

Comprehensive Annual Financial Report

of the

Freehold Regional High School District

County of Monmouth

Englishtown, New Jersey

For the Fiscal Year Ended June 30, 2019

Prepared by

FRHSD Business Office

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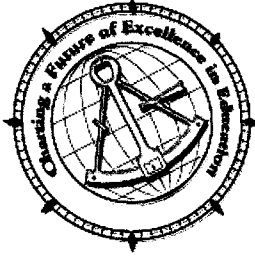
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INTRODUCTORY SECTION



FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

*Administration Building
11 Pine Street Englishtown NJ 07726*

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

December 5, 2019

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

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Freehold Regional High School District (District) for the fiscal year ended June 30, 2019. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. This report will provide the taxpayers of the Freehold Regional High School District with comprehensive financial data in a format enabling them to gain an understanding of the School District's financial affairs.

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

- The Introductory Section contains this Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal revenue and debt capacities and other operating information of the School District;
- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of 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, are included in the single audit section of this report.

Reporting Entity

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

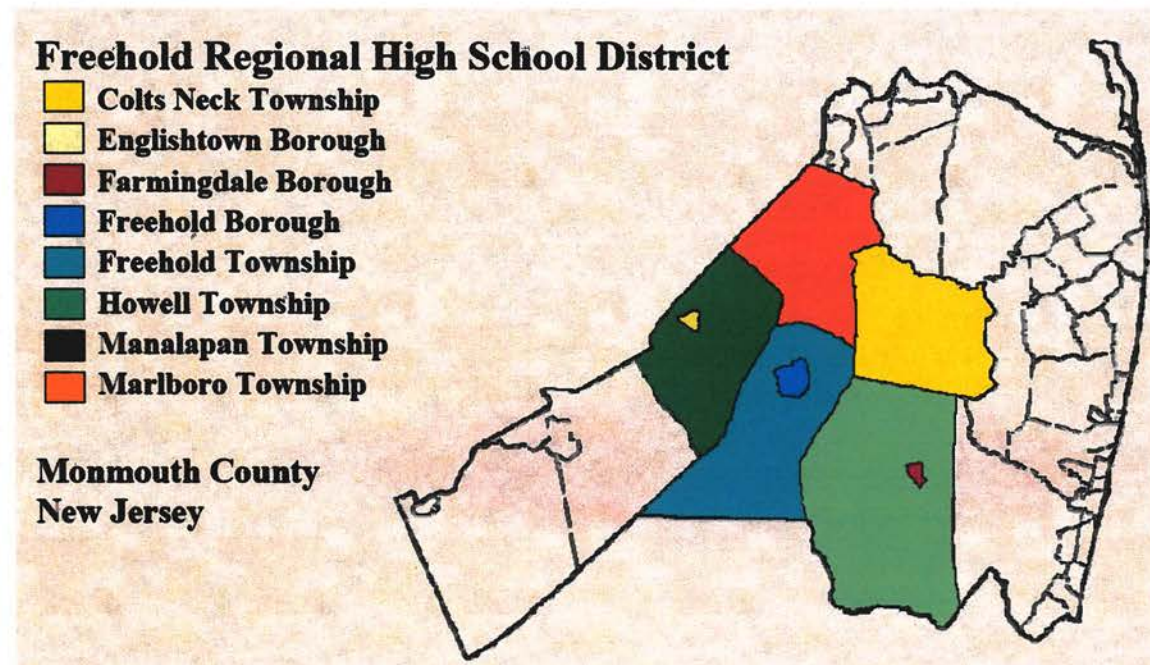
School District Organization

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

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

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

Geographically, the District is comprised of the Townships of Colts Neck, Freehold, Howell, Manalapan and Marlboro and the Boroughs of Englishtown, Farmingdale and Freehold. Established in 1953, the District's total area is 198 square miles. As of the October 2019 student count, there were 10,587 resident students. Of these resident students, 10,440 students are enrolled in one of the Freehold Regional High School District's six high schools. District enrollment has been steadily declining by approximately 150 students per year.



Economic Condition and Outlook

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

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

The District's General Fund budget derives a material amount of its support in the form of Unrestricted State Aid. In 2018 the State of New Jersey passed legislation which reallocated this aid amongst the State's various school district's based upon a revised funding formula. As a result, the Freehold Regional High School District will see its State Aid reduced over seven years by over \$30 million. The District's administration is in the process of formulating plans to deal with the ramifications of this loss of revenue.

Educational Program

The District meets advanced academic needs through a wide assortment of accelerated and Advanced Placement classes at each high school. Rising ninth graders who are accepted into one of our prestigious *Learning Center* and *Academy* magnet programs become full-time students at the program's home school for all four years of their high school career. Also offered is an International Baccalaureate (IB) Diploma Program.

Learning Centers are four-year programs of academic study offered to a selected group of highly motivated students who have demonstrated interests and abilities in particular fields of study. They prepare students for further study of that field in college. Students and faculty of a particular program join together to form a unique learning community located within the comprehensive high school setting. All Learning Centers include in-depth study of targeted courses on an advanced level, with many courses meeting the requirements of Advanced Placement or college-level work. Learning Center courses fall under traditional academic disciplines such as science, math, social studies, and language arts. The four-year sequences combine to make an integrated and interdisciplinary academic experience for students. The Learning Centers address the core skills, knowledge, and values that are essential to success in high school and in preparation for acceptance to a competitive four-year college or university.

Academies are four-year programs of specialized coursework and experiences for students who have a particular career interest. Students who attend Academies are prepared to directly enter the work force where they can immediately use the knowledge and skills, or attend a post-secondary technical program, or attend a two- or four-year college. The programs integrate career and technical courses in addition to the traditional academic curriculum. Students who attend our Academies benefit from being part of a career-oriented learning community while at the same time being a fully participating student within a comprehensive high school. The Academy environment encourages students to engage in meaningful learning activities that are relevant to real-world settings.

International Baccalaureate (IB) Diploma Program is a comprehensive and rigorous pre-university course of studies for highly motivated 11th and 12th graders. The IB Diploma Program is widely recognized in the United States and around the world.

Major Initiatives

Strategic Planning

Compass 2.0, the successor to the original *Compass* Strategic Plan, was developed and will continue to enhance the work commenced in the 2012-17 school years. Through the *Compass 2.0* project, the Freehold Regional High School District mapped priorities and projects through the 2021-22 school year. *Compass 2.0* has four core areas that support the District's mission: Whole Child; Equity and Opportunity; Student Growth and Learning; and, Community Partnerships. View our plan mission, detailed information on each of the four core areas and implementation progress via The Compass Project link on the district's website.

Maximizing Learning Opportunities – Block Schedule

Continuous improvement through thoughtful research and collaborative development has long been a hallmark of the Freehold Regional High School District. Alternative school day structures, and their impact on teaching and learning, were explored and the District implemented a block schedule for the 2018-19 school year. The new schedule is aligned to the District mission that provides students with modern learning experiences and opportunities to explore and learn in greater depth.

Capital Planning

The current budget law limits opportunities to fund high dollar facility needs through the annual school budget or local reserves. The district developed a capital referendum that addressed the following four broad areas of need: Modernized Learning Environment, Expanded Utilization of Athletic Facilities, Enhanced Safety and Security, and Infrastructure Maintenance. The referendum, which did not receive voter support in 2018, was re-offered to the public in November of 2019 as three separate questions and was once again defeated. The District plans to re-offer a referendum question again in November 2020, this time only focusing on critical infrastructure projects.

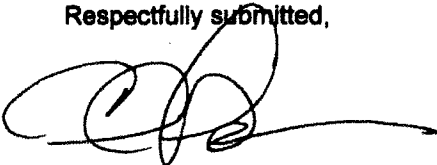
Acknowledgements and Achievements

Among the district's many achievements:

- Ms. Beth English, an English teacher at Freehold Township High School, was selected as Monmouth County Teacher of the Year.
- Freehold Regional High School District was named a "Best Employer" in New Jersey by Forbes magazine
- Colts Neck High School's Navy Junior ROTC Unit was named the "Most Outstanding Unit" in the United States by the Navy
- Dr. Charles Sampson was invited to present at the 2019 Digital Promise, League of Innovative Schools Conference in Washington, D.C.
- Dr. Sampson and former Director of Curriculum Dr. Jeffrey Moore had their article, "Advancing Rigor and Reversing Deceleration: Equity-Focused Leadership in Action," accepted for publication in the March 2019 issue of *Educational Leadership*.
- Class of 2019 acceptance into top colleges and universities including Ivy League schools.

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

Respectfully submitted,



Charles Sampson
Superintendent of Schools



Sean Boyce, CPA
Assistant Superintendent for Business

**FREEHOLD REGIONAL HIGH SCHOOL BOARD OF EDUCATION
ENGLISHTOWN, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2019**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Carl Accettola, President	2020
Jennifer Sutera, Vice President	2021
Peter Bruno	2021
Diana Cappiello	2019
Samuel Carollo	2020
Amy Fankhauser	2019
Kathie Lavin	2019
Michael Messinger	2020
Heshy Moses	2021

Other Officials

Charles Sampson, Superintendent of Schools

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

Mark Toscano, Esq., Solicitor

**FREEHOLD REGIONAL HIGH SCHOOL BOARD OF EDUCATION
CONSULTANTS AND ADVISORS
JUNE 30, 2019**

Audit Firm

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

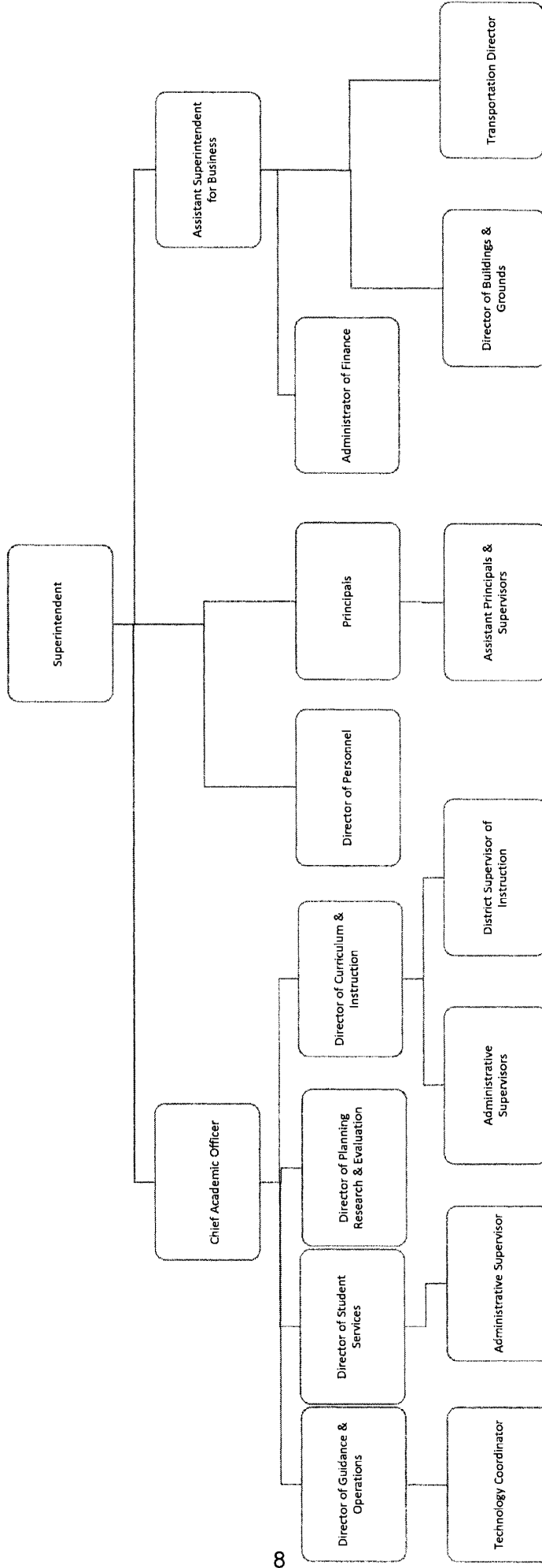
Attorney

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

Official Depository

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

Freehold Regional High School District Organizational Chart



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FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Freehold Regional High School District, County of Monmouth, New Jersey as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State of New Jersey *OMB Circular 15-08* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

SUPLEE, CLOONEY & COMPANY

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Freehold Regional High School District, County of Monmouth, New Jersey as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information in Exhibit C-1 through C-3 and the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibit M-1 and M-2 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

SUPLEE, CLOONEY & COMPANY

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Freehold Regional High School District's basic financial statements. The accompanying supplementary information schedules such as the introductory section, combining statements and individual fund financial statements, the statistical section and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 5, 2019 on our consideration of the Freehold Regional High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Freehold Regional High School District's internal control over financial reporting and compliance.

Suplee, Clooney & Company
CERTIFIED PUBLIC ACCOUNTANTS

Robert W. Swisher
PUBLIC SCHOOL ACCOUNTANT NO. 948

December 5, 2019

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED**

The discussion and analysis of Freehold Regional High School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance. Certain comparative information between the current fiscal year (2018-2019) and the prior fiscal year (2017-2018) is presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2019 are as follows:

- ↪ The District's overall financial position remained stable in 2019. The District's administration is in the process of formulating plans to deal with the ramifications of the loss of revenue expected from the S2 legislation passed by the State of New Jersey in 2018. As a result of this legislation the District is slated to lose over \$30 million over the course of seven years.
- ↪ Net Position of governmental activities increased \$3,453,252, which represents a 6.35 percent increase from 2018. This is largely due to the impact of GASB 68 – FY19 saw a decrease in actuarially calculated pension expense and net pension liability.
- ↪ Net Position of business-type activities decreased \$196,505, which represents a 29.6 percent decrease from 2018. As expected, profits decreased as a result of the implementation of single unit lunch. Sales towards the second half of the year rebounded and the operation is expected to continue to be self-sustaining.
- ↪ Property taxes continue to provide the majority of revenue for the Governmental Funds accounting for 57.0 percent in 2019. During the eight years the tax cap has been in place, the District has forgone more than \$27 million in available property tax.
- ↪ Governmental Fund expenses (exclusive of the Capital Projects Fund) increased by \$1,044,479 which represents a .47 percent increase from 2018. This increase is mainly due to an increase in on-behalf payments for TPAF pension and TPAF post-retirement contributions, offset by a decrease in unallocated benefits and a decrease in capital outlay. Unallocated benefits decreased mainly as a result of a decline in the total amount of health insurance claims during FY19. This appears to be an anomaly as claims costs thus far in FY20 are more comparable to what the District has experienced in previous years.
- ↪ A decrease in Capital Outlay resulted from the timing of the completion of the Marlboro Boiler project as well as a decrease in the number and dollar amount of technology infrastructure projects paid for via capital lease. The Marlboro boiler project commenced in June and most of the work was completed in the summer.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

This document looks at all financial transactions and asks the question, "How did we do financially during 2019?" The *Statement of Net Position* and the *Statement of Activities* attempt to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

Notes to the Basic Financial Statements

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

THE SCHOOL DISTRICT AS A WHOLE

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

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

Table 1 provides a summary of the School District's Net Position for 2019 and 2018.

**TABLE 1
Net Position**

	2018-2019			2017-2018		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
ASSETS						
Current & Other Assets	\$38,632,684	\$920,314	\$39,552,998	\$35,871,539	\$558,563	\$36,430,102
Capital Assets	114,880,740	435,850	115,316,590	119,675,671	493,155	120,168,826
Total Assets	153,513,424	1,356,164	154,869,588	155,547,210	1,051,718	156,598,928
DEFERRED OUTFLOWS OF RESOURCES:						
Loss on Refunding of Long Term Debt	10,807		10,807	45,112		45,112
Pension Related	13,105,953		13,105,953	17,337,712		17,337,712
Total Deferred Outflow of Resources	13,116,760		13,116,760	17,382,824		17,382,824
LIABILITIES						
Long-Term Liabilities	71,098,061	516,726	71,614,787	86,296,325		86,296,325
Other Liabilities	20,208,428	371,557	20,579,985	19,506,517	387,332	19,893,849
Total Liabilities	91,306,489	888,283	92,194,772	105,802,842	387,332	106,190,174
DEFERRED INFLOWS OF RESOURCES:						
Pension Related	17,478,906		17,478,906	12,735,655		12,735,655
Total Deferred Inflow of Resources	17,478,906		17,478,906	12,735,655		12,735,655
NET POSITION						
Net Investment in Capital Assets	90,858,048	38,228	90,896,276	89,024,727	493,155	89,517,882
Restricted	28,130,955		28,130,955	26,112,090		26,112,090
Unrestricted (Deficit)						
Pension Related	(49,733,871)		(49,733,871)	(49,733,871)		(49,733,871)
Other	(11,410,343)	429,653	(10,980,690)	(11,011,409)	171,231	(10,840,178)
Total Net Position	\$57,844,789	\$467,881	\$58,312,670	\$54,391,537	\$664,386	\$55,055,923

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

Table 2 details the changes in Net Position for fiscal year 2019 and 2018.

**TABLE 2
CHANGES IN NET POSITION**

	2018-2019			2017-2018		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$345,797	\$2,199,560	\$2,545,357	\$212,475	\$2,994,466	\$3,206,941
Operating Grants & Contributions	50,051,482	540,016	50,591,498	64,954,154	665,540	65,619,694
General Revenues						
Property Taxes	138,392,857		138,392,857	135,752,348		135,752,348
Grants (includes State Aid) and Entitlements	54,771,661		54,771,661	55,584,485		55,584,485
Other Revenues	872,300		872,300	459,661		459,661
	<u>\$244,434,097</u>	<u>\$2,739,576</u>	<u>\$247,173,673</u>	<u>\$256,963,123</u>	<u>\$3,660,006</u>	<u>\$260,623,129</u>
Expenses:						
Instruction	134,933,146		134,933,146	146,243,677		146,243,677
Pupils and Instructional Staff	44,978,608		44,978,608	47,827,349		47,827,349
General Administration, School Administration, Central Services						
Information Technology & Maintenance	37,458,790		37,458,790	39,791,386		39,791,386
Transportation	17,281,025		17,281,025	17,235,383		17,235,383
Interest on Long-Term Debt	445,263		445,263	741,084		741,084
Business-Type		2,936,081	2,936,081		3,817,633	3,817,633
Other	5,884,013		5,884,013	5,324,671		5,324,671
Total Expenses	<u>\$240,980,845</u>	<u>\$2,936,081</u>	<u>\$243,916,926</u>	<u>\$257,163,550</u>	<u>\$3,817,633</u>	<u>\$260,981,183</u>
Change in Net Position	\$3,453,252	(\$196,505)	\$3,256,747	(\$200,427)	(\$157,627)	(\$358,054)
Net Position July 1,	54,391,537	664,386	55,055,923	54,591,964	822,013	55,413,977
Net Position June 30,	<u>\$57,844,789</u>	<u>\$467,881</u>	<u>\$58,312,670</u>	<u>\$54,391,537</u>	<u>\$664,386</u>	<u>\$55,055,923</u>

The presentation of net position in the District's June 30, 2019 financial statements includes revenues from federal and state grant programs as well as the state's on-behalf contributions to the Teachers' Pension and Annuity Fund (TPAF) and actuarially calculated expense for the Public Employees Retirement System (PERS). Corresponding amounts have been appropriately assigned throughout governmental expenses.

Variances in both the revenues and expenditures are significantly affected by the actuarially calculated revenue and expense for TPAF and PERS Pension under GASB 68 and Postemployment Benefits under GASB 75.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

Governmental Activities

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

**TABLE 3
NET COST OF SERVICES**

	Total Cost of Services <u>2019</u>	Total Cost of Services <u>2018</u>	Net Cost of Services <u>2019</u>	Net Cost of Services <u>2018</u>
Instruction	\$134,933,146	\$146,243,677	\$95,979,587	\$96,341,961
Pupils and Instructional Staff	\$44,978,608	47,827,349	37,481,098	38,023,931
General Administration, School Administration, Central Services				
Information Technology & Maintenance	\$37,458,790	39,791,386	33,796,754	34,883,927
Transportation	\$17,281,025	17,235,383	17,116,075	16,866,457
Interest on Long-Term Debt	\$445,263	741,084	326,039	555,974
Business-Type	\$2,936,081	3,817,633	196,505	157,627
Other	\$5,884,013	5,324,671	5,884,013	5,324,671
Total Expenses	<u>\$243,916,926</u>	<u>\$260,981,183</u>	<u>\$190,780,071</u>	<u>\$192,154,548</u>

As noted above, the presentation of position in the District's June 30, 2019 financial statements includes the allocation of expenses funded by federal and state grant programs as well as the state's on-behalf contributions to the Teachers' Pension and Annuity Fund.

- Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.
- Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.
- General administration, school administration, central services, information technology and maintenance include expenses associated with administrative and financial supervision of the District, as well as costs associated with the upkeep of school grounds, buildings, and equipment in an effective working condition.
- Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.
- Interest on long-term debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.
- Business-type expenses include all expenses associated with the food service and extracurricular funds.
- "Other" includes depreciation on capital assets that is not allocated to a specific function mentioned above.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

Business-Type Activities

Revenues for the District's business-type activities (food service and extra-curricular programs) were comprised of charges for services and federal and state reimbursements. The food service operation continues to run smoothly and is expected to continue to be self-sustaining. The District implemented a single unit lunch and block schedule for the 2018-19 school year. As anticipated, an initial decline in profits was experienced when the new schedule was first implemented. Sales rebounded during the second half of the school year and are expected to remain steady for fiscal year 2020.

THE SCHOOL DISTRICT'S FUNDS

All governmental funds are accounted for using the modified accrual basis of accounting. Totals (excluding Capital Projects) for revenues amounted to \$225,104,865 and expenditures were \$224,505,623. Other Financing sources and uses included Capital Lease proceeds of \$1,415,946 used primarily for the purchase of new school buses, technology infrastructure and buildings and grounds equipment. The net change in fund balance was an increase of \$2,018,865. As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Governmental Funds Revenues and Expenditures (exclusive of Capital Projects) are summarized in Table 4 and Chart 1 below.

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

REVENUES:

	<u>Amount</u>	<u>Percentage</u>	<u>Increase/Decrease from 2018</u>	<u>Percentage Change</u>
Local Sources	\$139,779,786	62.09%	\$3,108,040	2.27%
State Sources	82,113,868	36.48%	2,187,527	2.74%
Federal Sources	3,211,211	1.43%	(32,553)	-1.00%
	<u>\$225,104,865</u>	<u>100.00%</u>	<u>\$5,263,014</u>	<u>2.39%</u>

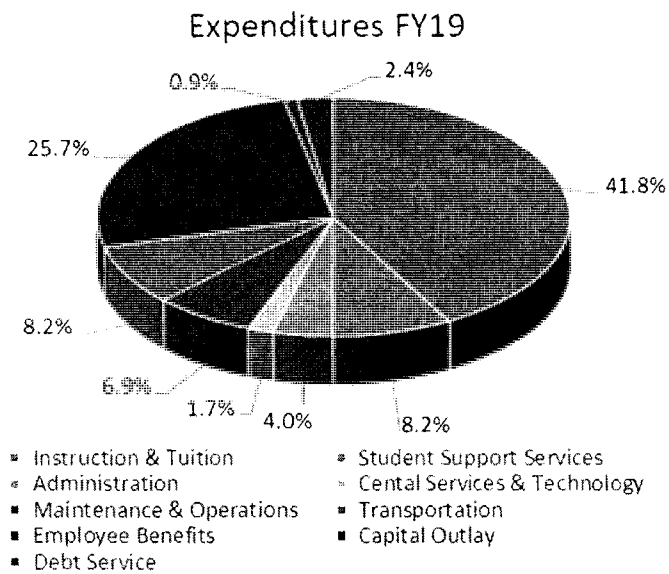
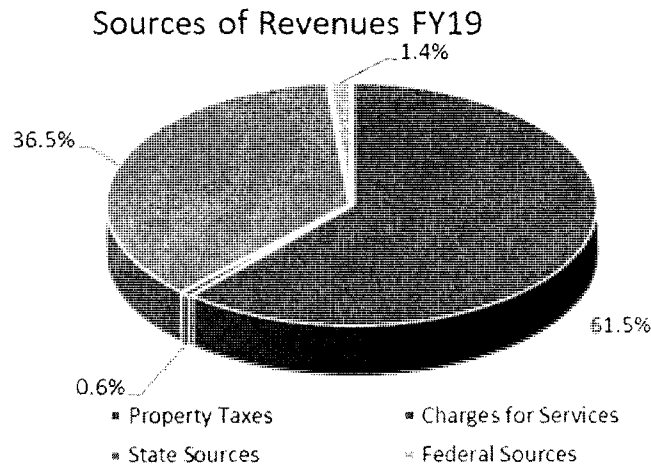
EXPENDITURES:

	<u>Amount</u>	<u>Percentage</u>	<u>Increase/Decrease from 2018</u>	<u>Percentage Change</u>
Current Expense:				
Instruction	\$75,588,820	33.67%	\$297,872	0.40%
Undistributed	138,068,700	61.50%	2,474,496	1.82%
Capital Outlay	1,962,583	0.87%	(1,631,081)	-45.39%
Special Revenue	3,438,270	1.53%	(107,058)	-3.02%
Debt Service:				
Principal	4,940,000	2.20%	245,000	5.22%
Interest	507,250	0.23%	(234,750)	-31.64%
Total	<u>\$224,505,623</u>	<u>100.00%</u>	<u>\$1,044,479</u>	<u>0.47%</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

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



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

Highlights include the following:

- The increase in local revenues was primarily due to an aggregate increase in property taxes of 2.0 percent as well as higher interest rates leading to higher interest earnings. The change in state revenue was mainly due to the increased on-behalf TPAF pension contribution - See Note 6 for additional information. The district recognizes on-behalf contributions as both revenues and expenses.
- Expenses for instruction, tuition and student support services decreased slightly from FY18. There was a budgeted reduction of six teaching positions due to declining enrollment. In special education, two students in a very expensive out of state residential placement aged-out of the school district at the end of FY18.
- The Operations and Maintenance of Plant Services section of the budget decreased primarily due to a significantly lower ESIP lease payment in FY19 as compared to the payment in FY18. The lease payment schedule was structured to coincide with the receipt of BPU subsidy revenue. Snow removal costs also decreased from FY18 due to the mild winter. These decreases were offset by additional security costs as the district added a Special Law Enforcement Officer to several schools and implemented new security technology at all six schools.
- Transportation costs continue to rise due to a couple of different factors. Of the utmost concern is the statewide shortage of bus drivers. Contractors, experiencing the effects of this shortage, mixed with the fact that CPI has been so low, opt not to renew routes thereby forcing the District to accept rebid routes at a significantly higher cost. This especially impacts the cost of transporting special education students, and those students attending non-public schools, as those routes are largely bid out by the county's educational services commission. The New Jersey Association of School Business Officials is discussing transportation concerns with state officials. Lease payments for buses also increased from FY18.
- Employee benefits appear to have increased, however, \$3.1 million of the is the result of larger on-behalf TPAF Pension and TPAF Post-retirement contributions. Excluding on-behalf payments, employee benefits actually decreased by \$806K or 1.5%. The total dollar amount of health insurance claims decreased over FY18. This appears to be an anomaly as claims costs thus far in FY20 are more comparable to what the District has experienced in previous years.
- Capital Outlay represents the following: the replacement of the boiler at the Administrative building; the commencement of the replacement of the Marlboro high School boiler; the installation of a mid block crossing and signal in Howell; and, the purchase of school buses, technology infrastructure and buildings and grounds equipment through capital lease.

Capital Projects

The current budget law limits opportunities to fund high dollar facility needs through the annual school budget or local reserves. The district developed a capital referendum that addressed the following four broad areas of need: Modernized Learning Environment, Expanded Utilization of Athletic Facilities, Enhanced Safety and Security, and Infrastructure Maintenance. The referendum, which did not receive voter support in 2018, was re-offered to the public in November of 2019 as three separate questions and was once again defeated. The District plans to re-offer a referendum question again in November 2020, this time only focusing on critical infrastructure projects.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

CAPITAL ASSETS

The District continues to invest in its Capital Assets, although not at the rate it should due to budget constraints forced by the S2 legislation. Construction in Progress decreased as the work on the ESIP project and the Administrative Office boiler was completed in FY19. The District made equipment purchases including various technology infrastructure/equipment upgrades, school buses, and buildings and grounds equipment. Table 5 shows the FY19 Capital Asset activity of the District.

**Table 5
Capital Assets for the Fiscal Year Ended June 30, 2019**

	Beginning Balance	Additions	Transfers or Retirements	Ending Balance
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 446,488			\$ 446,488
Construction In Progress	5,204,845	\$ 688,216	\$ (5,705,827)	187,234
Total capital assets not being depreciated	<u>5,651,333</u>	<u>688,216</u>	<u>(5,705,827)</u>	<u>633,722</u>
<i>Capital assets being depreciated:</i>				
Site improvements	17,727,924	83,210	49,484	17,860,618
Building and improvements	225,080,525	18,323	5,656,343	230,755,191
Equipment	22,139,711	1,569,763		23,709,474
Total capital assets being depreciated	<u>264,948,160</u>	<u>1,671,296</u>	<u>5,705,827</u>	<u>272,325,283</u>
Total Gross Assets (Memo Only)	270,599,493	2,359,512	-	272,959,005
Less accumulated depreciation for:				
Site improvements	(8,110,354)	(861,506)		(8,971,860)
Building and improvements	(126,481,390)	(4,961,829)		(131,443,219)
Equipment	(16,332,078)	(1,331,108)		(17,663,186)
Total accumulated depreciation	<u>(150,923,822)</u>	<u>(7,154,443)</u>	<u>-</u>	<u>(158,078,265)</u>
Total capital assets being depreciated, net	114,024,338	(5,483,147)	5,705,827	114,247,018
Government activities capital assets, net	<u>\$ 119,675,671</u>	<u>\$(4,794,931)</u>	<u>\$ -</u>	<u>\$ 114,880,740</u>
Business-type activities:				
<i>Capital assets being depreciated:</i>				
Equipment	\$ 1,050,693			\$ 1,050,693
Less accumulated depreciation	(557,538)	\$ (57,305)		(614,843)
Enterprise fund capital assets, net	<u>\$ 493,155</u>	<u>\$(57,305)</u>	<u>\$ -</u>	<u>\$ 435,850</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONCLUDED)**

DEBT ADMINISTRATION

Among the district's outstanding liabilities at June 30, 2019, \$3,055,215 is for compensated absences, \$20,900,189 for obligations under capital leases, \$5,205,000 of serial bonds for school construction and \$50,489,491 for Net Pension Liability. The last debt service payment for serial bonds will be in March of 2020. As noted earlier, capital leases issued under ESIP are repaid with energy savings rather than additional property tax levy.

CONTACTING THE SCHOOL DISTRICT

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

Please visit our website at www.frhsd.com

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2019

DISTRICT-WIDE FINANCIAL STATEMENTS

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$ 27,577,736	\$ 163,708	\$ 27,741,444
Receivables, net	5,921,229	732,810	6,654,039
Inventory		23,796	23,796
Restricted assets:			
Restricted cash and cash equivalents	5,133,719		5,133,719
Capital assets:			
Land and construction in progress	633,722		633,722
Other capital assets, net of depreciation	114,247,018	435,850	114,682,868
Total Assets	153,513,424	1,356,164	154,869,588
DEFERRED OUTFLOW OF RESOURCES:			
Loss on refunding of long term debt	10,807		10,807
Pension related	13,105,953		13,105,953
Total Deferred Outflow of Resources	13,116,760		13,116,760
LIABILITIES:			
Accounts payable	3,406,110	519	3,406,629
Interfund payable	379,371	145,964	525,335
Payable to state government	11,392		11,392
Unearned revenue	155,222	106,417	261,639
Other current liabilities	207,748		207,748
Accrued interest payable	86,750		86,750
Accrued liability for insurance claims	7,410,000		7,410,000
Noncurrent liabilities:			
Due within one year:			
Bonds and capital leases payable	8,551,835	118,657	8,670,492
Due beyond one year:			
Compensated absences payable	3,055,215		3,055,215
Bonds and capital leases payable	17,553,355	516,726	18,070,081
Net pension liability	50,489,491		50,489,491
Total liabilities	91,306,489	888,283	92,194,772
DEFERRED INFLOW OF RESOURCES:			
Pension related	17,478,906		17,478,906
NET POSITION:			
Net investment in capital assets	90,858,048	38,228	90,896,276
Restricted for:			
Capital projects fund	3,246,999		3,246,999
Other purposes	19,681,143		19,681,143
Unrestricted (deficit)	(55,941,401)	429,653	(55,511,748)
Total net position	\$ 57,844,789	\$ 467,881	\$ 58,312,670

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2019

Functions/Programs	Expenses	Indirect Cost Allocation	Programs Revenues		Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants and Contributions	
Governmental Activities:					
Instruction:					
Regular	\$ 67,645,479	\$ 31,118,127	\$ 197,903	\$ 27,492,376	\$ (71,073,327)
Special	17,578,383	7,375,501		8,342,926	(16,610,958)
Other instruction	7,872,195	3,343,461	77,756	2,842,598	(8,295,302)
Support services:					
Tuition	15,448,397				(15,448,397)
Student & instruction related services	21,354,751	8,175,460		7,497,510	(22,032,701)
General administrative services	2,177,543	101,176		12,269	(2,266,450)
School administrative services	8,228,660	4,033,118		3,307,666	(8,954,112)
Central service	1,718,428	392,351		43,623	(2,067,156)
Admin information technology	2,381,620	581,748		25,901	(2,937,467)
Plant operations and maintenance	15,948,818	1,895,328	70,138	202,439	(17,571,569)
Pupil transportation	15,127,042	2,153,983		164,950	(17,116,075)
Unallocated benefits	57,899,823	(57,899,823)			
Interest on long-term debt	445,263			119,224	(326,039)
Unallocated depreciation	7,154,443	(1,270,430)			(5,884,013)
Total governmental activities	240,980,845		345,797	50,051,482	(190,583,566)
Business-type activities					
Food service	2,723,536		1,987,015	540,016	(196,505)
Extra-curricular	212,545		212,545		
Total business-type activities	2,936,081		2,199,560	540,016	(196,505)
Total primary government	\$ 243,916,926		\$ 2,545,357	\$ 50,591,498	\$ (190,780,071)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes, net				\$ 134,270,320	\$ 134,270,320
Taxes levied for debt service				4,122,537	4,122,537
Federal and state aid not restricted				53,480,921	53,480,921
Federal and state aid restricted				1,290,740	1,290,740
Miscellaneous income				872,300	872,300
Total general revenues				194,036,818	194,036,818
Change in net position				3,453,252	3,256,747
Net Position - beginning				54,391,537	55,055,923
Net Position ending				57,844,789	58,312,670

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

MAJOR FUND FINANCIAL STATEMENTS

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:				
Cash and cash equivalents	\$ 32,581,094	\$	\$	\$ 32,581,094
Cash with fiscal agents	130,360			130,360
Other receivables	31,070	10,936		42,006
Due from other funds	4,543,877			4,543,877
Receivables from other governments	<u>3,188,202</u>	<u>750,018</u>	<u>1,941,003</u>	<u>5,879,223</u>
Total assets	\$ <u>40,474,603</u>	\$ <u>760,954</u>	\$ <u>1,941,003</u>	\$ <u>43,176,560</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 842,362	\$ 138,173	\$	\$ 980,535
Payable to state government		11,392		11,392
Interfund payables	3,883,538	456,167	583,543	4,923,248
Unearned revenue		155,222		155,222
Other current liabilities	207,748			207,748
Accrued liability for insurance claims	<u>7,410,000</u>			<u>7,410,000</u>
Total liabilities	<u>12,343,648</u>	<u>760,954</u>	<u>583,543</u>	<u>13,688,145</u>
Fund balances:				
Restricted:				
Capital Reserve Account	3,246,999			3,246,999
Emergency Reserve Account	255,137			255,137
Maintenance Reserve Account	1,501,223			1,501,223
Reserved Excess Surplus designated for subsequent years expenditures	8,655,210			8,655,210
Reserve for Excess surplus	4,430,764			4,430,764
Capital Projects fund			1,268,329	1,268,329
Assigned:				
Designated for subsequent years expenditures	4,838,809			4,838,809
Encumbrances	824,245		89,131	913,376
Unassigned:				
General fund	<u>4,378,568</u>			<u>4,378,568</u>
Total fund balances	<u>28,130,955</u>		<u>1,357,460</u>	<u>29,488,415</u>
Total liabilities and fund balances	\$ <u>40,474,603</u>	\$ <u>760,954</u>	\$ <u>1,941,003</u>	\$ <u>43,176,560</u>

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

Total Fund Balances (Brought Forward)	\$	29,488,415
Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Assets	\$ 272,959,005	
Accumulated Depreciation	<u>(158,078,265)</u>	114,880,740
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Net Pension Expense	(50,489,491)	
Compensated Absences	(3,055,215)	
Capital Lease Payable	(20,900,189)	
Bonds Payable	<u>(5,205,000)</u>	(79,649,895)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Deferred Outflows:		
Pension related	\$ 10,680,378	
Employer Contribution related to pensions	<u>2,425,575</u>	
	13,105,953	
Loss on Refunding Debt	<u>10,807</u>	13,116,760
Deferred Inflows:		
Pension related		(17,478,906)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accounts Payable - Pension Related	(2,425,575)	
Accrued Interest Payable	<u>(86,750)</u>	<u>(2,512,325)</u>
Net Position of Governmental Activities	\$	<u><u>57,844,789</u></u>

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local Tax Levy	\$ 134,270,320			\$ 4,122,537	\$ 138,392,857
Tuition/Transportation	197,903				197,903
Unrestricted Miscellaneous Revenue	841,301		3,677		844,978
Interest Earned on Emergency Reserve	1,837				1,837
Interest Earned on Maintenance Reserve	10,806				10,806
Interest Earned on Capital Reserve Funds	14,679				14,679
Other Restricted Miscellaneous Revenue	147,894	172,509			320,403
Total - local sources	135,484,740	172,509	3,677	4,122,537	139,783,463
State sources	80,623,254	165,901	60,532	1,324,713	82,174,400
Federal sources	111,351	3,099,860			3,211,211
Total revenues	216,219,345	3,438,270	64,209	5,447,250	225,169,074
EXPENDITURES:					
Current expense:					
Regular instruction	55,968,418	757,943			56,726,361
Special instruction	12,909,253	2,132,869			15,042,122
Other instruction	6,711,149				6,711,149
Support services:					
Tuition	15,448,397				15,448,397
Student & instruction related services	17,983,448	522,739			18,506,187
General administrative services	2,151,455				2,151,455
School administrative services	6,877,808				6,877,808
Central service	1,622,802				1,622,802
Administrative information technology services	2,294,484				2,294,484
Plant operations and maintenance	15,518,081				15,518,081
Pupil transportation	18,508,314				18,508,314
Unallocated benefits	57,663,911				57,663,911
Debt Service:					
Principal				4,940,000	4,940,000
Interest				507,250	507,250
Capital outlay	1,962,583	24,719	380,311		2,367,613
Total expenditures	215,620,103	3,438,270	380,311	5,447,250	224,885,934
Excess (deficiency) of revenues over (under) expenditures	599,242		(316,102)		283,140
Other financing sources (uses):					
Capital Lease	1,415,946				1,415,946
Transfer	3,677		(3,677)		
Total other financing sources (uses)	1,419,623		(3,677)		1,415,946
Net change in fund balances	2,018,865		(319,779)		1,699,086
Fund balances, July 1, 2018	26,112,090		1,677,239		27,789,329
Fund balances, June 30, 2019	\$ 28,130,955	\$	\$ 1,357,460	\$	\$ 29,488,415

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Total net change in fund balances - governmental funds (from B-2)	\$	1,699,086
<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		(7,154,443)
Capital outlays	\$ 2,367,613	
Less: Capital Outlays not capitalized	<u>(8,101)</u>	2,359,512
<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>		
		4,940,000
<p>Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of Net Position.</p>		
Capital lease proceeds - Current Year		(1,446,617)
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the statement of activities.</p>		
Payment of capital lease payable		3,749,800
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		82,333
<p>Bond costs are reported in the Governmental Funds as expenditures in the year the bonds are issued. However, on the Statement of Activities the costs are amortized over the life of the Bonds.</p>		
		(34,305)
<p>District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
District pension contributions	2,550,635	
Less: Pension expense	<u>(3,056,837)</u>	(506,202)
<p>In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		<u>(235,912)</u>
Change in net position of governmental activities (A-2)	\$	<u><u>3,453,252</u></u>

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

OTHER FUNDS

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2019

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>FOOD SERVICE</u>	<u>EXTRA-CURRICULAR</u>	<u>TOTAL</u>
	<u>FUND</u>	<u>FUND</u>	
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 163,708	\$	\$ 163,708
Accounts receivable:			
State	907		907
Federal	27,096		27,096
Other	9,385	145,964	155,349
Interfund Receivable	549,458		549,458
Inventories	23,796		23,796
	<hr/>	<hr/>	<hr/>
Total current assets	774,350	145,964	920,314
Noncurrent assets:			
Furniture, machinery and equipment	1,050,694		1,050,694
Less accumulated depreciation	(614,844)		(614,844)
	<hr/>	<hr/>	<hr/>
Total noncurrent assets	435,850		435,850
	<hr/>	<hr/>	<hr/>
Total assets	1,210,200	145,964	1,356,164
LIABILITIES:			
Current liabilities:			
Accounts Payable	519		519
Interfund Payables		145,964	145,964
Lease Payable	635,383		635,383
Unearned Revenue	106,417		106,417
	<hr/>	<hr/>	<hr/>
Total current liabilities	742,319	145,964	888,283
NET POSITION:			
Net investment in capital assets	38,228		38,228
Unrestricted	429,653		429,653
	<hr/>	<hr/>	<hr/>
Total net position	\$ 467,881	\$	\$ 467,881

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>FOOD SERVICE</u>	<u>EXTRA-CURRICULAR</u>	
	<u>FUND</u>	<u>FUND</u>	<u>TOTAL</u>
OPERATING REVENUES:			
Charges for services:			
Daily sales - Reimbursable programs	\$ 636,408	\$	\$ 636,408
Daily sales - Non-reimbursable programs	1,310,820		1,310,820
Special Functions	39,787		39,787
Fees - individuals		212,545	212,545
	<hr/>	<hr/>	<hr/>
Total operating revenues	1,987,015	212,545	2,199,560
	<hr/>	<hr/>	<hr/>
OPERATING EXPENSES:			
Cost of sales - reimbursable programs	561,507		561,507
Cost of sales - non-reimbursable programs	610,821		610,821
Salaries and benefits	1,174,007	92,522	1,266,529
Supplies and materials	126,697		126,697
Management fee	79,612		79,612
Miscellaneous	113,587	27,037	140,624
Depreciation	57,305		57,305
Facility Rental		92,986	92,986
	<hr/>	<hr/>	<hr/>
Total operating expenses	2,723,536	212,545	2,936,081
	<hr/>	<hr/>	<hr/>
Operating (loss)	(736,521)		(736,521)
	<hr/>	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):			
State Sources			
State school lunch program	14,066		14,066
Federal Sources			
National school lunch program	378,899		378,899
School breakfast program	36,054		36,054
National food distribution commodities	110,997		110,997
Total nonoperating revenues (expenses)	540,016		540,016
	<hr/>	<hr/>	<hr/>
Income (loss) before contributions and transfers	(196,505)		(196,505)
	<hr/>	<hr/>	<hr/>
Change in net position	(196,505)		(196,505)
	<hr/>	<hr/>	<hr/>
Total net position - beginning	664,386		664,386
	<hr/>	<hr/>	<hr/>
Total net position - ending	\$ 467,881	\$	\$ 467,881
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>FOOD SERVICE</u>	<u>EXTRA-CURRICULAR</u>	<u>TOTAL</u>
	<u>FUND</u>	<u>FUND</u>	
Cash flows from operating activities:			
Receipts from customers	\$ 2,003,083	\$ 75,588	\$ 2,078,671
Payments to employees	(1,141,688)	(92,522)	(1,234,210)
Payments to suppliers	<u>(1,672,389)</u>	<u>(120,023)</u>	<u>(1,792,412)</u>
Net cash provided by (used for) operating activities	<u>(843,313)</u>	<u>(136,957)</u>	<u>(980,270)</u>
Cash flows from noncapital financing activities:			
State sources	14,260		14,260
Federal sources	417,835		417,835
Operating subsidies and transfers to other funds	<u>405,737</u>	<u>136,957</u>	<u>542,694</u>
Net cash provided by noncapital financing activities	<u>837,832</u>	<u>136,957</u>	<u>974,789</u>
Net increase (decrease) in cash and cash equivalents	(5,481)		(5,481)
Cash and cash equivalents, July 1, 2018	<u>169,189</u>		<u>169,189</u>
Cash and cash equivalents, June 30, 2019	<u>\$ 163,708</u>	<u>\$</u>	<u>\$ 163,708</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (736,521)	\$	\$ (736,521)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	57,305		57,305
Federal commodities	110,997		110,997
Change in assets and liabilities:			
(Increase) decrease in accounts receivable, net	(5,306)	(136,957)	(142,263)
Increase (decrease) in unearned revenue	21,083		21,083
Increase (decrease) in accounts payable	(292,472)		(292,472)
(Increase) decrease in inventories	<u>1,601</u>		<u>1,601</u>
	<u>(106,792)</u>	<u>(136,957)</u>	<u>(243,749)</u>
Net cash provided by (used for) operating activities	<u>\$ (843,313)</u>	<u>\$ (136,957)</u>	<u>\$ (980,270)</u>

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Unemployment Compensation <u>Insurance Trust</u>	Private Purpose <u>Trust</u>	<u>Agency Funds</u>
ASSETS:			
Cash and cash equivalents	\$ 1,108,598	\$ 851,578	\$ 4,128,837
Total assets	\$ 1,108,598	\$ 851,578	\$ 4,128,837
LIABILITIES:			
Accounts payable	54,647		
Interfund payable			24,124
Payable to student groups			959,763
Wage Payable - Summer Payroll			3,109,714
Payroll deductions and withholdings			35,236
Total liabilities	54,647		4,128,837
NET POSITION:			
Held in trust for State Unemployment Insurance claims and other purposes	1,053,951		
Held in trust for scholarships and other purposes		851,578	
Total net position	\$ 1,053,951	\$ 851,578	

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Unemployment Compensation <u>Insurance Trust</u>	Private Purpose <u>Trust</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Plan member	\$ 249,508	\$	\$ 249,508
Donations	\$	25,720	25,720
Total contributions	<u>249,508</u>	<u>25,720</u>	<u>275,228</u>
Investment earnings:			
Interest	<u>6,220</u>	<u>5,103</u>	<u>11,323</u>
Net investment earnings	<u>6,220</u>	<u>5,103</u>	<u>11,323</u>
Total additions	<u>255,728</u>	<u>30,823</u>	<u>286,551</u>
DEDUCTIONS:			
Quarterly Contribution Reports	101,656		101,656
Unemployment Claims	132,719		132,719
Scholarships Awarded		<u>47,550</u>	<u>47,550</u>
Total deductions	<u>234,375</u>	<u>47,550</u>	<u>281,925</u>
Change in net position	21,353	(16,727)	4,626
Net position beginning of year	<u>1,032,598</u>	<u>868,305</u>	<u>1,900,903</u>
Net position end of year	<u>\$ 1,053,951</u>	<u>\$ 851,578</u>	<u>\$ 1,905,529</u>

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

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

Basis of Presentation

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

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

Governmental Funds

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

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Proprietary Funds

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

Fiduciary Funds

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

The District's Fiduciary funds are as follows:

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

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting-Measurement Focus

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

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2019 totaled \$750,000.

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

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

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

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

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

Interfunds

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

Inventories and Prepaid Expenses

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

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

In fiscal year 2016, the District implemented GASB 72. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, Measurement of Elements of Financial Statements, and other relevant literature.

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

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

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

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

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

Fund Equity

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

Unearned Revenue

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities and Long-Term Obligations

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

Net Position

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

Fund Balance Reserves

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

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves (Continued)

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

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

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

Unassigned - is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

Revenues Exchange and Non-exchange Transactions

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-exchange Transactions (Continued)

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

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

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

Operating Revenues and Expenses

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

Allocation of Indirect Expenses

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Extraordinary and Special Items

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

Management Estimates

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

Accounting and Financial Reporting for Pensions

In the District-Wide Financial Statements 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 District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and 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.

In the Governmental Fund Financial Statements the year end net pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1st of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The Governmental Fund Financial Statements reflect both a revenue and expenses for this pension contribution.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

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

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

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Deposits

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

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

Deposits

The Freehold Regional High School District had the following cash and cash equivalents at June 30, 2019:

<u>Fund Type</u>	<u>Amount</u>
Cash in Bank:	
Governmental Funds	\$ 38,406,628
Proprietary Funds	209,090
Fiduciary Funds	6,424,732
Total Cash in Bank	\$ <u>45,040,450</u>
Less: Reconciling Items	<u>6,076,275</u>
	<u>\$ 38,964,175</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2019, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$45,040,450, \$750,000 was covered by Federal Depository Insurance, and \$44,290,450 was covered under the provisions of NJGUDPA.

Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

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

Investments (Continued)

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 C. 17:1941); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

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

Investments (Continued)

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1, and existing investment practices of NJARM, the District is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: RECEIVABLES

Receivables at June 30, 2019 are listed below. All receivables are considered collectible in full. A summary of the principal items of governmental receivables follows:

	Governmental Financial <u>Statements</u>	District-Wide Financial <u>Statements</u>
State Aid	\$5,116,206	\$5,116,206
Federal Aid	763,017	763,017
Interfunds	4,543,877	
Other	42,006	42,006
Gross Receivables	10,465,106	5,921,229
Less: Allowance for Uncollectibles		-
Total Receivables, Net	\$10,465,106	\$5,921,229

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 4: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers or Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 446,488			\$ 446,488
Construction In Progress	5,204,845	\$ 688,216	\$ (5,705,827)	187,234
Total capital assets not being depreciated	<u>5,651,333</u>	<u>688,216</u>	<u>(5,705,827)</u>	<u>633,722</u>
<i>Capital assets being depreciated:</i>				
Site improvements	17,727,924	83,210	49,484	17,860,618
Building and improvements	225,080,525	18,323	5,656,343	230,755,191
Equipment	22,139,711	1,569,763		23,709,474
Total capital assets being depreciated	<u>264,948,160</u>	<u>1,671,296</u>	<u>5,705,827</u>	<u>272,325,283</u>
Total Gross Assets (Memo Only)	270,599,493	2,359,512	-	272,959,005
Less accumulated depreciation for:				
Site improvements	(8,110,354)	(861,506)		(8,971,860)
Building and improvements	(126,481,390)	(4,961,829)		(131,443,219)
Equipment	(16,332,078)	(1,331,108)		(17,663,186)
Total accumulated depreciation	<u>(150,923,822)</u>	<u>(7,154,443)</u>	<u>-</u>	<u>(158,078,265)</u>
Total capital assets being depreciated, net	114,024,338	(5,483,147)	5,705,827	114,247,018
Governmental activities capital assets, net	<u>\$ 119,675,671</u>	<u>\$ (4,794,931)</u>	<u>\$ -</u>	<u>\$ 114,880,740</u>
Business-type activities:				
<i>Capital assets being depreciated:</i>				
Equipment	\$ 1,050,693			\$ 1,050,693
Less accumulated depreciation	(557,538)	\$ (57,305)		(614,843)
Enterprise fund capital assets, net	<u>\$ 493,155</u>	<u>\$ (57,305)</u>	<u>\$ -</u>	<u>\$ 435,850</u>

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 4: CAPITAL ASSETS (CONTINUED)

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

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 114,400
Other Instruction	1,836
Student & Instruction Related Services	39,460
General Administrative Services	1,670
School Administrative Services	5,035
Central Service	3,290
Administrative Technology	347,923
Plant, Operations & Maintenance	81,297
Pupil Transportation	675,519
Unallocated	<u>5,884,013</u>
	<u>\$ 7,154,443</u>

NOTE 5: LONG-TERM LIABILITIES

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2019:

Governmental Funds:

	Balance June 30, <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2019</u>	Amounts due Within <u>one year</u>
Bonds Payable	\$10,145,000		\$4,940,000	\$5,205,000	\$5,205,000
Compensated Absences	2,819,304	235,911		3,055,215	
Capital Leases Payable	23,203,372	1,446,617	3,749,800	20,900,189	3,346,835
Pension Liability	58,818,449		8,328,958	50,489,491	
Balance June 30, 2019	<u>\$94,986,125</u>	<u>\$1,682,528</u>	<u>\$17,018,758</u>	<u>\$79,649,895</u>	<u>\$8,551,835</u>

Food Service Fund:

	Balance June 30, <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2019</u>	Amounts due Within <u>one year</u>
Capital Leases Payable	\$ -	\$ 635,383		\$ 635,383	\$ 118,657
Balance June 30, 2019	<u>\$ -</u>	<u>\$ 635,383</u>	<u>\$ -</u>	<u>\$ 635,383</u>	<u>\$ 118,657</u>

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2019, including interest payments on issued debt, are as follows:

Fiscal Year <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY 2020	<u>\$5,205,000</u>	<u>\$260,250</u>	<u>\$5,465,250</u>
	<u>\$5,205,000</u>	<u>\$260,250</u>	<u>\$5,465,250</u>

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

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

<u>Issue</u>	<u>Amount Outstanding June 30, 2019</u>	<u>Bonds Authorized But Not Issued</u>
\$42,690,000.00 in Refunding School Bonds dated November 16, 2001, due in one remaining annual installment of \$5,205,000 due on March 1, 2020 with interest of 5.00%	\$ <u>5,205,000</u>	\$ <u>-0-</u>
	\$ <u>5,205,000</u>	\$ <u>-0-</u>

Refunding School Bonds

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (18 to 20 years). The cost associated with the issues of the various bonds amounted to \$639,077. The current year portion charged to the Statement of Activities was \$34,305 leaving a balance of \$10,807. Under the escrow agreement, the escrow is irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the refunded obligations are considered to be defeased and the liability for those bonds has been removed from the financial statements.

Bonds Authorized But Not Issued

As of June 30, 2019, the District had no Bonds Authorized but not issued.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Capital Leases Payable

The District is leasing various equipment and improvements totaling \$30,103,250 as follows:

<u>Description</u>	<u>Date</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Amount</u>
District Wide Energy Savings Improvement Plan	12/31/13	15 Years	2.690%	\$17,498,000
Roof Replacement	12/31/14	5 Years	1.570%	\$3,250,000
School Buses and Maintenance Vehicles	12/31/15	5 Years	1.433%	\$1,661,250
School Buses, Technology and Copiers	7/15/16	5 Years	1.290%	\$3,052,000
School Buses, Technology and Buildings and Grounds Equipment	7/15/17	5 Years	1.680%	\$2,560,000
School Buses, Technology, Cafeteria, and Buildings and Grounds Equipment	7/15/18	5 Years	2.896%	\$2,082,000

The following is a schedule of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2019:

<u>Fiscal Year Ended June 30,</u>	<u>Governmental Funds</u>	<u>Business-Type Activities Food Service Fund</u>
2020	\$ 3,847,343	\$ 138,589
2021	2,792,737	138,589
2022	2,778,054	138,589
2023	2,180,071	138,589
2024	1,678,697	138,588
2025-2029	7,412,811	
2030-2031	3,158,261	
Total Minimum Lease Payments	23,847,974	692,944
Less: Amount Representing Interest	2,947,785	57,561
Present Value of Lease Payments	\$ 20,900,189	\$ 635,383

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

OPERATING LEASES

The District has a commitment to lease building space, and a parking lot under an operating lease that expires on June 30, 2021. The District also has operating leases for copiers and a postage machine that expire on various dates over the next five years. The total operating lease payments made during the year ended June 30, 2019 were \$240,344.

Future minimum lease payments are below. The FY 2022 and FY 2023 amounts include payments expected to be made for the transportation depot lease, assuming that the current lease will be renewed.

<u>Years Ending June 30,</u>	<u>Principal</u>
2020	239,556
2021	233,552
2022	220,427
2023	<u>215,849</u>
Total minimum lease payments	<u>\$909,384</u>

NOTE 6: PENSION PLANS

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 6: PENSION PLANS (CONTINUED)

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

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

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

Significant Legislation

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 6: PENSION PLANS (CONTINUED)

Pension Plan Design Changes

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

Funding Changes

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

COLA Suspension

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

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 6: PENSION PLANS (CONTINUED)

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

Three Year Trend Information for PERS

<u>Year Ended June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2019	\$2,550,635	100%	\$2,550,635
2018	\$2,340,754	100%	\$2,340,754
2017	\$2,249,388	100%	\$2,249,388

Three Year Trend Information for TPAF (On-Behalf)

<u>Year Ended June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2019	\$14,884,315	100%	\$14,884,315
2018	\$11,260,712	100%	\$11,260,712
2017	\$8,422,087	100%	\$8,422,087

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District for the years ended June 30, 2019, 2018 and 2017 \$5,606,650, \$5,644,204, and \$5,566,615, respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

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

Public Employees Retirement System (PERS)

At June 30, 2019, the District reported a liability of \$50,489,491 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2018, the District's proportion was 0.2564284900 percent, which was an increase of 0.0037545717 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$3,056,837 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2018 measurement date.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$962,842	\$260,340
Changes of assumptions	8,319,832	16,143,855
Net difference between projected and actual earnings on pension plan investments		473,594
Changes in proportion and differences between District contributions and proportionate share of contributions	1,397,704	601,117
District contributions subsequent to the measurement date	<u>2,425,575</u>	
	<u>\$13,105,953</u>	<u>\$17,478,906</u>

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

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

Public Employees Retirement System (PERS) (Continued)

The \$2,425,575 reported as deferred inflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2019, the plan measurement date is June 30, 2018) will be recognized as an increase to the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Amount</u>
2019	\$509,740
2020	(325,849)
2021	(3,319,715)
2022	(2,856,362)
2023	<u>(806,342)</u>
	<u><u>(\$6,798,528)</u></u>

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. These actuarial valuations used the following assumptions:

Inflation	2.25 Percent
Salary Increases (based on age)	
Though 2026	1.65-4.15 Percent
Thereafter	2.65-5.15 Percent
Investment Rate of Return	7.00 Percent

Preretirement 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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. 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, 2017 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.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018 and 7.00 at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Fund	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 Market Equity	11.50%	9.00%
Emerging Market Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.66% and 5.00% as of June 30, 2018 and June 30, 2017 respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30, 2018 and June 30, 2017 and a municipal bond rate of 3.87% and 3.58% for June 30, 2018 and June 30, 2017 respectively based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 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, 2018 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2018		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>4.66%</u>	<u>5.66%</u>	<u>6.66%</u>
District's proportionate share of the pension liability	\$63,484,718	\$50,489,491	\$39,587,327

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

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

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2019 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$474,933,459</u>
	<u>\$474,933,459</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2018, the proportion of the TPAF net pension liability associated with the District was .7465411736% which was a decrease of .0022197614 percent from its proportion measured as of June 30, 2017.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

For the year ended June 30, 2019, the District recognized on-behalf pension expense and revenue of \$27,686,960 for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2018 measurement date.

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary increases:	
2011-2026	1.55 – 4.55%
Thereafter	2.00 – 5.45%
Investment rate of return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% and 7.00% at June 30, 2018 and June 30, 2017 respectively) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return (Continued)

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, 2018 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Fund	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 Market Equity	11.50%	9.00%
Emerging Market Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.86% and 4.25% as of June 30, 2018 and 2017, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.00, and a municipal bond rate of 3.87% and 3.58% as of June 30, 2018 and 2017, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 50% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 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.

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

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

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75

Plan Description and Benefits Provided

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan, which is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Employees Covered by Benefit Terms

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members or Beneficiaries Not Yet Receiving Benefits	- 0 -
Total Plan Members	<u>362,181</u>

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Total Non-Employer OPEB Liability

The portion of the total Non-Employer OPEB Liability that was associated with the District at June 30, 2019 was as follows:

Total OPEB Liability:	
District's Proportionate Share	\$-0-
State's Proportionate Share associated with the District	<u>298,278,329</u>
	<u><u>298,278,329</u></u>

The total Non-Employer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018.

The total Non-Employer OPEB Liability was determined separately based on actual data of the District.

For the year ended June 30, 2019, the District recognized on-behalf post-employment expense and revenue of \$13,213,882 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2018 measurement date.

At June 30, 2018, the District's proportion was 0.06468725671 percent, which was an increase of .0043848339 from its proportion measured as of June 30, 2017.

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective Non-Employer OPEB liability on the Statement of Net Position.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Actuarial Assumptions and Other Imputes

The total Non-Employer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation 2.5 percent

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases			
Through 2026	1.55-4.55%	2.15-4.15% Based on Age	2.10-8.98% Based of Age
Thereafter	2.00-5.45%	3.15-5.15% Based on Age	3.10-9.98 Based of Age

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female fully generational mortality projections from the central year using the MP-2017 scale. Post-Retirement mortality rates were based on the RP-2006 Headcount- Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015, July 1, 2011 - June 30, 2014, and July 1, 2010 - June 30, 2013 for TPAF, PFRS and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participant in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Actuarial Assumptions and Other Imputes (Continued)

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.8% 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 trend rate after nine years. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Pan B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2018 and 2017 was 3.87% and 3.58%, respectively. This represents the municipal bond return rate as chosen by the Division. 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.

Changes in the Total Non-Employer OPEB Liability

Shown below are details regarding The Total OPEB non-employer Liability associated with the District for the measurement period from June 30, 2017 to June 30, 2018.

Balance at 6/30/17			\$344,629,404
Changes for the year:			
Service cost		\$ 12,065,686.00	
Interest		12,633,063.00	
Differences between expected and actual experience		(29,120,695.00)	
Changes in assumptions or other inputs		(34,228,931.00)	
Membership Contributions		275,658.00	
Benefit payments - Net		<u>(7,975,856.00)</u>	
Net changes			<u>(46,351,075)</u>
Balance at 6/30/18			<u><u>\$298,278,329</u></u>

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2018		
	1.00% <u>Decrease (2.87%)</u>	At Discount Rate (3.87)	1.00% <u>Increase (4.87%)</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$352,625,704	\$298,278,329	\$255,077,778

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Trends

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2018, calculated using the healthcare trend rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2018		
	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% <u>Increase</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$246,544,411	\$298,278,329	\$366,698,416

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability

At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's Non-Employer OPEB Liability associated with the District from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ -	\$ 28,954,573
Changes of assumptions	-	66,860,612
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion	<u>2,353,612</u>	<u>501,059</u>
	<u>\$ 2,353,612</u>	<u>\$ 96,316,244.00</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's Non-Employer OPEB associated with the District will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2019	(\$11,436,327)
2020	(\$11,436,327)
2021	(\$11,436,327)
2022	(\$11,436,327)
2023	(\$11,436,327)
Total Thereafter	<u>(\$36,780,995)</u>
	<u>(\$93,962,632)</u>

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability (Continued)

In accordance with GASBS No. 75, the 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 in the financial statements.

State Health Benefit Local Education Retired Employee Plan Information

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295 or on their website at:

<http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 8: LITIGATION

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

NOTE 9: CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2018-2019 fiscal year were subject to the Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$750,000. Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

NOTE 10: RISK MANAGEMENT

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 10: RISK MANAGEMENT (CONTINUED)

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

Year Ended			Employee		Amount		Ending
<u>June 30,</u>	<u>Interest</u>		<u>Contributions</u>		<u>Reimbursed</u>		<u>Balance</u>
2019	\$ 6,220	\$	249,508	\$	234,375	\$	1,053,951
2018	596		251,611		230,030		1,032,598
2017	426		252,690		215,947		1,018,421

Workers' Compensation Insurance - The Board is self-insured for workers' compensation insurance. Claims are managed by PMA Management Corp. through a service agreement for which competitive proposals were sought. The financial statements reflect the current expenses of the program as well as an accrued liability for future claims against the current fiscal year. At June 30, 2019, the amount was \$3,210,000.

Health Benefits - The District provides health benefits to employees through a minimum premium insurance policy administered by Horizon Blue Cross Blue Shield of New Jersey ("Horizon"). The incurred but not reported liability ("IBNR") actuarially computed by Horizon was \$4,200,000 at June 30, 2019. It was also noted that the entire IBNR is adjusted for changes in estimate at year end and such changes are reflected in the district's budget and the entire liability is treated as a liability for budgetary purposes.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 11: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net assets. As of June 30, 2019, a liability existed for compensated absences for governmental fund-types in the district- wide Statement of Net Position in the amount of \$3,055,215.

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

NOTE 12: FUND BALANCE APPROPRIATED

General Fund The table below reflects the District's Fund Balance at June 30, 2019 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last state aid payment which under GAAP is not recognized:

	<u>Budgetary</u> <u>Basis</u>	<u>Adjustment</u>	<u>GAAP</u> <u>Basis</u>
Restricted:			
Designated for Subsequent Year's Expenditures:			
Excess Surplus	\$ 8,655,210		\$ 8,655,210
Excess Surplus Current Year	9,409,621	(4,978,857)	4,430,764
Maintenance Reserve	1,501,223		1,501,223
Capital Reserve	3,246,999		3,246,999
Emergency Reserve	255,137		255,137
Assigned:			
Designated for Subsequent Year's Expenditures	4,838,809		4,838,809
Encumbrances	824,245		824,245
Unassigned	4,378,568		4,378,568
	\$ <u>33,109,812</u>	\$ <u>(4,978,857)</u>	\$ <u>28,130,955</u>

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

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

General Fund Expenditures:		
Fiscal Year Ended, June 30, 2019	\$	215,620,103
Less:		
Capital Leases (non-budgeted)	\$	1,415,946
Reimb. TPAF Social Security Contributions		5,606,650
Reimb. TPAF Pension Contributions		<u>21,647,034</u>
		<u>28,669,630</u>
Adjusted General Fund Expenditures		186,950,473
Excess Surplus Percentage		<u>2.00%</u>
		3,739,009
Increased by:		
Non-Public Transportation Aid (unbudgeted)		126,088
Extraordinary Aid (unbudgeted)		<u>513,470</u>
		<u>639,558</u>
Maximum Unreserved/Undesignated General Fund Balance		4,378,567
Actual Unassigned - General Fund Balance		<u>13,788,188</u>
Excess Surplus	\$	<u><u>9,409,621</u></u>
Recapitulation of Excess Surplus, June 30, 2019:		
Restricted for Excess Surplus - Designated for Subsequent Year's Expenditure	\$	13,494,019
Restricted for Excess Surplus		<u>9,409,621</u>
	\$	<u><u>22,903,640</u></u>

As of June 30, 2019, \$13,494,019 is reported as Restricted Fund Balance Excess Surplus Designated for Subsequent Year's Expenditure and is required to be appropriated for property tax relief in the 2019-20 budget. \$9,409,621 is reported as Restricted Fund Balance Excess Surplus and is required to be appropriated for property tax relief in the 2020-21 budget.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2019:

<u>Fund</u>	<u>Interfund Balance</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 660,340	\$
Special Revenue Fund		456,167
Capital Projects Fund		583,543
Proprietary Funds	403,494	
Fiduciary Funds		24,124
	\$ 1,063,834	\$ 1,063,834

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

NOTE 15: CAPITAL RESERVE ACCOUNT

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

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 15: CAPITAL RESERVE ACCOUNT (CONTINUED)

The activity of the capital reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Balance, July 1, 2018		\$	3,024,594
Increased by:			
Transfer Unexpended Appropriations to Capital Reserve	\$	1,000,000	
Project Deferral - Manalapan HVAC		939,330	
Unexpended Balance of Marlboro Boiler Project		18,396	
Interest		14,679	
			1,972,405
			4,996,999
Decreased by:			
Appropriation of Capital Reserve 3/18/19 - Marlboro Boiler Project		750,000	
FY 2019 Budgeted Withdrawal		1,000,000	
			1,750,000
Balance, June 30, 2019		\$	3,246,999

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 16: EMERGENCY RESERVE ACCOUNT

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

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

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

At June 30, 2019, the balance of the Emergency Reserve Account was \$255,137 and is within the statutory limitations.

The activity of the emergency reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Balance, July 1, 2018	\$	253,301
Increased by:		
Interest		<u>1,836</u>
Balance, June 30, 2019	\$	<u><u>255,137</u></u>

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 17: MAINTENANCE RESERVE ACCOUNT

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

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

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

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

At June 30, 2019, the balance of the Maintenance Reserve Account was \$1,501,223 and is within the statutory limitations.

The activity of the emergency reserve for the July 1, 2018 to June 30, 2019, fiscal year is as follows:

Balance, July 1, 2018	\$ 1,490,417
Increased by:	
Interest	<u>10,806</u>
Balance, June 30, 2019	\$ <u><u>1,501,223</u></u>

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2019

NOTE 18: INVENTORY

Inventory in the Food Service Fund at June 30, 2019 consisted of the following:

Food and Supplies	<u>\$23,796</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Amendments of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

NOTE 19: TAX ABATEMENTS

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.

The District has identified tax abatement agreements that have been entered into that require disclosure under this statement. The gross dollar amount, on an accrual basis, by which the District's property tax revenues were potentially reduced during the reporting period as a result of tax abatement agreements totaled \$621,857. It is important to note that the District Tax Levy is guaranteed to be paid in full by the municipalities and that the District collected its full tax levy for FY2019.

NOTE 20: SUBSEQUENT EVENTS

The Board of Education has evaluated subsequent events occurring after the financial statement date through December 5, 2019 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events that need to be disclosed.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

REVENUES	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Local sources:					
Local Tax Levy	\$ 134,270,320	\$	\$ 134,270,320	\$ 134,270,320	\$ 137,903
Tuition/Transportation	60,000		60,000	197,903	691,301
Unrestricted Miscellaneous Revenue	150,000		150,000	841,301	1,337
Interest Earned on Emergency Reserve	500		500	1,837	7,806
Interest Earned on Maintenance Reserve	3,000		3,000	10,806	10,679
Interest Earned on Capital Reserve Funds	4,000		4,000	14,679	(2,106)
Other Restricted Miscellaneous Revenue	150,000		150,000	147,894	
Total - local sources	134,637,820		134,637,820	135,484,740	846,920
State sources:					
Equalization Aid	40,713,982		40,713,982	40,713,982	
Categorical Transportation Aid	1,816,395		1,816,395	1,816,395	
Categorical Special Education Aid	7,030,185		7,030,185	7,030,185	
Security Aid	735,594		735,594	735,594	
Other State Aids Out of Cap				126,088	126,088
Extraordinary Aid	2,300,000		2,300,000	2,813,470	513,470
On-behalf TPAF Pension (non-budgeted)				14,884,315	14,884,315
On-behalf TPAF Post Retirement Contributions (non-budgeted)				6,751,502	6,751,502
On-behalf TPAF Long-Term Disability Insurance Contributions (non-budgeted)				11,217	11,217
Reimbursed TPAF Social Security Contributions (non-budgeted)				5,606,650	5,606,650
Total - state sources	52,596,156		52,596,156	80,489,398	27,893,242
Federal sources:					
Medicaid reimbursement	111,443		111,443	111,351	(92)
Total - federal sources	111,443		111,443	111,351	(92)
Total revenues	187,345,419		187,345,419	216,085,489	28,740,070

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

EXPENDITURES	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Grades 9-12	\$ 53,509,587	\$ 1,532,874	\$ 55,042,461	\$ 53,058,354	\$ 1,984,107
Total Salaries of teachers:	53,509,587	1,532,874	55,042,461	53,058,354	1,984,107
Regular Programs - Home Instruction:					
Salaries of teachers	220,000		220,000	170,677	49,323
Purchased professional educational services	104,350	(15,000)	89,350	64,395	24,955
Total Regular Programs - Home Instruction:	324,350	(15,000)	309,350	235,072	74,278
Regular programs - undistributed instruction:					
Purchased professional educational services	14,600	(2,135)	12,465	12,420	45
Purchased technical services	142,154	10,143	152,297	144,902	7,395
Other purchased services(400-500 series)	865,108	(24,998)	840,110	735,845	104,265
General supplies	1,429,385	208,363	1,637,748	1,609,517	28,231
Textbooks	243,296	(28,671)	214,625	169,342	45,283
Other Objects	2,150	822	2,972	2,966	6
Total Regular programs - undistributed instruction	2,696,693	163,524	2,860,217	2,674,992	185,225
Total Regular Programs - Instruction	56,530,630	1,681,398	58,212,028	55,968,418	2,243,610

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Special education:					
Cognitive - Mild:					
Salaries of teachers	\$ 224,180	\$ (75,000)	\$ 149,180	\$ 137,944	\$ 11,236
Other salaries for instruction	275,650	(45,000)	230,650	225,008	5,642
General supplies	5,750	(5,242)	508	508	
Other Objects	300	(300)			
Total Cognitive - Mild	<u>505,880</u>	<u>(125,542)</u>	<u>380,338</u>	<u>363,460</u>	<u>16,878</u>
Cognitive - Moderate:					
Salaries of teachers	441,160	(175,000)	266,160	245,580	20,580
Other salaries for instruction	146,926		146,926	146,926	
Other purchased services(400-500 series)	1,200	(292)	908	823	85
General supplies	6,750	(945)	5,805	5,805	
Total Cognitive - Moderate	<u>596,036</u>	<u>(176,237)</u>	<u>419,799</u>	<u>399,134</u>	<u>20,665</u>
Learning and / or Language Disabilities:					
Salaries of teachers	985,700	(140,000)	845,700	726,408	119,292
Other salaries for instruction	322,831	(25,000)	297,831	272,189	25,642
Other purchased services(400-500 series)	17,000	(2,000)	15,000	1,434	13,566
General supplies	5,100	(3,125)	1,975	1,946	29
Textbooks	2,100	(726)	1,374	1,374	
Other Objects	800	(500)	300	300	
Total Learning and / or Language Disabilities	<u>1,333,531</u>	<u>(171,351)</u>	<u>1,162,180</u>	<u>1,003,651</u>	<u>158,529</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Behavioral Disabilities:					
Salaries of teachers	\$ 250,770	\$ 5,000	\$ 255,770	\$ 252,770	\$ 3,000
Other salaries for instruction	45,642		45,642	45,642	
Purchased professional educational services	410,000	73,800	483,800	483,800	
General supplies	2,500		2,500	2,479	21
Total Behavioral Disabilities:	708,912	78,800	787,712	784,691	3,021
Resource room/resource center:					
Salaries of teachers	10,391,122	(200,000)	10,191,122	9,562,701	628,421
General supplies	33,900	2,336	36,236	35,733	503
Total Resource room/resource center	10,425,022	(197,664)	10,227,358	9,598,434	628,924
Autism:					
Salaries of teachers	338,970	(75,000)	263,970	257,176	6,794
Other salaries for instruction	448,900	(65,000)	383,900	373,756	10,144
Purchased professional - educational services	500	(500)			
Other purchased services(400-500 series)	500	(500)			
General supplies	13,600		13,600	12,907	693
Total Autism	802,470	(141,000)	661,470	643,839	17,631
Home instruction:					
Salaries of teachers	100,000		100,000	68,909	31,091
Purchased professional - educational services	104,367		104,367	47,135	57,232
Total Home Instruction:	204,367		204,367	116,044	88,323
Total special education	14,576,218	(732,994)	13,843,224	12,909,253	933,971
Basic skills/remedial:					
Salaries of teachers	908,310	(365,000)	543,310	512,252	31,058
Total basic skills/remedial	908,310	(365,000)	543,310	512,252	31,058

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
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IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Bilingual education:					
Salaries of teachers	\$ 244,770	\$ 10,600	\$ 255,370	\$ 244,434	\$ 10,936
Other purchased services (400-500 series)	450	21,098	21,548		21,548
General supplies	450	244	694	694	
Textbooks	500	(500)			
Total bilingual education	246,170	31,442	277,612	245,128	32,484
School sponsored Co-curricular and Extra-Curricular activities:					
Salaries	1,114,025		1,114,025	1,006,666	107,359
Purchased services (300-500 series)	35,750	(3,167)	32,583	25,781	6,802
Supplies and Materials	48,548	5,208	53,756	52,128	1,628
Other Objects	31,315	(2,981)	28,334	25,322	3,012
Total school sponsored Co-curricular and Extra-curricular activities	1,229,638	(940)	1,228,698	1,109,897	118,801
School sponsored athletics:					
Salaries	3,535,565	32,430	3,567,995	3,329,021	238,974
Purchased services (300-500 series)	533,967	(14,904)	519,063	503,698	15,365
Supplies and Materials	279,653	12,662	292,315	287,920	4,395
Other Objects	126,120	9,214	135,334	135,034	300
Total school sponsored athletics	4,475,305	39,402	4,514,707	4,255,673	259,034
Other instructional programs:					
Salaries	566,496		566,496	565,302	1,194
Purchased services (300-500 series)	14,605	(3,800)	10,805	9,329	1,476
Supplies and Materials	8,000	3,800	11,800	11,772	28
Other Objects	3,000		3,000	1,796	1,204
Total other instructional programs	592,101		592,101	588,199	3,902
Total other instructional programs	7,451,524	(295,096)	7,156,428	6,711,149	445,279
Total - instruction	78,558,372	653,308	79,211,680	75,588,820	3,622,860

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Undistributed expenditures:					
Instruction:	\$	\$	\$	\$	\$
Tuition to other LEA's within the state-regular	50,000		50,000	293,967	50,000
Tuition to other LEA's within the state-special	422,377		422,377	128,410	128,410
Tuition to county vocational school district-regular	3,870,270	121,265	3,991,535	3,923,093	68,442
Tuition to county vocational school district-special	667,650	61,650	729,300	517,522	211,778
Tuition to CSSD and regional day schools	2,562,264		2,562,264	2,343,965	218,299
Tuition to private schools for the handicapped within state	10,029,226	(256,715)	9,772,511	8,152,368	1,620,143
Tuition-state facilities	217,482		217,482	217,482	
Total undistributed expenditures - instruction	17,819,269	(73,800)	17,745,469	15,448,397	2,297,072
Attendance and social work services:					
Salaries	773,014		773,014	748,625	24,389
Other purchased services (400-500 series)	75	(20)	55	55	
Supplies and Materials	1,850	80	1,930	1,716	214
Total attendance and social work services	774,939	60	774,999	750,396	24,603
Health services:					
Salaries	1,239,857	1,000	1,240,857	1,231,620	9,237
Purchased professional and technical services	136,952	19,281	156,233	134,773	21,460
Other Purchased Services (400-500 series)	1,850	285	2,135	1,373	762
Supplies and materials	19,038	(517)	18,521	15,685	2,836
Other Objects	200	(115)	85	85	
Total health services	1,397,897	19,934	1,417,831	1,383,536	34,295
Other support services - speech, OT, PT & related services:					
Salaries	614,112	(9,800)	604,312	601,561	2,751
Purchased professional - Educational services	483,990	(20,200)	463,790	182,090	281,700
Supplies and materials	4,499	(3,658)	841	837	4
Total other support services - speech, OT, PT & related services	1,102,601	(33,658)	1,068,943	784,488	284,455

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
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IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other support services- Extraordinary Services					
Salaries	\$ 1,955,341	\$ 122,000	\$ 2,077,341	\$ 1,949,306	\$ 128,035
Purchased Professional - Educational Services	2,868,497		2,868,497	2,504,627	363,870
Total other support services - Extraordinary Services	4,823,838	122,000	4,945,838	4,453,933	491,905
Other support services - Guidance:					
Salaries of other professional staff	4,406,208	(110,000)	4,296,208	3,998,176	298,032
Salaries of secretarial and clerical assistants	768,027	(100,000)	668,027	633,012	35,015
Other Salaries	6,400	950	7,350	7,100	250
Other Purchased Professional and Technical Services	75,500	(7,550)	67,950	64,101	3,849
Other Purchased Services (400-500 series)	48,898	(6,430)	42,468	29,672	12,796
Supplies and Materials	35,825	(5,234)	30,591	27,830	2,761
Other objects	375	4,065	4,440	4,250	190
Total other support services - Guidance	5,341,233	(224,199)	5,117,034	4,764,141	352,893
Other support services - child study teams:					
Salaries of other professional staff	2,997,445	(100,000)	2,897,445	2,711,618	185,827
Salaries of secretarial and clerical assistants	341,690		341,690	335,286	6,404
Purchased Professional - Educational Services	981,700		981,700	599,552	382,148
Other Purchased Services (400-500 series)	1,529	(425)	1,104	734	370
Misc. Pur Serv (400-500 series of than resid. Costs)	5,000		5,000	911	4,089
Supplies and Materials	110,800	(1,898)	108,902	79,665	29,237
Total other support services - child study teams	4,438,164	(102,323)	4,335,841	3,727,766	608,075

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
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IN FUND BALANCE - BUDGET AND ACTUAL
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	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Improvement of instructional services:					
Salaries of Supervisors of Instruction	\$ 555,894	\$ 64,876	\$ 620,770	\$ 560,988	\$ 59,782
Salaries of secretarial and clerical assistants	205,170	1,124	206,294	206,294	
Other Salaries	292,050	(65,502)	226,548	163,802	62,746
Other Purchased Services (400-500)	117,659	(7,200)	110,459	68,671	41,788
Supplies and Materials	24,000	(362)	23,638	11,061	12,577
Other objects	36,150		36,150	31,875	4,275
Total Improvement of instructional services:	1,230,923	(7,064)	1,223,859	1,042,691	181,168
Educational media services/school library:					
Salaries	317,770	(150,000)	167,770	162,540	5,230
Purchased Professional and Technical Services	59,040	1,577	60,617	60,433	184
Other Purchased Services (400-500)	10,740	(3,150)	7,590	7,470	120
Supplies and Materials	53,324	(42,653)	10,671	10,312	359
Total educational media services/school library	440,874	(194,226)	246,648	240,755	5,893
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	560,759		560,759	540,865	19,894
Salaries of secretarial and clerical assistants	32,522	1,000	33,522	32,682	840
Purchased Professional - Educational Services	235,900	(44,755)	191,145	126,035	65,110
Other Purchased Services (400-500)	130,132	1,086	131,218	101,640	29,578
Supplies and Materials	25,500	7,905	33,405	30,796	2,609
Other objects	3,500	750	4,250	3,724	526
Total instructional staff training services:	988,313	(34,014)	954,299	835,742	118,557

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
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COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Support services general administration:					
Salaries	\$ 369,905	\$ 15,000	\$ 384,905	\$ 380,525	\$ 4,380
Legal services	360,000	275,000	635,000	586,676	48,324
Audit Fees	65,000		65,000	59,000	6,000
Architectural/Engineering Services	76,085	(3,600)	72,485	17,476	55,009
Other purchased professional services	1,400		1,400		1,400
Purchased technical services	18,110		18,110	11,195	6,915
Communications/telephone	708,000	100,400	808,400	782,774	25,626
BOE Other purchased services(580-585)	5,000		5,000	3,234	1,766
Misc. purchased services (400-500 Series, other than 530 & 585)	275,473		275,473	256,555	18,918
General supplies	17,970		17,970	13,866	4,104
BOE in-house training/meeting supplies	4,000		4,000	36	3,964
Miscellaneous expenditures	17,800		17,800	13,455	4,345
BOE membership dues and fees	27,000		27,000	26,663	337
Total support services general administration	1,945,743	386,800	2,332,543	2,151,455	181,088
Support services school administration:					
Salaries of principals/asst. principals	3,422,611	145,000	3,567,611	3,495,968	71,643
Salaries of other professional staff	1,731,073		1,731,073	1,706,464	24,609
Salaries of secretarial and clerical assistants	1,317,085	70,000	1,387,085	1,382,152	4,933
Other Purchased Services (400-500 series)	78,255	(3,326)	74,929	68,332	6,597
Supplies and Materials	89,975	(3,372)	86,603	84,038	2,565
Other objects	153,484	2,604	156,088	140,854	15,234
Total support services school administration	6,792,483	210,906	7,003,389	6,877,808	125,581

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Central Services:					
Salaries	\$ 1,364,639	\$ 42,000	\$ 1,406,639	\$ 1,355,287	\$ 51,352
Purchased professional services	36,000		36,000	13,830	22,170
Purchased technical services	34,050		34,050	23,822	10,228
Misc. purchased services (400-500 series)	103,750	2,100	105,850	90,820	15,030
Supplies and materials	53,500	(2,100)	51,400	34,002	17,398
Interest on Lease Purchase Agreement	51,733	46,774	98,507	98,500	7
Miscellaneous expenditures	9,650		9,650	6,541	3,109
Total central services	1,653,322	88,774	1,742,096	1,622,802	119,294
Administrative Information Technology:					
Salaries	872,758		872,758	798,549	74,209
Purchased technical services	566,099	69,500	635,599	533,947	101,652
Other purchased services (400-500 series)	940,425	(40,474)	899,951	899,560	391
Supplies and Materials	65,291	(2,200)	63,091	62,428	663
Total Administrative Information Technology	2,444,573	26,826	2,471,399	2,294,484	176,915
Required Maintenance for School Facilities:					
Salaries	950,981	(50,000)	900,981	843,698	57,283
Cleaning, Repair and Maintenance Services	1,639,675	(48,918)	1,590,757	1,544,624	46,133
Misc. purchased services (400-500 series)	7,000	1,450	8,450	5,374	3,076
General supplies	360,617	(23,000)	337,617	274,109	63,508
Other objects	34,000		34,000	11,746	22,254
Total Required Maintenance for School Facilities	2,992,273	(120,468)	2,871,805	2,679,551	192,254

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
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IN FUND BALANCE - BUDGET AND ACTUAL
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	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Custodial Services :					
Salaries	\$ 4,618,030	\$ 50,000	\$ 4,668,030	\$ 4,317,390	\$ 350,640
Purchased professional and technical services	34,500	257,500	292,000	290,687	1,313
Cleaning, repair and maintenance services	158,500	10,000	168,500	157,499	11,001
Rental of land and building - other than lease purchase agreement	270,000	(23,500)	246,500	240,864	5,636
Lease Purchase Payments-Energy Savings Improvement Prog.	1,958,525		1,958,525	1,958,516	9
Other purchased property services	270,000		270,000	219,180	50,820
Insurance	631,975	(85,337)	546,638	487,899	58,739
General supplies	379,000		379,000	377,490	1,510
Energy (Natural Gas)	750,000		750,000	681,553	68,447
Energy (Electricity)	1,650,000	225,000	1,875,000	1,674,973	200,027
Energy (Gasoline)	675,000	74,148	749,148	670,465	78,683
Total custodial services	11,395,530	507,811	11,903,341	11,076,516	826,825
Care & Upkeep of Grounds:					
Salaries	707,538	(50,000)	657,538	639,645	17,893
Cleaning, Repair and Maintenance Services	420,070	(11,900)	408,170	186,265	221,905
General supplies	162,973	(17,360)	145,613	126,076	19,537
Total Care and Upkeep of Grounds	1,290,581	(79,260)	1,211,321	951,986	259,335
Security:					
Salaries	502,385		502,385	478,126	24,259
Purchased Professional & Technical Services (300-500)	331,211	36,860	368,071	273,470	94,601
Cleaning, Repair and Maintenance Services	21,000	6,500	27,500	11,946	15,554
General Supplies	64,592	(1,389)	63,203	46,486	16,717
Total Security	919,188	41,971	961,159	810,028	151,131
Total operation and maintenance of plant services	16,597,572	350,054	16,947,626	15,518,081	1,429,545

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
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IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Student transportation services:					
Salaries of Non-Instructional Aides	\$ 305,887	\$ (7,000)	\$ 298,887	\$ 286,232	\$ 12,655
Salaries for pupil transportation (between home and school)-regular	3,275,598	391,000	3,666,598	3,666,473	125
Salaries for pupil transportation (between home and school)-Special Ed	876,771	(117,000)	759,771	756,851	2,920
Salaries for pupil transportation (other than between home & school)	668,324	(252,000)	416,324	400,221	16,103
Management Fee - ESC & CTSA transportation programs	263,750	(30,000)	233,750	233,403	347
Other Purchased professional and technical services	273,000		273,000	240,077	32,923
Cleaning, Repair and Maintenance Services	732,880	83,832	816,712	797,688	19,024
Lease Purchase Payments - School Buses	1,012,933		1,012,933	1,012,929	4
Contracted Services - between home and school vendors	4,880,380	65,198	4,945,578	4,877,697	67,881
Contracted services (other than btw home & school)-vendors	263,500	(70,325)	193,175	167,800	25,375
Contract. Serv. (spec ed students)-vendors	42,257	(26,038)	16,219	12,640	3,579
Contract. Serv. (spec ed students)-Joint Agreements	625,000	26,038	26,038	26,038	
Contracted services (regular students) - ESCs & CTSA	4,664,221	(50,000)	575,000	574,891	109
Contracted services (spec ed students) - ESCs & CTSA	176,800	(140,000)	4,524,221	4,503,683	20,538
Contract. Serv - Aid in Lieu Pymts-Non-Public Schools			176,800	169,642	7,158
Travel	2,072	852	2,924	2,655	269
Miscellaneous purchased services - Transportation(580-590)	182,000	24,102	206,102	204,702	1,400
General supplies	8,000		8,000	4,968	3,032
Transportation Supplies	565,000	57,937	622,937	567,938	54,999
Other objects	2,500		2,500	1,786	714
Total student transportation services	18,820,873	(43,404)	18,777,469	18,508,314	269,155

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
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IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 2,250,000	\$	2,250,000	2,151,851	\$ 98,149
Other retirement contributions - PERS	2,525,000	42,424	2,567,424	2,565,424	2,000
Unemployment Compensation	8,000		8,000	5,696	2,304
Workers Compensation	716,000	793,918	1,509,918	1,509,917	1
Health Benefits	29,605,247	(2,128,311)	27,476,936	23,836,672	3,640,264
Tuition Reimbursements	225,000		225,000	106,882	118,118
Other Employee Benefits	266,050		266,050	233,785	32,265
Total Unallocated Benefits - Employee Benefits:	35,595,297	(1,291,969)	34,303,328	30,410,227	3,893,101
On-behalf TPAF Pension (non-budgeted)				14,884,315	(14,884,315)
On-behalf TPAF Post Retirement Contributions (non-budgeted)				6,751,502	(6,751,502)
On-behalf TPAF Long-Term Disability Insurance Contributions (non-budgeted)				11,217	(11,217)
Reimbursed TPAF Social Security Contributions (non-budgeted)				5,606,650	(5,606,650)
Total On-behalf contributions				27,253,684	(27,253,684)
Total personal services	35,595,297	(1,291,969)	34,303,328	57,663,911	(23,360,583)
Total Undistributed Expenditures	122,207,914	(799,303)	121,408,611	138,068,700	(16,660,089)
Interest Earned on Maintenance Reserve	500		500		500
Interest Earned on Emergency Reserve	3,000		3,000		3,000
TOTAL EXPENDITURES - GENERAL CURRENT EXPENSE FUND 11	200,769,786	(145,995)	200,623,791	213,657,520	(13,033,729)

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
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COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
CAPITAL OUTLAY:					
Equipment:					
Regular program - Instruction	\$ 22,000	\$ (4,248)	\$ 17,752	\$ 17,752	\$
Grades 9-12	10,000	4,578	14,578	14,568	10
School sponsored and other instructional program					
Undistributed Expenditures					
Child Study Team	6,000		6,000		6,000
School Admin.		10,995	10,995	10,984	11
Administrative Information Technology	49,823	4,640	54,463	54,463	
Maintenance of school facility	76,960	25,800	102,760	99,167	3,593
Custodial services		8,000	8,000	7,995	5
Care & upkeep grounds		9,060	9,060	8,932	128
Security		16,770	16,770	16,770	
Total Equipment	164,783	75,595	240,378	230,631	9,747
Facilities acquisition and construction services:					
Architectural/Engineering Services	100,807	50,200	151,007	94,716	56,291
Construction services	970,304	770,200	1,740,504	213,189	1,527,315
Assessment for Debt Service on SDA Funding	8,101		8,101	8,101	
Total facilities acquis. and const. services	1,079,212	820,400	1,899,612	316,006	1,583,606
Capital Reserve Interest - Transfer to	4,000		4,000		4,000
Assets acquired under capital leases (non-budgeted)					
Undistributed expenditures:					
Technology				164,458	(164,458)
Maintenance Equipment				58,467	(58,467)
Custodial Equipment				14,995	(14,995)
Grounds Equipment				64,814	(64,814)
Transportation				1,113,212	(1,113,212)
Total assets acquired under capital leases (non-budgeted)				1,415,946	(1,415,946)
TOTAL CAPITAL OUTLAY	1,247,995	895,995	2,143,990	1,962,583	181,407

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
TOTAL EXPENDITURES	\$ 202,017,781	\$ 750,000	\$ 202,767,781	\$ 215,620,103	\$ (12,852,322)
Excess (deficiency) of revenues over (under) expenditures					
Other financing sources/(uses)		(750,000)	(15,422,362)	465,386	15,887,748
Transfers				3,677	3,677
Capital leases (non-budgeted)				1,415,946	1,415,946
Total other financing sources				1,419,623.00	1,419,623
Excess of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(14,672,362)	(750,000)	(15,422,362)	1,885,009	17,307,371
Fund balances, July 1	31,224,803		31,224,803	31,224,803	
Fund balances, June 30	\$ 16,552,441	(750,000)	\$ 15,802,441	\$ 33,109,812	\$ 17,307,371
Recapitulation:					
Restricted:					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 8,655,210	
Excess Surplus - Current Year				9,409,621	
Maintenance Reserve				1,501,223	
Capital Reserve				3,246,999	
Emergency Reserve				255,137	
Assigned:					
Designated for Subsequent Year's Expenditures				4,838,809	
Encumbrances				824,245	
Unassigned				4,378,568	
				33,109,812	
Reconciliation to Governmental Funds Statements (GAAP):				4,978,857	
Less: Last Two State Aid Payments not recognized on GAAP basis					
Fund Balance per Governmental Funds (GAAP)			\$	\$ 28,130,955	

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
Federal sources	\$ 2,643,258	\$ 542,257	\$ 3,185,515	3,099,860	\$ (85,655)
State sources	137,272	126,171	263,443	149,801	(113,642)
Other sources	<u> </u>	<u>179,708</u>	<u>179,708</u>	<u>168,827</u>	<u>(10,881)</u>
Total revenues	<u>2,780,530</u>	<u>848,136</u>	<u>3,628,666</u>	<u>3,418,488</u>	<u>(210,178)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	620,033	(229,267)	390,766	381,008	9,758
Other salaries	194,493	(16,175)	178,318	165,679	12,639
Other purchased professional-educational services	22,724	46,672	69,396	50,589	18,807
Other purchased services		44,975	44,975	37,145	7,830
Tuition	1,806,008	326,861	2,132,869	2,132,869	
Supplies and materials	8,429	165,884	174,313	103,660	70,653
Textbooks	12,479	7,003	19,482	17,510	1,972
Miscellaneous expenditures		2,700	2,700	850	1,850
Total instruction	<u>2,664,166</u>	<u>348,653</u>	<u>3,012,819</u>	<u>2,889,310</u>	<u>123,509</u>
Support services:					
Other salaries		88,814	88,814	75,639	13,175
Personal services - employee benefits	73,884	67,413	141,297	141,297	
Purchased professional - educational services	24,566	113,667	138,233	130,077	8,156
Purchased technical services	17,914	(6,539)	11,375	10,025	1,350
Other purchased services		76,634	76,634	43,463	33,171
Supplies and materials		116,075	116,075	104,708	11,367
Total support services	<u>116,364</u>	<u>456,064</u>	<u>572,428</u>	<u>505,209</u>	<u>67,219</u>
Facilities acquisition and construction services:					
Instructional equipment		43,419	43,419	23,969	19,450
Total facilities acquisition and construction serv.		<u>43,419</u>	<u>43,419</u>	<u>23,969</u>	<u>19,450</u>
Total expenditures	<u>2,780,530</u>	<u>848,136</u>	<u>3,628,666</u>	<u>3,418,488</u>	<u>210,178</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RS!
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 216,085,489	\$ 3,418,488
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Current Year		(16,800)
Prior Year		36,582
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(4,978,857)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	5,112,713	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	216,219,345	3,438,270
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	215,620,103	3,418,488
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.		
Adjust for encumbrances:		
Add prior year encumbrances		36,582
Less current year encumbrances		(16,800)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 215,620,103	\$ 3,438,270

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

Measurement Date Ending June 30,	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.2480186673%	\$ 47,401,295	17,091,600	277.34%	48.72%
2014	0.2604910930%	48,771,057	16,998,122	286.92%	52.08%
2015	0.2513632728%	56,426,018	17,223,313	327.61%	47.92%
2016	0.2531994782%	74,990,423	17,291,154	433.69%	40.14%
2017	0.2526739183%	58,818,449	17,667,039	332.93%	48.10%
2018	0.2564284900%	50,489,491	17,759,374	284.30%	53.60%

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

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

Fiscal Year Ending <u>June 30,</u>	Contractually Required <u>Contribution</u>	Contributions in Relation to the Contractually Required <u>Contributions</u>	Contribution Deficiency (<u>Excess</u>)	District's Covered- Employee <u>Payroll</u>	Contributions as a Percentage of Covered- Employee <u>Payroll</u>
2014	\$ 1,868,770	\$ 1,868,770	-0-	\$ 16,998,122	10.99%
2015	2,147,451	2,147,451	-0-	17,223,313	12.47%
2016	2,161,050	2,161,050	-0-	17,291,154	12.50%
2017	2,249,388	2,249,388	-0-	17,667,039	12.73%
2018	2,340,754	2,340,754	-0-	17,759,374	13.18%
2019	2,550,635	2,550,635	-0-	17,147,638	14.87%

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

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

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	District's Covered-Employee Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	Net Pension Liability associated with the District as a percentage of the District's Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.6964971070%	\$ -0-	\$ 352,004,160	71,284,377	-0-	493.80%	33.76%
2014	0.7258543595%	-0-	387,945,531	73,554,631	-0-	527.43%	33.64%
2015	0.7216320523%	-0-	456,102,273	76,215,735	-0-	598.44%	28.71%
2016	0.7355013065%	-0-	578,592,157	76,690,024	-0-	754.46%	22.33%
2017	0.7487609350%	-0-	504,841,622	76,773,797	-0-	657.57%	25.41%
2018	0.7465411736%	-0-	474,933,459	75,957,485	-0-	625.26%	26.49%

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending	Discount Rate	Long-Term Expected Rate of Return	Actuarial Experience Study Period
<u>June 30,</u> 2018	5.66%	7.00%	07/01/11-06/30/14
2017	5.00%	7.00%	07/01/11-06/30/14
2016	3.98%	7.65%	07/01/11-06/30/14
2015	4.90%	7.90%	07/01/08-06/30/11
2014	5.39%	7.90%	07/01/08-06/30/11
2013	5.55%	7.90%	07/01/08-06/30/11

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending	Discount Rate	Long-Term Expected Rate of Return	Actuarial Experience Study Period
<u>June 30,</u> 2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12
2014	4.68%	7.90%	07/01/09-06/30/12
2013	4.95%	7.90%	07/01/09-06/30/12

REQUIRED SUPPLEMENTARY INFORMATION - PART IV

SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (GASB 75)

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE
TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN YEARS

	<u>Measurement Date Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District		
Changes for the year:		
Service cost	\$12,065,686	\$14,557,134
Interest	12,633,063	10,916,077
Changes in assumptions or other inputs	(63,349,626)	(45,435,718)
Benefit payments	(7,975,856)	(7,982,348)
Contributions from Members	275,658	293,930
Net changes	<u>(46,351,075)</u>	<u>(27,650,925)</u>
Beginning Balance	<u>\$344,629,404</u>	<u>372,280,329</u>
Ending Balance	<u><u>\$298,278,329</u></u>	<u><u>\$344,629,404</u></u>
Covered Employee Payroll	93,105,123	94,440,836
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-
State's Proportionate Share of the Total Non-Employer OPEB Liability associated with the District as a percentage of the District's Covered Employee Payroll	320.37%	364.92%

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OPEB (GASB 75)
NOTE TO RSI IV
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Change in benefit terms None

Change in assumptions: The discount rate changed from 3.58% to 3.87% as of
June 30, 2018.

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	TITLE I	TITLE I/A	TITLE III	TITLE III IMMIGRANT	TITLE IV	IDEA PART B	CARL D. PERKINS
REVENUES:							
Federal sources	\$ 657,349	\$ 144,479	\$ 15,559	\$ 7,596	\$ 83,956	\$ 2,132,869	\$ 25,878
State sources							
Other sources							
Total revenues	\$ 657,349	\$ 144,479	\$ 15,559	\$ 7,596	\$ 83,956	\$ 2,132,869	\$ 25,878
EXPENDITURES:							
Instruction:							
Salaries of teachers	381,008						925
Other salaries	42,220		5,525		8,670		1,119
Other purchased professional-educational services	36,170		2,275		11,025		300
Other purchased services	1,750			175		2,132,869	
Tuition							
Supplies and materials	32,866		1,210	4,152	11,215		14,705
Textbooks							
Miscellaneous Expenditures					850		
Total instruction	494,014		9,010	4,327	31,760	2,132,869	17,049
Support services:							
Other Salaries	15,584	17,000		2,000			
Personal services - employee benefits	138,346	1,301	423	153	663		71
Purchased professional - educational services	3,500	93,250	4,500		518		390
Purchased Technical Services				499			
Other purchased services	2,623	23,675		617	51,015		
Supplies and materials	3,302	9,253	1,626				
Miscellaneous expenditures							
Total support services	163,335	144,479	6,549	3,269	52,196		461
Facilities acquisition and construction serv:							
Instructional equipment							8,368
Total facilities acquisition and construction serv.							8,368
Total expenditures	\$ 657,349	\$ 144,479	\$ 15,559	\$ 7,596	\$ 83,956	\$ 2,132,869	\$ 25,878

(Continued on next page)

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	JROTC	POST OUTCOME SURVEY	NON-PUBLIC TEXTBOOKS	NON-PUBLIC NURSING	NON-PUBLIC EXAMINATION & CLASSIFICATION	NON-PUBLIC TECHNOLOGY	NON-PUBLIC SECURITY	COLLEGE FAIR
REVENUES:								
Federal sources								
State sources		37,600 \$	13,365 \$	20,158 \$	1,273 \$	10,075 \$	40,885 \$	13,104 \$
Other sources	32,174 \$							
Total revenues	<u>32,174</u>	<u>37,600</u>	<u>13,365</u>	<u>20,158</u>	<u>1,273</u>	<u>10,075</u>	<u>40,885</u>	<u>13,104</u>
EXPENDITURES:								
Instruction:								
Salaries of teachers								
Other salaries					1,273			
Other purchased professional-educational services								
Other purchased services	32,174							
Tuition								
Supplies and materials						10,075		
Textbooks			13,365					
Miscellaneous Expenditures								
Total instruction	<u>32,174</u>		<u>13,365</u>		<u>1,273</u>	<u>10,075</u>		
Support services:								
Other salaries		37,600						
Personal services - employee benefits								
Purchased professional - educational services				20,158			10,025	11,498
Purchased Technical Services							17,860	1,606
Other purchased services								
Supplies and materials								
Miscellaneous expenditures							27,885	13,104
Total support services		<u>37,600</u>		<u>20,158</u>			<u>27,885</u>	<u>13,104</u>
Facilities acquisition and construction serv:								
Instructional equipment							13,000	
Total facilities acquisition and construction serv.							<u>13,000</u>	
Total expenditures	<u>32,174</u>	<u>37,600</u>	<u>13,365</u>	<u>20,158</u>	<u>1,273</u>	<u>10,075</u>	<u>40,885</u>	<u>13,104</u>

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FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	SPECIAL OLYMPICS	OCEAN FIRST	CAREER PATHWAYS YR 4	CAREER PATHWAYS YR 3	SUMMER PROGRAMS	OTHER LOCAL	COMPARATIVE TOTALS JUNE 30
							2019
REVENUES:							
Federal sources							
State sources	\$ 5,000	10,000	\$ 3,800	\$ 22,645	\$ 102,338	\$ 38,385	\$ 3,099,860
Other sources							149,801
							168,827
Total revenues	\$ 5,000	\$ 10,000	\$ 3,800	\$ 22,645	\$ 102,338	\$ 38,385	\$ 3,418,488
EXPENDITURES:							
Instruction:							
Salaries of teachers							381,008
Other salaries	5,000		1,000		102,338		165,678
Other purchased professional-educational services							51,862
Other purchased services						2,745	37,144
Tuition							2,132,869
Supplies and materials		7,399		9,114		13,664	104,400
Textbooks						4,145	17,510
Miscellaneous Expenditures							850
Total Instruction	5,000	7,399	10,114	10,114	102,338	20,554	2,891,321
Support services:							
Other salaries				3,475			75,639
Personal services - employee benefits				342			141,299
Purchased professional - educational services				5,250			107,408
Purchased Technical Services							30,183
Other purchased services			3,800	3,464		1,866	47,425
Supplies and materials						15,965	101,244
Miscellaneous expenditures							698
Total support services			3,800	12,531		17,831	503,198
Facilities acquisition and construction serv:							
Instructional equipment		2,601					23,969
Total facilities acquisition and construction serv.		2,601					23,969
Total expenditures	\$ 5,000	\$ 10,000	\$ 3,800	\$ 22,645	\$ 102,338	\$ 38,385	\$ 3,418,488
							\$ 3,407,936

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
AS OF JUNE 30, 2019

<u>ISSUE/PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>REVISED BUDGETARY APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>(MEMO ONLY) UNEXPENDED PROJECT BALANCE</u>
			<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	
Freehold Boro High School - Roof Replacement	6/20/2014	\$ 1,325,506	\$ 1,111,491	\$ 83,222	130,793
Marlboro High School - Roof Replacement	6/20/2014	924,454	892,963		31,491
Freehold Boro High School - Boiler & HVAC Replacement	6/20/2014	2,189,858	1,678,824		511,034
Districtwide Energy Savings Improvement Plan	3/10/2014	19,500,000	19,065,021	84,550	350,429
Colts Neck High School - Roof Replacement	6/26/2015	681,493	629,145		52,348
Howell High School - Roof Replacement	6/26/2015	1,734,211	1,590,485		143,726
Freehold Township High School - Roof Replacement	6/26/2015	1,018,247	863,582	111,672	42,993
Manalapan High School - Roof Replacement	6/26/2015	1,492,785	1,297,272	100,867	94,646
Totals		\$ 28,866,554	\$ 27,128,783	\$ 380,311	1,357,460

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019

Revenues and Other Financing Sources:		
State Sources - SDA Grant Adjustment	\$	(3,276)
Interest Earnings		3,677
Total revenues		<u>401</u>
Expenditures and Other Financing Uses:		
Architectural/engineering services		84,550
Construction services		295,761
Total expenditures		<u>380,311</u>
Excess (deficiency) of revenues over (under) expenditures		<u>(379,910)</u>
Other financing sources (uses):		
Transfers out		<u>(3,677)</u>
Total other financing sources (uses)		(3,677)
Net change in fund balance		(383,587)
Fund balance - beginning		<u>1,741,047</u>
Fund balance - ending	\$	<u><u>1,357,460</u></u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
FREEHOLD BORO HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 478,597	\$ (1,341)	\$ 477,256	\$ 477,256
Capital Lease	848,250		848,250	848,250
Total revenues	<u>1,326,847</u>	<u>(1,341)</u>	<u>1,325,506</u>	<u>1,325,506</u>
Expenditures and Other Financing Uses:				
Legal services	5,507		5,507	5,507
Architectural/engineering services	92,370		92,370	92,371
Other purchased professional and technical services	8,530		8,530	8,530
Construction services	1,005,084	83,222	1,088,306	1,219,098
Total expenditures	<u>1,111,491</u>	<u>83,222</u>	<u>1,194,713</u>	<u>1,325,506</u>
Excess (deficiency) of revenues over (under) expenditures	<u>215,356</u>	<u>(84,563)</u>	<u>130,793</u>	<u>\$</u>

Additional project information:

Project Number	1650-050-14-G2AF
Grant Date	06/20/14
Lease Authorization Date	03/10/14
Lease Authorized	\$930,793
Lease Issued	\$930,793
Original Authorized Cost	\$1,551,321
Change in Authorized Cost	(\$225,815)
Revised Authorized Cost	\$1,325,506
Percentage Increase/(decrease) over Original Authorized Cost	-14.56%
Percentage completion	100.00%
Original target completion date	FY15
Revised target completion date	FY19

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
MARLBORO HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 336,764	\$	336,764	\$ 336,764
Capital Lease	587,690		587,690	587,690
Total revenues	<u>924,454</u>	<u>-</u>	<u>924,454</u>	<u>924,454</u>
Expenditures and Other Financing Uses:				
Legal services	2,989		2,989	2,989
Architectural/engineering services	68,618		68,618	68,618
Other purchased professional and technical services	9,437		9,437	9,437
Construction services	811,919		811,919	843,410
Total expenditures	<u>892,963</u>	<u>-</u>	<u>892,963</u>	<u>924,454</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 31,491</u>	<u>\$ -</u>	<u>\$ 31,491</u>	<u>-</u>

Additional project information:

Project Number	1650-080-14-G2AJ
Grant Date	06/20/14
Lease Authorization Date	03/10/14
Lease Authorized	\$505,147
Lease Issued	\$505,147
Original Authorized Cost	\$841,911
Additional Authorized Cost	\$82,543
Revised Authorized Cost	\$924,454
Percentage Increase/(decrease) over Original Authorized Cost	9.80%
Percentage completion	100.00%
Original target completion date	FY15
Revised target completion date	FY18

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
FREEHOLD BORO HIGH SCHOOL - BOILER & HVAC REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 668,136	\$ 65	\$ 668,201	\$ 668,201
Capital Lease	<u>1,521,657</u>		<u>1,521,657</u>	<u>1,521,657</u>
Total revenues	<u>2,189,793</u>	<u>65</u>	<u>2,189,858</u>	<u>2,189,858</u>
Expenditures and Other Financing Uses:				
Legal services	9,003		9,003	9,003
Architectural/engineering services	100,756		100,756	100,756
Other purchased professional and technical services	12,431		12,431	12,431
Construction services	<u>1,556,634</u>		<u>1,556,634</u>	<u>2,067,668</u>
Total expenditures	<u>1,678,824</u>	<u>-</u>	<u>1,678,824</u>	<u>2,189,858</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 510,969</u>	<u>\$ 65</u>	<u>\$ 511,034</u>	

Additional project information:

Project Number	1650-050-14-G2AE
Grant Date	06/20/14
Lease Authorization Date	03/10/14
Lease Authorized	\$1,521,657
Lease Issued	\$1,521,657
Original Authorized Cost	\$2,536,095
Change in Authorized Cost	(\$346,237)
Revised Authorized Cost	\$2,189,858
Percentage Increase/(decrease) over Original Authorized Cost	-13.65%
Percentage completion	100.00%
Original target completion date	FY15
Revised target completion date	FY18

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
DISTRICTWIDE ENERGY SAVINGS IMPROVEMENT PLAN
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Energy savings obligations (ESIP)	\$ 17,500,000	\$	\$ 17,500,000	\$ 17,500,000
Transfer from Capital Reserve	2,000,000		2,000,000	2,000,000
Total revenues	<u>19,500,000</u>		<u>19,500,000</u>	<u>19,500,000</u>
Expenditures and Other Financing Uses:				
Legal services	17,500		17,500	28,842
Architectural/engineering services	1,328,520	84,550	1,413,070	1,413,657
Other purchased professional and technical services	67,473		67,473	67,473
Construction services	17,651,528		17,651,528	17,990,028
Total expenditures	<u>19,065,021</u>	<u>84,550</u>	<u>19,149,571</u>	<u>19,500,000</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 434,979	\$(84,550)	\$ 350,429	

Additional project information:

Project Number	N/A
Grant Date	N/A
Lease Authorization Date	03/10/14
Lease Authorized	\$17,500,000
Lease Issued	\$17,500,000
Original Authorized Cost	\$17,500,000
Additional Authorized Cost	\$2,000,000
Revised Authorized Cost	\$19,500,000

Percentage Increase/(decrease) over Original Authorized Cost	11.43%
Percentage completion	100.00%
Original target completion date	FY16
Revised target completion date	FY19*

* Project is complete, awaiting final close-out documents from one contractor

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
COLTS NECK HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 249,373	\$	249,373	\$ 249,373
Capital Lease	432,120		432,120	432,120
Total revenues	<u>681,493</u>		<u>681,493</u>	<u>681,493</u>
Expenditures and Other Financing Uses:				
Legal services	1,987		1,987	2,000
Architectural/engineering services	58,047		58,047	58,047
Other purchased professional and technical services	9,559		9,559	9,559
Construction services	559,552		559,552	611,887
Total expenditures	<u>629,145</u>		<u>629,145</u>	<u>681,493</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 52,348</u>	<u>\$</u>	<u>\$ 52,348</u>	

Additional project information:

Project Number	1650-010-14-G2WA
Grant Date	06/26/15
Lease Authorization Date	02/11/15
Lease Authorized	\$517,991
Lease Issued	\$517,991
Original Authorized Cost	\$863,318
Change in Authorized Cost	(\$181,825)
Revised Authorized Cost	\$681,493
Percentage Increase/(decrease) over Original Authorized Cost	-21.06%
Percentage completion	100.00%
Original target completion date	FY16
Revised target completion date	FY17

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
HOWELL HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 631,819	\$	\$ 631,819	\$ 631,819
Capital Lease	1,102,392		1,102,392	1,102,392
Total revenues	<u>1,734,211</u>		<u>1,734,211</u>	<u>1,734,211</u>
Expenditures and Other Financing Uses:				
Legal services	4,922		4,922	4,925
Architectural/engineering services	143,767		143,767	143,767
Other purchased professional and technical services	19,784		19,784	19,784
Construction services	1,422,012		1,422,012	1,565,735
Total expenditures	<u>1,590,485</u>		<u>1,590,485</u>	<u>1,734,211</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 143,726</u>	<u>\$</u>	<u>\$ 143,726</u>	

Additional project information:

Project Number	1650-060-14-G2AH
Grant Date	06/26/15
Lease Authorization Date	02/11/15
Lease Authorized	\$1,321,627
Lease Issued	\$1,321,627
Original Authorized Cost	\$2,202,712
Change in Authorized Cost	(\$468,501)
Revised Authorized Cost	\$1,734,211
Percentage Increase/(decrease) over Original Authorized Cost	-21.27%
Percentage completion	100.00%
Original target completion date	FY16
Revised target completion date	FY17

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
FREEHOLD TOWNSHIP HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 389,125	\$ (2,000)	\$ 387,125	\$ 387,125
Capital Lease	631,122		631,122	631,122
Total revenues	<u>1,020,247</u>		<u>1,018,247</u>	<u>1,018,247</u>
Expenditures and Other Financing Uses:				
Legal services	3,080		3,080	3,080
Architectural/engineering services	71,532		71,532	71,532
Other purchased professional and technical services	12,721		12,721	12,721
Construction services	776,249	111,672	887,921	930,914
Total expenditures	<u>863,582</u>	<u>111,672</u>	<u>975,254</u>	<u>1,018,247</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 156,665</u>	<u>\$ (111,672)</u>	<u>\$ 42,993</u>	<u>\$ -</u>

Additional project information:

Project Number	1650-055-14-G2AG
Grant Date	06/26/15
Lease Authorization Date	02/11/15
Lease Authorized	\$770,971
Lease Issued	\$770,971
Original Authorized Cost	\$1,284,952
Change in Authorized Cost	(\$266,705)
Revised Authorized Cost	\$1,018,247
Percentage Increase/(decrease) over Original Authorized Cost	-20.76%
Percentage completion	100.00%
Original target completion date	FY16
Revised target completion date	FY19

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
MANALAPAN HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 408,419	\$	408,419	\$ 408,419
Capital Lease	1,084,366		1,084,366	1,084,366
Total revenues	<u>1,492,785</u>		<u>1,492,785</u>	<u>1,492,785</u>
Expenditures and Other Financing Uses:				
Legal services	5,288		5,288	5,288
Architectural/engineering services	101,856		101,856	101,856
Other purchased professional and technical services	11,575		11,575	11,575
Construction services	1,178,553	100,867	1,279,420	1,374,066
Total expenditures	<u>1,297,272</u>	<u>100,867</u>	<u>1,398,139</u>	<u>1,492,785</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 195,513	\$ (100,867)	\$ 94,646	\$ -

Additional project information:

Project Number	1650-070-14-G2AI
Grant Date	06/26/15
Lease Authorization Date	02/11/15
Lease Authorized	\$612,629
Lease Issued	\$612,629
Original Authorized Cost	\$1,021,048
Additional Authorized Cost	\$471,737
Revised Authorized Cost	\$1,492,785
Percentage Increase/(decrease) over Original Authorized Cost	46.20%
Percentage completion	100.00%
Original target completion date	FY16
Revised target completion date	FY19

PROPRIETARY FUND DETAIL STATEMENTS

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

FOOD SERVICES FUND:

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

EXTRACURRICULAR FUND

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		COMPARATIVE TOTALS	
	FOOD SERVICE FUND	EXTRA-CURRICULAR FUND	JUNE 30	
			2019	2018
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 163,708	\$	\$ 163,708	\$ 169,189
Accounts receivable:				
State	907		907	1,102
Federal	27,096		27,096	29,978
Other	9,385	145,964	155,349	13,086
Interfund receivable	549,458		549,458	319,812
Inventories	23,796		23,796	25,396
	<u>774,350</u>	<u>145,964</u>	<u>920,314</u>	<u>558,563</u>
Total current assets				
Noncurrent assets:				
Furniture, machinery and equipment	1,050,694		1,050,694	1,050,694
Less accumulated depreciation	<u>(614,844)</u>		<u>(614,844)</u>	<u>(557,539)</u>
	<u>435,850</u>		<u>435,850</u>	<u>493,155</u>
Total noncurrent assets				
Total assets	<u>1,210,200</u>	<u>145,964</u>	<u>1,356,164</u>	<u>1,051,718</u>
LIABILITIES:				
Current liabilities:				
Accounts payable	519		519	292,991
Interfund payable		145,964	145,964	9,007
Lease payable	635,383		635,383	
Unearned revenue	<u>106,417</u>		<u>106,417</u>	<u>85,334</u>
	<u>742,319</u>	<u>145,964</u>	<u>888,283</u>	<u>387,332</u>
Total current liabilities				
Total liabilities	<u>742,319</u>	<u>145,964</u>	<u>888,283</u>	<u>387,332</u>
NET POSITION:				
Net investment in capital assets	38,228		38,228	493,155
Unrestricted	<u>429,653</u>		<u>429,653</u>	<u>171,231</u>
Total net position	<u>\$ 467,881</u>	<u>\$ 145,964</u>	<u>\$ 467,881</u>	<u>\$ 664,386</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		<u>COMPARATIVE TOTALS</u>	
	<u>FOOD SERVICE</u>	<u>EXTRA-CURRICULAR</u>	<u>JUNE 30</u>	
	<u>FUND</u>	<u>FUND</u>	<u>2019</u>	<u>2018</u>
OPERATING REVENUES:				
Charges for services:				
Daily sales - Reimbursable programs	\$ 636,408	\$	\$ 636,408	\$ 939,947
Daily sales - Non-reimbursable programs	1,310,820		1,310,820	1,774,112
Special functions	39,787		39,787	46,445
Fees - individuals		212,545	212,545	233,962
Total operating revenues	<u>1,987,015</u>	<u>212,545</u>	<u>2,199,560</u>	<u>2,994,466</u>
OPERATING EXPENSES:				
Cost of sales - Reimbursable programs	561,507		561,507	810,029
Cost of sales - Non-reimbursable programs	610,821		610,821	668,714
Salaries and benefits	1,174,007	92,522	1,266,529	1,477,433
Supplies and materials	126,697		126,697	389,851
Management fee	79,612		79,612	105,601
Miscellaneous	113,587	27,037	140,624	179,036
Depreciation	57,305		57,305	63,032
Facility rental		92,986	92,986	123,937
Total operating expenses	<u>2,723,536</u>	<u>212,545</u>	<u>2,936,081</u>	<u>3,817,633</u>
Operating income (loss)	<u>(736,521)</u>		<u>(736,521)</u>	<u>(823,167)</u>
NONOPERATING REVENUES (EXPENSES):				
State sources				
State school lunch program	14,066		14,066	19,493
Federal sources				
National school lunch program	378,899		378,899	473,849
School breakfast program	36,054		36,054	42,384
National food distribution commodities	110,997		110,997	129,814
Total nonoperating revenues (expenses)	<u>540,016</u>		<u>540,016</u>	<u>665,540</u>
Change in net position	(196,505)		(196,505)	(157,627)
Total net position - beginning	<u>664,386</u>		<u>664,386</u>	<u>822,013</u>
Total net position - ending	<u>\$ 467,881</u>	<u>\$</u>	<u>\$ 467,881</u>	<u>\$ 664,386</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND		COMPARATIVE TOTALS	
	FOOD SERVICE	EXTRA-CURRICULAR	JUNE 30	
	FUND	FUND	2019	2018
Cash flows from operating activities:				
Receipts from customers	\$ 2,003,083	\$ 75,588	\$ 2,078,671	\$ 3,012,992
Payments to employees	(1,141,688)	(92,522)	(1,234,210)	(1,446,752)
Payments for employee benefits	(32,319)		(32,319)	(30,681)
Payments to suppliers	(1,672,389)	(120,023)	(1,792,412)	(2,469,627)
Net cash provided by (used for) operating activities	<u>(843,313)</u>	<u>(136,957)</u>	<u>(980,270)</u>	<u>(934,068)</u>
Cash flows from noncapital financing activities:				
State sources	14,260		14,260	19,470
Federal sources	417,835		417,835	518,119
Operating subsidies and transfers to other funds	405,737	136,957	542,694	280,187
Net cash provided by noncapital financing activities	<u>837,832</u>	<u>136,957</u>	<u>974,789</u>	<u>817,776</u>
Cash flows from capital and related financing activities:				
Purchases of capital assets				(401,323)
Net cash provided by (used for) capital and related financing activities				<u>(401,323)</u>
Net increase (decrease) in cash and cash equivalents	(5,481)		(5,481)	(517,615)
Cash and cash equivalents, July 1, 2018	<u>169,189</u>		<u>169,189</u>	<u>686,804</u>
Cash and cash equivalents, June 30, 2019	<u>\$ 163,708</u>	<u>\$</u>	<u>\$ 163,708</u>	<u>\$ 169,189</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (736,521)	\$	\$ (736,521)	\$ (823,167)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	57,305		57,305	63,032
Federal commodities	110,997		110,997	129,814
Change in assets and liabilities:				
(Increase) decrease in accounts receivable, net	(5,306)	(136,957)	(142,263)	1,651
Increase (decrease) in unearned revenue	21,083		21,083	17,478
Increase (decrease) in accounts payable	(292,472)		(292,472)	(321,165)
(Increase) decrease in inventories	1,601		1,601	(1,711)
	<u>(106,792)</u>	<u>(136,957)</u>	<u>(243,749)</u>	<u>(110,901)</u>
Net cash provided by (used for) operating activities	<u>\$ (843,313)</u>	<u>\$ (136,957)</u>	<u>\$ (980,270)</u>	<u>\$ (934,068)</u>

FIDUCIARY FUNDS DETAIL STATEMENTS

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

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

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

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

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

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2019

	STUDENT ACTIVITY	AGENCY FUNDS PAYROLL AGENCY	TOTAL AGENCY	UNEMPLOYMENT COMPENSATION INSURANCE TRUST	PRIVATE PURPOSE TRUST	TOTAL JUNE 30 2019
ASSETS:						
Cash and cash equivalents	\$ 959,763	\$ 3,169,074	\$ 4,128,837	\$ 1,108,598	\$ 851,578	\$ 6,089,013
Total assets	\$ 959,763	\$ 3,169,074	\$ 4,128,837	\$ 1,108,598	\$ 851,578	\$ 6,089,013
LIABILITIES:						
Accounts payable				54,647		54,647
Interfund payable		24,124	24,124			24,124
Payable to student groups	959,763	3,109,714	3,109,714			959,763
Wages payable - Summer Payroll		35,236	35,236			3,109,714
Payroll deductions and withholdings						35,236
Total liabilities	959,763	3,169,074	4,128,837	54,647		4,183,484
NET POSITION:						
Held in trust for State Unemployment insurance claims and other purposes				1,053,951		1,053,951
Held in trust for scholarships and other purposes					851,578	851,578
Total net position	\$	\$	\$	\$ 1,053,951	\$ 851,578	\$ 1,905,529

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>UNEMPLOYMENT COMPENSATION INSURANCE TRUST</u>	<u>PRIVATE PURPOSE TRUST</u>	<u>TOTAL</u>
ADDITIONS:			
Contributions:			
Plan Members	\$ 249,508	\$	\$ 249,508
Donations		25,720	25,720
Total contributions	<u>249,508</u>	<u>25,720</u>	<u>275,228</u>
Investment earnings:			
Interest	6,220	5,103	11,323
Net investment earnings	<u>6,220</u>	<u>5,103</u>	<u>11,323</u>
Total additions	<u>255,728</u>	<u>30,823</u>	<u>286,551</u>
DEDUCTIONS:			
Quarterly Contribution Reports	101,656		101,656
Unemployment Claims	132,719		132,719
Scholarships Awarded		47,550	47,550
Total deductions	<u>234,375</u>	<u>47,550</u>	<u>281,925</u>
Change in net position	21,353	(16,727)	4,626
Net position beginning of year	<u>1,032,598</u>	<u>868,305</u>	<u>1,900,903</u>
Net position end of year	\$ <u><u>1,053,951</u></u>	\$ <u><u>851,578</u></u>	\$ <u><u>1,905,529</u></u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	BALANCE <u>JULY 1, 2018</u>	CASH <u>RECEIPTS</u>	CASH <u>DISBURSEMENTS</u>	BALANCE <u>JUNE 30, 2019</u>
High School:				
Colts Neck	\$ 122,827	\$ 542,733	537,518	\$ 128,042
Freehold Borough	102,008	359,230	351,121	110,117
Freehold Township	205,702	474,206	460,438	219,470
Howell	149,244	396,104	396,370	148,978
Manalapan	166,455	474,800	464,008	177,247
Marlboro	<u>171,144</u>	<u>599,347</u>	<u>594,582</u>	<u>175,909</u>
Total assets	<u>\$ 917,380</u>	<u>\$ 2,846,420</u>	<u>\$ 2,804,037</u>	<u>\$ 959,763</u>

EXHIBIT "H-4"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>BALANCE</u> <u>JULY 1, 2018</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2019</u>
ASSETS:				
Cash and cash equivalents	\$ 3,295,061	\$ 122,191,536	\$ 122,317,523	\$ 3,169,074
Total assets	<u>3,295,061</u>	<u>122,191,536</u>	<u>122,317,523</u>	<u>3,169,074</u>
LIABILITIES:				
Payroll deductions and withholdings	15,964	49,375,833	49,356,561	35,236
Wages payable - summer payroll	2,920,112	3,122,866	2,933,264	3,109,714
Employee pay		62,476,892	62,476,892	
Interfunds payable	358,985	7,215,945	7,550,806	24,124
Total liabilities	\$ <u>3,295,061</u>	\$ <u>122,191,536</u>	\$ <u>122,317,523</u>	\$ <u>3,169,074</u>

LONG-TERM DEBT SCHEDULES

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2019

<u>ISSUE</u>	<u>DATE OF</u> <u>ISSUE</u>	<u>AMOUNT OF</u> <u>ISSUE</u>	<u>DATE</u>	<u>MATURITIES</u> <u>AMOUNT</u>	<u>RATE OF</u> <u>INTEREST</u>	<u>BALANCE</u> <u>JULY 1, 2018</u>	<u>RETIRED</u>	<u>BALANCE</u> <u>JUNE 30, 2019</u>
Refunded - Additions and renovations of Colts Neck, Freehold, Freehold Twp, Howell, Manalapan, and Marlboro High Schools	11/16/2001	\$ 42,690,000	3/1/2020	5,205,000	5.00%	\$ 10,145,000	\$ 4,940,000	\$ 5,205,000
						\$ 10,145,000	\$ 4,940,000	\$ 5,205,000

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
 AS OF JUNE 30, 2019

SERIES	TERM	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL LEASE	AMOUNT OUTSTANDING JUNE 30, 2018	INCREASE	DECREASE	AMOUNT OUTSTANDING JUNE 30, 2019
<u>Governmental Funds:</u>							
District Wide Energy Savings Improvement Plan (ESIP)	15 Years	2.690%	17,498,000	\$ 14,559,225		104,444	\$ 14,454,781
Roof Replacement, Boiler & HVAC Replacement	5 Years	1.390%	2,957,597	704,898		704,898	0
Roof Replacement	5 Years	1.570%	3,250,000	1,472,715		730,600	742,115
School Buses	5 Years	1.390%	331,100	67,128		67,128	0
School Buses and Technology	5 Years	1.334%	3,500,000	718,675		718,675	0
School Buses & Maintenance Vehicles	5 Years	1.433%	1,661,250	663,585		329,432	334,153
School Buses, Technology & Copters	5 Years	1.290%	3,052,000	2,457,146		602,527	1,854,619
School Buses, Technology & Buildings and Grounds Equipment	5 Years	1.680%	2,560,000	2,560,000		492,096	2,067,904
School Buses, Technology, Cafeteria, and Buildings & Grounds Equipment	5 Years	2.896%	1,446,617		1,446,617		1,446,617
Total Governmental Funds				23,203,372	1,446,617	3,749,800	20,900,189
<u>Proprietary Fund - Food Service:</u>							
Cafeteria Equipment	5 Years	2.896%	635,383		635,383		635,383
Grand Total			\$	23,203,372	\$ 2,082,000	\$ 3,749,800	\$ 21,535,572

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 4,122,537	\$	\$ 4,122,537	\$ 4,122,537	\$
State sources:					
Debt service aid type II	<u>1,324,713</u>		<u>1,324,713</u>	<u>1,324,713</u>	
Total revenues	<u>5,447,250</u>		<u>5,447,250</u>	<u>5,447,250</u>	
EXPENDITURES:					
Regular debt service:					
Interest	507,250		507,250	507,250	
Redemption of principal	<u>4,940,000</u>		<u>4,940,000</u>	<u>4,940,000</u>	
Total regular debt service-expenditures	<u>5,447,250</u>		<u>5,447,250</u>	<u>5,447,250</u>	
Excess (deficiency) of revenues over (under) expenditures					
Fund balance, July 1					
Fund balance, June 30	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

STATISTICAL SECTION - UNAUDITED

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

NET POSITION BY COMPONENT

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Government Activities:										
Net Investment in capital assets	\$ 90,856,048	\$ 89,024,727	\$ 87,207,182	\$ 80,465,572	\$ 76,758,415	\$ 74,331,409	\$ 76,397,045	\$ 64,842,350	\$ 65,477,800	\$ 66,304,436
Restricted	28,130,955	26,112,090	27,648,406	28,446,908	30,394,625	31,027,126	27,308,431	21,024,274	12,809,243	6,513,220
Unrestricted (deficit)	(61,144,214)	(60,745,280)	(58,575,627)	(50,667,795)	(51,292,191)	(2,056,310)	(1,962,535)	(195,128)	951,687	3,468,668
Total Government Activities Net Position	\$ 57,844,789	\$ 54,391,537	\$ 56,279,961	\$ 58,244,685	\$ 55,860,849	\$ 103,302,225	\$ 101,742,941	\$ 85,671,486	\$ 79,238,730	\$ 76,286,324
Business-Type Activities:										
Net Investment in capital assets	\$ 38,228	\$ 493,155	\$ 154,865	\$ 182,315	\$ 220,747	\$ 238,357	\$ 271,952	\$ 89,982	\$ 105,119	\$ 126,753
Unrestricted	429,653	171,231	667,148	413,584	215,462	129,757	309,747	624,296	814,829	751,526
Total Business-Type Activities Net Position	\$ 467,881	\$ 664,386	\$ 822,013	\$ 595,899	\$ 436,209	\$ 368,114	\$ 581,699	\$ 714,288	\$ 919,948	\$ 878,279
District-wide:										
Net Investment in capital assets	\$ 90,896,276	\$ 89,517,882	\$ 87,362,047	\$ 80,647,887	\$ 76,979,162	\$ 74,569,766	\$ 76,668,997	\$ 64,932,342	\$ 65,582,919	\$ 66,431,189
Restricted	28,130,955	26,112,090	27,648,406	28,446,908	30,394,625	31,027,126	27,308,431	21,024,274	12,809,243	6,513,220
Unrestricted (deficit)	(60,714,561)	(60,574,049)	(57,908,479)	(50,294,211)	(51,076,729)	(1,926,559)	(1,652,788)	429,168	1,766,516	4,220,194
Total District Net Position	\$ 58,312,670	\$ 55,055,923	\$ 57,101,974	\$ 58,840,584	\$ 56,297,058	\$ 103,670,339	\$ 102,324,640	\$ 86,385,784	\$ 80,156,678	\$ 77,164,603

* 2014 has not been restated for the impact of GASB 88

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET POSITION

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

	2019	2018	2017	2015	2014	2013	2012	2011	2010
Governmental Activities:									
Instruction:									
Regular	\$ 98,763,606	\$ 106,525,172	\$ 102,658,266	\$ 87,514,868	\$ 75,200,178	\$ 80,476,846	\$ 79,320,371	\$ 77,375,649	\$ 79,855,943
Special Education	24,953,884	27,316,294	27,929,556	24,439,425	20,497,345	17,229,076	13,906,774	12,282,407	9,471,600
Other Special Education	11,215,656	12,400,211	11,747,407	9,859,065	8,306,192	8,998,877	8,916,004	8,978,180	9,136,052
Support Services:									
Tuition	15,448,397	15,600,095	15,076,681	14,711,482	14,104,095	13,343,824	13,994,362	13,678,378	12,197,151
Student & instruction related services	29,530,211	32,227,254	30,730,390	27,893,131	21,748,966	19,632,989	18,231,436	17,684,670	18,477,174
General Administrative Services	2,278,719	1,835,507	1,893,992	1,716,518	1,675,898	9,448,283	9,419,268	9,211,557	9,286,344
School Administrative Services	12,261,778	12,800,205	12,330,132	11,230,302	9,221,080	2,011,069	2,155,127	1,754,559	2,267,175
Central Services/Admin. Information Technology	5,074,147	5,681,925	6,268,366	4,719,869	3,690,894	4,122,564	3,588,070	3,419,374	3,299,725
Plant Operations and Maintenance	17,844,146	19,473,749	20,976,707	17,069,282	15,943,060	15,303,296	15,753,689	16,427,929	17,465,039
Pupil Transportation Services	17,281,025	17,235,383	16,630,574	17,118,697	16,740,367	16,297,004	16,174,059	15,747,415	18,190,193
Special Schools									390,309
Capital Outlay									240
Transfer to Charter Schools	445,263	741,084	936,851	1,159,719	1,548,571	1,699,266	29,312	14,656	15,292
Interest on Long-Term Debt	5,884,013	5,324,671	4,917,067	4,887,161	4,836,889	34,303	1,872,620	2,033,833	2,201,017
Unallocated Depreciation and Amortization									34,303
	<u>240,980,845</u>	<u>257,163,550</u>	<u>252,095,989</u>	<u>229,167,956</u>	<u>193,249,548</u>	<u>188,597,397</u>	<u>183,395,595</u>	<u>178,643,552</u>	<u>182,289,317</u>
Food Service	2,723,536	3,663,671	3,201,580	3,167,975	3,211,871	3,433,767	3,568,347	3,360,076	3,426,440
Extra Curricular Fund	212,545	233,962	240,311	256,688	227,246	213,993	238,976	227,348	222,845
SAT Prep Program							25,538	20,963	
	<u>2,936,081</u>	<u>3,817,633</u>	<u>3,441,891</u>	<u>3,424,663</u>	<u>3,448,659</u>	<u>3,647,760</u>	<u>3,852,861</u>	<u>3,608,387</u>	<u>3,649,285</u>
	<u>243,916,926</u>	<u>260,981,183</u>	<u>255,537,880</u>	<u>232,592,619</u>	<u>196,698,207</u>	<u>192,245,157</u>	<u>187,228,456</u>	<u>182,251,939</u>	<u>183,936,602</u>
Governmental Activities:									
Charges for Services:									
Instruction	\$ 345,797	\$ 212,475	\$ 230,377	\$ 289,578	\$ 319,039	\$ 159,313	\$ 254,971	\$ 75,241	\$ 352,974
Operating Grants and Contributions	50,051,462	64,954,154	59,693,390	43,912,263	35,821,867	426,007	468,018	609,714	796,443
Capital Grants and Contributions									
	<u>50,397,279</u>	<u>65,166,629</u>	<u>59,923,767</u>	<u>44,201,841</u>	<u>17,114,233</u>	<u>585,320</u>	<u>722,989</u>	<u>684,955</u>	<u>1,151,417</u>
Business-Type Activities:									
Charges for Services:									
Food Service	1,987,015	2,760,504	2,761,404	2,691,559	2,527,799	2,642,037	2,909,211	2,941,180	2,944,677
Extra Curricular Fund	212,545	233,962	240,311	256,688	236,788	190,193	262,776	227,348	222,845
SAT Prep Program							22,202	24,299	
Operating Grants and Contributions	540,016	665,540	666,290	636,106	470,547	486,782	433,012	457,229	495,107
	<u>2,739,576</u>	<u>3,660,006</u>	<u>3,668,005</u>	<u>3,584,353</u>	<u>3,235,074</u>	<u>3,319,012</u>	<u>3,627,201</u>	<u>3,650,055</u>	<u>3,662,629</u>
	<u>53,136,855</u>	<u>68,826,635</u>	<u>63,591,772</u>	<u>47,786,194</u>	<u>20,349,307</u>	<u>3,904,332</u>	<u>4,350,190</u>	<u>4,335,010</u>	<u>4,814,046</u>
Governmental Activities	\$ (190,583,566)	\$ (191,996,921)	\$ (192,172,222)	\$ (184,966,115)	\$ (176,135,315)	\$ (188,012,077)	\$ (182,672,605)	\$ (177,956,597)	\$ (181,137,900)
Business-Type Activities	(196,505)	(157,627)	226,114	159,690	(213,565)	(328,748)	(205,660)	41,669	13,344
	<u>(190,780,071)</u>	<u>(192,154,548)</u>	<u>(191,946,108)</u>	<u>(184,806,425)</u>	<u>(176,348,900)</u>	<u>(188,340,825)</u>	<u>(182,878,265)</u>	<u>(177,916,928)</u>	<u>(181,124,556)</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET POSITION

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 134,270,320	\$ 131,637,569	\$ 128,147,673	\$ 125,634,974	\$ 121,473,208	\$ 119,091,381	\$ 116,756,256	\$ 115,600,253	\$ 115,600,253	\$ 112,783,657
Taxes Levied for Debt Service	4,122,537	4,114,779	4,105,698	4,099,644	4,093,210	4,086,778	4,076,750	4,071,262	4,062,938	3,462,300
Unrestricted Grants and Contributions	53,480,921	54,362,826	54,709,469	54,224,317	54,428,665	54,015,433	66,350,311	64,262,301	56,750,964	62,216,157
Restricted Grants and Contributions	1,290,740	1,221,659	1,161,898	2,651,166	2,239,175	1,086,884	3,606,529	4,250,267	3,899,599	5,935,387
Miscellaneous Income	872,300	459,661	2,082,760	782,770	148,292	303,863	576,640	931,185	597,250	585,862
Gain/(Loss) on Sale of Equipment				(42,920)				(9,896)		
	<u>194,036,818</u>	<u>191,796,494</u>	<u>190,207,498</u>	<u>187,349,951</u>	<u>182,382,550</u>	<u>178,586,339</u>	<u>193,568,486</u>	<u>189,105,372</u>	<u>180,911,004</u>	<u>184,985,363</u>
	\$ 194,036,818	\$ 191,796,494	\$ 190,207,498	\$ 187,349,951	\$ 182,382,550	\$ 178,586,339	\$ 193,568,486	\$ 189,105,372	\$ 180,911,004	\$ 184,985,363
Governmental Activities	\$ 3,453,252	(200,427)	(1,964,724)	2,383,836	(40,061)	2,451,024	5,556,409	6,432,766	2,952,407	3,847,463
Business-Type Activities	(196,505)	(157,627)	226,114	159,690	66,095	(213,585)	(328,748)	(205,660)	41,669	13,344
	<u>3,256,747</u>	<u>(358,054)</u>	<u>(1,738,610)</u>	<u>2,543,526</u>	<u>28,014</u>	<u>2,237,439</u>	<u>5,227,661</u>	<u>6,227,106</u>	<u>2,994,075</u>	<u>3,860,807</u>
	\$ 3,256,747	\$ (358,054)	\$ (1,738,610)	\$ 2,543,526	\$ 28,014	\$ 2,237,439	\$ 5,227,661	\$ 6,227,106	\$ 2,994,075	\$ 3,860,807

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund:										
Restricted	\$ 18,089,333	\$ 25,235,695	\$ 26,892,872	\$ 27,823,998	\$ 29,394,625	\$ 31,027,126	\$ 27,073,450	\$ 21,024,274	\$ 12,827,685	\$ 7,092,073
Assigned	5,663,054	592,262	755,534		1,450,900	763,915	1,000,000	2,218,598	2,587,356	4,289,726
Unassigned	4,378,568	284,133							153,276	
Reserved										
Unreserved										
Total General Fund	\$ 28,130,955	\$ 26,112,090	\$ 27,648,406	\$ 27,823,998	\$ 30,845,525	\$ 31,791,041	\$ 28,073,450	\$ 23,242,872	\$ 15,588,317	\$ 11,381,799
All Other Governmental Funds:										
Restricted	\$ 1,268,329	\$ 1,190,797	\$ 1,164,358	\$ 944,577	\$ 7,799,283	\$ 20,088,887	\$	\$	\$	\$
Assigned, Reported In:										
Capital Projects Fund	89,131	486,442	1,054,420	5,031,272	11,641,370	109,584				
Total All Other Governmental Funds	\$ 1,357,460	\$ 1,677,239	\$ 2,218,778	\$ 5,975,849	\$ 19,440,653	\$ 20,198,471	\$	\$	\$	\$

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

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:										
Tax Levy	138,392,857 \$	135,752,348 \$	132,253,371 \$	129,734,618 \$	125,566,418 \$	123,178,159 \$	120,833,006 \$	119,671,515 \$	119,663,191 \$	116,245,957
Tuition Charges	197,903	50,275	66,286	70,929	124,280	72,563	62,177	166,772	75,241	165,050
Transportation Fees	844,978	450,268	2,074,962	776,317	135,277	294,534	36,974	38,940	70,015	60,443
Miscellaneous	347,725	422,844	385,628	451,783	327,157	311,794	636,802	917,144	629,048	642,344
State Sources	82,174,400	79,967,728	77,088,133	75,427,983	72,570,063	68,952,796	69,676,088	63,785,249	58,073,019	56,905,827
Federal Sources	3,211,211	3,243,764	3,211,622	3,172,682	2,828,807	2,890,826	2,908,759	5,195,337	3,085,445	12,046,159
Total Revenues	225,199,074	219,887,227	215,080,202	209,634,272	201,552,002	195,700,572	194,153,806	189,774,957	181,595,959	186,065,780
Expenditures:										
Instruction:										
Regular	56,726,361	56,202,993	55,136,134	54,420,588	54,580,063	53,226,236	54,461,270	53,010,885	50,466,657	55,759,577
Special	15,042,122	15,266,006	16,290,116	16,350,910	16,147,479	15,292,601	12,044,633	9,709,787	8,241,644	6,766,646
Other	6,711,149	6,863,471	6,646,105	6,543,186	6,385,427	6,327,793	6,519,860	6,474,132	6,342,900	6,679,582
Support Services:										
Tuition	15,448,397	15,600,095	15,076,681	14,980,357	14,711,492	14,104,095	13,343,824	13,994,362	13,678,378	12,197,151
Student & Instruction related services	18,506,187	18,587,291	18,249,119	17,927,006	17,224,746	15,900,229	14,016,576	12,952,335	12,306,294	13,609,000
School Administrative Services	6,877,808	6,713,490	6,600,419	6,607,803	6,579,123	6,507,814	6,558,728	6,550,897	6,218,510	6,641,945
General Administrative Services	2,151,455	1,635,198	1,642,388	1,556,488	1,581,794	1,535,368	1,817,374	1,985,654	1,535,170	2,108,923
General and Central Services	3,917,286	3,742,376	3,463,722	3,221,782	3,277,294	2,594,840	2,792,121	2,660,101	2,433,933	2,404,433
Central Services/Admin. Information Tech	15,518,081	16,221,433	16,848,948	14,593,778	13,821,891	13,908,423	12,570,393	12,971,517	13,434,482	14,546,194
Plant Operations and Maintenance	18,508,314	18,147,561	17,144,259	16,812,407	16,052,557	14,960,904	14,006,185	13,836,574	13,149,260	15,718,142
Student Transportation Services	57,663,911	55,407,404	51,122,265	47,637,366	43,750,109	41,366,803	43,899,725	41,829,101	43,493,500	39,126,215
Unallocated Employee Benefits									240	276,502
Special Schools									14,656	15,292
Charter Schools										
Debt Service:										
Principal	4,940,000	4,695,000	4,460,000	4,240,000	4,030,000	3,830,000	3,635,000	3,455,000	3,280,000	3,100,000
Interest and Other Charges	507,250	742,000	965,000	1,177,000	1,378,500	1,570,000	1,751,750	1,924,500	2,088,500	2,257,275
Capital Outlay	2,367,613	4,219,752	7,876,851	21,699,940	7,313,710	1,349,981	2,673,424	716,145	625,315	3,634,504
Total Expenditures	224,885,934	224,044,070	221,524,007	227,766,621	206,834,185	192,477,087	190,090,863	182,100,402	177,409,441	185,047,381
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	283,140	(4,156,843)	(6,443,805)	(18,134,349)	(5,282,183)	3,223,485	4,062,943	7,674,555	4,186,518	1,018,399
Other Financing Sources/(Uses):										
Capital leases (non-budgeted)	1,415,946	2,078,988	2,511,142	1,648,018	3,581,100	2,957,597				
Transfers Out					(2,251)					
Proceeds from energy savings obligations (ESIP)						17,500,000				
Total Other Financing Sources/(Uses)	1,415,946	2,078,988	2,511,142	1,648,018	3,578,849	20,457,597				
Net Change in Fund Balances	1,699,086 \$	(2,077,855) \$	(3,932,663) \$	(16,486,331) \$	(1,703,334) \$	23,681,082 \$	4,062,943 \$	7,674,555 \$	4,186,518 \$	1,018,399
Debt Service as a Percentage of Noncapital Expenditures	2.45%	2.47%	2.54%	2.63%	2.71%	2.83%	2.87%	2.97%	3.04%	2.95%

Source: District records
Note: Noncapital expenditures are total expenditures less Capital Outlay.

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

Fiscal Year Ending June 30,	Restricted		Unrestricted		Annual Totals
	Athletic Fees	Facility Rental	Refund of Prior Year Expenditures	Miscellaneous	
2019	\$ 77,756	\$ 70,138	\$ 196,905	\$ 644,396	989,195
2018	81,545	80,655	53,236	393,043	608,479
2017	77,378	86,713	1,498	2,072,765	2,238,354
2016	73,319	145,330	424,495	351,822	994,966
2015	77,768	116,991	71,847	63,430	330,036
2014	69,696	115,159	72,082	222,452	479,389
2013	68,612	97,136	91,737	240,266	497,751
2012	69,310	88,199	429,465	244,140	831,114
2011	103,985	101,813	122,723	194,264	522,785
2010	97,112	116,924	197,482	134,864	546,382

Source: District records

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

LAST TEN FISCAL YEARS
UNAUDITED

	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property (3)	Public Utilities (1)	Net Valuation Taxable	Total Direct School Tax Rate (2)	Estimated Actual (County Equalized) Value
Colts Neck													
2019	\$ 35,878,300	\$ 2,583,155,800	\$ 235,671,000	\$ 4,032,700	\$ 162,899,400	\$ -	\$ -	\$ 3,021,437,200	\$ -	\$ 4,241,007	\$ 3,025,678,207	0.423	\$ 3,079,828,708
2018	39,970,600	2,574,100,700	241,579,500	4,069,600	161,479,600	-	-	3,021,200,000	-	3,876,763	3,025,076,763	0.446	3,048,057,282
2017	41,407,700	2,552,984,800	232,105,700	4,045,100	164,887,600	-	-	2,995,440,900	-	3,077,794	2,998,518,694	0.466	3,015,171,174
2016	41,748,200	2,534,198,600	244,132,600	4,203,100	163,892,200	-	-	2,988,174,700	-	3,065,471	2,991,240,171	0.439	3,017,648,789
2015	38,448,100	2,503,435,400	257,605,800	4,125,100	164,609,600	-	-	2,968,224,000	-	3,153,066	2,971,383,066	0.454	3,041,417,551
2014	39,861,800	2,540,498,000	263,017,800	4,159,900	167,385,000	-	-	3,014,942,500	-	3,079,851	3,018,022,351	0.447	3,066,222,327
2013	41,257,000	2,558,728,600	263,081,000	4,158,700	178,123,400	-	-	3,045,348,700	-	3,723,634	3,049,072,334	0.408	3,122,799,191
2012	44,509,600	2,575,313,400	255,778,700	4,145,400	184,744,300	-	-	3,064,491,400	-	3,723,975	3,068,215,375	0.390	3,117,456,897
2011	44,725,400	2,580,986,900	253,914,500	4,109,600	192,544,000	-	-	3,076,280,400	-	3,812,767	3,080,093,167	0.391	3,203,755,368
2010	47,351,200	2,590,014,000	269,598,800	4,158,600	196,701,900	-	-	3,107,825,500	-	5,087,706	3,112,913,206	0.383	3,342,807,536
Englishtown													
2019	\$ 1,583,000	\$ 195,430,000	\$ -	\$ -	\$ 36,867,300	\$ 6,865,300	\$ 15,711,000	\$ 256,456,600	\$ -	\$ -	\$ 256,456,600	0.422	\$ 257,909,176
2018	1,320,400	190,588,800	-	-	35,421,300	6,396,800	14,458,700	248,186,000	-	-	248,186,000	0.402	253,041,801
2017	1,348,800	185,500,700	-	-	36,071,000	6,393,900	13,302,100	242,616,500	-	-	242,616,500	0.414	236,958,085
2016	1,576,900	183,420,400	-	-	35,820,000	6,452,500	13,268,100	240,537,900	-	-	240,537,900	0.380	232,973,581
2015	1,654,800	183,619,000	-	-	34,989,900	6,358,900	13,228,100	239,850,700	-	-	239,850,700	0.373	223,236,967
2014	1,867,700	200,060,300	-	-	39,188,600	7,267,200	1,262,100	249,645,900	-	-	249,645,900	0.372	221,639,386
2013	3,274,100	206,535,000	-	-	35,332,500	7,617,200	1,262,100	254,020,900	-	-	254,020,900	0.404	231,103,589
2012	2,384,300	201,896,900	-	-	35,742,000	8,583,900	1,262,100	249,869,200	-	-	249,869,200	0.383	235,241,820
2011	3,788,700	198,279,700	-	-	39,134,100	9,879,300	1,262,100	252,343,900	-	-	252,343,900	0.299	242,547,058
2010	3,892,300	198,206,200	-	-	42,019,600	9,879,300	1,262,100	255,259,500	-	4,454,063	259,713,563	0.320	250,970,511
Farmingdale													
2019	\$ 973,500	\$ 119,715,300	\$ -	\$ 17,500	\$ 26,880,000	\$ 3,273,400	\$ 15,485,200	\$ 166,344,900	\$ -	\$ -	\$ 166,344,900	0.354	\$ 159,094,861
2018	984,800	120,283,900	-	17,500	26,918,700	3,311,800	15,357,900	166,874,600	-	-	166,874,600	0.339	149,658,560
2017	3,226,700	106,525,800	584,700	2,700	26,700,800	3,311,800	15,321,400	155,673,900	-	-	155,673,900	0.345	146,043,388
2016	1,898,600	105,777,400	590,000	2,700	27,171,700	3,318,200	15,315,400	154,074,000	-	-	154,074,000	0.326	145,968,075
2015	1,905,600	106,279,000	583,600	2,700	27,115,000	3,319,800	15,314,700	154,500,400	-	-	154,500,400	0.308	138,780,348
2014	1,865,300	110,869,600	600,000	14,200	20,523,500	2,742,800	13,947,400	150,562,800	-	-	150,562,800	0.298	137,417,398
2013	1,865,300	111,706,500	721,700	14,200	20,320,000	2,742,800	13,947,400	151,317,900	-	-	151,317,900	0.397	145,089,919
2012	1,918,800	112,133,500	721,700	14,200	20,320,000	2,742,800	13,947,400	151,798,400	-	2,529,438	154,327,838	0.350	149,581,365
2011	1,918,800	111,858,800	721,700	14,200	20,480,300	2,742,800	13,947,400	151,684,000	-	2,558,005	154,242,005	0.360	147,441,135
2010	1,918,800	112,002,400	721,700	14,200	20,480,300	2,742,800	13,947,400	151,827,600	-	2,815,873	154,643,473	0.277	153,164,638

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

LAST TEN FISCAL YEARS
UNAUDITED

	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property (3)	Public Utilities (1)	Net Valuation Taxable	Total Direct School Tax Rate (2)	Estimated Actual (County Equalized) Value
Freehold Boro													
2019	\$ 10,783,800	\$ 771,996,400	\$ -	\$ -	\$ 234,733,200	\$ 25,450,200	\$ 40,897,000	\$ 1,083,860,600	\$ 2,254,600	\$ -	\$ 1,083,860,600	0.364	\$ 1,091,828,385
2018	9,600,100	754,455,600	-	-	233,786,500	25,411,800	32,216,500	1,055,470,500	2,369,500	-	1,055,470,500	0.342	1,049,932,001
2017	9,632,800	746,201,020	-	-	231,066,700	25,373,900	32,137,100	1,044,411,520	1,181,800	-	1,044,411,520	0.343	1,032,101,092
2016	10,627,200	739,568,800	-	-	229,822,500	25,353,000	22,454,100	1,027,825,600	1,128,800	-	1,027,825,600	0.320	986,304,892
2015	10,120,100	741,225,500	-	-	230,456,500	25,345,900	22,065,400	1,029,213,400	1,390,000	-	1,029,213,400	0.295	951,845,338
2014	10,235,100	755,357,200	-	-	237,225,100	25,345,900	22,388,400	1,050,551,700	1,423,600	-	1,050,551,700	0.311	974,389,434
2013	10,236,400	764,565,800	-	-	239,840,300	25,345,900	22,388,400	1,062,376,800	2,476,800	-	1,062,376,800	0.321	1,025,327,919
2012	10,244,400	787,610,400	-	-	241,264,600	25,345,900	22,388,400	1,066,853,700	3,406,000	-	1,066,853,700	0.341	1,139,215,781
2011	10,342,700	769,700,500	-	-	241,539,000	25,345,900	22,388,400	1,068,316,500	4,151,700	9,917,455	1,078,233,655	0.378	1,205,130,817
2010	11,375,600	766,577,000	-	-	242,880,100	25,345,900	22,374,900	1,068,553,500	1,254,600	10,281,773	1,078,835,273	0.379	1,193,198,764
Freehold Township													
2019	\$ 50,698,700	\$ 4,799,653,300	\$ 33,786,900	\$ 1,538,100	\$ 1,457,447,400	\$ 154,697,800	\$ 94,626,700	\$ 6,592,450,900	\$ 3,969,600	\$ -	\$ 6,592,450,900	0.417	\$ 6,615,462,721
2018	48,609,600	4,586,492,600	31,227,800	1,535,200	1,417,161,400	154,713,700	84,626,700	6,326,367,000	3,612,600	-	6,326,367,000	0.441	6,510,731,901
2017	52,922,000	4,425,631,400	29,682,700	1,444,500	1,396,897,600	154,513,500	84,791,800	6,145,883,500	3,612,600	-	6,145,883,500	0.455	6,456,448,298
2016	51,370,300	4,325,592,200	30,003,400	1,456,900	1,387,324,000	153,241,300	78,612,500	6,027,600,600	3,612,600	-	6,027,600,600	0.482	6,589,293,604
2015	55,908,800	4,266,368,600	29,970,000	1,464,900	1,320,216,200	148,905,300	71,094,300	5,893,958,100	3,612,600	-	5,893,958,100	0.462	6,095,136,631
2014	50,881,700	3,955,292,200	27,666,200	1,440,900	1,299,936,400	146,563,700	60,794,300	5,482,575,400	41,400	-	5,482,575,400	0.480	5,837,654,006
2013	56,004,900	3,949,909,700	28,280,200	1,466,400	1,243,834,300	146,521,200	60,794,300	5,486,811,000	-	-	5,486,811,000	0.471	5,873,438,863
2012	67,931,000	4,548,659,400	32,524,700	1,509,700	1,245,930,300	156,782,100	61,500,000	6,114,837,200	-	-	6,114,837,200	0.411	6,197,354,750
2011	69,363,900	4,551,925,900	31,282,000	1,541,900	1,247,563,400	154,791,300	61,500,000	6,117,968,400	-	41,218,304	6,159,186,704	0.399	6,427,603,681
2010	79,832,500	4,549,534,600	30,233,300	1,654,900	1,291,205,600	154,573,100	61,500,000	6,168,534,000	-	49,220,887	6,217,754,887	0.394	6,647,432,225
Howell													
2019	\$ 112,105,800	\$ 6,149,486,400	\$ 98,207,200	\$ 2,669,500	\$ 682,217,500	\$ 111,137,700	\$ 39,843,400	\$ 7,195,667,500	\$ -	\$ -	\$ 7,195,667,500	0.448	\$ 7,493,685,010
2018	114,774,900	5,875,284,700	98,123,400	2,624,600	668,690,600	105,862,100	38,671,700	6,903,932,000	-	-	6,903,932,000	0.449	7,130,335,655
2017	118,523,800	5,654,440,800	98,312,200	2,397,100	626,784,300	104,535,300	37,293,500	6,642,287,000	-	-	6,642,287,000	0.436	6,760,028,111
2016	114,702,200	5,373,302,700	101,965,500	2,701,000	628,132,400	112,376,100	32,259,800	6,365,439,700	-	-	6,365,439,700	0.433	6,591,132,558
2015	127,426,600	5,157,744,800	98,908,600	2,755,700	616,492,200	107,704,400	32,259,800	6,143,292,100	-	8,470,420	6,151,762,520	0.432	6,388,597,383
2014	137,473,900	4,623,682,700	89,384,800	2,673,500	611,874,200	101,664,900	-	5,566,754,000	-	7,632,229	5,574,386,229	0.462	6,087,370,787
2013	155,567,400	4,579,708,000	89,868,000	2,768,800	594,385,000	101,856,600	-	5,524,143,800	-	8,867,486	5,533,011,286	0.463	6,199,516,124
2012	147,940,600	4,554,735,400	85,598,100	2,640,500	595,545,700	103,344,900	-	5,489,805,200	-	11,032,948	5,500,838,148	0.478	6,509,420,350
2011	209,120,660	5,751,615,760	107,280,600	2,607,500	660,378,520	133,162,000	-	6,864,165,040	-	11,110,173	6,875,275,213	0.380	6,762,336,368
2010	237,133,360	5,747,380,000	107,553,000	2,707,600	662,086,020	134,095,700	-	6,890,955,680	-	13,114,360	6,904,070,030	0.385	6,954,660,611

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

LAST TEN FISCAL YEARS
UNAUDITED

	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property (3)	Public Utilities (1)	Net Taxable Valuation	Total Direct School Tax Rates (2)	Estimated Actual (County Equalized) Value
Manalapan													
2019	\$ 39,292,500	\$ 6,362,922,900	\$ 37,993,500	\$ 1,822,700	\$ 478,389,800	\$ 23,999,000	\$ -	\$ 6,944,410,400	\$ -	\$ -	\$ 6,944,410,400	0.420	\$ 7,316,476,259
2018	38,604,600	6,071,386,900	37,918,200	1,895,900	467,772,800	23,587,100	-	6,641,165,500	-	-	6,641,165,500	0.415	6,692,366,754
2017	35,776,600	5,872,797,400	35,508,500	1,944,000	432,624,800	20,863,100	-	6,399,514,400	-	-	6,399,514,400	0.418	6,463,681,306
2016	34,938,600	5,786,649,660	33,999,000	1,956,900	423,168,000	20,454,000	-	6,301,366,160	-	-	6,301,366,160	0.414	6,385,559,229
2015	38,765,800	5,657,693,750	34,267,100	2,250,500	387,171,100	20,451,600	-	6,140,599,850	-	-	6,140,599,850	0.420	6,234,359,701
2014	47,846,600	5,359,086,600	32,130,400	2,269,200	380,616,076	20,269,600	-	5,842,218,476	-	-	5,842,218,476	0.436	6,109,982,591
2013	58,673,900	5,299,331,500	31,538,900	2,316,400	378,911,200	20,269,600	-	5,791,041,500	-	-	5,791,041,500	0.425	5,978,278,610
2012	70,482,900	5,241,149,800	32,267,800	2,352,300	377,401,400	22,667,200	-	5,746,321,400	-	-	5,746,321,400	0.420	6,169,252,662
2011	84,044,500	5,183,906,700	32,780,800	2,354,500	371,293,700	22,667,200	-	5,697,047,400	-	6,951,526	5,703,998,926	0.421	6,281,820,516
2010	102,803,800	5,111,395,600	32,933,900	2,253,000	380,040,400	22,667,200	-	5,652,093,900	-	9,382,496	5,661,476,396	0.432	6,459,604,048
Marlboro													
2019	\$ 73,126,400	\$ 6,627,605,100	\$ 37,138,400	\$ 976,900	\$ 485,858,300	\$ 80,779,900	\$ 13,253,900	\$ 7,198,738,900	\$ 48,000	\$ -	\$ 7,198,738,900	0.474	\$ 7,999,685,860
2018	75,736,300	6,514,545,800	37,119,700	993,300	457,853,700	80,779,900	22,287,000	7,189,317,700	-	-	7,189,317,700	0.415	7,637,736,943
2017	62,232,800	6,511,414,300	38,867,800	1,079,700	457,480,800	79,030,300	22,287,000	7,172,392,700	-	-	7,172,392,700	0.456	7,460,307,716
2016	64,533,000	6,503,789,000	38,438,000	1,084,200	454,550,000	79,788,500	22,287,000	7,164,469,700	-	-	7,164,469,700	0.440	7,354,851,999
2015	69,839,100	6,439,597,624	37,757,200	1,094,700	444,223,200	82,478,300	21,756,900	7,096,747,024	-	-	7,096,747,024	0.445	7,186,558,937
2014	77,822,900	6,099,931,774	35,206,200	1,036,800	428,732,400	84,673,900	18,619,900	6,746,022,874	-	-	6,746,022,874	0.447	7,013,277,224
2013	85,204,500	6,098,106,500	36,036,300	1,036,500	424,031,300	86,543,000	18,619,900	6,749,578,000	-	-	6,749,578,000	0.433	7,085,446,679
2012	92,253,900	6,234,133,500	38,633,600	1,045,400	420,120,900	88,021,000	18,619,900	6,692,828,400	-	9,347,305	6,902,175,705	0.403	7,296,197,377
2011	94,958,900	6,231,140,500	37,886,600	1,046,500	415,286,900	88,491,100	19,584,200	6,888,394,700	-	9,144,385	6,897,539,085	0.395	7,482,621,521
2010	103,816,500	6,236,324,400	38,815,400	1,051,500	425,368,900	94,454,200	23,225,300	6,923,076,200	-	10,332,044	6,933,408,244	0.388	7,588,204,970

Source: County Board of Taxation

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

Reassessment occurs when ordered by the County Board of Taxation.

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

(2) Tax rates are per \$100.

(3) Tax exempt property already excluded from assessed value by property class

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

UNAUDITED

(RATE PER \$100 OF ASSESSED VALUATION)

	<u>Freehold Regional</u>		<u>Overlapping Rates</u>				<u>Total Direct & Overlapping Tax Rate</u>	
	<u>General Obligation</u>	<u>Debt Service</u>	<u>Total Direct</u>	<u>Elementary School</u>	<u>Local Purpose</u>	<u>Library/ Other</u>		<u>Monmouth County</u>
	<u>Basic Rate</u>							
Colts Neck								
2019	0.410	0.013	0.423	0.776	0.260	0.012	0.290	1.761
2018	0.432	0.014	0.446	0.761	0.258	0.012	0.298	1.775
2017	0.452	0.014	0.466	0.749	0.250	0.012	0.292	1.769
2016	0.425	0.014	0.439	0.739	0.241	0.012	0.300	1.731
2015	0.440	0.014	0.454	0.730	0.228	0.012	0.311	1.735
2014	0.432	0.015	0.447	0.705	0.214	0.012	0.309	1.687
2013	0.394	0.014	0.408	0.686	0.203	0.012	0.309	1.618
2012	0.377	0.013	0.390	0.680	0.194	0.012	0.294	1.570
2011	0.378	0.013	0.391	0.674	0.188	0.012	0.286	1.551
2010	0.370	0.013	0.383	0.667	0.170	0.025	0.292	1.537
Englishtown								
2019	0.410	0.012	0.422	0.881	0.631	-	0.289	2.223
2018	0.389	0.013	0.402	0.998	0.632	-	0.308	2.340
2017	0.402	0.012	0.414	0.933	0.621	-	0.290	2.258
2016	0.368	0.012	0.380	0.913	0.621	-	0.283	2.197
2015	0.355	0.018	0.373	0.873	0.591	-	0.293	2.130
2014	0.360	0.012	0.372	0.812	0.558	-	0.268	2.010
2013	0.391	0.013	0.404	0.786	0.498	-	0.281	1.969
2012	0.376	0.017	0.393	0.778	0.462	-	0.276	1.909
2011	0.289	0.010	0.299	0.860	0.405	-	0.264	1.828
2010	0.309	0.011	0.320	0.808	0.385	-	0.264	1.777
Farmingdale								
2019	0.343	0.011	0.354	1.352	0.293	-	0.278	2.277
2018	0.328	0.011	0.339	1.228	0.261	-	0.287	2.115
2017	0.335	0.010	0.345	1.218	0.244	-	0.278	2.085
2016	0.316	0.010	0.326	1.192	0.241	-	0.288	2.047
2015	0.298	0.010	0.308	1.078	0.217	-	0.281	1.884
2014	0.288	0.010	0.298	1.027	0.212	-	0.290	1.827
2013	0.384	0.013	0.397	1.041	0.212	-	0.293	1.943
2012	0.342	0.008	0.350	0.960	0.211	-	0.290	1.811
2011	0.348	0.012	0.360	0.926	0.208	-	0.275	1.769
2010	0.268	0.009	0.277	0.920	0.203	-	0.278	1.678

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

UNAUDITED

(RATE PER \$100 OF ASSESSED VALUATION)

	Freehold Regional		Overlapping Rates				Monmouth County	Total Direct & Overlapping Tax Rate
	General Obligation Debt Service	Total Direct	Elementary School	Local Purpose	Library/ Other			
	Basic Rate							
Freehold Borough								
2019	0.354	0.010	0.364	0.990	0.992	0.034	0.270	2.650
2018	0.332	0.011	0.342	1.057	0.993	0.033	0.276	2.701
2017	0.333	0.010	0.343	1.093	0.974	0.033	0.269	2.712
2016	0.311	0.009	0.320	1.098	0.944	0.032	0.261	2.655
2015	0.286	0.009	0.295	1.032	0.913	0.031	0.263	2.534
2014	0.301	0.010	0.311	0.933	0.875	0.031	0.269	2.419
2013	0.310	0.011	0.321	0.862	0.851	0.032	0.277	2.343
2012	0.329	0.012	0.341	0.842	0.814	0.036	0.293	2.326
2011	0.365	0.013	0.378	0.810	0.785	0.037	0.300	2.310
2010	0.366	0.013	0.379	0.796	0.791	-	0.283	2.249
Freehold Township								
2019	0.403	0.014	0.417	1.074	0.332	0.030	0.286	2.139
2018	0.427	0.014	0.441	1.097	0.340	0.030	0.303	2.211
2017	0.440	0.015	0.455	1.107	0.346	0.030	0.305	2.243
2016	0.468	0.014	0.482	1.105	0.347	0.030	0.322	2.286
2015	0.438	0.014	0.452	1.113	0.344	0.030	0.319	2.258
2014	0.464	0.016	0.480	1.151	0.358	0.030	0.330	2.349
2013	0.455	0.016	0.471	1.117	0.348	0.030	0.327	2.293
2012	0.398	0.013	0.411	0.983	0.294	0.030	0.292	2.010
2011	0.385	0.014	0.399	0.966	0.274	0.030	0.291	1.960
2010	0.381	0.013	0.394	0.936	0.250	0.030	0.286	1.896
Howell								
2019	0.434	0.014	0.448	1.119	0.395	0.020	0.302	2.284
2018	0.436	0.013	0.449	1.127	0.388	0.020	0.311	2.295
2017	0.423	0.013	0.436	1.165	0.397	0.020	0.302	2.320
2016	0.419	0.014	0.433	1.185	0.399	0.020	0.313	2.350
2015	0.418	0.014	0.432	1.198	0.398	0.020	0.326	2.374
2014	0.437	0.015	0.452	1.293	0.448	0.020	0.346	2.559
2013	0.467	0.016	0.483	1.277	0.457	0.020	0.348	2.585
2012	0.367	0.111	0.478	1.287	0.453	0.020	0.347	2.585
2011	0.367	0.013	0.380	1.037	0.354	0.020	0.279	2.070
2010	0.372	0.013	0.385	1.029	0.326	0.020	0.277	2.037

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS
UNAUDITED

(RATE PER \$100 OF ASSESSED VALUATION)

	<u>Freehold Regional</u>		<u>Overlapping Rates</u>				<u>Total Direct & Overlapping Tax Rate</u>	
	<u>General Obligation</u>	<u>Debt Service</u>	<u>Total Direct</u>	<u>Elementary School</u>	<u>Local Purpose</u>	<u>Library/Other</u>		<u>Monmouth County</u>
	<u>Basic Rate</u>							
Manalapan								
2019	0.407	0.013	0.420	0.941	0.331	0.020	0.299	2.011
2018	0.402	0.013	0.415	0.954	0.337	0.020	0.297	2.023
2017	0.405	0.013	0.418	0.950	0.341	0.020	0.292	2.021
2016	0.401	0.013	0.414	0.933	0.338	0.020	0.299	2.004
2015	0.407	0.013	0.420	0.932	0.341	0.020	0.312	2.025
2014	0.422	0.014	0.436	0.945	0.352	0.020	0.327	2.080
2013	0.411	0.014	0.425	0.925	0.345	0.020	0.316	2.031
2012	0.410	0.010	0.420	0.912	0.339	0.020	0.315	2.006
2011	0.407	0.014	0.421	0.902	0.332	0.020	0.312	1.987
2010	0.418	0.015	0.432	0.889	0.332	0.020	0.313	1.986
Marlboro								
2019	0.460	0.014	0.474	1.082	0.378	0.010	0.321	2.265
2018	0.444	0.014	0.458	1.063	0.379	0.010	0.317	2.227
2017	0.442	0.014	0.456	1.045	0.366	0.010	0.306	2.183
2016	0.426	0.014	0.440	1.049	0.367	0.010	0.309	2.175
2015	0.431	0.014	0.445	1.014	0.356	0.010	0.317	2.142
2014	0.432	0.015	0.447	1.002	0.377	0.010	0.327	2.163
2013	0.419	0.014	0.433	0.985	0.360	0.010	0.317	2.105
2012	0.399	0.004	0.403	0.956	0.338	0.010	0.311	2.018
2011	0.382	0.013	0.395	0.981	0.310	0.010	0.308	2.004
2010	0.374	0.013	0.388	0.980	0.297	0.010	0.304	1.979

Source: County Board of Taxation

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2019		2010	
Community/Taxpayer	Taxable Assessed Value	As a % of Community's Net Assessed Valuation	Taxable Assessed Value	As a % of Community's Net Assessed Valuation
Colts Neck				
Trump National Golf Club	\$ 32,006,800	1.06%	\$ 32,006,800	1.03%
Due Process Golf & Horse Stables, LLC	19,941,700	0.66%	22,941,700	0.74%
Wellspring Stables Florida, LLC	11,513,700	0.38%	11,964,700	0.38%
G& F Realty of Richmond, LLC	10,889,400	0.36%	10,934,700	0.35%
Individual Taxpayer 1	9,400,000	0.31%	10,654,500	0.34%
Individual Taxpayer 2	8,591,300	0.28%	9,017,400	0.29%
Individual Taxpayer 3	6,376,700	0.21%	8,507,400	0.27%
Pegasus Properties LLC	5,969,700	0.20%	8,006,100	0.26%
Colts Neck Shopping Center Associates	5,609,700	0.19%	7,542,200	0.24%
36 Highway 34 South Associates LLC	5,581,700	0.18%	6,820,600	0.22%
Total	\$ 115,880,700	3.84%	\$ 128,396,100	4.13%
Englishtown				
Stamford Square LLC	\$ 14,076,400	5.49%	\$ 10,229,300	4.01%
BAL Governor's Crossing LLC	5,096,000	1.99%	7,425,200	2.91%
Three Corners Ventures LLC	4,100,000	1.60%	5,160,863	2.02%
Village Center Associates, LLC	3,601,900	1.40%	3,495,400	1.37%
Ambe Holding, LLC	2,480,900	0.97%	3,366,700	1.32%
Wemacs LLC	2,405,000	0.94%	3,312,700	1.30%
DCD LLC	2,150,000	0.84%	2,150,300	0.84%
Five South Main Street LLC	1,970,000	0.77%	2,139,400	0.84%
Degiacomo Realty LLC	1,634,600	0.64%	1,782,800	0.70%
Santander Bank	1,232,900	0.48%	1,374,700	0.54%
Total	\$ 38,747,700	15.11%	\$ 40,437,363	15.84%

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

		2019		2010	
Community/Taxpayer	Taxable Assessed Value	As a % of Community's Net Assessed Valuation	Community/Taxpayer	Taxable Assessed Value	As a % of Community's Net Assessed Valuation
Farmingdale					
Farmingdale Garden Apartments, LLC	\$ 12,936,100	7.78%	Farmingdale Garden Apartments, LLC	\$ 11,500,000	7.57%
30 Southard Ave, Farmingdale LLC	7,499,400	4.51%	30 Southard Ave, Farmingdale LLC	3,795,400	2.50%
Farmingdale Shopping Center, LLC	3,596,800	2.16%	Verizon Communications	2,815,873	1.85%
R. T. Equities LLC	2,357,200	1.42%	Farmingdale Shopping Center, LLC	2,442,200	1.61%
Farmingdale BP	1,481,500	0.89%	R. T. Equities LLC	2,107,200	1.39%
Academy Apartments LLC	1,387,200	0.83%	Farmingdale Train Station, LLC	1,590,600	1.05%
A Four Properties LLC	1,250,000	0.75%	Individual Taxpayer 1	1,476,600	0.97%
Bell Atlantic	1,002,300	0.60%	Individual Taxpayer 2	1,400,000	0.92%
Roadside Holdings, LLC	824,500	0.50%	Individual Taxpayer 3	1,297,000	0.85%
Bank of America	708,700	0.43%	Bell Atlantic	992,800	0.65%
Total	\$ 33,043,700	19.86%	Total	\$ 29,417,673	19.38%
Freehold Borough					
Nestle USA	\$ 23,827,900	2.20%	Freehold Racing Association	\$ 29,225,300	2.74%
Freehold Racing Association	21,381,700	1.97%	Nestle USA	23,674,400	2.22%
Bridge- Brookside, LLC	16,696,600	1.54%	AEW Brookside	14,269,000	1.34%
East Coast Post & Coach LLC	11,429,900	1.05%	NJ Bell Tel.	10,281,773	0.96%
Freefern Associates	8,970,700	0.83%	East Coast Post & Coach	6,495,700	0.61%
Spring Terrace Apartments LLC	6,670,600	0.62%	Park Plaza Shopping	5,560,900	0.52%
Park Plaza Shopping Center, Inc.	4,941,300	0.46%	Freefern Associates	4,565,000	0.43%
Monmouth Pines LLC	4,788,900	0.44%	Chiu's Property Inc.	3,300,000	0.31%
18-20 E. Main Street LLC	4,209,500	0.39%	Individual Taxpayer	3,000,000	0.28%
Rug Mill LLC	3,045,000	0.28%	Bell Atlantic	3,000,000	0.28%
Total	\$ 105,962,100	9.78%	Total	\$ 103,372,073	9.67%

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

		2019		2010	
Community/Taxpayer	Taxable Assessed Value	As a % of Community's Net Assessed Valuation	Community/Taxpayer	Taxable Assessed Value	As a % of Community's Net Assessed Valuation
Freehold Twp.			Freehold Twp.		
Freemall Associates, LLC	\$ 348,655,200	5.29%	Freemall Associates, LLC	\$ 329,103,900	5.34%
100 Lambert LLC/Eagle Rock Advisors	66,726,700	1.01%	Avalonbay Communities	51,500,000	0.83%
Iron Mountain, Inc.	47,990,700	0.73%	Center for Aging dba/Applewood	48,694,400	0.79%
Center for Aging DBA/Applewood	36,700,000	0.56%	Iron Mountain, Inc.	44,818,200	0.73%
Freemall Associates, LLC	31,984,200	0.49%	Verizon	38,123,310	0.62%
Silver Shore Land Co., LLC	26,028,400	0.39%	Verizon	29,954,100	0.49%
Freehold Shopping Associates	24,837,400	0.38%	Macy's East, Inc.	29,312,700	0.48%
Raintreetowne Center Associates, LP	24,771,800	0.38%	Raintreetowne Center Associates, LP	28,116,800	0.46%
Macy's East, Inc	23,939,000	0.36%	New Jersey Bell Tel. Co.	25,858,700	0.42%
Ronardi Freehold Enterprises LLC	23,600,000	0.36%	Freehold Shopping Assoc.	24,108,000	0.39%
Total	\$ 655,233,400	9.94%	Total	\$ 649,590,110	10.53%
Howell			Howell		
Buffalo-Parkton & Feuerstein & Wainco	\$ 43,693,800	0.61%	Buffalo-Parkton & Feuerstein & Wain Co.	\$ 45,138,000	0.66%
Howell Verdana LLC & Veronna, LLC	38,671,700	0.54%	Howell Friendship Real Estate	24,973,300	0.36%
Howell Friendship Real Estate Co.	20,259,600	0.28%	Lanes Mill Associates	20,767,600	0.30%
AA Cardiff, LLC Etal	17,541,000	0.24%	Wal-Mart Stores, Inc.	17,641,000	0.26%
Home Depot USA Inc.	15,816,400	0.22%	Home Depot USA	17,160,000	0.25%
DS & DJ Realty, LLC	15,166,900	0.21%	Lowe's Home Centers Inc.	16,530,000	0.24%
Lowe's Home Centers, Inc.	14,961,400	0.21%	Target Corp	14,800,000	0.21%
Wal-Mart Stores, Inc.	14,039,700	0.20%	Zee Jay Realty, LLC	14,348,200	0.21%
Target Corporation	13,920,900	0.19%	Howell Associates	13,705,500	0.20%
Aldrich Plaza, LLC	13,763,300	0.19%	Eagle Golf Enterprises	11,340,500	0.16%
Total	\$ 207,834,700	2.89%	Total	\$ 196,404,100	2.85%

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

		2019		2010	
Community/Taxpayer	Taxable Assessed Value	As a % of Community's Net Assessed Valuation	Community/Taxpayer	Taxable Assessed Value	As a % of Community's Net Assessed Valuation
Manalapan			Manalapan		
Manalapan Realty	\$ 61,869,100	0.89%	Manalapan Realty	\$ 47,858,000	0.85%
Manalapan VF	33,542,700	0.48%	K Hovnanian at Manalapan III, LLC	38,761,200	0.69%
Towne Pointe Associates	15,636,100	0.23%	Manalapan VF	33,696,300	0.60%
Fields of Dreams Real Estate, LLC	14,800,000	0.21%	198 & 200 Manalapan, LLC	14,384,600	0.25%
Washington Investmentfirst, LLC	11,000,000	0.16%	Towne Pointe Associates	13,334,300	0.24%
Trans Equity Realty, LLC	10,946,000	0.16%	Hearthstone Multi-Asset Equity	11,490,500	0.20%
Lenine, LLC	9,875,000	0.14%	Monmouth Investors, LLC	11,442,400	0.20%
HCRI NY-NJ Properties LLC	9,175,900	0.13%	Trans Equity Realty, LLC	10,892,800	0.19%
Gordons Corner Realty, LLC	8,500,000	0.12%	Taylor 9 South Assoc., LLC	8,531,900	0.15%
Benbrooke Galleria	7,956,000	0.11%	TC Braha, LLC	8,434,900	0.15%
Total	\$ 183,300,800	2.64%	Total	\$ 198,826,900	3.52%
Marlboro			Marlboro		
Marlboro Plaza	\$ 45,843,100	0.64%	Marlboro Plaza	\$ 36,642,400	0.53%
Union Hill Nine Associates LLC	30,549,100	0.42%	Union Hill Nine Associates LLC	30,549,100	0.44%
TMC Marlboro LLC	22,500,000	0.31%	TMC Marlboro LLC	26,618,200	0.38%
American Plaza, LLC	20,927,500	0.29%	Marlboro Lowe's	15,147,900	0.22%
CRP Royal Pines LLC	15,041,100	0.21%	CRP Royal Pines LLC	15,041,100	0.22%
Marlboro Commons LLC	12,713,100	0.18%	Brooks Edge Plaza LLC	14,952,400	0.22%
Marlboro Lowe's	12,501,900	0.17%	Dave Marion Corp	9,568,300	0.14%
Brooks Edge Plaza LLC	11,697,300	0.16%	Marlboro Business Park, LLC	9,522,200	0.14%
Marlboro Business Park, LLC	11,043,800	0.15%	Sunrise Assisted Living	9,300,000	0.13%
Manzo Business Ventures, LLC	9,047,600	0.13%	Samuel Associates % The Mart	8,801,000	0.13%
Total	\$ 191,864,500	2.67%	Total	\$ 176,142,600	2.54%

Source: Municipal Tax Assessors

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PROPERTY TAX LEVIES AND COLLECTION

LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Taxes Levied for the</u> <u>Fiscal Year</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2019	\$ 138,392,857	\$ 138,392,857	100.00%	\$ -
2018	135,752,348	135,752,348	100.00%	-
2017	132,253,371	132,253,371	100.00%	-
2016	129,734,619	129,734,619	100.00%	-
2015	125,566,418	125,566,418	100.00%	-
2014	123,178,158	123,178,158	100.00%	-
2013	120,833,006	120,833,006	100.00%	-
2012	119,671,515	119,671,515	100.00%	-
2011	119,663,191	119,663,191	100.00%	-
2010	116,245,957	109,834,446	94.48%	6,411,511

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Bond Anticipation Notes (BANs)	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases					
2019	\$ 5,205,000	-	\$ 21,535,572	-	\$ 26,740,572	N/A	\$ 140	
2018	10,145,000	-	23,203,372	-	33,348,372	N/A	174	
2017	14,840,000	-	24,833,670	-	39,673,670	0.27%	207	
2016	19,300,000	-	26,275,418	-	45,575,418	0.33%	236	
2015	23,540,000	-	27,264,150	-	50,804,150	0.40%	262	
2014	27,570,000	-	24,741,975	-	52,311,975	0.43%	271	
2013	31,400,000	-	1,155,792	-	31,400,000	0.27%	164	
2012	35,035,000	-	-	-	35,035,000	0.31%	183	
2011	38,490,000	-	-	-	38,490,000	0.50%	201	
2010	41,770,000	-	-	-	41,770,000	0.40%	219	

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

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

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

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>School District Population</u>	<u>Net Assessed Value Taxable</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2019	\$ 5,205,000	191,211	\$ 32,463,608,007	0.02%	\$ 27
2018	10,145,000	191,719	31,566,390,063	0.03%	53
2017	14,840,000	193,354	30,801,298,214	0.05%	77
2016	19,300,000	193,376	30,272,553,831	0.06%	100
2015	23,540,000	193,539	29,832,515,460	0.08%	122
2014	27,570,000	193,137	28,113,985,730	0.10%	143
2013	31,400,000	192,125	28,077,229,720	0.11%	163
2012	35,035,000	191,933	28,803,438,566	0.12%	183
2011	38,490,000	191,795	30,200,912,655	0.13%	201
2010	41,770,000	191,061	30,322,815,072	0.14%	218
2009	44,870,000	190,338	25,683,175,265	0.17%	235

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

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2019

UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>		<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes				
Colts Neck Township	\$ 16,513,155		100.000%	\$ 16,513,155
Englishtown Borough	1,866,677		100.000%	1,866,677
Borough of Farmingdale	794,639		100.000%	794,639
Borough of Freehold	8,823,564		100.000%	8,823,564
Freehold Township	59,641,618		100.000%	59,641,618
Howell Township	68,410,143		100.000%	68,410,143
Manalapan Township	18,459,549		100.000%	18,459,549
Marlboro Township	51,348,313		100.000%	51,348,313
Other debt				
Monmouth County	485,117,930	<u>Net Valuation</u>		
Colts Neck Township		3,025,678,207	2.443%	11,853,485
Englishtown Borough		256,456,600	0.207%	1,004,702
Borough of Farmingdale		166,344,900	0.134%	651,678
Borough of Freehold		1,083,860,600	0.875%	4,246,164
Freehold Township		6,592,450,900	5.324%	25,826,777
Howell Township		7,195,667,500	5.811%	28,189,956
Manalapan Township		6,944,410,400	5.608%	27,205,624
Marlboro Township		7,198,738,900	5.813%	<u>28,201,989</u>
Subtotal, overlapping debt				353,038,031
Freehold Regional High School District Direct Debt		<u>County total</u>		<u>5,205,000</u>
		123,829,470,638		
Total Direct and Overlapping Debt				<u>\$ 358,243,031</u>

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

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ended June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt Limit	\$ 948,278,226	\$ 943,338,226	\$ 916,523,946	\$ 890,826,085	\$ 893,432,552	\$ 897,823,311	\$ 919,819,452	\$ 948,256,347	\$ 971,666,105	\$ 978,159,048
Total Net Debt Applicable to Limit	5,205,000	10,145,000	14,840,000	19,300,000	23,540,000	27,570,000	31,400,000	35,035,000	38,490,000	41,770,000
Legal Debt Margin	\$ 943,073,226	\$ 933,193,226	\$ 901,683,946	\$ 871,526,085	\$ 869,892,552	\$ 870,253,311	\$ 884,784,452	\$ 913,221,347	\$ 933,176,105	\$ 936,389,048
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.55%	1.09%	1.65%	2.21%	2.71%	3.17%	3.55%	3.84%	4.12%	4.46%

Year	Equalized Valuation Basis
2016	\$ 31,303,722,527
2017	31,572,739,170
2018	32,471,860,897
[A]	\$ 95,348,322,594
[A/3]	\$ 31,782,774,198

Average Equalized Valuation of Taxable Property

Debt limit (3% of average)	[B] \$ 953,483,226	(a)
Net bonded school debt as of June 30, 2019	[C] 5,205,000	
Legal debt margin	[B-C] \$ 948,278,226	

Source: Abstract of Rates and District Records.

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Community	School District Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2018	Colts Neck	9,879	N/A	N/A	2.9%
	Englishtown	1,925	N/A	N/A	3.5%
	Farmingdale	1,321	N/A	N/A	4.9%
	Freehold Borough	11,767	N/A	N/A	3.3%
	Freehold Twp.	34,735	N/A	N/A	3.5%
	Howell	52,114	N/A	N/A	3.7%
	Manalapan	39,596	N/A	N/A	3.3%
	Marlboro	39,874	N/A	N/A	3.0%
2017	Colts Neck	9,897	\$ 746,184,315	\$ 75,395	3.3%
	Englishtown	1,931	145,587,745	75,395	4.2%
	Farmingdale	1,289	97,184,155	75,395	4.9%
	Freehold Borough	11,818	891,018,110	75,395	3.8%
	Freehold Twp.	34,841	2,626,837,195	75,395	3.9%
	Howell	52,131	3,930,416,745	75,395	4.1%
	Manalapan	39,772	2,998,609,940	75,395	3.7%
	Marlboro	40,040	3,018,815,800	75,395	3.4%
2016	Colts Neck	9,982	\$ 711,087,734	\$ 71,237	3.7%
	Englishtown	1,941	138,271,017	71,237	4.5%
	Farmingdale	1,296	92,323,152	71,237	5.5%
	Freehold Borough	11,914	848,717,618	71,237	4.1%
	Freehold Twp.	35,389	2,521,006,193	71,237	4.1%
	Howell	52,329	3,727,760,973	71,237	4.5%
	Manalapan	40,099	2,856,532,463	71,237	4.1%
	Marlboro	40,404	2,878,259,748	71,237	3.8%
2015	Colts Neck	10,028	\$ 700,345,492	\$ 69,839	4.2%
	Englishtown	1,945	135,836,855	69,839	5.4%
	Farmingdale	1,299	90,720,861	69,839	6.5%
	Freehold Borough	11,935	833,528,465	69,839	4.4%
	Freehold Twp.	35,473	2,477,398,847	69,839	4.4%
	Howell	52,040	3,634,421,560	69,839	5.1%
	Manalapan	40,174	2,805,711,986	69,839	4.4%
	Marlboro	40,482	2,827,222,398	69,839	4.0%

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Community	School District Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2014	Colts Neck	10,062	\$ 670,954,284	\$ 66,682	4.7%
	Englishtown	1,950	130,029,900	66,682	6.7%
	Farmingdale	1,304	86,953,328	66,682	8.4%
	Freehold Borough	11,976	798,583,632	66,682	5.2%
	Freehold Twp.	35,558	2,371,078,556	66,682	5.1%
	Howell	51,978	3,465,996,996	66,682	6.2%
	Manalapan	40,158	2,677,815,756	66,682	5.5%
	Marlboro	40,553	2,704,155,146	66,682	4.9%
2013	Colts Neck	10,099	\$ 643,376,993	\$ 63,707	3.1%
	Englishtown	1,942	123,718,994	63,707	6.4%
	Farmingdale	1,310	83,456,170	63,707	6.1%
	Freehold Borough	11,990	763,846,930	63,707	7.0%
	Freehold Twp.	35,673	2,272,619,811	63,707	6.4%
	Howell	51,589	3,286,580,423	63,707	7.6%
	Manalapan	39,988	2,547,515,516	63,707	7.0%
	Marlboro	40,546	2,583,064,022	63,707	5.9%
2012	Colts Neck	10,097	\$ 636,363,425	\$ 63,025	7.6%
	Englishtown	1,931	121,701,275	63,025	7.1%
	Farmingdale	1,310	82,562,750	63,025	5.0%
	Freehold Borough	11,993	755,858,825	63,025	12.6%
	Freehold Twp.	35,716	2,251,000,900	63,025	7.4%
	Howell	51,174	3,225,241,350	63,025	8.9%
	Manalapan	39,505	2,489,802,625	63,025	8.3%
	Marlboro	40,399	2,546,146,975	63,025	6.8%
2011	Colts Neck	10,127	\$ 615,610,203	\$ 60,789	7.3%
	Englishtown	1,843	112,034,127	60,789	6.8%
	Farmingdale	1,318	80,119,902	60,789	4.8%
	Freehold Borough	12,021	730,744,569	60,789	12.1%
	Freehold Twp.	35,796	2,176,003,044	60,789	7.1%
	Howell	51,146	3,109,114,194	60,789	8.8%
	Manalapan	39,341	2,391,500,049	60,789	7.9%
	Marlboro	40,341	2,452,289,049	60,789	6.2%

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Community	School District Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2010	Colts Neck	10,141	\$ 585,541,340	\$ 57,740	7.3%
	Englishtown	1,834	105,895,160	57,740	6.8%
	Farmingdale	1,326	76,563,240	57,740	4.7%
	Freehold Borough	12,044	695,420,560	57,740	12.0%
	Freehold Twp.	36,171	2,088,513,540	57,740	7.7%
	Howell	51,125	2,951,957,500	57,740	8.9%
	Manalapan	39,070	2,255,901,800	57,740	7.8%
	Marlboro	40,084	2,314,450,160	57,740	6.6%
2009	Colts Neck	10,065	\$ 580,408,290	\$ 57,666	7.2%
	Englishtown	1,916	110,488,056	57,666	6.7%
	Farmingdale	1,572	90,650,952	57,666	4.7%
	Freehold Borough	11,432	659,237,712	57,666	11.9%
	Freehold Twp.	34,589	1,994,609,274	57,666	7.5%
	Howell	51,551	2,972,739,966	57,666	8.8%
	Manalapan	39,390	2,271,463,740	57,666	7.8%
	Marlboro	40,546	2,338,125,636	57,666	6.6%

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

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

^c Per capita personal income by municipality was computed using Census Bureau midyear population estimates by the US Bureau of Economic Analysis.

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

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2019			2010		
	Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Hackensack Meridian Health, Wall		11,560	3.58%	Meridian Health System, Neptune	9,700	2.94%
Saker Shoprites Inc., Freehold		3,327	1.03%	U.S. Army Communications, Fort Monmouth	5,572	-
CentraState Healthcare Inc., Freehold		2,681	0.83%	County of Monmouth, Freehold	3,319	1.01%
RWJ Barnabas - Monmouth Medical Center, Long Branch		1,932	0.60%	CentraState Healthcare, Freehold	2,524	-
Monmouth University, West Long Branch		1,525	0.47%	Monmouth Medical Center, Long Branch	1,800	0.55%
Visiting Nurse Assoc of Central Jersey, Red Bank		1,099	0.34%	Bayshore Community Health Services,		
Commvault, Tinton Falls		944	0.29%	Holmdel	1,500	0.45%
Erickson Living - Seabrook Village, Tinton Falls		850	0.26%	Naval Weapons Stations Earle, Colts Neck	1,333	0.40%
NJ Resources, Wall		834	0.26%	Monmouth University, West Long Branch	1,325	-
Food Circus Supermarkets Inc., Middletown		800	0.25%	Visiting Nurse Assoc of Central Jersey	1,200	0.36%
		25,552	7.91%	N/A		0.00%
Total Workforce		323,106			28,273	5.71%

Most recent available data presented.

Source: Major employers provided by the Monmouth County Division of Economic Development. Total workforce provided by the New Jersey Department of Labor and Workforce Development

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Instruction										
Regular	590.0	596.2	597.6	616.0	619.9	620.8	619.6	627.2	627.2	753.5
Special education	172.6	170.0	193.6	180.0	177.9	168.0	168.0	154.0	139.0	43.0
Other instruction	25.5	21.7	12.5	4.0	2.0	2.0	2.0	3.0	3.0	19.0
Support Services:										
Student & Instruction Rel. Svcs	193.4	176.8	191.2	207.0	208.5	223.0	223.0	205.8	202.8	177.7
School Administrative Services	61.0	61.0	60.0	44.0	44.0	44.0	44.0	61.0	61.0	59.0
General and Central Services	29.6	31.3	31.3	36.0	36.0	36.0	36.0	31.5	31.5	31.3
Plant Operations & Maintenance	125.0	124.0	127.0	118.0	119.0	118.0	117.0	128.5	128.5	137.0
Pupil Transportation	141.0	142.0	142.0	143.0	146.0	145.0	145.0	148.0	148.0	148.0
Total	1,338.0	1,323.0	1,355.2	1,348.0	1,353.3	1,356.8	1,354.6	1,359.0	1,341.0	1,368.5

Source: District Records

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures a	Cost Per Pupil	Percentage Change	Teaching Staff b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) c	Average Daily Attendance (ADA) c	% Change in Average Daily Enrollment	Student Attendance Percentage
2019	10,532.5	217,071,071	20,610	2.56%	734	1:14.4	10,463.8	9,853.9	(1.31)	94.2%
2018	10,668.5	214,387,318	20,095	2.91%	748	1:14.4	10,603.1	9,939.1	(1.76)	93.7%
2017	10,813.0	208,222,156	19,527	6.72%	750	1:14.4	10,792.7	10,135.7	(1.06)	93.9%
2016	10,966.0	200,651,681	18,298	6.54%	770	1:14.2	10,908.0	10,268.4	(1.43)	94.1%
2015	11,302.5	194,111,975	17,174	4.97%	771	1:14.8	11,066.5	10,412.0	(1.66)	94.1%
2014	11,352.0	185,727,106	16,361	2.87%	776	1:15.2	11,253.9	10,558.1	0.06	93.8%
2013	11,445.0	182,030,689	15,905	4.59%	768	1:15.8	11,247.1	10,573.5	1.64	94.0%
2012	11,573.0	175,985,090	15,207	1.41%	749	1:14.8	11,065.3	10,457.2	(4.56)	94.5%
2011	11,737.0	176,004,757	14,996	-0.12%	737	1:15.9	11,594.5	10,912.9	0.18	94.1%
2010	11,726.0	176,055,601	15,014	2.76%	796	1:14.7	11,573.8	10,919.7	0.19	94.3%
2009	11,556.5	168,847,855	14,611	3.47%	818	1:14.1	11,552.1	10,908.2	(1.13)	94.4%

Source: District records

Note: Enrollment based on annual October district count.

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

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

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District Building										
High Schools										
Coits Neck High School (1998)	219,490	219,490	219,490	219,490	219,490	219,490	219,490	219,490	219,490	219,490
Square Feet	1,748	1,748	1,748	1,748	1,748	1,748	1,748	1,748	1,748	1,748
Capacity (students)	1,352	1,403	1,430	1,457	1,450	1,483	1,513	1,478	1,523	1,481
Enrollment	187,256	187,256	187,256	187,256	187,256	187,256	187,256	187,256	187,256	187,256
Freehold Borough High School (1954)	1,564	1,361	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564
Square Feet	1,377	1,422	1,422	1,451	1,478	1,551	1,580	1,566	1,534	1,433
Capacity (students)	258,840	258,840	258,840	258,840	258,840	258,840	258,840	258,840	258,840	258,840
Enrollment	2,224	2,224	2,224	2,224	2,224	2,224	2,224	2,224	2,224	2,224
Freehold Township High School (1968)	2,034	2,047	2,041	2,062	2,102	2,091	2,127	2,162	2,193	2,208
Square Feet	249,497	249,497	249,497	249,497	249,497	249,497	249,497	249,497	249,497	249,497
Capacity (students)	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274
Enrollment	2,099	2,085	2,112	2,154	2,217	2,252	2,299	2,456	2,488	2,475
Howell High School (1962)	256,293	256,293	256,293	256,293	256,293	256,293	256,293	256,293	256,293	256,293
Square Feet	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341
Capacity (students)	1,853	1,923	1,890	1,908	1,934	1,917	1,948	1,991	2,038	2,065
Enrollment	264,142	264,142	264,142	264,142	264,142	264,142	264,142	264,142	264,142	264,142
Manalapan High School (1968)	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450
Square Feet	1,818	1,849	1,919	1,937	1,956	1,950	1,971	1,920	1,961	2,015
Capacity (students)	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Enrollment	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600
Marlboro High School (1966)	400	400	400	400	400	400	400	400	400	400
Square Feet										
Capacity (students)										
Enrollment										
Other										
Administration Building (1982)	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Square Feet										
Capacity (students)										
Enrollment										
Transportation	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600
Square Feet										
Capacity (students)										
Enrollment										
Maintenance Offices	400	400	400	400	400	400	400	400	400	400
Square Feet										
Capacity (students)										
Enrollment										
Number of Schools at June 30, 2019	High School = 6									
	Other = 3									

Source: District records, ASSA

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

GENERAL FUND

SCHEDULE OF ALLOWABLE MAINTENANCE FOR SCHOOL FACILITIES

LAST TEN FISCAL YEARS ENDING JUNE 30
UNAUDITED

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

School Facilities	Project (#)s	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	Total
Colts Neck High School	NA	\$ 651,880	\$ 673,824	\$ 583,941	\$ 584,921	\$ 553,134	\$ 513,687	\$ 491,650	\$ 394,641	\$ 494,294	\$ 455,955	\$ 5,397,927
Freehold Borough High School	NA	417,559	379,280	317,779	311,401	313,838	316,229	388,514	342,022	345,303	395,160	3,527,085
Freehold Township High School	NA	427,907	389,203	435,215	374,632	390,224	446,244	413,928	473,569	392,440	547,144	4,290,506
Howell High School	NA	417,374	431,806	387,883	325,001	375,371	380,272	356,269	473,569	344,248	547,144	4,038,937
Manalapan-Englishtown High School	NA	384,036	364,386	366,303	326,996	345,078	401,235	453,715	473,569	333,065	547,144	3,995,527
Marlboro High School	NA	380,795	385,407	343,664	335,728	335,985	357,148	508,045	473,569	356,815	547,144	4,024,300
Total School Facilities		2,679,551	2,623,906	2,434,785	2,258,679	2,313,630	2,414,815	2,612,121	2,630,939	2,286,165	3,039,691	25,274,282
Other Facilities		-	-	-	-	-	-	-	-	-	-	-
Grand Total		\$ 2,679,551	\$ 2,623,906	\$ 2,434,785	\$ 2,258,679	\$ 2,313,630	\$ 2,414,815	\$ 2,612,121	\$ 2,630,939	\$ 2,286,165	\$ 3,039,691	\$ 25,274,282

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

INSURANCE SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2019
UNAUDITED

	Coverage	Deductible/Retention
USI Insurance Services		
Property		
Equipment Breakdown (Included in Property)	\$356,841,272	\$ 25,000 Flood, each occurrence 25,000 Earthquake, each occurrence 5,000 Other losses
General Liability	\$3,000,000 General Aggregate	-
School District and Educators Legal Liability	\$1,000,000 Each Wrongful Act or Offense / \$3,000,000 Aggregat	10,000
Employment Practices	\$1,000,000 per occurrence/aggregate	10,000
Cyber	\$250,000 limit	2,500
Commercial Umbrella/ Excess Liability	\$10,000,000	10,000
Crime	\$100K-\$500K, depending on type	1,000
Automobile	\$1,000,000	100 Comprehensive deductible 500 Collision deductible
Environmental Impairment Liability	\$1,000,000 per occurrence/\$3,000,000 aggregate	15,000 or 50,000 depending on condition
Board Secretary	\$700,000	1,000
Workers Compensation - Self-Insured with PMA as TPA	Statutory	N/A

Source: District Records

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SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and in compliance with the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Freehold Regional High School District (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 5, 2019.

Internal Control Over Financial Reporting

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

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

SUPLEE, CLOONEY & COMPANY

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

Compliance and Other Matters

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

Purpose of This Report

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


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

December 5, 2019



SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
 WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL
 AND STATE FINANCIAL ASSISTANCE PROGRAMS AND ON
 INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
 WITH THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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

Report on Compliance for Each Major Federal and State Program

We have audited the Freehold Regional High School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Freehold Regional High School District's major federal and state programs for the year ended June 30, 2019. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Freehold Regional High School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey *OMB 15-08*. Those standards, the Uniform Guidance and New Jersey *OMB 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 or state program occurred. An audit includes examining, on a test basis, evidence about the Freehold Regional High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

SUPLEE, CLOONEY & COMPANY

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

Opinion on Each Major Federal and State Program

In our opinion, the Freehold Regional High School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019.


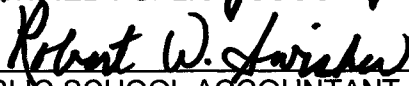
Report on Internal Control Over Compliance

Management of the Freehold Regional High School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Freehold Regional High School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *the Uniform Guidance* and 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 the Freehold Regional High School District's internal control over compliance.

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

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

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


CERTIFIED PUBLIC ACCOUNTANTS

PUBLIC SCHOOL ACCOUNTANT NO. 948

December 5, 2019

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019

FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD FROM	GRANT PERIOD TO	ADJUSTED BALANCE AT JUNE 30, 2018	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED-THROUGH TO SUBRECIPIENTS	REPAYMENT OF PAYS BALANCE	(ACCOUNTS RECEIVABLE)	BALANCE JUNE 30, 2019 UNEARNED REVENUE	DUE GRANTOR
93.778	1905NJSMAP	N/A	\$ 111,351	7/1/2018	6/30/2019	\$ (111,351)	111,351	(111,351)				\$	\$
							111,351	(111,351)				\$	\$
84.027	H027A180100	IDEA165016	2,132,869	7/1/2018	6/30/2019	(132,330)	1,646,104	(2,132,869)			(466,765)		
84.027	H027A170100	IDEA165017	2,124,716	7/1/2017	6/30/2018	(132,330)	1,776,434	(2,132,869)			(466,765)		
84.010	S010A180030	NCLB165018	697,345	7/1/2018	6/30/2019		430,815	(657,349)			(226,534)		
84.010	S010A170030	NCLB165017	729,451	7/1/2017	6/30/2018	(138,885)	139,885	(144,479)			(38,717)		
84.367	S367A180029	NCLB165018	172,981	7/1/2018	6/30/2019		105,762	(144,479)			(38,717)		
84.367	S367A170029	NCLB165017	173,814	7/1/2017	6/30/2018	(37,984)	37,984	(144,479)			(38,717)		
84.365	S365A180030	NCLB165018	18,415	7/1/2018	6/30/2019		13,261	(15,559)			(2,298)		
84.365	S365A170030	NCLB165017	20,761	7/1/2017	6/30/2018	(2,145)	2,145	(15,559)			(2,298)		
84.424	S424A180031	NCLB165018	7,753	7/1/2018	6/30/2019		7,563	(7,596)			(33)		
84.424	S424A170031	NCLB165017	89,860	7/1/2018	6/30/2019	(1,125)	75,513	(83,956)			(8,443)		
84.048	V048A180030	N/A	26,172	7/1/2018	6/30/2019		25,651	(25,878)			(227)		
84.938C	N/A	N/A	15,125	7/1/2017	6/30/2018	(15,125)	15,125	(25,878)			(227)		
84.000	N/A	N/A	32,174	7/1/2018	6/30/2019		32,174	(32,174)			(763,017)		
						(327,594)	2,664,437	(3,099,860)			(763,017)		
						(327,594)	2,664,437	(3,099,860)			(763,017)		
10.553	191NJ304N1099	N/A	36,054	7/1/2018	6/30/2019		33,467	(36,054)			(2,587)		
10.553	181NJ304N1099	N/A	42,384	7/1/2017	6/30/2018	(2,742)	2,742	(36,054)			(2,587)		
10.555	191NJ304N1099	N/A	362,587	7/1/2018	6/30/2019		339,129	(362,587)			(23,458)		
10.555	181NJ304N1099	N/A	451,161	7/1/2017	6/30/2018	(25,955)	25,955	(362,587)			(23,458)		
10.551	191NJ304N1099	N/A	16,312	7/1/2018	6/30/2019		15,260	(16,312)			(1,052)		
10.551	181NJ304N1099	N/A	22,688	7/1/2017	6/30/2018	(1,281)	1,281	(16,312)			(1,052)		
10.555	191NJ304N1099	N/A	110,707	7/1/2018	6/30/2019	(29,878)	417,834	(414,953)			(27,097)	3,830	
10.555	181NJ304N1099	N/A	130,418	7/1/2017	6/30/2018	4,120	110,707	(106,877)			(27,097)	3,830	
						(25,856)	526,541	(525,950)			(27,097)	3,830	
						(353,452)	3,304,329	(3,737,161)			(790,114)	3,830	

The accompanying Notes to the schedules of financial assistance are an integral part of this statement.

Freehold Regional High School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2019

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Freehold Regional High School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2019

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$133,856) for the general fund, (\$16,100) for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$111,351	\$80,623,254	\$80,734,605
Special Revenue Fund	3,099,860	165,901	3,265,761
Capital Projects Fund		60,532	60,532
Debt Service Fund		1,324,713	
Food Service Fund	525,950	14,066	540,016
	<u>3,737,161</u>	<u>82,188,466</u>	<u>84,600,914</u>
GAAP Adjustment		<u>(149,956)</u>	<u>(149,956)</u>
Total Awards & Financial Assistance	<u>\$3,737,161</u>	<u>\$82,038,510</u>	<u>\$84,450,958</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions, post-retirement benefits and long-term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2019. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2019.

Freehold Regional High School District
Monmouth County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Program(s)

- | | | |
|-----|--|------------|
| (1) | Internal Control Over Major Federal Programs: | |
| | (a) Material weaknesses identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of Uniform Guidance? | No |
| (4) | Identification of Major Federal Program(s): | |

<u>Program</u>	<u>CFDA</u>
I.D.E.A. Part B Basic	84.027

- | | | |
|-----|---|-----|
| (5) | Program Threshold Determination:
Type A Federal Program Threshold > \$750,000.00
Type B Federal Program Threshold <= \$750,000.00 | |
| (6) | Auditee qualified as a low-risk auditee under OMB Circular Uniform Guidance? | Yes |

Freehold Regional High School District
Monmouth County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

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

State Program(s)

- (1) Internal Control Over Major State Programs:
- (a) Material weakness(es) identified? No
- (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? No
- (4) Identification of Major State Program(s):
- | <u>Program Title</u> | <u>Project Number</u> |
|-----------------------------------|-----------------------|
| Equalization Aid | 495-034-5120-078 |
| Categorical Special Education Aid | 495-034-5120-089 |
| Categorical Security Aid | 495-034-5120-084 |
| Extraordinary Aid | 495-034-5120-044 |
- (5) Program Threshold Determination:
Type A State Program Threshold > \$1,811,744.28
Type B State Program Threshold <= \$1,811,744.28
- (6) Auditee qualified as a low-risk auditee under OMB Circular 15-08? Yes

Freehold Regional High School District
Monmouth County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

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

Internal Control Findings – None Reported

Compliance Findings – None Reported

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

Federal Programs – None Reported

State Programs – None Reported

Freehold Regional High School District
Monmouth County, New Jersey

Schedule of Prior Year Audit Findings

Not Applicable

