$ 14,905
Other	26,436	-	26,436
Total contributions	<u>26,436</u>	<u>14,905</u>	<u>41,341</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>26,436</u>	<u>14,905</u>	<u>41,341</u>
<b>DEDUCTIONS</b>			
Quarterly contribution reports	-	-	-
Unemployment claims	-	14,209	14,209
Scholarships awarded	40,231	-	40,231
Refunds of contributions	-	-	-
Administrative expenses	-	-	-
Total deductions	<u>40,231</u>	<u>14,209</u>	<u>54,440</u>
Change in net position	(13,795)	696	(13,099)
Net position—beginning of the year	<u>512,665</u>	<u>229,582</u>	<u>742,247</u>
Net position—end of the year	<u>\$ 498,870</u>	<u>\$ 230,278</u>	<u>\$ 729,148</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year ended June 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2018</u>
Student Activities Funds	<u>\$ 265,182</u>	<u>\$ 776,562</u>	<u>\$ 762,907</u>	<u>\$ 278,837</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Payroll Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year ended June 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 8,158	\$ 11,749,183	\$ 11,749,183	\$ 8,158
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<b><u>\$ 8,158</u></b>	<b><u>11,749,183</u></b>	<b><u>11,749,183</u></b>	<b><u>8,158</u></b>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$ 8,007	-	-	\$ 8,007
Accrued salaries and wages	-	-	-	-
Intrafund payable	-	-	-	-
Interfund payable	151	-	-	151
Other current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<b><u>\$ 8,158</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 8,158</u></b>

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Private Purpose Scholarship Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year ended June 30, 2018**

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>ASSETS:</b>				
Cash and cash equivalents:				
Kaleen Pezzuti Memorial Fund	\$ 11,852	\$ 17	\$ 1,500	\$ 10,369
Lee Rose Memorial Fund	1,817	-	1,817	-
Superintendent's Award	13,908	21	13,929	-
Frank W. Baigent Scholarship Fund	346,612	3,480	3,385	346,707
General Scholarships	<u>138,476</u>	<u>22,918</u>	<u>19,600</u>	<u>141,794</u>
	512,665	26,436	40,231	498,870
Investments:				
Anonymous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 512,665</u>	<u>\$ 26,436</u>	<u>\$ 40,231</u>	<u>\$ 498,870</u>

## I. Long-Term Debt



RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
 Long-Term Debt  
 Schedule of Serial Bonds  
 June 30, 2018

<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, 2017</u>	<u>Issued</u>	<u>Retired</u>	<u>Refinanced</u>	<u>Balance June 30, 2018</u>
Refunding 2004 Bonds	2/1/2013	3,730,000	2/1/2019	775,000	2.000%	1,535,000	-	(760,000)	-	775,000
						<u>\$ 1,535,000</u>	<u>\$ -</u>	<u>\$ (760,000)</u>	<u>\$ -</u>	<u>\$ 775,000</u>

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2018**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 769,072	\$ -	\$ 769,072	\$ 769,072	\$ -
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>
<b>Total Revenues</b>	<b><u>769,072</u></b>	<b><u>-</u></b>	<b><u>769,072</u></b>	<b><u>769,072</u></b>	<b><u>-</u></b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	30,700	-	30,700	30,700	-
Redemption of Principal	760,000	-	760,000	760,000	-
<u>Total Regular Debt Service</u>	<u>790,700</u>	<u>-</u>	<u>790,700</u>	<u>790,700</u>	<u>-</u>
<b>Total Expenditures</b>	<b><u>790,700</u></b>	<b><u>-</u></b>	<b><u>790,700</u></b>	<b><u>790,700</u></b>	<b><u>-</u></b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,628)	-	(21,628)	(21,628)	-
Fund Balance, July 1	21,628	-	21,628	21,628	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## STATISTICAL SECTION

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT  
Statistical Section**

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over	110-115
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	116-120
<b>Debt Capacity</b> 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.	121-125
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial	126-127
<b>Operating Information</b> 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	128-132

**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 Positions by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 14,103,763
Restricted	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	4,871,725
Unrestricted	80,886	149,265	164,724	95,981	91,208	260,550	(3,059,557)	(3,183,736)	(3,250,477)	(3,387,242)
<b>Total governmental activities net position</b>	<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>	<u>15,588,246</u>
<b>Business-type activities</b>										
Net investment in capital assets	55,725	60,138	53,074	46,441	39,809	33,177	80,549	69,596	63,585	52,279
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	54,899	49,042	66,684	71,255	101,493	116,482	66,328	116,752	155,463	192,594
<b>Total business-type activities net position</b>	<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>	<u>244,873</u>
<b>District-wide</b>										
Net investment in capital assets	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	14,156,042
Restricted	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	4,871,725
Unrestricted	135,785	198,306	231,408	167,236	192,701	377,032	(2,993,229)	(3,066,984)	(3,095,014)	(3,194,648)
<b>Total district net position</b>	<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>	<u>15,833,119</u>

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	(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	7,044,047
Special education	(1,263,649)	(1,267,600)	(1,359,452)	(1,406,388)	888,195	891,548	923,779	1,029,550	969,025	1,012,617
Other special education	(31,278)	(24,370)	(21,131)	(42,037)	762,375	1,004,506	929,316	996,000	1,100,373	1,165,183
Vocational										
Other instruction	(708,425)	(744,974)	(704,743)	(692,131)						
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition	(364,455)	(444,453)	(443,372)	(401,696)						
Student & Instruction Related Services	(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	1,439,480
Attendance and social work					28,658	25,777	37,453	41,022	30,438	29,784
Health services					115,405	122,207	125,354	130,684	127,484	139,388
Improvement of instr. services					668,126	705,261	697,897	737,805	708,618	734,214
Educational media services					112,002	121,723	115,501	110,525	116,669	120,400
Instruction staff training					22,909	12,903	14,122	15,796	9,820	7,454
School Administrative services	(501,687)	(501,137)	(521,245)	(512,846)	411,527	381,896	506,821	501,264	547,923	504,624
General administration	(570,511)	(510,909)	(544,187)	(513,620)	483,699	580,060	682,986	609,826	549,808	645,739
Central Services	(274,771)	(316,604)	(330,909)	(353,117)	286,751	294,232	306,106	313,160	317,281	316,571
Plant operations and maintenance	(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	1,380,961
Administrative information technology	(9,815)	(18,730)	(9,815)	(55,563)	18,668	26,377	17,128	13,284	19,776	24,231
Pupil transportation	(966,585)	(1,050,824)	(857,834)	(721,643)	645,679	817,813	839,528	941,875	1,046,606	1,260,874
Other support services					1,080,940	1,152,704	1,146,549	1,226,087	1,249,978	1,287,019
Business and other support services					-	-	-	-	-	-
Non-budgeted expenditures					1,550,045	1,389,860	1,204,680	1,304,489	1,296,324	1,331,709
Special Schools					-	-	-	-	-	-
Interest on long-term debt	(236,663)	(221,313)	(205,313)	(188,083)	260,228	83,510	61,390	59,700	20,980	18,490
Unallocated employee benefits					2,399,028	2,469,119	2,431,198	2,403,607	2,427,806	2,492,897
Total governmental activities expenses	<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>	<u>20,955,682</u>
Business-type activities:										
Food service	(566,979)	(601,336)	(568,075)	(557,909)	550,041	570,097	591,641	727,283	811,128	912,619
Child Care					71,356	26,255	32,472	16,793	28,193	30,056
Total business-type activities expense	<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>	<u>942,675</u>
Total district expenses	<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>	<u>21,898,357</u>

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	196,110	153,373	133,350	190,605	-	-	-	-	-	-
Pupil transportation	220,820	235,239	187,818	71,964	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	114,530	118,885	7,722	10,119	1,550,045	1,389,860	1,204,680	1,304,489	1,296,324	1,331,709
Capital grants and contributions	227,431	204,888	158,125	110,071	-	-	-	-	-	-
Total governmental activities program revenues	<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>	<u>1,331,709</u>
Business-type activities:										
Charges for services:										
Food service	540,711	566,119	567,167	544,502	534,453	571,075	584,690	754,868	842,574	966,954
Child Care	-	-	-	-	65,810	33,634	36,641	28,679	29,447	1,546
Operating grants and contributions	17,022	21,818	11,486	11,345	12,903	-	-	-	-	-
Capital grants and contributions	-	11,955	-	-	-	-	-	-	-	-
Total business type activities program revenues	<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>	<u>968,500</u>
Total district program revenues	<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>	<u>2,300,209</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	(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)	(20,955,682)
Business-type activities	(9,246)	(1,444)	10,577	(2,061)	(621,397)	(596,352)	(624,113)	(744,076)	(839,321)	(942,675)
Total district-wide net expense	<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>	<u>(21,898,357)</u>
<b>General Revenues and Other Changes in Net Assets/Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	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	17,973,117
Taxes levied for debt service	673,121	695,985	760,608	769,143	775,605	760,698	768,600	774,700	780,400	769,072
Unrestricted grants and contributions	1,752,196	1,594,977	1,485,614	1,728,955	541,275	694,769	657,962	721,880	816,176	869,817
Federal and State Aid Restricted	-	-	-	-	-	-	-	-	-	-
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	38,936	5,258	1,117	370	-	-	-	-	-	-
Miscellaneous income	94,482	92,109	53,672	43,496	335,562	267,302	230,177	192,571	343,392	434,838
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<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>	<u>20,046,844</u>
<b>Change in Net Assets/Position</b>										
Governmental activities	776,073	124,057	824,353	526,409	761,044	202,222	461,601	311,051	559,099	422,871
Business-type activities	(9,246)	(1,444)	10,577	(2,061)	(8,231)	8,357	(2,782)	39,471	32,700	25,825
Total district	<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>	<u>448,696</u>

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Restricted			2,126,422	2,677,727					\$ 3,636,909	\$ 4,289,509
Committed			114,100	-					-	-
Assigned			709,482	615,945					702,492	578,047
Unassigned			321,379	307,911					458,159	464,548
Reserved	\$ 3,031,845	\$ 2,290,053	\$ -	\$ -	\$ 4,141,418	\$ 2,907,896	\$ 3,759,321	\$ 4,084,085	-	-
Unreserved	277,644	294,483	-	-	240,503	387,179	335,284	366,965	-	-
Total general fund	<u>\$ 3,309,489</u>	<u>\$ 2,584,536</u>	<u>\$ -</u>	<u>\$ -</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>	<u>\$ 5,332,104</u>
All Other Governmental Funds										
Reserved	\$ 386,693	\$ 374,466	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Debt service fund			191	22	21,650	21,628	21,628	21,628	21,628	-
Capital projects fund			179,936	190,970					110,148	
Unreserved, reported in:										
Special revenue fund										
Capital projects fund					190,970	190,970	139,846	113,055		38,481
Debt service fund	205	170								
Restricted										
Debt service fund										
Capital projects fund										
Total all other governmental funds	<u>\$ 386,897</u>	<u>\$ 374,635</u>	<u>\$ 180,127</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>	<u>\$ 38,481</u>



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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Tax levy	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	18,742,189
Tuition charges	196,110	153,373	133,350	190,605	-	195,073	170,701	143,020	241,657	264,123
Interest earnings	38,936	5,089	1,117	370	621	311	-	-	13,128	39,466
Miscellaneous	315,301	312,348	241,492	115,461	305,703	71,918	59,476	49,551	88,607	131,249
Transportation fees	-	-	-	-	10,878	-	-	-	-	-
State sources	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	1,966,641
Federal sources	166,564	345,938	362,490	181,913	125,300	199,627	164,190	221,362	230,065	234,885
Other financing sources	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>17,355,651</b>	<b>17,388,790</b>	<b>17,679,565</b>	<b>17,981,355</b>	<b>18,494,753</b>	<b>18,729,468</b>	<b>19,177,925</b>	<b>19,845,520</b>	<b>20,686,995</b>	<b>21,378,553</b>
<b>Expenditures</b>										
Instruction	6,257,189	6,534,880	6,101,047	6,486,661	-	-	-	-	-	-
Regular Instruction	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	6,146,414
Special education instruction	10,907	24,370	21,131	42,037	862,621	862,289	894,844	999,680	939,292	980,936
School Sponsored/Other special instruction	628254.46	651,281	665,968	634,340	758,113	999,629	924,493	991,022	1,095,417	1,159,903
Undistributed:	-	-	-	-	-	-	-	-	-	-
Support Services:										
Instruction	364,455	444,453	443,372	401,696	587,704	821,989	790,944	1,030,605	1,265,715	1,349,717
Support Services Students	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	29,784
Health services	-	-	-	-	115,405	122,207	125,354	130,684	127,484	139,388
Other support services	-	-	-	-	1,080,940	1,152,704	1,146,549	1,226,087	1,249,978	1,287,019
Improvement of instruction	-	-	-	-	668,126	705,261	697,897	737,805	708,618	734,214
Educational media services	-	-	-	-	112,002	121,723	115,501	110,525	116,669	120,400
Instruction staff training	696,120	888,399	722,845	816,627	22,909	12,903	14,122	15,796	9,820	7,454
General administrative services	486,742	485,543	524,663	476,949	483,699	580,060	682,986	609,826	549,808	645,739
School administrative services	540,496	486,602	484,971	494,290	448,588	375,303	435,627	443,486	460,376	449,532
School central services	261,483	301,338	309,713	332,183	286,751	294,232	306,106	313,160	317,281	316,571
School admin info technology	9,815	18,730	9,815	55,563	18,668	26,377	17,128	13,284	19,776	24,231
Allowed maintenance for school facilities	-	-	-	-	207,280	123,617	184,924	224,161	814,499	365,881
Other operation & maintenance of plant	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	1,206,738
Student transportation services	966,585	1,050,824	857,834	721,643	645,679	817,813	839,528	941,875	1,046,606	1,260,874
Business and other support services	-	-	-	-	-	-	-	-	-	-
Unallocated employee benefits	241,728	265,802	328,588	323,790	2,399,028	2,469,119	2,424,537	2,275,655	2,327,685	2,338,842
Non-budgeted expenditures	-	-	-	-	1,550,045	1,389,860	1,204,680	1,304,489	1,296,324	1,331,709
Other	-	-	-	-	-	-	-	-	-	-
On-Behalf TPAF Post Retirement Contributions	456,110	455,336	484,632	465,894	-	-	-	-	-	-
On-Behalf TAPF Pension Contributions	23,908	24,244	22,817	231,758	-	-	-	-	-	-
Reimbursed TPAF Social Security	531,532	554,907	521,944	534,375	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	423,577	24,562	78,659	211,830	309,763	1,664,871	74,028	468,158	60,830	251,258
Special Revenue	210,354	400,459	396,251	193,929	-	-	-	-	-	-
Debt service:										
Principal	505,000	525,000	550,000	575,000	615,000	665,000	695,000	715,000	735,000	760,000
Interest and other charges	241,713	226,563	210,813	194,313	138,977	95,720	73,600	59,700	45,400	30,700
<b>Total expenditures</b>	<b>17,249,516</b>	<b>17,811,625</b>	<b>16,834,778</b>	<b>17,329,570</b>	<b>17,692,787</b>	<b>19,816,336</b>	<b>18,429,519</b>	<b>19,515,866</b>	<b>20,343,392</b>	<b>20,937,304</b>
Excess (Deficiency) of revenues over (under) expenditures	106,134	(422,835)	844,786	651,785	801,966	(1,086,868)	748,406	329,654	343,603	441,249
<b>Other Financing sources (uses)</b>										
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)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,360)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>106,134</b>	<b>(422,835)</b>	<b>844,786</b>	<b>651,785</b>	<b>783,606</b>	<b>(1,086,868)</b>	<b>748,406</b>	<b>329,654</b>	<b>343,603</b>	<b>441,249</b>
Debt service as a percentage of noncapital expenditures	4.44%	4.23%	4.54%	4.49%	4.34%	4.19%	4.19%	4.07%	3.85%	3.82%

**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
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
2018	-	-	-	-	-	-	92,752	92,752

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 <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>	Total Direct Regional Tax Rate
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	3,318,993,162	0.496	0.407
2014	54,489,000	2,757,376,100	-	26,800	99,895,900	-	628,700	3,284,290,800	-	1,277,630	2,913,694,130	3,338,372,433	0.446	0.374
2015	47,011,900	3,192,319,600	7,361,700	25,000	80,679,000	-	31,338,400	3,377,312,100	-	1,124,732	3,359,860,332	3,336,275,906	0.446	0.372
2016	38,095,200	3,290,090,400	6,891,700	25,000	111,691,600	-	488,900	3,453,598,600	-	1,126,150	3,448,408,950	3,427,549,226	0.448	0.368
2017	35,813,400	3,286,000,000	6,898,900	29,400	110,281,900	-	1,024,700	3,445,573,900	-	1,124,274	3,441,172,574	3,602,272,765	0.467	0.378
2018	51,604,600	3,404,746,900	7,043,700	25,000	110,367,200	-	1,195,200	3,574,982,600	-	1,121,447	3,576,104,047	3,576,104,047	0.473	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 <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>	Total Direct Regional Tax Rate
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	1,457,584,648	1.137	0.391
2014	10,626,900	1,115,672,700	-	-	37,727,500	-	-	1,456,398,200	-	448,358	1,164,475,458	1,515,976,059	0.932	0.320
2015	9,108,000	1,470,013,900	-	-	50,248,000	-	-	1,532,121,800	-	441,313	1,532,563,113	1,599,793,046	0.914	0.326
2016	11,427,100	1,510,231,800	-	-	51,014,900	-	-	1,576,422,900	-	443,518	1,573,117,318	1,623,838,999	0.909	0.340
2017	15,738,400	1,570,109,300	-	-	52,250,800	-	-	1,641,063,400	-	450,247	1,638,548,747	1,677,464,377	0.878	0.345
2018	15,418,300	1,651,642,500	-	-	53,548,500	-	-	1,720,609,300	-	450,480	1,721,059,780	1,721,059,780	0.853	0.340

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)*

Fiscal Year Ended June 30,	Rumson-Fair Haven Regional High School District Direct Rate						Overlapping Rates							
	Basic Rate <sup>a</sup>		General Obligation Debt Service <sup>b</sup>		(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
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	0.496	1.137	0.407	0.391	0.359	0.457	0.346	0.383	1.608	2.368
2014	0.388	0.373	0.019	0.019	0.446	0.932	0.374	0.320	0.322	0.404	0.315	0.312	1.457	1.968
2015	0.355	0.304	0.016	0.015	0.446	0.914	0.372	0.326	0.329	0.399	0.306	0.305	1.453	1.944
2016	0.329	0.399	0.016	0.015	0.448	0.909	0.368	0.340	0.327	0.405	0.290	0.301	1.433	1.955
2017	0.335	0.389	-	0.000	0.467	0.878	0.378	0.345	0.335	0.389	0.289	0.288	1.469	1.900
2018	0.252	0.248	0.018	0.018	0.473	0.853	0.378	0.340	0.333	0.377	0.252	0.248	1.706	2.084

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

	2018		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	0	0	
Taxpayer 2	0	0	
Taxpayer 3	0	0	
Taxpayer 4	0	0	
Taxpayer 5	0	0	
Taxpayer 6	0	0	
Taxpayer 7	0	0	
Taxpayer 8	0	0	
Taxpayer 9	0	0	
Taxpayer 10	0	0	
<b>Total</b>	<b>\$ -</b>		

	2009		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	0	0	
Taxpayer 2	0	0	
Taxpayer 3	0	0	
Taxpayer 4	0	0	
Taxpayer 5	0	0	
Taxpayer 6	0	0	
Taxpayer 7	0	0	
Taxpayer 8	0	0	
Taxpayer 9	0	0	
Taxpayer 10	0	0	
<b>Total</b>	<b>\$ -</b>		

Fair-Haven Borough

	2018		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	0	0	
Taxpayer 2	0	0	
Taxpayer 3	0	0	
Taxpayer 4	0	0	
Taxpayer 5	0	0	
Taxpayer 6	0	0	
Taxpayer 7	0	0	
Taxpayer 8	0	0	
Taxpayer 9	0	0	
Taxpayer 10	0	0	
<b>Total</b>	<b>\$ -</b>		

Fair-Haven Borough

	2009		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	0	0	
Taxpayer 2	0	0	
Taxpayer 3	0	0	
Taxpayer 4	0	0	
Taxpayer 5	0	0	
Taxpayer 6	0	0	
Taxpayer 7	0	0	
Taxpayer 8	0	0	
Taxpayer 9	0	0	
Taxpayer 10	0	0	
<b>Total</b>	<b>\$ -</b>		

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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	-
2018	18,742,189	18,742,189	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 <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
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	
2018	549,305	-	-	-	-	549,305	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 <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipa- tion Notes (BANs)	Capital Leases			
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
2018	241,195	-	-	-	-	241,195	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 <sup>a</sup> of Property	Per Capita <sup>b</sup>
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%	-
2018	None	-	790,500	0.00%	-

FAIR HAVEN BOROUGH

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
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	0.00%	-
2014	None	-	1,104,000	0.00%	-
2015	None	-	884,375	0.00%	-
2016	None	-	871,740	0.00%	-
2017	None	-	690,948	0.00%	-
2018	None	-	-	0.00%	-

**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, 2018**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Rumson Borough	\$ 549,305		
Fair Haven Borough	241,195	0.00%	\$ 790,500
Monmouth County General Obligation Debt:			
Rumson Borough	-	0.00%	\$ -
Fair Haven Borough	-	0.00%	-
Subtotal, overlapping debt			790,500
<b>Rumson-Fair Haven Regional High School District Direct Debt</b>			<u>(15,500)</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 775,000</u></u>

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

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of 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
2018	5,295,591,900	3,574,982,600	1,720,609,300
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
<b>[A]</b>	<b>\$ 15,393,695,300</b>	<b>10,462,313,700</b>	<b>4,931,381,600</b>

Average equalized valuation	<b>[A/3]</b>	\$ 5,131,231,767
Debt limit (3 % of average valuation)	<b>[B]</b>	153,936,953 <sup>a</sup>
	<b>[C]</b>	<b>\$ 775,000</b>
	<b>[B-C]</b>	<b>\$ 153,161,953</b>

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	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	153,936,953
Total net debt applicable to limit	<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>	<u>775,000</u>
Legal debt margin	<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>	<u>\$ 153,161,953</u>
Total net debt applicable to the limit as a percentage of debt limit	4.21%	3.82%	3.49%	3.27%	2.94%	2.54%	2.29%	1.62%	1.08%	0.50%

**Source:**

<sup>a</sup> 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 <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
<b>RUMSON BOROUGH</b>				
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
2018	6,864	N/A	N/A	N/A
<b>FAIR HAVEN BOROUGH</b>				
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
2018	5,950	N/A	N/A	N/A

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis

<sup>d</sup> 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	2018			2009		
	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**

<u>Function/Program</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>	<u>2018</u>
Instruction										
Regular	71.8	71.8	79.0	75.8	75.8	75.8	75.8	76.8	76.8	76.8
Special education	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Other special education	2.0	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	5.5	0.0	5.0	4.0	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	21.6	23.0	21.0	21.5	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	4.7	5.7	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Other administrative services	2.1	2.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Central services	0.0	1.1	0.0	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	1.0	1.0	1.0	1.0	1.0	1.0
Plant operations and maintenance	7.0	7.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Pupil transportation	0.1	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Child Care										
Total	<u>131.8</u>	<u>129.1</u>	<u>136.0</u>	<u>132.3</u>	<u>133.3</u>	<u>133.3</u>	<u>133.3</u>	<u>134.3</u>	<u>134.3</u>	<u>134.3</u>

**Source:** District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
							High School				
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%
2018	999.0	20,292,132	20,312	8.76%	76.8		13:01	983.01	928.7	5.06%	94.48%

**Sources:** District records

**Note:** Enrollment based on annual October district count ASSA 10/13/17 count for FYE 2018.

- 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>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>	<u>2018</u>
<b>District Building</b>										
<b>High School</b>										
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	966.0	972.0	965.0	934.0	895	929.0	942.0	998.0	1,001.0	999.0

Number of Schools at June 30, 2018  
 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

	* School Facilities Project # (s)	Rumson-Fair Haven Regional High School	Total
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
2018	N/A	504,089	504,089
Total School Facilities		<u>\$ 4,274,619</u>	<u>\$ 4,274,619</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, 2018**

	<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, 2018, 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 January 31, 2019.

**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

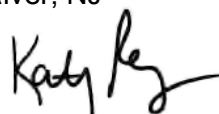
As part of obtaining reasonable assurance about whether the Board of Education of Rumson-Fair Haven Regional High School District financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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  
January 31, 2019

**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, 2018. 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, 2018.

## 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.

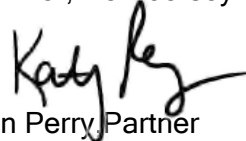
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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", written in a cursive style.

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

January 31, 2019

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**for the Fiscal Year ended June 30, 2018**

<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, 2017</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, 2018</u>	<u>Accounts Receivable at June 30, 2018</u>	<u>Due to Grantor at June 30, 2018</u>
<b>U.S. Department of Education</b>											
<b>Passed-through State Department of Education:</b>											
Title I, Basic Allocation	84.010	7/1/17-6/30/18	51,869	-	-	51,869	(51,869)	-	-	-	-
Title I, Basic Allocation - Carryover	84.010	7/1/16-6/30/17	53,426	(51,699)	-	51,699	-	-	-	-	-
Title II - Part A	84.367	7/1/17-6/30/18	11,387	-	-	11,387	(11,387)	-	-	-	-
Title IV - Part A	84.424	7/1/17-6/30/18	10,000	-	-	10,000	(10,000)	-	-	-	-
Special Education Cluster											
I.D.E.A. Part B Basic	84.027	7/1/17-6/30/18	-	-	-	161,629	(161,629)	-	-	-	-
Subtotal of Special Education Cluster				<u>-</u>	<u>-</u>	<u>161,629</u>	<u>(161,629)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Special Revenue Fund</b>				<u>(51,699)</u>	<u>-</u>	<u>286,584</u>	<u>(234,885)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>				<u>(51,699)</u>	<u>-</u>	<u>286,584</u>	<u>(234,885)</u>	<u>-</u>	<u>-</u>	<u>-</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, 2018**

**MEMO**

<b>State Grantor/ Program Title</b>	<b>Grant or State Project Number</b>	<b>Grant Period</b>	<b>Award Amount</b>	<b>Balance at June 30, 2017</b>	<b>Adjustments</b>	<b>Cash Received</b>	<b>Budgetary Expenditures</b>	<b>Repayment of Prior Years' Balances</b>	<b>Deferred Revenue at June 30, 2018</b>	<b>(Accounts Receivable) at June 30, 2018</b>	<b>Due to Grantor at June 30, 2018</b>	<b>Budgetary Receivable</b>	<b>Cumulative Total Expenditures</b>
<b>New Jersey Department of Education</b>													
<b>General Fund:</b>													
Extraordinary Aid	17-100-034-5120-044	7/1/16-6/30/17	121,204	(121,204)	-	-	-	-	-	-	-	-	-
Extraordinary Aid	18-100-034-5120-044	7/1/17-6/30/18	118,280	-	-	-	(118,280)	-	-	(118,280)	-	-	(118,280)
Special Education Categorical Aid	17-495-034-5120-089	7/1/16-6/30/17	366,737	(39,530)	-	39,530	-	-	-	-	-	-	-
Special Education Categorical Aid	18-495-034-5120-089	7/1/17-6/30/18	417,025	-	-	373,409	(417,025)	-	-	-	-	(43,616)	(417,025)
Categorical Transportation Aid	18-495-034-5120-084	7/1/17-6/30/18	40,363	-	-	40,363	(40,363)	-	-	-	-	-	(40,363)
Nonpublic Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	20,487	-	-	-	(20,487)	-	-	(20,487)	-	-	(20,487)
Nonpublic Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	16,153	(16,153)	-	16,153	-	-	-	-	-	-	-
Parcc Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	8,920	-	-	8,920	(8,920)	-	-	-	-	-	(8,920)
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	8,920	-	-	8,920	(8,920)	-	-	-	-	-	(8,920)
Categorical Security Aid	18-495-034-5120-084	7/1/17-6/30/18	15,063	-	-	15,063	(15,063)	-	-	-	-	-	(15,063)
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	9,960	-	-	9,960	(9,960)	-	-	-	-	-	(9,960)
On-Behalf TPAF Pension Contribution	18-100-034-5095-002	7/1/17-6/30/18	1,153,323	-	-	1,153,323	(1,153,323)	-	-	-	-	-	(1,153,323)
On-Behalf TPAF Post-Retirement Medical	18-100-034-5095-001	7/1/17-6/30/18	744,907	-	-	744,907	(744,907)	-	-	-	-	-	(744,907)
On-Behalf TPAF Long-Term Disability Insurance	18-100-034-5095-004	7/1/17-6/30/18	1,949	-	-	1,949	(1,949)	-	-	-	-	-	(1,949)
Reimbursed TPAF Social Security Tax Contribution	17-495-034-5094-003	7/1/16-6/30/17	580,716	(28,852)	-	28,852	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Tax Contribution	18-495-034-5094-003	7/1/17-6/30/18	584,853	-	-	584,853	(584,853)	-	-	-	-	-	(584,853)
<b>Total General Fund</b>				<u>(205,739)</u>	<u>-</u>	<u>3,026,202</u>	<u>(3,124,050)</u>	<u>-</u>	<u>-</u>	<u>(138,767)</u>	<u>-</u>	<u>(43,616)</u>	<u>(3,124,050)</u>
Total Expenditures of State Awards				<u>(205,739)</u>	<u>-</u>	<u>3,026,202</u>	<u>(3,124,050)</u>	<u>-</u>	<u>-</u>	<u>(138,767)</u>	<u>-</u>	<u>(43,616)</u>	<u>(3,124,050)</u>
Less: On-Behalf TPAF Pension System Contributions							<u>1,900,179</u>						
Total for State Financial Assistance - Major Program Determination							<u>(1,223,871)</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, 2018

### 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, 2018

## 3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$1,157,409) 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	\$ -	\$ 1,966,641	\$ 1,966,641
Special Revenue Fund	234,885	-	234,885
Capital Projects Fund	-	-	-
Debt Service Fund	-	-	-
Food Service Fund	-	-	-
Total awards and financial assistance	\$ <u>234,885</u>	\$ <u>1,966,641</u>	\$ <u>2,201,526</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, 2018.

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

## 6. Indirect Costs

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

## Rumson-Fair Haven Regional High School District

## Schedule of Findings and Questioned Costs

June 30, 2018

**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, 2018

**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, 2018.

**Section III - State Award Findings and Questioned Costs**

No matters were reported for the period ended June 30, 2018.

Rumson-Fair Haven Regional High School District

Summary Schedule of Prior Audit Findings

June 30, 2018

There were no prior year findings for the period ended June 30, 2017.