

***MONMOUTH REGIONAL HIGH
SCHOOL DISTRICT***

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2014

***SCHOOL DISTRICT
OF
MONMOUTH REGIONAL HIGH SCHOOL***

***Monmouth Regional High School Board of Education
Tinton Falls, New Jersey***

***Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014***

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

of

***MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
TINTON FALLS, NEW JERSEY***

For the Fiscal Year Ended June 30, 2014

Prepared by

***Monmouth Regional High School District Board of Education
Finance Department***

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MONMOUTH REGIONAL HIGH SCHOOL DISTRICT OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT



(Welcome to our Home)

MONMOUTH REGIONAL HIGH SCHOOL
BOARD OF EDUCATION
TINTON FALLS, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

MONMOUTH REGIONAL HIGH SCHOOL BOARD OF EDUCATION
Eatontown * Shrewsbury Township * Tinton Falls* Earle Weapons Station

Dr. Charles R. Ford, Jr.
 Superintendent

1 Norman J Field Way
 Tinton Falls NJ 07724

Maria A. Parry, CPA, PSA
 School Business
 Administrator/Secretary to the Board

50 Years of Falcon Pride 1960-2010

November 21, 2014

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

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report of the Monmouth Regional High School District (District) for the fiscal year ended June 30, 2014 is hereby submitted in accordance with Governmental Accounting Standards Board Statement 34 and 44. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Monmouth Regional High School Board of Education (Board.). To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

- The Introductory Section includes this transmittal letter, the District's organizational chart, a list of principal officials, and a list of consultants and advisors.
- The Financial Section includes the basic financial statements and schedules, as well as the auditor's report thereon.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi year basis.

- The Single Audit Section which states that the District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

SCHOOL DISTRICT ORGANIZATION

The Monmouth Regional High School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14 and Statement 34. All funds and account groups of the district as included in this report. The Monmouth Regional High School Board of Education constitutes the district's reporting entity.

The district provides a full range of educational services appropriate to grade levels 9 through 12. These include regular and vocational as well as special education for handicapped students. The District completed the 2013-2014 fiscal year with an average daily enrollment of 940.60 students. Enrollment is defined as students on roll and students placed out of district. Established in 1960, the district is one building which encompasses over 79 acres, 9 wings, 2 floors, 2 gymnasiums, full service cafeteria and state of the art fitness and performing arts centers comprise the district's school facilities.

The district receives students from three towns: Shrewsbury Township, Eatontown and Tinton Falls. In addition to the three towns, the district serves the students of Naval Weapons Station Earle. The district receives students from Naval Weapons Station Earle, located in Colts Neck NJ. Shrewsbury Township is the smallest of the three sending towns, spanning only about a few blocks in length. Eatontown is the next largest township and Tinton Falls has the largest square miles of the sending towns.

The Board of Education is comprised of members from all three sending districts. In January 2013, due to reapportionment as directed by statute, the make-up of the board of education changed to five members are from Tinton Falls (was 4); three are from Eatontown (was four); and one is from Shrewsbury Township (unchanged). All receive equal weight votes and three are elected to three-year terms each November. The Board of Education meets on the first and third Tuesday of the month for regular board meetings. The meetings held on the third Tuesday are more financial in nature than on the first Tuesday of the month. The Board of Education also has two student representatives with non-voting rights on the board. A Junior Class Representative and a Senior Class Representative are selected from the membership of the Student Council to sit on the board and give reports at each meeting. During its meetings the board determines district goals and priorities and conducts the business of the Board of

Education. All Board meetings are open to the public and begin at 7:30 p.m., unless a time change is needed which is then properly advertised.

In early 2012, the State of New Jersey gave school districts the option to continue to vote on tax levies in April or waive the vote on the tax levy (move the election of board members to November) as long as the district did not go over the 2% cap. This decision was a four year decision of the Board of Education. At this time, it appears the Board of Education will continue with this option for the future.

The Monmouth Regional PTSA is very active in the District and provides community support for a variety of programs and activities for the students. Recently, the PTSA created grants for teachers to offset costs for items such as supplies and field trips. There are active booster/parent clubs for the band, and performing arts faction of the school. Additionally there are sixteen private scholarship funds offered to graduating students. All associations/clubs and scholarships are very supportive to the students and the district. In September 2007, a family donated monies towards a summer internship program in the technology department. This internship, funded for a minimum of five years, allows a current or recently graduated Monmouth Regional student to work in the district's information technology department. This same family also donated funds to purchase a \$25,000 projector which now is housed in the PAC. In October 2012, the family donated an additional \$9,000 to the district to continue the technology internship for three more years. The Monmouth Regional High School Board of Education is very grateful to this family for their generosity.

The students publish a student newspaper entitled ***The Falconaire*** which is published approximately eight times during the school year. This newspaper is also shown on the district's website: www.monmouthregional.net which houses various pieces of information about the district and has contact information for a user to navigate to. In the 2007-2008 school year, the *Falconaire Newspaper* went online and began to publish an online expanded version of the school newspaper. This has proven to be very successful for both students and the school. The newspaper has received numerous awards for their journalistic efforts.

The current district website of www.monmouthregional.net was expanded to include public information and continues to be a source of all information for any individual who has internet access.

In 2008 the District instituted the Honeywell Instant Alert program, allowing for parents, staff and students to receive "instant alerts" via their cell phone, landline phone, and e-mail for events that pertain to Monmouth Regional High School. This program has replaced the "snow chain" of informing individuals of school closings. Due to the success of the Instant Alert System, the district uses it often for messages about upcoming events at the school, and not just for emergencies.

EDUCATIONAL PROGRAM/REPORTING ENTITY AND ITS SERVICES

As stated earlier, the District completed the 2013-2014 fiscal year with an average daily enrollment of 940.60 students. Enrollment is defined as students on roll and students placed out of district. The following details the changes in the student enrollment of the District over the past few years.

Average Daily Enrollment		
Fiscal Year	Student Enrollment	Percent Change
2013-2014	940.60	(5.1)%
2012-2013	991.10	1.2%
2011-2012	979.00	(3.79)%
2010-2011	1,017.6	(6.3)%
2009-2010	1,086.5	(3.3)%
2008-2009	1,123.6	(4.23)%
2007-2008	1,173.2	.23%
2006-2007	1,170.4	(4.22)%
2005-2006	1,222.0	1.28%
2004-2005	1,206.5	2.13%
2003-2004	1,181.3	6.50%

The District provides a full range of educational services appropriate to grade levels 9 through 12. The school follows the district-wide goals and educational approaches to the teaching of children, while maintaining a unique personality that make up that particular school. All curricula in our district have been aligned to the New Jersey Core Curriculum Content Standards.

High School: The building has one Principal, two Assistant-Principals, and two school nurses. The rest of the administrative team is made up of the following individuals:

- A. Supervisors:
 - a. Applied Technology
 - b. English
 - c. Math/Science
 - d. Social Sciences/World Language/ESL
 - e. Music/Library (supervised by Assistant Principal)
- B. Director of Athletics/Supervisor of Physical Education
- C. Director of Guidance
- D. Director of Special Services (currently there is a CST Consultant)
 - a. Child Study Team
 - b. Special Education Instructional Supervisor
 - c. Basic Skills Instruction
 - d. Special Education Department

The district has worked very hard in the past five years to combine supervisor positions to create future savings.



(Members of the cast of "Hold Me" – the fall 2014 Drama Production)

The school can be best described as a warm, friendly and a full of school spirit environment.

Monmouth Regional High School offers a comprehensive educational program that was developed to meet the needs of all students, whether they are in the need of advanced placement courses, remedial instruction, or something in between.

In 2011-2012 the district, as a result of yearlong planning in 2010-2011, began to implement Professional Learning Communities for professional development and also for writing of curriculum. This change in direction has saved the district dollars spent in curriculum writing. All curriculum is now written in the Understanding by Design format, which is a living document and is updated constantly through the Professional Learning Communities environment. All teachers continue to maintain their own websites through the Monmouth Regional High School website. In 2012-2013 the new teacher evaluation system EE4NJ was embraced by the staff and administration. The staff and administration spent the year in training sessions to get ready for its implementation for the 2013-2014 school year. The hard work has paid off- the district is utilizing the evaluation system smoothly.

In 2008-2009, several departments developed a new program, the AP Academy in an effort to retain more high-performing students than losing them to the Vocational School Academies. This program was created without any strain on district funds. The students selected for entry into the program will have a four year course of rigorous study outlined for them that includes accelerated or Advanced Placement courses, senior capstone project, seminars and the potential to earn up to 30 college level credits. In June 2014 the

second class of the AP Academy graduated- an accomplishment thanks to the hard work of the professional staff and administration that worked hard to achieve this goal.

The English Department presents a variety of activities within its course content. Reading discussions in both large and small group settings, short story and poetry writing, dramatic recitation, audio and video presentations, and other techniques enhance class format. Articulation between different high schools is encouraged in this department. Teachers have utilized the team teaching practice, implemented higher level thinking skills in its teaching practice, and developed longitudinal portfolios to support college application trends. The English Department has instituted a drop-in computer lab that is staffed by an English teacher. The English Department's website can be found at <http://www.monmouthregional.net/mrhs/Departments/English/>

The Mathematics Department offers a wide variety of courses, both in mathematics and computer science, to meet the needs of the students. To meet this need, the staff incorporates small group instruction as well as peer-to-peer tutoring. A double block period of Algebra 1 was added to give all students access to algebra. An additional course of study in Flash Technology was added in 2007-2008 due to the student's requests for the program. Students are given the opportunity to see mathematics in real-life applications through the addition of a Probability and Statistics course. The Math League competitive program is run through this department- challenging students to show off their math knowledge against other schools in the county. Monmouth Regional always fares well against competing schools. The department is committed to excellence in mathematics education and its desire to enlighten the students on the power of mathematics. The Math Department's website can be located at the following web address: <http://www.monmouthregional.net/mrhs/Departments/Mathematics/>

The Science Department offers courses at different levels allowing students of diverse abilities to enroll in science classes. The students are engaged in cooperative learning activities as well as research projects as part of their science experience. Innovative Forensics and Med-Tech programs meet the needs of students of all ability levels. With the popularity of television shows such as “*CSI*”, “*NCIS*”, and “*Bones*” (to name a few), the forensic science class has been a very popular one for students. In November 2012 the taxpayers voted to approve a \$6 million bond referendum- which 8 renovated science classrooms made up the majority cost of the project. These classrooms were completed in summer 2014 and are paying off with the renewed interest in the sciences. The Science Department’s website can be located at the following web internet address: <http://www.monmouthregional.net/mrhs/Departments/Science/>

The Social Studies Department offers a wide variety of courses including World History, US History, Sociology, Psychology, and Humanities. The curricula incorporate human rights issues along with tolerance for all. The department supports clubs such as “Adopt a Survivor”, “Heifer International”, “As One (support for Uganda students)” and “Support the Troops” that reinforce the students’ skills and course content. New to the Social Studies Department is a course on the Holocaust, where students can obtain college credits from Kean University while taking a high school credit class on the subject. This opportunity was created through a multiyear grant from Kean University. The Social Studies Department website can be located at the following web address: <http://www.monmouthregional.net/mrhs/Departments/Social%20Studies/>

The Special Education Department at Monmouth Regional High School is all-inclusive and consists of two separate child study teams. It offers a curriculum which has established priorities, objectives, and goals for all courses and units within the program that are based on clearly defined expectations for all students. The learning expectations of the special education curriculum address the diverse learning needs of the students without compromising the essential knowledge and skills students are expected to learn. The Special Education Department employs a multi-sensory and teacher-centered format for the learning disabled student. Individualized programs such as the Wilson Reading Program, Study Island, and the Career Training Program are used to address the unique needs of our classified high school students. In 2010-2011, an Alternate School Program (In-District) was created for students that are struggling during the day, but are capable to stay in-district rather than look for a placement elsewhere. This has been a successful program and the district, in 2012-2013 opened up the AIM program in-district to save additional tax dollars. Future plans include a self-contained Autism classroom for multiple grade levels. The Special Education Department website is at: <http://www.monmouthregional.net/mrhs/Departments/Special%20Services/>

The World Language Department offers programs that provide a core curriculum in four language skills: listening, speaking, reading, and writing. Its wide range of offerings promotes tolerance and embrace diversity. Students are encouraged to think beyond their own backgrounds and value the differences within the world community. The World Language Department website can be located at the following address: <http://www.monmouthregional.net/mrhs/Departments/World%20Language/>

The Physical Education Department offers a wide variety of activities that allow students to develop socially, emotionally, cognitively, and physically. Students are involved in many activities including the use of the fitness center and the Adventure Training course. The low elements course was built in 2005 while the high elements course was built in 2006. Students are taught teamwork, problem-solving, and motivational techniques throughout these activities. Included as part of the Physical Education Department are drivers' education and health. Additional equipment was purchased in 2008 and 2009 to add to the fitness center to expand the healthy lifestyle program. The Health curriculum was designed to teach students life skills. Activities in the classes foster communication skills and cooperative learning that teach, among other things, respect. The Physical Education Department website can be located at the following address: <http://www.monmouthregional.net/mrhs/Departments/Physical%20Ed/>



How the district became the “MRHS Falcons” – by school vote!!

The Business Department identifies elective courses including vocational cooperative marketing and life skills designed to encourage problem-solving, critical thinking and intellectual inquiry. This is an extensive, practical program grounded in accomplishing the goals set before them. Students are afforded the opportunity to express themselves creatively and develop their own imagination while gaining a broad appreciation of the business world. The Business Department website can be found at: <http://www.monmouthregional.net/mrhs/Departments/Art%2C%20Business%2C%20Home%20Economics%20and%20Industrial%20Arts/>

The Family and Consumer Science Department offers courses across four areas: foods, child development, clothing, and fashion design. These programs were designed to prepare students for the working world as well as providing life skills for the students. The program accommodates students from all ability levels. The learning is student-centered with the teacher in the role of facilitator. Students who have participated in this course of studies have been accepted in some of the finest schools for further study. The FCS website can be found at the listed address above.

The Industrial Arts Department offers courses, strongly emphasizing and concentrating on current technology, in the fields of graphic arts, photography, electronics technology, and engineering graphics. The curricula are determined by skill level rather than grade level. The Cisco Networking Academy, housed under this department, teaches students to design, build, and maintain computer networks. Upon completion of Cisco II, students have the opportunity to take the Cisco Certified Network Association exam and receive certification upon passing. Students successfully completing Cisco I and II are also eligible for up to 16 credits at Brookdale Community College in Networking. The Industrial Arts website can be found at the listed address above.

The Music program at Monmouth Regional High School offers courses in band, entertainment techniques, chorus, and music theory. All curricula cover music of various cultures, eras, and styles. Both vocal and instrumental students are afforded the opportunity to receive individual instrumental lessons for more selective ensembles. The Music Department website can be found at the following address http://www.monmouthregional.net/mrhs/Departments/Music.html/_top

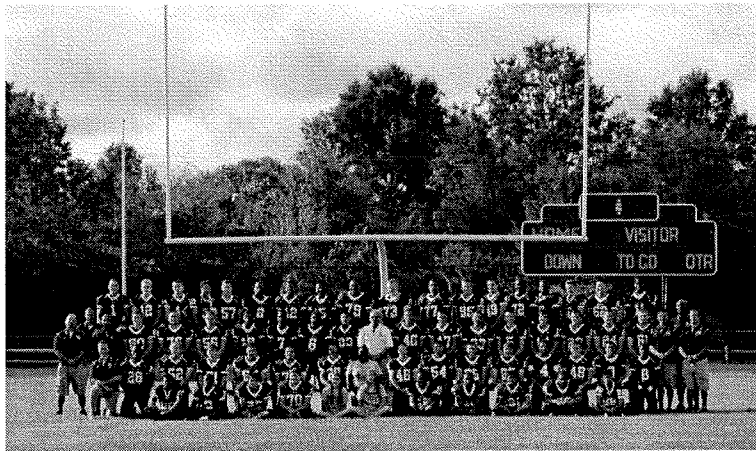
Student Activities and Athletics

Monmouth Regional High School is home to 22 sports teams and over 40 student activities clubs/organizations. Combined, these teams/clubs have brought distinction to Monmouth Regional High School by being the recipient of countless awards and recognition. A few examples of such honors are:

- **Count Basie Awards for drama productions**
- **Jazz and Marching Band Competition awards of 1st place**
- **Local, county and state champion sports teams**
- **Sportsmanship Awards for sports teams voted on by other coaches**
- **Winning the Physics Olympics**
- **DECA national and state awards**
- **FCCLA national and state awards**
- **FBLA national and state awards**

Hall of Fame

In 2010 the district restarted the Hall of Fame. There are two categories- Academic and Athletic. In 2012 the honorees were included to be former employees of the district. This program runs every 2 years and has been very successful. It is one of the many unique programs about Monmouth Regional High School.



The Monmouth Regional High School Football Team 2014-2015

Core Curriculum Contents Standards

Our district is in line with the New Jersey Core Curriculum Contents Standards. English and Math have converted to common core content standards and in summer 2015 Science will be re-aligning curriculum to the next generation standards recently adopted by the NJ Department of Education. All district curricula have been aligned with the Standards.

Staff Development

The Monmouth Regional High School District provides its teaching staff with many opportunities for professional development. New teachers/staff have an additional day dedicated to new teacher training. A teacher's manual is given to all new teachers as well as an assigned mentor to provide support throughout the school year.

In the beginning of the year, one full day is dedicated to staff development. The teachers meet in the morning for sessions, have lunch, and then in the afternoon have breakout sessions regarding the training.

During the year there are three additional days dedicated to staff development. The topics can range from bullying, character education, technology diversification and assessment. The teachers spend the morning in workshops, have lunch and then in the afternoon have break out sessions to work on their assessments. I

Throughout the school year teachers are afforded the opportunity for professional days as well as after school programs taught in-district. Technology has been rapidly changing in Monmouth Regional. The technology department has kept up with technology by offering Wednesday Technology Sessions- technology oriented sessions after school to teacher's dismissal time on a wide range of technology subjects- Laptops, Active Boards, Excel, iPad usage, Word, and even Microsoft Access. This has been a success in the district.

Technology

The district technology plan, originally written in 1997, was re-approved for a three year period of July 1, 2013 to June 30, 2016. The plan can be found at this link: <http://www.monmouthregional.net/mrhs/Public%20Info/Public%20Information/District%20Technology%20Plan%202013%20-%202016.pdf>

With the mandate of PARCC (Partnership for Assessment of Readiness for College and Careers) online testing, the technology department has been very busy making sure Monmouth Regional High School's servers can handle the multiple users at one time taking the test.

The district has been upgrading technology for both staff and students. With the approval of the 2013-2014 budget, 140 new laptops for staff were purchased. Additionally, new iPads for the physical education department will be purchased so the faculty members can take attendance out in the field. iPad for the technology department members are also planned so they can be responsive to staff needs on an immediate basis rather than when they get back to their office to answer emails.

Infusing technology with school safety has also become a priority at Monmouth Regional High School. The district in 2014-2015 will be installing mushroom "panic buttons" that, upon activation, will send a silent signal to the police department when there is an emergency. The district also has increased the number of digital cameras in the district along with the ability to make an announcement from any cell phone.

This is a very exciting, innovative time for technology at Monmouth Regional High School.

Business Office

The business office is comprised of the following individuals: School Business Administrator, Part Time Clerk, Secretary to the Business Administrator, Accounts Payable, Payroll, and Transportation Supervisor. This office is responsible for financially running the school district. Increased workload due to challenges faced from State and Federal mandates, while maintaining current staff levels, continues to be a challenge. In January 2012 the district entered into a Business Service Agreement with the New Hanover Township Elementary School in Burlington County for School Business Administrator Services. This partnership has been successful and an alternate means of income for the district. The office is continually looking to streamline costs and find new opportunities for the district. The office continues to be a hard working component of the entire district.



(Monmouth Regional Bus Drivers and a new, 54 passenger bus)

ECONOMIC CONDITION AND OUTLOOK

In Tinton Falls, residential housing will increase for the next several years due to new communities being built and opened over the next few years. A new “premium outlet” shopping center opened November 2008, increasing opportunities for individuals to live in Tinton Falls, Eatontown and Shrewsbury Township. The percent of share, the calculation based upon current enrollments for determining how Monmouth Regional High School’s tax levy is split for the past few years is listed below:

2012-2013	57.2909531
2013-2014	55.5697071
2014-2015	57.3717316

While smaller geographically than Tinton Falls, Eatontown has a larger population and is more densely populated. Eatontown is 90% developed and has fewer than fifty lots

available for residential development. Eatontown is the home of Fort Monmouth, which closed on September 15, 2011. The reorganization of the Fort has begun with the building of a new office building off of Hope Road and new businesses moving in. In September 2014 auctions of equipment and property belonging to Fort Monmouth took place to make room for the second phase of the reorganization. The district enrollment for 2012-2013 is up about 15 students, a positive sign for the future. The district was informed in May 2011 that it is no longer eligible for Federal Impact Aid dollars. These offsetting tax amounts were eliminated in the 2011-2012 budget. The district has received impact aid monies in the past two years, which are from prior years (2008, 2009) and are significantly less than 10 years ago. The percent of share for Eatontown over the past few years is listed below:

2012-2013	41.3552031
2013-2014	43.2261970
2014-2015	41.3758119

Shrewsbury Township has no development planned and all shifts in enrollment are a result of family dynamics. Shrewsbury's percent of share is the final percentage to total 100% for the district. This number has been around 1.25 for the past three years.

Earle Weapons Station is still an active military base. There has been litigation in the past few years regarding housing on Earle, but no concrete decisions have been made. Future enrollment at Monmouth Regional High School is something that cannot be accurately predicted due to the unannounced changes to the closed Fort, the economic conditions of the State, Nation and the slow moving housing market.

MAJOR INITIATIVES

**On October 16, 2012 Monmouth Regional High School approved the following:
Mission Statement**

Monmouth Regional High School is committed to educating every child every day.

An educational program has been created to assure that students:

- Develop the ability to communicate effectively
- Think critically and perform critical analysis
- Develop a core understanding and appreciation for mathematics and the sciences that promote problem-solving skills
- Learn history so as not to repeat it
- Comprehend civics and economics in order to become change agents in the world beyond the walls of any building
- Gain a knowledge and respect for diverse cultures

Students will transform into THINKERS who succeed individually and as members of a team. They will recognize the importance of life-long learning.

Monmouth Regional is confident that its graduates will be contributing members of local, state, national, and global communities.

Vision Statement

The vision of Monmouth Regional High School is to provide a quality education that equips all students with the knowledge and skills to compete in today's global, information-based society with honesty, ethics, and integrity while valuing and embracing cultural diversity.

REFERENDUM:

As stated earlier, in November 2012, the district approved at \$6.149M referendum for the following projects:

- 8 renovated science classrooms
- Asbestos removal
- Renovation of the girl's locker room
- Construction of new physical education/athletic storage room

A second question comprised of a 3rd gymnasium, paving of the parking lot and a new electrical panel barely failed.

This is an ambitious project for the district, with the last referendum being approved in 1998. Four science classrooms were completed over summer 2013. The locker room and storage room are set to be completed before December 31, 2013. The asbestos removal project is in a three phase plan with work planned for summer 2013, 2014 and 2015. The final four science classrooms were completed in summer 2014. The Board of Education continues to thank the taxpayers for their approval of these projects to help move Monmouth Regional forward educationally.

INTERNAL CONTROLS

Management of the district is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the district are protected from loss, theft, or misuse; and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally-accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of state and federal awards, the district is also responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws, regulations, contracts and grants related to those programs. This internal control system is also subject to periodic evaluation by the district management.

As part of the district's single audit, described earlier, tests are made to determine adequacy of the internal control system, including that portion related to federal and state financial assistance programs, as well as to determine that the district has complied with applicable laws and regulations.

The district has an approved Standard Operating Procedure manual which is posted on the district website and also is in the process of finishing a Purchasing Manual for additional guidance on strong internal controls in the area of purchasing and cash receipts/disbursements.

BUDGETARY CONTROLS

In addition to internal accounting controls, the district maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. Annual appropriated budgets are adopted for the general fund, the special revenue funds, and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance at fiscal year end. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2014.

ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.

DEBT ADMINISTRATION

As of June 30, 2014 the District has \$0 in outstanding general obligation bonds related to the 1998 referendum. On November 6, 2012, the voters approved a referendum in the amount of \$6,149,000. This is the new amount outstanding in general obligation bonds which will be paid off over 11 years. Current balance as of June 30, 2014 was \$5,614,000.

CASH MANAGEMENT

The investment policy of the district is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The district has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provision of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institute in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

RISK MANAGEMENT

The Board carried various forms of insurance, including but not limited to general liability, automobile liability and comprehensive collision, hazard and theft insurance on property and contents, and fidelity bonds.

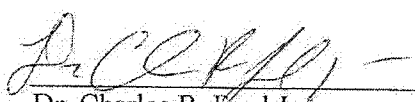
INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Cannone and Company was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet requirements of the Single Audit Act of 1984, as amended and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements, combining, individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

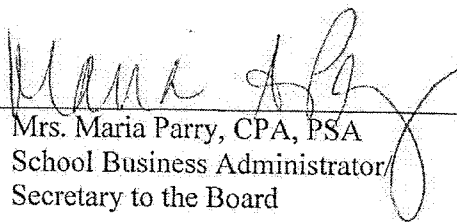
ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Monmouth Regional High School 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 district staff.

Respectfully submitted,

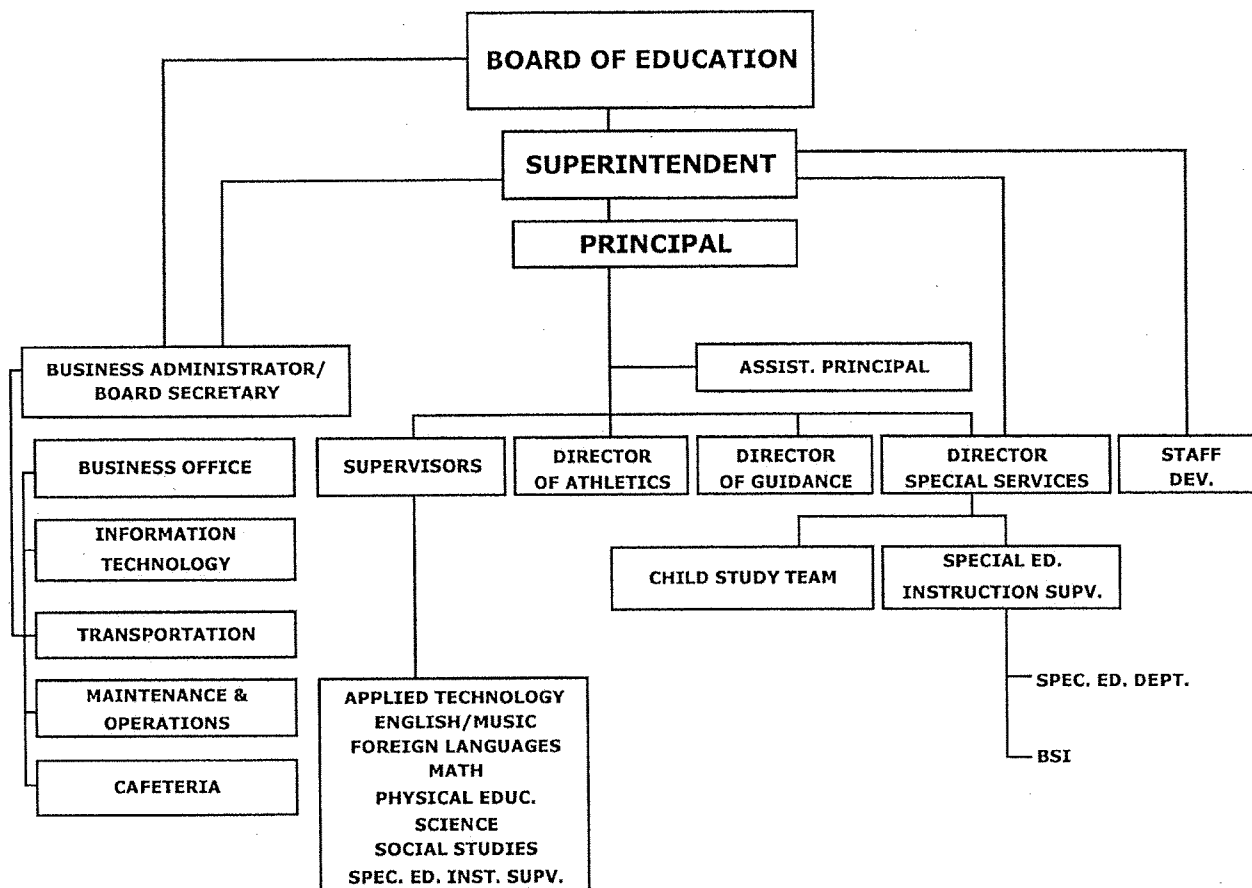


Dr. Charles R. Ford Jr.
Superintendent of Schools



Mrs. Maria Parry, CPA, PSA
School Business Administrator/
Secretary to the Board

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
ORGANIZATIONAL CHART**



**MONMOUTH REGIONAL HIGH SCHOOL BOARD OF EDUCATION
TINTON FALLS, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2014**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jonathan Cohen, President	2015
Steven B. Seavey, Vice President	2014
Robert Mauro	2016
Nancy Britton	2014
Mary Anne Linder	2016
Ellen Scurry	2015
Barbara Van Wagner	2014
Joseph Gaetano	2015
Andrew Mayer	2014

Other Officials

Charles R. Ford Jr., Ed D., Superintendent

Maria Anne Parry, CPA, PSA, School Business Administrator/Board Secretary

Cindy Barr-Rague, CPA, Treasurer

Martin M. Barger, Esq. Solicitor

**MONMOUTH REGIONAL HIGH SCHOOL BOARD OF EDUCATION
TINTON FALLS, NEW JERSEY**

**CONSULTANTS AND ADVISORS
June 30, 2014**

Audit Firm

Cannone & Company, P.A.
485 Morris Avenue
Springfield, NJ 07081

Attorneys

Martin M. Barger, Esq.
The Reussille Law Firm
149 Avenue at the Common, Suite #1
Shrewsbury, NJ 07702

Official Depositories

Bank of America
Eatontown, NJ

N.J. Cash Management Fund
Jersey City, NJ 07311-3977

TD Bank
500 Shrewsbury Avenue
Tinton Falls, NJ 07701

FINANCIAL SECTION

CANNONE AND COMPANY, P.A.*Certified Public Accountants*

485 Morris Avenue

Springfield, New Jersey 07081

(973) 379-6868

FAX (973) 379-6278

MEMBER:

American Society of Certified Public Accountants

New Jersey Society of Certified Public Accountants

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Monmouth Regional High School District
County of Monmouth
Tinton Falls, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Monmouth Regional High School District Board of Education, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively compromise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles general 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, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Monmouth Regional High School District Board of Education, in the County of Monmouth, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information on pages 24 through 32 and 74 through 86 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Monmouth Regional High School District Board of Education's basic financial statements. The accompanying introductory section, combining fund financial statements, financial schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2014 on our consideration of Monmouth Regional High School District Board of Education'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 Monmouth Regional High School District Board of Education's internal control over financial reporting and compliance.



Nicholas A. Cannone
Licensed Public School Accountant
No. CS-02103
Cannone & Company, PA
Certified Public Accountants
Springfield, New Jersey

November 30, 2014

REQUIRED SUPPLEMENTARY INFORMATION
PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

The discussion and analysis of Monmouth Regional High School District's financial performance provides an overall review of Monmouth Regional's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at Monmouth Regional High School's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Monmouth Regional High School's financial performance.

The Management's Discussion and Analysis (MD&A) is a new element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999.

Financial Highlights

Key financial highlights for 2014 are as follows:

In total, net assets increased **\$1,117,344** which represents an approximate 9.5 percent increase from 2013.

General revenues accounted for **\$24,171,590** in revenue or 100 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for **\$3,048,104** 12.6 percent of total revenues of **\$26,102,350**.

Breaking down the detail of the statement of net assets, for governmental activities one will see that total assets of such governmental activities increased by \$451,265 as cash and cash equivalents and investments decreased by \$2,670,582, receivables increased by \$638, and capital assets increased by \$3,122,485.

Monmouth Regional High School had **\$26,102,350** in expenses; only **\$3,048,104** of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of **\$24,171,590** and fund balance were adequate to provide for these programs.

Among governmental funds, the General Fund had **\$25,368,903** in revenues and **\$25,463,604** in expenditures. The General Fund's fund balance decreased **\$94,701** over 2013.

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 Monmouth 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.

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of Monmouth Regional High School:

District-Wide Financial Statements (Statement of Net Assets and Statement of Activities)

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Monmouth Regional's overall financial status.

Fund Financial Statements

- The remaining statements are fund financial statements that focus on individual parts of Monmouth Regional, reporting Monmouth Regional's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short and long-term financial information about the activities Monmouth Regional operates like businesses, such as food services.
- Fiduciary funds statements provide information about the financial relationships in which Monmouth Regional High School acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of Monmouth Regional High School Board of Education's budget for the year.

Figure A-1
Major Features of District-Wide and Fund Financial Statements

	District-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> •Statement of net assets •Statement of activities 	<ul style="list-style-type: none"> •Balance sheet •Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> •Statement of net assets •Statement of revenues, expenses, and changes in fund net assets •Statement of cash flows 	<ul style="list-style-type: none"> •Statement of fiduciary net assets •Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of assets/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term, and long-term. Monmouth Regional's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions, during the year, regardless of when cash is received or paid

Figure A-1 summarizes the major features of Monmouth Regional High School's financial statements, including the portion of Monmouth Regional's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Continued

Fund Financial Statements (Continued)

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, Monmouth Regional High School, presenting both an aggregate view of Monmouth Regional's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental fund, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Monmouth Regional High School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by Monmouth Regional to provide programs and activities, the view of Monmouth Regional High School, as a whole looks at all financial transactions and asks the question, "How did we do financially during 2013-2014?" The Statement of Net Assets and the Statement of Activities 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. These bases 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 assets and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position of Monmouth Regional High School has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the Percent of Share property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, Monmouth Regional High School is divided into two district kinds of activities:

Governmental activities – All of Monmouth Regional High School's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activity – 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 enterprise fund is reported as a business activity.

Reporting Monmouth Regional High School's Most Significant Funds Fund Financial Statements

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

Governmental Funds

The District's activities are reported in governmental funds, which focus on how money flows in 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 Monmouth Regional

Continued

Governmental Funds (Continued)

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 Assets 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.

Notes to the Financial Statements

The notes 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 Assets provides the perspective of Monmouth Regional High School as a whole. Net assets may serve over time as a useful indicator of a government's financial position. Monmouth Regional'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 Monmouth Regional High School's net assets for 2014 with comparative amounts for 2013.

Table A-1
Summary of Net Assets

	MRHS Total 2014	MRHS Total 2013	Increase (Decrease) From 2013	Total Percentage Change 2014-2013
Current and Other Assets	\$ 6,417,494	\$ 9,094,747	\$ (2,677,253)	-29.44%
Capital Assets	13,818,831	10,699,217	3,119,614	29.16%
Total Assets	\$ 20,236,325	\$ 19,793,964	\$ 442,361	2.23%
Long-Term Debt Outstanding	\$ 6,393,524	\$ 7,140,093	\$ (746,569)	-10.46%
Other Liabilities	1,012,908	941,322	71,586	7.60%
Total Liabilities	\$ 7,406,432	\$ 8,081,415	\$ (674,983)	-8.35%
Net Assets:				
Invested in capital assets, net of related debt	\$ 7,711,099	\$ 3,953,188	\$ 3,757,911	95.06%
Restricted	2,726,160	2,786,900	(60,740)	-2.18%
Unrestricted	2,392,634	4,972,461	(2,579,827)	-51.88%
Total Net Assets	\$ 12,829,893	\$ 11,712,549	\$ 1,117,344	9.54%

Continued

The School District as a Whole (Continued)

Table 2 shows changes in net assets for fiscal year 2014 with comparative amounts for 2013.

**Table A-2
Summary of Changes in Net Assets**

	MRHS Total 2014	MRHS Total 2013	Increase (Decrease) From 2013	Total Percentage Change 2014-2013
REVENUES				
Program Revenues:				
Charges for Services	\$ 796,031	\$ 216,435	\$ 579,596	267.79%
Federal and State Categorical Grants	2,252,073	2,477,300	(225,227)	-9.09%
General Revenues:				
Property Taxes	20,134,246	19,707,248	426,998	2.17%
State Formula Aid	3,543,886	3,589,706	(45,820)	-1.28%
Other	493,458	748,666	(255,208)	-34.09%
Total Revenues	\$ 27,219,694	\$ 26,739,355	\$ 480,339	1.80%
EXPENSES				
Instruction	\$ 12,063,288	\$ 12,043,496	\$ 19,792	0.16%
Student Support Services	13,589,751	13,223,690	366,061	2.77%
Other	449,311	419,813	29,498	7.03%
Total	\$ 26,102,350	\$ 25,686,999	\$ 415,351	1.62%
Increase (Decrease) in Net Assets	\$ 1,117,344	\$ 1,052,356	\$ 64,988	6.18%

Gov

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek over approval for Monmouth Regional High School District operations. Property taxes made up 77 percent of revenues for governmental activities for Monmouth Regional High School District for fiscal year 2014. Monmouth Regional's total revenues were \$26,418,184 for the year ended June 30, 2013. Federal, state, local grants, other and state aid accounted for another 23 percent of revenue.

Business-Type Activities

Revenues for Monmouth Regional's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

Food service expenses exceeded revenues by **\$19,074**.

Charges for services represent **\$223,989** of revenue. This represents amounts paid by patrons for daily food service.

Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was **\$137,440**.

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. The net cost shows the financial burden that was placed on the Regional District's taxpayers by each of these functions.

Table A-3
Cost of Services vs Net Cost of Services

	Total Cost of Services 2014	Net Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2013
Instruction	\$ 12,063,288	\$ 10,798,676	\$ 12,043,496	\$ 10,726,301
Support Services:				
Pupil and Instructional Staff	6,074,395	6,383,971	6,074,395	5,628,574
Administration	1,926,861	1,095,417	1,934,717	1,775,298
Operation and Maintenance of Facilities	3,193,935	2,938,566	2,961,107	2,754,453
Pupil Transportation	2,394,560	1,749,734	2,263,902	2,096,610
Debt Service	-	-	-	-
Interest on Long Term Debt; transfer f/s	68,808	68,808	38,762	(19,140)
Total Expenses	\$ 25,721,847	\$ 23,035,172	\$ 25,316,379	\$ 22,962,096

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, and business include expenses associated with administrative and financial supervision of Monmouth Regional High School District.

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

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of Monmouth Regional High School District.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to **\$26,418,184** and expenditures were **\$29,225,146**. The net change in fund balance for the year was most significant in the Capital Projects Fund, a decrease of **\$2,545,958**. This is attributed to the payment for capital projects associated with the 2012 bond referendum.

As demonstrated by the various statements and schedules included in the financial section of this report, Monmouth Regional High School continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2014, and the amount and percentage of increases and decreases in relation to prior year revenues.

Continued

The School District's Funds (Continued)

Table A-4
Summary of Revenues-Governmental Funds

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2013</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 20,762,405	78.59%	\$ 345,690	1.75%
State Sources	5,277,886	19.98%	(666,103)	-11.96%
Federal Sources	377,893	1.43%	338,694	57.65%
Total	\$ 26,418,184	100.00%	\$ 18,281	0.07%

The increase in Local Sources is mostly attributed to an increase in tax levy, capital leases, miscellaneous revenue and rental fees.

The decrease in state sources is mostly attributed to a decrease in state aid and school development authority grant reimbursements.

The decrease in Federal Sources is mostly due to an increase in federal special revenue grants.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2014 and the percentage of increases and decreases in relation to prior year amounts.

Table A-5
Summary of Expenditures-Governmental Funds

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2013</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$ 8,499,115	29.08%	\$ (3,544,381)	-42.56%
Undistributed Expenditures	16,418,929	56.18%	3,184,808	19.09%
Capital Outlay	3,712,040	12.70%	3,712,040	630.08%
Debt Service	595,062	2.04%	556,300	85.11%
Total	\$ 29,225,146	100.00%	\$ 3,908,767	14.18%

Changes in expenditures were the results of varying factors. Current expense decreased due to changes in staff, a lower contribution to capital reserve, and lower expenses than 2012-2013.

Continued

General Fund Budgeting Highlights

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

Over the course of the year, Monmouth Regional High School revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- SDA grant monies no longer available for capital projects.
- Extraordinary aid, which is state aid for special education students whose individual program cost exceeds \$40,000 per year, was not anticipated as there is no guarantee from the Department of Education that these funds would be available.
- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.
- Tuition for special education students over or under what has been estimated during budget preparation.
- Student transportation is provided using a blend of in-house and vendor services. Depending on the type of service, transfers to various accounts were needed to pay these costs.
- An increase in capital outlay purchases for the instructional programs and the operations/maintenance department.

Capital Assets

At the end of the fiscal year 2014 the School District had \$13,818,831 invested in land, building, furniture and equipment, and vehicles. Table A-6 shows fiscal year 2013 balances compared to 2012.

Table A-6
Summary of Capital Assets
(Net of Depreciation)

	Total 2014	Total 2013	(Decrease) From 2013	Change 2013-2014
Land	\$ 120,340	\$ 120,340	\$ -	-
Construction in Progress	\$ 610,049	\$ 797,792	\$ (187,743)	-
Site Improvements	569,253	649,546	(80,293)	-12.36%
Buildings	11,647,827	8,425,729	3,222,098	38.24%
Machinery and Equipment	871,362	705,810	165,552	23.46%
Total	\$ 13,818,831	\$ 10,699,217	\$ 3,119,614	29.16%

Continued

Debt Administration

At June 30, 2014, Monmouth Regional High School had **\$7,293,012** of outstanding debt. Of this amount **\$1,185,280** is for compensated absences; **\$493,732** for various capital leases; and **\$5,614,000** of serial bonds for school construction dated 2013.

Table A-7
Summary of Outstanding Long-Term Debt

	MRHS 2014	MRHS 2013	Change 2014-2013
General Obligation Bonds (Financed with Property Taxes)	\$ 5,614,000	\$ 6,149,000	-8.70%
Other	1,679,012	1,782,466	-5.80%
Total	\$ 7,293,012	\$ 7,931,466	-8.05%

For the Future

The Monmouth Regional High School District is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is the loss of Impact Aid, the closing of Fort Monmouth and how the redevelopment will impact the District. However, future finances are not without challenges as the district administrators are sensitive to the economic changes in the community and how those conditions will directly impact the district's retaining of programs, especially due to changes in state and federal funding.

With the recent passage of the \$6 million dollar referendum, the district is very pleased to move forward in making the school more competitive amongst other school districts. Additionally, the recent move to non-voting on the tax levy will allow the administration to plan accordingly in light of changing economic times. In conclusion, the Monmouth Regional High School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. Monmouth Regional High School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of Monmouth Regional High School District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mrs. Maria Parry, School Business Administrator, at Monmouth Regional High School, Administration Building, 1 Norman J. Field Way, Tinton Falls, NJ 07724. Please visit our website at www.monmouthregional.net.

Concluded

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets 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.

Monmouth Regional High School District
Statement of Net Position
6/30/2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 4,544,034	\$ 3,548	\$ 4,547,582
Investments	835,988		835,988
Receivables, net	384,819		384,819
Interfund receivable			-
Inventory		7,682	7,682
Restricted assets:			-
Cash and cash equivalents	50,000		50,000
Capital reserve account - cash	591,423		591,423
Capital assets, net (Note 4):	13,810,069	8,762	13,818,831
Other assets			-
Total Assets	<u>20,216,333</u>	<u>19,992</u>	<u>20,236,325</u>
LIABILITIES			
Cash Overdraft			-
Accounts payable		19,860	19,860
Accrued Interest Expense	33,876		33,876
Interfund payable			-
Payable to federal government			-
Payable to state government	12,069		12,069
Payable to local government			-
Deferred revenue	45,954	1,661	47,615
Noncurrent liabilities (Note 5):			
Due within one year	899,488		899,488
Due beyond one year	6,393,524		6,393,524
Total liabilities	<u>7,384,911</u>	<u>21,521</u>	<u>7,406,432</u>
NET ASSETS			
Invested in capital assets, net of related debt	7,702,337	8,762	7,711,099
Restricted for:			
Debt service	25,041		25,041
Capital projects	591,423		591,423
Other purposes	2,109,696		2,109,696
Unrestricted	2,402,925	(10,291)	2,392,634
Total net assets	<u>\$ 12,831,422</u>	<u>\$ (1,529)</u>	<u>\$ 12,829,893</u>

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

Monmouth Regional High School District
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 10,843,366	\$	1,217,980		\$ (9,625,386)	\$	\$ (9,625,386)
Special education	113,134				(113,134)		(113,134)
Other special instruction	1,106,788		46,632		(1,060,156)		(1,060,156)
Vocational					-		-
Other instruction					-		-
Nonpublic school programs					-		-
Adult/continuing education programs					-		-
Support services:							
Tuition	2,290,172				(2,290,172)		(2,290,172)
Student & instruction related services	3,848,610		390,607		(3,458,003)		(3,458,003)
School administrative services	653,067		17,271		(635,796)		(635,796)
General and business administrative serv	555,702		37,997		(517,705)		(517,705)
Central services	587,441		75,993		(511,448)		(511,448)
Administrative information technology	28,325				(28,325)		(28,325)
Plant operations and maintenance	3,193,935	82,657	172,712		(2,938,566)		(2,938,566)
Pupil transportation	2,394,560	489,385	155,441		(1,749,734)		(1,749,734)
Business and other support services	37,939				(37,939)		(37,939)
Special schools					-		-
Compensated Absences	(157)				157		157
Debt service					-		-
Interest on long-term debt	68,965				(68,965)		(68,965)
Transfer to Food Service					-		-
Total governmental activities	25,721,847	572,042	2,114,633	-	(23,035,172)	-	(23,035,172)
Business-type activities:							
Food Service	380,503	223,989	137,440			(19,074)	(19,074)
Before/After Care					-		-
Total business-type activities	380,503	223,989	137,440	-	-	(19,074)	(19,074)
Total primary government	\$ 26,102,350	\$ 796,031	\$ 2,252,073	\$ -	\$ (23,035,172)	\$ (19,074)	\$ (23,054,246)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 19,514,143	\$	\$ 19,514,143
Taxes levied for debt service					620,103		620,103
Federal aid not restricted					-		-
State aid not restricted							
Miscellaneous Revenues					3,543,886		3,543,886
INTEREST INCOME					-		-
Adjustments:					43,621		43,621
Fixed assets					9,756		9,756
Capital Leases					-		-
Total general revenues, special items, extraordinary items and transfers					145,440		145,440
Change in Net Assets					294,641		294,641
					24,171,590		24,171,590
					1,136,418		1,117,344
					-	(19,074)	-
Net Assets—beginning					11,689,113	23,436	11,712,549
Net Assets—ending					\$ 12,825,531	\$ 4,362	\$ 12,829,893

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

Monmouth Regional High School District
Balance Sheet
Governmental Funds
June 30, 2014

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	1,431,535	25,294	3,062,164	25,041	4,544,034
Investments	835,988				835,988
Receivables, net					0
Due from other funds	173				173
Receivables - State	274,305	32,729			307,034
Accounts Receivable - Other	77,785				77,785
Interest receivable on investments					0
Inventory					0
Restricted cash and cash equivalents	641,423				641,423
Other assets					0
	<u>3,261,209</u>	<u>58,023</u>	<u>3,062,164</u>	<u>25,041</u>	<u>6,406,437</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable					0
Accrued Interest					0
Interfund payable	5,891		173		6,064
Payable to federal government					0
Payable to state government		12,069			12,069
Payable to local government					0
Deferred revenue		45,954			45,954
Total liabilities	<u>5,891</u>	<u>58,023</u>	<u>173</u>	<u>0</u>	<u>64,087</u>
Fund Balances:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	1,033,542				1,033,542
Reserve for Excess Surplus	974,213				974,213
Reserve for Capital Reserve	591,423				591,423
Reserve for Maintenance	50,000				50,000
Committed Fund Balance:					0
Reserve for Impact Aid					0
Assigned Fund Balance:					0
Designated for Subsequent Year's Expenditures	51,941				51,941
Reserve for encumbrances	195,063		1,188,394		1,383,457
Unrestricted Fund Balance	<u>359,136</u>		<u>1,873,597</u>	<u>25,041</u>	<u>2,257,774</u>
Total Fund balances	<u>3,255,318</u>	<u>0</u>	<u>3,061,991</u>	<u>25,041</u>	<u>6,342,350</u>
Total liabilities and fund balances	<u>3,261,209</u>	<u>58,023</u>	<u>3,062,164</u>	<u>25,041</u>	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Interest expense in the governmental funds is reported when due. In the statement of activities, interest on long-term debt is accrued.

(33,876)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$ 23,404,283 and the accumulated depreciation is \$ 9,594,214 (see Note 3).

13,810,069

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 4).

(7,293,012)

Net assets of governmental activities

12,825,531

Monmouth Regional High School District
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 19,514,143			\$ 620,103	\$ 20,134,246
Transportation Fees	489,385				489,385
Rental Facilities	82,657				82,657
Interest on Investments	7,299		2,457		9,756
Tuition charges					-
Miscellaneous	43,621	2,740			46,361
Total - Local Sources	20,137,105	2,740	2,457	620,103	20,762,405
State sources	5,231,798	46,088			5,277,886
Federal sources		377,893			377,893
Total revenues	25,368,903	426,721	2,457	620,103	26,418,184
EXPENDITURES					
Current:					
Regular instruction	7,125,222	330,242			7,455,464
Special education instruction	113,134				113,134
Other special instruction	930,517				930,517
Vocational education					-
Other instruction					-
Nonpublic school programs					-
Adult/continuing education programs					-
Support services and undistributed costs:					
Tuition	2,290,172				2,290,172
Student & instruction related services	2,640,321	96,479			2,736,800
School administrative services	587,782				587,782
General administrative services	412,074				412,074
Central services	279,409				279,409
Administrative information technology	10,629				10,629
Plant operations and maintenance	1,981,769				1,981,769
Pupil transportation	1,739,951				1,739,951
Personal services employee benefits	6,380,343				6,380,343
Undistributed expenditures - Food Services					-
Unallocated benefits					-
Special schools					-
ARRA - Equalization Stabilization Fund (ESF)					-
ARRA - Government Services Fund (GSF)					-
Transfer to charter school					-
Debt service:					
Principal				535,000	535,000
Interest and other charges				60,062	60,062
Capital outlay	590,082		3,121,958		3,712,040
Total expenditures	25,081,405	426,721	3,121,958	595,062	29,225,146
Excess (Deficiency) of revenues over expenditures	287,498	-	(3,119,501)	25,041	(2,806,962)
OTHER FINANCING SOURCES (USES)					
Capital leases (non-budgeted)	191,344				191,344
Bond Proceeds					-
Transfers in	2,457		576,000		578,457
Transfers out	(576,000)		(2,457)		(578,457)
Total other financing sources and uses	(382,199)	-	573,543	-	191,344
Net change in fund balances	(94,701)	-	(2,545,958)	25,041	(2,615,618)
Fund balance—July 1	3,350,019		5,607,949		8,957,968
Fund balance—June 30	\$ 3,255,318	\$ -	\$ 3,061,991	\$ 25,041	\$ 6,342,350

**Monmouth 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 Year Ended June 30, 2014**

Total net change in fund balances - governmental funds (from B-2) **\$ (2,615,618)**

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	(734,995)	
Fixed assets adjustment	145,440	
Capital outlays	<u>3,712,040</u>	3,122,485

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 535,000

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Proceeds of long-term debt

Accrued interest received on bond issuance

Capital lease proceeds	(191,344)	(191,344)
------------------------	-----------	-----------

In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-) -

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.

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

Prior year accrued interest on long term debt which was paid in the current year	24,973	
Current year accrued interest on long term debt which was not paid in the current year	(33,876)	
Change in compensated absences payable	157	
Capital lease payments	<u>294,641</u>	285,895

Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (+)

Change in net assets of governmental activities

\$ 1,136,418

PROPRIETARY FUNDS

Monmouth Regional High School District
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,548	\$ 3,548
Investments	-	-
Accounts receivable	5,891	5,891
Other receivables	-	-
Inventories:		
Commodities	880	880
Regular	6,802	6,802
Total current assets	17,121	17,121
Noncurrent assets:		
Furniture, machinery & equipment	167,294	167,294
Less accumulated depreciation	(158,532)	(158,532)
Total noncurrent assets	8,762	8,762
Total assets	25,883	25,883
LIABILITIES		
Current liabilities:		
Accounts payable	19,860	19,860
Interfund payable	-	-
Unearned Income	1,661	1,661
Compensated absences	-	-
Total current liabilities	21,521	21,521
Noncurrent Liabilities:		
Compensated absences	-	-
Total noncurrent liabilities	-	-
Total liabilities	21,521	21,521
NET ASSETS		
Invested in capital assets net of related debt	8,762	8,762
Restricted for:		
Capital projects	-	-
Unrestricted	(4,400)	(4,400)
Total net assets	\$ 4,362	\$ 4,362

Exhibit B-5

Monmouth Regional High School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 63,776	\$ 63,776
Daily sales - non-reimbursable programs	160,213	160,213
Special functions		-
Community service activities		-
Transportation fees from other LEA's within the state		-
Deductions from employees' salaries		-
Food Distribution Program	17,448	17,448
Total operating revenues	<u>241,437</u>	<u>241,437</u>
Operating expenses:		
Cost of sales	161,039	161,039
Salaries	155,508	155,508
Employee benefits		-
Purchased property service		-
Other purchased professional services		-
Cleaning, repair and maintenance services	967	967
Management Fees	10,800	10,800
Rentals		-
Insurance	7,180	7,180
Uniforms	709	709
General supplies	13,363	13,363
Miscellaneous expense	10,618	10,618
Depreciation	2,871	2,871
Food distribution program Expense	17,448	17,448
Total Operating Expenses	<u>380,503</u>	<u>380,503</u>
Operating income (loss)	<u>(139,066)</u>	<u>(139,066)</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	2,654	2,654
Federal sources:		
National school lunch and breakfast program	117,314	117,314
Interest and investment revenue	24	24
Casualty Loss from Superstorm Sandy		-
Subsidy Operating - General Fund		-
Total nonoperating revenues (expenses)	<u>119,992</u>	<u>119,992</u>
Income (loss) before contributions & transfers	<u>(19,074)</u>	<u>(19,074)</u>
Capital contributions		
Change in net assets	<u>(19,074)</u>	<u>(19,074)</u>
Total net assets—beginning	23,436	23,436
Total net assets—ending	<u>\$ 4,362</u>	<u>\$ 4,362</u>

Monmouth Regional High School District
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ (124,213)	\$ (124,213)
Payments to employees		-
Payments for employee benefits		-
Payments to suppliers		-
Net cash provided by (used for) operating activities	(124,213)	(124,213)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	2,654	2,654
Federal Sources	117,314	117,314
Operating subsidies and transfers from other funds		-
Net cash provided by (used for) non-capital financing activities	119,968	119,968
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Change in capital contributions		-
Purchases of capital assets		-
Gain/Loss on sale of fixed assets (proceeds)		-
Net cash provided by (used for) capital and related financing activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	24	24
Proceeds from sale/maturities of investments		-
Net cash provided by (used for) investing activities	24	24
Net increase (decrease) in cash and cash equivalents	(4,221)	(4,221)
Balances—beginning of year	7,769	7,769
Balances—end of year	3,548	3,548
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(139,066)	(139,066)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		-
Depreciation and net amortization	2,871	2,871
Casualty Loss from Superstorm Sandy		-
(Increase) decrease in accounts receivable, net	14,104	14,104
(Increase) decrease in inventories	1,813	1,813
(Increase) decrease in other current assets		-
Increase (decrease) in accounts payable	(3,800)	(3,800)
Increase (decrease) in unearned income	(135)	(135)
Total adjustments	14,853	14,853
Net cash provided by (used for) operating activities	\$ (124,213)	\$ (124,213)

FIDUCIARY FUNDS

Monmouth Regional High School District
Statement of Fiduciary Net Position
Fiduciary Funds
6/30/2014

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>	<u>Other Trusts</u>	<u>Agency Fund</u>
ASSETS				
Cash and cash equivalents	\$ 398,967	\$ 52,122	\$ 6,289	\$ 123,767
Investments, at fair value:				
U.S. government obligations				
NJ municipal bonds				
Total investments	-	-	-	-
Total assets	<u>398,967</u>	<u>52,122</u>	<u>6,289</u>	<u>\$ 123,767</u>
LIABILITIES				
Accounts payable				
Payable to student groups				101,864
Payroll deductions and withholdings				21,903
Payable to teachers				
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 123,767</u>
NET ASSETS				
Held in trust for unemployment claims and other purposes	<u>\$ 398,967</u>			
Reserved for scholarships		<u>\$ 52,122</u>		
Reserved for other trusts			<u>\$ 6,289</u>	

Exhibit B-8

Monmouth Regional High School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2014

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Other Trusts
ADDITIONS			
Contributions:			
Plan member	\$ 33,289	\$ 37,684	
Other			
Total Contributions	<u>33,289</u>	<u>37,684</u>	<u>-</u>
Investment earnings:			
Net increase (decrease) in fair value of investments			
Interest	329	24	3
Dividends			
Less investment expense			
Net investment earnings	<u>329</u>	<u>24</u>	<u>3</u>
Total additions	<u>33,618</u>	<u>37,708</u>	<u>3</u>
DEDUCTIONS			
Quarterly contribution reports	24,161		
Unemployment claims	5,118		
Scholarships awarded		39,900	3,000
Refunds of contributions			
Administrative expenses			
Total deductions	<u>29,279</u>	<u>39,900</u>	<u>3,000</u>
Change in net assets	4,339	(2,192)	(2,997)
Net assets—beginning of the year	394,628	54,314	9,286
Net assets—end of the year	<u>\$ 398,967</u>	<u>\$ 52,122</u>	<u>\$ 6,289</u>

NOTES TO THE FINANCIAL STATEMENTS

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Monmouth Regional High School Board of Education have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued Statement 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This statement established new financial reporting requirements for state and local governmental entities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

The District implemented these standards starting with the fiscal year-ending June 30, 2004. With the implementation of GASB Statement 34, the District has prepared required supplementary information titled *Management's Discussion and Analysis*, which precedes the basic financial statements.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. The District implemented the following other GASB Statements: Statement 33 - *Accounting and Financial & Reporting for Nonexchange Transactions*; Statement 36 – *Recipient Reporting for Certain Shared Nonexchange Revenues*; Statement 37 - *Basic Financial Statements – and Management's Discussion and Analysis -for State and Local Governments: Omnibus* and Statement 38 – *Certain Financial Statement Note Disclosures*; Statement 40 – *Deposit and Investment Risk Disclosures* and Statement 44 - *Economic Condition Reporting- The Statistical Section*; Statement 45 - *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* and Statement 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the result of operations of the District and the various fund and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2014.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity:

The Monmouth Regional High School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (Board). The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

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

B. Basis of Presentation, Basis of Accounting:

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

Basis of Presentation

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 between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange 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 activity of the School 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

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

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

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental Fund Types

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.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

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

Proprietary Fund Type

Enterprise (Food Service) Fund: The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the 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 Fund Types

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Nonexpendable Trust Fund: A nonexpendable trust fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

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

Expendable Trust Funds: Expendable trust funds are used to account for the assets that the District holds whose principal and income may be expended in the course of their designated operations so that they are depleted by the end of their designated life.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting:

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

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of 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 is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. 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. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2014.

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

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

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control (Continued):

**Explanation of Differences 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) "revenues"	\$ 25,399,827	426,721
Adjust for State Aid Payment:		
Add: Prior Year Payment	311,487	
Less: Current Year Payment	(339,954)	
Adjust for Encumbrances:		
Add Prior Year Encumbrances		
Less Current Year Encumbrances		
	<hr/>	<hr/>
Total Revenues (GAAP Basis)	\$ <u>25,371,360</u>	\$ <u>426,721</u>
Uses/outflows of resources		
Actual amounts (budgetary) "total outflows"	\$ 25,081,405	426,721
Adjustments:		
Add Prior Year Encumbrances		
Less Current Year Encumbrances		
	<hr/>	<hr/>
Total Expenditures (GAAP Basis)	\$ <u>25,081,405</u>	\$ <u>426,721</u>

E. Encumbrances:

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

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.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represents amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

G. Inventories and Prepaid Expenses:

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

H. Fixed Assets:

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & computer equipment	5-10
Instructional equipment	10
Grounds equipment	15

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets (continued):

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

I. Accrued Salaries and Wages:

Certain District employees, who provide services to the District over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

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

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences (Continued):

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment 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. Salary-related payments for the employer's share of social security and medicare taxes, as well as pension contributions, are included.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

K. Deferred Revenue:

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

L. 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. Bonds are recognized as a liability on the fund financial statements when due.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Assets:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

O. Memorandum Only - Total Columns:

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

P. Subsequent Events:

Monmouth Regional High School District Board of Education has evaluated subsequent events occurring after June 30, 2014 through the date of November 30, 2014, which is the date the financial statements were available to be issued.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

A. Deposits:

New Jersey statutes require that school districts deposit public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund, or by any other agency of the United States that insure deposits. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds; or

If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits (Continued):

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are to be redeemed within one year, except that up to 25% of the Fund may be invested in eligible securities which mature within two years; provided, however, that the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute one tenth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized.

The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities

B. Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued):

- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

As of June 30, 2014, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking, Savings and Money Management	\$5,711,740
NJ Cash Management Account	<u>\$ 835,988</u>
	\$6,547,728
	=====

All of the balances were covered by the either federal depository insurance or by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Program Act. In general, bank deposits are classified as to credit risk by three categories described below:

Category 1 – Insured or collateralized with securities held by the Board or by its agent in the Board's name.

Category 2 – Collateralized with securities held by the pledging public depository's trust department or agent in the Board's name.

Category 3 – Uncollateralized including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Board's name.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued):

As of June 30, 2014, the Board has funds invested and on deposit in checking accounts, Money Market/Statement Savings, New Jersey Cash Management Account. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 and are summarized as follows:

<u>Risk Category</u>	<u>Amount</u>
1	\$6,547,728
2	None
3	<u>None</u>
	\$6,547,728
	=====

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 3. CAPITAL ASSETS

Fixed asset activity for the fiscal year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	120,340	-	-	120,340
Construction in progress	797,792	2,404,937	(2,592,681)	610,048
Total capital assets not being depreciated	<u>918,132</u>	<u>2,404,937</u>	<u>(2,592,681)</u>	<u>730,388</u>
<i>Capital assets being depreciated:</i>				
Site improvements	1,394,922	-	-	1,394,922
Building and building improvements	14,231,200	3,710,015		17,941,215
Machinery and equipment	3,014,649	335,209	(12,100)	3,337,758
Totals at historical cost	<u>18,640,771</u>	<u>4,045,224</u>	<u>(12,100)</u>	<u>22,673,895</u>
Less accumulated depreciation for :				
Site improvements	745,376	55,767	-	801,143
Building and improvements	5,805,471	487,917	-	6,293,388
Equipment	2,320,472	191,311	(12,100)	2,499,683
Total	<u>8,871,319</u>	<u>734,995</u>	<u>(12,100)</u>	<u>9,594,214</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>9,769,452</u>	<u>3,310,229</u>	<u>-</u>	<u>13,079,681</u>
Governmental activity capital assets, net	<u>\$ 10,687,584</u>	<u>\$ 5,715,166</u>	<u>\$ (2,592,681)</u>	<u>\$ 13,810,069</u>
Business-type activities:				
<i>Capital assets being depreciated:</i>				
Equipment	\$ 167,294	\$ -	\$ -	\$ 167,294
Less accumulated depreciation	<u>155,661</u>	<u>2,871</u>	<u>-</u>	<u>\$ 158,532</u>
Enterprise fund capital assets, net	<u>\$ 11,633</u>	<u>\$ (2,871)</u>	<u>\$ -</u>	<u>\$ 8,762</u>

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 3. CAPITAL ASSETS (Continued)

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Instruction	\$ 32,232
Student and Instruction - Related Services	
School Administrative Related Services	
General and Business Administrative Services	
Central Services	20,776
Administrative Information Technology	17,696
Plant Operations and Maintenance	559,312
Pupil Transportation	67,041
Business and Other Support Services	37,938
Unallocated	
Total	<u>\$ 734,995</u>

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 3. CAPITAL ASSETS (Continued)

On November 6, 2012 the voters of the District were asked to approve two Bond Referendum questions. The questions addressed projects regarding educational success and health and safety issues. Summaries of the projects are as follows:

Bond Question #1:

Asbestos Removal	\$ 660,000
Girls' Locker Room Renovation	\$ 1,353,000
Science Classrooms Renovation	\$ 3,690,000
Storage Room off of Girl's Locker Room	<u>\$ 446,000</u>
Total Question #1	<u><u>\$ 6,149,000</u></u>

Bond Question #2:

Paving of Lots	\$ 620,000
New Auxiliary Gym	\$ 2,337,000
Electrical Panels Renovation	\$ 850,000
Replacement of Original Clocks & Speaker (PA) System	<u>\$ 500,000</u>
Total Question #2	<u><u>\$ 4,307,000</u></u>

On November 6, 2012, Bond Question #1 was approved by the voters. The financial status of the project is reported as a Capital Project in the report entitled "Summary Statement of Project Expenditures" and appears as Exhibit F-1 in the CAFR.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 4. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2014, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance 07/01/13	Issued	Retired	Balance 06/30/14	Amounts Due Within One Year
Compensated Absences Payable	\$ 1,185,437		\$ 157	\$ 1,185,280	
Serial Bonds Payable	6,149,000		535,000	5,614,000	530,000
Capital Leases Payable	597,029	191,344	294,641	493,732	369,488
	<u>\$ 7,931,466</u>	<u>\$ 191,344</u>	<u>\$ 829,798</u>	<u>\$ 7,293,012</u>	<u>\$ 899,488</u>

A. Bonds Payable:

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

Principal and interest due on serial bonds outstanding is at June 30, 2014 as follows:

Year ending June 30,	Principal	Interest	Total
2015	\$ 530,000	\$ 81,305	\$ 611,305
2016	535,000	76,005	611,005
2017	540,000	69,318	609,318
2018	550,000	62,568	612,568
2019	555,000	55,692	610,692
2020	565,000	48,755	613,755
2021	570,000	40,280	610,280
2022	580,000	31,730	611,730
2023	590,000	22,305	612,305
2024	599,000	11,980	610,980
Total	<u>\$ 5,614,000</u>	<u>\$ 499,938</u>	<u>\$ 6,113,938</u>

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 4. GENERAL LONG-TERM DEBT (Continued)

A. Bonds Payable (Continued):

Advance Refunding:

The District adopted a resolution on August 6, 2002 for the purpose of issuing Refunding School Bonds to refund a portion of outstanding bonds dated February 1, 1997 issued in the original principal amount of \$6,995,000.

On September 1, 2002, the District issued \$4,925,000 in Refunding School Bonds with interest rates ranging between 1.50% and 5.00%. The District issued the bonds to advance refund \$4,800,000 of the outstanding School Bonds dated February 1, 1997 with interest rates ranging between 5.10% and 5.20%. The District used the net proceeds to purchase U.S. Government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the bond issue noted above. As a result, that portion of the bond issue noted above is considered defeased, and the District has removed the liability from its accounts.

The advance refunding resulted in an economic gain (difference between the present value of bond payments for the prior issues and the debt service payments for the Refunding School Bonds, discounted at the effective interest rate) of \$189,874.49 which resulted in a net present value cost savings of 3.86% (economic gain divided by the outstanding bonds under the refunded issue.)

The remaining balance outstanding on the advance refunding bonds was paid on February 1, 2013. As of June 30, 2014, the outstanding balance on these bonds is zero.

B. Bonds Issued During the Year:

The District did not issue bonds during the fiscal year ended June 30, 2014.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 4. GENERAL LONG-TERM DEBT (Continued)

C. Bonds Authorized But Not Issued:

As of June 30, 2014, the District had no authorized but not used bonds.

C. Capital Leases Payable:

The District is leasing several copiers and school buses under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2014.

Year ending June 30,	<u>Total</u>
2015	\$ 294,551
2016	38,489
2017	38,710
2018	135,201
Total Minimum Lease Payments	\$ 506,951
Less: Amount Representing Interest	<u>(13,219)</u>
Net Minimum Lease Payments	<u>\$ 493,732</u>

NOTE 5. PENSION PLANS

Plan Descriptions

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

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 5. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1995, 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 provisions of N.J.S.A. 43:15A to provide retirements, 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.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 5. PENSION PLANS (Continued)

Vesting and Benefit Provisions

The vesting and benefit provisions for 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 eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

Significant Legislation

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 5. PENSION PLANS (Continued)

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the fiscal year ended June 30, 2014, the State of New Jersey contributed \$1,001,991 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$685,921 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

NOTE 6. POST-EMPLOYMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees eligible for post retirement medical benefits. The state contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 6. POST-EMPLOYMENT BENEFITS (Continued)

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in fiscal year 2013.

For the fiscal year ended June 30, 2014, the State of New Jersey contributed on behalf of the District \$622,395 to the TPAF for post-retirement benefits.

NOTE 7. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2014.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 173	\$ 5,891
Special Revenue Fund		
Capital Projects Fund		173
Debt Service Fund		
Enterprise Fund	5,891	
Trust and Agency Fund		
	<u>\$6,064</u>	<u>\$6,064</u>

These amounts represent temporary advances between the various funds.

NOTE 8. 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 2013-2014 fiscal year were subject to the Single Audit Act of 1984 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Substantially, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal (USDA) reimbursements and is subject to certain related federal regulations. The federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board and management do not believe such an audit would result in material amounts of disallowed costs.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 9. LITIGATION

The Board attorneys' report that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the financial position of the District.

NOTE 10. 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. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term account group. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore, is not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, which is administered by a benefits management company, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency. The Board has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

The Board offers several plan administrators for its employees to utilize.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 12. RISK MANAGEMENT

The Board has contracted with a commercial insurance company to provide coverage for various losses caused by the Board on its employees for losses sustained through other acts. The coverages are subject to various deductibles and coverage limits based on the type of policy coverage included. The coverages and its limits are detailed in the statistical section (Exhibit J-20).

The Board also maintains surety bond coverage on key financial employees.

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 the balance in the Trust Fund for the current and previous two years.

<u>Fiscal Year</u>	<u>Ending Balance</u>
2013-2014	\$ 398,967
2012-2013	\$ 394,628
2011-2012	\$ 413,878

NOTE 13. INVENTORY

Inventory in the Food Service Fund at June 30, 2014 consisted of the following:

Food-Commodities	\$ 880
Food and Non-Food – Regular	<u>\$ 6,802</u>
	<u>\$ 7,682</u>
	=====

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 14. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$3,595,272 General Fund fund balance at June 30, 2014, \$195,063 is reserved for encumbrances; \$2,007,755 has been reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$1,033,542 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2015); \$591,423 has been reserved in the Capital Reserve Account; \$50,000 has been reserved in the Maintenance Reserve Account; \$51,941 has been appropriated and included as anticipated revenue for the year ending June 30, 2014; and \$699,090 is unreserved and undesignated.

Debt Service Fund - The Debt Service Fund fund balance at June 30, 2014 was zero.

NOTE 15. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2014 is \$974,213. The excess fund balance at June 30, 2013 was \$1,033,542.

NOTE 16. 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 17. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2014. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 18. SUBSEQUENT EVENTS

The Monmouth Regional High School Board of Education has evaluated subsequent events occurring after June 30, 2014 through the date of November 30, 2014, which is the date the financial statements were available to be issued.

NOTE 19. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Monmouth Regional High School Board of Education by inclusion of \$1 on October 19, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund, and its activity is included in the general fund annual budget.

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

The interest income earned on the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year was \$635.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 20. CONTINGENT LIABILITIES

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. To the extent that the District has not complied with the grant rules and regulations, refunds of any money received may be required and the collectability of any related receivable at June 30, 2014 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

NOTE 21. ECONOMIC DEPENDENCY

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could affect the District's programs and activities.

NOTE 22. GASB #54 – FUND BALANCE DISCLOSURES

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Monmouth Regional High School District classifies governmental fund balances as follows:

- Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned - includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

NOTE 22. GASB #54 – FUND BALANCE DISCLOSURES (continued)

General Fund – Of \$3,595,272 General Fund fund balance at June 30, 2014, \$974,213 is restricted for excess surplus – current year; \$1,674,965 is restricted for other purposes; \$195,063 is assigned for other purposes; \$51,941 is assigned as designated for subsequent year's expenditures and \$699,090 is unassigned.

***REQUIRED SUPPLEMENTARY INFORMATION
PART II***

BUDGETARY COMPARISON SCHEDULES

Monmouth Regional High School District
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 19,514,142	\$ 1	\$ 19,514,143	\$ 19,514,143	\$ -
Transportation Fees From Other LEAs	309,977	(1)	309,976	489,385	179,409
Rental Facilities		70,000	70,000	82,657	12,657
Tuition		-			-
Interest Income - Other		5,000	5,000	6,664	1,664
Interest Earned on Capital Reserve Funds	50	-	50	635	585
Miscellaneous	107,000	(75,000)	32,000	43,621	11,621
				-	
Total - Local Sources	19,931,169	-	19,931,169	20,137,105	205,936
State Sources:					
Categorical Special Education Aid	643,368	-	643,368	643,368	-
Categorical Transportation Aid	583,284	-	583,284	583,284	-
Categorical Security Aid	108,037	-	108,037	108,037	-
Equalization Aid	299,370	-	299,370	299,370	-
Equalization Aid - ARRA		-			-
Extraordinary Aid		-		200,822	200,822
Adjustment Aid	1,703,247	-	1,703,247	1,703,247	-
Non Public Transportation Aid		-		34,225	34,225
Other State Aid		-			-
TPAF Pension (On-Behalf - Non-Budgeted)		-		379,596	379,596
TPAF Post-Retirement Medical (On-Behalf - Non-Budgeted)		-		622,395	622,395
TPAF Social Security (Reimbursed - Non-Budgeted)		-		685,921	685,921
Total State Sources	3,337,306	-	3,337,306	5,260,265	1,922,959
Federal Sources:					
Impact Aid	-	-			-
Education Jobs Fund		-			-
Total - Federal Sources	-	-	-	-	-
Total Revenues	23,268,475	-	23,268,475	25,397,370	2,128,895
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers		-			-
Grades 1-5 - Salaries of Teachers		-			-
Grades 6-8 - Salaries of Teachers		-			-
Grades 9-12 - Salaries of Teachers	6,615,411	(40,110)	6,575,301	6,562,521	12,780
Regular Programs - Home Instruction:					
Salaries of Teachers	16,800	40,241	57,041	57,040	1
Purchased Professional-Educational Services		-			-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	78,551	3,378	81,929	81,928	1
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)	2,000	-	2,000	700	1,300
General Supplies	203,481	62,541	266,022	260,744	5,278
Textbooks	73,073	(17,296)	55,777	52,257	3,520
Other Objects	111,675	3,415	115,090	110,032	5,058
TOTAL REGULAR PROGRAMS - INSTRUCTION	7,100,991	52,169	7,153,160	7,125,222	27,938
SPECIAL EDUCATION - INSTRUCTION					
Cognitive - Mild:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Cognitive - Mild	-	-	-	-	-
Cognitive - Moderate:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-

Monmouth Regional High School District
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Cognitive - Moderate	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Learning and/or Language Disabilities:					
Salaries of Teachers		-	-	-	-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Learning and/or Language Disabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Visual Impairments:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Visual Impairments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Auditory Impairments:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Auditory Impairments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Behavioral Disabilities:					
Salaries of Teachers	114,820	-	114,820	109,732	5,088
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	5,000	(4,200)	800	-	800
Textbooks	-	3,600	3,600	3,402	198
Other Objects		-			-
Total Behavioral Disabilities	<u>119,820</u>	<u>(600)</u>	<u>119,220</u>	<u>113,134</u>	<u>6,086</u>
Multiple Disabilities:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Multiple Disabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Resource Room/Resource Center:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Resource Room/Resource Center	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Autism:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-

Monmouth Regional High School District
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Autism	-	-	-	-	-
Preschool Disabilities - Part-Time:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Preschool Disabilities - Part-Time	-	-	-	-	-
Preschool Disabilities - Full-Time:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Preschool Disabilities - Full-Time	-	-	-	-	-
Cognitive - Severe:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Cognitive - Severe	-	-	-	-	-
TOTAL SPECIAL EDUCATION - INSTRUCTION	119,820	(600)	119,220	113,134	6,086
Basic Skills/Remedial - Instruction					
Salaries of Teachers	92,529	-	92,529	82,933	9,596
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Basic Skills/Remedial - Instruction	92,529	-	92,529	82,933	9,596
Bilingual Education - Instruction					
Salaries of Teachers	54,320	-	54,320	54,320	-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	-	600	600	549	51
Textbooks		-			-
Other Objects		-			-
Total Bilingual Education - Instruction	54,320	600	54,920	54,869	51
School-Spon. Athletics - Inst.					
Salaries of Teachers	469,102	-	469,102	441,744	27,358
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)	62,000	11,000	73,000	65,071	7,929
General Supplies	53,600	(4,891)	48,709	45,615	3,094
Textbooks		-			-
Other Objects	49,200	1,740	50,940	35,497	15,443
Total School-Spon. Athletics - Inst.	633,902	7,849	641,751	587,927	53,824

Monmouth Regional High School District
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	177,766	50	177,816	159,135	18,681
Purchased Services (300-500 series)	8,000	(50)	7,950	3,752	4,198
Supplies and Materials	5,000	20,000	25,000	24,307	693
Other Objects	34,100	15	34,115	17,594	16,521
Transfers to Cover Deficit (Agency Funds)					-
Total School-Spon. Cocurricular Actvts. - Inst.	224,866	20,015	244,881	204,788	40,093
Other Instructional Programs - Instruction					
Salaries	-	-	-	-	-
Purchased Services (300-500 series)	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
Transfers to Cover Deficit (Agency Funds)	-	-	-	-	-
Total Other Instructional Programs - Instruction	-	-	-	-	-
Total Instruction	8,226,428	80,033	8,306,461	8,168,873	137,588
Undistributed Expenditures - Instruction:					
Tuition to CSSD & Regional Day Schools	-	-	-	-	-
Tuition to Private Schools for the Disabled - Within State	1,416,100	(84,909)	1,331,191	1,259,229	71,962
Tuition to Private Schools for the Disabled & Oth LEAs-Spl - o/s NJ	-	-	-	-	-
Tuition -County Voc School Dist.-Regular	501,060	(14,500)	486,560	442,500	44,060
Tuition -County Voc School Dist.-Special	129,900	24,150	154,050	152,980	1,070
Tuition - State Facilities	57,582	-	57,582	57,582	-
Tuition - Other	-	10,442	10,442	9,450	992
Tuition - Other LEAs Within State-Regular	-	42,883	42,883	42,883	-
Tuition - Other LEAs Within State-Special	65,750	287,904	353,654	325,548	28,106
Total Undistributed Expenditures - Instruction:	2,170,392	265,970	2,436,362	2,290,172	146,190
Undistributed Expend. - Attendance & Social Work					
Salaries	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Undistributed Expend. - Attendance & Social Work	-	-	-	-	-
Undist. Expend. - Health Services					
Salaries	134,267	2,183	136,450	135,584	866
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	850	1,200	2,050	1,142	908
Supplies and Materials	1,200	734	1,934	1,144	790
Other Objects	1,075	-	1,075	201	874
Total Undistributed Expenditures - Health Services	137,392	4,117	141,509	138,071	3,438
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries of Other Professional Staff	85,175	(1,080)	84,095	50,868	33,227
Purchased Professional - Educational Services	195,422	(71,200)	124,222	115,760	8,462
Supplies and Materials	-	-	-	-	-
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	280,597	(72,280)	208,317	166,628	41,689
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.					
Salaries	166,845	12,530	179,375	179,374	1
Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.	166,845	12,530	179,375	179,374	1
Undist. Expend. - Other Supp. Serv. Students-Reg.					
Salaries of Other Professional Staff	499,373	-	499,373	407,449	91,924
Salaries of Secretarial and Clerical Assistants	136,854	1,377	138,231	138,230	1
Other Salaries	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Prof. and Tech. Services	6,000	-	6,000	5,458	542
Other Purchased Services (400-500 series)	1,190	310	1,500	454	1,046
Supplies and Materials	3,750	3,606	7,356	6,367	989
Other Objects	21,433	(3,500)	17,933	6,722	11,211
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	668,600	1,793	670,393	564,680	105,713
Undist. Expend. - Other Supp. Serv. Students - Special					
Salaries of Other Professional Staff	604,267	1,834	606,101	589,938	16,163
Salaries of Secretarial and Clerical Assistants	66,746	-	66,746	66,745	1
Purchased Professional Educational Services	88,000	1,340	89,340	83,674	5,666
Misc. Purch Serv (400 - 500 series o/than resid costs)	4,000	(500)	3,500	647	2,853
Supplies and Materials	4,000	633	4,633	4,553	80
Other Objects	4,850	-	4,850	1,580	3,270
Total Undist. Expend. - Other Supp. Serv. Students - Special	771,863	3,307	775,170	747,137	24,763
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	590,604	2,270	592,874	592,873	1

Monmouth Regional High School District
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Salaries of Other Professional Staff	52,470	-	52,470	34,337	18,133
Salaries of Secr and Clerical Assist.	-	-	-	-	-
Other Salaries	10,000	(4,300)	5,700	700	5,000
Purchased Prof- Educational Services	-	-	-	-	-
Other Purch Prof. and Tech. Services	-	-	-	-	-
Other Purch Services (400-500)	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Other Objects	1,000	-	1,000	770	230
Total Undist. Expend. - Improvement of Inst. Serv.	654,074	(2,030)	652,044	628,680	23,364
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	178,852	4,242	183,094	183,093	1
Other Purchased Prof. and Tech. Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	28,628	(800)	27,828	20,252	7,576
Other Objects	1,200	800	2,000	1,994	6
Total Undist. Expend. - Edu. Media Serv./Sch. Library	208,680	4,242	212,922	205,339	7,583
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	1,506	(1,000)	506	-	506
Salaries of Other Professional Staff	30,600	1,446	32,046	10,412	21,634
Salaries of Secretarial and Clerical Assist	-	-	-	-	-
Other Salaries	-	-	-	-	-
Purchased Professional - Educational Serv	-	-	-	-	-
Other Purchased Prof. and Tech. Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	1,000	-	1,000	-	1,000
Other Objects	200	-	200	-	200
Total Undist. Expend. - Instructional Staff Training Serv.	33,306	446	33,752	10,412	23,340
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	203,196	8,933	212,129	208,595	3,534
Legal Services	30,000	15,422	45,422	45,422	-
Audit Fees	28,950	-	28,950	28,950	-
Other Purchased Professional Services	2,500	-	2,500	-	2,500
Communications/Telephone	42,640	(2,911)	39,729	27,630	12,099
BOE Other Purchased Services	1,500	1,600	3,100	2,526	574
Other Purchased Services (400-500 series)	76,197	180	76,377	60,658	15,719
Other Purchased Prof. and Tech. Services	-	-	-	-	-
Rental	-	-	-	-	-
Travel	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
General Supplies	5,000	(100)	4,900	1,365	3,535
BOE In house Training/Meeting Supplies	-	249	249	249	-
BOE Membership Dues and Fees	12,600	-	12,600	12,560	40
Judgements Against The School District	-	-	-	-	-
Miscellaneous Expenditures	21,750	26,230	47,980	24,119	23,861
Total Undist. Expend. - Supp. Serv. - General Admin.	424,333	49,603	473,936	412,074	61,862
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	226,869	4,138	231,007	231,007	-
Salaries of Other Professional Staff	167,145	1	167,146	167,145	1
Salaries of Secretarial and Clerical Assistants	169,089	-	169,089	169,089	-
Other Salaries	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	600	948	1,548	1,112	436
Supplies and Materials	10,836	1,886	12,722	12,625	97
Rental	-	-	-	-	-
Other Objects	8,900	(669)	8,231	6,804	1,427
Total Undist. Expend. - Support Serv. - School Admin.	583,439	6,304	589,743	587,782	1,961
Undist. Expend. - Central Services					
Salaries	259,021	3,291	262,312	255,900	6,412
Purchased Professional Services	3,000	(1,800)	1,200	1,200	-
Other Purchased Services (400-500 series)	12,700	(3,840)	8,860	8,160	700
Sale/Lease Back Payments	-	-	-	-	-
Supplies and Materials	9,280	1,960	11,240	10,901	339
Interest on Current Loans	-	-	-	-	-
Miscellaneous Expenditures	-	3,355	3,355	3,248	107
Total Undist. Expend. - Central Services	284,001	2,966	286,967	279,409	7,558
Undist. Expend. - Admin. Info. Tech.					
Salaries	10,500	-	10,500	10,500	-
Other Purchased Services (400-500 series)	500	-	500	129	371
Supplies and Materials	-	-	-	-	-

Monmouth Regional High School District
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total Undist. Expend. - Admin. Info. Tech.	<u>11,000</u>	<u>-</u>	<u>11,000</u>	<u>10,629</u>	<u>371</u>
Undist. Expend. - Required Maint.- School Facilities					
Salaries	251,886	11,122	263,008	254,744	8,264
Salaries of Secretarial and Clerical Assistants	-	-	-	-	-
Other Salaries	-	-	-	-	-
Salaries of Other Professional Staff	-	-	-	-	-
Cleaning, Repair and Maintenance Services	324,902	(2,701)	322,201	252,457	69,744
Other Purchased Property Services	-	-	-	-	-
Insurance	-	-	-	-	-
Miscellaneous Purchased Services-Rental	-	-	-	-	-
General Supplies	133,525	9,824	143,349	128,953	14,396
Energy (Energy and Electricity)	-	-	-	-	-
Other Objects	2,300	-	2,300	-	2,300
Total Undist. Expend. - Required Maint.- School Facilities	<u>712,613</u>	<u>18,245</u>	<u>730,858</u>	<u>636,154</u>	<u>94,704</u>
Undist. Expend. - Oth. Oper. & Maint. of Plant					
Salaries	473,429	17,183	490,612	473,167	17,445
Salaries of Secretarial and Clerical Assistants	-	-	-	-	-
Other Salaries	105,556	-	105,556	94,724	10,832
Purchased Professional and Technical Services	-	-	-	-	-
Cleaning, Repair and Maintenance Services	-	-	-	-	-
Other Purchased Property Services	43,250	(10,000)	33,250	24,459	8,791
Insurance	111,113	-	111,113	107,493	3,620
Miscellaneous Purchased Services-Rental	-	-	-	-	-
General Supplies	85,000	(22,622)	62,378	47,130	15,248
Energy (Heat and Electricity)	273,862	106,995	380,857	377,975	2,882
Other Objects	17,000	-	17,000	7,840	9,160
Total Undist. Expend. - Other Oper. & Maint. Of Plant	<u>1,109,210</u>	<u>91,556</u>	<u>1,200,766</u>	<u>1,132,788</u>	<u>67,978</u>
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	142,416	37,699	180,115	179,840	275
Cleaning, Repair and Maintenance Services	11,500	(100)	11,400	6,540	4,860
Total Undist. Expend. - Care & Upkeep of Grounds	<u>153,916</u>	<u>37,599</u>	<u>191,515</u>	<u>186,380</u>	<u>5,135</u>
Undist. Expend. - Security					
Salaries	25,853	-	25,853	25,853	-
General Supplies	-	832	832	594	238
Cleaning, Repair and Maintenance Services	-	-	-	-	-
Total Undist. Expend. - Security	<u>25,853</u>	<u>832</u>	<u>26,685</u>	<u>26,447</u>	<u>238</u>
Undist. Expend. - Student Transportation Serv.					
Management Fees - ESC & CTSA Transportation Programs	-	-	-	-	-
Salaries for pupil trans - (Between Home and School) - Reg	382,528	93,608	476,136	476,136	-
Salaries for pupil trans - (Between Home and School) - Sp Ed	-	-	-	-	-
Salaries for pupil trans - (Other than Bet. Home and School)	58,630	19,305	77,935	77,747	188
Cleaning, Repair and Maintenance Services	98,000	(8,000)	90,000	85,652	4,348
Lease Purchase Payments - School Buses	71,426	19,450	90,876	90,876	-
Contract Services - (Other than Bet. Home and School) - Vendors	3,000	-	3,000	1,618	1,382
Contract Services - (Between Home and School) - Vendors	411,044	18,348	429,392	388,088	41,304
Contract Services - (Between Home and School) - Joint	131,166	77,802	208,968	208,309	659
Contract Services - (Special Ed Stds) - Vendors	-	-	-	-	-
Contract Services - (Special Ed Stds) - Joint	-	-	-	-	-
Contract Services - (Reg Ed Stds) - ESCs & CTSAs	76,790	(4,000)	72,790	46,669	26,121
Contract Services - (Special Ed Stds) - ESCs & CTSAs	84,063	12,000	96,063	67,572	28,491
Contract Services - Aid in Lieu Of Pymts-NonPub Sch	137,904	29,391	167,295	157,454	9,841
Miscellaneous Purchaseed Services-Transportation	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Transportation Supplies	79,000	55,887	134,887	131,459	3,428
Other Objects	6,480	4,349	10,829	8,371	2,458
Total Undist. Expend. - Student Transportation Serv.	<u>1,540,031</u>	<u>318,140</u>	<u>1,858,171</u>	<u>1,739,951</u>	<u>118,220</u>
Undist. Expend. - Business and Other Support Serv.					
Salaries	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Insurance	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Interest on Current Loans	-	-	-	-	-
Total Undist. Expend. - Business and Other Support Serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undist. Expend. - Food Services					
Transfers to Cover Deficit (Enterprise Fund)	-	-	-	-	-
Total Undist. Expend. - Food Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

UNALLOCATED BENEFITS

**Monmouth Regional High School District
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Group Insurance		-			-
Social Security Contributions	300,000	(7,135)	292,865	290,281	2,584
T.P.A.F. Contributions - ERIP		-			-
Other Retirement Contributions - Regular	296,106	(22,052)	274,054	274,054	-
Interest for Lease Purchase		-			-
Unemployment Compensation		-			-
Workmen's Compensation	253,678	(30,973)	222,705	222,704	1
Health Benefits	4,294,959	(493,817)	3,801,142	3,791,105	10,037
Tuition Reimbursement	28,000	-	28,000	24,700	3,300
Other Employee Benefits	6,500	91,001	97,501	89,587	7,914
TOTAL UNALLOCATED BENEFITS	5,179,243	(462,976)	4,716,267	4,692,431	23,836
On-Behalf TPAF Pension Contributions (non-budgeted)		-		379,596	(379,596)
On-Behalf TPAF Post-Retirement Medical Contributions (non-budgeted)				622,395	(622,395)
Reimbursed TPAF Social Security Contributions (non-budgeted)		-		685,921	(685,921)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	1,687,912	(1,687,912)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	5,179,243	(462,976)	4,716,267	6,380,343	(1,664,076)
TOTAL UNDISTRIBUTED EXPENDITURES	15,115,388	280,364	15,395,752	16,322,450	(929,698)
TOTAL GENERAL CURRENT EXPENSE	23,341,816	360,397	23,702,213	24,491,323	(789,110)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Preschool/Kindergarten		-			-
Grades 1-5		-			-
Grades 6-8		-			-
Grades 9-12		-			-
Home Instruction		-			-
Special Education - Instruction:					
Cognitive - Mild		-			-
Cognitive - Moderate		-			-
Learning and/or Language Disabilities		-			-
Visual Impairments		-			-
Auditory Impairments		-			-
Behavioral Disabilities		-			-
Multiple Disabilities		-			-
Resource Room/Resource Center		-			-
Autism		-			-
Preschool Disabilities - Part-Time		-			-
Preschool Disabilities - Full-Time		-			-
Cognitive - Severe		-			-
Basic Skills/Remedial - Instruction		-			-
Bilingual Education - Instruction		-			-
Vocational Programs - Local - Instruction		-			-
School-Sponsored and Other Instructional Program		-			-
Undistributed Expenditures - Instruction	177,000	-	177,000	143,865	33,135
Undist.Expend.-Support Serv.-Students - Reg.	-	-			-
Undist.Expend.-Non-Instructional Services		-			-
Undistributed Expenditures - General Admin.		-			-
Undistributed Expenditures - School Admin.		-			-
Undistributed Expenditures - Operation of Plant Services	-	-			-
Schools Buses - Regular		-			-
Special Schools (All Programs)		-			-
Total Equipment	177,000	-	177,000	143,865	33,135
Facilities Acquisition and Construction Services					
Construction Services	609,745	-	609,745	33,745	576,000
Other Purchased Prof. Service		-			-
Lease Purchase Agreements	225,397	-	225,397	221,128	4,269
Total Facilities Acquisition and Construction Services	835,142	-	835,142	254,873	580,269
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures:					
Capital Leases		-		191,344	(191,344)
Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	191,344	(191,344)
Deposit to Capital Reserve					-
TOTAL CAPITAL OUTLAY	1,012,142	-	1,012,142	590,082	422,060

SPECIAL SCHOOLS

Monmouth Regional High School District
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Summer School - Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Summer School - Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Summer School - Support Services					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Summer School - Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Summer School	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Special Schools - Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Other Special Schools - Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Special Schools - Support Services					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Other Special Schools - Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Special Schools	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accred. Even./Adult H.S./Post-Grad.-Inst.					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Accred. Even./Adult H.S./Post-Grad.-Inst.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accred. Even./Adult H.S./Post-Grad.-Supp. Service					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Accred. Even./Adult H.S./Post-Grad.-Supp. Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Accred. Even./Adult H.S./Post-Grad.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Adult Education-Local-Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Adult Education-Local-Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Adult Education-Local-Support Serv.					
Salaries		-			-

Monmouth Regional High School District
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Adult Education-Local -Support Serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Adult Education-Local	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Vocational Evening-Local-Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Vocational Evening-Local-Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Vocational Evening-Local-Support Serv.					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Vocational Evening-Local-Support Serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Vocational Evening-Local	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Even.-Sch.-Foreign-Born-Local-Inst.					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Even.-Sch.-Foreign-Born-Local-Inst.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Even.-Sch.-Foreign-Born-Local-Sup. Serv.					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Even.-Sch.-Foreign-Born-Local-Sup. Serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Even.-Sch.-Foreign-Born-Local	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SPECIAL SCHOOLS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer of Funds to Charter Schools					-
TOTAL EXPENDITURES	<u>24,353,958</u>	<u>360,397</u>	<u>24,714,355</u>	<u>25,081,405</u>	<u>(367,050)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,085,483)</u>	<u>(360,397)</u>	<u>(1,445,880)</u>	<u>315,965</u>	<u>1,761,845</u>
Other Financing Sources(Uses):					
Capital Leases (non-budgeted)				191,344	
Transfer to Capital Projects Fund	-	-	-	2,457	(2,457)
Transfer to Capital Reserve				(576,000)	
Total Other Financing Sources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>(382,199)</u>	<u>(2,457)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(1,085,483)</u>	<u>(360,397)</u>	<u>(1,445,880)</u>	<u>(66,234)</u>	<u>1,759,388</u>
Fund Balance, July 1	<u>3,661,506</u>	<u>-</u>	<u>3,661,506</u>	<u>3,661,506</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 2,576,023</u>	<u>\$ (360,397)</u>	<u>\$ 2,215,626</u>	<u>\$ 3,595,272</u>	<u>\$ 1,759,388</u>

Recapitulation:

Monmouth Regional High School District
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 1,033,542	
Reserve for Excess Surplus				974,213	
Reserve for Capital Reserve				591,423	
Reserve for Maintenance				50,000	
Committed Fund Balance:					
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				51,941	
Reserve for Encumbrances				195,063	
Unrestricted Fund Balance				699,090	
				<u>3,595,272</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				<u>(339,954)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,255,318</u>	

Monmouth Regional High School District
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 3,000	463	\$ 3,463	\$ 2,740	\$ (723)
State Sources	21,192	48,491	69,683	46,088	(23,595)
Federal Sources	179,092	422,704	601,796	377,893	(223,903)
Total Revenues	203,284	471,658	674,942	426,721	(248,221)
EXPENDITURES:					
Instruction					
Salaries of Teachers	-	47,400	47,400	14,500	32,900
Other Salaries for Instruction	-	-	-	-	-
Other Salaries	-	7,307	7,307	-	7,307
Purchased Professional - Educational Services	72,118	(72,118)	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Supplies and Materials	-	130,330	130,330	-	130,330
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	39,909	(39,909)
Textbooks	6,721	(6,721)	-	-	-
Tuition	121,445	154,687	276,132	275,833	299
Other Objects	-	-	-	-	-
Total Instruction	200,284	260,885	461,169	330,242	130,927
Support Services					
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretaries & Clerical Assistants	-	-	-	-	-
Other Salaries	3,000	462	3,462	2,740	722
Personal Services - Employee Benefits	-	4,183	4,183	1,231	2,952
Purchased Professional Services	-	20,000	20,000	32,228	(12,228)
Other Purchased Professional Services	-	86,185	86,185	-	86,185
Other Purchased Professional and Technical Services	-	44,476	44,476	-	44,476
Rentals	-	-	-	-	-
Contracted Services Transportation	-	-	-	-	-
Tuition	-	-	-	-	-
Travel	-	-	-	-	-
Other Purchased Services (400-500 series)	-	20,844	20,844	40,739	(19,895)
Supplies & Materials	-	25,400	25,400	19,541	5,859
Other Objects	-	-	-	-	-
Total Support Services	3,000	201,550	204,550	96,479	108,071
EXPENDITURES (CONT'D.)					
Facilities Acquisition and Construction Services:					
Buildings	-	-	-	-	-
Instructional Equipment	-	9,223	9,223	-	9,223
Noninstructional Equipment	-	-	-	-	-
Total Facilities Acquisition and Construction Services	-	9,223	9,223	-	9,223
Transfer to Charter School					
Total Expenditures	203,284	471,657	674,941	426,721	248,220

Monmouth Regional High School District
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources (Uses)					
Transfer in from General Fund	-	-	-	-	-
Transfer Out to Whole School Reform (General Fund)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Total Outflows	203,284	471,657	674,941	426,721	248,220
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ 1	\$ 1	\$ -	\$ 1

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Monmouth Regional High School District
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2014

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue"				
from the budgetary comparison schedule	[C-1]	\$ 25,397,370	[C-2]	\$ 426,721
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		(339,954)		
Prior year state aid payment recognized for GAAP purposes in current year		311,487		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 25,368,903</u>	[B-2]	<u>\$ 426,721</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	25,081,405	[C-2]	426,721
Differences - budget to GAAP				
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis.				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.				
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.				
Net transfers (outflows) to general fund				-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 25,081,405</u>	[B-2]	<u>\$ 426,721</u>

OTHER SUPPLEMENTARY INFORMATION

***SPECIAL REVENUE FUND
DETAIL STATEMENTS***

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Exhibit E-1

Monmouth Regional High School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Total Brought Forward (Ex. E-1a)	Title I	Title I 2013-2014 (Carryover)	I.D.E.A. Part B Basic	I.D.E.A. Part B Basic 2013-2014 (Carryover)	Peskoe Grant	Total
REVENUES							
Local Sources	-				\$	2,740	\$ 2,740
State Sources	46,088						46,088
Federal Sources	27,949	7,810	42,240	215,938	83,956		377,893
Total Revenues	74,037	7,810	42,240	215,938	83,956	2,740	426,721
EXPENDITURES:							
Instruction:							
Salaries of Teachers	-		14,500				14,500
Other Salaries for Instruction	-						-
Purchased Professional - Educational Services	-						-
Purchased Professional and Technical Services	-						-
Other Purchased Services (400-500 series)	-						-
Tuition	-			215,938	59,895		275,833
General Supplies	5,349	7,810	26,750				39,909
Textbooks	-						-
Other Objects	-						-
Supplies and Materials	-						-
Total instruction	5,349	7,810	41,250	215,938	59,895	-	330,242
Support services:							
Salaries of Secretarial and Clerical Assists.	-						-
Other Salaries	-					2,740	2,740
Personal Services - Employee Benefits	241		990				1,231
Purchased Professional Services	27,708				4,520		32,228
Other Purchased Professional and Technical Services	-						-
Purchased Technical Services	-						-
Rentals	-						-
Travel	-						-
Other Purchased Services	40,739						40,739
Supplies & Materials	-				19,541		19,541
Total support services	68,688	-	990	-	24,061	2,740	96,479

Exhibit E-1

Monmouth Regional High School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Total Brought Forward (Ex. E-1a)	Title I	Title I 2013-2014 (Carryover)	I.D.E.A. Part B Basic	I.D.E.A. Part B Basic 2013-2014 (Carryover)	Peskoe Grant	Total
EXPENDITURES (CONT'D):							
Facilities acquisition and const. serv.:							
Buildings	-	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-
Transfer to Charter Schools	-	-	-	-	-	-	-
Total Expenditures	74,037	7,810	42,240	215,938	83,956	2,740	426,721
Other Financing Sources (Uses)							
Transfer In from General Fund	-	-	-	-	-	-	-
Contribution to Whole School Reform	-	-	-	-	-	-	-
Total Outflows	74,037	7,810	42,240	215,938	83,956	2,740	426,721
Excess (Deficiency) of Revenues Over (Under)							
Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Exhibit E-1a

Monmouth Regional High School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	N.J. Nonpublic Handicapped Services Ch. 193		Title II Part A		Total Carried Forward
	Instruction	Classification	Nonpublic Technology	Nonpublic Nursing	Title II Part A (Carryover)
REVENUES					
Local Sources	7,562	19,114	5,349	14,063	\$ -
State Sources					46,088
Federal Sources					27,949
Total Revenues	7,562	19,114	5,349	14,063	74,037
EXPENDITURES:					
Instruction:					
Salaries of Teachers					-
Other Salaries for Instruction					-
Purchased Professional - Educational Services					-
Purchased Professional and Technical Services					-
Other Purchased Services (400-500 series)					-
Tuition					-
General Supplies			5,349		5,349
Textbooks					-
Other Objects					-
Supplies and Materials					-
Total instruction	-	-	5,349	-	5,349
Support services:					
Salaries of Secretarial and Clerical Assists.					-
Other Salaries					-
Personal Services - Employee Benefits				241	241
Purchased Professional Services				5,200	27,708
Other Purchased Professional and Technical Services					-
Purchased Technical Services					-
Rentals					-
Travel					-
Other Purchased Services	7,562	19,114		14,063	40,739
Supplies & Materials					-
Total support services	7,562	19,114	-	14,063	68,688

Exhibit E-1a

Monmouth Regional High School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	N.J. Nonpublic				Title II		Total
	Handicapped Services Ch. 193	Supplemental Examination &	Nonpublic	Nonpublic	Title II	Part A	
	Instruction	Classification	Technology	Nursing	Part A	(Carryover)	Forward
EXPENDITURES (CONT'D):							
Facilities acquisition and const. serv.:							
Buildings							-
Instructional Equipment							-
Noninstructional Equipment							-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-
Transfer to Charter Schools							-
Total Expenditures	7,562	19,114	5,349	14,063	5,441	22,508	74,037
Other Financing Sources							
Transfer in from General Fund							-
Contribution to Whole School Reform	-	-	-	-	-	-	-
Total Outflows	7,562	19,114	5,349	14,063	5,441	22,508	74,037
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

***CAPITAL PROJECTS FUND
DETAIL STATEMENTS***

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

**Monmouth Regional High School District
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2014**

Project Title/Issue	Original Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2014
			Prior Years	Current Year	
Improvements to Existing School Buildings: Masonry Project: repointing/waterproofing building	02/21/12	\$ 44,900	\$ 44,900		\$ -
Renovations to band, A V and supply rooms	05/15/12	\$ 805,312	\$ 805,312		\$ -
Renovations to the girl's locker room, science classrooms, storage room and asbestos removal	11/06/12	\$ 6,149,000	541,051	3,121,958	\$ 2,485,991
			-		
			-		
		\$ 6,999,212	\$ 1,391,263	\$ 3,121,958	\$ 2,485,991

Exhibit F-2

**Monmouth 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, 2014**

Revenues and Other Financing Sources:

Transfers from Capital Reserve	576,000
Interest Income	2,457
Transfers from Capital Outlay	-
Total Revenues	<u>578,457</u>

Expenditures and Other Financing Uses:

Transfers to General Fund	2,457
Purchased Professional and Technical Services	67,711
Land and Improvements	-
Construction services	3,034,247
Bond Issuance Costs	20,000
Equipment Purchases	-
Total Expenditures	<u>3,124,415</u>

Excess (Deficiency) of revenues over (under) expenditures	(2,545,958)
Fund Balance - Beginning	<u>5,607,949</u>
Fund Balance - Ending	<u>\$ 3,061,991</u>

***PROPRIETARY FUNDS
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 in all schools within the school district.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5, AND B-6.

***FIDUCIARY FUNDS
DETAIL STATEMENTS***

Fiduciary Funds are used to account for funds received by the school district for a specific purpose. Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

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.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
COUNTY OF MONMOUTH
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Other Trust	Agency Fund	Total
ASSETS:					
Cash and Cash Equivalents	\$ 398,967	\$ 52,122	\$ 6,289	\$ 123,767	\$ 581,145
Total Assets	\$ 398,967	\$ 52,122	\$ 6,289	\$ 123,767	\$ 581,145
LIABILITIES:					
Payable to Student Groups	\$	\$	\$	\$ 101,864	\$ 101,864
Payroll Deductions and Withholdings				21,903	21,903
Total Liabilities	\$ -	\$ -	\$ -	\$ 123,767	\$ 123,767
NET ASSETS:					
Held in Trust for Unemployment Claims and Other Purpose	\$ 398,967	\$ 52,122	\$	\$	\$ 398,967
Reserved for Scholarships			6,289		52,122
Reserved for Other Trust					6,289
Total Net Assets	\$ 398,967	\$ 52,122	\$ 6,289	\$	\$ 457,378

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
COUNTY OF MONMOUTH
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Unemployment		Private		Other	Total
	Trust	Compensation	Scholarship	Fund	Trusts	
ADDITIONS:						
Contributions:						
Plan Member	\$	33,289	\$	37,684	\$	70,973
Other						-
Total Contributions	\$	33,289	\$	37,684	\$	70,973
Investment Earnings:						
Interest & Dividends	\$	329	\$	24	\$	356
Net Investment Earnings	\$	329	\$	24	\$	356
Total Additions	\$	33,618	\$	37,708	\$	71,329
DEDUCTIONS:						
Quarterly Contribution Reports	\$	24,161	\$		\$	24,161
Unemployment Claims		5,118				5,118
Scholarships Awarded				39,900	3,000	42,900
Miscellaneous						-
Total Deductions	\$	29,279	\$	39,900	\$	72,179
Change in Net Assets	\$	4,339	\$	(2,192)	\$	(850)
Net Assets - Beginning of Fiscal Year	\$	394,628	\$	54,314	\$	458,228
Net Assets - End of Fiscal Year	\$	398,967	\$	52,122	\$	457,378

Exhibit H-3

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
COUNTY OF MONMOUTH
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

<u>Schools</u>	<u>Balance July 1, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2014</u>
Monmouth Regional High School	\$ 110,802	\$ 250,122	\$ 259,160	\$ 101,764
Monmouth Regional Athletic	<u>142</u>	<u>64,563</u>	<u>64,605</u>	<u>100</u>
Total	\$ <u>110,944</u>	\$ <u>314,685</u>	\$ <u>323,765</u>	\$ <u>101,864</u>

Exhibit H-4

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
COUNTY OF MONMOUTH
PAYROLL AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2014</u>
ASSETS:				
Cash and cash equivalents	\$ <u>14,683</u>	\$ <u>15,994,333</u>	\$ <u>15,987,113</u>	\$ <u>21,903</u>
Total Assets	\$ <u><u>14,683</u></u>	\$ <u><u>15,994,333</u></u>	\$ <u><u>15,987,113</u></u>	\$ <u><u>21,903</u></u>
 LIABILITIES:				
Net Payroll	\$	\$	\$	\$ -
Payroll deductions and withholdings	<u>14,683</u>	<u>15,994,333</u>	<u>15,987,113</u>	<u>21,903</u>
Total Liabilities	\$ <u><u>14,683</u></u>	\$ <u><u>15,994,333</u></u>	\$ <u><u>15,987,113</u></u>	\$ <u><u>21,903</u></u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, mortgages payable, term loans and obligations under capital leases.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF SERIAL BONDS AND LOANS
June 30, 2014

Issue	Date of Issue	Amount of Issue	Annual Maturities of Bonds and Loans Outstanding June 30, 2014		Interest Rate	Balance July 1, 2013	Issued	Retired	Balance June 30, 2014
			Date	Amount					
Construction of Storage Area in Women's Locker Room, Renovations to the Science Classrooms and Removal of Asbestos	05/07/13	6,149,000	02/01/15	530,000	1.000%	\$ 6,149,000		\$ 535,000.00	\$ 5,614,000
			02/01/16	535,000	1.250%				
			02/01/17	540,000	1.250%				
			02/01/18	550,000	1.250%				
			02/01/19	555,000	1.250%				
			02/01/20	565,000	1.500%				
			02/01/21	570,000	1.500%				
			02/01/22	580,000	1.625%				
			02/01/23	590,000	1.750%				
			02/01/24	599,000	2.000%				
				5,614,000					

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
COUNTY OF MONMOUTH
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
June 30, 2014

Series	Amount of Original Issue	Amount Outstanding July 1, 2013	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2014
2009 Xerox 4575 Digital Copier	\$ 135,961	\$ 13,627	\$	\$ 13,627	\$ -
2010 Xerox Color Cube 9203	56,776	22,711		11,355	11,356
2011 Exterior Bleacher Replacement	571,000	232,008		114,600	117,408
2011 (1) 24 Passenger Bus	9,605	18,074		8,841	9,233
2011 (2) 54 Passenger Buses	72,948	29,643		14,573	15,070
2011 Fire Alarm Replacement	422,500	253,500		84,500	169,000
2012 (1) 24 Passenger Buses	45,806	27,466		8,877	18,589
2014 (2) 24 Passenger Buses	102,942	-	102,942	20,588	82,354
2014 (1) 54 Passenger Buses	88,402	-	88,402	17,680	70,722
		<u>\$ 597,029</u>	<u>\$ 191,344</u>	<u>\$ 294,641</u>	<u>\$ 493,732</u>

Monmouth Regional High School District
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 620,103	\$ -	\$ 620,103	\$ 620,103	\$ -
State Sources:					
Debt Service Aid Type II		-			-
Total Revenues	620,103	-	620,103	620,103	-
EXPENDITURES:					
Regular Debt Service:					
Interest	90,103	-	90,103	60,062	(30,041)
Redemption of Principal	530,000	-	530,000	535,000	5,000
Total Regular Debt Service	620,103	-	620,103	595,062	(25,041)
Total expenditures	620,103	-	620,103	595,062	(25,041)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	25,041	25,041
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Projects Fund		-			-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	25,041	25,041
Fund Balance, July 1					-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 25,041	\$ 25,041
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ -		\$ -	\$ 25,041	\$ 25,041

STATISTICAL SECTION

INTRODUCTION TO THE STATISTICAL SECTION

FINANCIAL TRENDS

**Monmouth Regional High School District
Introduction to the Statistical Section**

<u>Contents</u>	<u>Page</u>
Financial Trends	100-106
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	
Revenue Capacity	107-118
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	
Debt Capacity	119-126
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.	
Demographic and Economic Information	127-132
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	
Operating Information	133-137
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.	

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT

Net Assets by Component,
Last ten fiscal years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Invested in capital assets, net of related debt	\$ 2,258,434	\$ 2,436,515	\$ 2,711,255	\$ 4,247,559	\$ 5,738,558	\$ 7,006,797	\$ 7,372,902	\$ 8,205,752	\$ 3,941,555	\$ 7,702,337
Restricted (Deficit)	2,897,117	4,200,619	4,485,916	4,402,357	3,699,687	3,316,940	3,144,099	3,023,343	2,786,900	2,726,160
Unrestricted (Deficit)	390,360	(585,091)	(273,621)	(575,884)	701,706	(521,493)	(482,071)	(613,657)	4,960,658	2,402,925
Total governmental activities net assets	\$ 5,545,911	\$ 6,052,043	\$ 6,923,550	\$ 8,074,032	\$ 10,139,951	\$ 9,802,244	\$ 10,034,930	\$ 10,615,438	\$ 11,689,113	\$ 12,831,422
Business-type activities										
Invested in capital assets, net of related debt	\$ 173	\$ -	\$ -	\$ -	\$ 53,829	\$ 25,629	\$ -	\$ 15,399	\$ 11,633	\$ 8,762
Restricted	99,145	115,020	132,990	119,206	70,636	57,240	8,229	39,205	11,803	(10,291)
Unrestricted	99,318	115,020	132,990	119,206	124,465	82,869	8,229	54,604	23,436	(1,529)
Total business-type activities net assets	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
District-wide										
Invested in capital assets, net of related debt	\$ 2,258,607	\$ 2,436,515	\$ 2,711,255	\$ 4,247,559	\$ 5,792,387	\$ 7,032,426	\$ 7,372,902	\$ 8,221,151	\$ 3,953,188	\$ 7,711,099
Restricted (Deficit)	2,897,117	4,200,619	4,485,916	4,402,357	3,699,687	3,316,940	3,144,099	3,023,343	2,786,900	2,726,160
Unrestricted (Deficit)	489,505	(470,071)	(140,631)	(456,678)	772,342	(464,253)	(473,842)	(574,452)	4,972,461	2,392,634
Total district net assets	\$ 5,645,229	\$ 6,167,063	\$ 7,056,540	\$ 8,193,238	\$ 10,264,416	\$ 9,885,113	\$ 10,043,159	\$ 10,670,042	\$ 11,712,549	\$ 12,829,893

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities										
Instruction										
Regular	\$ 7,615,418	\$ 8,437,052	\$ 8,828,801	\$ 9,018,054	\$ 7,891,521	\$ 8,886,364	\$ 9,778,300	\$ 10,855,283	\$ 10,812,598	\$ 10,843,366
Special education	1,913,775	2,212,270	2,459,015	2,839,990	2,382,409	2,602,184	1,078,948	1,845	112,859	113,134
Other special education										
Vocational										
Nonpublic instruction	1,508,588	1,599,308	1,699,314	1,605,600	1,451,076	1,252,234	1,134,670	1,167,555	1,117,939	1,106,788
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition	2,019,376	1,996,831	1,780,109	2,089,522	2,536,225	1,853,446	1,975,121	2,219,924	2,054,512	2,290,172
Student & instruction related services	3,699,439	4,031,369	4,096,725	3,804,254	3,309,675	3,763,176	3,796,916	3,988,781	4,009,452	3,848,610
School Administrative services	808,563	905,227	800,748	867,239	667,634	762,861	619,207	586,201	673,661	653,067
General administration	634,807	751,521	608,823	637,000	775,836	635,481	680,202	698,061	741,609	555,702
Central Services	335,179	495,210	493,650	510,349	492,370	510,222	536,480	547,328	501,154	587,441
Plant operations and maintenance	1,820,511	2,137,660	2,216,572	2,297,511	2,771,938	2,988,185	2,906,412	2,903,575	2,961,107	3,193,935
Administrative information technology	8,722	511	13,169	143,126	45,913	41,590	-	13,450	28,325	28,325
Pupil transportation	1,945,682	2,045,766	2,239,301	2,054,328	2,555,325	2,419,733	2,612,956	2,497,307	2,263,902	2,394,560
Other support services					17,246	5,274	-		4,843	37,939
Unallocated Benefits										
Compensated absences								2,114	10,431	(157)
Interest on long-term debt	188,262	176,512	223,135	139,228	120,810	98,431	70,408	41,138	38,762	68,965
Capital Outlay										
Transfer to Food Service										
Total governmental activities expenses	22,518,322	24,789,257	25,457,362	26,006,201	25,017,978	25,819,181	25,188,620	25,584,112	25,316,379	25,721,847
Business-type activities:										
Food service	315,624	345,209	333,798	345,887	399,379	381,442	423,216	381,858	370,620	380,503
Enrichment Program										
Total business-type activities expense	315,624	345,209	333,798	345,887	399,379	381,442	423,216	381,858	370,620	380,503
Total district expenses	\$ 22,833,946	\$ 25,134,466	\$ 25,791,160	\$ 26,352,088	\$ 25,417,357	\$ 26,200,623	\$ 25,611,836	\$ 25,965,970	\$ 25,686,999	\$ 26,102,350
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 62,843	\$ 55,167	\$ 37,048	\$ 20,677	\$ 7,750	\$ -	\$ -	\$ -	\$ -	\$ -
Special Education										
Plant Operations and Maintenance										
Pupil transportation	413,995	478,101	389,575	422,620	375,466	412,098	573,701	312,210	-	\$ 82,657
Central and other support services										
Operating grants and contributions	1,713,579	1,988,494	2,774,646	2,722,329	1,796,188	2,011,128	1,828,699	2,055,595	2,354,283	2,114,633
Capital grants and contributions							406,050			
Total governmental activities program revenues	2,190,417	2,521,762	3,201,269	3,165,626	2,179,404	2,423,226	2,808,450	2,367,805	2,354,283	2,686,675
Business-type activities:										
Charges for services										
Food service	\$ 256,815	\$ 282,096	\$ 267,171	\$ 249,130	\$ 279,815	\$ 265,442	\$ 264,569	\$ 225,898	\$ 216,435	\$ 223,989
Enrichment Program										
Operating grants and contributions	69,695	68,469	73,676	77,398	70,994	74,404	84,007	202,335	123,017	137,440
Capital grants and contributions										
Total business type activities program revenues	326,510	350,565	340,847	326,528	350,809	339,846	348,576	428,233	339,452	361,429
Total district program revenues	\$ 2,516,927	\$ 2,872,327	\$ 3,542,116	\$ 3,492,154	\$ 2,530,213	\$ 2,763,072	\$ 3,157,026	\$ 2,796,038	\$ 2,693,735	\$ 3,048,104

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

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense)/Revenue										
Governmental activities	\$ (20,327,905)	\$ (22,267,495)	\$ (22,256,093)	\$ (22,840,575)	\$ (22,838,574)	\$ (23,395,955)	\$ (22,380,170)	\$ (23,216,307)	\$ (22,962,096)	\$ (23,035,172)
Business-type activities	10,886	5,356	7,049	(19,359)	(48,570)	(41,596)	(74,640)	46,375	(31,168)	(19,074)
Total district-wide net expense	\$ (20,317,019)	\$ (22,262,139)	\$ (22,249,044)	\$ (22,859,934)	\$ (22,887,144)	\$ (23,437,551)	\$ (22,454,810)	\$ (23,169,932)	\$ (22,993,264)	\$ (23,054,246)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 16,201,462	\$ 17,335,926	\$ 17,719,047	\$ 18,427,809	\$ 18,974,921	\$ 18,756,384	\$ 18,706,384	\$ 18,756,384	\$ 19,131,512	\$ 19,514,143
Taxes levied for debt service	562,278	590,396	595,259	595,126	592,271	588,946	597,316	593,908	575,736	620,103
Unrestricted grants and contributions	4,676,705	4,556,128	4,395,192	4,539,297	4,957,551	3,870,983	3,520,434	4,103,150	3,628,905	3,543,886
Cancellation of Prior Year Accounts Payable										
Payments in lieu of taxes										
Tuition Received					-	-	-		379,530	9,756
Transportation fees					-	-	-			
Investment earnings	107,824	205,383	302,010	198,297	45,555	11,612	5,999	3,271	127,087	43,621
Miscellaneous income	127,489	85,794	116,092	230,528	290,049	47,320	83,831	109,147	50,493	
Rental income					44,145					
Transfers										
Other Adjustments						(216,996)	(301,108)	221,106	152,357	440,081
Total governmental activities	21,675,758	22,773,627	23,127,600	23,991,057	24,904,492	23,058,249	22,612,856	23,786,966	24,045,620	24,171,590
Business-type activities:										
Investment earnings	12,319	10,346	10,921	5,575	-	-	-	-	-	-
Miscellaneous Income										
Transfers					53,829					
Total business-type activities	12,319	10,346	10,921	5,575	53,829	-	-	-	-	-
Total district-wide	\$ 21,688,077	\$ 22,783,973	\$ 23,138,521	\$ 23,996,632	\$ 24,958,321	\$ 23,058,249	\$ 22,612,856	\$ 23,786,966	\$ 24,045,620	\$ 24,171,590
Change in Net Assets										
Governmental activities	\$ 1,347,853	\$ 506,132	\$ 871,507	\$ 1,150,482	\$ 2,065,918	\$ (337,706)	\$ 232,686	\$ 570,659	\$ 1,083,524	\$ 1,136,418
Business-type activities	23,205	15,702	17,970	(13,784)	5,259	(41,596)	(74,640)	46,375	(31,168)	(19,074)
Total district	\$ 1,371,058	\$ 521,834	\$ 889,477	\$ 1,136,698	\$ 2,071,177	\$ (379,302)	\$ 158,046	\$ 617,034	\$ 1,052,356	\$ 1,117,344

Source: School District Financial Reports

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 2,898,457	\$ 4,201,953	\$ 4,487,253	\$ 4,403,697	\$ 4,984,989	\$ 3,792,599	\$ 3,562,534	\$ 3,211,805	\$ 2,583,862	\$ 2,649,178
Committed										
Assigned										
Unreserved	1,411,795	754,779	801,284	485,798	705,239	224,358	294,735	328,887	320,822	247,004
Total general fund	\$ 4,310,252	\$ 4,956,732	\$ 5,288,537	\$ 4,889,495	\$ 5,690,228	\$ 4,016,957	\$ 3,857,269	\$ 3,540,692	\$ 3,350,019	\$ 3,255,318
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	(1,341)	(1,336)	(1,338)	(1,341)						
Capital projects fund										
Debt service fund	1	2	1	1	1	1		44,000	2,918,125	1,873,597
Permanent fund										25,041
Total all other governmental funds	\$ (1,340)	\$ (1,334)	\$ (1,337)	\$ (1,340)	\$ 1	\$ 1	\$ -	\$ 44,000	\$ 2,918,125	\$ 1,898,638

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Local Tax Levy	\$ 20,134,246	\$ 19,707,248	\$ 19,350,292	\$ 19,303,700	\$ 19,345,330	\$ 19,567,192	\$ 19,022,935	\$ 18,314,306	\$ 17,926,322	\$ 16,763,740
Tuition Charges	-	2,851	312,210	573,701	-	7,750	20,677	37,048	55,167	62,843
Transportation Fees	489,385	379,530	112,885	5,999	412,098	375,466	422,620	389,575	478,101	413,995
Interest Earnings	9,756	522	3,271	45,955	11,612	133,674	196,297	302,010	205,383	108,115
Other Local Revenue	129,018	102,174	112,885	85,861	47,337	133,674	113,679	74,091	76,374	39,004
State sources	5,277,886	5,704,136	5,567,467	5,124,477	5,284,015	5,799,162	6,869,606	6,595,937	5,856,655	5,635,940
Federal sources	377,893	276,282	587,540	628,676	594,686	951,577	392,020	573,901	688,215	752,370
Total revenue	26,418,184	26,172,743	25,933,665	25,722,414	25,695,078	26,880,376	27,039,834	26,286,868	25,286,217	23,776,007
Expenditures										
Instruction:										
Regular	7,455,464	7,140,592	7,338,526	7,183,977	6,090,298	6,121,694	6,184,721	5,967,499	5,782,102	5,420,498
Special	113,134	112,959	1,845	335,636	1,850,895	1,828,942	1,874,966	1,604,167	1,474,077	1,338,101
Other	930,517	929,610	987,563	967,425	202,792	196,487	197,587	195,256	189,539	161,812
School-Sponsored/Other Instructional					874,968	915,484	934,895	990,747	950,944	950,392
Total Instruction	8,499,115	8,183,161	8,327,934	8,487,038	9,018,953	9,064,607	9,192,169	8,757,569	8,396,662	7,870,803
Undistributed:										
Tuition	2,290,172	2,054,512	2,219,924	1,975,121	1,853,446	1,947,024	2,089,522	1,780,109	1,996,831	2,019,376
Student and Instruction Related Services	2,736,800	2,821,404	2,740,846	2,617,668	2,649,563	2,546,043	2,600,993	2,792,728	2,770,981	2,656,890
Instruction										
Support Services-Students										
General Administration	412,074	434,702	432,923	431,942	524,115	595,598	508,151	473,816	496,017	395,750
School Administration	587,782	603,909	519,537	534,036	555,712	512,533	579,343	529,388	604,860	569,506
Central Services	279,409	295,435	325,307	322,663	330,851	343,945	353,314	337,919	350,117	355,179
Admin. Information Technology	10,629	13,450	10,500	141	-	8,113	94,137	8,490	511	8,722
Operations and Maintenance	1,981,769	1,881,066	1,905,524	1,979,036	2,090,108	1,914,793	1,904,253	1,843,619	1,788,291	1,545,699
Student Transportation	1,739,951	1,564,343	1,823,411	2,002,631	1,839,768	1,897,772	1,834,211	2,026,759	1,841,490	1,800,104
Business and Other Support Services:										
Employee Benefits	6,380,343	6,917,963	6,628,364	6,282,531	6,165,162	5,587,100	6,430,518	6,019,291	5,213,712	4,716,640
Other	-	-	75,000	231,674	-	-	-	-	-	-
Food Services										
On-behalf TPAF Pension Contributions										
Reimbursed TPAF Social Security										
Contributions										
Total Undistributed	16,418,929	16,586,774	16,661,336	16,145,789	16,240,399	15,352,921	16,394,442	15,812,119	15,062,810	14,067,866
Capital Outlay:										
Equipment	3,712,040	2,866,173	589,140	1,702,587	1,505,885	1,344,752	1,302,305	760,316	528,167	115,503
Facilities Acquisition and Construction										
Services										
Lease Purchase Agreements										
Assets Acquired Under Capital Leases										
Total Capital Outlay	3,712,040	2,866,173	589,140	1,702,587	1,505,885	1,344,752	1,302,305	760,316	528,167	115,503
Special Schools										
Total General Fund Expenditures	28,630,084	27,438,108	25,598,410	26,335,414	26,765,237	25,762,280	26,888,916	25,330,104	23,987,639	22,054,172
Special Revenue:										
Federal										
State										
Other										
Total Special Revenue Expenditures	-	-	-	-	-	-	-	-	-	-
Debt Service Expenditures:										
Principal	535,000	610,000	600,000	575,000	550,000	535,000	520,000	505,000	485,000	470,000
Interest and Other Charges	60,062	23,638	53,638	82,388	109,899	128,613	146,812	161,963	176,512	188,262
Total Debt Service Expenditures	595,062	633,638	653,638	657,388	659,899	663,613	666,812	666,963	661,512	658,262
Total Governmental Fund Expenditures	\$ 29,225,146	\$ 28,069,746	\$ 26,252,048	\$ 26,992,802	\$ 27,425,126	\$ 26,425,893	\$ 27,555,728	\$ 25,997,067	\$ 24,649,151	\$ 22,712,434

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

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Excess (Deficiency) of revenues over (under) expenditures	(2,806,962)	(1,897,003)	(318,383)	(1,270,388)	(1,730,048)	454,483	(515,894)	289,801	637,066	1,063,573
Other Financing sources (uses)										
Proceeds from borrowing	191,344	6,149,000	45,806	1,110,770	56,776	347,587	116,849	42,001	9,420	-
Capital leases (non-budgeted)										90,168
Proceeds from refunding										-
Payments to escrow agent										-
Adjustment						3				-
Transfers in	578,457	1,800,551	311,000	32,700	872,187					-
Transfers out	(578,457)	(754,248)	(311,000)	(32,700)	(872,187)					-
Total other financing sources (uses)	191,344	7,195,303	45,806	1,110,770	56,776	347,587	116,849	42,001	9,420	90,168
Net change in fund balances	\$ (2,615,618)	\$ 5,298,300	\$ (272,577)	\$ (159,618)	\$ (1,673,272)	\$ 802,073	\$ (399,045)	\$ 331,802	\$ 646,486	\$ 1,153,741
Debt service as a percentage of noncapital expenditures	2.33%	2.49%	2.55%	2.60%	2.55%	2.65%	2.54%	2.64%	2.74%	2.91%

Source: District records

Notes: Noncapital expenditures are total expenditures less capital outlay.

Exhibit J-5

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING**

<u>Fiscal Year Ended June 30,</u>	<u>Rentals</u>	<u>Prior Year Refunds</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2005	475	18,042	20,487	39,004
2006	50,644	8,454	17,276	76,374
2007	36,065	1,572	36,454	74,091
2008	39,344	4,351	69,984	113,679
2009	44,145	845	88,684	133,674
2010	-	-	44,132	44,132
2011	63,095	-	20,736	83,831
2012	77,151	-	31,996	109,147
2013	50,493	-	52,111	102,604
2014	82,657	-	43,621	126,278

Source: District Records

REVENUE CAPACITY

Exhibit J-6

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 UNAUDITED**

EATONTOWN BOROUGH

<u>Year Ended June 30,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2005	1,069,828,539	1,716,918,062	62.31%
2006	2,634,312,382	2,130,183,972	123.67%
2007	2,490,880,992	2,368,717,720	105.16%
2008	2,456,688,843	2,419,254,321	101.55%
2009	2,424,185,216	2,678,894,372	90.49%
2010	2,129,764,241	2,492,512,157	85.45%
2011	2,117,215,544	2,399,031,557	88.25%
2012	2,086,000,009	2,143,001,928	97.34%
2013	2,030,878,034	2,074,516,960	97.90%
2014	* 2,030,878,034	2,074,516,960	97.90%

Source: Municipal Tax Assessor

Note: * Since updated information was not available at the time of the Audit, prior year information was reported.

Exhibit J-6a

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 UNAUDITED**

TINTON FALLS BOROUGH

<u>Year Ended June 30,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2005	1,245,289,313	2,293,103,930	54.31%
2006	1,260,895,153	2,542,770,410	49.59%
2007	1,280,603,288	2,929,583,421	43.71%
2008	* 2,922,487,599	3,226,755,881	90.57%
2009	3,005,914,119	3,277,610,613	91.71%
2010	2,998,843,219	3,020,708,135	99.28%
2011	2,872,610,220	2,900,904,098	99.02%
2012	2,758,659,379	2,783,151,109	99.12%
2013	2,754,925,800	2,911,474,837	94.62%
2014	2,704,177,400	3,017,718,335	89.61%

Source: Municipal Tax Assessor

Note: * Revaluation

Exhibit J-6b

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
UNAUDITED**

SHREWSBURY TOWNSHIP

<u>Year Ended June 30,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2005	27,304,436	55,164,789	49.50%
2006	27,285,461	63,041,570	43.28%
2007	27,278,537	75,269,951	36.24%
2008	72,717,014	79,684,044	91.26%
2009	72,725,738	79,268,812	91.75%
2010	72,762,912	79,127,998	91.96%
2011	72,730,213	69,465,075	104.70%
2012	56,855,613	58,762,313	96.76%
2013	56,847,388	53,374,413	106.51%
2014	* 56,847,388	53,374,413	106.51%

Source: Municipal Tax Collector

Note: * Since updated information was not available at the time of the Audit, prior year information was reported.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
UNAUDITED**

EATONTOWN BOROUGH

Fiscal Year Ended June 30,	Monmouth Regional High School District Direct Rate			Local School Rate	Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate		Eatontown Borough	Monmouth County	
2005	0.710	0.024	0.734	1.112	0.946	0.530	3.322
2006	0.298	0.010	0.308	0.482	0.414	0.237	1.441
2007	0.323	0.010	0.333	0.569	0.472	0.241	1.615
2008	0.337	0.011	0.348	0.573	0.513	0.244	1.678
2009	N/A	N/A	0.371	0.589	0.541	0.282	1.783
2010	N/A	N/A	0.411	0.676	0.655	0.318	2.060
2011	N/A	N/A	0.406	0.681	0.681	0.317	2.085
2012	N/A	N/A	0.391	0.697	0.706	0.302	2.096
2013	N/A	N/A	0.429	0.724	0.761	0.311	2.225
2014 *	N/A	N/A	0.429	0.724	0.761	0.311	2.225

Source: Municipal Tax Assessor

Note: N/A Not Available

Note: * Since updated information was not available at the time of the Audit, prior year information was reported.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
UNAUDITED**

TINTON FALLS BOROUGH

Fiscal Year Ended June 30,	Monmouth Regional High School District Direct Rate			Regional Elementary School Rate	Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate		Tinton Falls Borough	Monmouth County	
2005	0.767	0.026	0.793	1.412	0.611	0.600	3.416
2006	0.771	0.026	0.797	1.411	0.785	0.597	3.590
2007	0.798	0.026	0.824	1.447	0.785	0.627	3.683
2008	0.357	0.012	0.369	0.644	0.383	0.283	1.679
2009	0.326	0.010	0.336	0.623	0.410	0.277	1.646
2010	0.333	0.011	0.344	0.648	0.415	0.285	1.692
2011	0.355	0.011	0.366	0.703	0.439	0.300	1.808
2012	0.397	0.012	0.409	0.739	0.464	0.305	1.917
2013	0.397	0.012	0.409	0.763	0.477	0.311	1.960
2014	0.422	0.012	0.434	0.804	0.517	0.342	2.097

Source: Municipal Tax Assessor

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
UNAUDITED**

SHREWSBURY TOWNSHIP

Fiscal Year Ended June 30,	Monmouth Regional High School District Direct Rate			Regional Elementary School Rate	Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate		Shrewsbury Township	Monmouth County	
2005	0.700	0.024	0.724	1.806	1.760	0.675	4.965
2006	0.549	0.019	0.568	1.927	1.915	0.685	5.095
2007	0.692	0.023	0.715	1.933	2.143	0.744	5.535
2008	0.312	0.010	0.322	0.715	0.859	0.280	2.176
2009	0.314	0.010	0.324	0.670	0.926	0.291	2.211
2010	0.305	0.010	0.315	0.663	1.019	0.281	2.278
2011	0.306	0.010	0.316	0.637	1.042	0.269	2.264
2012	0.459	0.010	0.469	0.790	1.327	0.278	2.864
2013	0.417	0.010	0.427	0.776	1.429	0.332	2.964
2014	0.441	0.010	0.451	0.695	1.462	0.306	2.914

Source: Municipal Tax Collector

Exhibit J-8

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL TAXPAYERS
FOR YEAR ENDED DECEMBER 31, 2013**

EATONTOWN BOROUGH

<u>Taxpayer</u>	<u>Assessed Valuation 2013</u>	<u>As a % of District's Net Assessed Valuation</u>
Eatontown Monmouth Mall LLC	\$ 167,000,000	8.22%
Eatonbrook Cooperative Corp.	28,434,100	1.40%
East Coast Eatoncrest Apts.	24,696,400	1.22%
VM Kushner LLC	23,812,600	1.17%
Macy's East Federated Dept. Stores	22,944,000	1.13%
Old Orchard Country Club Associates, LP	22,522,200	1.11%
Country Club Associates Apts.	21,993,700	1.08%
Eatontown 36, LLC (Shopping Center)	21,753,500	1.07%
Stony Hill Apartments Associates LP	21,007,300	1.03%
Laurel Gardens Co-op Inc	20,832,700	1.03%
Total	<u>374,996,500</u>	<u>18.46%</u>
	\$	

Source: Municipal Tax Assessor

Exhibit J-8a

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL TAXPAYERS
FOR YEAR ENDED DECEMBER 31, 2013**

TINTON FALLS BOROUGH

<u>Taxpayer</u>	<u>Assessed Valuation 2013</u>	<u>As a % of District's Net Assessed Valuation</u>
Tinton Falls Campus	\$ 159,490,400	5.90%
CPG Tinton Falls Urban Renewal, LLC	142,895,800	5.28%
Avalon Bay Communities, Inc.	29,430,000	1.09%
XPD LLC	15,367,100	0.57%
Stavola Realty Company	14,915,800	0.55%
PRC Tinton Avenue Developers	14,722,500	0.54%
Hovsons, Inc.	13,550,000	0.50%
Tinton Pines Construction	13,434,500	0.50%
Reidhass, LP	11,950,000	0.44%
Sudler Monmouth	11,873,100	0.44%
Total	\$ <u>427,629,200</u>	<u>15.81%</u>

Source: Municipal Tax Collector

Exhibit J-8b

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL TAXPAYERS
FOR YEAR ENDED DECEMBER 31, 2013**

SHREWSBURY TOWNSHIP

<u>Taxpayer</u>	<u>Assessed Valuation 2013</u>	<u>As a % of District's Net Assessed Valuation</u>
Alfred Vail Mutual	\$ 25,876,000	0.455183623
Coolidge Shrewsbury, LLC	10,126,600	0.178136593
Bell Atlantic Tax Dept	350,088	0.006158383
Individual Taxpayer #1	330,100	0.005806775
Individual Taxpayer #2	179,700	0.003161095
Individual Taxpayer #3	179,700	0.003161095
Individual Taxpayer #4	179,700	0.003161095
Individual Taxpayer #5	179,700	0.003161095
Individual Taxpayer #6	179,700	0.003161095
Individual Taxpayer #7	179,700	0.003161095
Total	\$ <u>37,760,988</u>	<u>66.43%</u>

Source: Municipal Tax Collector

Exhibit J-9

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED**

EATONTOWN BOROUGH

<u>Year Ended June 30,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Tax Levy Collected</u>
2005	7,971,427	7,329,422	91.95%
2006	7,853,616	7,853,616	100.00%
2007	8,116,150	7,461,787	91.94%
2008	8,279,581	8,279,581	100.00%
2009	8,548,914	8,548,914	100.00%
2010	8,998,299	8,998,299	100.00%
2011	8,763,612	8,763,612	100.00%
2012	8,596,029	8,596,123	100.00%
2013	8,149,972	8,149,972	100.00%
2014	8,703,268	8,703,268	100.00%

Source: Municipal Tax Collector

Exhibit J-9a

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED**

TINTON FALLS BOROUGH

<u>Year Ended June 30,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Tax Levy Collected</u>
2005	8,622,453	8,622,453	100.00%
2006	9,874,967	9,874,967	100.00%
2007	10,043,313	10,043,313	100.00%
2008	10,548,416	10,548,416	100.00%
2009	10,783,960	10,783,960	100.00%
2010	10,111,439	10,111,439	100.00%
2011	10,311,136	10,311,136	100.00%
2012	10,519,982	10,519,982	100.00%
2013	11,290,471	11,290,471	100.00%
2014	11,188,541	11,188,541	100.00%

Source: Municipal Tax Collector

Exhibit J-9b

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED**

SHREWSBURY TOWNSHIP

<u>Year Ended June 30,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Tax Levy Collected</u>
2005	169,860	169,860	100.00%
2006	197,740	197,740	100.00%
2007	154,842	154,842	100.00%
2008	194,938	194,938	100.00%
2009	234,318	234,318	100.00%
2010	235,592	235,591	100.00%
2011	228,958	228,958	100.00%
2012	234,181	234,181	100.00%
2013	266,805	266,805	100.00%
2014	242,436	242,436	100.00%

Source: Municipal Tax Collector

DEBT CAPACITY

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last ten fiscal years

EATONTOWN BOROUGH

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Compensated Absences				
			Payable				
2005	2,042,832	55,696	476,397		2,574,925	0.39%	182
2006	1,706,399	40,865	586,997		2,334,261	0.34%	166
2007	1,494,312	39,068	473,818		2,007,198	0.30%	143
2008	1,212,575	62,615	448,561		1,723,751	0.24%	122
2009	1,036,357	169,144	448,561		1,654,062	0.23%	124
2010	830,276	157,597	552,207		1,540,080	0.20%	110
2011	549,340	541,860	532,493		1,623,693	0.23%	127
2012	270,986	403,063	521,982		1,196,031	0.17%	94
2013	2,657,979	258,073	512,419		3,428,471	0.47%	276
2014	2,322,838	204,286	490,419		3,017,543	0.40%	243

Source: School District Financial Reports

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

Exhibit J-10a

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last ten fiscal years

TINTON FALLS BOROUGH

Fiscal Year Ended June 30,	Governmental Activities				Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Compensated Absences Payable	Total District		
2005	2,284,608	62,288	532,780	2,879,676	0.49%	181
2006	2,145,755	51,386	738,134	2,935,275	0.39%	172
2007	1,848,228	48,320	586,038	2,482,586	0.35%	145
2008	1,617,532	83,526	598,364	2,299,422	0.30%	120
2009	1,267,977	206,947	675,015	2,149,939	0.20%	109
2010	932,986	177,093	620,518	1,730,597	0.15%	98
2011	646,381	637,581	626,559	1,910,521	0.22%	127
2012	331,632	493,270	638,804	1,463,706	0.14%	82
2013	3,416,981	331,767	658,744	4,407,492	0.13%	76
2014	3,220,849	283,263	680,016	4,184,128	0.11%	68

Source: School District Financial Reports

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

Exhibit J-10b

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last ten fiscal years

SHREWSBURY TOWNSHIP

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Compensated Absences Payable				
2005	52,560	1,433	12,258		66,251	0.130%	61
2006	42,846	1,026	14,739		58,611	0.110%	54
2007	47,460	1,241	15,049		63,750	0.120%	59
2008	39,893	2,060	14,757		56,710	0.100%	53
2009	30,666	5,005	16,325		51,996	0.090%	49
2010	21,738	4,127	14,458		40,323	0.060%	37
2011	14,278	14,084	12,840		41,202	0.080%	43
2012	7,382	10,980	14,232		32,594	0.050%	29
2013	74,040	7,189	14,273		95,502	0.003%	2
2014	70,313	6,184	14,845		91,342	0.002%	1

Source: School District Financial Reports

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

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

EATONTOWN BOROUGH

<u>Fiscal Year Ended June 30,</u>	<u>Estimated School District Population</u>	<u>Assessed Value</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2005	14,255	1,069,828,539	2,042,832	0.19%	143
2006	14,175	2,634,312,382	1,706,399	0.06%	120
2007	14,095	2,490,880,992	1,494,312	0.06%	105
2008	14,195	2,456,688,843	1,212,575	0.05%	86
2009	14,195	2,424,185,216	1,036,357	0.04%	73
2010	14,110	2,129,764,241	830,276	0.04%	59
2011	12,709	2,118,288,287	549,340	0.03%	43
2012	12,722	2,117,215,544	270,986	0.01%	21
2013	12,431	2,030,878,034	3,428,471	0.17%	276
2014	12,262	2,024,014,157	3,017,543	0.15%	246

Source: Data regarding school district population was given by school district officials.

Note: Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

TINTON FALLS BOROUGH

<u>Fiscal Year Ended June 30,</u>	<u>Estimated School District Population</u>	<u>Assessed Value</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2005	19,012	1,245,289,313	2,284,608	0.18%	144
2006	19,958	1,260,895,153	2,145,755	0.17%	125
2007	19,139	1,280,603,288	1,848,228	0.14%	108
2008	19,703	2,922,487,599	1,617,532	0.06%	84
2009	19,703	3,005,914,119	1,267,977	0.04%	64
2010	17,641	2,998,843,219	932,986	0.03%	53
2011	17,892	2,872,610,220	646,381	0.02%	36
2012	17,911	2,759,659,379	331,632	0.01%	19
2013	17,869	2,754,925,800	4,407,492	0.16%	247
2014	17,976	2,704,177,400	3,220,849	0.12%	179

Source: Data regarding school district population was given by school district officials.

Note: Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

SHREWSBURY TOWNSHIP

<u>Fiscal Year Ended June 30,</u>	<u>Estimated School District Population</u>	<u>Assessed Value</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2005	1,094	27,304,436	52,560	0.19%	48
2006	1,085	27,285,461	42,846	0.16%	39
2007	1,075	27,278,537	47,460	0.17%	44
2008	1,068	72,717,014	39,893	0.05%	37
2009	1,068	72,725,378	30,666	0.04%	29
2010	1,098	72,762,912	21,738	0.03%	20
2011	1,141	72,730,213	14,278	0.02%	13
2012	1,141	56,855,613	7,322	0.01%	6
2013	1,125	56,847,388	95,502	0.17%	85
2014	1,124	56,883,783	70,313	0.12%	63

Source: Data regarding school district population was given by school district officials.

Note: Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation.

Exhibit J-12

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED**

Net Direct Debt of School District as of June 30, 2014		\$ 5,614,000
Net Overlapping Debt of School District:		
Eatontown Borough (100%)	\$ 1,957,227	
Tinton Falls Borough (100%)	17,616,973	
Shrewsbury Township (100%)	7,361	
* County of Monmouth - Township's share (4.63%)	<u>27,862,233</u>	
		<u>47,443,794</u>
Total Direct and Overlapping Bonded Debt as of June 30, 2014		\$ <u><u>53,057,794</u></u>

Source: Assessed value data to estimate applicable percentages provided by the
Monmouth County Board of Taxation.

* Since updated information was not available at the time of the Audit, prior year information was reported.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year Ended June 30, 2014

	Year	Total	Eatontown Borough	Tinton Falls Borough	Shrewsbury Township
	2014	5,063,945,150	1,991,058,869	3,020,907,107	51,979,174
	2013	5,163,432,104	2,061,482,510	3,047,441,818	54,507,776
	2012	5,032,111,962	2,118,266,991	2,852,964,644	60,880,327
	Total	15,259,489,216	6,170,808,370	8,921,313,569	167,367,277
Average Equalized Valuation of Taxable Property		5,086,496,405	2,056,936,123	2,973,771,190	55,789,092
Debt Limit (3% of Average Equalization Value)		152,594,892 *			
Legal Debt Margin		152,594,892			

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 99,682,438	\$ 102,841,642	\$ 128,387,769	\$ 151,144,521	\$ 171,350,391	\$ 174,930,800	\$ 172,491,645	\$ 169,856,556	\$ 159,697,754	\$ 152,594,892
Total Net Debt Applicable to Limit	4,380,000	3,895,000	3,390,000	2,870,000	2,335,000	1,785,000	1,210,000	610,000	7,931,466	7,293,012
Legal Debt Margin	95,302,438	98,946,642	124,997,769	148,274,521	169,015,391	173,145,800	171,281,645	169,246,556	151,766,288	145,301,880
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.39%	3.79%	2.64%	1.90%	1.36%	1.02%	0.70%	0.36%	4.97%	4.78%

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

Note: * Limit set by NJSA 18A:24-19 for a 9 through 12 district; other percent limits would be applicable for other district types.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Exhibit J-14

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

EATONTOWN BOROUGH

<u>Year Ended June 30,</u>	<u>Unemployment Rate</u>	<u>Monmouth County Per Capita Income</u>	<u>Estimated School District Population (as of July 1)</u>
2004	4.10%	46,545	14,276
2005	4.00%	48,072	14,255
2006	4.00%	52,499	14,175
2007	3.70%	55,826	14,095
2008	4.70%	57,353	14,195
2009	4.40%	54,771	14,195
2010	7.90%	54,771	14,110
2011	8.00%	56,955	12,722
2012	8.30%	58,355	12,431
2013	8.60%	61,426	12,262

Source: Per Capita Income of County of Monmouth from the U.S. Department of Commerce.
School District Population from the U.S. Bureau of the Census, Population Division.

Exhibit J-14a

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

TINTON FALLS BOROUGH

<u>Year Ended June 30,</u>	<u>Unemployment Rate</u>	<u>Monmouth County Per Capita Income</u>	<u>Estimated School District Population (as of July 1)</u>
2004	3.20%	46,545	17,711
2005	4.00%	48,072	19,012
2006	4.10%	52,499	18,958
2007	3.70%	55,826	19,139
2008	4.80%	57,353	19,703
2009	4.10%	54,771	19,703
2010	8.10%	54,771	17,641
2011	8.10%	56,955	17,911
2012	8.50%	58,355	17,869
2013	8.60%	61,426	17,976

Source: Per Capita Income of County of Monmouth from the U.S. Department of Commerce.
School District Population from the U.S. Bureau of the Census, Population Division.

Exhibit J-14b

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

SHREWSBURY TOWNSHIP

<u>Year Ended June 30,</u>	<u>Unemployment Rate</u>	<u>Monmouth County Per Capita Income</u>	<u>Estimated School District Population (as of July 1)</u>
2004	4.00%	46,545	1,102
2005	7.20%	48,072	1,094
2006	7.20%	52,499	1,085
2007	6.60%	55,826	1,075
2008	8.40%	57,353	1,068
2009	8.40%	54,771	1,068
2010	13.70%	54,771	1,098
2011	13.80%	56,955	1,141
2012	14.30%	58,355	1,125
2013	8.00%	61,426	1,124

Source: Monmouth County Planning Board, Demographic and Economic Status Report
www.co.monmouth.nj.us/documents
 Per Capita Income www.lwd.dol.state.nj.us/labor

Exhibit J-15

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Principal Employers,
Current Year

EATONTOWN BOROUGH

2014			
Employer	Employees	Rank [Optional]	Percentage of Total Municipal Employment
N/A	N/A	N/A	N/A
	-		0.00%

Note: N/A = Not Available

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Principal Employers,
Current Year

TINTON FALLS BOROUGH

2014			
Employer	Employees	Rank [Optional]	Percentage of Total Municipal Employment
N/A	N/A	N/A	N/A
	-		0.00%

Note: N/A = Not Available

Exhibit J-15b

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Principal Employers,
Current Year

SHREWSBURY TOWNSHIP

2014			
Employer	Employees	Rank [Optional]	Percentage of Total Municipal Employment
Shrewsbury Township	11	N/A	N/A
	<u>11</u>		<u>0.00%</u>

Note: N/A = Not Available

Note: * Since updated information was not available at the time of the Audit, prior year information was reported.

OPERATING INFORMATION

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
For the Year Ended June 30, 2014

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction										
Regular	89	90	89	89.2	99.5	85.9	84.9	94.7	95	92.85
Special education	26	26	27	26.2	9.5	17.6	16.6	6.4	5	4
Other special education										
Vocational										
Other instruction								3.2		
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	25	25	22	15	15.6	23.6	21.8	20.8	30.26	30.26
General administration	2	2	2	2	2	2	2	2	3	3
School administrative services	10	10	9	9.2	7.6	7.7	7.7	7.7	8.5	8.5
Other administrative services	1	1	2	2.2	2.2	2.2	2.2	2.2	4.4	4.4
Central services	22	22	22	24.5	32	18	14	14.8	12.2	12.2
Administrative Information Technology	3	3	3.5	3.5	4	4	4	4	3	3
Plant operations and maintenance	21	21	22	15	15	21	21	22	21	21
Pupil transportation	21	21	17	16	15	18	18	16	17	18
Other support services						2	2	1	1	1
Special Schools										
Food Service										
Child Care										
Total	<u>220</u>	<u>221</u>	<u>216</u>	<u>202.8</u>	<u>202.4</u>	<u>202.0</u>	<u>194.2</u>	<u>194.8</u>	<u>200.4</u>	<u>198.2</u>

Source: District Personnel Records

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Operating Statistics,
Last ten fiscal years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2005	1,185	21,938,669	\$ 18,514	-0.28%	112	-	-	10.5	1,206.5	1,148.5	2.13%	95.19%
2006	1,222	23,459,472	\$ 19,198	3.69%	115	-	-	10.6	1,197.6	1,173.6	-0.74%	98.00%
2007	1,170	24,569,788	\$ 21,000	9.38%	116	-	-	10.1	1,170.4	1,115.4	-2.27%	95.30%
2008	1,173	25,586,611	\$ 21,813	3.88%	141.6	-	-	8.3	1,173.2	1,117.0	0.24%	95.21%
2009	1,123	24,417,528	\$ 21,743	-0.32%	109	-	-	9.1	1,123.6	1,069.2	-4.22%	95.16%
2010	1,123	25,259,352	\$ 22,493	-0.42%	110	-	-	8.9	1,086.5	1,029.7	-3.30%	94.77%
2011	1,054	24,632,827	\$ 23,371	1.30%	107	-	-	8.9	1,017.6	963.4	6.30%	94.70%
2012	1,015	25,009,270	\$ 24,640	5.43%	103	-	-	8.9	979.9	930.0	3.80%	95.00%
2013	1,031	24,769,935	\$ 24,025	-2.49%	120	-	-	8.6	991.1	932.8	1.14%	94.12%
2014	1,031	24,918,044	\$ 24,169	0.60%	118	-	-	8.3	940.1	880.1	-5.15%	93.61%

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 and average daily attendance are obtained from the School Register Summary (SRS).

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
District Building

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
High School										
Monmouth Regional High School (1959)										
Square Feet	192,441	192,441	192,441	192,441	192,441	192,441	192,441	192,441	192,441	192,441
Capacity (students)	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241
Enrollment	1,185	1,190	1,170	1,173	1,123	1,123	1,054	1,016	1,031	977

Number of Schools at June 30, 2013

Senior High School 1

Source: District Facilities Office

October 15, Enrollment data

Exhibit J-19

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
General Fund
Schedule Of Required Maintenance For School Facilities
Last ten fiscal years

**UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES**

	*School Facilities	Monmouth Regional High School
		<hr/>
2005		467,834
2006		528,572
2007		661,992
2008		725,519
2009		682,255
2010		725,519
2011		767,548
2012		768,727
2013		670,660
2014		636,154
		<hr/>
Total School Facilities		\$ 6,634,780
		<hr/> <hr/>

Note: *School Facilities as Defined Under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

Exhibit J-20

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
June 30, 2014
UNAUDITED

<u>Type of Policy</u>	<u>Coverage</u>	<u>Deductible</u>
School Package Policy-Utica National Insurance Company		
Commercial Property	\$ 48,477,635	\$ 1,000
General Liability	1,000,000/3,000,000	-
Automobile	1,000,000	1,000
School Leaders Errors and Omissions Policy - NJSBAIG	5,000,000	20,000
Commerical Umbrella Liability - Utica National Insurance Company	10,000,000	10,000
Workers' Compensation - MOCSSIF/NJSBAIG Fund	2,000,000	-
Public Officials Faithful Performance Bonds - Selective Insurance		
Business Administrator	300,000	-
Treasurer of School Monies	300,000	-

Source: District records.

SINGLE AUDIT SECTION

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K-1

**Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

The Honorable President and
Members of the Board of Education
Monmouth Regional High School District
County of Monmouth
Tinton Falls, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Monmouth Regional High School District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Monmouth Regional High School District's basic financial statements, and have issued our report thereon dated November 30, 2014.

Internal Control Over Financial Reporting

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

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

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information of the management of the Monmouth Regional High School District Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.



Nicholas A. Cannone
Licensed Public School Accountant
No. CS-02103
Cannone & Company, CPAs

November 30, 2014

CANNONE AND COMPANY, P.A.*Certified Public Accountants*

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K-2

**Report on Compliance For Each Major Federal Program; Report on Internal Control
 Over Compliance; and Report on the Schedule of Expenditures of Federal Awards
 Required by OMB Circular A-133 and the New Jersey Circular 04-04-OMB**

The Honorable President and
 Members of the Board of Education
 Monmouth Regional High School District
 County of Monmouth
 Tinton Falls, New Jersey

Report on Compliance for Each Major Federal Program

We have audited the Board of Education of the Monmouth Regional High School District, in the County of Monmouth, compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2014. The Monmouth Regional High School District Board of Education'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 Monmouth 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and OMB Circular A-133 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 program occurred. An audit includes examining, on a test basis, evidence about Monmouth Regional High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, Monmouth 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, 2014.

Other Matters

The results of our auditing procedures did not disclose instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133, in the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our opinion on each major federal and state program is not modified with respect to these matters.

Report on Internal Control Over Compliance

Management of Monmouth 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 Monmouth 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 and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the New Jersey State

Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid 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 Monmouth 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 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 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 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.

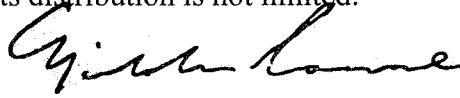
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Financial Assistance Required by OMB Circular A-133 and State Financial Assistance

We have audited the financial statements of Monmouth Regional High School District as of and for the year ended June 30, 2014, and have issued our report thereon dated November 30, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial

statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the financial statements.

This report is intended solely for the information of the management of the Monmouth Regional High School Board of Education, the New Jersey State Department of Education (cognizant audit agency), other state and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Nicholas A. Cannone
Licensed Public School Accountant
No. CS-02103
Cannone & Company, CPAs

November 30, 2014

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-through Grantor Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2013		Carryover Amount/ Walkover	Prior Year Accounts Payable/ Receivable/ Canceled		Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balances	Balance at 06/30/2014	
					Deferred Revenue	Accounts Receivable		Due to Grantor	Deferred Revenue					(Accounts Receivable)	
U.S. Department of Agriculture Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.550	N/A	07/01/13-06/30/14	17,449						17,449	(17,449)				
National School Lunch Program	10.555	N/A	07/01/12-06/30/13	91,370		(16,240)				16,240					
National School Lunch Program	10.555	N/A	07/01/13-06/30/14	100,693						96,308	(100,693)				(4,385)
National School Breakfast Program	10.553	N/A	07/01/12-06/30/13	15,947		(3,312)				3,312					
National School Breakfast Program	10.553	N/A	07/01/12-06/30/13	16,622						15,231	(16,622)				(1,391)
Total U.S. Department of Agriculture					0	(19,552)	0	0	0	148,540	(134,764)	0	0	0	(5,776)
U.S. Department of Education Passed-through State Department of Education:															0
Special Revenue Fund:															
NCLB Title I	84.010A	NCLB327014	09/01/13-08/31/14	125,941						7,837	(7,810)			27	
NCLB Title I	84.010A	NCLB327013	09/01/12-08/31/13	109,435	26,750	(6,104)				42,240	(42,240)			26,750	(6,104)
NCLB Title I	84.010A	NCLB327012	09/01/11-06/31/12	109,307											
NCLB Title II - Part A	84.367A	NCLB327014	09/01/13-08/31/14	29,570						5,441	(5,441)				
NCLB Title II - Part A	84.367A	NCLB327013	09/01/12-08/31/13	57,669		(2,000)				24,508	(22,506)				
NCLB Title II - Part A	84.367A	NCLB327012	09/01/11-08/31/12	64,002		(7,082)									(7,082)
I.D.E.A. Part B	84.027	NCLB327014	09/01/13-08/31/14	238,658						234,392	(215,938)			18,454	(19,543)
I.D.E.A. Part B	84.027	NCLB327013	09/01/12-08/31/13	271,177		(74,976)				139,389	(83,956)				
Total U.S. Dept. of Ed. - Special Revenue Fund					26,750	(90,162)	0	0	0	453,807	(377,893)	0	0	45,231	(32,729)
Total Federal Financial Assistance					\$ 26,750	\$ (109,714)	\$ 0	\$ 0	\$ 0	\$ 602,347	\$ (512,657)	\$ 0	\$ 0	\$ 45,231	\$ (38,505)

See accompanying notes to schedules of financial assistance.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

State Grant/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2013		Prior Year Payable/Receivable Canceled	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance at June 30, 2014		Memo	
				Deferred Revenue (Accounts Receivable)	Due to Grantor						GAAP Budgetary (Accounts Receivable)	Due to Grantor	Budgetary Receivables	Cumulative Total Expenditures
State Department of Education														
General Fund:														
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	\$ 583,284	\$ (65,476)	\$	\$	\$ 523,860	\$ (583,284)	\$	\$	\$	\$	\$ 59,424	\$ 583,284
Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	585,150				55,476	(643,368)					65,543	585,150
Special Education Aid	14-495-034-5120-089	7/1/12-6/30/14	643,368	(60,647)			577,825	(643,368)					65,543	643,368
Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	639,532				60,647	(299,370)					30,494	639,532
Equalization Aid	14-495-034-5120-030	7/1/12-6/30/14	299,370	(28,376)			268,876	(299,370)					30,494	299,370
Equalization Aid	13-495-034-5120-078	7/1/12-6/30/13	299,370				28,376	(1,703,247)					173,479	299,370
Adjustment Aid	14-495-034-5120-085	7/1/12-6/30/14	1,703,247	(157,425)			1,529,768	(1,703,247)					11,015	1,703,247
Adjustment Aid	13-495-034-5120-085	7/1/12-6/30/13	1,665,624				157,425	(108,037)					11,015	1,665,624
Security Aid	14-495-034-5120-084	7/1/12-6/30/14	108,037	(9,563)			9,563	(200,822)					200,822	108,037
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	200,822				202,302	(34,225)					34,225	200,822
Extraordinary Special Education Costs Aid	14-100-034-5120-473	7/1/12-6/30/14	202,302	(39,309)			39,309	(379,596)					379,596	202,302
Nonpublic Transportation Costs	13-100-034-5120-068	7/1/12-6/30/13	39,309				379,596	(622,395)					622,395	39,309
On Behalf of TPAF Pension Contributions	14-495-034-5095-006	7/1/13-6/30/14	622,395				652,554	(685,921)					33,367	622,395
Reimbursed TPAF Social Security Contributions	14-495-034-5095-001	7/1/13-6/30/14	685,921											685,921
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	7/1/12-6/30/13	650,270	(33,689)			33,689	(5,260,265)					609,369	650,270
Total General Fund				\$ (586,787)	\$ 0	\$ 0	\$ 5,238,653	\$ (5,260,265)	\$ 0	\$ 0	\$ (268,414)	\$ 0	\$ 609,369	\$ 9,442,735
Special Revenue Fund:														
N.J. Nonpublic Aid:														
Handicapped Services:														
Supplemental Instruction	14-100-034-5120-066	7/1/13-6/30/14	7,562				7,562	(7,562)						7,562
Supplemental Instruction	13-100-034-5120-066	7/1/12-6/30/13	6,661		1,804		23,570	(19,114)		(1,804)		4,456		(19,114)
Examination and Classification	14-100-034-5120-066	7/1/13-6/30/14	23,570				781	0				781		0
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	781							(781)		0		0
Corrective Speech	13-100-034-5120-066	7/1/12-6/30/13	781											
Auxiliary Services:														
Technology	14-100-034-5120-373	7/1/13-6/30/14	5,400				5,400	(5,349)				51		5,349
Textbook Aid	13-100-034-5120-064	7/1/12-6/30/13	13,369		7,256		20,844	(14,063)		(7,256)		6,781		14,063
Nursing Services	14-100-034-5120-070	7/1/13-6/30/14	20,844											
Total Special Revenue Fund				\$ 0	\$ 9,841	\$ 0	\$ 58,157	\$ (46,088)	\$ 0	\$ (9,841)	\$ 0	\$ 12,069	\$ 0	\$ 7,860
Enterprise Fund:														
National School Lunch Program (State)	14-100-034-5120-123	7/1/13-6/30/14	2,654	(444)			2,539	(2,654)			(115)		115	2,654
National School Lunch Program (State)	13-100-034-5120-123	7/1/12-6/30/13	2,500				444							2,500
Total Enterprise Fund				\$ (444)	\$ 0	\$ 0	\$ 2,983	\$ (2,654)	\$ 0	\$ 0	\$ (115)	\$ 0	\$ 115	\$ 5,154
Total State Financial Assistance				\$ (587,231)	\$ 9,841	\$ 0	\$ 5,299,823	\$ (5,309,007)	\$ 0	\$ (9,841)	\$ (268,529)	\$ 12,069	\$ 609,484	\$ 9,455,749

See accompanying notes to schedules of financial assistance.

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MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
 JUNE 30, 2014

NOTE 1. GENERAL

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Monmouth Regional High School District. The Board of Education is defined in Note 1(A) to the Board's general purpose financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1 to the Board's general purpose financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Board's general purpose financial statements. The general purpose financial statements present the special revenue fund on both a GAAP basis and a budgetary basis. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from the budgetary basis to the GAAP basis for the General Fund is (\$28,467) and for the Special Revenue Fund is \$0. Financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 5,231,798	\$ 5,231,798
Special Revenue Fund	377,893	46,088	423,981
Capital Projects			-
Debt Service			-
Food Service	<u>134,764</u>	<u>2,654</u>	<u>137,418</u>
Total Financial Assistance	<u>\$ 512,657</u>	<u>\$ 5,280,540</u>	<u>\$ 5,793,197</u>

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MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2014

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

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, 2014. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF MONMOUTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified, dated
November 30, 2014

Internal control over financial reporting:

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

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

Federal Awards and State Financial Assistance

Internal control over major programs:

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

Type of auditor's report issued on compliance for major programs: Unmodified, dated
November 30, 2014

Any audit findings disclosed that are required to be reported
in accordance with section .510(a) of Circular A-133? yes ✓ no

Any audit findings disclosed that are required to be reported
in accordance with NJOMB Circular Letter 04-04? yes ✓ no

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
COUNTY OF MONMOUTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

Federal Awards and State Financial Assistance (Continued)

Dollar threshold used to distinguish between
type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? ✓ yes no

Identification of major programs:
Name of Federal/State Program or Cluster

Federal Awards:

CFDA Number

84.027 I.D.E.A. - Part B

State Financial Assistance:

State Grant Number

14-495-034-5120-089 Special Education Aid (State Aid - Public Cluster)

14-495-034-5120-014 Transportation Aid (State Aid - Public Cluster)

14-495-034-5120-078 Equalization Aid (State Aid - Public Cluster)

14-495-034-5120-084 Security Aid (State Aid - Public Cluster)

14-495-034-5120-085 Adjustment Aid (State Aid - Public Cluster)

14-495-034-5095-002 Reimbursed TPAF Social Security Contributions

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
COUNTY OF UNION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Section II - Schedule of Financial Statement Findings

No federal or state award findings or questioned costs were noted that are required to be reported in accordance with OMB Circular A-133 or NJ OMB 98-07.

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Sheet 4**

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF MONMOUTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Section III - Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs**

No federal or state award findings or questioned costs were noted that are required to be reported in accordance with OMB Circular A-133 or NJ OMB 98-07.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF MONMOUTH
SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Follow-up on Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year recommendations.

Finding 2013-1:

Condition:

Our Examination of the 2011-2012 District Report on Transported Students (DRTRS) noted discrepancies between the district report and the county's report. The number of transported students should be in agreement on both reports.

Current Status:

This condition has been resolved.