

Comprehensive Annual Financial Report

of the

Freehold Regional High School District

County of Monmouth

Englishtown, New Jersey

For the Fiscal Year Ended June 30, 2018

Prepared by

FRHSD Business Office

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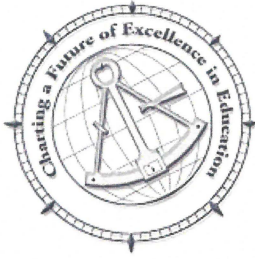
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INTRODUCTORY SECTION



FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

*Administration Building
11 Pine Street Englishtown NJ 07726*

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

February 11, 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, 2018. 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.

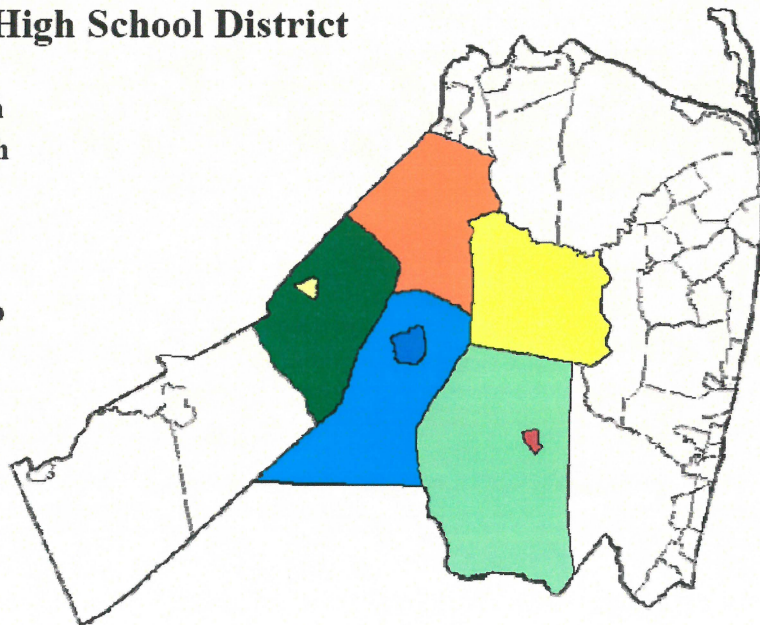
The Superintendent is the chief executive officer of the School District, responsible to the Board for total educational and support operations. The Assistant Superintendent for Business/Board Secretary is the chief financial officer of the School District, responsible to the Board for maintaining all 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. Of the 10,688 resident students, 10,524.5 students are enrolled in one of the Freehold Regional High School District's six high schools.

Freehold Regional High School District

-  Colts Neck Township
-  Englishtown Borough
-  Farmingdale Borough
-  Freehold Borough
-  Freehold Township
-  Howell Township
-  Manalapan Township
-  Marlboro Township

**Monmouth County
New Jersey**



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 it's State Aid reduced over the next seven year by over \$25 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

The district completed the final year of Compass, the Freehold Regional High School District's strategic plan. In FY17 the successor plan, *Compass 2.0*, was developed and will continue to enhance the work commenced in the 2012-17 strategic plan. Through the *Compass 2.0* project, the Freehold Regional High School District mapped priorities and projects through the 2021-2022 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 district's capital plan that provided more than \$20 million in facility improvements through an Energy Savings Improvement Program, state grants and subsidies, and local reserve funds, concluded in 2018. Looking ahead, the current budget law limits opportunities to fund high dollar facility needs through the annual school budget or local reserves. The district has developed a capital referendum that addresses 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, is expected to be re-offered to the public in November of 2019.

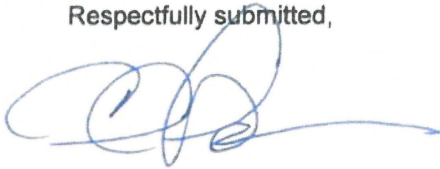
Acknowledgements and Achievements

Among the district's many achievements:

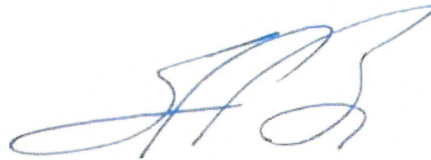
- Mr. Todd Curtis, a Social Studies teacher at Howell High School, was selected as Monmouth County Teacher of the Year
- The Freehold Regional High School District was awarded the Building Capacity for Career Pathways grant from the New Jersey Department of Education's Office of Career and Technical Education. This award provides for up to \$100K per year for five years. A computer science pathways course is currently underway at Freehold High School with the use of these grant funds.
- The District hosted its annual Hackathon at Manalapan High School. HackFRee is a 24-hour hackathon, where teams of students work towards creating a project using programming or electronics. Hackathons are an interactive way to increase a student's coding knowledge. This fantastic event came to fruition thanks to several community partnerships.
- Class of 2018 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,

A handwritten signature in blue ink, appearing to be 'CS', with a long horizontal flourish extending to the right.

Charles Sampson
Superintendent of Schools

A handwritten signature in blue ink, appearing to be 'SB', with a long horizontal flourish extending to the left.

Sean Boyce, CPA
Assistant Superintendent for Business

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

**ROSTER OF OFFICIALS
JUNE 30, 2018**

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|---|----------------------------|
| Michael Messinger, President | 2020 |
| Peter Bruno, Vice President | 2018 |
| Carl Accettola | 2020 |
| Diana Cappiello | 2019 |
| Samuel Carollo | 2020 |
| Amy Fankhauser | 2019 |
| Kathie Lavin | 2019 |
| Heshy Moses | 2018 |
| Jennifer Sutera | 2018 |

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, 2018**

Audit Firm

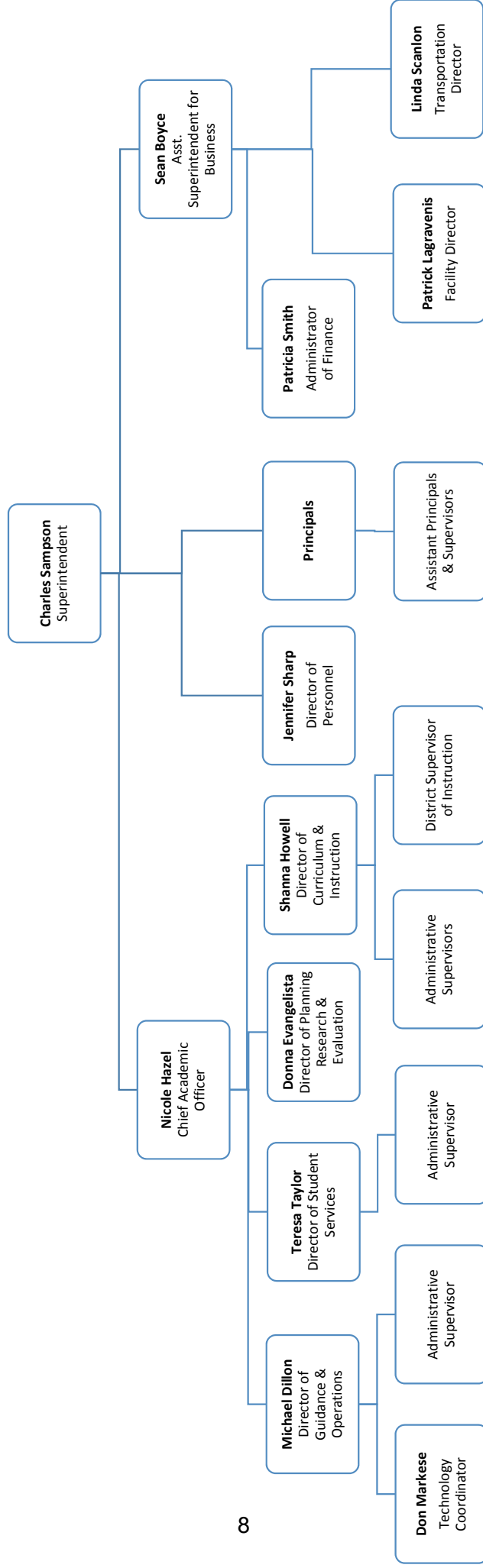
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308 East Broad Street
Westfield, NJ 07090

Attorney

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

Official Depository

Bank of America
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Freehold, New Jersey 07728



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

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 7 to the basic financial statements, during the fiscal year ended June 30, 2018, the District adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information 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 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 February 11, 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.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

February 11, 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, 2018
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, 2018. 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 (2017-2018) and the prior fiscal year (2016-2017) is presented in the MD&A. In FY 2018 the District Implemented GASB 75 "Accounting and Financial Reporting for Post-Retirement Benefits Other Than Pensions". Prior Year Information has not been restated.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2018 are as follows:

- The District's overall financial position remained stable in 2018. 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 \$25 million over the course of the next seven years.
- Net Position of governmental activities decreased \$200,427, which represents a .36 percent decrease from 2017.
- Net Position of business-type activities decreased \$157,627, which represents a 19% percent decrease from 2017. Significant expenditures were made in preparation for the implementation of single unit lunch commencing in the 2018-19 school year. Service continues to run smoothly and the operation is expected to continue to be self-sustaining. Profits are expected to decrease as a result of the single unit lunch.
- Property taxes continue to provide the majority of revenue for the Governmental Funds accounting for 61.8 percent in 2018. During the seven years the tax cap has been in place, the District has forgone more than \$23 million in available property tax.
- Governmental Fund expenses (exclusive of the Capital Projects Fund) increased by \$5,757,628 which represents a 2.6 percent increase from 2017. This increase is mainly due to a \$3.1 million increase in on-behalf payments for TPAF pension and TPAF post-retirement contributions, as well as a \$1.0 million increase in transportation costs. Transportation services for special education increased significantly from the prior year.

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, 2018
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 2018?" 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, 2018
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 2018 and 2017.

**TABLE 1
Net Position**

| | 2017-2018 | | | 2016-2017 | | |
|--|-----------------------------------|-------------------------------|--------------|-----------------------------------|-------------------------------|--------------|
| | Governmental <u>Activities</u> | Business <u>Activities</u> | <u>Total</u> | Governmental <u>Activities</u> | Business <u>Activities</u> | <u>Total</u> |
| ASSETS | | | | | | |
| Current & Other Assets | \$35,871,539 | \$558,563 | \$36,430,102 | \$38,805,660 | \$1,373,974 | \$40,179,634 |
| Capital Assets | 119,675,671 | 493,155 | 120,168,826 | 122,074,250 | 154,865 | 122,229,115 |
| Total Assets | 155,547,210 | 1,051,718 | 156,598,928 | 160,879,910 | 1,528,839 | 162,408,749 |
| DEFERRED OUTFLOWS OF RESOURCES: | | | | | | |
| Loss on Refunding of Long Term Debt | 45,112 | | 45,112 | 79,415 | | 79,415 |
| Pension Related | 17,337,712 | | 17,337,712 | 23,744,943 | | 23,744,943 |
| Total Deferred Outflow of Resources | 17,382,824 | | 17,382,824 | 23,824,358 | | 23,824,358 |
| LIABILITIES | | | | | | |
| Long-Term Liabilities | 86,296,325 | | 86,296,325 | 108,514,126 | | 108,514,126 |
| Other Liabilities | 19,506,517 | 387,332 | 19,893,849 | 20,455,460 | 706,826 | 21,162,286 |
| Total Liabilities | 105,802,842 | 387,332 | 106,190,174 | 128,969,586 | 706,826 | 129,676,412 |
| DEFERRED INFLOWS OF RESOURCES: | | | | | | |
| Pension Related | 12,735,655 | | 12,735,655 | 1,142,718 | | 1,142,718 |
| Total Deferred Inflow of Resources | 12,735,655 | | 12,735,655 | 1,142,718 | | 1,142,718 |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets | 89,024,727 | 493,155 | 89,517,882 | 87,207,182 | 154,865 | 87,362,047 |
| Restricted | 26,112,090 | | 26,112,090 | 27,648,406 | | 27,648,406 |
| Unrestricted (Deficit) | | | | | | |
| Pension Related | (49,733,871) | | (49,733,871) | (49,733,871) | | (49,733,871) |
| Other | (11,011,409) | 171,231 | (10,840,178) | (10,529,753) | 667,148 | (9,862,605) |
| Total Net Position | \$54,391,537 | \$664,386 | \$55,055,923 | \$54,591,964 | \$822,013 | \$55,413,977 |

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (CONTINUED)**

Table 2 details the changes in Net Position for fiscal year 2018 and 2017.

**TABLE 2
CHANGES IN NET POSITION**

| | 2017-2018 | | | 2016-2017 | | |
|--|----------------------------|------------------------|----------------------|----------------------------|------------------------|----------------------|
| | Governmental Activities | Business Activities | Total | Governmental Activities | Business Activities | Total |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$212,475 | \$2,994,466 | \$3,206,941 | \$230,377 | \$3,001,715 | \$3,232,092 |
| Operating Grants & Contributions | 64,954,154 | 665,540 | 65,619,694 | 59,693,390 | 666,290 | 60,359,680 |
| General Revenues | | | | | | |
| Property Taxes | 135,752,348 | | 135,752,348 | 132,253,371 | | 132,253,371 |
| Grants (includes State Aid) and Entitlements | 55,584,485 | | 55,584,485 | 55,871,366 | | 55,871,366 |
| Other Revenues | 459,661 | | 459,661 | 2,082,760 | | 2,082,760 |
| Disposal of Capital Assets | | | | | | |
| | <u>\$256,963,123</u> | <u>\$3,660,006</u> | <u>\$260,623,129</u> | <u>\$250,131,264</u> | <u>\$3,668,005</u> | <u>\$253,799,269</u> |
| Expenses: | | | | | | |
| Instruction | 146,243,677 | | 146,243,677 | 142,335,228 | | 142,335,228 |
| Pupils and Instructional Staff | 47,827,349 | | 47,827,349 | 45,807,071 | | 45,807,071 |
| General Administration, School Administration, Central Services | | | | | | |
| Information Technology & Maintenance | 39,791,386 | | 39,791,386 | 41,469,197 | | 41,469,197 |
| Transportation | 17,235,383 | | 17,235,383 | 16,630,574 | | 16,630,574 |
| Interest on Long-Term Debt | 741,084 | | 741,084 | 936,851 | | 936,851 |
| Business-Type | | 3,817,633 | 3,817,633 | | 3,441,891 | 3,441,891 |
| Other | 5,324,671 | | 5,324,671 | 4,917,067 | | 4,917,067 |
| Total Expenses | <u>\$257,163,550</u> | <u>\$3,817,633</u> | <u>\$260,981,183</u> | <u>\$252,095,988</u> | <u>\$3,441,891</u> | <u>\$255,537,879</u> |
| Change in Net Position | (\$200,427) | (\$157,627) | (\$358,054) | (\$1,964,724) | \$226,114 | (\$1,738,610) |
| Net Position July 1, (as restated) | <u>54,591,964</u> | <u>822,013</u> | <u>55,413,977</u> | <u>56,556,688</u> | <u>595,899</u> | <u>57,152,587</u> |
| Net Position June 30, | <u>\$54,391,537</u> | <u>\$664,386</u> | <u>\$55,055,923</u> | <u>\$54,591,964</u> | <u>\$822,013</u> | <u>\$55,413,977</u> |

The presentation of net position in the District's June 30, 2018 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, 2018
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 2018 | Total Cost of Services 2017 | Net Cost of Services 2018 | Net Cost of Services 2017 |
|--|-----------------------------------|-----------------------------------|---------------------------------|---------------------------------|
| Instruction | \$146,243,677 | \$142,335,228 | \$96,341,961 | \$95,464,769 |
| Pupils and Instructional Staff | \$47,827,349 | 45,807,071 | 38,023,931 | 36,991,816 |
| General Administration, School Administration, Central Services | | | | |
| Information Technology & Maintenance | \$39,791,386 | 41,469,197 | 34,883,927 | 37,468,618 |
| Transportation | \$17,235,383 | 16,630,574 | 16,866,457 | 16,630,574 |
| Interest on Long-Term Debt | \$741,084 | 936,851 | 555,974 | 699,378 |
| Business-Type | \$3,817,633 | 3,441,891 | 157,627 | (226,114) |
| Other | \$5,324,671 | 4,917,067 | 5,324,671 | 4,917,067 |
| Total Expenses | <u>\$260,981,183</u> | <u>\$255,537,879</u> | <u>\$192,154,548</u> | <u>\$191,946,108</u> |

As noted above, the presentation of position in the District's June 30, 2018 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, 2018
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 has generated a profit since the District hired a new management company in 2014. The District is implementing a single unit lunch and block schedule for the 2018-19 school year and it is expected to see an initial decline in profits when the new schedule is first implemented.

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 \$219,841,851 and expenditures were \$223,461,144. Other Financing sources and uses included Capital Lease proceeds of \$2,078,988 used primarily for the purchase of new school buses, technology infrastructure and buildings and grounds equipment. The net change in fund balance was a decrease of \$1,536,316. 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 2017</u> | <u>Percentage Change</u> |
|-----------------|----------------------|-------------------|--|------------------------------|
| Local Sources | \$136,671,746 | 62.16% | \$1,891,998 | 1.40% |
| State Sources | 79,926,341 | 36.36% | 2,901,629 | 3.77% |
| Federal Sources | <u>3,243,764</u> | <u>1.48%</u> | <u>32,142</u> | <u>1.00%</u> |
| | <u>\$219,841,851</u> | <u>100.00%</u> | <u>\$4,825,769</u> | <u>2.24%</u> |

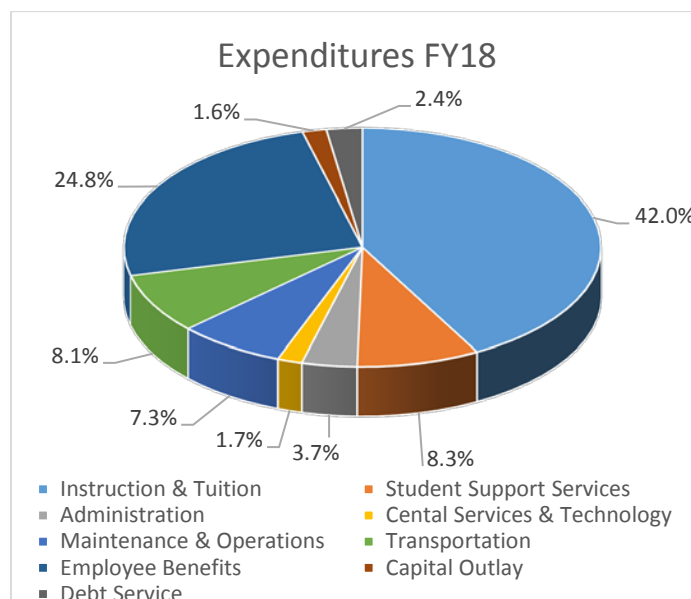
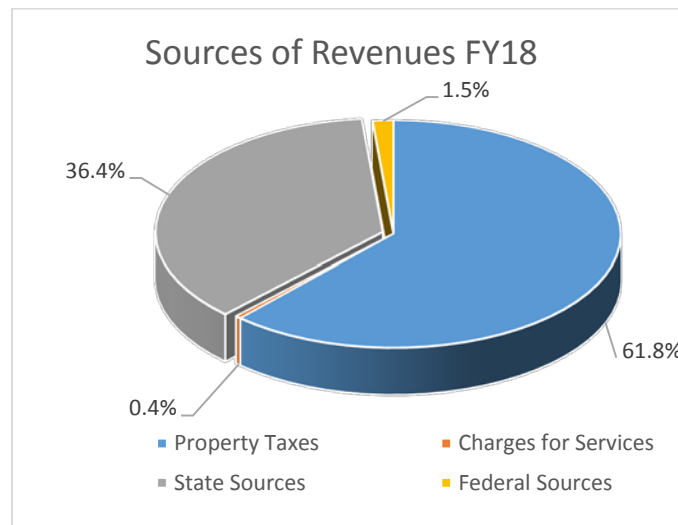
EXPENDITURES:

| | <u>Amount</u> | <u>Percentage</u> | <u>Increase/Decrease from 2017</u> | <u>Percentage Change</u> |
|------------------|----------------------|-------------------|--|------------------------------|
| Current Expense: | | | | |
| Instruction | \$75,290,948 | 33.69% | \$178,729 | 0.24% |
| Undistributed | 135,594,204 | 60.68% | 5,867,589 | 4.52% |
| Capital Outlay | 3,593,664 | 1.61% | (446,046) | -11.04% |
| Special Revenue | 3,545,328 | 1.59% | 145,358 | 4.28% |
| Debt Service: | | | | |
| Principal | 4,695,000 | 2.10% | 235,000 | 5.27% |
| Interest | <u>742,000</u> | <u>0.33%</u> | <u>(223,000)</u> | <u>-23.11%</u> |
| Total | <u>\$223,461,144</u> | <u>100.00%</u> | <u>\$5,757,630</u> | <u>2.64%</u> |

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
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, 2018
UNAUDITED (CONTINUED)**

Highlights include the following:

- The increase in local revenues was primarily due to an aggregate increase in property taxes of 2.7%. The 2018 levy was above the 2% cap as banked cap of \$926,943 from the health benefits waiver was accessed this year. 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 increased slightly over FY17. While there was a small decrease in special education instruction for in-house programs, it was offset by increases in tuition, related and extraordinary services.
- The Operations and Maintenance of Plant Services section of the budget decreased primarily due to a significantly lower ESIP lease payment in FY18 as compared to the payment in FY17. The lease payment schedule was structured to coincide with the receipt of BPU subsidy revenue.
- 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 FY17
- Employee benefits appear to have increased significantly, 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 increased \$1.1 million or 3.7%.
- Capital Outlay represents the completion of the Howell Athletic Facility Improvement project, as well as the replacement of the boiler at the Administrative building.

Capital Projects

The district's capital plan that provided more than \$20 million in facility improvements through an Energy Savings Improvement Program, state grants and subsidies, and local reserve funds, concluded in 2018. Looking ahead, the current budget law limits opportunities to fund high dollar facility needs through the annual school budget or local reserves. The district has developed a capital referendum that addresses 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, is expected to be re-offered to the public in November of 2019.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (CONTINUED)**

CAPITAL ASSETS

The District continues to invest in its Capital Assets. Construction in Progress decreased as the work on the ESIP project and the Howell Athletic Field Complex was completed in FY18. The District made several large equipment purchases including various technology infrastructure/equipment upgrades, school buses, and buildings and grounds equipment. Table 5 shows the FY18 Capital Asset activity of the District.

**Table 5
Capital Assets for the Fiscal Year Ended June 30, 2018**

| | 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 | 25,209,315 | \$1,890,407 | (\$21,894,877) | 5,204,845 |
| Total capital assets not being depreciated | 25,655,803 | 1,890,407 | (21,894,877) | 5,651,333 |
| <i>Capital assets being depreciated:</i> | | | | |
| Site improvements | 15,820,292 | | 1,907,632 | 17,727,924 |
| Building and improvements | 204,125,462 | 967,818 | 19,987,245 | 225,080,525 |
| Equipment | 20,786,285 | 1,353,426 | | 22,139,711 |
| Total capital assets being depreciated | 240,732,039 | 2,321,244 | 21,894,877 | 264,948,160 |
| Total Gross Assets (Memo Only) | 266,387,842 | 4,211,651 | - | 270,599,493 |
| Less accumulated depreciation for: | | | | |
| Site improvements | (7,324,703) | (785,651) | | (8,110,354) |
| Building and improvements | (121,905,413) | (4,575,977) | | (126,481,390) |
| Equipment | (15,083,479) | (1,248,599) | | (16,332,078) |
| Total accumulated depreciation | (144,313,595) | (6,610,227) | - | (150,923,822) |
| Total capital assets being depreciated, net | 96,418,444 | (4,288,983) | 21,894,877 | 114,024,338 |
| Government activities capital assets, net | \$ 122,074,247 | \$ (2,398,576) | - | \$ 119,675,671 |
| Business-type activities: | | | | |
| <i>Capital assets being depreciated:</i> | | | | |
| Equipment | 649,371 | 401,322 | | 1,050,693 |
| Less accumulated depreciation | (494,506) | (63,032) | | (557,538) |
| Enterprise fund capital assets, net | \$154,865 | \$338,290 | | \$493,155 |

* As restated

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (CONCLUDED)**

DEBT ADMINISTRATION

Among the district's outstanding liabilities at June 30, 2018, \$2,819,304 is for compensated absences, \$23,203,372 for obligations under capital leases, and \$10,145,000 of serial bonds for school construction. 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, 2018

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, 2018

| | <u>GOVERNMENTAL</u> <u>ACTIVITIES</u> | <u>BUSINESS-TYPE</u> <u>ACTIVITIES</u> | <u>TOTAL</u> |
|--|--|---|---------------|
| ASSETS: | | | |
| Cash and cash equivalents | \$ 24,079,062 | \$ 169,189 | \$ 24,248,251 |
| Receivables, net | 6,525,444 | 363,978 | 6,889,422 |
| Inventory | | 25,396 | 25,396 |
| Restricted assets: | | | |
| Restricted cash and cash equivalents | 5,267,033 | | 5,267,033 |
| Capital assets: | | | |
| Land and Construction in progress | 5,651,333 | | 5,651,333 |
| Other Capital Assets net of depreciation | 114,024,338 | 493,155 | 114,517,493 |
| Total Assets | 155,547,210 | 1,051,718 | 156,598,928 |
| DEFERRED OUTFLOW OF RESOURCES: | | | |
| Loss on Refunding of Long Term Debt | 45,112 | | 45,112 |
| Pension Related | 17,337,712 | | 17,337,712 |
| Total Deferred Outflow of Resources | 17,382,824 | | 17,382,824 |
| LIABILITIES: | | | |
| Accounts payable | 3,702,761 | 292,991 | 3,995,752 |
| Interfund Payable | | 9,007 | 9,007 |
| Payable to state government | 13,387 | | 13,387 |
| Unearned revenue | 131,486 | 85,334 | 216,820 |
| Accrued Interest Payable | 169,083 | | 169,083 |
| Accrued Liability for Insurance Claims | 6,800,000 | | 6,800,000 |
| Noncurrent liabilities: | | | |
| Due within one year: | | | |
| Bonds and capital leases payable | 8,689,800 | | 8,689,800 |
| Due beyond one year: | | | |
| Compensated absences payable | 2,819,304 | | 2,819,304 |
| Bonds and capital leases payable | 24,658,572 | | 24,658,572 |
| Net Pension Liability | 58,818,449 | | 58,818,449 |
| Total liabilities | 105,802,842 | 387,332 | 106,190,174 |
| DEFERRED INFLOW OF RESOURCES: | | | |
| Pension Related | 12,735,655 | | 12,735,655 |
| NET POSITION: | | | |
| Net investment in capital assets | 89,024,727 | 493,155 | 89,517,882 |
| Restricted for: | | | |
| Capital projects fund | 1,190,797 | | 1,190,797 |
| Other purposes | 24,921,293 | | 24,921,293 |
| Unrestricted (deficit) | (60,745,280) | 171,231 | (60,574,049) |
| Total net position | \$ 54,391,537 | \$ 664,386 | \$ 55,055,923 |

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2018

| 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 | Business-type Activities | Total |
| Governmental Activities: | | | | | | | |
| Instruction: | | | | | | | |
| Regular | \$ 76,921,324 | \$ 29,603,848 | \$ 50,275 | \$ 35,522,440 | \$ (70,952,457) | \$ | \$ (70,952,457) |
| Special | 20,242,496 | 7,075,798 | | 10,437,881 | (16,880,413) | | (16,880,413) |
| Other Instruction | 9,144,176 | 3,256,035 | 81,545 | 3,809,575 | (8,509,091) | | (8,509,091) |
| Support services: | | | | | | | |
| Tuition | 15,600,095 | | | | (15,600,095) | | (15,600,095) |
| Student & instruction related services | 24,180,462 | 8,046,792 | | 9,803,418 | (22,423,836) | | (22,423,836) |
| General administrative services | 1,715,197 | 120,310 | | 26,352 | (1,809,155) | | (1,809,155) |
| School administrative services | 9,232,119 | 3,568,086 | | 4,207,159 | (8,593,046) | | (8,593,046) |
| Central service | 1,853,855 | 420,090 | | 94,114 | (2,179,831) | | (2,179,831) |
| Admin information technology | 2,772,581 | 635,399 | | 54,962 | (3,353,018) | | (3,353,018) |
| Plant operations and maintenance | 17,568,013 | 1,905,736 | 80,655 | 444,217 | (18,948,877) | | (18,948,877) |
| Pupil transportation | 15,090,544 | 2,144,839 | | 368,926 | (16,866,457) | | (16,866,457) |
| Unallocated benefits | 55,491,377 | (55,491,377) | | | | | |
| Interest on Long-Term Debt | 741,084 | | | 185,110 | (555,974) | | (555,974) |
| Unallocated depreciation | 6,610,227 | (1,285,556) | | | (5,324,671) | | (5,324,671) |
| Total governmental activities | 257,163,550 | | 212,475 | 64,954,154 | (191,996,921) | | (191,996,921) |
| Business-type activities | | | | | | | |
| Food Service | 3,583,671 | | 2,760,504 | 665,540 | | (157,627) | (157,627) |
| Extra-Curricular | 233,962 | | 233,962 | | | | |
| Total business-type activities | 3,817,633 | | 2,994,466 | 665,540 | | (157,627) | (157,627) |
| Total primary government | \$ 260,981,183 | | \$ 3,206,941 | \$ 65,619,694 | \$ (191,996,921) | \$ (157,627) | \$ (192,154,548) |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes, levied for general purposes, net | | | | | \$ 131,637,569 | \$ | \$ 131,637,569 |
| Taxes levied for debt service | | | | | 4,114,779 | | 4,114,779 |
| Federal and state aid not restricted | | | | | 54,362,826 | | 54,362,826 |
| Federal and state aid restricted | | | | | 1,221,659 | | 1,221,659 |
| Miscellaneous income | | | | | 459,661 | | 459,661 |
| Total general revenues | | | | | 191,796,494 | | 191,796,494 |
| Change in net position | | | | | (200,427) | (157,627) | (358,054) |
| Net Position - beginning (as restated) | | | | | 54,591,964 | 822,013 | 55,413,977 |
| Net Position ending | | | | | 54,391,537 | 664,386 | 55,055,923 |

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, 2018

| | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | TOTAL GOVERNMENTAL FUNDS |
|--|-----------------|----------------------------|-----------------------------|--------------------------------|
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 28,847,374 | \$ | \$ | \$ 28,847,374 |
| Cash with Fiscal Agents | 38,734 | | 459,987 | 498,721 |
| Other receivables | 53,269 | 7,382 | | 60,651 |
| Due from other funds | 4,304,743 | | | 4,304,743 |
| Receivables from other governments | 2,946,889 | 371,298 | 3,098,426 | 6,416,613 |
| Total assets | \$ 36,191,009 | \$ 378,680 | \$ 3,558,413 | \$ 40,128,102 |
| LIABILITIES AND FUND BALANCES: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 956,151 | \$ 181,186 | \$ | \$ 1,137,337 |
| Payable to state government | | 13,387 | | 13,387 |
| Interfund payables | 2,322,768 | 52,621 | 1,881,174 | 4,256,563 |
| Unearned revenue | | 131,486 | | 131,486 |
| Accrued Liability for Insurance Claims | 6,800,000 | | | 6,800,000 |
| Total liabilities | 10,078,919 | 378,680 | 1,881,174 | 12,338,773 |
| Fund balances: | | | | |
| Restricted: | | | | |
| Capital Reserve Account | 3,024,594 | | | 3,024,594 |
| Emergency Reserve Account | 253,301 | | | 253,301 |
| Maintenance Reserve Account | 1,490,417 | | | 1,490,417 |
| Reserved Excess Surplus designated for subsequent years expenditures | 11,812,173 | | | 11,812,173 |
| Reserve for Excess surplus | 8,655,210 | | | 8,655,210 |
| Capital Projects fund | | | 1,190,797 | 1,190,797 |
| Assigned: | | | | |
| Encumbrances | 592,262 | | 486,442 | 1,078,704 |
| Unassigned | | | | |
| General fund | 284,133 | | | 284,133 |
| Total fund balances | 26,112,090 | | 1,677,239 | 27,789,329 |
| Total liabilities and fund balances | \$ 36,191,009 | \$ 378,680 | \$ 3,558,413 | \$ 40,128,102 |

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, 2018

| | | |
|---------------------------------------|----|------------|
| Total Fund Balances (Brought Forward) | \$ | 27,789,329 |
|---------------------------------------|----|------------|

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 | \$ | 270,599,493 | |
| Accumulated Depreciation | | <u>(150,923,822)</u> | |
| | | | 119,675,671 |

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 | | (58,818,449) | |
| Compensated Absences | | (2,819,304) | |
| Capital Lease Payable | | (23,203,372) | |
| Bonds Payable | | <u>(10,145,000)</u> | |
| | | | (94,986,125) |

Deferred Outflows and Inflows of resources are applicable
to future periods and therefore are not reported in the funds.

Deferred Outflows:

| | | | |
|---|----|------------------|------------|
| Pension related | \$ | 14,772,288 | |
| Employer Contribution related to pensions | | <u>2,565,424</u> | |
| | | | 17,337,712 |
| Loss on Refunding Debt | | <u>45,112</u> | |
| | | | 17,382,824 |

Deferred Inflows:

| | | | |
|-----------------|--|--|--------------|
| Pension related | | | (12,735,655) |
|-----------------|--|--|--------------|

Certain liabilities are not due and payable in the current period
and therefore, are not reported in the governmental funds.

| | | | |
|------------------------------------|--|------------------|--------------------|
| Accounts Payable - Pension Related | | (2,565,424) | |
| Accrued Interest Payable | | <u>(169,083)</u> | |
| | | | <u>(2,734,507)</u> |

| | | |
|---|----|--------------------------|
| Net Position of Governmental Activities | \$ | <u><u>54,391,537</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, 2018

| | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | TOTAL GOVERNMENTAL FUNDS |
|--|-----------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| REVENUES: | | | | | |
| Local sources: | | | | | |
| Local Tax Levy | \$ 131,637,569 | \$ | \$ | \$ 4,114,779 | \$ 135,752,348 |
| Tuition | 50,275 | | | | 50,275 |
| Unrestricted Miscellaneous Revenue | 446,279 | | 3,989 | | 450,268 |
| Interest Earned on Emergency Reserve | 468 | | | | 468 |
| Interest Earned on Maintenance Reserve | 2,751 | | | | 2,751 |
| Interest Earned on Capital Reserve Funds | 6,174 | | | | 6,174 |
| Other Restricted Miscellaneous Revenue | 162,200 | 251,251 | | | 413,451 |
| Total - local sources | 132,305,716 | 251,251 | 3,989 | 4,114,779 | 136,675,735 |
| State sources | 78,434,074 | 170,046 | 41,387 | 1,322,221 | 79,967,728 |
| Federal sources | 119,733 | 3,124,031 | | | 3,243,764 |
| Total revenues | 210,859,523 | 3,545,328 | 45,376 | 5,437,000 | 219,887,227 |
| EXPENDITURES: | | | | | |
| Current expense: | | | | | |
| Regular instruction | 55,286,926 | 916,067 | | | 56,202,993 |
| Special instruction | 13,140,551 | 2,125,455 | | | 15,266,006 |
| Other Instruction | 6,863,471 | | | | 6,863,471 |
| Support services: | | | | | |
| Tuition | 15,600,095 | | | | 15,600,095 |
| Student & instruction related services | 18,126,647 | 460,644 | | | 18,587,291 |
| General administrative services | 1,635,198 | | | | 1,635,198 |
| School administrative services | 6,713,490 | | | | 6,713,490 |
| Central service | 1,565,606 | | | | 1,565,606 |
| Administrative information technology services | 2,176,770 | | | | 2,176,770 |
| Plant operations and maintenance | 16,221,433 | | | | 16,221,433 |
| Pupil transportation | 18,147,561 | | | | 18,147,561 |
| Unallocated benefits | 55,407,404 | | | | 55,407,404 |
| Debt Service: | | | | | |
| Principal | | | | 4,695,000 | 4,695,000 |
| Interest | | | | 742,000 | 742,000 |
| Capital outlay | 3,593,664 | 43,162 | 582,926 | | 4,219,752 |
| Total expenditures | 214,478,816 | 3,545,328 | 582,926 | 5,437,000 | 224,044,070 |
| Excess (deficiency) of revenues over (under) expenditures | (3,619,293) | | (537,550) | | (4,156,843) |
| Other financing sources (uses): | | | | | |
| Capital Lease | 2,078,988 | | | | 2,078,988 |
| Transfer | 3,989 | | (3,989) | | |
| Total other financing sources (uses) | 2,082,977 | | (3,989) | | 2,078,988 |
| Net change in fund balances | (1,536,316) | | (541,539) | | (2,077,855) |
| Fund balances, July 1, 2017 | 27,648,406 | | 2,218,778 | | 29,867,184 |
| Fund balances, June 30, 2018 | \$ 26,112,090 | \$ | \$ 1,677,239 | \$ | \$ 27,789,329 |

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, 2018

| | | |
|---|----|-------------|
| Total net change in fund balances - governmental funds (from B-2) | \$ | (2,077,855) |
|---|----|-------------|

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

| | | | |
|---------------------------------------|----------------|-------------|-----------|
| Depreciation expense | | (6,610,227) | |
| Capital outlays | \$ 4,219,752 | | |
| Less: Capital Outlays not capitalized | <u>(8,101)</u> | | 4,211,651 |

| | |
|---|-----------|
| 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. | 4,695,000 |
|---|-----------|

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.

| | |
|---------------------------------------|-------------|
| Capital lease proceeds - Current Year | (2,560,000) |
|---------------------------------------|-------------|

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.

| | |
|----------------------------------|-----------|
| Payment of capital lease payable | 4,190,298 |
|----------------------------------|-----------|

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.

78,250

Bond Issue 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.

(34,303)

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

| | | |
|--------------------------------|--------------------|-------------|
| District pension contributions | 2,340,754 | |
| Less: Pension expense | <u>(4,350,022)</u> | (2,009,268) |

In the statement of activities, contributed capital assets are reflected in the activity in which they are utilized whereas in the governmental funds, they are reflected as an expense. The change in net assets on the statement of activities must therefore reflect this contribution as a transfer

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 (+).

(83,973)

| | | |
|---|----|------------------|
| Change in net position of governmental activities (A-2) | \$ | <u>(200,427)</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, 2018

| | <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 | \$ 169,189 | \$ | \$ 169,189 |
| Accounts receivable: | | | |
| State | 1,102 | | 1,102 |
| Federal | 29,978 | | 29,978 |
| Other | 4,079 | 9,007 | 13,086 |
| Interfund Receivable | 319,812 | | 319,812 |
| Inventories | 25,396 | | 25,396 |
| | <hr/> | <hr/> | <hr/> |
| Total current assets | 549,556 | 9,007 | 558,563 |
| | <hr/> | <hr/> | <hr/> |
| Noncurrent assets: | | | |
| Furniture, machinery and equipment | 1,050,694 | | 1,050,694 |
| Less accumulated depreciation | (557,539) | | (557,539) |
| | <hr/> | <hr/> | <hr/> |
| Total noncurrent assets | 493,155 | | 493,155 |
| | <hr/> | <hr/> | <hr/> |
| Total assets | \$ 1,042,711 | \$ 9,007 | \$ 1,051,718 |
| | <hr/> | <hr/> | <hr/> |
| LIABILITIES: | | | |
| Current liabilities: | | | |
| Accounts Payable | \$ 292,991 | \$ | \$ 292,991 |
| Interfund Payables | | 9,007 | 9,007 |
| Unearned Revenue | 85,334 | | 85,334 |
| | <hr/> | <hr/> | <hr/> |
| Total current liabilities | \$ 378,325 | \$ 9,007 | \$ 387,332 |
| | <hr/> | <hr/> | <hr/> |
| NET POSITION: | | | |
| Net investment in capital assets | \$ 493,155 | \$ | \$ 493,155 |
| Unrestricted | 171,231 | | 171,231 |
| | <hr/> | <hr/> | <hr/> |
| Total net position | \$ 664,386 | \$ | \$ 664,386 |
| | <hr/> | <hr/> | <hr/> |

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, 2018

| | <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 | \$ 939,947 | \$ | \$ 939,947 |
| Daily sales - Non-reimbursable programs | 1,774,112 | | 1,774,112 |
| Special Functions | 46,445 | | 46,445 |
| Fees - individuals | | 233,962 | 233,962 |
| Total operating revenues | <u>2,760,504</u> | <u>233,962</u> | <u>2,994,466</u> |
| OPERATING EXPENSES: | | | |
| Cost of sales - reimbursable programs | 810,029 | | 810,029 |
| Cost of sales - non-reimbursable programs | 668,714 | | 668,714 |
| Salaries and benefits | 1,391,133 | 86,300 | 1,477,433 |
| Supplies and materials | 389,851 | | 389,851 |
| Management fee | 105,601 | | 105,601 |
| Miscellaneous | 155,311 | 23,725 | 179,036 |
| Depreciation | 63,032 | | 63,032 |
| Facility Rental | | 123,937 | 123,937 |
| Total operating expenses | <u>3,583,671</u> | <u>233,962</u> | <u>3,817,633</u> |
| Operating (loss) | <u>(823,167)</u> | | <u>(823,167)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | |
| State Sources | | | |
| State school lunch program | 19,493 | | 19,493 |
| Federal Sources | | | |
| National school lunch program | 473,849 | | 473,849 |
| School breakfast program | 42,384 | | 42,384 |
| National food distribution commodities | 129,814 | | 129,814 |
| Total nonoperating revenues (expenses) | <u>665,540</u> | | <u>665,540</u> |
| Income (loss) before contributions and transfers | <u>(157,627)</u> | | <u>(157,627)</u> |
| Change in net position | (157,627) | | (157,627) |
| Total net position - beginning | <u>822,013</u> | | <u>822,013</u> |
| Total net position - ending | \$ <u>664,386</u> | \$ | \$ <u>664,386</u> |

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, 2018

| | <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 | \$ 2,779,030 | \$ 233,962 | \$ 3,012,992 |
| Payments to employees | (1,360,452) | (86,300) | (1,446,752) |
| Payments to suppliers | (2,321,965) | (147,662) | (2,469,627) |
| Net cash provided by (used for) operating activities | (934,068) | | (934,068) |
| Cash flows from noncapital financing activities: | | | |
| State sources | 19,470 | | 19,470 |
| Federal sources | 518,119 | | 518,119 |
| Operating subsidies and transfers to other funds | 280,187 | | 280,187 |
| Net cash provided by noncapital financing activities | 817,776 | | 817,776 |
| Net increase (decrease) in cash and cash equivalents | (517,615) | | (517,615) |
| Cash and cash equivalents, July 1, 2017 | 686,804 | | 686,804 |
| Cash and cash equivalents, June 30, 2018 | <u>\$ 169,189</u> | <u>\$</u> | <u>\$ 169,189</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | | |
| Operating income (loss) | \$ (823,167) | \$ | \$ (823,167) |
| Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Depreciation | 63,032 | | 63,032 |
| Federal commodities | 129,814 | | 129,814 |
| Change in assets and liabilities: | | | |
| (Increase) decrease in accounts receivable, net | 1,651 | | 1,651 |
| Increase (decrease) in unearned revenue | 17,478 | | 17,478 |
| Increase (decrease) in accounts payable | (321,165) | | (321,165) |
| (Increase) decrease in inventories | (1,711) | | (1,711) |
| | (110,901) | | (110,901) |
| Net cash provided by (used for) operating activities | <u>\$ (934,068)</u> | <u>\$</u> | <u>\$ (934,068)</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, 2018

| | Unemployment Compensation <u>Insurance Trust</u> | Private Purpose <u>Trust</u> | <u>Agency Funds</u> |
|---|--|------------------------------------|---------------------|
| ASSETS: | | | |
| Cash and cash equivalents | \$ 1,072,808 | \$ 868,305 | \$ 4,212,441 |
| Total assets | \$ <u>1,072,808</u> | \$ <u>868,305</u> | \$ <u>4,212,441</u> |
| LIABILITIES: | | | |
| Accounts payable | \$ 40,210 | \$ | |
| Interfund payable | | | 358,985 |
| Payable to student groups | | | 917,380 |
| Wage Payable - Summer Payroll | | | 2,920,112 |
| Payroll deductions and withholdings | | | 15,964 |
| Total liabilities | \$ <u>40,210</u> | \$ | \$ <u>4,212,441</u> |
| NET POSITION: | | | |
| Held in trust for State Unemployment Insurance claims and other purposes | \$ 1,032,598 | \$ | |
| Held in trust for scholarships and other purposes | | 868,305 | |
| Total net position | \$ <u>1,032,598</u> | \$ <u>868,305</u> | \$ <u>-0-</u> |

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, 2018

| | Unemployment Compensation <u>Insurance Trust</u> | Private Purpose <u>Trust</u> | <u>Total</u> |
|--------------------------------|--|------------------------------------|---------------------|
| ADDITIONS: | | | |
| Contributions: | | | |
| Plan member | \$ 251,611 | \$ 251,611 | 251,611 |
| Donations | \$ 25,837 | 25,837 | 25,837 |
| Total contributions | <u>251,611</u> | <u>25,837</u> | <u>277,448</u> |
| Investment earnings: | | | |
| Interest | 596 | 517 | 1,113 |
| Net investment earnings | <u>596</u> | <u>517</u> | <u>1,113</u> |
| Total additions | <u>252,207</u> | <u>26,354</u> | <u>278,561</u> |
| DEDUCTIONS: | | | |
| Quarterly Contribution Reports | 108,233 | | 108,233 |
| Unemployment Claims | 129,797 | | 129,797 |
| Scholarships Awarded | | 49,800 | 49,800 |
| Total deductions | <u>238,030</u> | <u>49,800</u> | <u>287,830</u> |
| Change in net position | 14,177 | (23,446) | (9,269) |
| Net position beginning of year | 1,018,421 | 891,751 | 1,910,172 |
| Net position end of year | \$ <u>1,032,598</u> | \$ <u>868,305</u> | \$ <u>1,900,903</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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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.

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018:

| <u>Fund Type</u> | <u>Amount</u> |
|-------------------------|----------------------|
| Cash in Bank: | |
| Governmental Funds | \$ 32,210,285 |
| Proprietary Funds | 328,887 |
| Fiduciary Funds | <u>6,779,322</u> |
| Total Cash in Bank | \$ 39,318,494 |
| Less: Reconciling Items | <u>3,636,702</u> |
| | <u>\$ 35,681,792</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, 2018, 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 \$39,318,494, \$750,000 was covered by Federal Depository Insurance, and \$38,568,494 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, 2018

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, 2018

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, 2018 are listed below. All receivables are considered collectible in full. A summary of the principal items of governmental receivables follows:

| | <u>Governmental Financial Statements</u> | <u>District-Wide Financial Statements</u> |
|------------------------------------|--|---|
| State Aid | \$6,089,019 | \$6,089,019 |
| Federal Aid | 327,594 | 327,594 |
| Interfunds | 4,304,743 | 48,180 |
| Other | <u>60,651</u> | <u>60,651</u> |
| Gross Receivables | 10,782,007 | 6,525,444 |
| Less: Allowance for Uncollectibles | <u> </u> | <u> </u> |
| Total Receivables, Net | <u><u>\$10,782,007</u></u> | <u><u>\$6,525,444</u></u> |

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 4: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2018, 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 | 25,209,315 | \$1,890,407 | (\$21,894,87) | 5,204,845 |
| <i>Total capital assets not being depreciated</i> | <u>25,655,803</u> | <u>1,890,407</u> | <u>(21,894,877)</u> | <u>5,651,333</u> |
| <i>Capital assets being depreciated:</i> | | | | |
| Site improvements | 15,820,292 | | 1,907,632 | 17,727,924 |
| Building and improvements | 204,125,462 | 967,818 | 19,987,245 | 225,080,525 |
| Equipment | 20,786,285 | 1,353,426 | | 22,139,711 |
| <i>Total capital assets being depreciated</i> | <u>240,732,039</u> | <u>2,321,244</u> | <u>21,894,877</u> | <u>264,948,160</u> |
| Total Gross Assets (Memo Only) | 266,387,842 | 4,211,651 | | 270,599,493 |
| Less accumulated depreciation for: | | | | |
| Site improvements | (7,324,703) | (785,651) | | (8,110,354) |
| Building and improvements | (121,905,41) | (4,575,977) | | (126,481,39) |
| Equipment | (15,083,479) | (1,248,599) | | (16,332,078) |
| Total accumulated depreciation | <u>(144,313,59)</u> | <u>(6,610,227)</u> | | <u>(150,923,82)</u> |
| <i>Total capital assets being depreciated, net</i> | <u>96,418,444</u> | <u>(4,288,983)</u> | <u>21,894,877</u> | <u>114,024,338</u> |
| <i>Government activities capital assets, net</i> | <u>\$122,074,247</u> | <u>(\$2,398,576)</u> | | <u>\$119,675,671</u> |
| Business-type activities: | | | | |
| <i>Capital assets being depreciated:</i> | | | | |
| Equipment | 649,371 | 401,322 | | 1,050,693 |
| Less accumulated depreciation | (494,506) | (63,032) | | (557,538) |
| <i>Enterprise fund capital assets, net</i> | <u>\$154,865</u> | <u>\$338,290</u> | | <u>\$493,155</u> |

* As restated

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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 | \$ 115,901 |
| Other Instruction | 1,836 |
| Student & Instruction Related Services | 53,548 |
| General Administrative Services | 3,540 |
| School Administrative Services | 5,035 |
| Central Service | 3,290 |
| Administrative Technology | 400,646 |
| Plant, Operations & Maintenance | 85,241 |
| Pupil Transportation | 616,519 |
| Unallocated | <u>5,324,671</u> |
| | <u>\$ 6,610,227</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, 2018

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2018:

Governmental Funds:

| | Balance June 30, <u>2017</u> | <u>Additions</u> | <u>Reductions</u> | Balance June 30, <u>2018</u> | Amounts Due Within <u>One Year</u> |
|------------------------|------------------------------------|--------------------|---------------------|------------------------------------|--|
| Bonds Payable | \$14,840,000 | | \$4,695,000 | \$10,145,000 | \$4,940,000 |
| Compensated Absences | 2,735,331 | \$83,973 | | 2,819,304 | |
| Capital Leases Payable | 24,833,670 | 2,560,000 | 4,190,298 | 23,203,372 | 3,749,800 |
| Pension Liability | <u>74,990,423</u> | | <u>16,171,974</u> | <u>58,818,449</u> | |
| Balance June 30, 2018 | <u>\$117,399,424</u> | <u>\$2,643,973</u> | <u>\$25,057,272</u> | <u>\$94,986,125</u> | <u>\$8,689,800</u> |

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2018, including interest payments on issued debt, are as follows:

| <u>Fiscal Year</u> <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------------|---------------------|------------------|---------------------|
| FY2019 | \$4,940,000 | \$507,250 | \$5,447,250 |
| FY2020 | <u>5,205,000</u> | <u>260,250</u> | <u>5,465,250</u> |
| | <u>\$10,145,000</u> | <u>\$767,500</u> | <u>\$10,912,500</u> |

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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, 2018</u> | <u>Bonds Authorized But Not Issued</u> |
|---|---|--|
| \$42,690,000.00 in Refunding School Bonds dated November 16, 2001, due in remaining annual installments ranging between \$4,695,000.00 and \$5,205,000.00 beginning March 1, 2019 and ending March 1, 2020 with interest of 5.00% | \$ 10,145,000 | \$ -0- |
| | <u>\$ 10,145,000</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 \$34,303 leaving a balance of \$45,112. 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, 2018, 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, 2018

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Capital Leases Payable

The District is leasing various equipment and improvements totaling \$35,965,739 as follows:

| <u>Description</u> | <u>Date</u> | <u>Term</u> | <u>Interest Rate</u> | <u>Amount</u> |
|--|-------------|-------------|----------------------|---------------|
| Technology Improvements and School Buses | 12/31/13 | 5 Years | 1.433% | \$1,155,792 |
| District Wide Energy Savings Improvement Plan | 12/31/13 | 15 Years | 2.690% | \$17,498,000 |
| Roof, Boiler and HVAC Replacement | 12/31/13 | 5 Years | 1.390% | \$2,957,597 |
| School Buses and Technology | 12/31/13 | 5 Years | 1.334% | \$3,500,000 |
| Roof Replacement | 12/31/14 | 5 Years | 1.570% | \$3,250,000 |
| School Buses | 12/31/14 | 5 Years | 1.390% | \$331,100 |
| 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 |

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, 2018:

| <u>Fiscal Year Ended</u> <u>June 30,</u> | <u>Governmental</u> <u>Funds</u> |
|---|-------------------------------------|
| 2019 | \$4,266,874 |
| 2020 | 3,531,809 |
| 2021 | 2,477,203 |
| 2022 | 2,462,520 |
| 2023-2027 | 7,551,585 |
| 2028-2031 | 6,247,188 |
| Total Minimum Lease Payments | <u>\$26,537,179</u> |
| Less: Amount Representing Interest | <u>3,333,807</u> |
| Present Value of Lease Payments | <u><u>\$23,203,372</u></u> |

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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, 2018 were \$238,395. 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> |
|------------------------------|--------------------|
| 2019 | \$238,395 |
| 2020 | 232,398 |
| 2021 | 226,070 |
| 2022 | 214,894 |
| 2023 | <u>210,316</u> |
| Total minimum lease payments | <u>\$1,122,073</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, 2018

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, 2018

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, 2018

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</u> <u>June 30,</u> | <u>Annual</u> <u>Pension Cost</u> <u>(APC)</u> | <u>Percentage</u> <u>of APC</u> <u>Contributed</u> | <u>Net Pension</u> <u>Obligation</u> |
|--------------------------------------|--|--|---|
| 2018 | \$2,340,754 | 100% | \$2,340,754 |
| 2017 | \$2,249,388 | 100% | \$2,249,388 |
| 2016 | \$2,161,050 | 100% | \$2,161,050 |

Three Year Trend Information for TPAF (On-Behalf)

| <u>Year Ended</u> <u>June 30,</u> | <u>Annual</u> <u>Pension Cost</u> <u>(APC)</u> | <u>Percentage</u> <u>of APC</u> <u>Contributed</u> | <u>Net Pension</u> <u>Obligation</u> |
|--------------------------------------|--|--|---|
| 2018 | \$11,260,712 | 100% | \$11,260,712 |
| 2017 | \$8,422,087 | 100% | \$8,422,087 |
| 2016 | \$5,888,709 | 100% | \$5,888,709 |

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District for the years ended June 30, 2018, 2017 and 2016 \$5,644,204 \$5,566,615, and \$5,503,498, 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, 2018

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

Public Employees Retirement System (PERS)

At June 30, 2018, the District reported a liability of \$58,818,449 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. The 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, 2017, the District's proportion was 0.2526739183 percent, which was a decrease of 0.0005255599 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$4,350,002 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date.

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>Deferred Inflow of Resources</u> | <u>Deferred Outflow of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | | \$ 1,384,971.00 |
| Changes of assumptions | \$ 11,806,447.00 | 11,849,891.00 |
| Net difference between projected and actual earnings on pension plan investments | | 400,514.00 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 929,208.00 | 1,136,912.00 |
| District contributions subsequent to the measurement date | | 2,565,434.00 |
| | <u>\$ 12,735,655.00</u> | <u>\$ 17,337,722.00</u> |

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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

Public Employees Retirement System (PERS) (Continued)

The \$2,565,424 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended <u>June 30</u> | <u>Amount</u> |
|------------------------------|---------------|
| 2019 | \$1,492,175 |
| 2020 | \$2,196,992 |
| 2021 | \$1,252,368 |
| 2022 | (\$1,667,510) |
| 2023 | (\$1,237,392) |

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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

| | |
|---------------------------|----------------------------------|
| Inflation | 2.25 Percent |
| Salary Increases | |
| Through 2026 | 1.65-4.15 Percent (based on age) |
| Thereafter | 2.65-5.15 Percent (based on age) |
| Investment Rate of Return | 7.65 Percent |

Mortality Rates

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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, 2017 and 7.65% at June 30, 2016) 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, 2017 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| Absolute return/risk mitigation | 5.00% | 5.51% |
| Cash equivalents | 5.50% | 1.00% |
| US Treasuries | 3.00% | 1.87% |
| Investment grade credit | 10.00% | 3.78% |
| Public high yield | 2.50% | 6.82% |
| Global diversified credit | 5.00% | 7.10% |
| Credit oriented hedge funds | 1.00% | 6.60% |
| Debt related private equity | 2.00% | 10.63% |
| Debt related real estate | 1.00% | 6.61% |
| Private real estate | 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 markets equity | 6.50% | 11.64% |
| Buyouts venture capital | 8.25% | 13.08% |
| | <u>100.00%</u> | |

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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 5.0% and 3.98% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65%, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, 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 40% of the actuarially determined contributions and the local employer contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2017 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>4.00%</u> | <u>5.00%</u> | <u>6.00%</u> |
| District's proportionate share of the pension liability | \$72,968,278 | \$58,818,449 | \$47,029,888 |

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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, 2018 was as follows:

| | |
|-------------------------------|-----------------------------|
| Net Pension Liability: | |
| Districts proportionate share | -0- |
| State's proportionate share | |
| associated with the District | <u>\$504,841,622</u> |
| | <u><u>\$504,841,622</u></u> |

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. 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, 2017, the proportion of the TPAF net pension liability associated with the District was .7487609350% which was an increase of .0132596285 percent from its proportion measured as of June 30, 2016.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

For the year ended June 30, 2018, the District recognized on-behalf pension expense and revenue of \$34,972,871 for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2017 measurement date.

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

| | |
|---------------------------|----------------------------|
| Inflation rate | 2.25% |
| Salary increases: | |
| 2012-2021 | Varies based on experience |
| Thereafter | Varies based on experience |
| Investment rate of return | 7.00% |

Mortality Rates

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

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% and 7.65% at June 30, 2017 and June 30, 2016 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 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.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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)

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| Absolute return/risk mitigation | 5.00% | 5.51% |
| Cash equivalents | 5.50% | 1.00% |
| US Treasuries | 3.00% | 1.87% |
| Investment grade credit | 10.00% | 3.78% |
| Public high yield | 2.50% | 6.82% |
| Global diversified credit | 5.00% | 7.10% |
| Credit oriented hedge funds | 1.00% | 6.60% |
| Debt related private equity | 2.00% | 10.63% |
| Debt related real estate | 1.00% | 6.61% |
| Private real estate | 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 markets equity | 6.50% | 11.64% |
| Buyouts venture capital | 8.25% | 13.08% |
| | <u>100.00%</u> | |

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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 4.25% and 3.22% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, 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 40% 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 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability,

Sensitivity of the 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, 2018

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, that 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 | \$223,747 |
| Inactive Plan Members or Beneficiaries | |
| Currently Receiving Benefits | 142,331 |
| Inactive Plan Members or Beneficiaries | |
| Not Yet Receiving Benefits | - 0 - |
| Total Plan Members | <u>\$366,078</u> |

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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

Total OPEB Liability

The portion of the Total OPEB Liability that was associated with the District at June 30, 2018 was as follows:

Total OPEB Liability:

| | |
|---|----------------------|
| District's Proportionate Share | -0- |
| State's Proportionate Share associated With the District | <u>\$344,629,404</u> |
| | <u>\$344,329,404</u> |

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017.

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

For the year ended June 30, 2018, the District recognized on-behalf post-employment expense and revenue of \$20,636,793 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2017 measurement date.

At June 30, 2017, the District's proportion was 0.6424877331 percent, which was a decrease of .0012418946 from its proportion measured as of June 30, 2016.

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 net 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, 2018

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

Actuarial Assumptions and Other Imputes

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

Inflation 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% | 2.10-8.98% |
| | Based on years of Service | Based on Age | Based of Age |
| Thereafter | 2.00-5.45% | 3.15-5.15% | 3.10-9.98 |
| | Based on years of Service | Based on Age | Based of Age |

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-Retirement mortality rates were based on the RP-2014 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-2014 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, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015, July 1, 2010 - June 30, 2013, and July 1, 2011 - June 30, 2014 for TPAF, PFRS and PERS, respectively.

Health Care Trend Assumptions

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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

Discount Rate

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, 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 OPEB Liability

Shown below are details regarding The Total OPEB Liability for the Measurement Period from June 30, 2016 to June 30, 2017:

| | | |
|--|--------------|----------------------|
| Balance at 6/30/16 | | \$372,280,329 |
| Changes for the year: | | |
| Service cost | \$14,557,134 | |
| Interest | 10,916,077 | |
| Changes in assumptions or other inputs | (45,435,718) | |
| Benefit payments | (7,982,348) | |
| Contributions from Members | 293,930 | |
| Net change in OPEB Liability | | <u>(27,650,925)</u> |
| Balance at 6/30/17 | | <u>\$344,629,404</u> |

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total nonemployer OPEB liability associated with the District as of June 30, 2017 calculated using the discount rate as disclosed above as well as what the total nonemployer 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:

| | <u>June 30, 2017</u> | | |
|---|-------------------------|--------------------|-------------------------|
| | <u>1.00%</u> | <u>At Discount</u> | <u>1.00%</u> |
| | <u>Decrease (2.58%)</u> | <u>Rate (3.58)</u> | <u>Increase (4.58%)</u> |
| District's Share of OPEB Liability Associated with the District | \$409,099,966 | \$344,629,404 | \$293,490,741 |

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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

Sensitivity of the Total OPEB Liability to Changes in Healthcare Trends

The following presents the total nonemployer OPEB liability associated with the District as of June 30, 2017 calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer 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, 2017 | | |
|---|-----------------|-------------------|-----------------|
| | 1.00% | Healthcare Cost | 1.00% |
| | <u>Decrease</u> | <u>Trend Rate</u> | <u>Increase</u> |
| District's Share of OPEB Liability Associated with the District | \$283,424,369 | \$344,629,404 | \$425,908,970 |

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

At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB associated with the District from the following sources:

| | Deferred Inflow of Resources | Deferred Outflow of Resources |
|------------------------|------------------------------------|-------------------------------------|
| Changes of assumptions | \$ 40,757,938 | - |
| Changes in proportion | 567,513.00 | - |
| | <u>\$ 41,325,451</u> | <u>\$ -</u> |

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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 OPEB (Continued)

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

| <u>Year Ended</u> <u>June 30,</u> | <u>Amount</u> |
|--------------------------------------|------------------------------|
| 2019 | (\$4,886,095) |
| 2020 | (\$4,886,095) |
| 2021 | (\$4,886,095) |
| 2022 | (\$4,886,095) |
| 2023 | (\$4,886,095) |
| Total Thereafter | <u>(\$16,894,977)</u> |
| | <u><u>(\$41,325,451)</u></u> |

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-notice-opeb.shtml>

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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 2017-2018 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, 2018

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:

| <u>Year Ended</u> <u>June 30,</u> | | <u>Interest</u> | | <u>Employee</u> <u>Contributions</u> | | <u>Amount</u> <u>Reimbursed</u> | | <u>Ending</u> <u>Balance</u> |
|--------------------------------------|----|-----------------|----|---|----|------------------------------------|----|---------------------------------|
| 2018 | \$ | 596 | \$ | 251,611 | \$ | 230,030 | \$ | 1,032,598 |
| 2017 | | 426 | | 252,690 | | 215,947 | | 1,018,421 |
| 2016 | | 670 | | 242,539 | | 250,132 | | 981,252 |

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, 2018, the amount was \$2,750,000.

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 \$4,050,000 at June 30, 2018. 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.

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.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 11: COMPENSATED ABSENCES (CONTINUED)

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, 2018, a liability existed for compensated absences for governmental fund-types in the district- wide Statement of Net Position in the amount of \$2,819,304.

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, 2018 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 | \$ 11,812,173 | \$ | \$ 11,812,173 |
| Excess Surplus Current | | | |
| Year | 8,655,210 | | 8,655,210 |
| Maintenance Reserve | 1,490,417 | | 1,490,417 |
| Capital Reserve | 3,024,594 | | 3,024,594 |
| Emergency Reserve | 253,301 | | 253,301 |
| Assigned: | | | |
| Encumbrances | 592,262 | | 592,262 |
| Unassigned | 5,396,846 | (5,112,713) | 284,133 |
| | \$ <u>31,224,803</u> | \$ <u>(5,112,713)</u> | \$ <u>26,112,090</u> |

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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, 2018 | \$ | 214,478,816 |
| Less: | | |
| Capital Leases (non-budgeted) | \$ | 2,078,988 |
| Reimb. TPAF Social Security Contributions | | 5,644,204 |
| Reimb. TPAF Pension Contributions | | <u>18,546,777</u> |
| | | <u>26,269,969</u> |
| Adjusted General Fund Expenditures | | 188,208,847 |
| Excess Surplus Percentage | | <u>2.00%</u> |
| | | 3,764,177 |
| Increased by: | | |
| Additional Assigned Fund Balance - | | |
| Unreserved Designated for Subsequent Year's | | |
| Expenditures July 1, 2018 - August 1, 2018 | 1,267,927 | |
| Non-Public Transportation Aid (unbudgeted) | 124,753 | |
| Extraordinary Aid (unbudgeted) | <u>239,989</u> | |
| | | <u>1,632,669</u> |
| Maximum Unreserved/Undesignated | | |
| General Fund Balance | | 5,396,846 |
| Actual Unassigned - General Fund Balance | | <u>14,052,056</u> |
| Excess Surplus | \$ | <u><u>8,655,210</u></u> |
| Recapitulation of Excess Surplus, June 30, 2018: | | |
| Reserved for Excess Surplus - Designated for | | |
| Subsequent Year's Expenditure | \$ | 11,812,173 |
| Reserved for Excess Surplus | | <u>8,655,210</u> |
| | \$ | <u><u>20,467,383</u></u> |

As of June 30, 2018, \$11,812,173 is reported as Reserved Fund Balance Excess Surplus Designated for Subsequent Year's Expenditure and is required to be appropriated for property tax relief in the 2018-19 budget. \$8,655,210 is reported as Reserved Fund Balance Excess Surplus and is required to be appropriated for property tax relief in the 2019-20 budget.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2018:

| <u>Fund</u> | <u>Interfund Balance</u> | |
|-----------------------|--------------------------|---------------------|
| | <u>Receivable</u> | <u>Payable</u> |
| General Fund | \$ 1,981,975 | \$ |
| Special Revenue Fund | | 52,621 |
| Capital Projects Fund | | 1,881,174 |
| Proprietary Funds | 310,805 | |
| Fiduciary Funds | | 358,985 |
| | <u>\$ 2,292,780</u> | <u>\$ 2,292,780</u> |

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, 2018

NOTE 15: CAPITAL RESERVE ACCOUNT (CONTINUED)

The activity of the capital reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

| | | |
|--|----------------|-------------------------|
| Balance, July 1, 2017 | \$ | 3,338,420 |
| Increased by: | | |
| Interest | <u>6,174</u> | <u>6,174</u> |
| | | 3,344,594 |
| Decreased by: | | |
| Appropriation of Capital Reserve 7/24/17 | <u>320,000</u> | <u>320,000</u> |
| Balance, June 30, 2018 | \$ | <u><u>3,024,594</u></u> |

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, 2018, the balance of the Emergency Reserve Account was \$253,301 and is within the statutory limitations.

The activity of the emergency reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

| | | |
|------------------------|------------|-----------------------|
| Balance, July 1, 2017 | \$ | 252,833 |
| Increased by: | | |
| Interest | <u>468</u> | |
| Balance, June 30, 2018 | \$ | <u><u>253,301</u></u> |

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

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, 2018, the balance of the Maintenance Reserve Account was \$1,490,417 and is within the statutory limitations.

The activity of the emergency reserve for the July 1, 2017 to June 30, 2018, fiscal year is as follows:

| | | |
|------------------------|----|-------------------------|
| Balance, July 1, 2017 | \$ | 1,487,666 |
| Increased by: | | |
| Interest | | <u>2,751</u> |
| Balance, June 30, 2018 | \$ | <u><u>1,490,417</u></u> |

NOTE 18: INVENTORY

Inventory in the Food Service Fund at June 30, 2018 consisted of the following:

| | |
|-------------------|------------------------|
| Food and Supplies | <u><u>\$25,396</u></u> |
|-------------------|------------------------|

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.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 19: PRIOR PERIOD ADJUSTMENT

The Net Investment in Capital Assets balance was restated to properly reflect the results of the District's updated physical inventory performed in July 2018. The adjustment below was reflected against the beginning Net Position on the District Wide Financial Statements:

| | |
|--|-----------------------------------|
| | Governmental <u>Activities</u> |
| Beginning Net Position 06/30/17 | \$ 56,279,961 |
| Adjustments: | |
| Overstatement of Net Investment in Capital Assets | <u>(1,687,997)</u> |
| Beginning Net Position 06/30/17(As restated) | \$ <u>54,591,964</u> |

NOTE 20: 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 \$620,608. 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 FY2018.

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 21: SUBSEQUENT EVENTS

The Board of Education has evaluated subsequent events occurring after the financial statement date through February 11, 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 except as noted below.

On July 13, 2018, the District entered into a lease agreement in the amount of \$2,082,000 for the purchase of thirteen school buses and security cameras, various technology items and buildings and grounds equipment. The lease is for a term of five years with an interest rate of 2.8957%.

On July 23, 2018, the District appropriated an additional \$1,267,924 of Unassigned Fund Balance for use in the FY2019 Budget to partially offset this loss of Unrestricted State Aid. Per guidance from the Department of Education, this amount is an allowable adjustment to the Excess Surplus Calculation and therefore reflected as an element of Unassigned Fund Balance at June 30, 2018

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 the next seven year by a total of approximately \$25,358,544. The District's administration is in the process of formulating plans to deal with the ramifications of this loss of revenue.

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, 2018

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|--------------------|---------------------|--------------------|--------------------|---|
| REVENUES | | | | | |
| Local sources: | | | | | |
| Local Tax Levy | \$ 131,637,569 | \$ | 131,637,569 | \$ 131,637,569 | \$ (24,725) |
| Tuition | 75,000 | | 75,000 | 50,275 | 296,278 |
| Unrestricted Miscellaneous Revenue | 150,001 | | 150,001 | 446,279 | 226 |
| Interest Earned on Emergency Reserve | 242 | | 242 | 468 | 945 |
| Interest Earned on Maintenance Reserve | 1,806 | | 1,806 | 2,751 | 3,222 |
| Interest Earned on Capital Reserve Funds | 2,952 | | 2,952 | 6,174 | 12,200 |
| Other Restricted Miscellaneous Revenue | 150,000 | | 150,000 | 162,200 | |
| Total - local sources | 132,017,570 | | 132,017,570 | 132,305,716 | 288,146 |
| State sources: | | | | | |
| Equalization Aid | 40,713,982 | | 40,713,982 | 40,713,982 | |
| Categorical Transportation Aid | 1,110,522 | | 1,110,522 | 1,110,522 | |
| Categorical Special Education Aid | 7,030,185 | | 7,030,185 | 7,030,185 | |
| Security Aid | 735,594 | | 735,594 | 735,594 | |
| Adjustment Aid | 1,636,230 | | 1,636,230 | 1,636,230 | |
| PARCC Readiness Aid | 113,720 | | 113,720 | 113,720 | |
| Per Pupil Growth Aid | 113,720 | | 113,720 | 113,720 | |
| Professional Learning Community Aid | 110,130 | | 110,130 | 110,130 | |
| Other State Aids Out of Cap | | | | 124,753 | 124,753 |
| Extraordinary Aid | 2,300,000 | | 2,300,000 | 2,539,989 | 239,989 |
| On-behalf TPAF Pension (non-budgeted) | | | | 11,260,712 | 11,260,712 |
| On-behalf TPAF Post Retirement Contributions (non-budgeted) | | | | 7,273,055 | 7,273,055 |
| On-behalf TPAF Long-Term Disability Insurance Contributions (non-budgeted) | | | | 13,010 | 13,010 |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | | | | 5,644,204 | 5,644,204 |
| Total - state sources | 53,864,083 | | 53,864,083 | 78,419,806 | 24,555,723 |
| Federal sources: | | | | | |
| Medicaid reimbursement | 99,914 | | 99,914 | 119,733 | 19,819 |
| Total - federal sources | 99,914 | | 99,914 | 119,733 | 19,819 |
| Total revenues | 185,981,567 | | 185,981,567 | 210,845,255 | 24,863,688 |

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, 2018

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|--------------------|---------------------|---------------|---------------|---|
| EXPENDITURES | | | | | |
| CURRENT EXPENSE: | | | | | |
| Instruction - regular programs: | | | | | |
| Salaries of teachers: | | | | | |
| Grades 9-12 | \$ 53,135,651 | \$ (188,475) | \$ 52,947,176 | \$ 52,440,231 | \$ 506,945 |
| Total Salaries of teachers: | 53,135,651 | (188,475) | 52,947,176 | 52,440,231 | 506,945 |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of teachers | 220,000 | | 220,000 | 201,496 | 18,504 |
| Purchased professional educational services | 113,326 | (15,000) | 98,326 | 58,611 | 39,715 |
| Total Regular Programs - Home Instruction: | 333,326 | (15,000) | 318,326 | 260,107 | 58,219 |
| Regular programs - undistributed instruction: | | | | | |
| Purchased professional educational services | 17,990 | (7,055) | 10,935 | 10,935 | |
| Purchased technical services | 137,760 | 35,283 | 173,043 | 161,618 | 11,425 |
| Other purchased services(400-500 series) | 939,637 | (120,587) | 819,050 | 710,006 | 109,044 |
| General supplies | 1,585,000 | (61,801) | 1,523,199 | 1,466,921 | 56,278 |
| Textbooks | 298,021 | (60,342) | 237,679 | 235,031 | 2,648 |
| Other Objects | 1,310 | 767 | 2,077 | 2,077 | |
| Total Regular programs - undistributed instruction | 2,979,718 | (213,735) | 2,765,983 | 2,586,588 | 179,395 |
| Total Regular Programs - Instruction | 56,448,695 | (417,210) | 56,031,485 | 55,286,926 | 744,559 |

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, 2018

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|---|--------------------|---------------------|--------------|------------|---|
| Special education: | | | | | |
| Cognitive - Mild: | | | | | |
| Salaries of teachers | \$ 186,755 | \$ | 186,755 | \$ 136,755 | \$ 50,000 |
| Other salaries for instruction | 270,440 | | 270,440 | 240,077 | 30,363 |
| General supplies | 5,000 | (3,250) | 1,750 | 1,707 | 43 |
| Other Objects | 300 | (300) | | | |
| Total Cognitive - Mild | 462,495 | (3,550) | 458,945 | 378,539 | 80,406 |
| Cognitive - Moderate: | | | | | |
| Salaries of teachers | 427,946 | | 427,946 | 200,854 | 227,092 |
| Other salaries for instruction | 146,815 | | 146,815 | 146,815 | |
| Other purchased services(400-500 series) | 1,200 | (929) | 271 | 271 | |
| General supplies | 3,000 | 1,688 | 4,688 | 4,688 | |
| Total Cognitive - Moderate | 578,961 | 759 | 579,720 | 352,628 | 227,092 |
| Learning and / or Language Disabilities: | | | | | |
| Salaries of teachers | 951,142 | | 951,142 | 743,672 | 207,470 |
| Other salaries for instruction | 332,423 | | 332,423 | 301,757 | 30,666 |
| Other purchased services(400-500 series) | 15,120 | | 15,120 | 2,192 | 12,928 |
| General supplies | 11,500 | 4,269 | 15,769 | 15,757 | 12 |
| Textbooks | 500 | 817 | 1,317 | 1,316 | 1 |
| Other Objects | 800 | (800) | | | |
| Total Learning and / or Language Disabilities | 1,311,485 | 4,286 | 1,315,771 | 1,064,694 | 251,077 |

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, 2018

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|---|--------------------|---------------------|--------------|------------|---|
| Behavioral Disabilities: | | | | | |
| Salaries of teachers | \$ 243,541 | \$ | 243,541 | \$ 229,393 | \$ 14,148 |
| Other salaries for instruction | 45,605 | | 45,605 | 45,605 | |
| Purchased professional educational services | 401,000 | | 401,000 | 400,800 | 200 |
| General supplies | 2,500 | (700) | 1,800 | 1,772 | 28 |
| Total Behavioral Disabilities: | 692,646 | (700) | 691,946 | 677,570 | 14,376 |
| Resource room/resource center: | | | | | |
| Salaries of teachers | 10,837,178 | (250,000) | 10,587,178 | 9,846,346 | 740,832 |
| Other purchased services (400-500 series) | | 250 | 250 | 250 | |
| General supplies | 31,000 | (6,263) | 24,737 | 24,710 | 27 |
| Textbooks | 1,500 | (1,500) | | | |
| Other Objects | 300 | (300) | | | |
| Total Resource room/resource center | 10,869,978 | (257,813) | 10,612,165 | 9,871,306 | 740,859 |
| Autism: | | | | | |
| Salaries of teachers | 303,942 | | 303,942 | 254,342 | 49,600 |
| Other salaries for instruction | 469,852 | | 469,852 | 398,641 | 71,211 |
| Purchased professional - educational services | 1,000 | (450) | 550 | 550 | |
| Other purchased services(400-500 series) | 500 | | 500 | 500 | |
| General supplies | 13,600 | (1,395) | 12,205 | 10,972 | 1,233 |
| Total Autism | 788,894 | (1,845) | 787,049 | 665,005 | 122,044 |
| Home Instruction: | | | | | |
| Salaries of teachers | 150,000 | | 150,000 | 96,340 | 53,660 |
| Purchased professional - educational services | 158,827 | | 158,827 | 34,469 | 124,358 |
| Total Home Instruction: | 308,827 | | 308,827 | 130,809 | 178,018 |
| Total special education | 15,013,286 | (258,863) | 14,754,423 | 13,140,551 | 1,613,872 |
| Basic skills/remedial: | | | | | |
| Salaries of teachers | 803,054 | | 803,054 | 675,169 | 127,885 |
| Total basic skills/remedial | 803,054 | | 803,054 | 675,169 | 127,885 |

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, 2018

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|--------------------|---------------------|--------------|------------|---|
| Bilingual education: | | | | | |
| Salaries of teachers | \$ 238,541 | \$ (34) | \$ 238,541 | \$ 238,541 | \$ |
| General supplies | 450 | | 416 | 416 | |
| Textbooks | 500 | | 500 | 498 | 2 |
| Total bilingual education | 239,491 | (34) | 239,457 | 239,455 | 2 |
| School sponsored Co-curricular and Extra-Curricular activities: | | | | | |
| Salaries | 1,115,275 | (13,500) | 1,101,775 | 1,011,105 | 90,670 |
| Purchased services (300-500 series) | 37,071 | (1,254) | 35,817 | 27,376 | 8,441 |
| Supplies and Materials | 34,260 | 18,983 | 53,243 | 50,207 | 3,036 |
| Other Objects | 30,960 | (66) | 30,894 | 30,139 | 755 |
| Total school sponsored Co-curricular and Extra-curricular activities | 1,217,566 | 4,163 | 1,221,729 | 1,118,827 | 102,902 |
| School sponsored athletics: | | | | | |
| Salaries | 3,328,357 | 1,296 | 3,329,653 | 3,327,684 | 1,969 |
| Purchased services (300-500 series) | 547,231 | 3,788 | 551,019 | 537,410 | 13,609 |
| Supplies and Materials | 231,843 | 43,342 | 275,185 | 270,280 | 4,905 |
| Other Objects | 127,855 | 8,268 | 136,123 | 135,670 | 453 |
| Total school sponsored athletics | 4,235,286 | 56,694 | 4,291,980 | 4,271,044 | 20,936 |
| Other instructional programs: | | | | | |
| Salaries | 588,746 | | 588,746 | 543,687 | 45,059 |
| Purchased services (300-500 series) | 14,905 | (1,500) | 13,405 | 3,669 | 9,736 |
| Supplies and Materials | 8,000 | 1,500 | 9,500 | 9,395 | 105 |
| Other Objects | 2,865 | | 2,865 | 2,225 | 640 |
| Total other instructional programs | 614,516 | | 614,516 | 558,976 | 55,540 |
| Total other instructional programs | 7,109,913 | 60,823 | 7,170,736 | 6,863,471 | 307,265 |
| Total - instruction | 78,571,894 | (615,250) | 77,956,644 | 75,290,948 | 2,665,696 |

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, 2018

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|---|--------------------|---------------------|--------------|------------|---|
| Undistributed expenditures: | | | | | |
| Instruction: | | | | | |
| Tuition to other LEA's within the state-regular | \$ 52,048 | \$ | \$ 52,048 | \$ 49,658 | \$ 2,390 |
| Tuition to other LEA's within the state-special | 270,318 | | 270,318 | 216,853 | 53,465 |
| Tuition to county vocational school district-regular | 3,461,400 | 194,500 | 3,655,900 | 3,612,217 | 43,683 |
| Tuition to county vocational school district-special | 730,000 | | 730,000 | 587,729 | 142,271 |
| Tuition to CSSD and regional day schools | 2,136,085 | | 2,136,085 | 2,034,285 | 101,800 |
| Tuition to private schools for the handicapped within state | 9,490,297 | | 9,490,297 | 8,401,603 | 1,088,694 |
| Tuition to private schools for the handicapped - special, out-state | 799,793 | (194,500) | 605,293 | 598,894 | 6,399 |
| Tuition-state facilities | 98,856 | | 98,856 | 98,856 | |
| Total undistributed expenditures - instruction | 17,038,797 | | 17,038,797 | 15,600,095 | 1,438,702 |
| Attendance and social work services: | | | | | |
| Salaries | 746,706 | | 746,706 | 743,938 | 2,768 |
| Other purchased services (400-500 series) | 75 | (20) | 55 | 55 | |
| Supplies and Materials | 2,450 | (150) | 2,300 | 2,261 | 39 |
| Total attendance and social work services | 749,231 | (170) | 749,061 | 746,254 | 2,807 |
| Health services: | | | | | |
| Salaries | 1,255,060 | (36,858) | 1,218,202 | 1,183,067 | 35,135 |
| Purchased professional and technical services | 124,125 | 17,352 | 141,477 | 123,819 | 17,658 |
| Other Purchased Services (400-500 series) | 1,850 | (100) | 1,750 | 1,301 | 449 |
| Supplies and materials | 16,850 | 2,895 | 19,745 | 15,735 | 4,010 |
| Other Objects | 300 | (215) | 85 | 85 | |
| Total health services | 1,398,185 | (16,926) | 1,381,259 | 1,324,007 | 57,252 |
| Other support services - speech, OT, PT & related services: | | | | | |
| Salaries | 601,934 | (5,082) | 596,852 | 592,873 | 3,979 |
| Purchased professional - Educational services | 377,632 | | 377,632 | 233,131 | 144,501 |
| Supplies and materials | 4,600 | 1,151 | 5,751 | 5,142 | 609 |
| Total other support services - speech, OT, PT & related services | 984,166 | (3,931) | 980,235 | 831,146 | 149,089 |

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, 2018

| | <u>ORIGINAL BUDGET</u> | <u>BUDGET TRANSFERS</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u> |
|---|----------------------------|-----------------------------|---------------------|---------------|--|
| Other support services- Extraordinary Services | | | | | |
| Salaries | \$ 1,972,296 | \$ 41,940 | \$ 2,014,236 | \$ 2,014,235 | \$ 1 |
| Purchased Professional - Educational Services | 2,643,856 | | 2,643,856 | 2,330,672 | 313,184 |
| Total other support services - Extraordinary Services | 4,616,152 | 41,940 | 4,658,092 | 4,344,907 | 313,185 |
| Other support services - Guidance: | | | | | |
| Salaries of other professional staff | 4,230,879 | | 4,230,879 | 4,220,052 | 10,827 |
| Salaries of secretarial and clerical assistants | 800,156 | (2,052) | 798,104 | 626,654 | 171,450 |
| Other Salaries | 6,000 | 1,200 | 7,200 | 6,150 | 1,050 |
| Other Purchased Professional and Technical Services | 67,000 | (102) | 66,898 | 62,553 | 4,345 |
| Other Purchased Services (400-500 series) | 48,620 | 2,843 | 51,463 | 42,285 | 9,178 |
| Supplies and Materials | 35,419 | 476 | 35,895 | 35,400 | 495 |
| Other objects | 875 | | 875 | 180 | 695 |
| Total other support services - Guidance | 5,188,949 | 2,365 | 5,191,314 | 4,993,274 | 198,040 |
| Other support services - child study teams: | | | | | |
| Salaries of other professional staff | 2,876,801 | | 2,876,801 | 2,736,677 | 140,124 |
| Salaries of secretarial and clerical assistants | 331,460 | 2,052 | 333,512 | 333,511 | 1 |
| Purchased Professional - Educational Services | 996,358 | (127,500) | 868,858 | 436,031 | 432,827 |
| Other Purchased Professional and Technical Services | | 350 | 350 | 338 | 12 |
| Other Purchased Services (400-500 series) | 1,459 | 258 | 1,717 | 1,488 | 229 |
| Misc. Pur Serv (400-500 series o/ than resid. Costs) | 5,000 | | 5,000 | 1,696 | 3,304 |
| Supplies and Materials | 116,700 | (4,110) | 112,590 | 61,709 | 50,881 |
| Total other support services - child study teams | 4,327,778 | (128,950) | 4,198,828 | 3,571,450 | 627,378 |

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, 2018

| | <u>ORIGINAL BUDGET</u> | <u>BUDGET TRANSFERS</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u> |
|---|----------------------------|-----------------------------|---------------------|---------------|--|
| Improvement of instructional services: | | | | | |
| Salaries of Supervisors of Instruction | \$ 537,623 | \$ | 537,623 | \$ 533,874 | \$ 3,749 |
| Salaries of secretarial and clerical assistants | 210,267 | | 210,267 | 189,294 | 20,973 |
| Other Salaries | 265,300 | (13,440) | 251,860 | 195,350 | 56,510 |
| Other Purchased Services (400-500) | 117,250 | 24,071 | 141,321 | 97,142 | 44,179 |
| Supplies and Materials | 13,000 | 20,940 | 33,940 | 26,982 | 6,958 |
| Other objects | 38,000 | | 38,000 | 31,919 | 6,081 |
| Total Improvement of instructional services: | 1,181,440 | 31,571 | 1,213,011 | 1,074,561 | 138,450 |
| Educational media services/school library: | | | | | |
| Salaries | 387,269 | | 387,269 | 277,016 | 110,253 |
| Purchased Professional and Technical Services | 61,649 | 5,773 | 67,422 | 67,401 | 21 |
| Other Purchased Services (400-500) | 10,990 | (3,350) | 7,640 | 7,240 | 400 |
| Supplies and Materials | 26,761 | 8,539 | 35,300 | 34,658 | 642 |
| Total educational media services/school library | 486,669 | 10,962 | 497,631 | 386,315 | 111,316 |
| Instructional Staff Training Services: | | | | | |
| Salaries of Supervisors of Instruction | 525,356 | (155) | 525,201 | 524,769 | 432 |
| Salaries of secretarial and clerical assistants | 31,730 | 155 | 31,885 | 31,885 | |
| Purchased Professional - Educational Services | 172,000 | (1,440) | 170,560 | 154,940 | 15,620 |
| Other Purchased Services (400-500) | 167,309 | (15,532) | 151,777 | 121,727 | 30,050 |
| Supplies and Materials | 13,000 | 8,880 | 21,880 | 18,758 | 3,122 |
| Other objects | 3,800 | (461) | 3,339 | 2,654 | 685 |
| Total instructional staff training services: | 913,195 | (8,553) | 904,642 | 854,733 | 49,909 |

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, 2018

| | <u>ORIGINAL BUDGET</u> | <u>BUDGET TRANSFERS</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u> |
|---|----------------------------|-----------------------------|---------------------|---------------|--|
| Support services general administration: | | | | | |
| Salaries | \$ 373,184 | \$ | \$ 373,184 | \$ 370,198 | \$ 2,986 |
| Legal services | 360,000 | | 360,000 | 292,351 | 67,649 |
| Audit Fees | 59,750 | | 59,750 | 55,845 | 3,905 |
| Architectural/Engineering Services | 77,319 | 75,000 | 152,319 | 62,507 | 89,812 |
| Other purchased professional services | 2,400 | (1,180) | 1,220 | | 1,220 |
| Purchased technical services | 20,455 | | 20,455 | 10,408 | 10,047 |
| Communications/telephone | 691,549 | (84,500) | 607,049 | 550,933 | 56,116 |
| BOE Other purchased services(580-585) | 5,000 | | 5,000 | 2,450 | 2,550 |
| Misc. purchased services (400-500 Series, other than 530 & 585) | 240,567 | 22,313 | 262,880 | 242,259 | 20,621 |
| General supplies | 12,950 | 700 | 13,650 | 10,696 | 2,954 |
| BOE in-house training/meeting supplies | 4,000 | | 4,000 | 138 | 3,862 |
| Miscellaneous expenditures | 17,635 | | 17,635 | 10,750 | 6,885 |
| BOE membership dues and fees | 27,000 | | 27,000 | 26,663 | 337 |
| Total support services general administration | 1,891,809 | 12,333 | 1,904,142 | 1,635,198 | 268,944 |
| Support services school administration: | | | | | |
| Salaries of principals/asst. principals | 3,431,068 | 150,000 | 3,581,068 | 3,307,487 | 273,581 |
| Salaries of other professional staff | 1,772,945 | 100,000 | 1,872,945 | 1,762,024 | 110,921 |
| Salaries of secretarial and clerical assistants | 1,354,678 | 40,766 | 1,395,444 | 1,327,281 | 68,163 |
| Other Purchased Services (400-500 series) | 74,196 | (7,812) | 66,384 | 60,418 | 5,966 |
| Supplies and Materials | 105,113 | 16,958 | 122,071 | 120,897 | 1,174 |
| Other objects | 161,043 | (6,444) | 154,599 | 135,383 | 19,216 |
| Total support services school administration | 6,899,043 | 293,468 | 7,192,511 | 6,713,490 | 479,021 |

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, 2018

| | <u>ORIGINAL BUDGET</u> | <u>BUDGET TRANSFERS</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u> |
|--|----------------------------|-----------------------------|---------------------|---------------|--|
| Central Services: | | | | | |
| Salaries | \$ 1,333,484 | \$ 32,000 | \$ 1,333,484 | \$ 1,323,210 | \$ 10,274 |
| Purchased professional services | 3,850 | | 35,850 | 1,830 | 34,020 |
| Purchased technical services | 31,450 | | 31,450 | 23,979 | 7,471 |
| Misc. purchased services (400-500 series) | 95,350 | 3,765 | 99,115 | 87,976 | 11,139 |
| Supplies and materials | 52,000 | (3,017) | 48,983 | 41,611 | 7,372 |
| Interest on Lease Purchase Agreement | 77,846 | | 77,846 | 77,843 | 3 |
| Miscellaneous expenditures | 9,700 | 500 | 10,200 | 9,157 | 1,043 |
| Total central services | 1,603,680 | 33,248 | 1,636,928 | 1,565,606 | 71,322 |
| Administrative Information Technology: | | | | | |
| Salaries | 843,101 | | 843,101 | 774,914 | 68,187 |
| Purchased technical services | 548,946 | 66,800 | 615,746 | 614,538 | 1,208 |
| Other purchased services (400-500 series) | 679,803 | 92,677 | 772,480 | 717,449 | 55,031 |
| Supplies and Materials | 60,000 | 15,300 | 75,300 | 69,869 | 5,431 |
| Total Administrative Information Technology | 2,131,850 | 174,777 | 2,306,627 | 2,176,770 | 129,857 |
| Required Maintenance for School Facilities: | | | | | |
| Salaries | 851,893 | | 851,893 | 809,202 | 42,691 |
| Cleaning, Repair and Maintenance Services | 1,573,693 | 211,091 | 1,784,784 | 1,551,664 | 233,120 |
| Lead Testing | 6,853 | | 6,853 | | 6,853 |
| Misc. purchased services (400-500 series) | 7,000 | (3,200) | 3,800 | 2,559 | 1,241 |
| General supplies | 343,585 | (60,265) | 283,320 | 236,280 | 47,040 |
| Other objects | 61,429 | (35,838) | 25,591 | 24,201 | 1,390 |
| Total Required Maintenance for School Facilities | 2,844,453 | 111,788 | 2,956,241 | 2,623,906 | 332,335 |

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, 2018

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|---|--------------------|---------------------|--------------|--------------|---|
| Custodial Services : | | | | | |
| Salaries | \$ 4,299,513 | \$ | \$ 4,299,513 | \$ 4,280,528 | \$ 18,985 |
| Purchased professional and technical services | 36,500 | (1,000) | 35,500 | 33,952 | 1,548 |
| Cleaning, repair and maintenance services | 161,296 | (22,000) | 139,296 | 138,657 | 639 |
| Rental of land and building - other than lease purchase agreement | 255,000 | (1,500) | 253,500 | 237,472 | 16,028 |
| Lease Purchase Payments-Energy Savings Improvement Prog. | 2,714,871 | | 2,714,871 | 2,714,871 | |
| Other purchased property services | 320,000 | (73,950) | 246,050 | 226,816 | 19,234 |
| Insurance | 631,255 | (17,662) | 613,593 | 613,593 | |
| General supplies | 374,000 | | 374,000 | 373,645 | 355 |
| Energy (Natural Gas) | 700,000 | (55,800) | 644,200 | 644,170 | 30 |
| Energy (Electricity) | 1,610,774 | 129,750 | 1,740,524 | 1,740,508 | 16 |
| Energy (Gasoline) | 809,500 | (80,732) | 728,768 | 684,404 | 44,364 |
| Total custodial services | 11,912,709 | (122,894) | 11,789,815 | 11,688,616 | 101,199 |
| Care & Upkeep of Grounds: | | | | | |
| Salaries | 676,584 | | 676,584 | 650,200 | 26,384 |
| Cleaning, Repair and Maintenance Services | 459,046 | 28,375 | 487,421 | 484,408 | 3,013 |
| General supplies | 160,000 | (17,945) | 142,055 | 131,112 | 10,943 |
| Total Care and Upkeep of Grounds | 1,295,630 | 10,430 | 1,306,060 | 1,265,720 | 40,340 |
| Security: | | | | | |
| Salaries | 479,055 | 6,534 | 485,589 | 485,589 | |
| Purchased Professional & Technical Services (300-500) | 110,000 | 69,075 | 179,075 | 96,271 | 82,804 |
| Cleaning, Repair and Maintenance Services | 6,000 | (2,250) | 3,750 | 1,859 | 1,891 |
| General Supplies | 25,100 | 59,069 | 84,169 | 59,472 | 24,697 |
| Total Security | 620,155 | 132,428 | 752,583 | 643,191 | 109,392 |
| Total operation and maintenance of plant services | 16,672,947 | 131,752 | 16,804,699 | 16,221,433 | 583,266 |

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, 2018

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|--------------------|---------------------|--------------|------------|---|
| Student transportation services: | | | | | |
| Salaries of Non-Instructional Aides | \$ 279,823 | \$ 5,158 | \$ 284,981 | \$ 284,980 | \$ 1 |
| Salaries for pupil transportation (between home and school)-regular | 3,146,581 | 596,981 | 3,743,562 | 3,733,477 | 10,085 |
| Salaries for pupil transportation (between home and school)-Special Ed | 841,068 | (88,000) | 753,068 | 752,670 | 398 |
| Salaries for pupil transportation (other than between home & school) | 714,058 | (300,000) | 414,058 | 395,858 | 18,200 |
| Management Fee - ESC & CTSA transportation programs | 254,825 | (36,000) | 218,825 | 218,083 | 742 |
| Other Purchased professional and technical services | 227,500 | 43,483 | 270,983 | 259,250 | 11,733 |
| Cleaning, Repair and Maintenance Services | 723,700 | (18,000) | 705,700 | 703,520 | 2,180 |
| Lease Purchase Payments - School Buses | 944,457 | | 944,457 | 944,455 | 2 |
| Contracted Services - between home and school vendors | 4,521,608 | 286,976 | 4,808,584 | 4,803,163 | 5,421 |
| Contracted services (other than btw home & school)-vendors | 270,500 | (77,712) | 192,788 | 188,902 | 3,886 |
| Contract. Serv. (spec ed students)-vendors | 54,028 | (13,000) | 41,028 | 36,519 | 4,509 |
| Contract. Serv. (spec ed students)-Joint Agreements | 147,005 | (103,640) | 43,365 | 4,862 | 38,503 |
| Contracted services (regular students) - ESCs & CTSA | 735,000 | (131,000) | 604,000 | 603,287 | 713 |
| Contracted services (spec ed students) - ESCs & CTSA | 4,080,000 | 228,276 | 4,308,276 | 4,292,736 | 15,540 |
| Contract. Serv - Aid in Lieu Pymts-Non-Public Schools | 140,000 | 45,000 | 185,000 | 184,581 | 419 |
| Travel | 1,100 | 800 | 1,900 | 830 | 1,070 |
| Miscellaneous purchased services - Transportation(580-590) | 135,000 | 33,493 | 168,493 | 168,493 | |
| General supplies | 19,800 | (7,400) | 12,400 | 4,703 | 7,697 |
| Transportation Supplies | 690,000 | (60,800) | 629,200 | 565,819 | 63,381 |
| Other objects | 2,307 | | 2,307 | 1,373 | 934 |
| Total student transportation services | 17,928,360 | 404,615 | 18,332,975 | 18,147,561 | 185,414 |

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, 2018

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|--------------------|---------------------|--------------|-------------|---|
| Unallocated Benefits - Employee Benefits: | | | | | |
| Social Security Contributions | \$ 2,200,561 | \$ | 2,200,561 | 2,135,993 | \$ 64,568 |
| Other retirement contributions - PERS | 2,380,500 | 3,853 | 2,384,353 | 2,384,353 | |
| Unemployment Compensation | 8,000 | | 8,000 | 5,425 | 2,575 |
| Workers Compensation | 715,000 | 639,619 | 1,354,619 | 1,354,618 | 1 |
| Health Benefits | 28,439,000 | (1,378,772) | 27,060,228 | 25,047,446 | 2,012,782 |
| Tuition Reimbursements | 225,000 | | 225,000 | 72,072 | 152,928 |
| Other Employee Benefits | 176,000 | 55,000 | 231,000 | 216,516 | 14,484 |
| Total Unallocated Benefits - Employee Benefits: | 34,144,061 | (680,300) | 33,463,761 | 31,216,423 | 2,247,338 |
| On-behalf TPAF Pension (non-budgeted) | | | | 11,260,712 | (11,260,712) |
| On-behalf TPAF Post Retirement Contributions (non-budgeted) | | | | 7,273,055 | (7,273,055) |
| On-behalf TPAF Long-Term Disability Insurance Contributions (non-budgeted) | | | | 13,010 | (13,010) |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | | | | 5,644,204 | (5,644,204) |
| Total On-behalf contributions | | | | 24,190,981 | (24,190,981) |
| Total personal services | 34,144,061 | (680,300) | 33,463,761 | 55,407,404 | (21,943,643) |
| Total Undistributed Expenditures | 118,156,312 | 298,201 | 118,454,513 | 135,594,204 | (17,139,691) |
| Interest Earned on Maintenance Reserve | 1,806 | | 1,806 | | 1,806 |
| Interest Earned on Emergency Reserve | 242 | | 242 | | 242 |
| TOTAL EXPENDITURES - GENERAL CURRENT EXPENSE FUND 11 | 196,730,254 | (317,049) | 196,413,205 | 210,885,152 | (14,471,947) |

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, 2018

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|--|--------------------|---------------------|--------------|-----------|---|
| CAPITAL OUTLAY: | | | | | |
| Equipment: | | | | | |
| Regular program - Instruction | \$ 18,000 | \$ 26,306 | \$ 44,306 | \$ 44,294 | \$ 12 |
| Grades 9-12 | 15,000 | 18,234 | 33,234 | 33,229 | 5 |
| Undistributed Expenditures | 6,000 | | 6,000 | | 6,000 |
| Child Study Team | | | | | |
| School Admin. | 5,000 | 1,875 | 6,875 | 6,875 | |
| Administrative Information Technology | 12,000 | 49,823 | 61,823 | 11,160 | 50,663 |
| Maintenance of school facility | | 139,212 | 139,212 | 61,628 | 77,584 |
| Custodial services | 12,980 | | 12,980 | 12,980 | |
| Care & upkeep grounds | | 22,570 | 22,570 | 21,795 | 775 |
| Security | | 4,795 | 4,795 | 4,795 | |
| Total Equipment | 68,980 | 262,815 | 331,795 | 196,756 | 135,039 |
| Facilities acquisition and construction services: | | | | | |
| Architectural/Engineering Services | 17,813 | 3,399 | 21,212 | 20,405 | 807 |
| Construction services | 1,004,331 | 370,835 | 1,375,166 | 1,289,414 | 85,752 |
| Assessment for Debt Service on SDA Funding | 8,101 | | 8,101 | 8,101 | |
| Total facilities acquis. and const. services | 1,030,245 | 374,234 | 1,404,479 | 1,317,920 | 86,559 |
| Capital Reserve Interest - Transfer to | 2,952 | | 2,952 | | 2,952 |
| Assets acquired under capital leases (non-budgeted) | | | | | |
| Undistributed expenditures: | | | | | |
| Technology | | | | 965,481 | (965,481) |
| Maintenance Equipment | | | | 89,747 | (89,747) |
| Custodial Equipment | | | | 15,624 | (15,624) |
| Grounds Equipment | | | | 62,849 | (62,849) |
| Transportation | | | | 945,287 | (945,287) |
| Total assets acquired under capital leases (non-budgeted) | | | | 2,078,988 | (2,078,988) |
| TOTAL CAPITAL OUTLAY | 1,102,177 | 637,049 | 1,739,226 | 3,593,664 | (1,854,438) |

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, 2018

| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE/ (UNFAVORABLE) |
|---|--------------------|---------------------|----------------|----------------|---|
| TOTAL EXPENDITURES | \$ 197,832,431 | \$ 320,000 | \$ 198,152,431 | \$ 214,478,816 | \$ (16,326,385) |
| Excess (deficiency) of revenues over (under) expenditures | | | | | |
| Other financing sources/(uses) | (11,850,864) | (320,000) | (12,170,864) | (3,633,561) | 8,537,303 |
| Transfers | | | | 3,989 | 3,989 |
| Capital leases (non-budgeted) | | | | 2,078,988 | 2,078,988 |
| Total other financing sources | | | | 2,082,977.00 | 2,082,977 |
| Excess of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources | (11,850,864) | (320,000) | (12,170,864) | (1,550,584) | 10,620,280 |
| Fund balances, July 1 | 32,775,387 | | 32,775,387 | 32,775,387 | |
| Fund balances, June 30 | \$ 20,924,523 | (320,000) | \$ 20,604,523 | \$ 31,224,803 | \$ 10,620,280 |
| Recapitulation: | | | | | |
| Restricted: | | | | \$ | |
| Excess Surplus - Designated for Subsequent Year's Expenditures | | | | 11,812,173 | |
| Excess Surplus - Current Year | | | | 8,655,210 | |
| Maintenance Reserve | | | | 1,490,417 | |
| Capital Reserve | | | | 3,024,594 | |
| Emergency Reserve | | | | 253,301 | |
| Assigned: | | | | | |
| Encumbrances | | | | 592,262 | |
| Unassigned | | | | 5,396,846 | |
| | | | | 31,224,803 | |
| Reconciliation to Governmental Funds Statements (GAAP): | | | | | |
| Less: Last Two State Aid Payments not recognized on GAAP basis | | | | 5,112,713 | |
| Fund Balance per Governmental Funds (GAAP) | | | | \$ 26,112,090 | |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| | ORIGINAL BUDGET | BUDGET TRANSFERS/ AMENDMENTS | FINAL BUDGET | ACTUAL | VARIANCE FINAL TO ACTUAL |
|--|----------------------|------------------------------------|----------------------|----------------------|-----------------------------|
| REVENUES: | | | | | |
| Federal sources | \$ 2,643,822 | \$ 521,620 | \$ 3,165,442 | 3,123,292 | \$ (42,150) |
| State sources | 121,581 | 134,705 | 256,286 | 200,562 | (55,724) |
| Other sources | <u>194,173</u> | <u>81,578</u> | <u>275,751</u> | <u>250,091</u> | <u>(25,660)</u> |
| Total revenues | <u>2,959,576</u> | <u>737,903</u> | <u>3,697,479</u> | <u>3,573,945</u> | <u>(123,534)</u> |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of teachers | 435,991 | | 435,991 | 435,991 | |
| Other salaries | 216,775 | (32,323) | 184,452 | 177,026 | 7,426 |
| Other purchased professional-educational services | | 52,528 | 52,528 | 47,501 | 5,027 |
| Other purchased services | 21,250 | 24,994 | 46,244 | 46,219 | 25 |
| Tuition | 1,786,937 | 332,755 | 2,119,692 | 2,119,692 | |
| Supplies and materials | 144,968 | 78,898 | 223,866 | 197,738 | 26,128 |
| Textbooks | 12,739 | 1,942 | 14,681 | 13,426 | 1,255 |
| Miscellaneous expenditures | <u></u> | <u>1,442</u> | <u>1,442</u> | <u>550</u> | <u>892</u> |
| Total instruction | <u>2,618,660</u> | <u>460,236</u> | <u>3,078,896</u> | <u>3,038,143</u> | <u>40,753</u> |
| Support services: | | | | | |
| Other salaries | 137,901 | (78,485) | 59,416 | 54,007 | 5,409 |
| Personal services - employee benefits | 122,661 | 20,794 | 143,455 | 143,455 | |
| Purchased professional - educational services | 1,645 | 120,355 | 122,000 | 103,599 | 18,401 |
| Purchased technical services | 21,190 | 26,942 | 48,132 | 31,301 | 16,831 |
| Other purchased services | 40,000 | 45,617 | 85,617 | 63,706 | 21,911 |
| Supplies and materials | <u>17,519</u> | <u>83,837</u> | <u>101,356</u> | <u>84,872</u> | <u>16,484</u> |
| Total support services | <u>340,916</u> | <u>219,060</u> | <u>559,976</u> | <u>480,940</u> | <u>79,036</u> |
| Facilities acquisition and construction services: | | | | | |
| Instructional equipment | <u></u> | <u>58,607</u> | <u>58,607</u> | <u>54,862</u> | <u>3,745</u> |
| Total facilities acquisition and construction serv. | <u></u> | <u>58,607</u> | <u>58,607</u> | <u>54,862</u> | <u>3,745</u> |
| Total expenditures | <u>2,959,576</u> | <u>737,903</u> | <u>3,697,479</u> | <u>3,573,945</u> | <u>123,534</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 RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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 | \$ 210,845,255 | \$ 3,573,945 |
| 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 | | (36,582) |
| Prior Year | | 7,965 |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year | (5,112,713) | |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | 5,126,981 | |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. | <u>210,859,523</u> | <u>3,545,328</u> |
| Uses/outflows of resources | | |
| Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule. | 214,478,816 | 3,573,945 |
| 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 | | 7,965 |
| Less current year encumbrances | | (36,582) |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | \$ <u>214,478,816</u> | \$ <u>3,545,328</u> |

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

| Fiscal Year Ending June 30, | District's Proportion 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% |

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

| <u>Fiscal Year</u> <u>Ending</u> <u>June 30.</u> | <u>Contractually</u> <u>Required</u> <u>Contribution</u> | <u>Contributions in</u> <u>Relation to the</u> <u>Contractually</u> <u>Required</u> <u>Contributions</u> | <u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u> | <u>District's</u> <u>Covered-</u> <u>Employee</u> <u>Payroll</u> | <u>Contributions as</u> <u>a Percentage of</u> <u>Covered-</u> <u>Employee</u> <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% |

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) | 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 | 0.6964971070% | \$ -0- | \$ 71,284,377 | -0- | 33.76% |
| 2014 | 0.7258543595% | -0- | 73,554,631 | -0- | 33.64% |
| 2015 | 0.7216320523% | -0- | 76,215,735 | -0- | 28.71% |
| 2016 | 0.7355013065% | -0- | 76,690,024 | -0- | 22.33% |
| 2017 | 0.7487609350% | -0- | 76,773,797 | -0- | 25.41% |

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 PENSION (GASB 68)
NOTE TO RSI III
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Public Employees Retirement System

Change in benefit terms: None

Change in assumptions: The discount rate changed from 3.98% to 5.00% as of
June 30, 2017.

Teacher Pension and Annuity Fund

Change in benefit terms: None

Change in assumptions: The discount rate changed from 3.22% to 4.25% as of
June 30, 2017.

**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

| | Fiscal Year Ended June <u>30, 2018</u> |
|---|--|
| Changes for the year: | |
| Service cost | \$14,557,134 |
| Interest | 10,916,077 |
| Changes in assumptions or other inputs | (45,435,718) |
| Benefit payments | (7,982,348) |
| Contributions from Members | 293,930 |
| Net changes | <u>(27,650,925)</u> |
| Beginning Balance | <u>\$372,280,329</u> |
| Ending Balance | <u><u>\$344,629,404</u></u> |
| Covered Employee Payroll | 94,440,836 |
| Total OPEB Liability as a percentage of Covered Employee Payroll | -0- |
| Change of Benefit Terms: | |
| No Change in Benefits terms between the June 30, 2016 actuarial valuation and the June 30, 2017 actuarial valuation. | |
| Change of Assumptions: | |
| The Discount Rate Changed from 2.85% at the June 30, 2016 measurement date to 3.58% at the 6/30/2017 measurement date. | |

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

OTHER SUPPLEMENTARY INFORMATION

| |
|--|
| <p>SPECIAL REVENUE FUND DETAIL STATEMENTS</p> |
|--|

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| | TITLE I | TITLE IIA | TITLE III | TITLE III IMMIGRANT | TITLE IV | IDEA PART B | CARL D. PERKINS |
|---|------------|------------|-----------|------------------------|-----------|--------------|--------------------|
| REVENUES: | | | | | | | |
| Federal sources | \$ 725,134 | \$ 142,467 | \$ 19,664 | \$ 5,921 | \$ 22,956 | \$ 2,124,716 | \$ 26,734 |
| State sources | | | | | | | |
| Other sources | | | | | | | |
| Total revenues | \$ 725,134 | \$ 142,467 | \$ 19,664 | \$ 5,921 | \$ 22,956 | \$ 2,124,716 | \$ 26,734 |
| EXPENDITURES: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of teachers | 435,991 | | | | | | |
| Other salaries | 26,707 | | 4,050 | | 4,170 | | 330 |
| Other purchased professional-educational services | 39,171 | | | | 8,000 | | 600 |
| Other purchased services | 3,120 | | 650 | | 416 | | |
| Tuition | | | | | | 2,119,692 | 22,833 |
| Supplies and materials | 42,158 | | 11,155 | 5,921 | 8,193 | | |
| Textbooks | | | | | 550 | | |
| Miscellaneous Expenditures | | | | | | | |
| Total instruction | 547,147 | | 15,855 | 5,921 | 21,329 | 2,119,692 | 23,763 |
| Support services: | | | | | | | |
| Other Salaries | 12,192 | 19,281 | | | | | |
| Personal services - employee benefits | 140,313 | 1,475 | 310 | | 319 | | |
| Purchased professional - educational services | 5,000 | 82,600 | 3,499 | | 1,000 | | |
| Purchased Technical Services | | | | | | | |
| Other purchased services | 3,813 | 13,146 | | | 308 | | 124 |
| Supplies and materials | 1,873 | 25,965 | | | | 5,024 | |
| Miscellaneous expenditures | | | | | | | |
| Total support services | 163,191 | 142,467 | 3,809 | | 1,627 | 5,024 | 124 |
| Facilities acquisition and construction serv: | | | | | | | |
| Instructional equipment | 14,796 | | | | | | 2,847 |
| Total facilities acquisition and construction serv. | 14,796 | | | | | | 2,847 |
| Total expenditures | \$ 725,134 | \$ 142,467 | \$ 19,664 | \$ 5,921 | \$ 22,956 | \$ 2,124,716 | \$ 26,734 |

(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, 2018

| | JROTC | EMERGENCY IMPACT AID | NON - PUBLIC TEXTBOOKS | NON - PUBLIC NURSING | NON - PUBLIC TECHNOLOGY | NON - PUBLIC SECURITY | COLLEGE FAIR |
|---|------------------|-------------------------|---------------------------|-------------------------|----------------------------|--------------------------|-----------------|
| REVENUES: | | | | | | | |
| Federal sources | \$ 40,575 | \$ 15,125 | \$ 13,426 | \$ 17,543 | \$ 9,416 | \$ 19,490 | \$ 9,008 |
| State sources | | | | | | | |
| Other sources | | | | | | | |
| Total revenues | <u>\$ 40,575</u> | <u>15,125</u> | <u>13,426</u> | <u>17,543</u> | <u>9,416</u> | <u>19,490</u> | <u>9,008</u> |
| EXPENDITURES: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of teachers | | | | | | | |
| Other salaries | | | | | | | |
| Other purchased professional-educational services | | | | | | | |
| Other purchased services | 40,575 | | | | | | |
| Tuition | | | | | | | |
| Supplies and materials | | | 13,426 | | 9,416 | | |
| Textbooks | | | | | | | |
| Miscellaneous Expenditures | | | | | | | |
| Total instruction | <u>40,575</u> | | <u>13,426</u> | | <u>9,416</u> | | |
| Support services: | | | | | | | |
| Other salaries | | 10,084 | | | | | |
| Personal services - employee benefits | | | | | | | |
| Purchased professional - educational services | | | | | | 10,815 | 8,001 |
| Purchased Technical Services | | | | 17,543 | | | 1,007 |
| Other purchased services | | 5,041 | | | | | |
| Supplies and materials | | | | | | | |
| Miscellaneous expenditures | | | | | | | |
| Total support services | | <u>15,125</u> | | <u>17,543</u> | | <u>19,490</u> | <u>9,008</u> |
| Facilities acquisition and construction serv: | | | | | | | |
| Instructional equipment | | | | | | | |
| Total facilities acquisition and construction serv. | | | | | | | |
| Total expenditures | <u>\$ 40,575</u> | <u>\$ 15,125</u> | <u>\$ 13,426</u> | <u>\$ 17,543</u> | <u>\$ 9,416</u> | <u>\$ 19,490</u> | <u>\$ 9,008</u> |

(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, 2018

| | SPECIAL OLYMPICS | WIB | CAREER PATHWAYS YR 2 | CAREER PATHWAYS YR 3 | SUMMER PROGRAMS | OTHER LOCAL | 2018 | 2017 | COMPARATIVE TOTALS JUNE 30 |
|---|---------------------|-----------|-------------------------|-------------------------|--------------------|-------------|--------------|--------------|-------------------------------|
| REVENUES: | | | | | | | | | |
| Federal sources | | | | | | | | | |
| State sources | \$ 5,500 | \$ 43,911 | \$ 71,859 | \$ 68,828 | \$ 91,563 | \$ 100,109 | \$ 3,123,292 | \$ 3,065,157 | \$ 3,065,157 |
| Other sources | | | | | | | 200,562 | 123,997 | 123,997 |
| | | | | | | | 250,091 | 218,781 | 218,781 |
| Total revenues | \$ 5,500 | \$ 43,911 | \$ 71,859 | \$ 68,828 | \$ 91,563 | \$ 100,109 | \$ 3,573,945 | \$ 3,407,935 | \$ 3,407,935 |
| EXPENDITURES: | | | | | | | | | |
| Instruction: | | | | | | | | | |
| Salaries of teachers | | | | | | | 435,991 | 457,188 | 457,188 |
| Other salaries | 5,500 | 43,911 | 1,125 | | 91,563 | | 177,026 | 169,028 | 169,028 |
| Other purchased professional-educational services | | | | | | | 47,501 | 34,466 | 34,466 |
| Other purchased services | | | | | | 858 | 46,219 | 51,670 | 51,670 |
| Tuition | | | | | | | 2,119,692 | 2,075,838 | 2,075,838 |
| Supplies and materials | | | 31,577 | 35,045 | | 31,440 | 197,738 | 168,409 | 168,409 |
| Textbooks | | | | | | | 13,426 | 10,176 | 10,176 |
| Miscellaneous Expenditures | | | | | | | 550 | 575 | 575 |
| Total instruction | 5,500 | 43,911 | 32,702 | 35,045 | 91,563 | 32,298 | 3,038,143 | 2,967,350 | 2,967,350 |
| Support services: | | | | | | | | | |
| Other salaries | | | 12,450 | | | | 54,007 | 72,207 | 72,207 |
| Personal services - employee benefits | | | 1,038 | | | | 143,455 | 138,552 | 138,552 |
| Purchased professional - educational services | | | 11,500 | | | | 103,599 | 100,144 | 100,144 |
| Purchased Technical Services | | | | | | 2,943 | 31,301 | 10,476 | 10,476 |
| Other purchased services | | | 9,430 | 20,033 | | 3,810 | 63,706 | 48,232 | 48,232 |
| Supplies and materials | | | 775 | | | 41,553 | 84,872 | 51,578 | 51,578 |
| Miscellaneous expenditures | | | | | | | | 698 | 698 |
| Total support services | | | 35,193 | 20,033 | | 48,306 | 480,940 | 421,886 | 421,886 |
| Facilities acquisition and construction serv: | | | | | | | | | |
| Instructional equipment | | | 3,964 | 13,750 | | 19,505 | 54,862 | 18,699 | 18,699 |
| Total facilities acquisition and construction serv. | | | 3,964 | 13,750 | | 19,505 | 54,862 | 18,699 | 18,699 |
| Total expenditures | \$ 5,500 | \$ 43,911 | \$ 71,859 | \$ 68,828 | \$ 91,563 | \$ 100,109 | \$ 3,573,945 | \$ 3,407,936 | \$ 3,407,936 |

| |
|---|
| <p>CAPITAL PROJECTS FUND DETAIL STATEMENTS</p> |
|---|

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
AS OF JUNE 30, 2018

| <u>ISSUE/PROJECT TITLE</u> | <u>ORIGINAL DATE</u> | <u>REVISED BUDGETARY APPROPRIATIONS</u> | <u>PRIOR YEAR</u> | <u>EXPENDITURES TO DATE CURRENT YEAR</u> | <u>(MEMO ONLY) UNEXPENDED PROJECT BALANCE</u> |
|---|--------------------------|---|-------------------|--|---|
| Freehold Boro High School - Roof Replacement | 6/20/2014 | \$ 1,326,847 | \$ 1,110,425 | \$ 1,066 | \$ 215,356 |
| Marlboro High School - Roof Replacement | 6/20/2014 | 924,454 | 891,248 | 1,715 | 31,491 |
| Freehold Boro High School - Boiler & HVAC Replacement | 6/20/2014 | 2,189,793 | 1,648,192 | 30,632 | 510,969 |
| Districtwide Energy Savings Improvement Plan | 3/10/2014 | 19,500,000 | 18,516,786 | 548,235 | 434,979 |
| 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 | 1,020,247 | 863,175 | 407 | 156,665 |
| Manalapan High School - Roof Replacement | 6/26/2015 | 1,492,785 | 1,296,401 | 871 | 195,513 |
| Totals | | \$ 28,869,830 | \$ 26,545,857 | \$ 582,926 | \$ 1,741,047 |
| | | | | Fund balance - budgetary basis | 1,741,047 |
| | | | | Less: SDA Grant Not Recognized | (63,808) |
| | | | | Fund balance - GAAP basis | \$ 1,677,239 |

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, 2018

| | |
|---|----------------------------|
| Revenues and Other Financing Sources: | |
| State Sources - SDA Grant Adjustment | \$ (1,161) |
| Interest Earnings | 3,989 |
| Total revenues | <u>2,828</u> |
| Expenditures and Other Financing Uses: | |
| Architectural/engineering services | 150,327 |
| Other purchased professional and technical services | 2,000 |
| Construction services | 430,599 |
| Total expenditures | <u>582,926</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(580,098)</u> |
| Other financing sources (uses): | |
| Transfers out | <u>(3,989)</u> |
| Total other financing sources (uses) | (3,989) |
| Net change in fund balance | (584,087) |
| Fund balance - beginning | <u>2,325,134</u> |
| Fund balance - ending | \$ <u><u>1,741,047</u></u> |
| Fund Balance - budgetary basis | \$ 1,741,047 |
| SDA Grant not Recognized | <u>(63,808)</u> |
| Fund Balance - GAAP basis (B-1) | \$ <u><u>1,677,239</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, 2018

| | <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 | \$ 479,758 | \$ (1,161) | \$ 478,597 | \$ 478,597 |
| Capital Lease | 848,250 | | 848,250 | 848,250 |
| Total revenues | <u>1,328,008</u> | <u>(1,161)</u> | <u>1,326,847</u> | <u>1,326,847</u> |
| Expenditures and Other Financing Uses: | | | | |
| Legal services | 5,507 | | 5,507 | 5,507 |
| Architectural/engineering services | 91,933 | 437 | 92,370 | 92,371 |
| Other purchased professional and technical services | 7,901 | 629 | 8,530 | 8,530 |
| Construction services | 1,005,084 | | 1,005,084 | 1,220,439 |
| Total expenditures | <u>1,110,425</u> | <u>1,066</u> | <u>1,111,491</u> | <u>1,326,847</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>217,583</u> | <u>(2,227)</u> | <u>215,356</u> | <u>0</u> |

* As restated

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 | (\$224,474) |
| Revised Authorized Cost | \$1,326,847 |

Percentage Increase/(decrease) over Original Authorized Cost
 Percentage completion
 Original target completion date
 Revised target completion date

-14.47%
 99.00%
 FY15
 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, 2018

| | 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 | 924,454 | 0 | 924,454 | 924,454 |
| Expenditures and Other Financing Uses: | | | | |
| Legal services | 2,989 | | 2,989 | 2,989 |
| Architectural/engineering services | 67,245 | 1,373 | 68,618 | 68,618 |
| Other purchased professional and technical services | 9,095 | 342 | 9,437 | 9,437 |
| Construction services | 811,919 | | 811,919 | 843,410 |
| Total expenditures | 891,248 | 1,715 | 892,963 | 924,454 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 33,206 \$ | (1,715) \$ | 31,491 \$ | 0 |

* As restated

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, 2018

| | <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 | \$ 668,136 | \$ | 668,136 | \$ 668,136 |
| Capital Lease | 1,521,657 | | 1,521,657 | 1,521,657 |
| Total revenues | <u>2,189,793</u> | | <u>2,189,793</u> | <u>2,189,793</u> |
| Expenditures and Other Financing Uses: | | | | |
| Legal services | 9,003 | | 9,003 | 9,003 |
| Architectural/engineering services | 96,303 | 4,453 | 100,756 | 100,756 |
| Other purchased professional and technical services | 11,402 | 1,029 | 12,431 | 12,431 |
| Construction services | 1,531,484 | 25,150 | 1,556,634 | 2,067,603 |
| Total expenditures | <u>1,648,192</u> | <u>30,632</u> | <u>1,678,824</u> | <u>2,189,793</u> |
| Excess (deficiency) of revenues over (under) expenditures | \$ <u>541,601</u> | \$ <u>(30,632)</u> | \$ <u>510,969</u> | |

* As restated

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 | (\$346,302) |
| Revised Authorized Cost | \$2,189,793 |

Percentage Increase/(decrease) over Original Authorized Cost
 Percentage completion
 Original target completion date
 Revised target completion date

-13.65%
 100.00%
 FY15
 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, 2018

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|---|----------------------|---------------------|-------------------|-------------------------------|
| 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 | 1,185,734 | 142,786 | 1,328,520 | 1,413,657 |
| Other purchased professional and technical services | 67,473 | | 67,473 | 67,473 |
| Construction services | 17,246,079 | 405,449 | 17,651,528 | 17,990,028 |
| Total expenditures | <u>18,516,786</u> | <u>548,235</u> | <u>19,065,021</u> | <u>19,500,000</u> |
| Excess (deficiency) of revenues over (under) expenditures | \$ <u>983,214</u> \$ | <u>(548,235)</u> \$ | <u>434,979</u> \$ | |

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 95.00%
 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
COLTS NECK HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2018

| | <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>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, 2018

| | <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 \$ | 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, 2018

| | <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 \$ | \$ | 389,125 \$ | 389,125 |
| Capital Lease | 631,122 | | 631,122 | 631,122 |
| Total revenues | <u>1,020,247</u> | | <u>1,020,247</u> | <u>1,020,247</u> |
| Expenditures and Other Financing Uses: | | | | |
| Legal services | 3,080 | | 3,080 | 3,080 |
| Architectural/engineering services | 71,125 | 407 | 71,532 | 71,532 |
| Other purchased professional and technical services | 12,721 | | 12,721 | 12,721 |
| Construction services | 776,248 | | 776,248 | 932,914 |
| Total expenditures | <u>863,174</u> | <u>407</u> | <u>863,581</u> | <u>1,020,247</u> |
| Excess (deficiency) of revenues over (under) expenditures | \$ <u>157,073</u> \$ | <u>(407)</u> \$ | <u>156,666</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 | (\$264,705) |
| Revised Authorized Cost | \$1,020,247 |
| Percentage Increase/(decrease) over Original Authorized Cost | -20.60% |
| Percentage completion | 99.00% |
| 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, 2018

| | <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 | 100,985 | 871 | 101,856 | 101,856 |
| Other purchased professional and technical services | 11,575 | | 11,575 | 11,575 |
| Construction services | 1,178,553 | | 1,178,553 | 1,374,066 |
| Total expenditures | <u>1,296,401</u> | <u>871</u> | <u>1,297,272</u> | <u>1,492,785</u> |
| Excess (deficiency) of revenues over (under) expenditures | \$ <u>196,384</u> \$ | <u>(871)</u> \$ | <u>195,513</u> \$ | <u>-</u> |

Additional project information:

| | |
|----------------------------|------------------|
| Project Number | 1650-070-14-G2A1 |
| 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 | 99.00% |
| 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, 2018

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND | | COMPARATIVE TOTALS | |
|------------------------------------|--|------------------|---------------------|---------------------|
| | FOOD SERVICE | EXTRA-CURRICULAR | JUNE 30 | |
| | <u>FUND</u> | <u>FUND</u> | <u>2018</u> | <u>2017</u> |
| ASSETS: | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 169,189 | \$ | \$ 169,189 | \$ 686,804 |
| Accounts receivable: | | | | |
| State | 1,102 | | 1,102 | 1,079 |
| Federal | 29,978 | | 29,978 | 31,864 |
| Other | 4,079 | 9,007 | 13,086 | 5,729 |
| Interfund receivable | 319,812 | | 319,812 | 624,813 |
| Inventories | 25,396 | | 25,396 | 23,685 |
| | <u>549,556</u> | <u>9,007</u> | <u>558,563</u> | <u>1,373,974</u> |
| Total current assets | | | | |
| Noncurrent assets: | | | | |
| Furniture, machinery and equipment | 1,050,694 | | 1,050,694 | 649,371 |
| Less accumulated depreciation | (557,539) | | (557,539) | (494,506) |
| | <u>493,155</u> | | <u>493,155</u> | <u>154,865</u> |
| Total noncurrent assets | | | | |
| Total assets | \$ <u>1,042,711</u> | \$ <u>9,007</u> | \$ <u>1,051,718</u> | \$ <u>1,528,839</u> |
| LIABILITIES: | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 292,991 | \$ | \$ 292,991 | \$ 614,156 |
| Interfund payable | | 9,007 | 9,007 | |
| Unearned revenue | 85,334 | | 85,334 | 92,670 |
| | <u>378,325</u> | <u>9,007</u> | <u>387,332</u> | <u>706,826</u> |
| Total current liabilities | | | | |
| Total liabilities | \$ <u>378,325</u> | \$ <u>9,007</u> | \$ <u>387,332</u> | \$ <u>706,826</u> |
| NET POSITION: | | | | |
| Net investment in capital assets | \$ 493,155 | \$ | \$ 493,155 | \$ 154,865 |
| Unrestricted | 171,231 | | 171,231 | 667,148 |
| | <u>664,386</u> | <u></u> | <u>664,386</u> | <u>822,013</u> |
| Total net position | | | | |

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, 2018

| | <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>2018</u> | <u>2017</u> |
| OPERATING REVENUES: | | | | |
| Charges for services: | | | | |
| Daily sales - Reimbursable programs | \$ 939,947 | \$ | \$ 939,947 | \$ 1,023,659 |
| Daily sales - Non-reimbursable programs | 1,774,112 | | 1,774,112 | 1,684,990 |
| Special functions | 46,445 | | 46,445 | 52,755 |
| Fees - individuals | | 233,962 | 233,962 | 240,311 |
| Total operating revenues | 2,760,504 | 233,962 | 2,994,466 | 3,001,715 |
| OPERATING EXPENSES: | | | | |
| Cost of sales - Reimbursable programs | 810,029 | | 810,029 | 699,909 |
| Cost of sales - Non-reimbursable programs | 668,714 | | 668,714 | 755,315 |
| Salaries and benefits | 1,391,133 | 86,300 | 1,477,433 | 1,440,708 |
| Supplies and materials | 389,851 | | 389,851 | 107,353 |
| Management fee | 105,601 | | 105,601 | 102,777 |
| Miscellaneous | 155,311 | 23,725 | 179,036 | 165,464 |
| Depreciation | 63,032 | | 63,032 | 38,840 |
| Facility rental | | 123,937 | 123,937 | 131,525 |
| Total operating expenses | 3,583,671 | 233,962 | 3,817,633 | 3,441,891 |
| Operating income (loss) | (823,167) | | (823,167) | (440,176) |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| State sources | | | | |
| State school lunch program | 19,493 | | 19,493 | 17,392 |
| Federal sources | | | | |
| National school lunch program | 473,849 | | 473,849 | 468,387 |
| School breakfast program | 42,384 | | 42,384 | 37,836 |
| National food distribution commodities | 129,814 | | 129,814 | 142,675 |
| Total nonoperating revenues (expenses) | 665,540 | | 665,540 | 666,290 |
| Change in net position | (157,627) | | (157,627) | 226,114 |
| Total net position - beginning | 822,013 | | 822,013 | 595,899 |
| Total net position - ending | \$ 664,386 | \$ | \$ 664,386 | \$ 822,013 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| | BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND | | COMPARATIVE TOTALS | |
|---|---|------------------|--------------------|--------------|
| | FOOD SERVICE | EXTRA-CURRICULAR | JUNE 30 | |
| | FUND | FUND | 2018 | 2017 |
| Cash flows from operating activities: | | | | |
| Receipts from customers | \$ 2,779,030 | \$ 233,962 | \$ 3,012,992 | \$ 3,007,999 |
| Payments to employees | (1,360,452) | (86,300) | (1,446,752) | (1,113,818) |
| Payments for employee benefits | (30,681) | | (30,681) | |
| Payments to suppliers | (2,321,965) | (147,662) | (2,469,627) | (1,539,864) |
| Net cash provided by (used for) operating activities | (934,068) | | (934,068) | 354,317 |
| Cash flows from noncapital financing activities: | | | | |
| State sources | 19,470 | | 19,470 | 19,512 |
| Federal sources | 518,119 | | 518,119 | 569,099 |
| Operating subsidies and transfers to other funds | 280,187 | | 280,187 | (317,953) |
| Net cash provided by noncapital financing activities | 817,776 | | 817,776 | 270,658 |
| Cash flows from capital and related financing activities: | | | | |
| Purchases of capital assets | (401,323) | | (401,323) | (11,390) |
| Net cash provided by (used for) capital and related financing activities | (401,323) | | (401,323) | (11,390) |
| Net increase (decrease) in cash and cash equivalents | (517,615) | | (517,615) | 613,585 |
| Cash and cash equivalents, July 1, 2017 | 686,804 | | 686,804 | 73,219 |
| Cash and cash equivalents, June 30, 2018 | \$ 169,189 | \$ | \$ 169,189 | \$ 686,804 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | | | |
| Operating income (loss) | \$ (823,167) | \$ | \$ (823,167) | \$ (440,176) |
| Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities: | | | | |
| Depreciation | 63,032 | | 63,032 | 38,840 |
| Federal commodities | 129,814 | | 129,814 | 142,675 |
| Change in assets and liabilities: | | | | |
| (Increase) decrease in accounts receivable, net | 1,651 | | 1,651 | (1,114) |
| Increase (decrease) in unearned revenue | 17,478 | | 17,478 | 26,377 |
| Increase (decrease) in accounts payable | (321,165) | | (321,165) | 584,766 |
| (Increase) decrease in inventories | (1,711) | | (1,711) | 2,949 |
| | (110,901) | | (110,901) | 794,493 |
| Net cash provided by (used for) operating activities | \$ (934,068) | \$ | \$ (934,068) | \$ 354,317 |

| |
|--|
| 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, 2018

| | STUDENT ACTIVITY | AGENCY FUNDS | | TOTAL AGENCY | UNEMPLOYMENT COMPENSATION INSURANCE TRUST | PRIVATE PURPOSE TRUST | TOTAL JUNE 30 2018 |
|---|---------------------|--------------|-----------|-----------------|---|-----------------------------|--------------------------|
| ASSETS: | | | | | | | |
| Cash and cash equivalents | \$ 917,380 | \$ | 3,295,061 | \$ 4,212,441 | \$ 1,072,808 | \$ 868,305 | \$ 6,153,554 |
| Total assets | \$ 917,380 | \$ | 3,295,061 | \$ 4,212,441 | \$ 1,072,808 | \$ 868,305 | \$ 6,153,554 |
| LIABILITIES: | | | | | | | |
| Accounts payable | \$ | \$ | | \$ | 40,210 | \$ | 40,210 |
| Interfund payable | | | 358,985 | 358,985 | | | 358,985 |
| Payable to student groups | 917,380 | | | 917,380 | | | 917,380 |
| Wages payable - Summer Payroll | | | 2,920,112 | 2,920,112 | | | 2,920,112 |
| Payroll deductions and withholdings | | | 15,964 | 15,964 | | | 15,964 |
| Total liabilities | \$ 917,380 | \$ | 3,295,061 | \$ 4,212,441 | \$ 40,210 | \$ | 4,252,651 |
| NET POSITION: | | | | | | | |
| Held in trust for State Unemployment | | | | | | | |
| Insurance claims and other purposes | \$ | \$ | \$ | \$ | 1,032,598 | \$ | 1,032,598 |
| Held in trust for scholarships and other purposes | | | | | | 868,305 | 868,305 |
| Total net position | \$ | \$ | \$ | \$ | 1,032,598 | \$ 868,305 | \$ 1,900,903 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| | <u>UNEMPLOYMENT COMPENSATION INSURANCE TRUST</u> | <u>PRIVATE PURPOSE TRUST</u> | <u>TOTAL</u> |
|--------------------------------|--|--------------------------------------|----------------------------|
| ADDITIONS: | | | |
| Contributions: | | | |
| Plan Members | \$ 251,611 | \$ | \$ 251,611 |
| Donations | | 25,837 | 25,837 |
| Total contributions | <u>251,611</u> | <u>25,837</u> | <u>277,448</u> |
| Investment earnings: | | | |
| Interest | <u>596</u> | <u>517</u> | <u>1,113</u> |
| Net investment earnings | <u>596</u> | <u>517</u> | <u>1,113</u> |
| Total additions | <u>252,207</u> | <u>26,354</u> | <u>278,561</u> |
| DEDUCTIONS: | | | |
| Quarterly Contribution Reports | 108,233 | | 108,233 |
| Unemployment Claims | 129,797 | | 129,797 |
| Scholarships Awarded | | 49,800 | 49,800 |
| Total deductions | <u>238,030</u> | <u>49,800</u> | <u>287,830</u> |
| Change in net assets | 14,177 | (23,446) | (9,269) |
| Net position beginning of year | <u>1,018,421</u> | <u>891,751</u> | <u>1,910,172</u> |
| Net position end of year | \$ <u><u>1,032,598</u></u> | \$ <u><u>868,305</u></u> | \$ <u><u>1,900,903</u></u> |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| | BALANCE <u>JULY 1, 2017</u> | CASH <u>RECEIPTS</u> | CASH <u>DISBURSEMENTS</u> | BALANCE <u>JUNE 30, 2018</u> |
|-------------------|--------------------------------|-------------------------|------------------------------|---------------------------------|
| High School: | | | | |
| Colts Neck | \$ 105,365 | \$ 578,700 | \$ 561,238 | \$ 122,827 |
| Freehold Borough | 114,600 | 342,341 | 354,933 | 102,008 |
| Freehold Township | 187,907 | 466,408 | 448,613 | 205,702 |
| Howell | 160,754 | 433,110 | 444,620 | 149,244 |
| Manalapan | 185,303 | 432,114 | 450,962 | 166,455 |
| Marlboro | <u>209,437</u> | <u>560,162</u> | <u>598,455</u> | <u>171,144</u> |
| Total assets | <u>\$ 963,366</u> | <u>\$ 2,812,835</u> | <u>\$ 2,858,821</u> | <u>\$ 917,380</u> |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| | BALANCE JULY 1, 2017 | ADDITIONS | DEDUCTIONS | BALANCE JUNE 30, 2018 |
|-------------------------------------|-------------------------|-----------------------|-----------------------|--------------------------|
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 2,939,607 | \$ 121,574,970 | \$ 121,219,516 | \$ 3,295,061 |
| Total assets | <u>2,939,607</u> | <u>121,574,970</u> | <u>121,219,516</u> | <u>3,295,061</u> |
| LIABILITIES: | | | | |
| Payroll deductions and withholdings | 5,040 | 50,016,117 | 50,005,193 | 15,964 |
| Wages payable - summer payroll | 2,582,217 | 2,935,366 | 2,597,471 | 2,920,112 |
| Employee pay | | 62,005,812 | 62,005,812 | |
| Interfunds payable | 352,350 | 6,617,675 | 6,611,040 | 358,985 |
| Total liabilities | <u>\$ 2,939,607</u> | <u>\$ 121,574,970</u> | <u>\$ 121,219,516</u> | <u>\$ 3,295,061</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, 2018

| ISSUE | DATE OF ISSUE | AMOUNT OF ISSUE | MATURITIES | | RATE OF INTEREST | BALANCE JULY 1, 2017 | RETIRED | BALANCE JUNE 30, 2018 |
|---|------------------|--------------------|------------|--------------|---------------------|-------------------------|--------------|--------------------------|
| | | | DATE | AMOUNT | | | | |
| Refunded - Additions and renovations of Colts Neck, Freehold, Freehold Twp, Howell, Manalapan, and Marlboro High Schools | 11/16/2001 | \$ 42,690,000.00 | 3/1/2019 | \$ 4,940,000 | 5.00% | | | |
| | | | 3/1/2020 | 5,205,000 | 5.00% | \$ 14,840,000 | \$ 4,695,000 | \$ 10,145,000 |
| | | | | | | \$ 14,840,000 | \$ 4,695,000 | \$ 10,145,000 |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
AS OF JUNE 30, 2018

| <u>SERIES</u> | <u>TERM</u> | <u>INTEREST RATE PAYABLE</u> | <u>AMOUNT OF ORIGINAL LEASE</u> | <u>AMOUNT OUTSTANDING JUNE 30, 2017</u> | <u>INCREASE</u> | <u>DECREASE</u> | <u>AMOUNT OUTSTANDING JUNE 30, 2018</u> |
|--|-------------|------------------------------|---------------------------------|---|-----------------|------------------|---|
| <u>Governmental Funds:</u> | | | | | | | |
| School Buses and Technology | 5 Years | 1.433% | \$ 1,155,792 | \$ 237,783 | \$ | 237,783 | \$ 0 |
| District Wide Energy Savings Improvement Plan (ESIP) | 15 Years | 2.690% | 17,498,000 | 15,407,439 | | 848,214 | 14,559,225 |
| Roof Replacement, Boiler & HVAC Replacement | 5 Years | 1.390% | 2,957,597 | 1,394,883 | | 689,985 | 704,898 |
| Roof Replacement | 5 Years | 1.570% | 3,250,000 | 2,191,978 | | 719,263 | 1,472,715 |
| School Buses | 5 Years | 1.390% | 331,100 | 133,335 | | 66,207 | 67,128 |
| School Buses and Technology | 5 Years | 1.334% | 3,500,000 | 1,427,888 | | 709,213 | 718,675 |
| School Buses & Maintenance Vehicles | 5 Years | 1.433% | 1,661,250 | 988,364 | | 324,779 | 663,585 |
| School Buses, Technology & Copiers | 5 Years | 1.290% | 3,052,000 | 3,052,000 | | 594,854 | 2,457,146 |
| School Buses, Technology & Buildings and Grounds Equipment | 5 Years | 1.680% | 2,560,000 | | 2,560,000 | | 2,560,000 |
| Grand Total | | | \$ | <u>24,833,670</u> | <u>\$</u> | <u>4,190,298</u> | <u>\$ 23,203,372</u> |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| | <u>BUDGET</u> | <u>BUDGET</u> <u>TRANSFERS</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> |
|--|---------------|-----------------------------------|---------------------|---------------|-----------------|
| REVENUES: | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 4,114,779 | \$ | \$ 4,114,779 | \$ 4,114,779 | \$ |
| State sources: | | | | | |
| Debt service aid type II | 1,322,221 | | 1,322,221 | 1,322,221 | |
| Total revenues | 5,437,000 | | 5,437,000 | 5,437,000 | |
| EXPENDITURES: | | | | | |
| Regular debt service: | | | | | |
| Interest | 742,000 | | 742,000 | 742,000 | |
| Redemption of principal | 4,695,000 | | 4,695,000 | 4,695,000 | |
| Total regular debt service-expenditures | 5,437,000 | | 5,437,000 | 5,437,000 | |
| Excess (deficiency) of revenues over (under) expenditures | | | | | |
| Fund balance, July 1 | | | | | |
| Fund balance, June 30 | \$ | \$ | \$ | \$ | \$ |

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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)

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---------------|---------------|---------------|---------------|----------------|----------------|---------------|---------------|---------------|---------------|
| Government Activities: | | | | | | | | | | |
| Net Investment in capital assets | \$ 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 | \$ 64,266,384 |
| Restricted | 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 | 8,567,707 |
| Unrestricted (deficit) | (60,745,280) | (58,575,627) | (50,667,795) | (51,292,191) | (2,056,310) | (1,962,535) | (195,129) | 951,687 | 3,468,668 | (395,231) |
| Total Government Activities Net Position | \$ 54,391,537 | \$ 56,279,961 | \$ 58,244,685 | \$ 55,860,849 | \$ 103,302,225 | \$ 101,742,941 | \$ 85,671,496 | \$ 79,238,730 | \$ 76,286,324 | \$ 72,438,860 |
| Business-Type Activities: | | | | | | | | | | |
| Net Investment in capital assets | \$ 493,155 | \$ 154,865 | \$ 182,315 | \$ 220,747 | \$ 238,357 | \$ 271,952 | \$ 89,992 | \$ 105,119 | \$ 126,753 | \$ 118,069 |
| Unrestricted | 171,231 | 667,148 | 413,584 | 215,462 | 129,757 | 309,747 | 624,296 | 814,829 | 751,526 | 746,865 |
| Total Business-Type Activities Net Position | \$ 664,386 | \$ 822,013 | \$ 595,899 | \$ 436,209 | \$ 368,114 | \$ 581,699 | \$ 714,288 | \$ 919,948 | \$ 878,279 | \$ 864,934 |
| District-wide: | | | | | | | | | | |
| Net Investment in capital assets | \$ 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 | \$ 64,384,453 |
| Restricted | 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 | 8,567,707 |
| Unrestricted (deficit) | (60,574,049) | (57,908,479) | (50,254,211) | (51,076,729) | (1,926,553) | (1,652,788) | 429,168 | 1,766,516 | 4,220,194 | 351,634 |
| Total District Net Position | \$ 55,055,923 | \$ 57,101,974 | \$ 58,840,584 | \$ 56,297,058 | \$ 103,670,339 | \$ 102,324,640 | \$ 86,385,784 | \$ 80,158,678 | \$ 77,164,603 | \$ 73,303,794 |

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET POSITION

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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 106,525,172 | \$ 102,658,266 | \$ 92,343,959 | \$ 87,514,868 | \$ 75,200,178 | \$ 80,476,846 | \$ 79,320,371 | \$ 77,375,649 | \$ 79,855,943 | \$ 72,166,199 |
| Special Education | 27,318,294 | 27,929,556 | 25,759,425 | 24,439,970 | 20,497,345 | 17,229,076 | 13,906,774 | 12,282,407 | 9,471,600 | 10,412,993 |
| Other Special Education | 12,400,211 | 11,747,407 | 10,604,135 | 9,859,065 | 8,306,192 | 8,998,877 | 8,916,004 | 8,978,180 | 9,136,052 | 9,114,401 |
| Support Services: | | | | | | | | | | |
| Tuition | 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 | 13,015,812 |
| Student & instruction related services | 32,227,254 | 30,730,390 | 27,893,131 | 25,721,936 | 21,748,966 | 19,632,989 | 18,231,436 | 17,684,670 | 18,477,174 | 17,399,269 |
| General Administrative Services | 1,835,507 | 1,893,992 | 1,716,518 | 1,701,177 | 1,675,898 | 9,448,283 | 9,419,268 | 9,211,957 | 9,288,344 | 8,678,752 |
| School Administrative Services | 12,800,205 | 12,330,132 | 11,230,302 | 10,673,330 | 9,221,080 | 2,011,069 | 2,155,127 | 1,754,559 | 2,267,175 | 5,477,731 |
| Central Services/Admin. Information Technology | 5,681,925 | 6,268,366 | 4,719,869 | 4,644,456 | 3,690,894 | 4,122,564 | 3,588,070 | 3,419,374 | 3,299,725 | 3,299,725 |
| Plant Operations and Maintenance | 19,473,749 | 20,976,707 | 17,069,282 | 15,943,060 | 15,679,073 | 15,303,296 | 15,753,689 | 16,427,929 | 17,465,039 | 18,045,436 |
| Pupil Transportation Services | 17,235,383 | 16,630,574 | 16,804,098 | 17,118,697 | 16,740,367 | 16,297,004 | 16,174,059 | 15,747,415 | 18,190,193 | 18,485,087 |
| Special Schools | | | | | | | | 240 | 390,309 | 347,995 |
| Capital Outlay | | | | | | | | | | |
| Transfer to Charter Schools | | | | | | | 29,312 | 14,656 | 15,292 | |
| Interest on Long-Term Debt | 741,084 | 936,851 | 1,159,719 | 1,353,737 | 1,548,571 | 1,699,266 | 1,872,820 | 2,033,833 | 2,201,017 | 2,364,710 |
| Unallocated Depreciation and Amortization | 5,324,671 | 4,917,067 | 4,887,161 | 4,881,749 | 4,836,889 | 34,303 | 34,303 | 34,303 | 34,303 | 34,303 |
| | <u>257,163,550</u> | <u>252,086,989</u> | <u>229,167,956</u> | <u>218,563,537</u> | <u>193,249,548</u> | <u>188,597,397</u> | <u>183,395,595</u> | <u>178,643,552</u> | <u>182,269,317</u> | <u>175,542,708</u> |
| Food Service | | | | | | | | | | |
| Extra Curricular Fund | 3,583,671 | 3,201,580 | 3,167,975 | 3,096,810 | 3,211,871 | 3,433,767 | 3,568,347 | 3,360,076 | 3,426,440 | 3,919,325 |
| SAT Prep Program | 233,962 | 240,311 | 256,688 | 227,246 | 236,788 | 213,983 | 238,976 | 227,348 | 222,845 | |
| | | | | | | | 25,538 | 20,963 | | |
| | <u>3,817,633</u> | <u>3,441,891</u> | <u>3,424,663</u> | <u>3,324,056</u> | <u>3,448,659</u> | <u>3,647,760</u> | <u>3,832,861</u> | <u>3,608,387</u> | <u>3,649,285</u> | <u>3,919,325</u> |
| | <u>260,981,183</u> | <u>255,537,880</u> | <u>232,592,619</u> | <u>221,887,593</u> | <u>196,698,207</u> | <u>192,245,157</u> | <u>187,228,456</u> | <u>182,251,939</u> | <u>185,938,602</u> | <u>179,462,033</u> |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Instruction | \$ 212,475 | \$ 230,377 | \$ 289,578 | \$ 319,039 | \$ 257,418 | \$ 159,313 | \$ 254,971 | \$ 75,241 | \$ 352,974 | \$ 107,441 |
| Operating Grants and Contributions | 64,954,154 | 59,693,390 | 43,912,263 | 35,821,867 | 16,856,815 | 426,007 | 468,018 | 609,714 | 798,443 | 855,928 |
| Capital Grants and Contributions | | | | | | | | | | |
| | <u>65,166,629</u> | <u>59,923,767</u> | <u>44,201,841</u> | <u>36,140,906</u> | <u>17,114,233</u> | <u>585,320</u> | <u>722,989</u> | <u>684,955</u> | <u>1,151,417</u> | <u>963,369</u> |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Food Service | 2,760,504 | 2,761,404 | 2,691,559 | 2,559,607 | 2,527,739 | 2,642,037 | 2,909,211 | 2,941,180 | 2,944,677 | 3,461,930 |
| Extra Curricular Fund | 233,962 | 240,311 | 256,688 | 227,246 | 236,788 | 190,193 | 262,776 | 227,348 | 222,845 | |
| SAT Prep Program | | | | | | | 22,202 | 24,299 | | |
| Operating Grants and Contributions | 685,540 | 666,290 | 636,106 | 605,298 | 470,547 | 486,782 | 433,012 | 457,229 | 495,107 | 553,562 |
| | <u>3,660,006</u> | <u>3,668,005</u> | <u>3,584,353</u> | <u>3,392,151</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>4,015,512</u> |
| | <u>68,826,635</u> | <u>63,591,772</u> | <u>47,786,194</u> | <u>39,533,057</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> | <u>4,978,881</u> |
| Governmental Activities | \$ (191,996,921) | \$ (192,172,222) | \$ (184,966,115) | \$ (182,422,631) | \$ (176,135,315) | \$ (188,012,077) | \$ (182,672,605) | \$ (177,958,597) | \$ (181,137,900) | \$ (174,579,339) |
| Business-Type Activities | (157,627) | 226,114 | 159,690 | 68,095 | (213,585) | (328,748) | (205,660) | 41,669 | 13,344 | 96,187 |
| | <u>(192,154,548)</u> | <u>(191,946,108)</u> | <u>(184,806,425)</u> | <u>(182,354,536)</u> | <u>(176,348,900)</u> | <u>(188,340,825)</u> | <u>(182,878,265)</u> | <u>(177,916,929)</u> | <u>(181,124,556)</u> | <u>(174,483,152)</u> |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET POSITION

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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental Activities: | | | | | * | | | | | |
| Property Taxes Levied for General Purposes, Net | \$ 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 | \$ 110,882,300 |
| Taxes Levied for Debt Service | 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 | 3,474,896 |
| Unrestricted Grants and Contributions | 54,362,826 | 54,709,469 | 54,224,317 | 54,428,665 | 54,015,433 | 68,350,311 | 64,262,301 | 56,750,964 | 62,218,157 | 62,811,715 |
| Restricted Grants and Contributions | 1,221,659 | 1,161,898 | 2,651,166 | 2,239,175 | 1,088,884 | 3,808,529 | 4,250,267 | 3,899,599 | 5,935,387 | |
| Tuition Received | | 2,082,760 | 782,770 | 148,292 | 303,863 | 576,640 | 931,185 | 597,250 | 585,862 | 194,536 |
| Miscellaneous Income | 459,661 | | | | | | | | | 587,052 |
| Transfers | | | (42,920) | | | | (9,896) | | | |
| Gain/(Loss) on Sale of Equipment | | | | | | | | | | |
| | 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 | 177,950,499 |
| | <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> | <u>\$ 177,950,499</u> |
| Governmental Activities | \$ (200,427) | \$ (1,964,724) | \$ 2,383,836 | \$ (40,081) | \$ 2,451,024 | \$ 5,556,409 | \$ 6,432,766 | \$ 2,952,407 | \$ 3,847,463 | \$ 3,371,160 |
| Business-Type Activities | (157,627) | 226,114 | 159,690 | 68,095 | (213,586) | (328,748) | (205,660) | 41,669 | 13,344 | 96,187 |
| | <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> | <u>\$ 3,467,347</u> |

* 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)

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Fund: | | | | | | | | | | |
| Restricted | \$ 25,235,695 | \$ 26,892,872 | \$ 27,823,998 | \$ 29,394,625 | \$ 31,027,126 | \$ 27,073,450 | \$ 21,024,274 | \$ 12,827,685 | \$ | \$ |
| Assigned | 592,262 | 755,534 | | 1,450,900 | 763,915 | 1,000,000 | 2,218,598 | 2,587,356 | | |
| Unassigned | 284,133 | | | | | | | 153,276 | | |
| Reserved | | | | | | | | | 7,092,073 | 9,550,771 |
| Unreserved | | | | | | | | | 4,289,726 | 741,628 |
| Total General Fund | \$ 26,112,090 | \$ 27,648,406 | \$ 27,823,998 | \$ 30,845,525 | \$ 31,791,041 | \$ 28,073,450 | \$ 23,242,872 | \$ 15,568,317 | \$ 11,381,799 | \$ 10,292,399 |
| All Other Governmental Funds: | | | | | | | | | | |
| Restricted | \$ 1,190,797 | \$ 1,164,358 | \$ 944,577 | \$ 7,799,283 | \$ 20,088,887 | \$ | \$ | \$ | \$ | |
| Unreserved, Reported In: | | | | | | | | | | |
| Capital Projects Fund | 486,442 | 1,054,420 | 5,031,272 | 11,641,370 | 109,584 | | | | | |
| Total All Other Governmental Funds | \$ 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)

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenues: | | | | | | | | | | |
| Tax Levy | \$ 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 | \$ 114,357,196 |
| Tuition Charges | 50,275 | 66,286 | 70,929 | 124,280 | 72,563 | 62,177 | 166,772 | 75,241 | 165,050 | 35,527 |
| Transportation Fees | 450,268 | 2,074,962 | 776,317 | 135,277 | 294,534 | 36,940 | 38,940 | 70,015 | 60,443 | 194,536 |
| Miscellaneous | 422,844 | 385,828 | 451,783 | 327,157 | 311,734 | 638,802 | 917,144 | 629,048 | 642,344 | 658,966 |
| State Sources | 79,967,728 | 77,088,133 | 75,427,943 | 72,570,063 | 68,952,756 | 69,676,088 | 63,785,249 | 58,073,019 | 56,905,827 | 60,739,212 |
| Federal Sources | 3,243,764 | 3,211,622 | 3,172,662 | 2,828,807 | 2,890,826 | 2,908,759 | 5,195,337 | 3,085,445 | 12,046,159 | 2,928,431 |
| Total Revenues | 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 | 178,913,868 |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | 56,202,993 | 55,138,134 | 54,420,588 | 54,580,063 | 53,226,236 | 54,461,270 | 53,010,885 | 50,466,657 | 55,759,577 | 51,645,808 |
| Special | 15,286,006 | 16,290,116 | 16,350,910 | 16,147,479 | 15,292,601 | 12,044,633 | 9,709,787 | 8,241,644 | 6,768,646 | 7,286,673 |
| Other | 6,963,471 | 6,646,105 | 6,543,186 | 6,386,427 | 6,327,793 | 6,519,860 | 6,474,132 | 6,342,900 | 6,879,582 | 6,633,811 |
| Support Services: | | | | | | | | | | |
| Tuition | 15,600,095 | 15,076,681 | 14,900,357 | 14,711,492 | 14,104,095 | 13,343,824 | 13,994,362 | 13,678,378 | 12,197,151 | 13,015,812 |
| Student & Instruction related services | 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 | 12,976,196 |
| School Administrative Services | 6,713,490 | 6,600,419 | 6,607,803 | 6,579,123 | 6,607,814 | 6,558,728 | 6,550,897 | 6,218,510 | 6,641,945 | 6,322,266 |
| General Administrative Services | 1,635,198 | 1,642,388 | 1,556,498 | 1,581,794 | 1,535,368 | 1,817,374 | 1,985,654 | 1,635,170 | 2,108,923 | 4,577,957 |
| General and Central Services | 3,742,376 | 3,463,722 | 3,221,762 | 3,277,294 | 2,594,840 | 2,792,121 | 2,660,101 | 2,433,933 | 2,404,433 | 15,210,424 |
| Central Services/Admin. Information Tech | 16,221,433 | 16,848,948 | 14,593,778 | 13,821,891 | 13,908,423 | 12,570,393 | 12,971,617 | 13,434,482 | 14,546,194 | 15,526,401 |
| Plant Operations and Maintenance | 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 | 35,400,749 |
| Student Transportation Services | 55,407,404 | 51,122,265 | 47,637,366 | 43,750,109 | 41,368,803 | 43,899,725 | 41,829,101 | 43,493,500 | 39,128,215 | 251,758 |
| Unallocated Employee Benefits | | | | | | | | 240 | 278,502 | |
| Special Schools | | | | | | | 29,312 | 14,656 | 15,292 | |
| Charter Schools | | | | | | | | | | |
| Debt Service: | | | | | | | | | | |
| Principal | 4,995,000 | 4,460,000 | 4,240,000 | 4,030,000 | 3,830,000 | 3,635,000 | 3,455,000 | 3,280,000 | 3,100,000 | 2,960,000 |
| Interest and Other Charges | 742,000 | 965,000 | 1,177,000 | 1,378,500 | 1,570,000 | 1,751,500 | 1,924,500 | 2,088,500 | 2,257,275 | 2,418,425 |
| Capital Outlay | 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 | 2,902,082 |
| Total Expenditures | 224,044,070 | 221,524,007 | 227,768,621 | 206,834,185 | 192,477,087 | 190,090,863 | 182,100,402 | 177,409,441 | 185,047,381 | 177,128,362 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | (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 | 1,785,506 |
| Other Financing Sources/(Uses): | | | | | | | | | | |
| Capital leases (non-budgated) | 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) | 2,078,988 | 2,511,142 | 1,648,018 | 3,578,849 | 20,457,597 | | | | | |
| Net Change in Fund Balances | (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 | 1,785,506 |
| Debt Service as a Percentage of Noncapital Expenditures | 2.47% | 2.54% | 2.63% | 2.71% | 2.83% | 2.87% | 2.97% | 3.04% | 2.95% | 3.09% |

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 | |
| 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 |
| 2009 | 113,391 | 71,914 | 280,321 | 87,665 | 553,291 |

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 | | | | | | | | | | | | | |
| 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 | 2,552,994,800 | 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 | 3,017,649,789 |
| 2015 | 38,448,100 | 2,503,435,400 | 257,605,800 | 4,125,100 | 164,609,600 | - | - | 2,968,224,000 | - | 3,159,066 | 2,971,383,066 | 0.454 | 3,041,417,551 |
| 2014 | 39,881,800 | 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 | 3,122,795,191 |
| 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 | 3,117,456,887 |
| 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 | 269,599,800 | 4,158,600 | 196,701,900 | - | - | 3,107,825,500 | - | 5,087,706 | 3,112,913,206 | 0.383 | 3,342,807,536 |
| 2009 | 20,075,000 | 1,230,598,800 | 116,469,200 | 3,595,050 | 81,269,400 | - | - | 1,452,007,450 | - | 1,787,172 | 1,453,794,622 | 0.822 | 3,445,743,076 |
| Englishtown | | | | | | | | | | | | | |
| 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 | 238,955,085 |
| 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 | 0.393 | 235,241,820 |
| 2011 | 3,788,700 | 198,279,700 | - | - | 39,134,100 | 8,879,300 | 1,262,100 | 252,343,900 | - | - | 252,343,900 | 0.299 | 242,547,068 |
| 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 |
| 2009 | 3,978,000 | 198,110,000 | - | - | 42,080,100 | 9,879,300 | 1,262,100 | 255,309,500 | - | 5,904,759 | 261,214,259 | 0.303 | 246,645,548 |
| Farmingdale | | | | | | | | | | | | | |
| 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 | \$ 149,665,560 |
| 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 | 1,998,600 | 105,777,400 | 590,000 | 2,700 | 27,171,700 | 3,318,200 | 15,315,400 | 154,074,000 | - | - | 154,074,000 | 0.326 | 145,956,075 |
| 2015 | 1,905,600 | 106,279,000 | 563,600 | 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 | - | 2,815,673 | 154,643,473 | 0.277 | 153,164,638 |
| 2009 | 2,179,300 | 110,849,000 | 721,700 | 14,200 | 19,871,300 | 2,742,800 | 13,947,400 | 150,325,700 | - | 2,462,182 | 152,787,882 | 0.316 | 158,529,010 |

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 | | | | | | | | | | | | | |
| 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 | 986,304,992 |
| 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 | 767,610,400 | - | - | 241,264,600 | 25,345,900 | 22,388,400 | 1,066,853,700 | 3,408,000 | - | 1,066,853,700 | 0.341 | 1,135,215,781 |
| 2011 | 10,342,700 | 768,700,500 | - | - | 241,539,000 | 25,345,900 | 22,388,400 | 1,068,316,500 | 4,151,700 | 9,917,155 | 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 |
| 2009 | 11,552,000 | 765,785,300 | - | - | 236,440,200 | 25,345,900 | 23,097,700 | 1,062,221,100 | 1,180,800 | 11,377,335 | 1,073,598,435 | 0.382 | 1,275,015,424 |

Freehold Township

| | | | | | | | | | | | | | |
|------|---------------|------------------|---------------|--------------|------------------|----------------|---------------|------------------|--------------|------------|------------------|-------|------------------|
| 2018 | \$ 48,609,600 | \$ 4,588,492,600 | \$ 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 | 52,822,000 | 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 | 6,589,292,604 |
| 2015 | 55,908,800 | 4,266,398,600 | 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 | 0.452 | 6,095,136,631 |
| 2014 | 50,881,700 | 3,955,292,200 | 27,666,200 | 1,440,900 | 1,239,936,400 | 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 |
| 2009 | 95,225,000 | 4,529,646,900 | 30,709,200 | 1,670,000 | 1,341,345,700 | 154,573,100 | 64,320,400 | 6,217,490,300 | - | 68,077,410 | 6,285,567,710 | 0.373 | 6,734,691,283 |

Howell

| | | | | | | | | | | | | | |
|------|----------------|------------------|---------------|--------------|----------------|----------------|---------------|------------------|------|------------|------------------|-------|------------------|
| 2018 | \$ 114,774,900 | \$ 5,875,284,700 | \$ 98,123,400 | \$ 2,624,600 | \$ 668,590,600 | \$ 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 | 0.452 | 6,087,370,787 |
| 2013 | 155,567,400 | 4,579,708,000 | 89,858,000 | 2,768,800 | 594,385,000 | 101,856,600 | - | 5,524,143,800 | - | 8,867,486 | 5,533,011,286 | 0.483 | 6,199,518,124 |
| 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 | - | 13,114,350 | 6,904,070,030 | 0.385 | 6,954,660,611 |
| 2009 | 253,365,700 | 5,736,865,900 | 104,001,400 | 2,426,100 | 662,057,600 | 109,299,300 | - | 6,867,016,000 | - | 10,565,151 | 6,877,581,151 | 0.370 | 7,070,767,733 |

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 |
|------------------|----------------|------------------|---------------|--------------|----------------|---------------|---------------|----------------------------|--------------------------------|-------------------------|-----------------------------|--|--|
| Manalapan | | | | | | | | | | | | | |
| 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 | \$ 6,692,366,764 |
| 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 | 5,786,849,660 | 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 | - | 5,652,083,900 | - | 9,382,496 | 5,661,476,396 | 0.432 | 6,459,604,048 |
| 2009 | 160,219,400 | 5,732,755,500 | 36,725,800 | 2,314,400 | 425,667,300 | 24,603,500 | - | 6,382,285,900 | - | 7,636,903 | 6,389,922,803 | 0.364 | 6,480,948,402 |
| Marlboro | | | | | | | | | | | | | |
| 2018 | \$ 75,738,300 | \$ 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 | 7,354,851,699 |
| 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 | 35,205,200 | 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 | 38,633,800 | 1,045,400 | 420,120,300 | 88,021,000 | 18,619,900 | 6,892,828,400 | - | 9,347,305 | 6,902,175,705 | 0.403 | 7,266,197,377 |
| 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 | 425,388,900 | 94,454,200 | 23,225,300 | 6,923,076,200 | - | 10,332,044 | 6,933,408,244 | 0.388 | 7,588,204,970 |
| 2009 | 43,870,600 | 2,899,810,000 | 16,268,600 | 765,050 | 179,521,700 | 40,955,700 | 3,343,100 | 3,184,534,750 | - | 4,173,653 | 3,188,708,403 | 0.827 | 7,698,068,929 |

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>General Obligation</u> | | | | | | | |
| | <u>Basic Rate</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>Total Direct & Overlapping Tax Rate</u> |
| Colts Neck | | | | | | | | |
| 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 |
| 2009 | 0.797 | 0.025 | 0.822 | 1.407 | 0.343 | 0.025 | 0.615 | 3.212 |
| Englishtown | | | | | | | | |
| 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 |
| 2009 | 0.294 | 0.009 | 0.303 | 0.752 | 0.365 | - | 0.249 | 1.669 |
| Farmingdale | | | | | | | | |
| 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 |
| 2009 | 0.307 | 0.009 | 0.316 | 0.900 | 0.183 | - | 0.275 | 1.674 |

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>General Obligation</u> | | | | | | | |
| | <u>Basic Rate</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>Total Direct & Overlapping Tax Rate</u> |
| Freehold Borough | | | | | | | | |
| 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 |
| 2009 | 0.371 | 0.011 | 0.382 | 0.780 | 0.756 | - | 0.289 | 2.207 |
| Freehold Township | | | | | | | | |
| 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 |
| 2009 | 0.362 | 0.011 | 0.373 | 0.922 | 0.235 | 0.030 | 0.282 | 1.842 |
| Howell | | | | | | | | |
| 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 |
| 2009 | 0.359 | 0.011 | 0.370 | 1.021 | 0.282 | 0.020 | 0.268 | 1.961 |

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>General Obligation</u> | | | | | | | |
| | <u>Basic Rate</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>Total Direct & Overlapping Tax Rate</u> |
| Manalapan | | | | | | | | |
| 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 |
| 2009 | 0.353 | 0.011 | 0.364 | 0.758 | 0.295 | 0.020 | 0.264 | 1.701 |
| Marlboro | | | | | | | | |
| 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 |
| 2009 | 0.802 | 0.025 | 0.827 | 2.070 | 0.588 | 0.020 | 0.639 | 4.144 |

Source: County Board of Taxation

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

- (a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

| 2018 | | | 2009 | | |
|---------------------------------------|------------------------|--|---------------------------------------|------------------------|--|
| 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 |
| Colts Neck | | | | | |
| Trump National Golf Club | \$ 32,006,800 | 1.06% | Trump National Golf Club | \$ 13,115,000 | 0.90% |
| Due Process Golf & Horse Stables, LLC | 19,941,700 | 0.66% | Due Process Gold & Horse Stables, LLC | 9,890,800 | 0.68% |
| Wellspring Stables Florida, LLC | 11,499,900 | 0.38% | Laird & Co. Inc. | 4,788,100 | 0.33% |
| G & F Realty of Richmond, LLC | 10,900,000 | 0.36% | Pegasus Properties LLC | 3,798,700 | 0.26% |
| Individual Taxpayer 1 | 9,310,300 | 0.31% | 24 Realty, LLC | 3,772,000 | 0.26% |
| Individual Taxpayer 2 | 7,971,400 | 0.26% | Bal Colt's Neck LLC | 3,700,000 | 0.25% |
| Individual Taxpayer 3 | 6,382,100 | 0.21% | Wellspring Stables Florida, LLC | 3,466,200 | 0.24% |
| Pegasus Properties LLC | 5,969,700 | 0.20% | Individual Taxpayer 1 | 3,175,100 | 0.22% |
| Colts Neck Shopping Center Associates | 5,847,400 | 0.19% | 36 Highway 34 South Associates, LLC | 2,750,000 | 0.19% |
| 36 Highway 34 South Associates LLC | 5,609,700 | 0.19% | Individual Taxpayer 2 | 2,607,700 | 0.18% |
| Total | \$ 115,439,000 | 3.82% | Total | \$ 51,063,600 | 3.52% |
| Englishtown | | | | | |
| Stamford Square LLC | \$ 12,309,000 | 4.96% | BTR Englishtown LLC | \$ 10,229,300 | 4.01% |
| Three Corners Ventures LLC | 4,802,500 | 1.94% | BAL Governor's Crossing LLC | 7,425,200 | 2.91% |
| BAL Governor's Crossing LLC | 4,467,700 | 1.80% | Verizon New Jersey | 6,611,559 | 2.59% |
| Village Center Associates, LLC | 3,122,300 | 1.26% | Dorothy Leo, Inc. | 3,495,400 | 1.37% |
| Ambe Holding, LLC | 3,095,900 | 1.25% | Wemacs, LLC | 3,366,700 | 1.32% |
| Wemacs LLC | 2,421,200 | 0.98% | Village Center Associates LLC | 3,312,700 | 1.30% |
| Brooklawn Gardens Inc | 2,042,000 | 0.82% | Durling Realty, LLC | 2,150,300 | 0.84% |
| DCD LLC | 2,013,500 | 0.81% | Brooklawn Gardens Inc | 2,139,400 | 0.84% |
| Five South Main Street LLC | 1,967,100 | 0.79% | K&K Englishtown, Inc. | 1,782,800 | 0.70% |
| Degiacomo Realty LLC | 1,234,800 | 0.50% | Moskowitz, K Trust & Berger, V Trust | 1,374,700 | 0.54% |
| Total | \$ 37,476,000 | 15.10% | Total | \$ 41,888,059 | 16.41% |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

| | 2018 | | | 2009 | | |
|-------------------------|------------------------------------|------------------------|--|--------------------|------------------------|--|
| | 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 | \$ 12,799,200 | 7.67% | | \$ 11,500,000 | 7.65% |
| | 30 Southard Ave, Farmingdale LLC | 7,522,700 | 4.51% | | 3,795,400 | 2.52% |
| | Farmingdale Shopping Center, LLC | 3,600,300 | 2.16% | | 2,876,600 | 1.91% |
| | R.T. Equities LLC | 2,387,200 | 1.43% | | 2,462,181 | 1.64% |
| | Farmingdale BP | 1,496,500 | 0.90% | | 2,442,200 | 1.62% |
| | Academy Apartments LLC | 1,387,200 | 0.83% | | 2,107,200 | 1.40% |
| | A Four Properties LLC | 1,144,500 | 0.69% | | 1,297,000 | 0.86% |
| | Bell Atlantic | 1,011,900 | 0.61% | | 992,800 | 0.66% |
| | Roadside Holdings, LLC | 831,400 | 0.50% | | 956,100 | 0.64% |
| | Bank of America | 719,400 | 0.43% | | 904,100 | 0.60% |
| | Total | \$ 32,900,300 | 19.72% | | \$ 29,333,581 | 19.51% |
| Freehold Borough | | | | | | |
| | Nestle USA | \$ 23,813,400 | 2.26% | | \$ 29,225,300 | 2.75% |
| | Freehold Racing Association | 21,237,600 | 2.01% | | 23,674,400 | 2.23% |
| | Bridge- Brookside, LLC | 16,417,300 | 1.56% | | 14,269,000 | 1.34% |
| | East Coast Post & Coach LLC | 8,921,800 | 0.85% | | 6,495,700 | 0.61% |
| | Freefern Associates | 6,987,400 | 0.66% | | 5,560,900 | 0.52% |
| | Spring Terrace Apartments LLC | 4,993,600 | 0.47% | | 4,565,000 | 0.43% |
| | Park Plaza Shopping Center, Inc. | 4,876,000 | 0.46% | | 3,722,800 | 0.35% |
| | Monmouth Pines LLC | 4,151,500 | 0.39% | | 3,300,000 | 0.31% |
| | 18-20 E.Main Street LLC | 4,149,000 | 0.39% | | 3,000,000 | 0.28% |
| | Rug Mill LLC | 3,045,000 | 0.29% | | 2,566,200 | 0.24% |
| | Total | \$ 98,592,600 | 9.34% | | \$ 96,379,300 | 9.13% |

Source: Municipal Tax Assessors

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

| 2018 | | | 2009 | | |
|---------------------------------------|------------------------|------------------------------------|---|------------------------|------------------------------------|
| Community/Taxpayer | Taxable Assessed Value | As a % of | Community/Taxpayer | Taxable Assessed Value | As a % of |
| | | Community's Net Assessed Valuation | | | Community's Net Assessed Valuation |
| Freehold Twp. | | | Freehold Twp. | | |
| Freemall Associates, LLC | \$ 348,655,200 | 5.51% | Freemall Associates, LLC | \$ 160,755,300 | 2.59% |
| 100 Lambert LLC/Eagle Rock Advisors | 66,726,700 | 1.05% | Center for Aging dba/Appplewood | 25,753,600 | 0.41% |
| Iron Mountain, Inc. | 47,990,700 | 0.76% | Avalonbay Communities | 25,065,900 | 0.40% |
| Center for Aging DBA/Appplewood | 36,700,000 | 0.58% | Iron Mountain, Inc. | 22,374,200 | 0.36% |
| Freemall Associates, LLC | 31,984,200 | 0.51% | Verizon | 16,390,498 | 0.26% |
| Silver Shore Land Co., LLC | 26,028,400 | 0.41% | Verizon | 16,390,498 | 0.26% |
| Freehold Shopping Associates | 24,837,400 | 0.39% | Raintreetowne Center Associates, LP | 14,500,000 | 0.23% |
| Raintreetowne Center Associates, LP | 24,771,800 | 0.39% | New Jersey Bell Tel. Co. | 12,437,500 | 0.20% |
| Macy's East, Inc | 23,939,000 | 0.38% | Sam's Real Estate | 11,913,300 | 0.19% |
| Ronardi Freehold Enterprises LLC | 23,600,000 | 0.37% | Freehold Shopping Assoc. | 11,000,000 | 0.18% |
| Total | \$ 655,233,400 | 10.36% | Total | \$ 316,580,796 | 5.09% |
| Howell | | | Howell | | |
| Buffalo-Parkton & Feuerstein & Wainco | \$ 42,898,400 | 0.62% | Buffalo-Parkton & Feuerstein & Wain Co. | \$ 45,138,000 | 0.66% |
| Howell Verdana LLC & Verdonna, LLC | 37,293,500 | 0.54% | Wal-Mart Stores, Inc. | 17,641,000 | 0.26% |
| Howell Friendship Real Estate Co. | 20,259,600 | 0.29% | Home Depot USA | 17,160,000 | 0.25% |
| Home Depot USA Inc. | 15,687,400 | 0.23% | Lowe's Home Centers Inc. | 16,530,000 | 0.24% |
| DS & DJ Realty, LLC | 15,128,800 | 0.22% | DS & DJ Realty, LLC | 16,190,200 | 0.24% |
| Lowe's Home Centers, Inc. | 14,861,300 | 0.22% | Target Corp. | 14,800,000 | 0.22% |
| Wal-Mart Stores, Inc. | 13,945,700 | 0.20% | Zee Jay Realty, LLC | 14,348,200 | 0.21% |
| Target Corporation | 13,840,700 | 0.20% | Individual Taxpayer | 14,000,000 | 0.20% |
| AA Cardiff, LLC Etal | 12,855,800 | 0.19% | Howell Associates | 13,705,500 | 0.20% |
| N/A | | 0.00% | Countryside North American Partners | 12,377,000 | 0.18% |
| Total | \$ 186,771,200 | 2.71% | Total | \$ 181,889,900 | 2.65% |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

| | 2018 | | 2009 | |
|--------------------------------|------------------------------|---|------------------------------|---|
| | Taxable Assessed Value | As a % of Community's Net Assessed Valuation | Taxable Assessed Value | As a % of Community's Net Assessed Valuation |
| Manalapan | | | | |
| Manalapan Realty | \$ 61,869,100 | 0.93% | \$ 47,858,000 | 0.75% |
| Manalapan VF | 33,542,700 | 0.51% | 33,696,300 | 0.53% |
| Towne Pointe Associates | 15,913,000 | 0.24% | 13,976,900 | 0.22% |
| Taylor 9 South Associates LLC | 13,041,700 | 0.20% | 12,956,400 | 0.20% |
| Trans Equity Realty, LLC | 10,697,800 | 0.16% | 11,080,300 | 0.17% |
| HCRI NY-NJ Properties LLC | 9,175,900 | 0.14% | 10,892,800 | 0.17% |
| Lenine, LLC | 8,827,100 | 0.13% | 10,820,200 | 0.17% |
| Monmouth Investors LLC | 7,472,400 | 0.11% | 10,291,900 | 0.16% |
| Pension Road Realty Associates | 7,008,400 | 0.11% | 8,531,900 | 0.13% |
| Englishtown Auction Sales, Inc | 6,480,000 | 0.10% | 8,434,900 | 0.13% |
| Total | \$ 174,028,100 | 2.62% | \$ 168,539,600 | 2.64% |
| Marlboro | | | | |
| Marlboro Plaza | \$ 45,843,100 | 0.64% | \$ 20,381,600 | 0.64% |
| Union Hill Nine Associates LLC | 30,549,100 | 0.42% | 13,049,200 | 0.41% |
| TMC Marlboro LLC | 22,500,000 | 0.31% | 11,762,200 | 0.37% |
| American Plaza, LLC | 20,927,500 | 0.29% | 6,384,400 | 0.20% |
| CRP Royal Pines LLC | 15,041,100 | 0.21% | 6,381,000 | 0.20% |
| Marlboro Commons LLC | 12,713,100 | 0.18% | 5,911,300 | 0.19% |
| Marlboro Lowe's | 12,501,900 | 0.17% | 5,404,600 | 0.17% |
| Brooks Edge Plaza LLC | 11,697,300 | 0.16% | 4,400,000 | 0.14% |
| Marlboro Business Park, LLC | 11,043,800 | 0.15% | 4,173,654 | 0.13% |
| Samuel Associates % The Mart | 8,801,000 | 0.12% | 4,061,200 | 0.13% |
| Total | \$ 191,617,900 | 2.67% | \$ 81,909,154 | 2.57% |

Source: Municipal Tax Assessors

FREEHOLD REGIONAL HIGH SCHOOL DISTRICTPROPERTY TAX LEVIES AND COLLECTIONLAST TEN FISCAL YEARSUNAUDITED

| Fiscal Year Ended <u>June 30,</u> | Taxes Levied for the <u>Fiscal Year</u> | <u>Collected Within the Fiscal Year of the Levy</u> | | Collections in <u>Subsequent Years</u> |
|--------------------------------------|--|---|---------------------------|---|
| | | <u>Amount</u> | <u>Percentage of Levy</u> | |
| 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 |
| 2009 | 114,357,196 | 110,406,396 | 96.55% | 3,950,800 |

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICTRATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARSUNAUDITED

| Fiscal Year Ended June 30, | Governmental Activities | | | | | Percentage of Personal Income ^a | Per Capita ^a |
|-------------------------------------|--------------------------------|-------------------------------------|----------------|---|----------------|--|-------------------------|
| | General Obligation Bonds | Certificates of Participation | Capital Leases | Bond Anticipation Notes (BANs) | Total District | | |
| | | | | | | | |
| 2018 | \$ 10,145,000 | - | \$ 23,203,372 | - | \$ 33,348,372 | N/A | \$ 173 |
| 2017 | 14,840,000 | - | 24,833,670 | - | 39,673,670 | N/A | 206 |
| 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 |
| 2009 | 44,870,000 | - | - | - | 44,870,000 | 0.41% | 235 |

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> |
|---|----|---|---|----|---------------------------------------|---|----|-------------------|
| 2018 | \$ | 10,145,000 | 192,951 | \$ | 31,556,390,063 | 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, 2018

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 | \$ 13,782,981 | 100.000% | \$ 13,782,981 |
| Englishtown Borough | 1,929,427 | 100.000% | 1,929,427 |
| Borough of Farmingdale | 976,622 | 100.000% | 976,622 |
| Borough of Freehold | 9,179,143 | 100.000% | 9,179,143 |
| Freehold Township | 57,946,638 | 100.000% | 57,946,638 |
| Howell Township | 69,536,099 | 100.000% | 69,536,099 |
| Manalapan Township | 18,629,606 | 100.000% | 18,629,606 |
| Marlboro Township | 47,214,316 | 100.000% | 47,214,316 |
| Other debt | | | |
| Monmouth County | 462,342,600 | <u>Net Valuation</u> | |
| Colts Neck Township | | 3,025,076,763 | 2.525% 11,676,015 |
| Englishtown Borough | | 248,186,000 | 0.207% 957,934 |
| Borough of Farmingdale | | 166,874,600 | 0.139% 644,093 |
| Borough of Freehold | | 1,055,470,500 | 0.881% 4,073,844 |
| Freehold Township | | 6,326,367,000 | 5.281% 24,418,143 |
| Howell Township | | 6,903,932,000 | 5.764% 26,647,395 |
| Manalapan Township | | 6,641,165,500 | 5.544% 25,633,184 |
| Marlboro Township | | 7,189,317,700 | 6.002% 27,748,910 |
| Subtotal, overlapping debt | | | 340,994,348 |
| Freehold Regional High School District Direct Debt | <u>County total</u> | | <u>10,145,000</u> |
| | 119,785,889,692 | | |
| Total Direct and Overlapping Debt | | | <u>\$ 351,139,348</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, | | | | | Fiscal Year Ended June 30, | | | | |
|---|----------------------------|----------------|----------------|----------------|----------------|----------------------------|----------------|----------------|----------------|----------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| Debt Limit | \$ 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 | \$ 955,264,285 |
| Total Net Debt Applicable to Limit | 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 | 44,870,000 |
| Legal Debt Margin | \$ 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 | \$ 910,394,285 |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 1.09% | 1.65% | 2.21% | 2.71% | 3.17% | 3.55% | 3.84% | 4.12% | 4.46% | 4.93% |

| | Year | Equalized Valuation Basis |
|---|-------|------------------------------|
| | | |
| | 2015 | \$ 31,303,722,527 |
| | 2016 | 31,572,739,170 |
| | 2017 | 32,471,860,897 |
| | [A] | \$ 95,348,322,594 |
| Average Equalized Valuation of Taxable Property | [A/3] | \$ 31,782,774,196 |
| Debt limit (3% of average) | [B] | \$ 953,483,226 (a) |
| Net bonded school debt as of June 30, 2018 | [C] | 10,145,000 |
| Legal debt margin | [B-C] | \$ 943,338,226 |

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 |
|----------------------------------|------------------|--|------------------------------|--|-----------------------------------|
| 2017 | Colts Neck | 9,968 | N/A | N/A | 3.3% |
| | Englishtown | 1,943 | N/A | N/A | 4.2% |
| | Farmingdale | 1,298 | N/A | N/A | 4.9% |
| | Freehold Borough | 11,894 | N/A | N/A | 3.8% |
| | Freehold Twp. | 35,053 | N/A | N/A | 3.9% |
| | Howell | 52,476 | N/A | N/A | 4.1% |
| | Manalapan | 40,013 | N/A | N/A | 3.7% |
| | Marlboro | 40,306 | N/A | N/A | 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 DISTRICTDEMOGRAPHIC AND ECONOMIC STATISTICSLAST TEN FISCAL YEARSUNAUDITED

| 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% |

FREEHOLD REGIONAL HIGH SCHOOL DISTRICTDEMOGRAPHIC AND ECONOMIC STATISTICSLAST TEN FISCAL YEARSUNAUDITED

| Fiscal Year Ended June 30, | Community | School District Population ^a | Personal Income ^b | Per Capita Personal Income ^c | Unemployment Rate ^d |
|----------------------------------|------------------|--|------------------------------|--|-----------------------------------|
| 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% |
| 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% |

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 |
|----------------------------------|------------------|--|------------------------------|--|-----------------------------------|
| 2008 | Colts Neck | 10,055 | \$ 610,660,260 | \$ 60,732 | 4.3% |
| | Englishtown | 1,915 | 116,301,780 | 60,732 | 4.0% |
| | Farmingdale | 1,569 | 95,288,508 | 60,732 | 2.8% |
| | Freehold Borough | 11,413 | 693,134,316 | 60,732 | 7.3% |
| | Freehold Twp. | 34,674 | 2,105,821,368 | 60,732 | 4.2% |
| | Howell | 51,297 | 3,115,369,404 | 60,732 | 4.7% |
| | Manalapan | 38,912 | 2,363,203,584 | 60,732 | 4.2% |
| | Marlboro | 40,503 | 2,459,828,196 | 60,732 | 3.6% |

^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 DISTRICTPRINCIPAL EMPLOYERSCURRENT YEAR AND NINE YEARS AGO
UNAUDITED

| | <u>2018</u> | | <u>2009</u> | |
|---|------------------|---|------------------|---|
| <u>Employer</u> | <u>Employees</u> | <u>Percentage of Total Employment</u> | <u>Employees</u> | <u>Percentage of Total Employment</u> |
| Hackensack Meridian Health, Wall | 12,794 | 3.87% | 9,700 | 2.90% |
| Saker Shoprites Inc., Freehold | 3,319 | 1.00% | - | - |
| CentraState Healthcare Inc., Freehold | 2,646 | 0.80% | 2,524 | 0.75% |
| RWJ Barnabas - Monmouth Medical Center, Long Branch | 1,920 | 0.58% | 1,800 | - |
| Monmouth University, West Long Branch | 1,506 | 0.46% | 1,325 | 0.40% |
| NJ Resources, Wall | 1,020 | 0.31% | 896 | 0.27% |
| Visiting Nurse Assoc of Central Jersey, Red Bank | 1,020 | 0.31% | 1,200 | 0.36% |
| Commvault, Tinton Falls | 892 | 0.27% | 435 | 0.13% |
| Erickson Living - Seabrook Village, Tinton Falls | 850 | 0.26% | - | - |
| Food Circus Supermarkets Inc., Middletown | 750 | 0.23% | 860 | 0.26% |
| | <u>26,717</u> | <u>8.08%</u> | <u>18,740</u> | <u>5.06%</u> |

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

| | <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> | <u>2009</u> |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Regular | 596.2 | 597.6 | 616.0 | 619.9 | 620.8 | 619.6 | 627.2 | 627.2 | 753.5 | 794.2 |
| Special education | 170.0 | 193.6 | 180.0 | 177.9 | 168.0 | 168.0 | 154.0 | 139.0 | 43.0 | 44.8 |
| Other instruction | 21.7 | 12.5 | 4.0 | 2.0 | 2.0 | 2.0 | 3.0 | 3.0 | 19.0 | 15.6 |
| Student & Instruction Rel. Svcs | 176.8 | 191.2 | 207.0 | 208.5 | 223.0 | 223.0 | 205.8 | 202.8 | 177.7 | 185.1 |
| School Administrative Services | 61.0 | 60.0 | 44.0 | 44.0 | 44.0 | 44.0 | 61.0 | 61.0 | 59.0 | 65.5 |
| General and Central Services | 31.3 | 31.3 | 36.0 | 36.0 | 36.0 | 36.0 | 31.5 | 31.5 | 31.3 | 36.3 |
| Plant Operations & Maintenance | 124.0 | 127.0 | 118.0 | 119.0 | 118.0 | 117.0 | 128.5 | 128.5 | 137.0 | 158.0 |
| Pupil Transportation | 142.0 | 142.0 | 143.0 | 146.0 | 145.0 | 145.0 | 148.0 | 148.0 | 148.0 | 158.0 |
| | <u>1,323.0</u> | <u>1,355.2</u> | <u>1,348.0</u> | <u>1,353.3</u> | <u>1,356.8</u> | <u>1,354.6</u> | <u>1,359.0</u> | <u>1,341.0</u> | <u>1,368.5</u> | <u>1,457.5</u> |

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 |
|----------------------------------|------------|-----------------------------|-------------------|----------------------|---------------------|------------------------|---|---|--|-------------------------------------|
| 2018 | 10,668.5 | 214,387,318 | 20,095 | 17.01% | 748 | 1:14.4 | 10,603.1 | 9,939.1 | (4.19) | 93.7% |
| 2017 | 10,813.0 | 208,222,156 | 19,527 | 13.70% | 750 | 1:14.4 | 10,792.7 | 10,135.7 | (1.06) | 93.9% |
| 2016 | 10,966.0 | 200,651,681 | 18,298 | 11.84% | 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 | 4.12% | 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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| District Building | | | | | | | | | | |
| High Schools | | | | | | | | | | |
| Colts Neck High School (1998) | | | | | | | | | | |
| Square Feet | 219,490 | 219,490 | 219,490 | 219,490 | 219,490 | 219,490 | 219,490 | 219,490 | 219,490 | 219,490 |
| Capacity (students) | 1,748 | 1,748 | 1,748 | 1,748 | 1,748 | 1,748 | 1,748 | 1,748 | 1,748 | 1,748 |
| Enrollment | 1,403 | 1,430 | 1,457 | 1,450 | 1,493 | 1,513 | 1,478 | 1,523 | 1,481 | 1,550 |
| Freehold Borough High School (1954) | | | | | | | | | | |
| Square Feet | 187,256 | 187,256 | 187,256 | 187,256 | 187,256 | 187,256 | 187,256 | 187,256 | 187,256 | 187,256 |
| Capacity (students) | 1,564 | 1,564 | 1,564 | 1,564 | 1,564 | 1,564 | 1,564 | 1,564 | 1,564 | 1,564 |
| Enrollment | 1,361 | 1,422 | 1,451 | 1,478 | 1,551 | 1,580 | 1,566 | 1,534 | 1,433 | 1,395 |
| Freehold Township High School (1968) | | | | | | | | | | |
| Square Feet | 258,840 | 258,840 | 258,840 | 258,840 | 258,840 | 258,840 | 258,840 | 258,840 | 258,840 | 258,840 |
| Capacity (students) | 2,224 | 2,224 | 2,224 | 2,224 | 2,224 | 2,224 | 2,224 | 2,224 | 2,224 | 2,224 |
| Enrollment | 2,047 | 2,041 | 2,062 | 2,102 | 2,091 | 2,127 | 2,162 | 2,193 | 2,208 | 2,191 |
| Howell High School (1962) | | | | | | | | | | |
| 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 | 2,085 | 2,112 | 2,154 | 2,217 | 2,252 | 2,299 | 2,456 | 2,488 | 2,475 | 2,351 |
| Manalapan High School (1968) | | | | | | | | | | |
| Square Feet | 256,293 | 256,293 | 256,293 | 256,293 | 256,293 | 256,293 | 256,293 | 256,293 | 256,293 | 256,293 |
| Capacity (students) | 2,341 | 2,341 | 2,341 | 2,341 | 2,341 | 2,341 | 2,341 | 2,341 | 2,341 | 2,341 |
| Enrollment | 1,923 | 1,890 | 1,908 | 1,934 | 1,917 | 1,948 | 1,991 | 2,038 | 2,065 | 2,018 |
| Marlboro High School (1966) | | | | | | | | | | |
| Square Feet | 264,142 | 264,142 | 264,142 | 264,142 | 264,142 | 264,142 | 264,142 | 264,142 | 264,142 | 264,142 |
| Capacity (students) | 2,450 | 2,450 | 2,450 | 2,450 | 2,450 | 2,450 | 2,450 | 2,450 | 2,450 | 2,450 |
| Enrollment | 1,849 | 1,919 | 1,937 | 1,956 | 1,950 | 1,971 | 1,920 | 1,961 | 2,015 | 2,052 |
| Other | | | | | | | | | | |
| Administration Building (1982) | | | | | | | | | | |
| Square Feet | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 | 22,000 |
| Transportation | | | | | | | | | | |
| Square Feet | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 | 9,600 |
| Maintenance Offices | | | | | | | | | | |
| Square Feet | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 |
| Number of Schools at June 30, 2018 | | | | | | | | | | |
| 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 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | Total |
|-----------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Colts Neck High School | NA | \$ 673,824 | \$ 583,941 | \$ 584,921 | \$ 553,134 | \$ 513,687 | \$ 491,650 | \$ 394,641 | \$ 494,294 | \$ 455,955 | \$ 510,603 | \$ 4,582,826 |
| Freehold Borough High School | NA | 379,280 | 317,779 | 311,401 | 313,838 | 316,229 | 388,514 | 342,022 | 345,303 | 395,160 | 442,524 | 3,172,770 |
| Freehold Township High School | NA | 389,203 | 435,215 | 374,632 | 390,224 | 446,244 | 413,928 | 473,569 | 392,440 | 547,144 | 612,725 | 4,086,121 |
| Howell High School | NA | 431,806 | 387,883 | 325,001 | 375,371 | 380,272 | 356,269 | 473,569 | 344,248 | 547,144 | 612,725 | 3,802,482 |
| Manalapan-Englishtown High School | NA | 364,386 | 366,303 | 326,996 | 345,078 | 401,235 | 453,715 | 473,569 | 333,065 | 547,144 | 612,725 | 3,859,830 |
| Marlboro High School | NA | 385,407 | 343,664 | 335,728 | 335,985 | 357,148 | 508,045 | 473,569 | 356,815 | 547,144 | 612,725 | 3,870,823 |
| Total School Facilities | | 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 | 3,404,027 | 23,374,852 |
| Other Facilities | | - | - | - | - | - | - | - | - | - | - | - |
| Grand Total | | \$ 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 | \$ 3,404,027 | \$ 23,374,852 |

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 DISTRICTINSURANCE SCHEDULEFOR THE YEAR ENDED JUNE 30, 2018UNAUDITED

| | <u>Coverage</u> | <u>Deductible</u> |
|--|-----------------|--|
| Wells Fargo Insurance Services | | |
| Property | \$ 356,841,272 | \$ 5,000 |
| Boiler/Machinery | 100,000,000 | 5,000 |
| Liability | | |
| General | 1,000,000 | - |
| Excess Liability | 10,000,000 | 1,000,000 |
| Automobile | 1,000,000 | 1,000 |
| Employee Dishonesty | 500,000 | 5,000 |
| Board Legal | 1,000,000 | 5,000 |
| Environmental Impairment Liability | 1,000,000 | 15,000 or 50,000 depending on condition |
| New Jersey School Boards Insurance Group | | |
| Workers Compensation | Statutory | N/A |
| Crime: | | |
| Board Secretary | 500,000 | 1,000 |

Source: District Records

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SINGLE AUDIT 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 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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 11, 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

February 11, 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 Jackson School District's major federal and state programs for the year ended June 30, 2018. 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, 2018.


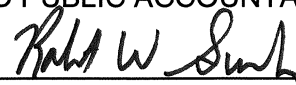
Report on Internal Control Over Compliance

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

February 11, 2019

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2018

| FEDERAL CFDA NUMBER | FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE | FEDERAL AWARD IDENTIFICATION NUMBER | GRANT OR STATE PROJECT NUMBER | AWARD AMOUNT | GRANT PERIOD FROM TO | ADJUSTED BALANCE AT JUNE 30, 2017 | CASH RECEIVED | BUDGETARY EXPENDITURES | REPAYMENT OF PY'S BALANCE | (ACCOUNTS RECEIVABLE) | BALANCE JUNE 30, 2018 UNEARNED REVENUE | DUE GRANTOR |
|---------------------------|---|--|-------------------------------------|-----------------|-------------------------|---|------------------|---------------------------|---------------------------------|--------------------------|--|----------------|
| | | | | \$ 119,733 | 7/1/2017 6/30/2018 | \$ 119,733 | \$ 119,733 | (119,733) | \$ | \$ | \$ | \$ |
| 93.778 | General Fund: | 1605NJ5MAP | N/A | | | | | | | | | |
| 93.778 | U.S. Department of Health and Human Services | 1705NJ5MAP | | | | | | | | | | |
| | Passed-through State Department of Education: | | | | | | | | | | | |
| | Medical Assistance Program (SEM) | | | | | | | | | | | |
| | Medical Assistance Program (SEM) | | | | | | | | | | | |
| | Total General Fund | | | | | | | | | | | |
| 84.027 | Special Revenue Fund: | S027A161100 | IDEA165016 | 2,102,279 | 7/1/2016 6/30/2017 | (586,090) | 586,090 | | | | | |
| 84.027 | U.S. Department of Education | S027A171100 | IDEA165017 | 2,124,716 | 7/1/2017 6/30/2018 | (586,090) | 1,992,386 | (2,124,716) | | (132,330) | | |
| | Passed-through State Department of Education: | | | | | | 2,578,476 | (2,124,716) | | (132,330) | | |
| | Special Education Cluster | | | | | | | | | | | |
| | I.D.E.A. Part B Basic | | | | | | | | | | | |
| | I.D.E.A. Part B Basic | | | | | | | | | | | |
| | Total Special Education Cluster | | | | | | | | | | | |
| 84.010 | Title I, Part A Basic | S010A160030 | NCLB165016 | 767,960 | 7/1/2016 6/30/2017 | (235,079) | 235,079 | | | | | |
| 84.010 | Title I, Part A Basic | S010A170030 | NCLB165017 | 729,451 | 7/1/2017 6/30/2018 | | 586,249 | (725,134) | | (138,885) | | |
| 84.367 | Title II, Part A Teacher & Principal Training | S367A160029 | NCLB165016 | 162,237 | 7/1/2016 6/30/2017 | (64,062) | 64,062 | | | | | |
| 84.367 | Title II, Part A Teacher & Principal Training | S367A170029 | NCLB165017 | 173,814 | 7/1/2017 6/30/2018 | | 104,483 | (142,467) | | (37,984) | | |
| 84.365 | Title III | S365A160030 | NCLB165016 | 20,843 | 7/1/2016 6/30/2017 | (4,723) | 4,723 | | | | | |
| 84.365 | Title III | S365A170030 | NCLB165017 | 20,761 | 7/1/2017 6/30/2018 | | 17,519 | (19,664) | | (2,145) | | |
| 84.365 | Title III, Immigrant | S365A160030 | NCLB165016 | 6,050 | 7/1/2016 6/30/2017 | (1) | 1 | (5,921) | | | | |
| 84.365 | Title III, Immigrant | S365A170030 | NCLB165017 | 6,018 | 7/1/2017 6/30/2018 | | 5,921 | (22,956) | | (1,125) | | |
| 84.424 | Title IV | S424A170031 | NCLB165017 | 28,223 | 7/1/2017 6/30/2018 | (575) | 21,831 | (26,734) | | (15,125) | | |
| 84.048 | Vocational Education - Perkins | V048A170030 | N/A | 26,734 | 7/1/2016 6/30/2017 | | 26,734 | | | | | |
| 84.048 | Vocational Education - Perkins | V048A160030 | N/A | 26,010 | 7/1/2016 6/30/2017 | | 575 | (15,125) | | (15,125) | | |
| 84.938C | Emergency Impact Aid | N/A | N/A | 15,125 | 7/1/2017 6/30/2018 | | 40,575 | (40,575) | | (327,594) | | |
| 84.000 | JROTC | N/A | N/A | 40,574 | 7/1/2017 6/30/2018 | (304,440) | 3,686,228 | (3,123,292) | | (327,594) | | |
| | Total U.S. Department of Education | | | | | (304,440) | | | | | | |
| | Total Special Revenue Fund | | | | | (304,440) | | | | | | |
| 10.553 | Enterprise Fund: | 171NJ304N1099 | N/A | 37,836 | 7/1/2016 6/30/2017 | (2,484) | 2,484 | | | | | |
| 10.553 | U.S. Department of Agriculture | 171NJ304N1099 | N/A | 42,384 | 7/1/2017 6/30/2018 | | 39,642 | (42,384) | | (2,742) | | |
| 10.555 | Passed-through State Department of Education: | 171NJ304N1099 | N/A | 444,939 | 7/1/2016 6/30/2017 | (27,928) | 27,928 | | | | | |
| 10.555 | Child Nutrition Cluster | 171NJ304N1099 | N/A | 451,161 | 7/1/2017 6/30/2018 | (30,412) | 425,205 | (451,160) | | (25,955) | | |
| | School Breakfast Program | | | | | | 485,259 | (483,544) | | (28,697) | | |
| | National School Lunch Program | | | | | | | | | | | |
| | Total Child Nutrition Cluster | | | | | | | | | | | |
| 10.551 | Healthy Hunger Free Kids Act | 171NJ304N1099 | N/A | 23,448 | 7/1/2016 6/30/2017 | (1,452) | 1,452 | | | | | |
| 10.551 | Healthy Hunger Free Kids Act | 171NJ304N1099 | N/A | 22,688 | 7/1/2017 6/30/2018 | | 21,407 | (22,688) | | (1,281) | | |
| 10.565 | Commodity Supplemental Food Program | 171NJ304N1099 | N/A | 143,113 | 7/1/2016 6/30/2017 | 3,517 | | (3,517) | | | | |
| 10.565 | Commodity Supplemental Food Program | 171NJ304N1099 | N/A | 130,418 | 7/1/2017 6/30/2018 | (28,347) | 130,418 | (126,298) | | (29,978) | 4,120 | |
| | Total Enterprise Fund | | | | | | 648,536 | (646,047) | | | 4,120 | |
| | Total Federal Financial Assistance | | | | | (918,877) | 4,454,497 | (3,889,072) | | (357,572) | 4,120 | \$ |

See accompanying notes to schedules of financial assistance.

**FREEDHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

| STATE GRANTOR/PROGRAM TITLE General Funds: | GRANT OR STATE PROJECT NUMBER | AWARD AMOUNT | GRANT PERIOD | BALANCE JUNE 30, 2017 | | CASH RECEIVED | BUDGETARY EXPENDITURES | ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR'S BALANCES | (ACCOUNTS RECEIVABLE) | BALANCE JUNE 30, 2018 | | BUDGETARY RECEIVABLE | MEMO CUMULATIVE TOTAL EXPENDITURES |
|---|----------------------------------|-----------------|-----------------|---------------------------|---------------------------|------------------|---------------------------|--|--------------------------|-----------------------|----------------|-------------------------|---|
| | | | | DUE STATE/ (ACCTS REQ) | DUE STATE/ (ACCTS REQ) | | | | | UNEARNED REVENUE | DUE GRANTOR | | |
| State Department of Education | | | | | | | | | | | | | |
| State Aid Public Cluster | | | | | | | | | | | | | |
| Categorical Special Education Aid | 18-495-004-5120-089 | \$ 7,030,185 | 7/1/2017 | | \$ 6,333,123 | \$ | (7,030,185) | \$ 697,062 | \$ | \$ | | \$ 697,061 | \$ 7,030,185 |
| Equalization Aid | 18-495-004-5120-078 | 40,713,982 | 7/1/2017 | | 36,677,086 | | (40,713,982) | 4,036,896 | | | | 4,036,897 | 40,713,982 |
| Categorical Security Aid | 18-495-004-5120-084 | 735,594 | 7/1/2017 | | 662,656 | | (735,594) | 72,938 | | | | 72,938 | 735,594 |
| Adjustment Aid | 18-495-004-5120-085 | 1,636,230 | 7/1/2017 | | 1,473,893 | | (1,636,230) | 162,337 | | | | 162,336 | 1,636,230 |
| PARCC Readiness Aid | 18-495-004-5120-098 | 113,720 | 7/1/2017 | | 102,446 | | (113,720) | 11,274 | | | | 11,276 | 113,720 |
| Per Pupil Growth Aid | 18-495-004-5120-097 | 113,720 | 7/1/2017 | | 102,446 | | (113,720) | 11,274 | | | | 11,276 | 113,720 |
| Professional Learning Community Aid | 18-495-004-5120-101 | 110,130 | 7/1/2017 | | 99,210 | | (110,130) | 10,920 | | | | 10,920 | 110,130 |
| Categorical Special Education Aid | 17-495-004-5120-089 | 7,030,185 | 7/1/2016 | | 699,007 | | | (699,007) | | | | | 7,030,185 |
| Equalization Aid | 17-495-004-5120-078 | 40,713,982 | 7/1/2016 | | 4,048,162 | | | (4,048,162) | | | | | 40,713,982 |
| Categorical Security Aid | 17-495-004-5120-084 | 735,594 | 7/1/2016 | | 73,142 | | | (73,142) | | | | | 735,594 |
| Adjustment Aid | 17-495-004-5120-085 | 1,636,230 | 7/1/2016 | | 162,689 | | | (162,689) | | | | | 1,636,230 |
| PARCC Readiness Aid | 17-495-004-5120-098 | 113,720 | 7/1/2016 | | 11,305 | | | (11,305) | | | | | 113,720 |
| Per Pupil Growth Aid | 17-495-004-5120-097 | 113,720 | 7/1/2016 | | 11,305 | | | (11,305) | | | | | 113,720 |
| Professional Learning Community Aid | 17-495-004-5120-101 | 110,130 | 7/1/2016 | | 10,951 | | | (10,951) | | | | | 110,130 |
| Total State Aid Public Cluster | | 100,907,122 | | | 50,467,521 | | (50,463,561) | (13,960) | | | | 5,002,602 | 100,907,122 |
| Categorical Transportation Aid | 17-495-004-5120-014 | 1,110,522 | 7/1/2016 | | 110,420 | | | (110,420) | | | | | 1,110,522 |
| Extracurricular Special Education Costs Aid | 18-495-004-5120-014 | 1,110,522 | 7/1/2017 | | 1,000,410 | | (1,110,522) | 110,112 | | | | 110,111 | 1,110,522 |
| Non-Public Transportation Costs Aid | 17-100-004-5120-073 | 2,539,989 | 7/1/2016 | | 2,928,002 | | (2,539,989) | (2,539,989) | | | | 2,539,989 | 2,539,989 |
| Non-Public Transportation Costs Aid | 18-100-004-5120-073 | 2,928,002 | 7/1/2016 | | 2,928,002 | | (2,928,002) | | | | | 124,753 | 2,928,002 |
| On-Behalf Long-Term Disability Insurance | 17-100-004-5120-066 | 124,753 | 7/1/2017 | | 98,512 | | (124,753) | | | | | | 124,753 |
| On-Behalf TPAF Post Retirement Medical | 17-100-004-5120-066 | 98,512 | 7/1/2016 | | 13,010 | | (13,010) | | | | | | 98,512 |
| On-Behalf TPAF Post Retirement Medical | 18-495-004-5094-004 | 13,010 | 7/1/2017 | | 11,260,712 | | (11,260,712) | | | | | | 11,260,712 |
| Reimbursed TPAF Social Security | 18-495-004-5094-002 | 11,260,712 | 7/1/2017 | | 7,273,055 | | (7,273,055) | | | | | | 7,273,055 |
| Reimbursed TPAF Social Security | 18-495-004-5095-051 | 5,644,204 | 7/1/2017 | | 5,644,204 | | (5,644,204) | | | | 35 | | 5,644,204 |
| Total General Funds | 17-495-004-5095-051 | 5,566,615 | 7/1/2016 | | 275,127 | | (78,419,806) | (14,268) | | | 35 | 7,777,455 | 5,566,615 |
| | | | | | 79,071,006 | | | | | | | | 137,466,496 |
| Special Revenue Fund: | | | | | | | | | | | | | |
| N.J. Nonpublic Aid: | | | | | | | | | | | | | |
| Tesdbank Aid | 18-100-004-5120-064 | 14,681 | 7/1/2017 | | 14,681 | | (14,681) | 333 | | | 1,588 | | 13,426 |
| Nursing Services | 17-100-004-5120-070 | 14,987 | 7/1/2016 | | 4,811 | | | (4,811) | | | | | 9,843 |
| Technology Aid | 18-100-004-5120-070 | 27,257 | 7/1/2017 | | 27,257 | | (17,543) | (15,729) | | | 9,714 | | 17,543 |
| Security Aid | 17-100-004-5120-373 | 24,930 | 7/1/2016 | | 15,729 | | | | | | | | 9,201 |
| Career Pathways - Vocational Aid | 18-100-004-5120-509 | 9,916 | 7/1/2017 | | 9,916 | | (9,416) | (659) | | | 500 | | 9,416 |
| Security Aid | 17-100-004-5120-373 | 6,760 | 7/1/2016 | | 659 | | | (258) | | | 1,585 | | 6,101 |
| Career Pathways - Vocational Aid | 18-100-004-5120-509 | 21,075 | 7/1/2017 | | 21,075 | | (19,490) | | | | | | 19,490 |
| Career Pathways - Vocational Aid | 18-100-004-5120-032 | 13,850 | 7/1/2016 | | 258 | | (68,828) | | | | | | 13,592 |
| Career Pathways - Vocational Aid | 17-100-004-5062-032 | 98,374 | 3/1/2018 | | 76,362 | | (71,859) | | | | | | 68,828 |
| Career Pathways - Vocational Aid | 17-100-004-5062-032 | 91,424 | 3/1/2017 | | | | | | | | | | 91,424 |
| Total Special Revenue Fund | | 16,956 | | | 149,291 | | (200,562) | (21,124) | | | 13,387 | | 258,863 |
| Debt Service Fund: | | | | | | | | | | | | | |
| Debt Service Aid Type II | 17-100-004-5120-125 | 1,322,221 | 07/01/2017 | | 1,322,221 | | (1,322,221) | | | | | | 1,322,221 |
| Total Debt Service Fund | | | | | 1,322,221 | | (1,322,221) | | | | | | 1,322,221 |
| Enterprise Fund: | | | | | | | | | | | | | |
| National School Lunch Program (State Share) | 18-100-004-5120-122 | 19,493 | 7/1/2017 | | 18,391 | | (19,493) | | (1,102) | | | | 19,493 |
| National School Lunch Program (State Share) | 17-100-004-5120-122 | 17,392 | 7/1/2016 | | 1,079 | | | | | | | | 17,392 |
| Total Enterprise Fund | | | | | 19,470 | | (19,493) | | (1,102) | | | | 36,885 |
| New Jersey Economic Development Authority | | | | | | | | | | | | | |
| Capital Projects Fund: | | | | | | | | | | | | | |
| Freedhold Boro High School - Roof | 1650-080-14-G2AF | 479,758 | Ongoing | | (446,688) | | (7,979) | | (454,667) | | | 454,667 | 454,667 |
| Marlboro High School - Roof | 1650-080-14-G2AJ | 336,764 | Ongoing | | (336,764) | | | | (336,764) | | | 336,764 | 336,764 |
| Freedhold Boro High School - Boiler/HVAC | 1650-080-14-G2AE | 668,137 | Ongoing | | (634,729) | | (33,408) | | (668,137) | | | 668,137 | 668,137 |
| Colts Neck High School - Roof | 1650-010-14-G2WA | 249,373 | Ongoing | | (249,373) | | | | (249,373) | | | 249,373 | 249,373 |
| Freedhold Township High School - Roof | 1650-065-14-G2AH | 389,125 | Ongoing | | (369,668) | | | | (369,668) | | | 369,668 | 369,668 |
| Howell High School - Roof | 1650-000-14-G2AH | 631,819 | Ongoing | | (631,819) | | | | (631,819) | | | 631,819 | 631,819 |
| Manalapan High School - Roof | 1650-070-14-G2AI | 408,419 | Ongoing | | (387,998) | | | | (387,998) | | | 387,998 | 387,998 |
| Total Capital Projects Fund | | | | | (3,057,039) | | (41,387) | | (3,098,426) | | | 3,098,426 | 3,098,426 |
| Total State Financial Assistance | | | | | (6,342,803) | | (80,003,469) | (35,392) | (5,633,068) | | 13,422 | 10,875,881 | 142,162,891 |
| Less: On-Behalf amounts not utilized for determination of Major Programs: | | | | | | | | | | | | | |
| On-behalf TPAF non-contributory insurance | | \$ | | | (13,010) | | 13,010 | | | | | | |
| On-behalf Long-term Disability Insurance | | | | | (11,260,712) | | 11,260,712 | | | | | | |
| On-behalf TPAF Pension | | | | | (7,273,055) | | 7,273,055 | | | | | | |
| On-behalf TPAF post retirement medical | | | | | | | (61,456,692) | | | | | | |
| Total State Financial Assistance Subject to Single Audit | | | | | \$ | | 62,015,213 | | | | | | |

See accompanying notes to schedules of financial assistance.

Freehold Regional High School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2018

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. The special revenue fund also recognizes the deferred state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

Freehold Regional High School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2018

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$14,268) for the general fund, \$29,777 for the special revenue fund and \$0 for the capital projects 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:

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 represents the amount paid by the state on behalf of the district for the year ended June 30, 2018. 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, 2018.

Freehold Regional High School District
Monmouth County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

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 .510(a) of Circular OMB Uniform Guidance? | No |
| (4) | Identification of Major Federal Program(s): | |

Program

CFDA

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, 2018

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 |
| Adjustment Aid | 495-034-5120-085 |
| Per Pupil Growth Aid | 495-034-5120-097 |
| PARCC Readiness | 495-034-5120-098 |
| Professional Learning Community Aid | 495-034-5120-101 |
| Reimbursed TPAF Social Security | 495-034-5095-051 |

- (5) Program Threshold Determination:
Type A State Program Threshold > \$1,843,701.00
Type B State Program Threshold <= \$1,843,701.00
- (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, 2018

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

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000

