Comprehensive Annual Financial Report

of the

Freehold Regional High School District

County of Monmouth

Englishtown, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by

FRHSD Business Office

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INTRODUCTORY SECTION

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

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December 2, 2017

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

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Freehold Regional High School District (District) for the fiscal year ended June 30, 2017. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. This report will provide the taxpayers of the Freehold Regional High School District with comprehensive financial data in a format enabling them to gain an understanding of the School District's financial affairs.

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

- The Introductory Section contains this Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal revenue and debt capacities and other operating information of the School District;
- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)" and the New Jersey State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." Information related to this single audit, including the independent auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the single audit section of this report.

Reporting Entity

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

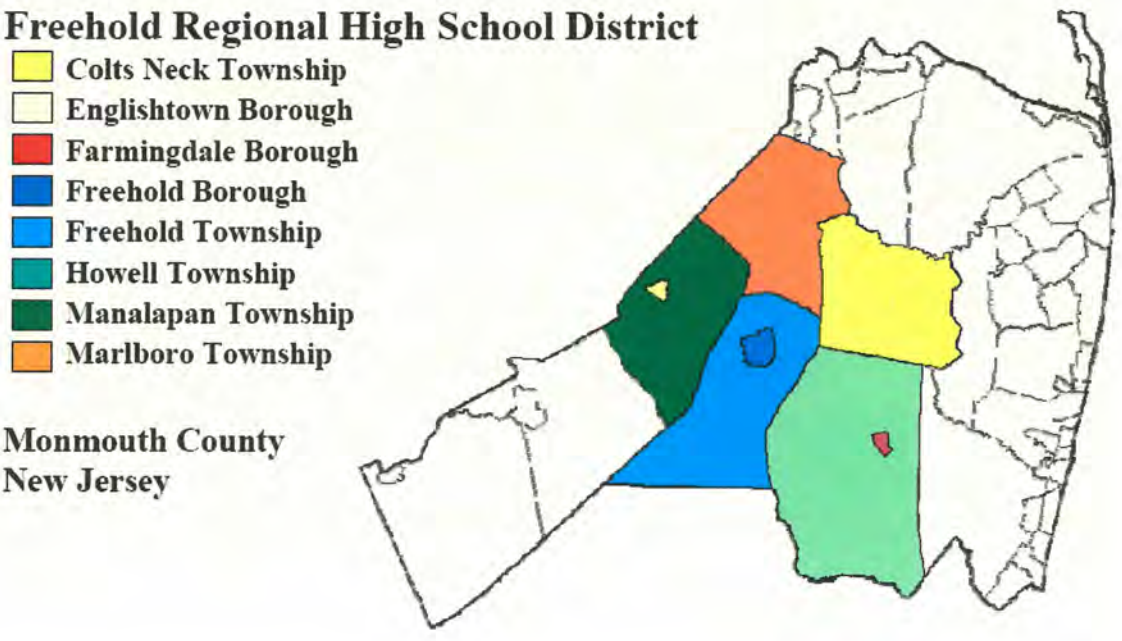
School District Organization

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

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

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

Geographically, the District is comprised of the Townships of Colts Neck, Freehold, Howell, Manalapan and Marlboro and the Boroughs of Englishtown, Farmingdale and Freehold. Established in 1953, the District's total area is 198 square miles. Of the 10,831 resident students, 10,662.5 students are enrolled in one of the Freehold Regional High School District's six high schools.



Economic Condition and Outlook

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

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

In November 2014 Standard and Poor's raised its Freehold Regional High School District's General Obligation School Issuer Credit Rating from AA to AA+ citing the district's improved financial position. Looking forward, Standard & Poor's notes "The stable outlook reflects Standard & Poor's view of the district's stable local economy and strong property tax base. The district's strong reserves and low debt burden provide additional stability."

Educational Program

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

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

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

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

Major Initiatives

Strategic Planning

The district completed the final year of Compass, the Freehold Regional High School District's strategic plan. The successor plan is currently being developed and will continue and enhance the work commenced in the 2012-17 strategic plan. View our plan mission, targets and implementation progress via The Compass Project link on the district's website.

Maximizing Learning Opportunities – Block Schedule

Continuous improvement through thoughtful research and collaborative development has long been a hallmark of the Freehold Regional High School District. Alternative school day structures, and their impact on teaching and learning, were explored and the District will be implementing a block schedule for the 2018-19 school year. The new schedule will be aligned to the District mission that provides students with modern learning experiences and opportunities to explore and learn in greater depth. Preparations began in FY17 in order to accommodate one lunch, or unit lunch, for all students. It is anticipated that most costs associated with unit lunch will be funded by the Food Service Fund.

Capital Planning

The district's capital plan that provided more than $20 million in facility improvements through an Energy Savings Improvement Program, state grants and subsidies, and local reserve funds, is anticipated to conclude by the end of 2017. In addition, four running tracks replacements and planned improvements to the Howell High School football stadium have all been funded through local resources. Looking ahead, the current budget law limits opportunities to fund high dollar facility needs through the annual school budget or local reserves. Accordingly, the planning phase for a capital referendum is under way and if passed will provide for roof replacements, building system upgrades educational space enhancements, and other projects necessary to maintain functionally adequate facilities.

Acknowledgements and Achievements

Among the district's many achievements:

- The Freehold Regional High School District was awarded the Building Capacity for Career Pathways grant from the New Jersey Department of Education's Office of Career and Technical Education. This award provides for up to $100K per year for five years. A computer science pathways course is currently under development at Freehold High School with the use of these grant funds.

- The OceanFirst Foundation awarded Freehold Township High School a Model Classroom grant which was used to create a "Think Tank" model classroom. A traditional classroom was transformed into an innovative, collaborative project-based learning environment.

- Class of 2017 acceptance into top colleges and universities including Ivy League schools.

- District administrators were selected to present at the American Association of School Administrators National Conference

- Superintendent Charles Sampson was selected as Regional Superintendent of the Year

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

Respectfully submitted,

Charles Sampson
Superintendent of Schools

Sean Boyce, CPA
Assistant Superintendent for Business

FREEHOLD REGIONAL HIGH SCHOOL BOARD OF EDUCATION
ENGLISHTOWN, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2017

Members of the Board of Education	**Term Expires**
Jennifer Sutera, President	2018
Peter Bruno, Vice President	2018
Harold Moses	2018
Vincent Accettola	2017
Elizabeth Canario	2019
Samuel Carollo	2017
Amy Fankhauser	2019
Kathie Lavin	2019
Michael Messinger	2017

Other Officials

Charles Sampson, Superintendent of Schools

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

Mark Toscano, Esq., Solicitor

FREEHOLD REGIONAL HIGH SCHOOL BOARD OF EDUCATION
CONSULTANTS AND ADVISORS
JUNE 30, 2017

Audit Firm
Suplee, Clooney & Company
308 East Broad Street
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Attorney
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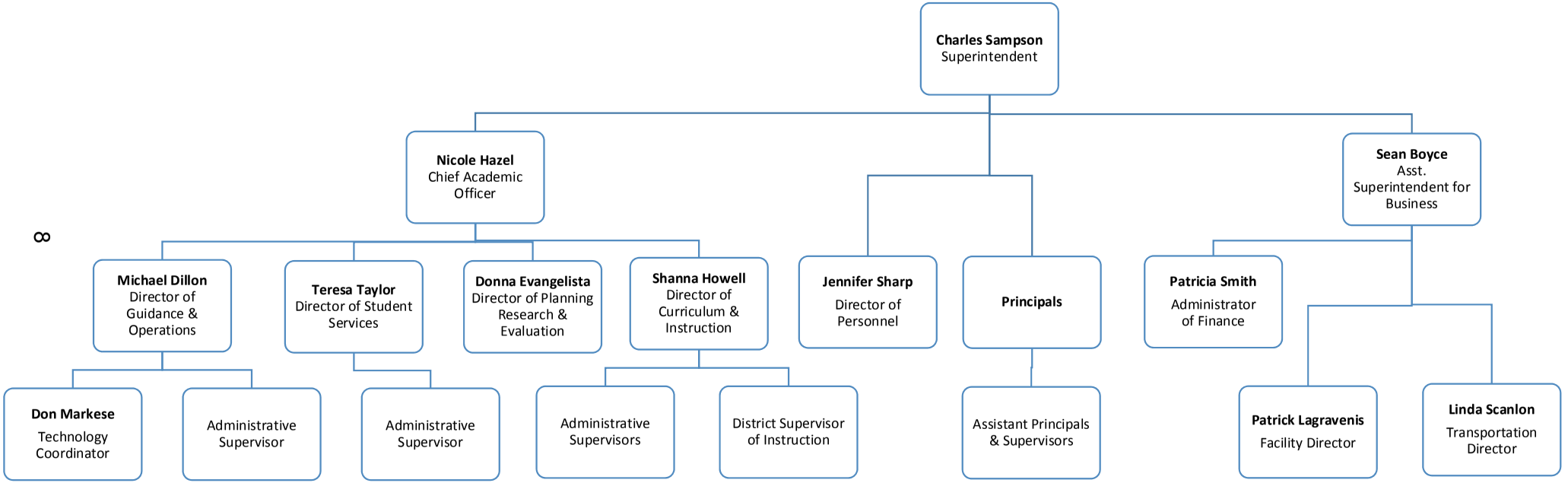
Charles Sampson
Superintendent
Nicole Hazel
Chief Academic Officer
Sean Boyce
Asst. Superintendent for Business
Michael Dillon
Director of Guidance & Operations
Teresa Taylor
Director of Student Services
Donna Evangelista
Director of Planning Research & Evaluation
Shanna Howell
Director of Curriculum & Instruction
Jennifer Sharp
Director of Personnel
Principals
Patricia Smith
Administrator of Finance
Don Markese
Technology Coordinator
Administrative Supervisor
Administrative Supervisor
Administrative Supervisors
District Supervisor of Instruction
Assistant Principals & Supervisors
Patrick Lagravenis
Facility Director
Linda Scanlon
Transportation Director

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FINANCIAL SECTION

SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Freehold Regional High School District, County of Monmouth, New Jersey as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Freehold Regional High School District, County of Monmouth, New Jersey as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 2, 2017 on our consideration of the Freehold Regional High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Freehold Regional High School District's internal control over financial reporting and compliance.

Suplee Clooney & Company
CERTIFIED PUBLIC ACCOUNTANTS

Robert W. [illegible]
PUBLIC SCHOOL ACCOUNTANT NO. 948

December 2, 2017

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
ENGLISHTOWN, NJ

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

The discussion and analysis of Freehold Regional High School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance. Certain comparative information between the current fiscal year (2016-2017) and the prior fiscal year (2015-2016) is presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2017 are as follows:

- The District's overall financial position continues to remain stable.
- Net Position of governmental activities decreased $1,964,724, which represents a 3.4 percent decrease from 2016. This decrease is attributable to the increase in pension related expenses that were recorded as per GASB 68.
- Net Position of business-type activities increased $226,114, which represents a 38.0 percent increase from 2016. Service continues to run smoothly and the operation is expected to continue to be self-sustaining and profitable.
- Property taxes continue to provide the majority of revenue for the Governmental Funds accounting for 61.5 percent in 2017. During the six years the tax cap has been in place, the District has forgone more than $20 million in available property tax.
- Governmental Fund expenses (exclusive of the Capital Projects Fund) increased by $7,006,827 which represents a 3.3 percent increase over 2016. Included in this increase is an increase in the lease payment related to the Energy Savings Improvement Program (ESIP) described below. A portion of this lease payment is offset with revenue from BPU subsidies. Workers Compensation claims cost rose sharply as significant prior year claims were settled and paid and new negative experience increased actuarially calculated liabilities.
- The Capital Projects Fund reflects the establishment of more than $20 million of facility improvements funded under the state's Energy Savings Improvement Program (ESIP). Under the program, energy conservation measures are funded by capital leases instead of serial bonds. Lease payments are provided for through energy savings, and without impact on instructional programs. All capital projects under ESIP are expected to be completed by early FY18.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

This document looks at all financial transactions and asks the question, "How did we do financially during 2017?" The Statement of Net Position and the Statement of Activities attempt to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- Governmental activities - All of the School District's programs and services are reported here including instruction, support services, administration, operating maintenance of plant services, student transportation, and extracurricular activities.

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

Notes to the Basic Financial Statements

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

THE SCHOOL DISTRICT AS A WHOLE

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

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

Table 1 provides a summary of the School District's Net Position for 2017 and 2016.

TABLE 1
Net Position

	2016-2017			2015-2016		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
ASSETS						
Current & Other Assets	$38,805,660	$1,373,974	$40,179,634	$42,411,346	$509,267	$42,920,613
Capital Assets	123,762,244	154,865	123,917,109	122,543,091	182,315	122,725,406
Total Assets	162,567,904	1,528,839	164,096,743	164,954,437	691,582	165,646,019
DEFERRED OUTFLOWS OF RESOURCES:						
Loss on Refunding of Long Term Debt	79,415		79,415	113,718		113,718
Pension Related	23,744,946		23,744,946	11,298,658		11,298,658
Total Deferred Outflow of Resources	23,824,361		23,824,361	11,412,376		11,412,376
LIABILITIES						
Long-Term Liabilities	108,514,126		108,514,126	95,628,703		95,628,703
Other Liabilities	20,455,460	706,826	21,162,286	20,136,302	95,683	20,231,985
Total Liabilities	128,969,586	706,826	129,676,412	115,765,005	95,683	115,860,688
DEFERRED INFLOWS OF RESOURCES:						
Pension Related	1,142,718		1,142,718	2,357,123		2,357,123
Total Deferred Inflow of Resources	1,142,718		1,142,718	2,357,123		2,357,123
NET POSITION						
Net Investment in Capital Assets	87,207,182	154,865	87,362,047	80,465,572	182,315	80,647,887
Restricted	27,648,406		27,648,406	28,446,908		28,446,908
Unrestricted (Deficit)						
Pension Related	(49,733,871)		(49,733,871)	(49,733,871)		(49,733,871)
Other	(8,841,756)	667,148	(8,174,608)	(933,924)	413,584	(520,340)
Total Net Position	$56,279,961	$822,013	$57,101,974	$58,244,685	$595,899	$58,840,584

Table 2 details the changes in Net Position for fiscal year 2017 and 2016.

TABLE 2
CHANGES IN NET POSITION

	2016-2017			2015-2016		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	$230,377	$3,001,715	$3,232,092	$289,578	$2,948,247	$3,237,825
Operating Grants & Contributions	59,693,390	666,290	60,359,680	43,912,263	636,106	44,548,369
General Revenues						
Property Taxes	132,253,371		132,253,371	129,734,618		129,734,618
Grants (includes State Aid) and Entitlements	55,871,366		55,871,366	56,875,483		56,875,483
Other Revenues	2,082,760		2,082,760	782,770		782,770
Disposal of Capital Assets				(42,920)		(42,920)
	$250,131,264	$3,668,005	$253,799,269	$231,551,792	$3,584,353	$235,136,145
Expenses:						
Instruction	142,335,228		142,335,228	128,707,519		128,707,519
Pupils and Instructional Staff	45,807,071		45,807,071	42,873,488		42,873,488
General Administration, School Administration, Central Services Information Technology & Maintenance	41,469,197		41,469,197	34,735,971		34,735,971
Transportation	16,630,574		16,630,574	16,804,098		16,804,098
Interest on Long-Term Debt	936,851		936,851	1,159,719		1,159,719
Business-Type		3,441,891	3,441,891		3,424,663	3,424,663
Other	4,917,067		4,917,067	4,887,161		4,887,161
Total Expenses	$252,095,988	$3,441,891	$255,537,879	$229,167,956	$3,424,663	$232,592,619
Change in Net Position	($1,964,724)	$226,114	($1,738,610)	$2,383,836	$159,690	$2,543,526
Net Position July 1,	58,244,685	595,899	58,840,584	55,860,849	436,209	56,297,058
Net Position June 30,	$56,279,961	$822,013	$57,101,974	$58,244,685	$595,899	$58,840,584

The presentation of net position in the District's June 30, 2017 financial statements includes revenues from federal and state grant programs as well as the state's on-behalf contributions to the Teachers' Pension and Annuity Fund (TPAF) and actuarially calculated expense for the Public Employees Retirement System (PERS). Corresponding amounts have been appropriately assigned throughout governmental expenses.

Both revenues and expenses increased mainly as a result of the district recognizing a larger on-behalf TPAF contribution as a revenue and as an expense, and a large increase in the actuarially calculated PERS pension expense, based upon the State's Actuarial report. The actuarially determined pension expenses increased significantly as assumptions were modified to use a lower discount rate.

Governmental Activities

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

TABLE 3
NET COST OF SERVICES

	Total Cost of Services 2017	Total Cost of Services 2016	Net Cost of Services 2017	Net Cost of Services 2016
Instruction	$142,335,228	$128,707,519	$95,464,769	$94,168,758
Pupils and Instructional Staff	$45,807,071	42,873,488	36,991,816	36,498,072
General Administration, School Administration, Central Services Information Technology & Maintenance	$41,469,197	34,735,971	37,468,618	31,738,124
Transportation	$16,630,574	16,804,098	16,630,574	16,804,098
Interest on Long-Term Debt	$936,851	1,159,719	699,378	869,902
Business-Type	$3,441,891	3,424,663	(226,114)	(159,690)
Other	$4,917,067	4,887,161	4,917,067	4,887,161
Total Expenses	$255,537,879	$232,592,619	$191,946,108	$184,806,425

As noted above, the presentation of position in the District's June 30, 2017 financial statements includes the allocation of expenses funded by federal and state grant programs as well as the state's on-behalf contributions to the Teachers' Pension and Annuity Fund.

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

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

- General administration, school administration, central services, information technology and maintenance include expenses associated with administrative and financial supervision of the District, as well as costs associated with the upkeep of school grounds, buildings, and equipment in an effective working condition.

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

- Interest on long-term debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

- Business-type expenses include all expenses associated with the food service and extracurricular funds.

- "Other" includes depreciation on capital assets that is not allocated to a specific function mentioned above.

Business-Type Activities

Revenues for the District's business-type activities (food service and extra-curricular programs) were comprised of charges for services and federal and state reimbursements. The food service operation continues to run smoothly and has generated a profit since the District hired a new management company in 2014.

THE SCHOOL DISTRICT'S FUNDS

All governmental funds are accounted for using the modified accrual basis of accounting. Totals (excluding Capital Projects) for revenues amounted to $215,016,082 and expenditures were $217,703,515. Other Financing sources and uses included Capital Lease proceeds of $2,511,142 used primarily for the purchase of new school buses, technology infrastructure and copiers. The net change in fund balance was a decrease of $175,592. As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Governmental Funds Revenues and Expenditures (exclusive of Capital Projects) are summarized in Table 4 and Chart 1 below.

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

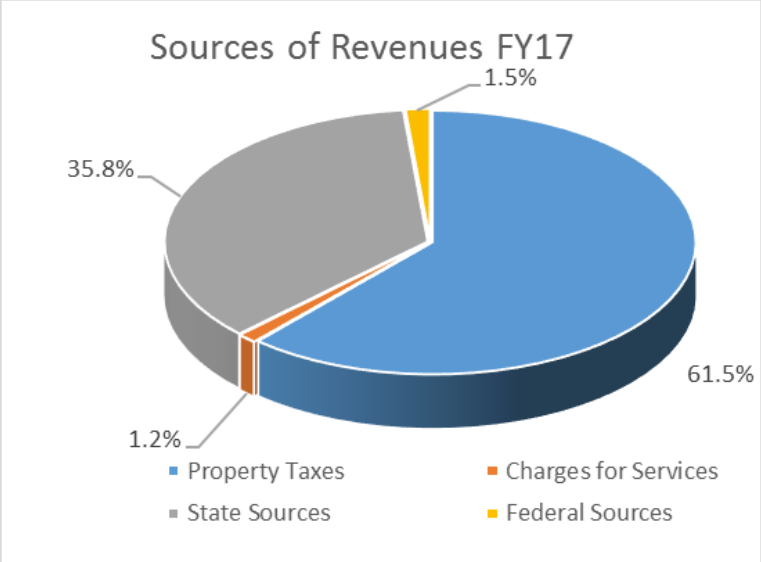
REVENUES:

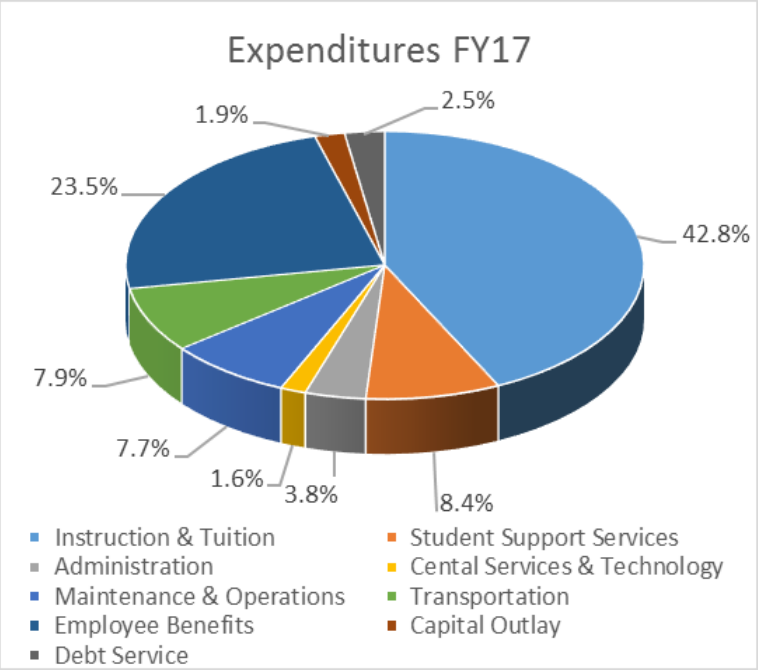
	Amount	Percentage	Increase/Decrease from 2016	Percentage Change
Local Sources	$134,779,748	62.68%	$3,747,149	2.86%
State Sources	77,024,712	35.82%	3,203,897	4.34%
Federal Sources	3,211,622	1.49%	38,940	1.23%
	$215,016,082	99.99%	$6,989,986	3.36%

EXPENDITURES

	Amount	Percentage	Increase/Decrease from 2016	Percentage Change
Current Expense:				
Instruction	$75,112,219	34.50%	$702,471	0.94%
Undistributed	129,726,615	59.59%	6,742,655	5.48%
Capital Outlay	4,039,710	1.86%	(571,798)	-12.40%
Special Revenue	3,399,970	1.56%	125,497	3.83%
Debt Service:				
Principal	4,460,000	2.05%	220,000	5.19%
Interest	965,000	0.44%	(212,000)	-18.01%
Total	$217,703,515	100.00%	$7,006,826	3.33%

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





Highlights include the following:

- The increase in local revenues was primarily due to an aggregate increase in property taxes of 1.9%, as well as an increase in the BPU subsidy as noted below. The change in state revenue was mainly due to the increased on-behalf TPAF pension contribution - See Note 6 for additional information. The district recognizes on-behalf contributions as both revenues and expenses.

- Expenses for instruction, tuition and student support services increased slightly over FY16. While there was a small decrease in special education instruction for in-house programs, it was offset by increases in tuition, related and extraordinary services.

- The Operations and Maintenance of Plant Services section of the budget increased primarily due to the higher ESIP lease payment. By design, the lease payment was largely offset by the BPU subsidy revenue noted above.

- Transportation costs continue to rise due to a couple of different factors. Of the upmost concern is the statewide shortage of bus drivers. Contractors, experiencing the effects of this shortage, mixed with the fact that CPI has been so low, opt not to renew routes thereby forcing the District to accept rebid routes at a significantly higher cost. The New Jersey Association of School Business Officials is discussing transportation concerns with state officials.

- As described in Note 10, the district is self-insured for Workers' Compensation Insurance. Workers' compensation expenditures rose significantly in FY17 as a result of large prior year claims being settled, as well as the impact of current negative claim experience on actuarial calculations of required reserves. The district will continue to explore alternative funding arrangements for workers' compensation insurance.

- A decrease in Capital Outlay resulted from the timing of completion of the Howell Athletic Facility Improvement project. The project was budgeted in FY17 but the majority of the work and payment for the work occurred in July and August of 2017.

Capital Projects

The district established a capital plan that addresses the needs of the facilities without draining resources from the instructional program. In March 2014 the board approved more than $20 million in improvements anchored by an Energy Savings Improvement Program (ESIP). State ESIP laws provide all government agencies in New Jersey with a flexible tool to improve and reduce energy usage with minimal expenditure of new financial resources. Over 60% of the proposed work seeks to upgrade Heating, Ventilation and Air Conditioning (HVAC) equipment and control systems, with the balance of the proposed improvements involving roofing, lighting retrofits and other energy efficiency measures. In addition to funding under ESIP, the district is accessing subsidies managed by the NJ Board of Public Utilities and NJ Department of Education facility grants. Construction on most phases of the capital plan was nearing completion at the end of the 2016-17 school year, and it is anticipated that all projects will be finalized by early FY18. Additional information on projects in progress can be found in the Capital Projects Fund financial statements.

CAPITAL ASSETS

The District continues to invest in its Capital Assets. Construction in Progress increased as additional work was performed for ESIP-related projects as well as the commencement of work on the Howell Athletic Field Complex. The District made several large equipment purchases including various technology infrastructure/equipment upgrades, and the purchase of school buses. Table 5 shows the FY17 Capital Asset activity of the District.

Table 5
Capital Assets for the Fiscal Year Ended June 30, 2017

	Beginning Balance	Additions	Transfers or Retirements	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 446,488			$ 446,488
Construction In Progress	25,753,842	$ 4,932,761	$ (5,477,288)	25,209,315
Total capital assets not being depreciated	26,200,330	4,932,761	(5,477,288)	25,655,803
Capital assets being depreciated:				
Site improvements	13,418,857	103,200	3,000,921	16,522,977
Building and improvements	204,043,544	1,051,132	2,476,367	207,571,043
Equipment	18,036,475	1,781,658	(3,761,187)	16,056,946
Total capital assets being depreciated	235,498,876	2,935,989	1,716,101	240,150,966
Total Gross Assets (Memo Only)	261,699,206	7,868,750	(3,761,187)	265,806,769
Less accumulated depreciation for:				
Site improvements	(6,494,522)	(669,096)		(7,163,618)
Building and improvements	(119,179,541)	(4,855,223)		(124,034,764)
Equipment	(13,482,052)	(1,125,279)	3,761,187	(10,846,144)
Total accumulated depreciation	(139,156,115)	(6,649,597)	3,761,187	(142,044,525)
Total capital assets being depreciated, net	96,342,761	(3,713,608)	5,477,288	98,106,441
Government activities capital assets, net	$ 122,543,091	$ 1,219,153	$ -	$ 123,762,244
Business-type activities:				
Capital assets being depreciated:				-
Equipment	$ 637,981	$ 11,390		$ 649,371
Less accumulated depreciation	(455,666)	(38,840)		(494,506)
Enterprise fund capital assets, net	$ 182,315	$ (27,450)	$ -	$ 154,865

DEBT ADMINISTRATION

Among the district's outstanding liabilities at June 30, 2017, $2,735,331 is for compensated absences, $24,833,670 for obligations under capital leases, and $14,840,000 of serial bonds for school construction. As noted earlier, capital leases issued under ESIP are repaid with energy savings rather than additional property tax levy.

CONTACTING THE SCHOOL DISTRICT

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

Please visit our website at www.frhsd.com

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of
the District's operations. These financial statements present the financial position and
operating results of all funds as of June 30, 2017

DISTRICT-WIDE FINANCIAL STATEMENTS

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

EXHIBIT "A-1"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash and cash equivalents	$ 24,805,220	$ 686,804	$ 25,492,024
Receivables, net	8,233,844	663,485	8,897,329
Inventory		23,685	23,685
Restricted assets:			
Restricted cash and cash equivalents	5,766,596		5,766,596
Capital assets:			
Land and Construction in progress	25,655,803		25,655,803
Other Capital Assets net of depreciation	98,106,441	154,865	98,261,306
Total Assets	162,567,904	1,528,839	164,096,743
DEFERRED OUTFLOW OF RESOURCES:			
Loss on Refunding of Long Term Debt	79,415		79,415
Pension Related	23,744,946		23,744,946
Total Deferred Outflow of Resources	23,824,361		23,824,361
LIABILITIES:			
Accounts payable	4,524,870	614,156	5,139,026
Interfund Payable	272,463		272,463
Payable to state government	21,458		21,458
Unearned revenue	94,038	92,670	186,708
Accrued Interest Payable	247,333		247,333
Accrued Liability for Insurance Claims	6,410,000		6,410,000
Noncurrent liabilities:			
Due within one year:			
Bonds and capital leases payable	8,885,298		8,885,298
Due beyond one year:			
Compensated absences payable	2,735,331		2,735,331
Bonds and capital leases payable	30,788,372		30,788,372
Net Pension Liability	74,990,423		74,990,423
Total liabilities	128,969,586	706,826	129,676,412
DEFERRED INFLOW OF RESOURCES:			
Pension Related	1,142,718		1,142,718
NET POSITION:			
Net investment in capital assets	87,207,182	154,865	87,362,047
Restricted for:			
Capital projects fund	1,164,358		1,164,358
Other purposes	26,484,048		26,484,048
Unrestricted (deficit)	(58,575,627)	667,148	(57,908,479)
Total net position	$ 56,279,961	$ 822,013	$ 57,101,974

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

EXHIBIT "A-2"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2017

Functions/Programs	Expenses	Indirect Cost Allocation	Programs Revenues: Charges for Services	Programs Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	$ 75,359,092	$ 27,299,174	$ 66,286	$ 32,348,279	$ (70,243,701)	$	$ (70,243,701)
Special	21,253,346	6,676,210		10,902,015	(17,027,540)		(17,027,540)
Other Instruction	8,819,271	2,928,136	77,378	3,476,501	(8,193,528)		(8,193,528)
Support services:							
Tuition	15,076,681				(15,076,681)		(15,076,681)
Student & instruction related services	23,496,264	7,234,126		8,815,254	(21,915,135)		(21,915,135)
General administrative services	1,764,828	129,163			(1,893,992)		(1,893,992)
School administrative services	9,046,983	3,283,150		3,913,867	(8,416,265)		(8,416,265)
Central service	2,048,378	404,856			(2,453,234)		(2,453,234)
Admin information technology	2,707,523	1,107,610			(3,815,133)		(3,815,133)
Plant operations and maintenance	19,113,833	1,862,874	86,713		(20,889,994)		(20,889,994)
Pupil transportation	14,546,761	2,083,813			(16,630,574)		(16,630,574)
Unallocated benefits	51,276,581	(51,276,581)			(0)		(0)
Interest on Long-Term Debt	936,851			237,473	(699,378)		(699,378)
Unallocated depreciation	6,649,597	(1,732,530)			(4,917,067)		(4,917,067)
Total governmental activities	252,095,988	(0)	230,377	59,693,390	(192,172,222)		(192,172,222)
Business-type activities							
Food Service	3,201,580		2,761,404	666,290		226,114	226,114
Non-Major Funds	240,311		240,311				
Total business-type activities	3,441,891		3,001,715	666,290		226,114	226,114
Total primary government	$ 255,537,879	$ (0)	$ 3,232,092	$ 60,359,680	$ (192,172,222)	$ 226,114	$ (191,946,108)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					$ 128,147,673	$	$ 128,147,673
Taxes levied for debt service					4,105,698		4,105,698
Federal and state aid not restricted					54,709,469		54,709,469
Federal and state aid restricted					1,161,898		1,161,898
Miscellaneous income					2,082,760		2,082,760
Total general revenues					190,207,498		190,207,498
Change in net position					(1,964,724)	226,114	(1,738,610)
Net Position - beginning					$ 58,244,685	$ 595,899	58,840,584
Net Position ending					$ 56,279,961	$ 822,013	$ 57,101,974

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

MAJOR FUND FINANCIAL STATEMENTS

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

EXHIBIT "B-1"
SHEET #1

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:				
Cash and cash equivalents	$ 29,884,139	$	$	$ 29,884,139
Cash with Fiscal Agents	229,680		457,997	687,677
Other receivables	731,131	11,144		742,275
Due from other funds	4,266,204			4,266,204
Receivables from other governments	3,542,289	892,242	3,057,039	7,491,569
Total assets	$ 38,653,442	$ 903,386	$ 3,515,036	$ 43,071,864
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	$ 1,967,267	$ 128,493	$ 44,757	$ 2,140,517
Payable to state government		21,458		21,458
Interfund payables	2,627,770	659,397	1,251,501	4,538,667
Unearned revenue		94,038		94,038
Accrued Liability for Insurance Claims	6,410,000			6,410,000
Total liabilities	11,005,036	903,386	1,296,258	13,204,679
Fund balances:				
Restricted:				
Capital Reserve Account	3,338,420			3,338,420
Emergency Reserve Account	252,833			252,833
Maintenance Reserve Account	1,487,666			1,487,666
Reserved Excess Surplus designated for subsequent years expenditures	10,001,780			10,001,780
Reserve for Excess surplus	11,812,173			11,812,173
Capital Projects fund			1,164,358	1,164,358
Assigned:				
Designated for subsequent years expenditures	500,000			500,000
Encumbrances	255,534		1,054,420	1,309,954
Total fund balances	27,648,406		2,218,778	29,867,184
Total liabilities and fund balances	$ 38,653,442	$ 903,386	$ 3,515,036	$ 43,071,864

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

EXHIBIT "B-1"
SHEET #2

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

Total Fund Balances (Brought Forward)			$	29,867,184
Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.				
Cost of Assets		$ 265,806,769		
Accumulated Depreciation		(142,044,525)		
				123,762,244
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.				
Net Pension Expense		(74,990,423)		
Compensated Absences		(2,735,331)		
Capital Lease Payable		(24,833,670)		
Bonds Payable		(14,840,000)		
				(117,399,423)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.				
Deferred Outflows:				
Pension related	$ 21,360,593			
Employer Contribution related to pensions	2,384,353			
		23,744,946		
Loss on Refunding Debt		79,415		
				23,824,361
Deferred Inflows:				
Pension related				(1,142,718)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.				
Accounts Payable - Pension Related		(2,384,353)		
Accrued Interest Payable		(247,333)		
				(2,631,686)
Net Position of Governmental Activities			$	56,279,961

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

EXHIBIT "B-2"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local Tax Levy	$ 128,147,673	$	$	$ 4,105,698	$ 132,253,371
Tuition	66,286				66,286
Unrestricted Miscellaneous Revenue	2,074,263		699		2,074,962
Interest Earned on Emergency Reserve	455				455
Interest Earned on Maintenance Reserve	2,680				2,680
Interest Earned on Capital Reserve Funds	4,663				4,663
Other Restricted Miscellaneous Revenue	164,091	213,939			378,030
Total - local sources	130,460,111	213,939	699	4,105,698	134,780,447
State sources	75,583,797	121,613	63,421	1,319,302	77,088,133
Federal sources	147,204	3,064,418			3,211,622
Total revenues	206,191,111	3,399,971	64,120	5,425,000	215,080,202
EXPENDITURES:					
Current expense:					
Regular instruction	55,138,134				55,138,134
Special instruction	13,327,980	2,962,135			16,290,116
Other Instruction	6,646,105				6,646,105
Support services:					
Tuition	15,076,681				15,076,681
Student & instruction related services	17,827,933	421,186			18,249,119
General administrative services	1,642,388				1,642,388
School administrative services	6,600,419				6,600,419
Central service	1,552,845				1,552,845
Administrative information technology services	1,910,878				1,910,878
Plant operations and maintenance	16,848,948				16,848,948
Pupil transportation	17,144,259				17,144,259
Unallocated benefits	51,122,265				51,122,265
Debt Service:					
Principal				4,460,000	4,460,000
Interest				965,000	965,000
Capital outlay	4,039,710	16,649	3,820,492		7,876,851
Total expenditures	208,878,544	3,399,970	3,820,492	5,425,000	221,524,007
Excess (deficiency) of revenues over (under) expenditures	(2,687,433)		(3,756,372)		(6,443,805)
Other financing sources (uses):					
Capital Lease	2,511,142				2,511,142
Transfer	699		(699)		
Total other financing sources (uses)	2,511,841		(699)		2,511,142
Net change in fund balances	(175,592)		(3,757,071)		(3,932,663)
Fund balances, July 1, 2016	$ 27,823,998	$	$ 5,975,849	$	$ 33,799,847
Fund balances, June 30, 2017	$ 27,648,406	$	$ 2,218,778	$	$ 29,867,184

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

EXHIBIT "B-3"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Total net change in fund balances - governmental funds (from B-2)			$ (3,932,663)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:			
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.			
Depreciation expense			(6,649,597)
Capital outlays	$ 7,876,851		
Less: Capital Outlays not capitalized	(8,101)		
		7,868,750	
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the statement of activities.			4,460,000
Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of Net Position.			
Capital lease proceeds - Current Year			(3,052,000)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the statement of activities.			
Payment of capital lease payable			4,493,748
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.			74,333
Bond Issue costs are reported in the Governmental Funds as expenditures in the year the bonds are issued. However, on the Statement of Activities the costs are amortized over the life of the Bonds.			(34,303)
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.			
District pension contributions		2,249,388	
Less: Pension expense		(7,288,065)	
			(5,038,677)
In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).			(154,316)
Change in net position of governmental activities (A-2)			$ (1,964,724)

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

OTHER FUNDS

EXHIBIT "B-4"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	MAJOR FUND FOOD SERVICE FUND	NON-MAJOR FUND EXTRA-CURRICULAR FUND	TOTAL
ASSETS:			
Current assets:			
Cash and cash equivalents	$ 686,804	$	$ 686,804
Accounts receivable:			
State	1,079		1,079
Federal	31,864		31,864
Other	5,729		5,729
Interfund Receivable	599,998	24,815	624,813
Inventories	23,685		23,685
Total current assets	1,349,159	24,815	1,373,974
Noncurrent assets:			
Furniture, machinery and equipment	649,371		649,371
Less accumulated depreciation	(494,506)		(494,506)
Total noncurrent assets	154,865		154,865
Total assets	$ 1,504,024	$ 24,815	$ 1,528,839
LIABILITIES:			
Current liabilities:			
Accounts Payable	$ 614,156	$	$ 614,156
Unearned Revenue	67,855	24,815	92,670
Total current liabilities	$ 682,011	$ 24,815	$ 706,826
NET POSITION:			
Net investment in capital assets	$ 154,865	$	$ 154,865
Unrestricted	667,148		667,148
Total net position	$ 822,013	$	$ 822,013

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

EXHIBIT "B-5"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	MAJOR FUND FOOD SERVICE FUND	NON-MAJOR FUND EXTRA-CURRICULAR FUND	TOTAL
OPERATING REVENUES:			
Charges for services:			
Daily sales - Reimbursable programs	$ 1,023,659	$	$ 1,023,659
Daily sales - Non-reimbursable programs	1,684,990		1,684,990
Special Functions	52,755		52,755
Fees - individuals		240,311	240,311
Total operating revenues	2,761,404	240,311	3,001,715
OPERATING EXPENSES:			
Cost of sales - reimbursable programs	699,909		699,909
Cost of sales - non-reimbursable programs	755,315		755,315
Salaries and benefits	1,353,807	86,901	1,440,708
Supplies and materials	107,353		107,353
Management fee	102,777		102,777
Miscellaneous	143,579	21,885	165,464
Depreciation	38,840		38,840
Facility Rental		131,525	131,525
Total operating expenses	3,201,580	240,311	3,441,891
Operating (loss)	(440,176)		(440,176)
NONOPERATING REVENUES (EXPENSES):			
State Sources			
State school lunch program	17,392		17,392
Federal Sources			
National school lunch program	468,387		468,387
School breakfast program	37,836		37,836
National food distribution commodities	142,675		142,675
Total nonoperating revenues (expenses)	666,290		666,290
Income (loss) before contributions and transfers	226,114		226,114
Change in net position	226,114		226,114
Total net position - beginning	595,899		595,899
Total net position - ending	$ 822,013	$	$ 822,013

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

EXHIBIT "B-6"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	MAJOR FUND FOOD SERVICE FUND	NON-MAJOR FUND EXTRA-CURRICULAR FUND	TOTAL
Cash flows from operating activities:			
Receipts from customers	$ 2,760,290	$ 247,709	$ 3,007,999
Payments to employees	(1,026,917)	(86,901)	(1,113,818)
Payments to suppliers	(1,386,454)	(153,410)	(1,539,864)
Net cash provided by (used for) operating activities	346,919	7,398	354,317
Cash flows from noncapital financing activities:			
State sources	19,512		19,512
Federal sources	569,099		569,099
Operating subsidies and transfers to other funds	(310,555)	(7,398)	(317,953)
Net cash provided by noncapital financing activities	278,056	(7,398)	270,658
Net increase (decrease) in cash and cash equivalents	613,585		613,585
Cash and cash equivalents, July 1, 2016	73,219		73,219
Cash and cash equivalents, June 30, 2017	$ 686,804	$	$ 686,804
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	$ (440,176)	$	$ (440,176)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	38,840		38,840
Federal commodities	142,675		142,675
Change in assets and liabilities:			
(Increase) decrease in accounts receivable, net	(1,114)		(1,114)
Increase (decrease) in unearned revenue	18,979	7,398	26,377
Increase (decrease) in accounts payable	584,766		584,766
(Increase) decrease in inventories	2,949		2,949
	787,095	7,398	794,493
Net cash provided by (used for) operating activities	$ 346,919	$ 7,398	$ 354,317

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

EXHIBIT "B-7"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Unemployment Compensation Insurance Trust	Private Purpose Trust	Agency Funds
ASSETS:			
Cash and cash equivalents	$ 1,053,065	$ 891,751	$ 3,902,973
Total assets	$ 1,053,065	$ 891,751	$ 3,902,973
LIABILITIES:			
Accounts payable	$ 34,644	$	$
Interfund payable			352,350
Payable to student groups			963,366
Wage Payable - Summer Payroll			2,582,218
Payroll deductions and withholdings			5,040
Total liabilities	$ 34,644	$	$ 3,902,973
NET POSITION:			
Held in trust for State Unemployment Insurance claims and other purposes	$ 1,018,421	$	$
Held in trust for scholarships and other purposes		891,751	
Total net position	$ 1,018,421	$ 891,751	$ -0-

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

EXHIBIT "B-8"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Unemployment Compensation Insurance Trust	Private Purpose Trust	Total
ADDITIONS:			
Contributions:			
Plan member	$ 252,690		$ 252,690
Donations		$ 20,808	20,808
Total contributions	252,690	20,808	273,498
Investment earnings:			
Interest	426	383	809
Net investment earnings	426	383	809
Total additions	253,116	21,191	274,307
DEDUCTIONS:			
Quarterly Contribution Reports	110,468		110,468
Unemployment Claims	105,479		105,479
Scholarships Awarded		54,552	54,552
Total deductions	215,947	54,552	270,499
Change in net position	37,169	(33,361)	3,808
Net position beginning of year	981,252	925,112	1,906,364
Net position end of year	$ 1,018,421	$ 891,751	$ 1,910,172

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

Freehold Regional High School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government

2. The primary government, or its component unit, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization

3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitle to, or has the ability to otherwise access, are significant to that primary government

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (continued)

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

Basis of Presentation

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

Governmental Funds

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Proprietary Funds

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

Fiduciary Funds

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

The District's Fiduciary funds are as follows:

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting-Measurement Focus

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

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

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

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

Interfunds

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

Inventories and Prepaid Expenses

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

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

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

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

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

Fund Equity

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

Unearned Revenue

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities and Long-Term Obligations

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

Net Position

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

Fund Balance Reserves

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves (Continued)

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

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

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

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

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

Revenues Exchange and Non-exchange Transactions

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-exchange Transactions (Continued)

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

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

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

Operating Revenues and Expenses

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

Allocation of Indirect Expenses

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Extraordinary and Special Items

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

Management Estimates

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

Accounting and Financial Reporting for Pensions

In the District-Wide Financial Statements for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

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

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

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Deposits

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

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

Deposits

The Freehold Regional High School District had the following cash and cash equivalents at June 30, 2017:

Fund Type		Amount
Cash in Bank:		
Governmental Funds	$	31,773,413
Proprietary Funds		686,804
Fiduciary Funds		6,034,974
Total Cash in Bank	$	38,495,192
Less: Reconciling Items		2,076,460
	$	36,418,732

Custodial Credit Risk- Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2017, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of $38,495,192, $250,000 was covered by Federal Depository Insurance, and $38,245,192 was covered under the provisions of NJGUDPA.

Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

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

Investments (Continued)

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

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or

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

Investments (Continued)

8. Agreements for the repurchase of fully collateralized securities if:

   a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
   b. the custody of collateral is transferred to a third party;
   c. the maturity of the agreement is not more than 30 days;
   d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 C. 17:1941); and
   e. a master repurchase agreement providing for the custody and security of collateral is executed.

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

NOTE 3: RECEIVABLES

Receivables at June 30, 2017 are listed below. All receivables are considered collectible in full. A summary of the principal items of governmental receivables follows:

	Governmental Financial Statements	District-Wide Financial Statements
State Aid	$6,601,038	$ 6,601,038
Federal Aid	890,531	890,531
Interfunds	4,266,204	
Other	742,275	742,275
Gross Receivables	12,500,048	8,233,844
Less: Allowance for Uncollectibles		-
Total Receivables, Net	$12,500,048	$8,233,844

NOTE 4: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017, was as follows:

	Beginning Balance	Additions	Transfers or Retirements	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$446,488			$446,488
Construction In Progress	25,753,842	$4,932,761	($5,477,288)	25,209,315
Total capital assets not being depreciated	26,200,330	4,932,761	(5,477,288)	25,655,803
Capital assets being depreciated:				
Site improvements	13,418,857	103,200	3,000,921	16,522,978
Building and improvements	204,043,544	1,051,132	2,476,367	207,571,043
Equipment	18,036,475	1,781,657	(3,761,187)	16,056,945
Total capital assets being depreciated	235,498,876	2,935,989	1,716,101	240,150,966
Total Gross Assets (Memo Only)	261,699,206	7,868,750	(3,761,187)	265,806,769
Less accumulated depreciation for:				
Site improvements	(6,494,522)	(669,096)		(7,163,618)
Building and improvements	(119,179,541)	(4,855,223)		(124,034,764)
Equipment	(13,482,052)	(1,125,279)	3,761,187	(10,846,144)
Total accumulated depreciation	(139,156,115)	(6,649,597)	3,761,187	(142,044,525)
Total capital assets being depreciated, net	96,342,761	(3,713,608)	5,477,288	98,106,441
Government activities capital assets, net	122,543,091	1,219,153	-	123,762,244
Business-type activities:				
Capital assets being depreciated:				-
Equipment	637,981	11,390		649,371
Less accumulated depreciation	(455,666)	(38,840)		(494,506)
Enterprise fund capital assets, net	$182,315	($27,450)		$154,865

NOTE 4: CAPITAL ASSETS (CONTINUED)

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

Function		Amount
Regular Instruction	$	7,721
Other Instruction		1,557
Student & Instruction Related Services		115,932
General Administrative Services		28,532
School Administrative Services		4,735
Central Service		3,125
Administrative Technology		875,339
Plant, Operations & Maintenance		76,707
Pupil Transportation		618,881
Unallocated		4,917,067
	$	6,649,597

NOTE 5: LONG-TERM LIABILITIES

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

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

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2017:

Governmental Funds:

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Amounts due Within one year
Bonds Payable	$19,300,000		$4,460,000	$14,840,000	$4,695,000
Compensated Absences	$2,581,015	$154,316		$2,735,331	
Capital Leases Payable	$26,275,418	$3,052,000	$4,493,748	$24,833,670	$4,190,298
Pension Liability	$56,426,018	$18,564,405		$74,990,423	
Balance June 30, 2017	$104,582,451	$21,770,721	$8,953,748	$117,399,424	$8,885,298

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2017, including interest payments on issued debt, are as follows:

Fiscal Year June 30,	Principal	Interest	Total
FY2018	$ 4,695,000	$ 742,000	$ 5,437,000
FY2019	4,940,000	507,250	5,447,250
FY2020	5,205,000	260,250	5,465,250
	$14,840,000	$1,509,500	$16,349,500

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

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

Issue	Amount Outstanding June 30, 2017	Bonds Authorized But Not Issued
$42,690,000.00 in Refunding School Bonds dated November 16, 2001, due in remaining annual installments ranging between $4,695,000.00 and $5,205,000.00 beginning March 1, 2018 and ending March 1, 2020 with interest of 5.00%	$ 14,840,000	$ -0-
	$ 14,840,000	$ -0-

Refunding School Bonds

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (18 to 20 years). The cost associated with the issues of the various bonds amounted to $639,077. The current year portion charged to the Statement of Activities was $34,303 leaving a balance of $79,415. Under the escrow agreement, the escrow is irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the refunded obligations are considered to be defeased and the liability for those bonds has been removed from the financial statements.

Bonds Authorized but Not Issued

As of June 30, 2017 the District had no Bonds Authorized but not issued.

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Capital Leases Payable

The District is leasing various equipment and improvements totaling $33,405,739 as follows:

Description	Date	Term	Interest Rate	Amount
Technology Improvements and School Buses	12/31/13	5 Years	1.433%	$1,155,792
District Wide Energy Savings Improvement Plan	12/31/13	15 Years	2.690%	$17,498,000
Roof, Boiler and HVAC Replacement	12/31/13	5 Years	1.390%	$2,957,597
School Buses and Technology	12/31/13	5 Years	1.334%	$3,500,000
Roof Replacement	12/31/14	5 Years	1.570%	$3,250,000
School Buses	12/31/14	5 Years	1.390%	$331,100
School Buses and Maintenance Vehicles	12/31/15	5 Years	1.433%	$1,661,250
School Buses, Technology and Copiers	7/15/16	5 Years	1.290%	$3,052,000

The following is a schedule of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2017:

Fiscal Year Ended June 30,		Governmental Funds
2018	$	4,725,549
2019		3,728,005
2020		2,992,939
2021		1,938,333
2022		1,923,650
2022-2026		7,012,716
2027-2031		6,247,188
Total Minimum Lease Payments	$	28,568,380
Less: Amount Representing Interest		3,734,710
Present Value of Lease Payments	$	24,833,670

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

OPERATING LEASES

The District has a commitment to lease building space, and a parking lot under an operating lease that expires on June 30, 2021. The District also has operating leases for copiers and a postage machine that expire on various dates over the next five years. The total operating lease payments made during the year ended June 30, 2017 were $235,670. Future minimum lease payments are below. The FY 2022 amount includes payments expected to be made for the transportation depot lease, assuming that the current lease will be renewed.

Years Ending June 30,	Principal
2018	$234,716
2019	$233,920
2020	$227,923
2021	$221,594
2022	$210,419
Total minimum lease payments	$ 1,128,572

NOTE 6: PENSION PLANS

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

NOTE 6: PENSION PLANS (CONTINUED)

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

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

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

Significant Legislation

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

NOTE 6: PENSION PLANS (CONTINUED)

Pension Plan Design Changes

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

Funding Changes

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

COLA Suspension

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

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

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

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Three Year Trend Information for PERS

Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2017	$2,249,388	100%	$2,249,388
2016	$2,161,050	100%	$2,161,050
2015	$2,056,601	100%	$2,056,601

Three Year Trend Information for TPAF (On-Behalf)

Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2017	$8,422,087	100%	$8,422,087
2016	$5,888,709	100%	$5,888,709
2015	$3,901,407	100%	$3,901,407

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District for the years ended June 30, 2017, 2016 and 2015 $5,566,615, $5,503,498, and $5,536,782, respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

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

Public Employees Retirement System (PERS)

At June 30, 2017, the District reported a liability of $74,990,423 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2016, the District's proportion was 0.2531994782 percent, which was a increase of 0.0018362054 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of $7,287,934. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Inflow of Resources	Deferred Outflow of Resources
Differences between expected and actual experience		$1,394,595.00
Changes of assumptions		15,534,010.00
Net difference between projected and actual earnings on pension plan investments		2,859,453.00
Changes in proportion and differences between District contributions and proportionate share of contributions	$1,142,718.00	1,572,535.00
District contributions subsequent to the measurement date		2,384,353.00
	$1,142,718.00	$23,744,946.00

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

Public Employees Retirement System (PERS) (Continued)

The $2,384,353 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Amount
2018	$4,576,040.00
2019	$4,576,040.00
2020	$5,302,662.00
2021	$4,340,283.00
2022	$1,422,850.00

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.08 Percent
Salary Increases	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.65 Percent

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

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

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016 and 7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
	100.00%	

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 3.98% and 4.90% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and 7.90%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employer contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

	1% Decrease 2.98%	At Current Discount Rate 3.98%	1% Increase 4.98%
District's proportionate share of the pension liability	$91,892,011.00	$74,990,423.00	$61,036,697.00

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

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position.

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

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2017 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	$578,592,157
	$578,592,157

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2016, the proportion of the TPAF net pension liability associated with the District was .7355013065% which was an increase of .0138692542 percent from its proportion measured as of June 30, 2015.

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

For the year ended June 30, 2017, the District recognized on-behalf pension expense and revenue of $43,473,150 for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2016 measurement date.

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.65%

Mortality Rates

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

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in

TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
High Yield Bonds	2.00%	4.70%
US Equities Markets	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmlands	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - Multi Strategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%
	100.00%	

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 3.22% and 4.13% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and 7.90, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability,

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

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

Pension Plan Fiduciary Net Position

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

NOTE 7: GASB 45 – OTHER POST-RETIREMENT BENEFITS

For eligible retired employees, the School District participates in the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq*., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on state disability retirement. P.L. 2007, Chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees eligible for post-retirement medical benefits, and the state contributed $1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost 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 $231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

NOTE 7: GASB 45 – OTHER POST-RETIREMENT BENEFITS

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School Commission for the years ended June 30, 2017, 2016 and 2015 were $7,017,514, $7,011,825, and $6,193,485, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School Commission was not determined or made available by the State of New Jersey.

NOTE 8: LITIGATION

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

NOTE 9: CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2016-2017 fiscal year were subject to the Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed $750,000. Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

NOTE 10: RISK MANAGEMENT

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

NOTE 10: RISK MANAGEMENT (CONTINUED)

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

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

Year Ended June 30,	Interest	Employee Contributions	Amount Reimbursed	Ending Balance
2017	$ 426	$ 252,690	$ 215,947	$ 1,018,421
2016	670	242,539	250,132	981,252
2015	537	243,246	298,709	988,175

Workers' Compensation Insurance - The Board is self-insured for workers' compensation insurance. Claims are managed by PMA Management Corp. through a service agreement for which competitive proposals were sought. The financial statements reflect the current expenses of the program as well as an accrued liability for future claims against the current fiscal year. At June 30, 2017, the amount was $2,360,000.

Health Benefits - The District provides health benefits to employees through a minimum premium insurance policy administered by Horizon Blue Cross Blue Shield of New Jersey ("Horizon"). The incurred but not reported liability ("IBNR") actuarially computed by Horizon was $4,050,000 at June 30, 2017. It was also noted that the entire IBNR is adjusted for changes in estimate at year end and such changes are reflected in the district's budget and the entire liability is treated as a liability for budgetary purposes.

NOTE 11: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net assets. As of June 30, 2017, a liability existed for compensated absences for governmental fund-types in the district- wide Statement of Net Position of $2,735,331.

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

NOTE 12: FUND BALANCE APPROPRIATED

General Fund The table below reflects the District's Fund Balance at June 30, 2017 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last state aid payment which under GAAP is not recognized:

	Budgetary Basis	Adjustment	GAAP Basis
Restricted:			
Designated for Subsequent Year's Expenditures:			
Excess Surplus	$ 10,001,780	$	$ 10,001,780
Excess Surplus Current Year	11,812,173		11,812,173
Maintenance Reserve	1,487,666		1,487,666
Capital Reserve	3,338,420		3,338,420
Emergency Reserve	252,833		252,833
Assigned:			
Designated for Subsequent Year's Expenditures:	500,000		500,000
Encumbrances	1,349,084	(1,093,550)	255,534
Unassigned	4,033,431	(4,033,431)	
	$ 32,775,387	$ (5,126,981)	$ 27,648,406

NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

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

General Fund Expenditures:		
Fiscal Year Ended, June 30, 2017		$ 208,878,544
Less:		
Capital Leases (non-budgeted)	$ 2,511,142	
Reimb. TPAF Social Security Contributions	5,566,615	
Reimb. TPAF Pension Contributions	15,454,917	
		23,532,674
Adjusted General Fund Expenditures		185,345,870
Excess Surplus Percentage		2.00%
		3,706,917
Increased by:		
Non-Public Transportation Aid (unbudgeted)	98,512	
Extraordinary Aid (unbudgeted)	228,002	
		326,514
Maximum Unreserved/Undesignated General Fund Balance		4,033,431
Actual Unassigned - General Fund Balance		15,845,604
Excess Surplus		$ 11,812,173
Recapitulation of Excess Surplus, June 30, 2016:		
Reserved for Excess Surplus - Designated for Subsequent Year's Expenditure		$ 10,001,780
Reserved for Excess Surplus		11,812,173
		$ 21,813,953

Based on the above calculation, as of June 30, 2017, $10,001,780 is reported as Reserved Fund Balance Excess Surplus Designated for Subsequent Year's Expenditure and is required to be appropriated for property tax relief in the 2017-18 budget. $11,812,173 is reported as Reserved Fund Balance Excess Surplus and is required to be appropriated for property tax relief in the 2018-19 budget.

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2017:

Fund	Interfund Balance Receivable	Payable
General Fund	$ 1,638,435	$
Special Revenue Fund		659,397
Capital Projects Fund		1,251,501
Proprietary Funds	624,813	
Fiduciary Funds		352,350
	$ 2,263,248	$ 2,263,248

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

NOTE 15: CAPITAL RESERVE ACCOUNT

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

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

NOTE 15: CAPITAL RESERVE ACCOUNT (CONTINUED)

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Balance, July 1, 2016		$ 4,333,757
Increased by:		
Board Resolution dated 6/19/17	$ 1,000,000	
Unexpended Portion of FY2017 Appropriation	2,200,000	
Interest	4,663	
		3,204,663
		7,538,420
Decreased by:		
Appropriation of Capital Reserve 1/19/17	2,200,000	
Appropriation of Capital Reserve 3/13/17	250,000	
FY2017 Budgeted Withdrawal	1,750,000	
		4,200,000
Balance, June 30, 2017		$ 3,338,420
Recapitulation:		
Capital Reserve		$ 3,338,420
Balance, June 30, 2017		$ 3,338,420

NOTE 16: EMERGENCY RESERVE ACCOUNT

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

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

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

At June 30, 2017, the balance of the Emergency Reserve Account was $252,378 and is within the statutory limitations.

NOTE 16: EMERGENCY RESERVE ACCOUNT (CONTINUED)

The activity of the emergency reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Balance, July 1, 2016		$ 252,378
Increased by:		
Interest	$ 455	
		455
Balance, June 30, 2017		$ 252,833

NOTE 17: MAINTENANCE RESERVE ACCOUNT

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

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

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

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

At June 30, 2017, the balance of the Maintenance Reserve Account was $1,734,986 and is within the statutory limitations.

NOTE 17: MAINTENANCE RESERVE ACCOUNT (CONTINUED)

The activity of the emergency reserve for the July 1, 2016 to June 30, 2017, fiscal year is as follows:

Balance, July 1, 2016		$ 1,734,986
Increased by:		
Unexpended Portion of FY2017 Appropriation	$ 1,200,000	
Interest	2,680	
		1,202,680
		2,937,666
Decreased by:		
Appropriation of Maintenance Reserve 1/19/17	1,200,000	
FY2017 Budgeted Withdrawal	250,000	
		1,450,000
Balance, June 30, 2017		$ 1,487,666

Recapitulation:	
Maintenance Reserve	$ 1,487,666
Balance, June 30, 2017	$ 1,487,666

NOTE 18: INVENTORY

Inventory in the Food Service Fund at June 30, 2017 consisted of the following:

Food and Supplies	$23,685

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Amendments of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

NOTE 19: SUBSEQUENT EVENTS

The Board of Education has evaluated subsequent events occurring after the financial statement date through December 2, 2017 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events that need to be disclosed accept as noted below.

On July 15, 2017 the District entered into a lease agreement in the amount of $2,560,000 for the purchase of thirteen school buses and security cameras, various technology items and buildings and grounds equipment. The lease is for a term of five years with an interest rate of 1.68%.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

EXHIBIT "C-1"
SHEET #1

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES					
Local sources:					
Local Tax Levy	$ 128,147,673	$	$ 128,147,673	$ 128,147,673	$
Tuition	75,000		75,000	66,286	(8,714)
Unrestricted Miscellaneous Revenue	1,582,000		1,582,000	2,074,263	492,263
Interest Earned on Emergency Reserve	544		544	455	(89)
Interest Earned on Maintenance Reserve	3,202		3,202	2,680	(522)
Interest Earned on Capital Reserve Funds	1,254		1,254	4,663	3,409
Other Restricted Miscellaneous Revenue				164,091	164,091
Total - local sources	129,809,673		129,809,673	130,460,111	650,438
State sources:					
Equalization Aid	40,713,982		40,713,982	40,713,982	
Categorical Transportation Aid	1,110,522		1,110,522	1,110,522	
Categorical Special Education Aid	7,030,185		7,030,185	7,030,185	
Security Aid	735,594		735,594	735,594	
Adjustment Aid	1,636,230		1,636,230	1,636,230	
PARCC Readiness Aid	113,720		113,720	113,720	
Per Pupil Growth Aid	113,720		113,720	113,720	
Professional Learning Community Aid	110,130		110,130	110,130	
Other State Aids Out of Cap				98,512	98,512
Extraordinary Aid	2,700,000		2,700,000	2,928,002	228,002
On-behalf TPAF Pension (non-budgeted)				8,422,087	8,422,087
On-behalf TPAF Post Retirement Contributions (non-budgeted)				7,017,514	7,017,514
On-behalf TPAF Long-Term Disability Insurance Contributions (non-bu				15,316	15,316
Reimbursed TPAF Social Security Contributions (non-budgeted)				5,566,615	5,566,615
Total - state sources	54,264,083		54,264,083	75,612,129	21,348,046
Federal sources:					
Medicaid reimbursement	125,164		125,164	147,204	22,040
Total - federal sources	125,164		125,164	147,204	22,040
Total revenues	184,198,920		184,198,920	206,219,443	22,020,523

EXHIBIT "C-1"
SHEET #2

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

EXPENDITURES	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Grades 9-12	$ 51,564,836	$ 574,816	$ 52,139,652	$ 52,122,582	$ 17,070
Total Salaries of teachers:	51,564,836	574,816	52,139,652	52,122,582	17,070
Regular Programs - Home Instruction:					
Salaries of teachers	220,000		220,000	171,702	48,298
Purchased professional educational services	104,500		104,500	61,922	42,578
Total Regular Programs - Home Instruction:	324,500		324,500	233,624	90,876
Regular programs - undistributed instruction:					
Purchased professional educational services	19,050	(8,200)	10,850	10,765	85
Purchased technical services	136,579	17,806	154,385	151,894	2,491
Other purchased services(400-500 series)	764,137	25,247	789,384	681,650	107,734
General supplies	1,467,175	(37,679)	1,429,496	1,363,738	65,758
Textbooks	603,175	(26,409)	576,766	573,695	3,071
Other Objects	350	(164)	186	186	
Total Regular programs - undistributed instruction	2,990,466	(29,399)	2,961,067	2,781,928	179,138
Total Regular Programs - Instruction	54,879,802	545,417	55,425,219	55,138,134	287,085

EXHIBIT "C-1"
SHEET #3

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Special education:					
Cognitive - Mild:					
Salaries of teachers	$ 317,965	$ (75,000)	$ 242,965	$ 129,728	$ 113,237
Other salaries for instruction	172,636	95,350	267,986	267,978	8
General supplies	5,825	(166)	5,659	5,259	400
Textbooks	1,000	(363)	637	637	0
Other Objects	300	(300)			
Total Cognitive - Mild	497,726	19,521	517,247	403,601	113,646
Cognitive - Moderate:					
Salaries of teachers	584,525	(267,475)	317,050	106,586	210,464
Other salaries for instruction	193,160		193,160	172,599	20,562
Purchased professional educational services	1,000	(1,000)			
General supplies	2,000	1,800	3,800	3,739	61
Total Cognitive - Moderate	780,685	(266,675)	514,010	282,923	231,087
Learning and / or Language Disabilities:					
Salaries of teachers	1,118,255	(200,000)	918,255	728,127	190,128
Other salaries for instruction	375,906	(32,525)	343,381	333,828	9,553
Other purchased services(400-500 series)	5,000	300	5,300		5,300
General supplies	11,725	533	12,258	11,853	405
Textbooks	2,200	(2,200)			
Other Objects	300	(300)			
Total Learning and / or Language Disabilities	1,513,386	(234,192)	1,279,194	1,073,808	205,386

EXHIBIT "C-1"
SHEET #4

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Behavioral Disabilities:					
Salaries of teachers	$ 158,150	$ 89,225	$ 247,375	$ 244,798	$ 2,577
Other salaries for instruction	135,513	(75,000)	60,513	45,171	15,342
Purchased professional educational services	394,625		394,625	393,000	1,625
General supplies	1,500	(150)	1,350	1,332	18
Total Behavioral Disabilities:	689,788	14,075	703,863	684,301	19,562
Resource room/resource center:					
Salaries of teachers	9,522,227	535,000	10,057,227	10,035,397	21,830
Other salaries for instruction	130,825	(130,825)			
General supplies	27,675	(7,181)	20,494	19,929	565
Textbooks	4,825	(4,495)	330	51	279
Other Objects	300	(300)			
Total Resource room/resource center	9,685,852	392,199	10,078,051	10,055,377	22,674
Autism:					
Salaries of teachers	663,820	(81,750)	582,070	251,105	330,965
Other salaries for instruction	268,387	143,000	411,387	411,047	340
Purchased professional - educational services	500		500		500
Other purchased services(400-500 series)	500		500	400	100
General supplies	14,000	(3,130)	10,870	10,870	0
Total Autism	947,207	58,120	1,005,327	673,421	331,906
Home Instruction:					
Salaries of teachers	150,000		150,000	104,707	45,293
Purchased professional - educational services	154,865		154,865	49,842	105,023
Total Preschool disabilities-full -time	304,865		304,865	154,549	150,316
Total special education	14,419,509	(16,952)	14,402,557	13,327,980	1,074,577
Basic skills/remedial:					
Salaries of teachers	821,925		821,925	699,110	122,815
Total basic skills/remedial	821,925		821,925	699,110	122,815

EXHIBIT "C-1"
SHEET #5

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Bilingual education:					
Salaries of teachers	$ 268,750	$	$ 268,750	$ 234,075	$ 34,675
General supplies	750	(373)	377	372	5
Textbooks	500		500	499	1
Total bilingual education	270,000	(373)	269,627	234,946	34,681
School sponsored Co-curricular and Extra-Curricular activities:					
Salaries	1,128,750	(18,000)	1,110,750	985,320	125,430
Purchased services (300-500 series)	36,859	(9,336)	27,523	25,609	1,914
Supplies and Materials	67,120	7,452	74,572	57,739	16,833
Other Objects	26,735	(567)	26,168	23,869	2,299
Total school sponsored Co-curricular and Extra-curricular activities	1,259,464	(20,451)	1,239,013	1,092,537	146,476
School sponsored athletics:					
Salaries	3,279,200	(10,990)	3,268,210	3,176,547	91,663
Purchased services (300-500 series)	540,849	(855)	539,994	507,189	32,805
Supplies and Materials	243,801	18,286	262,087	252,836	9,251
Other Objects	117,000	30,948	147,948	147,798	150
Total school sponsored athletics	4,180,849	37,389	4,218,238	4,084,369	133,869
Other instructional programs:					
Salaries	566,996		566,996	524,083	42,913
Purchased services (300-500 series)	14,110	1,260	15,370	4,144	11,226
Supplies and Materials	8,000	(1,416)	6,584	5,792	792
Other Objects	2,500		2,500	1,124	1,376
Total other instructional programs	591,606	(156)	591,450	535,143	56,307
Total other instructional programs	7,123,845	16,409	7,140,254	6,646,105	494,148
Total - instruction	76,423,155	544,874	76,968,029	75,112,219	1,855,810

EXHIBIT "C-1"
SHEET #6

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-regular	$	$ 20,000	$ 20,000	$ 17,951	$ 2,049
Tuition to other LEA's within the state-special	99,123		99,123	97,085	2,038
Tuition to county vocational school district-regular	3,625,020	(20,000)	3,605,020	3,323,502	281,518
Tuition to county vocational school district-special	971,860	(200,000)	771,860	676,230	95,630
Tuition to CSSD and regional day schools	1,789,704	173,000	1,962,704	1,771,803	190,900
Tuition to private schools for the handicapped within state	10,045,759		10,045,759	7,898,057	2,147,702
Tuition to private schools for the handicapped - special, out-state	1,592,949		1,592,949	1,195,135	397,814
Tuition-state facilities	96,918		96,918	96,918	
Total undistributed expenditures - instruction	18,221,332	(27,000)	18,194,332	15,076,681	3,117,651
Attendance and social work services:					
Salaries	786,749		786,749	764,432	22,317
Other purchased services (400-500 series)	130	(75)	55	55	
Supplies and Materials	2,150	19	2,169	2,113	56
Total attendance and social work services	789,029	(56)	788,973	766,600	22,373
Health services:					
Salaries	1,210,793		1,210,793	1,160,876	49,917
Purchased professional and technical services	126,694		126,694	87,979	38,715
Other Purchased Services (400-500 series)	1,950	(400)	1,550	1,069	481
Supplies and materials	15,250	(55)	15,195	15,044	151
Other Objects	300	(100)	200	170	30
Total health services	1,354,987	(555)	1,354,432	1,265,139	89,294
Other support services - speech, OT, PT & related services:					
Salaries	606,710		606,710	539,421	67,289
Purchased professional - Educational services	361,300		361,300	225,296	136,005
Supplies and materials	1,950	(785)	1,165	941	224
Total other support services - speech, OT, PT & related services	969,960	(785)	969,175	765,657	203,518

EXHIBIT "C-1"
SHEET #7

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other support services- Extraordinary Services					
Salaries	$ 2,113,881	$	$ 2,113,881	$ 2,025,316	$ 88,565
Purchased Professional - Educational Services	2,510,250		2,510,250	2,218,341	291,909
Total other support services - Extraordinary Services	4,624,131		4,624,131	4,243,657	380,474
Other support services - Guidance:					
Salaries of other professional staff	4,144,256	210,501	4,354,757	4,354,756	1
Salaries of secretarial and clerical assistants	710,398	(300)	710,098	689,210	20,888
Other Salaries	6,000	1,250	7,250	6,750	500
Other Purchased Professional and Technical Services	73,000		73,000	72,841	159
Other Purchased Services (400-500 series)	41,043	(553)	40,490	29,991	10,500
Supplies and Materials	27,823	415	28,238	27,945	293
Other objects	2,000	(1,012)	988	720	268
Total other support services - Guidance	5,004,520	210,301	5,214,821	5,182,213	32,609
Other support services - child study teams:					
Salaries of other professional staff	2,757,712	(210,501)	2,547,211	2,537,538	9,673
Salaries of secretarial and clerical assistants	321,060	(300)	320,760	320,379	381
Purchased Professional - Educational Services	1,034,697		1,034,697	638,052	396,645
Other Purchased Services (400-500 series)	1,000	730	1,730	1,263	467
Residential Costs	206,747		206,747	151,415	55,332
Misc. Pur Serv (400-500 series o/ than resid. Costs)	8,000		8,000	2,144	5,856
Supplies and Materials	129,850	(3,344)	126,506	101,856	24,650
Total other support services - child study teams	4,459,066	(213,415)	4,245,651	3,752,647	493,004

EXHIBIT "C-1"
SHEET #8

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Improvement of instructional services:					
Salaries of Supervisors of Instruction	$ 821,843	$ (400,000)	$ 421,843	$ 340,156	$ 81,687
Salaries of secretarial and clerical assistants	118,573	300	118,873	118,872	1
Other Salaries	229,100	(24,447)	204,653	170,800	33,853
Other Purchased Services (400-500)	94,431	500	94,931	50,710	44,220
Supplies and Materials	19,000	2,000	21,000	18,447	2,553
Other objects	39,400		39,400	27,301	12,099
Total Improvement of instructional services:	1,322,347	(421,647)	900,700	726,286	174,413
Educational media services/school library:					
Salaries	301,225		301,225	269,232	31,993
Purchased Professional and Technical Services	59,183	3,638	62,821	62,801	20
Other Purchased Services (400-500)	10,978	(1,000)	9,978	7,977	2,001
Supplies and Materials	29,389	(6,648)	22,741	21,259	1,483
Total educational media services/school library	400,775	(4,010)	396,765	361,269	35,496
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	847,637	(469,155)	378,482	324,731	53,751
Salaries of secretarial and clerical assistants	118,573	300	118,873	118,872	1
Purchased Professional - Educational Services	205,500	6,774	212,274	200,272	12,002
Other Purchased Services (400-500)	151,534	(22,625)	128,909	100,574	28,335
Supplies and Materials	14,000	4,024	18,024	17,221	803
Other objects	3,500		3,500	2,794	706
Total instructional staff training services:	1,340,744	(480,682)	860,062	764,465	95,598

EXHIBIT "C-1"
SHEET #9

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Support services general administration:					
Salaries	$ 369,055	$	$ 369,055	$ 333,909	$ 35,146
Legal services	360,000	8,747	368,747	368,746	1
Audit Fees	59,750		59,750	54,750	5,000
Architectural/Engineering Services	77,719	(1,500)	76,219	454	75,765
Other purchased professional services	3,000		3,000		3,000
Purchased technical services	22,935	(3,000)	19,935	14,341	5,594
Communications/telephone	636,000	(17,000)	619,000	580,168	38,832
BOE Other purchased services(580-585)	5,000		5,000	2,431	2,569
Misc. purchased services (400-500 Series, other than 530 & 585)	240,483	2,300	242,783	234,531	8,252
General supplies	11,950	2,950	14,900	12,091	2,809
BOE in-house training/meeting supplies	5,000	(3,000)	2,000	95	1,905
Miscellaneous expenditures	17,555		17,555	14,210	3,345
BOE membership dues and fees	28,000		28,000	26,663	1,337
Total support services general administration	1,836,447	(10,503)	1,825,944	1,642,388	183,555
Support services school administration:					
Salaries of principals/asst. principals	3,379,676		3,379,676	3,353,353	26,323
Salaries of other professional staff	1,934,905	102,730	2,037,635	1,776,719	260,916
Salaries of secretarial and clerical assistants	1,246,038		1,246,038	1,197,426	48,612
Other Purchased Services (400-500 series)	62,900	13,879	76,779	55,003	21,776
Supplies and Materials	107,400	(10,482)	96,918	96,481	437
Other objects	153,150	(6,767)	146,383	121,436	24,947
Total support services school administration	6,884,069	99,360	6,983,429	6,600,419	383,010

EXHIBIT "C-1"
SHEET #10

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Central Services:					
Salaries	$ 1,377,713	$	$ 1,377,713	$ 1,346,241	$ 31,472
Purchased professional services	3,750		3,750	1,830	1,920
Purchased technical services	31,450	16,320	47,770	40,771	6,999
Misc. purchased services (400-500 series)	104,750		104,750	70,889	33,861
Supplies and materials	60,300		60,300	29,586	30,714
Interest on Lease Purchase Agreement	56,873		56,873	56,754	119
Miscellaneous expenditures	8,850		8,850	6,774	2,076
Total central services	1,643,686	16,320	1,660,006	1,552,845	107,161
Administrative Information Technology:					
Salaries	774,510		774,510	768,135	6,375
Purchased technical services	486,400	13,850	500,250	497,105	3,145
Other purchased services (400-500 series)	577,419	210,365	787,784	582,222	205,562
Supplies and Materials	60,000	4,150	64,150	63,416	734
Total Administrative Information Technology	1,898,329	228,365	2,126,694	1,910,878	215,816
Required Maintenance for School Facilities:					
Salaries	842,833		842,833	834,936	7,897
Cleaning, Repair and Maintenance Services	1,438,274	1,151,760	2,590,034	1,304,026	1,286,009
Lead Testing		100,000	100,000	29,867	70,133
Misc. purchased services (400-500 series)	7,000		7,000	1,390	5,610
General supplies	351,000	(31,825)	319,175	226,590	92,585
Other objects	78,485	(31,000)	47,485	37,976	9,509
Total Required Maintenance for School Facilities	2,717,592	1,188,935	3,906,527	2,434,785	1,471,743

EXHIBIT "C-1"
SHEET #11

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Custodial Services :					
Salaries	$ 4,390,684	$	$ 4,390,684	$ 4,204,117	$ 186,567
Purchased professional and technical services	34,500	3,600	38,100	34,745	3,355
Cleaning, repair and maintenance services	148,500	9,000	157,500	150,838	6,662
Rental of land and building - other than lease purchase agreement	250,000	65,299	315,299	314,347	952
Lease Purchase Payments-Energy Savings Improvement Prog.	3,693,936	1	3,693,937	3,693,937	
Other purchased property services	321,575		321,575	251,725	69,850
Insurance	627,000		627,000	627,000	
General supplies	359,000	6,000	365,000	364,975	25
Energy (Natural Gas)	733,831		733,831	730,689	3,142
Energy (Electricity)	1,818,225		1,818,225	1,646,595	171,630
Energy (Gasoline)	850,000	(82,322)	767,678	544,992	222,686
Total custodial services	13,227,251	1,578	13,228,829	12,563,961	664,868
Care & Upkeep of Grounds:					
Salaries	683,090		683,090	672,231	10,859
Cleaning, Repair and Maintenance Services	490,000		490,000	448,327	41,673
General supplies	185,000	(9,000)	176,000	109,868	66,132
Other objects	2,500		2,500		2,500
Total Care and Upkeep of Grounds	1,360,590	(9,000)	1,351,590	1,230,425	121,165
Security:					
Salaries	476,293	4,946	481,239	478,006	3,233
Purchased Professional & Technical Services (300-500)	57,400	37,650	95,050	95,049	1
Cleaning, Repair and Maintenance Services	6,000	1,166	7,166	2,291	4,875
General Supplies	7,500	37,025	44,525	44,430	95
Total Security	547,193	80,787	627,980	619,777	8,203
Total operation and maintenance of plant services	17,852,626	1,262,300	19,114,926	16,848,948	2,265,979

EXHIBIT "C-1"
SHEET #12

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Student transportation services:					
Salaries of Non-Instructional Aides	$ 333,817	$	$ 333,817	$ 304,064	$ 29,753
Salaries for pupil transportation (between home and school)-regular	2,945,411	741,242	3,686,653	3,686,653	
Salaries for pupil transportation (between home and school)-Special Ed	910,216	(166,012)	744,204	744,204	
Salaries for pupil transportation (other than between home & school)	770,243	(376,455)	393,788	393,788	
Management Fee - ESC &CTSA transportation programs	233,250	4,544	237,794	237,794	
Other Purchased professional and technical services	194,500	39,500	234,000	222,363	11,637
Cleaning, Repair and Maintenance Services	719,400	4,334	723,734	705,030	18,704
Lease Purchase Payments - School Buses	721,421		721,421	699,738	21,683
Contracted Services - between home and school vendors	4,486,500	22,000	4,508,500	4,508,084	416
Contracted services (other than btw home & school)-vendors	371,500	(37,393)	334,107	249,177	84,930
Contract. Serv. (spec ed students)-vendors	2,500	6,528	9,028	9,028	
Contract. Serv. (spec ed students)-Joint Agreements	70,000	36,500	106,500	69,477	37,023
Contracted services (regular students) - ESCs & CTSAs	700,000	20,238	720,238	720,238	0
Contracted services (spec ed students) - ESCs & CTSAs	3,965,000	(24,782)	3,940,218	3,797,928	142,290
Contract. Serv - Aid in Lieu Pymts-Non-Public Schools	175,000		175,000	122,227	52,773
Travel	1,100		1,100		1,100
Miscellaneous purchased services - Transportation(580-590)	135,000		135,000	134,258	742
General supplies	15,686	(2,000)	13,686	8,382	5,304
Transportation Supplies	710,000		710,000	530,698	179,302
Other objects	3,450		3,450	1,128	2,323
Total student transportation services	17,463,994	268,244	17,732,238	17,144,259	587,979

EXHIBIT "C-1"
SHEET #13

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	$ 2,080,000	$ 59,565	$ 2,139,565	$ 2,138,498	$ 1,067
Other retirement contributions - PERS	2,400,000	(100,000)	2,300,000	2,266,087	33,913
Unemployment Compensation	108,000		108,000	5,167	102,833
Workers Compensation	715,000	875,148	1,590,148	1,590,148	0
Health Benefits	27,882,088	(1,203,252)	26,678,836	23,910,388	2,768,448
Tuition Reimbursements	225,000		225,000	55,510	169,490
Other Employee Benefits	221,000	9,000	230,000	134,935	95,065
Total Unallocated Benefits - Employee Benefits:	33,631,088	(359,539)	33,271,549	30,100,733	3,170,816
On-behalf TPAF Pension (non-budgeted)				8,422,087	(8,422,087)
On-behalf TPAF Post Retirement Contributions (non-budgeted)				7,017,514	(7,017,514)
On-behalf TPAF Long-Term Disability Insurance Contributions (non-budge				15,316	(15,316)
Reimbursed TPAF Social Security Contributions (non-budgeted)				5,566,615	(5,566,615)
Total On-behalf contributions				21,021,532	(21,021,532)
Total personal services	33,631,088	(359,539)	33,271,549	51,122,265	(17,850,716)
Total Undistributed Expenditures	119,697,131	566,698	120,263,829	129,726,615	(9,462,786)
TOTAL EXPENDITURES - GENERAL CURRENT EXPENSE FUND 11	196,120,286	1,111,572	197,231,858	204,838,834	(7,606,976)

EXHIBIT "C-1"
SHEET #14

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
CAPITAL OUTLAY:					
Equipment:					
Regular program - Instruction					
Grades 9-12	$ 28,900	$ 53,852	$ 82,752	$ 78,123	$ 4,629
Special education					
LLD	7,000	(7,000)			
School sponsored and other instructional program	37,160	8,355	45,515	45,422	93
Undistributed Expenditures					
Child Study Team	6,000		6,000		6,000
Central Services		3,001	3,001	3,001	
Administrative Information Technology	14,000	(5,400)	8,600	8,600	
Maintenance of school facility	90,000	30,160	120,160	117,557	2,603
Custodial services	25,000	(4,500)	20,500		20,500
Care & upkeep grounds	153,507		153,507	142,346	11,161
Student Transportation- non instructional equipment		9,960	9,960	9,952	8
Total Equipment	361,567	88,428	449,995	405,001	44,994
Facilities acquisition and construction services:					
Architectural/Engineering Services	190,220		190,220	78,363	111,857
Construction services	1,812,449	2,450,000	4,262,449	1,037,103	3,225,345
Assessment for Debt Service on SDA Funding	8,101		8,101	8,101	
Total facilities acquis. and const. services	2,010,769	2,450,000	4,460,769	1,123,567	3,337,202
Assets acquired under capital leases (non-budgeted)					
Undistributed expenditures:					
Copiers				346,326	(346,326)
Technology				979,354	(979,354)
Transportation				1,185,462	(1,185,462)
Total assets acquired under capital leases (non-budgeted)				2,511,142	(2,511,142)
TOTAL CAPITAL OUTLAY	2,372,336	2,538,428	4,910,764	4,039,710	871,054

EXHIBIT "C-1"
SHEET #15

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
TOTAL EXPENDITURES	$ 198,492,622	$ 3,650,000	$ 202,142,622	$ 208,878,544	$ (6,735,922)
Excess (deficiency) of revenues over (under) expenditures	(14,298,702)	(3,650,000)	(17,948,702)	(2,659,101)	15,289,601
Other financing sources/(uses)					
Transfers				699	699
Capital leases (non-budgeted)				2,511,142	2,511,142
Total other financing sources				2,511,841.08	2,511,841
Excess of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(14,298,702)	(3,650,000)	(17,948,702)	(147,260)	17,801,442
Fund balances, July 1	20,752,247	(2,000,000)	18,752,247	32,922,647	14,170,400
Fund balances, June 30	$ 6,453,545	$ (5,650,000)	$ 803,545	$ 32,775,387	$ 31,971,842

Recapitulation:	
Restricted:	
Excess Surplus -Designated for Subsequent Year's Expenditures	$ 10,001,780
Excess Surplus - Current Year	11,812,173
Maintenance Reserve	1,487,666
Capital Reserve	3,338,420
Emergency Reserve	252,833
Assigned:	
Designated for Subsequent Year's Expenditures	500,000
Encumbrances	1,349,084
Unassigned	4,033,431
	32,775,387
Reconciliation to Governmental Funds Statements (GAAP):	
Less: Last Two State Aid Payments not recognized on GAAP basis	5,126,981
Fund Balance per Governmental Funds (GAAP)	$ 27,648,406

EXHIBIT "C-2"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Federal sources	$ 2,588,155	$ 534,224	$ 3,122,379	$ 3,065,157	$ (57,222)
State sources	38,583	193,943	232,526	123,997	(108,529)
Other sources	20,000	223,139	243,139	218,781	(24,358)
Total revenues	2,646,738	951,306	3,598,044	3,407,935	(190,109)
EXPENDITURES:					
Instruction:					
Salaries of teachers	571,097	(113,909)	457,188	457,188	
Other salaries	133,611	44,068	177,679	169,028	8,651
Other purchased professional-educational services		34,466	34,466	34,466	
Other purchased services	12,500	45,216	57,716	51,670	6,046
Tuition	1,866,209	209,629	2,075,838	2,075,838	
Supplies and materials	24,738	243,175	267,913	168,409	99,504
Textbooks	10,338	4,649	14,987	10,176	4,811
Miscellaneous Expenditures		900	900	575	325
Total instruction	2,618,493	468,194	3,086,687	2,967,350	119,337
Support services:					
Other salaries		82,981	82,981	72,207	10,774
Personal services - employee benefits		138,552	138,552	138,552	
Purchased professional - educational services	1,935	106,560	108,495	100,144	8,351
Purchased Technical Services	21,603	4,860	26,463	10,476	15,987
Other purchased services		66,333	66,333	48,232	18,101
Supplies and materials	4,707	50,976	55,683	51,578	4,105
Miscellaneous Expenditures		700	700	698	2
Total support services	28,245	450,962	479,207	421,886	57,321
Facilities acquisition and construction services:					
Instructional equipment		32,150	32,150	18,699	13,451
Total facilities acquisition and construction serv.		32,150	32,150	18,699	13,451
Total expenditures	2,646,738	951,306	3,598,044	3,407,935	190,109
Excess (deficiency) of revenues over (under) expenditures	$	$	$	$ 0	$ 0

EXHIBIT "C-3"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Note A - Explanation of difference 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	$ 206,219,443	$ 3,407,935
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized Current Year		(7,965)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(5,126,981)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	5,098,649	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	206,191,111	3,399,971
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	208,878,544	3,407,935
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Adjust for encumbrances:		
Less current year encumbrances		(7,965)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 208,878,544	$ 3,399,970

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

EXHIBIT "L-1"

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

Fiscal Year Ending June 30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.2480186673%	$ 47,401,295	$ 17,091,600	277.34%	48.72%
2014	0.2604910930%	48,771,057	16,998,122	286.92%	52.08%
2015	0.2513632728%	56,426,018	17,223,313	327.61%	47.92%
2016	0.2531994782%	74,990,423	17,291,154	433.69%	40.14%

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

EXHIBIT "L-2"

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

Fiscal Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2014	$ 1,868,770	$ 1,868,770	$ -0-	$ 16,998,122	$ 10.99%
2015	2,147,451	2,147,451	-0-	17,223,313	12.47%
2016	2,161,050	2,161,050	-0-	17,291,154	12.50%
2017	2,249,388	2,249,388	-0-	17,667,039	12.73%

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

EXHIBIT "L-3"

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

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)		District's Proportionate Share of the Net Pension Liability (Asset)		District's Covered-Employee Payroll	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.6964971070%	$	-0-	$	71,284,377	-0-	33.76%
2014	0.7258543595%		-0-		73,554,631	-0-	33.64%
2015	0.7216320523%		-0-		76,215,735	-0-	28.71%
2016	0.7355013065%		-0-		76,690,024	-0-	22.33%

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

EXHIBIT "L-4"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)
NOTE TO RSI III
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Public Employees Retirement System

Change in benefit terms: None

Change in assumptions: The discount rate changed from 4.90% to 3.98% as of June 30, 2016.

Teacher Pension and Annuity Fund

Change in benefit terms: None

Change in assumptions: The discount rate changed from 4.13% to 3.22% as of June 30, 2016.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND
DETAIL STATEMENTS

EXHIBIT "E-1"
SHEET #1

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	TITLE I	TITLE II A	TITLE III	TITLE III IMMIGRANT	IDEA PART B	CARL D PERKINS
REVENUES:						
Federal sources	$ 724,126	$ 154,829	$ 15,827	$ 5,987	$ 2,102,279	$ 26,008
State sources						
Other sources						
Total revenues	$ 724,126	$ 154,829	$ 15,827	$ 5,987	$ 2,102,279	$ 26,008
EXPENDITURES:						
Instruction:						
Salaries of teachers	457,188					
Other salaries	36,024		5,475			
Other purchased professional-educational services	33,416					
Other purchased services	2,825					450
Tuition					2,075,838	
Supplies and materials	10,091		6,100	5,987	26,441	20,194
Textbooks						
Miscellaneous Expenditures			575			
Total instruction	539,544		12,150	5,987	2,102,279	20,644
Support services:						
Other Salaries	22,257	44,800	900			
Personal services - employee benefits	131,192	3,427	488			
Purchased professional - educational services	27,444	72,700				
Purchased Technical Services						
Other purchased services	900	14,886	1,591			683
Supplies and materials	2,789	19,016				
Miscellaneous expenditures			698			
Total support services	184,582	154,829	3,677			683
Facilities acquisition and construction serv:						
Instructional equipment						4,681
Total facilities acquisition and construction serv.						4,681
Total expenditures	$ 724,126	$ 154,829	$ 15,827	$ 5,987	$ 2,102,279	$ 26,008

(Continued on next page)

EXHIBIT "E-1"
SHEET #2

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	JROTC	NON- PUBLIC TEXTBOOKS	NON - PUBLIC NURSING	NON - PUBLIC TECHNOLOGY	NON - PUBLIC SECURITY	COLLEGE FAIR
REVENUES:						
Federal sources	$ 36,100	$	$	$	$	$
State sources		10,176	9,201	6,101	13,592	
Other sources						11,546
Total revenues	$ 36,100	$ 10,176	$ 9,201	$ 6,101	$ 13,592	$ 11,546
EXPENDITURES:						
Instruction:						
Salaries of teachers						
Other salaries						
Other purchased professional-educational services						
Other purchased services	36,100					8,241
Tuition						
Supplies and materials						3,305
Textbooks		10,176				
Miscellaneous Expenditures						
Total instruction	36,100	10,176				11,546
Support services:						
Other salaries						
Personal services - employee benefits						
Purchased professional - educational services						
Purchased Technical Services			9,201		1,275	
Other purchased services						
Supplies and materials				6,101	12,317	
Miscellaneous expenditures						
Total support services			9,201	6,101	13,592	
Facilities acquisition and construction serv:						
Instructional equipment						
Total facilities acquisition and construction serv.						
Total expenditures	$ 36,100	$ 10,176	$ 9,201	$ 6,101	$ 13,592	$ 11,546

(Continued on next page)

EXHIBIT "E-1"
SHEET #3

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	SADD/DCH	WIB	OCEAN FIRST	CAREER PATHWAYS YR 1	CAREER PATHWAYS YR 2	SUMMER PROGRAMS	OTHER LOCAL	COMPARATIVE TOTALS JUNE 30 2017	2016
REVENUES:									
Federal sources	$	$	$	$	$	$	$	3,065,157	$ 3,017,186
State sources				80,428	4,501			123,997	30,606
Other sources	9,000	43,894	9,999			77,755	66,587	218,781	226,681
Total revenues	$ 9,000	$ 43,894	$ 9,999	$ 80,428	4,501	77,755	$ 66,587	$ 3,407,935	$ 3,274,473
EXPENDITURES:									
Instruction:									
Salaries of teachers								457,188	314,675
Other salaries	9,000	40,774				77,755		169,028	206,691
Other purchased professional-educational services							1,050	34,466	73,077
Other purchased services							4,054	51,670	35,720
Tuition								2,075,838	2,191,556
Supplies and materials			7,872	47,803			40,617	168,409	73,501
Textbooks								10,176	8,516
Miscellaneous Expenditures								575	1,200
Total instruction	9,000	40,774	7,872	47,803		77,755	45,721	2,967,350	2,904,936
Support services:									
Other salaries				4,250				72,207	111,746
Personal services - employee benefits		3,120		325				138,552	96,758
Purchased professional - educational services								100,144	79,334
Purchased Technical Services								10,476	12,745
Other purchased services				18,210			11,962	48,232	19,430
Supplies and materials					2,451		8,904	51,578	31,221
Miscellaneous expenditures								698	1,803
Total support services		3,120		22,785	2,451		20,866	421,886	353,037
Facilities acquisition and construction serv:									
Instructional equipment			2,127	9,840	2,050			18,699	16,500
Total facilities acquisition and construction serv.			2,127	9,840	2,050			18,699	16,500
Total expenditures	$ 9,000	$ 43,894	$ 9,999	$ 80,428	4,501	77,755	$ 66,587	$ 3,407,935	$ 3,274,473

CAPITAL PROJECTS FUND
DETAIL STATEMENTS

EXHIBIT "F-1"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
AS OF JUNE 30, 2017

ISSUE/PROJECT TITLE	ORIGINAL DATE	REVISED BUDGETARY APPROPRIATIONS	EXPENDITURES TO DATE PRIOR YEAR	EXPENDITURES TO DATE CURRENT YEAR	(MEMO ONLY) UNEXPENDED PROJECT BALANCE
Freehold Boro High School - Roof Replacement	6/20/2014	$ 1,328,008	$ 1,109,796	$ 629	$ 217,583
Marlboro High School - Roof Replacement	6/20/2014	924,454	846,149	45,099	33,206
Freehold Boro High School - Boiler & HVAC Replacement	6/20/2014	2,189,793	1,636,163	2,529	551,101
Districtwide Energy Savings Improvement Plan	3/10/2014	19,500,000	14,776,504	3,749,782	973,714
Colts Neck High School - Roof Replacement	6/26/2015	681,493	607,195	21,950	52,348
Howell High School - Roof Replacement	6/26/2015	1,734,211	1,589,982	503	143,726
Freehold Township High School - Roof Replacement	6/26/2015	1,020,247	863,175		157,072
Manalapan High School - Roof Replacement	6/26/2015	1,492,785	1,296,401		196,384
Totals		$ 28,870,991	$ 22,725,365	$ 3,820,492	$ 2,325,134
				Fund balance - budgetary basis	2,325,134
				Less: SDA Grant Not Recognized	(106,356)
				Fund balance - GAAP basis	$ 2,218,778

EXHIBIT "F-2"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2017

Revenues and Other Financing Sources:		
State Sources - SDA Grant Adjustment	$	(18,153)
Interest Earnings		699
Total revenues		(17,454)
Expenditures and Other Financing Uses:		
Architectural/engineering services		35,583
Other purchased professional and technical services		2,000
Construction services		3,782,909
Total expenditures		3,820,492
Excess (deficiency) of revenues over (under) expenditures		(3,837,946)
Other financing sources (uses):		
Transfers out		(699)
Total other financing sources (uses)		(699)
Net change in fund balance		(3,838,645)
Fund balance - beginning		6,163,779
Fund balance - ending	$	2,325,134
Fund Balance - budgetary basis	$	2,325,134
SDA Grant not Recognized		(106,356)
Fund Balance - GAAP basis (B-1)	$	2,218,778

EXHIBIT "F-2a"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
FREEHOLD BORO HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	Prior Periods*	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SDA Grant	$ 477,110	$ 2,648	$ 479,758	$ 479,758
Capital Lease	848,250		848,250	848,250
Total revenues	1,325,360	2,648	1,328,008	1,328,008
Expenditures and Other Financing Uses:				
Legal services	5,507		5,507	5,507
Architectural/engineering services	91,933		91,933	92,371
Other purchased professional and technical services	7,272	629	7,901	7,901
Construction services	1,005,084		1,005,084	1,222,229
Total expenditures	1,109,796	629	1,110,425	1,328,008
Excess (deficiency) of revenues over (under) expenditures	$ 215,564	$ 2,019	$ 217,583	$

* As restated

Additional project information:	
Project Number	1650-050-14-G2AF
Grant Date	06/20/14
Lease Authorization Date	03/10/14
Lease Authorized	$930,793
Lease Issued	$930,793
Original Authorized Cost	$1,551,321
Change in Authorized Cost	($223,313)
Revised Authorized Cost	$1,328,008
Percentage Increase/(decrease) over Original Authorized Cost	-14.40%
Percentage completion	99.00%
Original target completion date	FY15
Revised target completion date	FY18

EXHIBIT "F-2b"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
MARLBORO HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	Prior Periods*	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SDA Grant	$ 336,764	$	$ 336,764	$ 336,764
Capital Lease	587,690		587,690	587,690
Total revenues	924,454		924,454	924,454
Expenditures and Other Financing Uses:				
Legal services	2,989		2,989	2,989
Architectural/engineering services	67,245		67,245	68,618
Other purchased professional and technical services	8,753	342	9,095	9,095
Construction services	767,162	44,757	811,919	843,752
Total expenditures	846,149	45,099	891,248	924,454
Excess (deficiency) of revenues over (under) expenditures	$ 78,305	$ (45,099)	$ 33,206	$

* As restated

Additional project information:	
Project Number	1650-080-14-G2AJ
Grant Date	06/20/14
Lease Authorization Date	03/10/14
Lease Authorized	$505,147
Lease Issued	$505,147
Original Authorized Cost	$841,911
Additional Authorized Cost	$82,543
Revised Authorized Cost	$924,454
Percentage Increase/(decrease) over Original Authorized Cost	9.80%
Percentage completion	100.00%
Original target completion date	FY15
Revised target completion date	FY17

EXHIBIT "F-2c"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
FREEHOLD BORO HIGH SCHOOL - BOILER & HVAC REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	Prior Periods*	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SDA Grant	$ 668,108	28	$ 668,136	$ 668,136
Capital Lease	1,521,657		1,521,657	1,521,657
Total revenues	2,189,765	28	2,189,793	2,189,793
Expenditures and Other Financing Uses:				
Legal services	9,003		9,003	9,003
Architectural/engineering services	96,303		96,303	96,468
Other purchased professional and technical services	10,373	1,029	11,402	11,402
Construction services	1,520,484	11,000	1,531,484	2,072,920
Total expenditures	1,636,163	12,029	1,648,192	2,189,793
Excess (deficiency) of revenues over (under) expenditures	$ 553,602	(12,001)	$ 541,601	$

* As restated

Additional project information:	
Project Number	1650-050-14-G2AE
Grant Date	06/20/14
Lease Authorization Date	03/10/14
Lease Authorized	$1,521,657
Lease Issued	$1,521,657
Original Authorized Cost	$2,536,095
Change in Authorized Cost	($346,302)
Revised Authorized Cost	$2,189,793
Percentage Increase/(decrease) over Original Authorized Cost	-13.65%
Percentage completion	99.00%
Original target completion date	FY15
Revised target completion date	FY18

EXHIBIT "F-2d"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
DISTRICTWIDE ENERGY SAVINGS IMPROVEMENT PLAN
FOR THE YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Energy savings obligations (ESIP)	$ 17,500,000	$	$ 17,500,000	$ 17,500,000
Transfer from Capital Reserve	2,000,000		2,000,000	2,000,000
Total revenues	19,500,000		19,500,000	19,500,000
Expenditures and Other Financing Uses:				
Legal services	17,500		17,500	28,842
Architectural/engineering services	1,150,654	35,080	1,185,734	1,413,657
Other purchased professional and technical services	67,473		67,473	67,473
Construction services	13,540,877	3,705,202	17,246,079	17,990,028
Total expenditures	14,776,504	3,740,282	18,516,786	19,500,000
Excess (deficiency) of revenues over (under) expenditures	$ 4,723,496	$ (3,740,282)	$ 983,214	$

Additional project information:	
Project Number	N/A
Grant Date	N/A
Lease Authorization Date	03/10/14
Lease Authorized	$17,500,000
Lease Issued	$17,500,000
Original Authorized Cost	$17,500,000
Additional Authorized Cost	$2,000,000
Revised Authorized Cost	$19,500,000
Percentage Increase/(decrease) over Original Authorized Cost	11.43%
Percentage completion	85.00%
Original target completion date	FY16
Revised target completion date	FY18

EXHIBIT "F-2e"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
COLTS NECK HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SDA Grant	$ 249,501	$ (128)	$ 249,373	$ 249,373
Capital Lease	432,120		432,120	432,120
Total revenues	681,621	(128)	681,493	681,493
Expenditures and Other Financing Uses:				
Legal services	1,987		1,987	2,000
Architectural/engineering services	58,047		58,047	58,047
Other purchased professional and technical services	9,559		9,559	9,559
Construction services	537,602	21,950	559,552	611,887
Total expenditures	607,195	21,950	629,145	681,493
Excess (deficiency) of revenues over (under) expenditures	$ 74,426	$ (22,078)	$ 52,348	$ -

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

EXHIBIT "F-2f"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
HOWELL HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SDA Grant	$ 636,977	$ (5,158)	$ 631,819	$ 631,819
Capital Lease	1,102,392		1,102,392	1,102,392
Total revenues	1,739,369	(5,158)	1,734,211	1,734,211
Expenditures and Other Financing Uses:				
Legal services	4,922		4,922	4,925
Architectural/engineering services	143,264	503	143,767	143,767
Other purchased professional and technical services	19,784		19,784	19,784
Construction services	1,422,012		1,422,012	1,565,735
Total expenditures	1,589,982	503	1,590,485	1,734,211
Excess (deficiency) of revenues over (under) expenditures	$ 149,387	$ (5,661)	$ 143,726	$ -

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

EXHIBIT "F-2g"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
FREEHOLD TOWNSHIP HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SDA Grant	$ 404,668	$ (15,543)	$ 389,125	$ 389,125
Capital Lease	631,122		631,122	631,122
Total revenues	1,035,790	(15,543)	1,020,247	1,020,247
Expenditures and Other Financing Uses:				
Legal services	3,080		3,080	3,080
Architectural/engineering services	71,125		71,125	71,532
Other purchased professional and technical services	12,721		12,721	12,721
Construction services	776,248		776,248	932,914
Total expenditures	863,174		863,174	1,020,247
Excess (deficiency) of revenues over (under) expenditures	$ 172,616	$ (15,543)	$ 157,073	$ -

Additional project information:	
Project Number	1650-055-14-G2AG
Grant Date	06/26/15
Lease Authorization Date	02/11/15
Lease Authorized	$770,971
Lease Issued	$770,971
Original Authorized Cost	$1,284,952
Change in Authorized Cost	($264,705)
Revised Authorized Cost	$1,020,247
Percentage Increase/(decrease) over Original Authorized Cost	-20.60%
Percentage completion	99.00%
Original target completion date	FY16
Revised target completion date	FY18

EXHIBIT "F-2h"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
MANALAPAN HIGH SCHOOL - ROOF REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SDA Grant	$ 408,419	$	$ 408,419	$ 408,419
Capital Lease	1,084,366		1,084,366	1,084,366
Total revenues	1,492,785		1,492,785	1,492,785
Expenditures and Other Financing Uses:				
Legal services	5,288		5,288	5,288
Architectural/engineering services	100,985		100,985	101,856
Other purchased professional and technical services	11,575		11,575	11,575
Construction services	1,178,553		1,178,553	1,374,066
Total expenditures	1,296,401		1,296,401	1,492,785
Excess (deficiency) of revenues over (under) expenditures	$ 196,384	$	$ 196,384	$ -

Additional project information:	
Project Number	1650-070-14-G2AI
Grant Date	06/26/15
Lease Authorization Date	02/11/15
Lease Authorized	$612,629
Lease Issued	$612,629
Original Authorized Cost	$1,021,048
Additional Authorized Cost	$471,737
Revised Authorized Cost	$1,492,785
Percentage Increase/(decrease) over Original Authorized Cost	46.20%
Percentage completion	99.00%
Original target completion date	FY16
Revised target completion date	FY18

PROPRIETARY FUND DETAIL STATEMENTS

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

FOOD SERVICES FUND:	This fund provides for the operation of Food services within the school district.
EXTRACURRICULAR FUND	This fund provides for the operation of an ice hockey program within the school district.

EXHIBIT "G-1"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			
	MAJOR FUNDS	NON-MAJOR FUNDS	COMPARATIVE TOTALS	
	FOOD SERVICE FUND	EXTRA-CURRICULAR FUND	JUNE 30 2017	2016
ASSETS:				
Current assets:				
Cash and cash equivalents	$ 686,804	$	$ 686,804	$ 73,219
Accounts receivable:				
State	1,079		1,079	3,199
Federal	31,864		31,864	94,740
Other	5,729		5,729	4,615
Interfund receivable	599,998	24,815	624,813	306,860
Inventories	23,685		23,685	26,634
Total current assets	1,349,159	24,815	1,373,974	509,267
Noncurrent assets:				
Furniture, machinery and equipment	649,371		649,371	637,981
Less accumulated depreciation	(494,506)		(494,506)	(455,666)
Total noncurrent assets	154,865		154,865	182,315
Total assets	$ 1,504,024	$ 24,815	$ 1,528,839	$ 691,582
LIABILITIES:				
Current liabilities:				
Accounts payable	$ 614,156	$	$ 614,156	$ 29,390
Unearned revenue	67,855	24,815	92,670	66,293
Total current liabilities	682,011	24,815	706,826	95,683
Total liabilities	$ 682,011	$ 24,815	$ 706,826	$ 95,683
NET POSITION:				
Net investment in capital assets	$ 154,865	$	$ 154,865	$ 182,315
Unrestricted	667,148		667,148	413,584
Total net position	$ 822,013	$	$ 822,013	$ 595,899

EXHIBIT "G-2"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
6FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			
	MAJOR FUNDS	NON-MAJOR FUNDS	COMPARATIVE TOTALS	
	FOOD SERVICE	EXTRA-CURRICULAR	JUNE 30	
	FUND	FUND	2017	2016
OPERATING REVENUES:				
Charges for services:				
Daily sales - Reimbursable programs	$ 1,023,659		$ 1,023,659	$ 1,028,892
Daily sales - Non-reimbursable programs	1,684,990		1,684,990	1,619,796
Special functions	52,755		52,755	42,871
Fees - individuals		240,311	240,311	256,688
Total operating revenues	2,761,404	240,311	3,001,715	2,948,247
OPERATING EXPENSES:				
Cost of sales - Reimbursable programs	699,909		699,909	838,708
Cost of sales - Non-reimbursable programs	755,315		755,315	580,132
Salaries and benefits	1,353,807	86,901	1,440,708	1,405,554
Supplies and materials	107,353		107,353	150,447
Management fee	102,777		102,777	100,800
Miscellaneous	143,579	21,885	165,464	165,665
Depreciation	38,840		38,840	38,432
Facility rental		131,525	131,525	130,925
League fees				14,000
Total operating expenses	3,201,580	240,311	3,441,891	3,424,663
Operating income (loss)	(440,176)		(440,176)	(476,416)
NONOPERATING REVENUES (EXPENSES):				
State sources				
State school lunch program	17,392		17,392	18,389
Federal sources				
National school lunch program	468,387		468,387	465,964
School breakfast program	37,836		37,836	43,518
National food distribution commodities	142,675		142,675	108,235
Total nonoperating revenues (expenses)	666,290		666,290	636,106
Change in net position	226,114		226,114	159,690
Total net position - beginning	595,899		595,899	436,209
Total net position - ending	$ 822,013	$	$ 822,013	$ 595,899

EXHIBIT "G -3"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND		COMPARATIVE TOTALS JUNE 30	
	MAJOR FUNDS FOOD SERVICE FUND	NON-MAJOR FUNDS EXTRA-CURRICULAR FUND	2017	2016
Cash flows from operating activities:				
Receipts from customers	$ 2,760,290	247,709	$ 3,007,999	$ 2,905,618
Payments to employees	(1,026,917)	(86,901)	(1,113,818)	(1,405,589)
Payments to suppliers	(1,386,454)	(153,410)	(1,539,864)	(2,042,980)
Net cash provided by (used for) operating activities	346,919	7,398	354,317	(542,951)
Cash flows from noncapital financing activities:				
State sources	19,512		19,512	10,568
Federal sources	569,099		569,099	297,471
Operating subsidies and transfers to other funds	(310,555)	(7,398)	(317,953)	158,072
Net cash provided by noncapital financing activities	278,056	(7,398)	270,658	466,111
Cash flows from capital and related financing activities:				
Purchases of capital assets	(11,390)		(11,390)	
Net cash provided by (used for) capital and related financing activities	(11,390)		(11,390)	
Net increase (decrease) in cash and cash equivalents	613,585		613,585	(76,840)
Cash and cash equivalents, July 1, 2016	73,219		73,219	150,059
Cash and cash equivalents, June 30, 2017	$ 686,804	$	$ 686,804	$ 73,219
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	$ (440,176)	$	$ (440,176)	$ (476,416)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	38,840		38,840	38,432
Federal commodities	142,675		142,675	108,235
Change in assets and liabilities:				
(Increase) decrease in accounts receivable, net	(1,114)		(1,114)	4,034
Increase (decrease) in unearned revenue	18,979	7,398	26,377	(5,950)
Increase (decrease) in accounts payable	584,766		584,766	(201,958)
(Increase) decrease in inventories	2,949		2,949	(9,328)
	787,095	7,398	794,493	(66,535)
Net cash provided by (used for) operating activities	$ 346,919	$ 7,398	$ 354,317	$ (542,951)

FIDUCIARY FUNDS DETAIL STATEMENTS

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

Unemployment Compensation Insurance Fund	This expendable trust fund is used to pay certain Unemployment compensation claims as they arise.
Private Purpose Trust	These trust funds are used to account for assets held by the district for scholarships and loans to the students where there are no restrictions regarding the use of principal and income.

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

Student Activity Fund :	This agency fund is used to account for student funds held at the schools.
Payroll Fund:	This agency fund is used to account for the payroll transactions of the school district.

EXHIBIT "H-1"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017

	AGENCY FUNDS			UNEMPLOYMENT	PRIVATE	TOTAL
	STUDENT ACTIVITY	PAYROLL AGENCY	TOTAL AGENCY	COMPENSATION INSURANCE TRUST	PURPOSE TRUST	JUNE 30 2017
ASSETS:						
Cash and cash equivalents	$ 963,366	$ 2,939,607	$ 3,902,973	$ 1,053,065	$ 891,751	$ 5,847,789
Total assets	$ 963,366	$ 2,939,607	$ 3,902,973	$ 1,053,065	$ 891,751	$ 5,847,789
LIABILITIES:						
Accounts payable	$	$	$	$ 34,644	$	$ 34,644
Interfund payable		352,350	352,350			352,350
Payable to student groups	963,366		963,366			963,366
Wages payable - Summer Payroll		2,582,218	2,582,218			2,582,218
Payroll deductions and withholdings		5,040	5,040			5,040
Total liabilities	$ 963,366	$ 2,939,607	$ 3,902,973	$ 34,644	$	$ 3,937,617
NET POSITION:						
Held in trust for State Unemployment Insurance claims and other purposes	$	$	$	$ 1,018,421	$	$ 1,018,421
Held in trust for scholarships and other purposes					891,751	891,751
Total net position	$	$	$	$ 1,018,421	$ 891,751	$ 1,910,172

EXHIBIT "H-2"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	UNEMPLOYMENT COMPENSATION INSURANCE TRUST	PRIVATE PURPOSE TRUST	TOTAL
ADDITIONS:			
Contributions:			
Plan Members	$ 252,690	$	$ 252,690
Donations		20,808	20,808
Total contributions	252,690	20,808	273,498
Investment earnings:			
Interest	426	383	809
Net investment earnings	426	383	809
Total additions	253,116	21,191	274,307
DEDUCTIONS:			
Quarterly Contribution Reports	110,468		110,468
Unemployment Claims	105,479		105,479
Scholarships Awarded		54,552	54,552
Total deductions	215,947	54,552	270,499
Change in net assets	37,169	(33,361)	3,808
Net position beginning of year	981,252	925,112	1,906,364
Net position end of year	$ 1,018,421	$ 891,751	$ 1,910,172

EXHIBIT "H-3"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	BALANCE JULY 1, 2016	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2017
High School:				
Colts Neck	$ 151,186	$ 554,183	$ 600,004	$ 105,365
Freehold Borough	119,976	364,898	370,274	114,600
Freehold Township	195,796	464,471	472,360	187,907
Howell	164,887	416,658	420,791	160,754
Manalapan	190,261	424,260	429,218	185,303
Marlboro	259,399	663,295	713,257	209,437
Total assets	$ 1,081,505	$ 2,887,765	$ 3,005,904	$ 963,366

EXHIBIT "H-4"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	BALANCE JULY 1, 2016	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2017
ASSETS:				
Cash and cash equivalents	$ 2,350,428	$ 119,989,027	$ 119,399,848	$ 2,939,607
Intrafunds receivable	26,374		26,374	
Total assets	2,376,802	119,989,027	119,426,222	2,939,607
LIABILITIES:				
Payroll deductions and withholdings	5,156	50,403,012	50,403,128	5,040
Wages payable - summer payroll	2,363,330	2,596,153	2,377,266	2,582,218
Employee pay		60,612,950	60,612,950	
Interfunds payable	8,316	6,376,912	6,032,878	352,350
Total liabilities	$ 2,376,802	$ 119,989,027	$ 119,426,222	$ 2,939,607

LONG-TERM DEBT SCHEDULES

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

EXHIBIT "I-1"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2017

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES DATE	MATURITIES AMOUNT	RATE OF INTEREST	BALANCE JULY 1, 2016	RETIRED	BALANCE JUNE 30, 2017
Refunded - Additions and renovations of Colts Neck, Freehold, Freehold Twp, Howell, Manalapan, and Marlboro High Schools	11/16/2001	$ 42,690,000.00	3/1/2018	$ 4,695,000	5.00%			
			3/1/2019	4,940,000	5.00%			
			3/1/2020	5,205,000	5.00%	$ 19,300,000	$ 4,460,000	$ 14,840,000
						$ 19,300,000	$ 4,460,000	$ 14,840,000

EXHIBIT "I-2"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
AS OF JUNE 30, 2017

SERIES	TERM	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL LEASE	AMOUNT OUTSTANDING JUNE 30, 2016	INCREASE	DECREASE	AMOUNT OUTSTANDING JUNE 30, 2017
Governemental Funds:							
School Buses and Technology	5 Years	1.433%	$ 1,155,792	$ 472,206	$	234,423	$ 237,783
District Wide Energy Savings Improvement Plan (ESIP)	15 Years	2.690%	17,498,000	17,198,000		1,790,561	15,407,439
Roof Replacement, Boiler & HVAC Replacement	5 Years	1.390%	2,957,597	2,070,268		675,385	1,394,883
Roof Replacement	5 Years	1.570%	3,250,000	2,900,080		708,102	2,191,978
School Buses	5 Years	1.390%	331,100	198,635		65,300	133,335
School Buses and Technology	5 Years	1.334%	3,500,000	2,127,765		699,877	1,427,888
School Buses & Maintenance Vehicles	5 Years	1.433%	1,661,250	1,308,464		320,100	988,364
School Buses, Technology & Copiers	5 Years	1.290%	3,052,000		3,052,000		3,052,000
Grand Total				$ 26,275,418	$ 3,052,000	$ 4,493,748	$ 24,833,670

EXHIBIT "I-3"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES:					
Local sources:					
Local tax levy	$ 4,105,698	$	$ 4,105,698	$ 4,105,698	$
State sources:					
Debt service aid type II	1,319,302		1,319,302	1,319,302	
Total revenues	5,425,000		5,425,000	5,425,000	
EXPENDITURES:					
Regular debt service:					
Interest	965,000		965,000	965,000	
Redemption of principal	4,460,000		4,460,000	4,460,000	
Total regular debt service-expenditures	5,425,000		5,425,000	5,425,000	
Excess (deficiency) of revenues over (under) expenditures					
Fund balance, July 1					
Fund balance, June 30	$	$	$	$	$

STATISTICAL SECTION - UNAUDITED

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATISTICAL SECTION

Contents Page

Financial Trends:

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time. J-1 to J-4

Revenue Capacity:

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax. J-5 to J-9

Debt Capacity:

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future. J-10 to J-13

Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place. J-14 to J-15

Operating Information:

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs. J-16 to J-20

Sources

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

Exhibit J-1

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

NET POSITION BY COMPONENT

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

	2017	2016	2015	2014 *	2013	2012	2011	2010	2009	2008
Government Activities:										
Net Investment in capital assets	$ 87,207,182	$ 80,465,572	$ 76,758,415	$ 74,331,409	$ 76,397,045	$ 64,842,350	$ 65,477,800	$ 66,304,436	$ 64,266,384	$ 62,547,581
Restricted	27,648,406	28,446,908	30,394,625	31,027,126	27,308,431	21,024,274	12,809,243	6,513,220	8,567,707	7,261,951
Unrestricted (deficit)	(58,575,627)	(50,667,795)	(51,292,191)	(2,056,310)	(1,962,535)	(195,128)	951,687	3,468,668	(395,231)	(741,832)
Total Government Activities Net Position	$ 56,279,961	$ 58,244,685	$ 55,860,849	$ 103,302,225	$ 101,742,941	$ 85,671,496	$ 79,238,730	$ 76,286,324	$ 72,438,860	$ 69,067,700
Business-Type Activities:										
Net Investment in capital assets	$ 154,865	$ 182,315	$ 220,747	$ 238,357	$ 271,952	$ 89,992	$ 105,119	$ 126,753	$ 118,069	$ 136,825
Unrestricted	667,148	413,584	215,462	129,757	309,747	624,296	814,829	751,526	746,865	631,922
Total Business-Type Activities Net Position	$ 822,013	$ 595,899	$ 436,209	$ 368,114	$ 581,699	$ 714,288	$ 919,948	$ 878,279	$ 864,934	$ 768,747
District-wide:										
Net Investment in capital assets	$ 87,362,047	$ 80,647,887	$ 76,979,162	$ 74,569,766	$ 76,668,997	$ 64,932,342	$ 65,582,919	$ 66,431,189	$ 64,384,453	$ 62,684,406
Restricted	27,648,406	28,446,908	30,394,625	31,027,126	27,308,431	21,024,274	12,809,243	6,513,220	8,567,707	7,261,951
Unrestricted (deficit)	(57,908,479)	(50,254,211)	(51,076,729)	(1,926,553)	(1,652,788)	429,168	1,766,516	4,220,194	351,634	(109,910)
Total District Net Position	$ 57,101,974	$ 58,840,584	$ 56,297,058	$ 103,670,339	$ 102,324,640	$ 86,385,784	$ 80,158,678	$ 77,164,603	$ 73,303,794	$ 69,836,447

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET POSITION

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

	2017	2016	2015	2014 *	2013	2012	2011	2010	2009	2008
Governmental Activities:										
Instruction:										
Regular	$ 102,658,266	$ 92,343,959	$ 87,514,868	$ 75,200,178	$ 80,476,846	$ 79,320,371	$ 77,375,649	$ 79,855,943	$ 72,166,199	$ 70,640,599
Special Education	27,929,556	25,759,425	24,439,970	20,497,345	17,229,076	13,906,774	12,282,407	9,471,600	10,412,993	8,983,892
Other Special Education	11,747,407	10,604,135	9,859,065	8,306,192	8,998,877	8,916,004	8,978,180	9,136,052	9,114,401	8,612,612
Support Services:										
Tuition	15,076,681	14,980,357	14,711,492	14,104,095	13,343,824	13,994,362	13,678,378	12,197,151	13,015,812	15,013,306
Student & instruction related services	30,730,390	27,893,131	25,721,936	21,748,966	19,632,989	18,231,436	17,684,670	18,477,174	17,399,289	15,462,451
General Administrative Services	1,893,992	1,716,518	1,701,177	1,675,898	9,448,283	9,419,268	9,211,957	9,288,344	8,678,752	8,517,200
School Administrative Services	12,330,132	11,230,302	10,673,330	9,221,080	2,011,069	2,155,127	1,754,559	2,267,175	5,477,731	5,547,284
Central Services/Admin. Information Technology	6,268,366	4,719,869	4,644,456	3,690,894	4,122,564	3,588,070	3,419,374	3,299,725		
Plant Operations and Maintenance	20,976,707	17,069,282	15,943,060	15,679,073	15,303,296	15,753,689	16,427,929	17,465,039	18,045,436	19,505,838
Pupil Transportation Services	16,630,574	16,804,098	17,118,697	16,740,367	16,297,004	16,174,059	15,747,415	18,190,193	18,485,087	16,490,332
Special Schools							240	390,309	347,995	235,386
Capital Outlay										83,796
Transfer to Charter Schools						29,312	14,656	15,292		
Interest on Long-Term Debt	936,851	1,159,719	1,353,737	1,548,571	1,699,266	1,872,820	2,033,833	2,201,017	2,364,710	3,382,765
Unallocated Depreciation and Amortization	4,917,067	4,887,161	4,881,749	4,836,889	34,303	34,303	34,303	34,303	34,303	34,303
	252,095,988	229,167,956	218,563,537	193,249,548	188,597,397	183,395,595	178,643,552	182,289,317	175,542,708	172,509,764
Food Service	3,201,580	3,167,975	3,096,810	3,211,871	3,433,767	3,568,347	3,360,076	3,426,440	3,919,325	3,663,544
Extra Curricular Fund	240,311	256,688	227,246	236,788	213,993	238,976	227,348	222,845		
SAT Prep Program						25,538	20,963			
	3,441,891	3,424,663	3,324,056	3,448,659	3,647,760	3,832,861	3,608,387	3,649,285	3,919,325	3,663,544
	$ 255,537,879	$ 232,592,619	$ 221,887,593	$ 196,698,207	$ 192,245,157	$ 187,228,456	$ 182,251,939	$ 185,938,602	$ 179,462,033	$ 176,173,308
Governmental Activities:										
Charges for Services:										
Instruction	$ 230,377	$ 289,578	$ 319,039	$ 257,418	$ 159,313	$ 254,971	$ 75,241	$ 352,974	$ 107,441	$ 214,292
Operating Grants and Contributions	59,693,390	43,912,263	35,821,867	16,856,815	426,007	468,018	609,714	798,443	855,928	1,471,379
Capital Grants and Contributions										
	59,923,766	44,201,841	36,140,906	17,114,233	585,320	722,989	684,955	1,151,417	963,369	1,685,671
Business-Type Activities:										
Charges for Services:										
Food Service	2,761,404	2,691,559	2,559,607	2,527,739	2,642,037	2,909,211	2,941,180	2,944,677	3,461,930	3,128,462
Extra Curricular Fund	240,311	256,688	227,246	236,788	190,193	262,776	227,348	222,845		
SAT Prep Program						22,202	24,299			
Operating Grants and Contributions	666,290	636,106	605,298	470,547	486,782	433,012	457,229	495,107	553,582	422,006
	3,668,005	3,584,353	3,392,151	3,235,074	3,319,012	3,627,201	3,650,055	3,662,629	4,015,512	3,550,468
	$ 63,591,771	$ 47,786,194	$ 39,533,057	$ 20,349,307	$ 3,904,332	$ 4,350,190	$ 4,335,010	$ 4,814,046	$ 4,978,881	$ 5,236,139
Governmental Activities	$ (192,172,222)	$ (184,966,115)	$ (182,422,631)	$ (176,135,315)	$ (188,012,077)	$ (182,672,605)	$ (177,958,597)	$ (181,137,900)	$ (174,579,339)	$ (170,824,093)
Business-Type Activities	226,114	159,690	68,095	(213,585)	(328,748)	(205,660)	41,669	13,344	96,187	(113,076)
	$ (191,946,108)	$ (184,806,425)	$ (182,354,536)	$ (176,348,900)	$ (188,340,825)	$ (182,878,265)	$ (177,916,928)	$ (181,124,556)	$ (174,483,152)	$ (170,937,169)

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET POSITION

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

	2017	2016	2015	2014 *	2013	2012	2011	2010	2009	2008
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	$ 128,147,673	$ 125,634,974	$ 121,473,208	$ 119,091,381	$ 116,756,256	$ 115,600,253	$ 115,600,253	$ 112,783,657	$ 110,882,300	$ 106,617,596
Taxes Levied for Debt Service	4,105,698	4,099,644	4,093,210	4,086,778	4,076,750	4,071,262	4,062,938	3,462,300	3,474,896	5,025,434
Unrestricted Grants and Contributions	54,709,469	54,224,317	54,428,665	54,015,433	68,350,311	64,262,301	56,750,964	62,218,157	62,811,715	60,138,111
Restricted Grants and Contributions	1,161,898	2,651,166	2,239,175	1,088,884	3,808,529	4,250,267	3,899,599	5,935,387		
Tuition Received						-	-		194,536	603,643
Miscellaneous Income	2,082,760	782,770	148,292	303,863	576,640	931,185	597,250	585,862	587,052	167,276
Transfers										
Gain/(Loss) on Sale of Equipment		(42,920)				(9,896)				
	190,207,498	187,349,951	182,382,550	178,586,339	193,568,486	189,105,372	180,911,004	184,985,363	177,950,499	172,552,060
	$ 190,207,498	$ 187,349,951	$ 182,382,550	$ 178,586,339	$ 193,568,486	$ 189,105,372	$ 180,911,004	$ 184,985,363	$ 177,950,499	$ 172,552,060
Governmental Activities	$ (1,964,724)	$ 2,383,836	$ (40,081)	$ 2,451,024	$ 5,556,409	$ 6,432,766	$ 2,952,407	$ 3,847,463	$ 3,371,160	$ 1,727,967
Business-Type Activities	226,114	159,690	68,095	(213,585)	(328,748)	(205,660)	41,669	13,344	96,187	(113,076)
	$ (1,738,610)	$ 2,543,526	$ 28,014	$ 2,237,439	$ 5,227,661	$ 6,227,106	$ 2,994,075	$ 3,860,807	$ 3,467,347	$ 1,614,891

Exhibit J-3

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund:										
Restricted	$ 26,892,872	$ 27,823,998	$ 29,394,625	31,027,126	$ 27,073,450	$ 21,024,274	$ 12,827,685	$	$	
Assigned	755,534		1,450,900	763,915	1,000,000	2,218,598	2,587,356			
Unassigned							153,276			
Reserved								7,092,073	9,550,771	7,019,262
Unreserved								4,289,726	741,628	1,487,631
Total General Fund	$ 27,648,406	$ 27,823,998	$ 30,845,525	31,791,041	$ 28,073,450	$ 23,242,872	$ 15,568,317	$ 11,381,799	$ 10,292,399	$ 8,506,893
All Other Governmental Funds:										
Restricted	$ 1,164,358	$ 944,577	$ 7,799,283	20,088,887	$	$	$	$	$	
Unreserved, Reported In:										
Capital Projects Fund	1,054,420	5,031,272	11,641,370	109,584						
Total All Other Governmental Funds	$ 2,218,778	$ 5,975,849	$ 19,440,653	20,198,471	$	$	$	$	$	

Exhibit J-4

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues:										
Tax Levy	$ 132,253,371	$ 129,734,618	$ 125,566,418	123,178,159	$ 120,833,006	$ 119,671,515	$ 119,663,191	$ 116,245,957	$ 114,357,196	$ 111,643,030
Tuition Charges	66,286	70,929	124,280	72,563	62,177	166,772	75,241	165,050	35,527	108,800
Transportation Fees	2,074,962	776,317	135,277	294,534	36,974	38,940	70,015	60,443	194,536	603,643
Miscellaneous	385,828	451,783	327,157	311,734	636,802	917,144	629,048	642,344	658,966	272,768
State Sources	77,088,133	75,427,943	72,570,063	68,952,756	69,676,088	63,785,249	58,073,019	56,905,827	60,739,212	58,666,732
Federal Sources	3,211,622	3,172,682	2,828,807	2,890,826	2,908,759	5,195,337	3,085,445	12,046,159	2,928,431	2,942,758
Total Revenues	215,080,202	209,634,272	201,552,002	195,700,572	194,153,806	189,774,957	181,595,959	186,065,780	178,913,868	174,237,731
Expenditures:										
Instruction:										
Regular	55,138,134	54,420,588	54,580,063	53,226,236	54,461,270	53,010,885	50,466,657	55,759,577	51,645,808	50,031,689
Special	16,290,116	16,350,910	16,147,479	15,292,601	12,044,633	9,709,787	8,241,644	6,768,646	7,286,673	6,965,827
Other	6,646,105	6,543,186	6,385,427	6,327,793	6,519,860	6,474,132	6,342,900	6,879,582	6,633,811	6,649,245
Support Services:										
Tuition	15,076,681	14,980,357	14,711,492	14,104,095	13,343,824	13,994,362	13,678,378	12,197,151	13,015,812	11,494,308
Student & instruction related services	18,249,119	17,927,006	17,224,746	15,900,229	14,016,576	12,952,335	12,306,294	13,609,000	12,976,196	11,952,401
School Administrative Services	6,600,419	6,607,803	6,579,123	6,507,814	6,558,728	6,550,897	6,218,510	6,641,945	6,322,266	6,516,811
General Administrative Services	1,642,388	1,556,498	1,581,794	1,535,368	1,817,374	1,985,654	1,635,170	2,108,923		
General and Central Services									4,577,957	4,353,463
Central Services/Admin. Information Tech	3,463,722	3,221,782	3,277,294	2,594,840	2,792,121	2,660,101	2,433,933	2,404,433		
Plant Operations and Maintenance	16,848,948	14,593,778	13,821,891	13,908,423	12,570,393	12,971,617	13,434,482	14,546,194	15,210,424	14,803,886
Student Transportation Services	17,144,259	16,812,407	16,052,557	14,960,904	14,006,185	13,836,574	13,149,260	15,718,142	15,526,401	14,984,584
Unallocated Employee Benefits	51,122,265	47,637,366	43,750,109	41,368,803	43,899,725	41,829,101	43,493,500	39,128,215	35,400,749	37,266,935
Special Schools							240	278,502	251,758	235,386
Charter Schools						29,312	14,656	15,292		
Debt Service:										
Principal	4,460,000	4,240,000	4,030,000	3,830,000	3,635,000	3,455,000	3,280,000	3,100,000	2,960,000	4,985,000
Interest and Other Charges	965,000	1,177,000	1,378,500	1,570,000	1,751,750	1,924,500	2,088,500	2,257,275	2,418,425	2,647,345
Capital Outlay	7,876,851	21,699,940	7,313,710	1,349,981	2,673,424	716,145	625,315	3,634,504	2,902,082	2,196,026
Total Expenditures	221,524,007	227,768,621	206,834,185	192,477,087	190,090,863	182,100,402	177,409,441	185,047,381	177,128,362	175,082,906
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(6,443,805)	(18,134,349)	(5,282,183)	3,223,485	4,062,943	7,674,555	4,186,518	1,018,399	1,785,506	(845,175)
Other Financing Sources/(Uses):										
Capital leases (non-budgeted)	2,511,142	1,648,018	3,581,100	2,957,597						
Transfers In										
Transfers Out			(2,251)							
Proceeds from energy savings obligations (ESIP)				17,500,000						
Total Other Financing Sources/(Uses)	2,511,142	1,648,018	3,578,849	20,457,597						
Net Change in Fund Balances	$ (3,932,663)	$ (16,486,331)	$ (1,703,334)	23,681,082	$ 4,062,943	$ 7,674,555	$ 4,186,518	$ 1,018,399	$ 1,785,506	$ (845,175)
Debt Service as a Percentage of Noncapital Expenditures	2.54%	2.63%	2.71%	2.83%	2.87%	2.97%	3.04%	2.95%	3.09%	4.41%

Source: District records

Note: Noncapital expenditures are total expenditures less Capital Outlay.

Exhibit J-5

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE

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

Fiscal Year Ending June 30,	Restricted		Unrestricted		Annual Totals
	Athlectic Fees	Facility Rental	Refund of Prior Year Expenditures	Miscellaneous	
2017	$ 77,378	$ 86,713	$ 1,498	$ 2,072,765	$ 2,238,354
2016	73,319	145,330	424,495	351,822	994,966
2015	77,768	116,991	71,847	63,430	330,036
2014	69,696	115,159	72,082	222,452	479,389
2013	68,612	97,136	91,737	240,266	497,751
2012	69,310	88,199	429,465	244,140	831,114
2011	103,985	101,813	122,723	194,264	522,785
2010	97,112	116,924	197,482	134,864	546,382
2009	113,391	71,914	280,321	87,665	553,291
2008	122,378	105,492	722	6,042	234,634

Source: District records

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
UNAUDITED

	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities (1)	Net Valuation Taxable	Total Direct School Tax Rate (2)	Estimated Actual (County Equalized) Value
Colts Neck													
2017	$ 41,407,700	$ 2,552,994,800	$ 232,105,700	$ 4,045,100	$ 164,887,600	$ -	$ -	$ 2,995,440,900	$ -	$ 3,077,794	$ 2,998,518,694	0.466	$ 3,015,171,174
2016	41,748,200	2,534,198,600	244,132,600	4,203,100	163,892,200	-	-	2,988,174,700	-	3,065,471	2,991,240,171	0.439	3,017,649,789
2015	38,448,100	2,503,435,400	257,605,800	4,125,100	164,609,600	-	-	2,968,224,000	-	3,159,066	2,971,383,066	0.454	3,041,417,551
2014	39,881,800	2,540,498,000	263,017,800	4,159,900	167,385,000	-	-	3,014,942,500	-	3,079,851	3,018,022,351	0.447	3,066,222,327
2013	41,257,000	2,558,728,600	263,081,000	4,158,700	178,123,400	-	-	3,045,348,700	-	3,723,634	3,049,072,334	0.408	3,122,799,191
2012	44,509,600	2,575,313,400	255,778,700	4,145,400	184,744,300	-	-	3,064,491,400	-	3,723,975	3,068,215,375	0.390	3,117,456,897
2011	44,725,400	2,580,986,900	253,914,500	4,109,600	192,544,000	-	-	3,076,280,400	-	3,812,767	3,080,093,167	0.391	3,203,755,368
2010	47,351,200	2,590,014,000	269,599,800	4,158,600	196,701,900	-	-	3,107,825,500	-	5,087,706	3,112,913,206	0.383	3,342,807,536
2009	20,075,000	1,230,598,800	116,469,200	3,595,050	81,269,400	-	-	1,452,007,450	-	1,787,172	1,453,794,622	0.822	3,445,743,076
2008	23,323,500	1,223,359,000	112,221,650	4,585,550	78,003,100	-	-	1,441,492,800	-	1,315,836	1,442,808,636	0.831	3,388,417,905
Englishtown													
2017	$ 1,348,800	$ 185,500,700	$ -	$ -	$ 36,071,000	$ 6,393,900	$ 13,302,100	$ 242,616,500	$ -	$ -	$ 242,616,500	0.414	$ 238,958,085
2016	1,576,900	183,420,400	-	-	35,820,000	6,452,500	13,268,100	240,537,900	-	-	240,537,900	0.380	232,973,581
2015	1,654,800	183,619,000	-	-	34,989,900	6,358,900	13,228,100	239,850,700	-	-	239,850,700	0.373	223,236,967
2014	1,867,700	200,060,300	-	-	39,188,600	7,267,200	1,262,100	249,645,900	-	-	249,645,900	0.372	221,639,386
2013	3,274,100	206,535,000	-	-	35,332,500	7,617,200	1,262,100	254,020,900	-	-	254,020,900	0.404	231,103,589
2012	2,384,300	201,896,900	-	-	35,742,000	8,583,900	1,262,100	249,869,200	-	-	249,869,200	0.393	235,241,820
2011	3,788,700	198,279,700	-	-	39,134,100	9,879,300	1,262,100	252,343,900	-	-	252,343,900	0.299	242,547,058
2010	3,892,300	198,206,200	-	-	42,019,600	9,879,300	1,262,100	255,259,500	-	4,454,063	259,713,563	0.320	250,970,511
2009	3,978,000	198,110,000	-	-	42,080,100	9,879,300	1,262,100	255,309,500	-	5,904,759	261,214,259	0.303	246,645,548
2008	3,353,400	198,838,400	-	-	42,425,900	10,229,600	1,262,100	256,109,400	-	3,772,717	259,882,117	0.268	237,664,306
Farmingdale													
2017	$ 3,226,700	$ 106,525,800	$ 584,700	$ 2,700	$ 26,700,800	$ 3,311,800	$ 15,321,400	$ 155,673,900	$ -	$ -	$ 155,673,900	0.345	$ 146,043,388
2016	1,898,600	105,777,400	590,000	2,700	27,171,700	3,318,200	15,315,400	154,074,000	-	-	154,074,000	0.326	145,958,075
2015	1,905,600	106,279,000	563,600	2,700	27,115,000	3,319,800	15,314,700	154,500,400	-	-	154,500,400	0.308	138,780,348
2014	1,865,300	110,869,600	600,000	14,200	20,523,500	2,742,800	13,947,400	150,562,800	-	-	150,562,800	0.298	137,417,398
2013	1,865,300	111,706,500	721,700	14,200	20,320,000	2,742,800	13,947,400	151,317,900	-	-	151,317,900	0.397	145,089,919
2012	1,918,800	112,133,500	721,700	14,200	20,320,000	2,742,800	13,947,400	151,798,400	-	2,529,438	154,327,838	0.350	149,581,365
2011	1,918,800	111,858,800	721,700	14,200	20,480,300	2,742,800	13,947,400	151,684,000	-	2,558,005	154,242,005	0.360	147,441,135
2010	1,918,800	112,002,400	721,700	14,200	20,480,300	2,742,800	13,947,400	151,827,600	-	2,815,873	154,643,473	0.277	153,164,638
2009	2,179,300	110,849,000	721,700	14,200	19,871,300	2,742,800	13,947,400	150,325,700	-	2,462,182	152,787,882	0.316	158,529,010
2008	2,129,800	110,554,200	721,700	14,200	19,871,300	2,742,800	13,947,400	149,981,400	-	2,330,926	152,312,326	0.335	153,839,777

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
UNAUDITED

	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities (1)	Net Valuation Taxable	Total Direct School Tax Rate (2)	Estimated Actual (County Equalized) Value
Freehold Borough													
2017	$ 9,632,800	$ 746,201,020	$ -	$ -	$ 231,066,700	$ 25,373,900	$ 32,137,100	$ 1,044,411,520	$ 1,181,800	$ -	$ 1,044,411,520	0.343	$ 1,032,101,092
2016	10,627,200	739,568,800	-	-	229,822,500	25,353,000	22,454,100	1,027,825,600	1,128,800	-	1,027,825,600	0.320	986,304,992
2015	10,120,100	741,225,500	-	-	230,456,500	25,345,900	22,065,400	1,029,213,400	1,390,000	-	1,029,213,400	0.295	951,845,338
2014	10,235,100	755,357,200	-	-	237,225,100	25,345,900	22,388,400	1,050,551,700	1,423,600	-	1,050,551,700	0.311	974,389,434
2013	10,236,400	764,565,800	-	-	239,840,300	25,345,900	22,388,400	1,062,376,800	2,476,800	-	1,062,376,800	0.321	1,025,327,919
2012	10,244,400	767,610,400	-	-	241,264,600	25,345,900	22,388,400	1,066,853,700	3,408,000	-	1,066,853,700	0.341	1,139,215,781
2011	10,342,700	768,700,500	-	-	241,539,000	25,345,900	22,388,400	1,068,316,500	4,151,700	9,917,155	1,078,233,655	0.378	1,205,130,817
2010	11,375,600	766,577,000	-	-	242,880,100	25,345,900	22,374,900	1,068,553,500	1,254,600	10,281,773	1,078,835,273	0.379	1,193,198,764
2009	11,552,000	765,785,300	-	-	236,440,200	25,345,900	23,097,700	1,062,221,100	1,180,800	11,377,335	1,073,598,435	0.382	1,275,015,424
2008	11,815,100	763,101,500	-	-	237,093,900	34,727,100	22,941,400	1,069,679,000	1,360,200	10,469,969	1,080,148,969	0.375	1,232,617,952
Freehold Township													
2017	$ 52,922,000	$ 4,425,631,400	$ 29,682,700	$ 1,444,500	$ 1,396,897,600	$ 154,513,500	$ 84,791,800	$ 6,145,883,500	$ 3,612,600	$ -	$ 6,145,883,500	0.455	$ 6,456,448,298
2016	51,370,300	4,325,592,200	30,003,400	1,456,900	1,387,324,000	153,241,300	78,612,500	6,027,600,600	3,612,600	-	6,027,600,600	0.482	6,589,292,604
2015	55,908,800	4,266,398,600	29,970,000	1,464,900	1,320,216,200	148,905,300	71,094,300	5,893,958,100	3,612,600	-	5,893,958,100	0.452	6,095,136,631
2014	50,881,700	3,955,292,200	27,666,200	1,440,900	1,239,936,400	146,563,700	60,794,300	5,482,575,400	41,400	-	5,482,575,400	0.480	5,837,654,006
2013	56,004,900	3,949,909,700	28,280,200	1,466,400	1,243,834,300	146,521,200	60,794,300	5,486,811,000	-	-	5,486,811,000	0.471	5,873,438,863
2012	67,931,000	4,548,659,400	32,524,700	1,509,700	1,245,930,300	156,782,100	61,500,000	6,114,837,200	-	-	6,114,837,200	0.411	6,197,354,750
2011	69,363,900	4,551,925,900	31,282,000	1,541,900	1,247,563,400	154,791,300	61,500,000	6,117,968,400	-	41,218,304	6,159,186,704	0.399	6,427,603,681
2010	79,832,500	4,549,534,600	30,233,300	1,654,900	1,291,205,600	154,573,100	61,500,000	6,168,534,000	-	49,220,887	6,217,754,887	0.394	6,647,432,225
2009	95,225,000	4,529,646,900	30,709,200	1,670,000	1,341,345,700	154,573,100	64,320,400	6,217,490,300	-	68,077,410	6,285,567,710	0.373	6,734,691,283
2008	43,886,000	2,245,621,400	14,932,600	1,700,500	644,466,200	74,628,300	30,165,900	3,055,400,900	-	32,780,996	3,088,181,896	0.707	6,390,779,856
Howell													
2017	$ 118,523,800	$ 5,654,440,800	$ 98,312,200	$ 2,397,100	$ 626,784,300	$ 104,535,300	$ 37,293,500	$ 6,642,287,000	$ -	$ -	$ 6,642,287,000	0.436	$ 6,760,028,111
2016	114,702,200	5,373,302,700	101,965,500	2,701,000	628,132,400	112,376,100	32,259,800	6,365,439,700	-	-	6,365,439,700	0.433	6,591,132,558
2015	127,426,600	5,157,744,800	98,908,600	2,755,700	616,492,200	107,704,400	32,259,800	6,143,292,100	-	8,470,420	6,151,762,520	0.432	6,388,597,383
2014	137,473,900	4,623,682,700	89,384,800	2,673,500	611,874,200	101,664,900	-	5,566,754,000	-	7,632,229	5,574,386,229	0.452	6,087,370,787
2013	155,567,400	4,579,708,000	89,858,000	2,768,800	594,385,000	101,856,600	-	5,524,143,800	-	8,867,486	5,533,011,286	0.483	6,199,518,124
2012	147,940,600	4,554,735,400	85,598,100	2,640,500	595,545,700	103,344,900	-	5,489,805,200	-	11,032,948	5,500,838,148	0.478	6,509,420,350
2011	209,120,660	5,751,615,760	107,280,600	2,607,500	660,378,520	133,162,000	-	6,864,165,040	-	11,110,173	6,875,275,213	0.380	6,762,336,368
2010	237,133,360	5,747,380,000	107,553,000	2,707,600	662,086,020	134,095,700	-	6,890,955,680	-	13,114,350	6,904,070,030	0.385	6,954,660,611
2009	253,365,700	5,735,865,900	104,001,400	2,426,100	662,057,600	109,299,300	-	6,867,016,000	-	10,565,151	6,877,581,151	0.370	7,070,767,733
2008	264,011,700	5,707,045,800	107,499,400	2,543,100	667,961,100	111,543,900	-	6,860,605,000	-	9,626,317	6,870,231,317	0.371	7,044,038,272

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
UNAUDITED

	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities (1)	Net Valuation Taxable	Total Direct School Tax Rate (2)	Estimated Actual (County Equalized) Value
Manalapan													
2017	$ 35,776,600	$ 5,872,797,400	$ 35,508,500	$ 1,944,000	$ 432,624,800	$ 20,863,100	$ -	$ 6,399,514,400	$ -	$ -	$ 6,399,514,400	0.418	$ 6,463,681,306
2016	34,938,600	5,786,849,660	33,999,000	1,956,900	423,168,000	20,454,000	-	6,301,366,160	-	-	6,301,366,160	0.414	6,385,559,229
2015	38,765,800	5,657,693,750	34,267,100	2,250,500	387,171,100	20,451,600	-	6,140,599,850	-	-	6,140,599,850	0.420	6,234,359,701
2014	47,846,600	5,359,086,600	32,130,400	2,269,200	380,616,076	20,269,600	-	5,842,218,476	-	-	5,842,218,476	0.436	6,109,982,591
2013	58,673,900	5,299,331,500	31,538,900	2,316,400	378,911,200	20,269,600	-	5,791,041,500	-	-	5,791,041,500	0.425	5,978,278,610
2012	70,482,900	5,241,149,800	32,267,800	2,352,300	377,401,400	22,667,200	-	5,746,321,400	-	-	5,746,321,400	0.420	6,169,252,662
2011	84,044,500	5,183,906,700	32,780,800	2,354,500	371,293,700	22,667,200	-	5,697,047,400	-	6,951,526	5,703,998,926	0.421	6,281,820,516
2010	102,803,800	5,111,395,600	32,933,900	2,253,000	380,040,400	22,667,200	-	5,652,093,900	-	9,382,496	5,661,476,396	0.432	6,459,604,048
2009	160,219,400	5,732,755,500	36,725,800	2,314,400	425,667,300	24,603,500	-	6,382,285,900	-	7,636,903	6,389,922,803	0.364	6,480,948,402
2008	200,478,700	5,658,484,200	36,779,500	2,315,700	403,109,300	24,603,500	-	6,325,770,900	-	6,259,661	6,332,030,561	0.360	6,261,851,792
Marlboro													
2017	$ 62,232,800	$ 6,511,414,300	$ 38,867,800	$ 1,079,700	$ 457,480,800	$ 79,030,300	$ 22,287,000	$ 7,172,392,700	$ -	$ -	$ 7,172,392,700	0.456	$ 7,460,307,716
2016	64,533,000	6,503,789,000	38,438,000	1,084,200	454,550,000	79,788,500	22,287,000	7,164,469,700	-	-	7,164,469,700	0.440	7,354,851,699
2015	69,839,100	6,439,597,624	37,757,200	1,094,700	444,223,200	82,478,300	21,756,900	7,096,747,024	-	-	7,096,747,024	0.445	7,186,558,937
2014	77,822,900	6,099,931,774	35,205,200	1,036,800	428,732,400	84,673,900	18,619,900	6,746,022,874	-	-	6,746,022,874	0.447	7,013,277,224
2013	85,204,500	6,098,106,500	36,036,300	1,036,500	424,031,300	86,543,000	18,619,900	6,749,578,000	-	-	6,749,578,000	0.433	7,085,446,679
2012	92,253,900	6,234,133,500	38,633,800	1,045,400	420,120,900	88,021,000	18,619,900	6,892,828,400	-	9,347,305	6,902,175,705	0.403	7,266,197,377
2011	94,958,900	6,231,140,500	37,886,600	1,046,500	415,286,900	88,491,100	19,584,200	6,888,394,700	-	9,144,385	6,897,539,085	0.395	7,482,621,521
2010	103,816,500	6,236,324,400	38,815,400	1,051,500	425,388,900	94,454,200	23,225,300	6,923,076,200	-	10,332,044	6,933,408,244	0.388	7,588,204,970
2009	43,870,600	2,899,810,000	16,268,600	765,050	179,521,700	40,955,700	3,343,100	3,184,534,750	-	4,173,653	3,188,708,403	0.827	7,698,068,929
2008	49,225,500	2,869,073,200	16,223,300	770,350	176,080,600	39,136,700	3,343,100	3,153,852,750	-	3,868,514	3,157,721,264	0.843	7,588,651,622

Source: County Board of Taxation

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

Reassessment occurs when ordered by the County Board of Taxation.

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

(2) Tax rates are per $100.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS
UNAUDITED

(RATE PER $100 OF ASSESSED VALUATION)

	Freehold Regional			Overlapping Rates				
	Basic Rate	General Obligation Debt Service	Total Direct	Elementary School	Local Purpose	Library/ Other	Monmouth County	Total Direct & Overlapping Tax Rate
Colts Neck								
2017	0.452	0.014	0.466	0.749	0.250	0.012	0.292	1.769
2016	0.425	0.014	0.439	0.739	0.241	0.012	0.300	1.731
2015	0.440	0.014	0.454	0.730	0.228	0.012	0.311	1.735
2014	0.432	0.015	0.447	0.705	0.214	0.012	0.309	1.687
2013	0.394	0.014	0.408	0.686	0.203	0.012	0.309	1.618
2012	0.377	0.013	0.390	0.680	0.194	0.012	0.294	1.570
2011	0.378	0.013	0.391	0.674	0.188	0.012	0.286	1.551
2010	0.370	0.013	0.383	0.667	0.170	0.025	0.292	1.537
2009	0.797	0.025	0.822	1.407	0.343	0.025	0.615	3.212
2008	0.805	0.026	0.831	1.392	0.334	0.025	0.610	3.192
Englishtown								
2017	0.402	0.012	0.414	0.933	0.621	-	0.290	2.258
2016	0.368	0.012	0.380	0.913	0.621	-	0.283	2.197
2015	0.355	0.018	0.373	0.873	0.591	-	0.293	2.130
2014	0.360	0.012	0.372	0.812	0.558	-	0.268	2.010
2013	0.391	0.013	0.404	0.786	0.498	-	0.281	1.969
2012	0.376	0.017	0.393	0.778	0.462	-	0.276	1.909
2011	0.289	0.010	0.299	0.860	0.405	-	0.264	1.828
2010	0.309	0.011	0.320	0.808	0.385	-	0.264	1.777
2009	0.294	0.009	0.303	0.752	0.365	-	0.249	1.669
2008	0.260	0.008	0.268	0.758	0.328	-	0.237	1.591
Farmingdale								
2017	0.335	0.010	0.345	1.218	0.244	-	0.278	2.085
2016	0.316	0.010	0.326	1.192	0.241	-	0.288	2.047
2015	0.298	0.010	0.308	1.078	0.217	-	0.281	1.884
2014	0.288	0.010	0.298	1.027	0.212	-	0.290	1.827
2013	0.384	0.013	0.397	1.041	0.212	-	0.293	1.943
2012	0.342	0.008	0.350	0.960	0.211	-	0.290	1.811
2011	0.348	0.012	0.360	0.926	0.208	-	0.275	1.769
2010	0.268	0.009	0.277	0.920	0.203	-	0.278	1.678
2009	0.307	0.009	0.316	0.900	0.183	-	0.275	1.674
2008	0.325	0.010	0.335	0.915	0.173	-	0.269	1.692

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS
UNAUDITED

(RATE PER $100 OF ASSESSED VALUATION)

	Freehold Regional			Overlapping Rates				
	Basic Rate	General Obligation Debt Service	Total Direct	Elementary School	Local Purpose	Library/ Other	Monmouth County	Total Direct & Overlapping Tax Rate
Freehold Borough								
2017	0.333	0.010	0.343	1.093	0.974	0.033	0.269	2.712
2016	0.311	0.009	0.320	1.098	0.944	0.032	0.261	2.655
2015	0.286	0.009	0.295	1.032	0.913	0.031	0.263	2.534
2014	0.301	0.010	0.311	0.933	0.875	0.031	0.269	2.419
2013	0.310	0.011	0.321	0.862	0.851	0.032	0.277	2.343
2012	0.329	0.012	0.341	0.842	0.814	0.036	0.293	2.326
2011	0.365	0.013	0.378	0.810	0.785	0.037	0.300	2.310
2010	0.366	0.013	0.379	0.796	0.791	-	0.283	2.249
2009	0.371	0.011	0.382	0.780	0.756	-	0.289	2.207
2008	0.363	0.012	0.375	0.756	0.718	-	0.278	2.127
Freehold Township								
2017	0.440	0.015	0.455	1.107	0.346	0.030	0.305	2.243
2016	0.468	0.014	0.482	1.105	0.347	0.030	0.322	2.286
2015	0.438	0.014	0.452	1.113	0.344	0.030	0.319	2.258
2014	0.464	0.016	0.480	1.151	0.358	0.030	0.330	2.349
2013	0.455	0.016	0.471	1.117	0.348	0.030	0.327	2.293
2012	0.398	0.013	0.411	0.983	0.294	0.030	0.292	2.010
2011	0.385	0.014	0.399	0.966	0.274	0.030	0.291	1.960
2010	0.381	0.013	0.394	0.936	0.250	0.030	0.286	1.896
2009	0.362	0.011	0.373	0.922	0.235	0.030	0.282	1.842
2008	0.685	0.022	0.707	1.792	0.445	0.030	0.523	3.497
Howell								
2017	0.423	0.013	0.436	1.165	0.397	0.020	0.302	2.320
2016	0.419	0.014	0.433	1.185	0.399	0.020	0.313	2.350
2015	0.418	0.014	0.432	1.198	0.398	0.020	0.326	2.374
2014	0.437	0.015	0.452	1.293	0.448	0.020	0.346	2.559
2013	0.467	0.016	0.483	1.277	0.457	0.020	0.348	2.585
2012	0.367	0.111	0.478	1.287	0.453	0.020	0.347	2.585
2011	0.367	0.013	0.380	1.037	0.354	0.020	0.279	2.070
2010	0.372	0.013	0.385	1.029	0.326	0.020	0.277	2.037
2009	0.359	0.011	0.370	1.021	0.282	0.020	0.268	1.961
2008	0.359	0.012	0.371	0.999	0.266	0.020	0.266	1.922

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS
UNAUDITED

(RATE PER $100 OF ASSESSED VALUATION)

	Freehold Regional			Overlapping Rates				
	Basic Rate	General Obligation Debt Service	Total Direct	Elementary School	Local Purpose	Library/ Other	Monmouth County	Total Direct & Overlapping Tax Rate
Manalapan								
2017	0.405	0.013	0.418	0.950	0.341	0.020	0.292	2.021
2016	0.401	0.013	0.414	0.933	0.338	0.020	0.299	2.004
2015	0.407	0.013	0.420	0.932	0.341	0.020	0.312	2.025
2014	0.422	0.014	0.436	0.945	0.352	0.020	0.327	2.080
2013	0.411	0.014	0.425	0.925	0.345	0.020	0.316	2.031
2012	0.410	0.010	0.420	0.912	0.339	0.020	0.315	2.006
2011	0.407	0.014	0.421	0.902	0.332	0.020	0.312	1.987
2010	0.418	0.015	0.432	0.889	0.332	0.020	0.313	1.986
2009	0.353	0.011	0.364	0.758	0.295	0.020	0.264	1.701
2008	0.349	0.011	0.360	0.776	0.284	0.020	0.259	1.699
Marlboro								
2017	0.442	0.014	0.456	1.045	0.366	0.010	0.306	2.183
2016	0.426	0.014	0.440	1.049	0.367	0.010	0.309	2.175
2015	0.431	0.014	0.445	1.014	0.356	0.010	0.317	2.142
2014	0.432	0.015	0.447	1.002	0.377	0.010	0.327	2.163
2013	0.419	0.014	0.433	0.985	0.360	0.010	0.317	2.105
2012	0.399	0.004	0.403	0.956	0.338	0.010	0.311	2.018
2011	0.382	0.013	0.395	0.981	0.310	0.010	0.308	2.004
2010	0.374	0.013	0.388	0.980	0.297	0.010	0.304	1.979
2009	0.802	0.025	0.827	2.070	0.588	0.020	0.639	4.144
2008	0.817	0.026	0.843	2.073	0.567	0.020	0.626	4.129

Source: County Board of Taxation

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

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

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2017			2008	
Community/Taxpayer	Taxable Assessed Value	As a % of Community's Net Assessed Valuation	Community/Taxpayer	Taxable Assessed Value	As a % of Community's Net Assessed Valuation
Colts Neck			**Colts Neck**		
Trump National Golf Club	$ 32,006,800	1.07%	Due Process Gold & Horse Stables, LLC	$ 9,890,800	0.69%
Due Process Golf & Horse Stables, LLC	19,941,700	0.67%	Shadow Isle Golf Club, LLC	9,717,300	0.67%
G & F Realty of Richmond, LLC	12,339,400	0.41%	Laird & Co. Inc.	4,788,100	0.33%
Wellspring Stables Florida, LLC	11,482,800	0.38%	Pegasus Properties LLC	3,798,700	0.26%
Individual Taxpayer 1	9,220,400	0.31%	24 Realty, LLC	3,772,000	0.26%
Individual Taxpayer 2	7,961,300	0.27%	BAL Colts Neck LLC	3,700,000	0.26%
Individual Taxpayer 3	6,369,000	0.21%	Wellspring Stables Florida, LLC	3,351,200	0.23%
Pegasus Properties LLC	5,969,700	0.20%	Individual Taxpayer	3,175,100	0.22%
Colts Neck Shopping Center Associates	5,967,500	0.20%	Pebble Creek At Colts Neck	3,095,000	0.21%
36 Highway 34 South Associates LLC	5,609,700	0.19%	36 Highway 34 South Associates, LLC	2,908,400	0.20%
Total	$ 116,868,300	3.90%	Total	$ 48,196,600	3.33%
Englishtown			**Englishtown**		
Stamford Square LLC	$ 12,271,500	5.06%	BAL Governor's Crossing LLC	$ 5,000,000	1.92%
Three Corners Ventures LLC	4,762,200	1.96%	BTR Englishtown LLC	2,796,100	1.08%
BAL Governor's Crossing LLC	4,450,000	1.83%	Verizon New Jersey	1,470,831	0.57%
AMBE Holding LLC	3,096,800	1.28%	Dorothy Leo, Inc.	1,219,200	0.47%
Village Center Associates, LLC	3,046,400	1.26%	Village Center Associates, LLC	1,144,600	0.44%
Wemacs LLC	2,387,000	0.98%	Brooklawn Gardens Inc	955,100	0.37%
Brooklawn Gardens Inc	2,011,800	0.83%	Wemacs LLC	628,000	0.24%
DCD LLC	1,987,000	0.82%	K&K Englishtown, Inc.	550,000	0.21%
Five South Main Street LLC	1,943,600	0.80%	Degiacomo Realty LLC	533,000	0.21%
Degiacomo Realty LLC	1,220,000	0.50%	Moskowitz, K Trust & Berger, V Trust	524,400	0.20%
Total	$ 37,176,300	15.32%	Total	$ 14,821,231	5.71%

Source: Municipal Tax Assessors

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Community/Taxpayer	2017 Taxable Assessed Value	2017 As a % of Community's Net Assessed Valuation	Community/Taxpayer	2008 Taxable Assessed Value	2008 As a % of Community's Net Assessed Valuation
Farmingdale			**Farmingdale**		
Farmingdale Garden Apartments, LLC	$ 12,799,200	8.22%	Farmingdale Garden Apartments, LLC	$ 11,500,000	7.55%
30 Southard Ave, Farmingdale LLC	7,522,700	4.83%	30 Southard Ave, Farmingdale LLC	3,795,400	2.49%
Farmingdale Shopping Center, LLC	3,600,300	2.31%	Individual Taxpayer 1	2,876,600	1.89%
R.T. Equities LLC	2,387,200	1.53%	Farmingdale Shopping Center, LLC	2,442,200	1.60%
Farmingdale BP	1,496,500	0.96%	R.T. Equities LLC	2,107,200	1.38%
Academy Apartments LLC	1,377,200	0.88%	Verizon Communications	1,971,969	1.29%
A Four Properties LLC	1,135,000	0.73%	Individual Taxpayer 2	1,297,000	0.85%
Bell Atlantic	1,011,900	0.65%	Bell Atlantic	992,800	0.65%
Roadside Holdings, LLC	821,400	0.53%	Farmingdale BP	904,100	0.59%
Bank of America	709,400	0.46%	Boud Avenue Co., LLC	896,700	0.59%
Total	$ 32,860,800	21.11%	Total	$ 28,783,969	18.88%
Freehold Borough			**Freehold Borough**		
Nestle USA	$ 23,777,300	2.28%	Nestle USA	$ 33,055,600	3.06%
Freehold Racing Association	21,225,300	2.03%	Freehold Racing Association	29,225,300	2.71%
Bridge- Brookside, LLC	16,386,200	1.57%	AEW Brookside	14,269,000	1.32%
East Coast Post & Coach LLC	8,905,900	0.85%	East Coast Post & Coach LLC	6,495,700	0.60%
Freefern Associates	6,976,200	0.67%	Park Plaza Shopping Center	5,560,900	0.51%
Spring Terrace Apartments LLC	4,985,200	0.48%	Freefern Associates	4,565,000	0.42%
Park Plaza Shopping Center, Inc.	4,868,500	0.47%	Chiu's Property Inc.	3,774,000	0.35%
Monmouth Pines LLC	4,147,400	0.40%	Individual Taxpayer	3,772,800	0.35%
18-20 E.Main Street LLC	4,142,200	0.40%	Bell Atlantic - NJ	3,000,000	0.28%
Rug Mill LLC	3,045,000	0.29%	JCP&L	2,566,200	0.24%
Total	$ 98,459,200	9.43%	Total	$ 106,284,500	9.84%

Source: Municipal Tax Assessors

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Community/Taxpayer	2017 Taxable Assessed Value	2017 As a % of Community's Net Assessed Valuation	Community/Taxpayer	2008 Taxable Assessed Value	2008 As a % of Community's Net Assessed Valuation
Freehold Twp.			**Freehold Twp.**		
Freemall Associates, LLC	$ 343,160,500	5.58%	Freemall Associates	$ 160,755,300	5.21%
Freehold Financing, LLC	60,585,800	0.99%	Center for Aging DBA/Applewood	25,753,600	0.83%
Iron Mountain, Inc.	47,490,700	0.77%	Avalonbay Communities Inc.	25,065,900	0.81%
Freemall Associates	33,484,200	0.54%	Iron Mountain, Inc.	22,374,200	0.72%
Center for Aging DBA/Applewood	30,000,000	0.49%	Verizon - New Jersey	16,390,498	0.53%
Macy's East, Inc.	26,823,300	0.44%	Verizon - New Jersey	16,390,498	0.53%
Silver Shore Land Co., LLC	25,852,100	0.42%	Raintreetowne Center Associates, LP	14,500,000	0.47%
Raintreetowne Center Associates, LP	24,748,700	0.40%	American Multi-Cinema, Inc.	12,557,600	0.41%
Freehold Shopping Associates	24,515,200	0.40%	New Jersey Bell Telephone Co.	12,437,500	0.40%
Ronardi Freehold Enterprises LLC	24,039,600	0.39%	Sam's Real Estate Business Trust	11,913,300	0.39%
Total	$ 640,700,100	10.42%	Total	$ 318,138,396	10.30%
Howell			**Howell**		
Buffalo-Parkton & Feuerstein & Wainco	$ 42,633,300	0.64%	Buffalo-Parkton & Feuerstein & Wainco	$ 45,138,000	0.66%
Howell Verdana LLC & Verdonna, LLC	32,259,800	0.49%	Wal-Mart Stores, Inc.	17,641,000	0.26%
Howell Friendship Real Estate Co.	20,259,600	0.31%	Home Depot USA Inc.	17,160,000	0.25%
Home Depot USA Inc.	15,687,400	0.24%	Lowe's Home Centers Inc.	16,530,000	0.24%
DS & DJ Realty, LLC	15,128,800	0.23%	DS & DJ Realty, LLC	16,190,200	0.24%
Lowe's Home Centers, Inc.	14,861,300	0.22%	Brochin, Leona & Mur - Levin Mgmt. Corp	15,959,200	0.23%
Wal-Mart Stores, Inc.	13,945,700	0.21%	Target Corp.	14,800,000	0.22%
Target Corporation	13,840,700	0.21%	Zee Jay Realty, LLC	14,348,200	0.21%
Brochin, Leona & Mur - Levin Mgmt. Corp	13,572,500	0.20%	Howell Associates LLC	12,823,600	0.19%
Eagle Golf Enterprises, LLC	12,655,500	0.19%	Eagle Golf Enterprises, LLC	11,684,500	0.17%
Total	$ 194,844,600	2.93%	Total	$ 182,274,700	2.67%

Source: Municipal Tax Assessors

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2017			2008	
Community/Taxpayer	Taxable Assessed Value	As a % of Community's Net Assessed Valuation	Community/Taxpayer	Taxable Assessed Value	As a % of Community's Net Assessed Valuation
Manalapan			**Manalapan**		
Manalapan Realty	$ 60,656,000	0.95%	Manalapan Realty	$ 47,858,000	0.76%
Manalapan VF	32,885,000	0.51%	Manalapan VF	28,058,600	0.44%
Towne Pointe Associates	15,601,000	0.24%	Hearthstone Multi-Asset Entity A, LP	18,016,200	0.28%
Taylor 9 South Associates LLC	12,786,000	0.20%	K Hovnanian at Manalapan III, LLC	17,841,000	0.28%
Trans Equity Realty, LLC	10,488,000	0.16%	198 & 200 Manalapan, LLC	14,384,600	0.23%
HCRI NY-NJ Properties LLC	8,996,000	0.14%	Towne Pointe Associates	13,334,300	0.21%
Lenine, LLC	8,654,000	0.14%	Westmon Corporation	11,442,400	0.18%
Monmouth Investors LLC	7,348,900	0.11%	Trans Equity Realty, LLC	10,892,800	0.17%
Pension Road Realty Associates	6,871,000	0.11%	Battleground Dev D/B/A Fairways	9,215,200	0.15%
Englishtown Auction Sales, Inc	6,370,300	0.10%	Taylor 9 South Associates LLC	8,531,900	0.13%
Total	$ 170,656,200	2.67%	Total	$ 179,575,000	2.83%
Marlboro			**Marlboro**		
Marlboro Plaza	$ 45,843,100	0.64%	Marlboro Plaza	$ 20,897,800	0.66%
Union Hill Nine Associates LLC	30,549,100	0.43%	Union Hill Nine	13,049,200	0.41%
TMC Marlboro LLC	22,500,000	0.31%	TMC Marlboro	11,762,200	0.37%
American Plaza, LLC	20,927,500	0.29%	Brookes Edge	6,384,400	0.20%
CRP Royal Pines LLC	15,041,100	0.21%	Marlboro Lowe's	6,381,000	0.20%
Marlboro Commons LLC	12,713,100	0.18%	Rosemont Estates	6,292,700	0.20%
Marlboro Lowe's	12,501,900	0.17%	Lucas Development	6,122,400	0.19%
Brooks Edge Plaza LLC	11,697,300	0.16%	Crine West	5,211,700	0.17%
Triangle Business Park, LLC	11,043,800	0.15%	Sunrise Assisted Living	4,400,000	0.14%
Individual Taxpayer	9,647,600	0.13%	Exclusive Plaza	3,951,800	0.13%
Total	$ 192,464,500	2.68%	Total	$ 84,453,200	2.67%

Source: Municipal Tax Assessors

Exhibit J-9

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PROPERTY TAX LEVIES AND COLLECTION

LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2017	$ 132,253,371	$ 132,253,371	100.00%	-
2016	129,734,619	129,734,619	100.00%	-
2015	125,566,418	125,566,418	100.00%	-
2014	123,178,158	123,178,158	100.00%	-
2013	120,833,006	120,833,006	100.00%	-
2012	119,671,515	119,671,515	100.00%	-
2011	119,663,191	119,663,191	100.00%	-
2010	116,245,957	109,834,446	94.48%	6,411,511
2009	114,357,196	110,406,396	96.55%	3,950,800
2008	111,643,030	111,643,030	100.00%	-

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

Exhibit J-10

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities					Percentage of Personal Income [a]	Per Capita [a]
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Total District		
2017	$ 14,840,000	-	$ 24,833,670	-	$ 39,673,670	N/A	$ 205
2016	19,300,000	-	26,275,418	-	45,575,418	N/A	235
2015	23,540,000	-	27,264,150	-	50,804,150	0.40%	262
2014	27,570,000	-	24,741,975	-	52,311,975	0.43%	271
2013	31,400,000	-	1,155,792	-	31,400,000	0.27%	164
2012	35,035,000	-	-	-	35,035,000	0.31%	183
2011	38,490,000	-	-	-	38,490,000	0.50%	201
2010	41,770,000	-	-	-	41,770,000	0.40%	219
2009	44,870,000	-	-	-	44,870,000	0.41%	235
2008	47,830,000	-	-	-	47,830,000	0.45%	251

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

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

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

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

Exhibit J-11

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Obligation Bonds	School District Population	Net Assessed Value Taxable	Percentage of Actual Taxable Value of Property	Per Capita
2017	$ 14,840,000	193,303	$ 30,801,298,214	0.05%	$ 77
2016	19,300,000	194,010	30,272,553,831	0.06%	99
2015	23,540,000	193,994	29,832,515,460	0.08%	121
2014	27,570,000	193,378	28,113,985,730	0.10%	143
2013	31,400,000	192,039	28,077,229,720	0.11%	164
2012	35,035,000	191,883	28,803,438,566	0.12%	183
2011	38,490,000	191,883	30,200,912,655	0.13%	201
2010	41,770,000	191,860	30,322,815,072	0.14%	218
2009	44,870,000	191,061	25,683,175,265	0.17%	235
2008	47,830,000	190,338	22,383,317,086	0.21%	252

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

a See J-6 for property tax data.

b Population data can be found in J-14.

Exhibit J-12

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2017
UNAUDITED

Governmental Unit	Debt Outstanding		Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes				
Colts Neck Township	$ 11,006,353		100.000%	$ 11,006,353
Englishtown Borough	2,048,250		100.000%	2,048,250
Borough of Farmingdale	460,250		100.000%	460,250
Borough of Freehold	9,020,255		100.000%	9,020,255
Freehold Township	54,996,076		100.000%	54,996,076
Howell Township	65,832,809		100.000%	65,832,809
Manalapan Township	17,842,804		100.000%	17,842,804
Marlboro Township	46,959,609		100.000%	46,959,609
Other debt				
Monmouth County	456,319,190	Net Valuation		
Colts Neck Township		2,998,518,694	2.584%	11,789,851
Englishtown Borough		242,616,500	0.209%	953,942
Borough of Farmingdale		155,673,900	0.134%	612,093
Borough of Freehold		1,044,411,520	0.900%	4,106,513
Freehold Township		6,145,883,500	5.296%	24,164,949
Howell Township		6,642,287,000	5.723%	26,116,754
Manalapan Township		6,399,514,400	5.514%	25,162,199
Marlboro Township		7,172,392,700	6.180%	28,201,072
Subtotal, overlapping debt				329,273,780
Freehold Regional High School District Direct Debt		County total		14,840,000
		116,055,885,089		
Total Direct and Overlapping Debt				$ 344,113,780

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

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

Exhibit J-13

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ended June 30,				Fiscal Year Ended June 30,					
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt Limit	$ 916,523,946	$ 890,826,085	$ 893,432,552	$ 897,823,311	$ 919,819,452	$ 948,256,347	$ 971,666,105	$ 978,159,048	$ 955,264,285	$ 895,449,731
Total Net Debt Applicable to Limit	14,840,000	19,300,000	23,540,000	27,570,000	31,400,000	35,035,000	38,490,000	41,770,000	44,870,000	47,830,000
Legal Debt Margin	$ 901,683,946	$ 871,526,085	$ 869,892,552	$ 870,253,311	$ 884,784,452	$ 913,221,347	$ 933,176,105	$ 936,389,048	$ 910,394,285	$ 847,619,731
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.65%	2.21%	2.71%	3.17%	3.55%	3.84%	4.12%	4.46%	4.93%	5.64%

Year		Equalized Valuation Basis
2014		30,259,932,856
2015		31,303,722,527
2016		31,572,739,170
	[A]	$ 93,136,394,553
Average Equalized Valuation of Taxable Property	[A/3]	$ 31,045,464,851
Debt limit (3% of average)	[B]	$ 931,363,946 **(a)**
Net bonded school debt as of June 30, 2017	[C]	14,840,000
Legal debt margin	[B-C]	$ 916,523,946

Source: Abstract of Ratables and District Records.

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Community	School District Population [a]	Personal Income [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2016	Colts Neck	9,965	N/A	N/A	3.7%
	Englishtown	1,938	N/A	N/A	4.5%
	Farmingdale	1,293	N/A	N/A	5.5%
	Freehold Borough	11,891	N/A	N/A	4.1%
	Freehold Twp.	35,623	N/A	N/A	4.1%
	Howell	52,245	N/A	N/A	4.5%
	Manalapan	40,018	N/A	N/A	4.1%
	Marlboro	40,330	N/A	N/A	3.8%
2015	Colts Neck	10,039	$ 696,806,990	$ 69,410	4.2%
	Englishtown	1,955	135,696,550	69,410	5.4%
	Farmingdale	1,306	90,649,460	69,410	6.5%
	Freehold Borough	11,959	830,074,190	69,410	4.4%
	Freehold Twp.	35,807	2,485,363,870	69,410	4.4%
	Howell	52,104	3,616,538,640	69,410	5.1%
	Manalapan	40,169	2,788,130,290	69,410	4.4%
	Marlboro	40,671	2,822,974,110	69,410	4.0%
2014	Colts Neck	10,065	$ 664,481,235	$ 66,019	4.7%
	Englishtown	1,962	129,529,278	66,019	6.7%
	Farmingdale	1,298	85,692,662	66,019	8.4%
	Freehold Borough	11,973	790,445,487	66,019	5.2%
	Freehold Twp.	35,812	2,364,272,428	66,019	5.1%
	Howell	51,897	3,426,188,043	66,019	6.2%
	Manalapan	39,987	2,639,901,753	66,019	5.5%
	Marlboro	41,000	2,706,779,000	66,019	4.9%

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Community	School District Population [a]	Personal Income [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2013	Colts Neck	10,099	$ 635,237,199	$ 62,901	3.1%
	Englishtown	1,948	122,531,148	62,901	6.4%
	Farmingdale	1,311	82,463,211	62,901	6.1%
	Freehold Borough	12,047	757,768,347	62,901	7.0%
	Freehold Twp.	36,064	2,268,461,664	62,901	6.4%
	Howell	51,732	3,253,994,532	62,901	7.6%
	Manalapan	39,851	2,506,667,751	62,901	7.0%
	Marlboro	40,326	2,536,545,726	62,901	5.9%
2012	Colts Neck	10,094	$ 620,034,044	$ 61,426	7.6%
	Englishtown	1,909	117,262,234	61,426	7.1%
	Farmingdale	1,314	80,713,764	61,426	5.0%
	Freehold Borough	12,097	743,070,322	61,426	12.6%
	Freehold Twp.	36,086	2,216,618,636	61,426	7.4%
	Howell	51,109	3,139,421,434	61,426	8.9%
	Manalapan	39,229	2,409,680,554	61,426	8.3%
	Marlboro	40,201	2,469,386,626	61,426	6.8%
2011	Colts Neck	10,151	$ 592,361,605	$ 58,355	7.3%
	Englishtown	1,848	107,840,040	58,355	6.8%
	Farmingdale	1,330	77,612,150	58,355	4.8%
	Freehold Borough	12,063	703,936,365	58,355	12.1%
	Freehold Twp.	36,219	2,113,559,745	58,355	7.1%
	Howell	51,127	2,983,516,085	58,355	8.8%
	Manalapan	38,913	2,270,768,115	58,355	7.9%
	Marlboro	40,232	2,347,738,360	58,355	6.2%

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Community	School District Population [a]	Personal Income [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2010	Colts Neck	10,152	$ 669,209,688	$ 65,919	7.3%
	Englishtown	1,848	56,018,424	30,313	6.8%
	Farmingdale	1,330	41,795,250	31,425	4.7%
	Freehold Borough	12,063	281,441,853	23,331	12.0%
	Freehold Twp.	36,214	1,466,811,856	40,504	7.7%
	Howell	51,119	1,811,606,241	35,439	8.9%
	Manalapan	38,908	1,597,134,492	41,049	7.8%
	Marlboro	40,226	2,030,608,480	50,480	6.6%
2009	Colts Neck	10,065	$ 551,270,115	$ 54,771	7.2%
	Englishtown	1,916	104,941,236	54,771	6.7%
	Farmingdale	1,572	86,100,012	54,771	4.7%
	Freehold Borough	11,432	626,142,072	54,771	11.9%
	Freehold Twp.	34,589	1,894,474,119	54,771	7.5%
	Howell	51,551	2,823,499,821	54,771	8.8%
	Manalapan	39,390	2,157,429,690	54,771	7.8%
	Marlboro	40,546	2,220,744,966	54,771	6.6%
2008	Colts Neck	10,055	$ 576,684,415	$ 57,353	4.3%
	Englishtown	1,915	109,830,995	57,353	4.0%
	Farmingdale	1,569	89,986,857	57,353	2.8%
	Freehold Borough	11,413	654,569,789	57,353	7.3%
	Freehold Twp.	34,674	1,988,657,922	57,353	4.2%
	Howell	51,297	2,942,036,841	57,353	4.7%
	Manalapan	38,912	2,231,719,936	57,353	4.2%
	Marlboro	40,503	2,322,968,559	57,353	3.6%

Exhibit J-14
Sheet 4

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Community	School District Population [a]	Personal Income [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2007	Colts Neck	10,076	$ 562,502,776	$ 55,826	3.4%
	Englishtown	1,892	105,622,792	55,826	3.1%
	Farmingdale	1,574	87,870,124	55,826	2.2%
	Freehold Borough	11,444	638,872,744	55,826	5.7%
	Freehold Twp.	34,828	1,944,307,928	55,826	3.2%
	Howell	51,274	2,862,422,324	55,826	3.5%
	Manalapan	38,535	2,151,254,910	55,826	3.2%
	Marlboro	40,573	2,265,028,298	55,826	2.7%

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

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

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

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

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

Exhibit J-15

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2017		2008	
Employer	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Hackensack Meridian Health, Wall	12,794	3.86%	8,300	2.48%
Saker Shoprites Inc., Freehold	3,319	1.00%	-	-
CentraState Healthcare Inc., Freehold	2,646	0.80%	2,407	0.72%
RWJ Barnabas - Monmouth Medical Center, Long Branc	1,920	0.58%	-	-
Monmouth University, West Long Branch	1,506	0.45%	1,241	0.37%
NJ Resources, Wall	1,020	0.31%	831	0.25%
Visiting Nurse Assoc of Central Jersey, Red Bank	1,020	0.31%	834	0.25%
Commvault, Tinton Falls	892	0.27%	375	0.11%
Erickson Living - Seabrook Village, Tinton Falls	850	0.26%	-	-
Food Circus Supermarkets Inc., Middletown	750	0.23%	1,200	0.36%
	26,717	8.07%	15,188	4.54%

Most recent available data presented.

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

Exhibit J-16

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Instruction										
Regular	597.6	616.0	619.9	620.8	619.6	627.2	627.2	753.5	794.2	756.1
Special education	193.6	180.0	177.9	168.0	168.0	154.0	139.0	43.0	44.8	35.3
Other instruction	12.5	4.0	2.0	2.0	2.0	3.0	3.0	19.0	15.6	12.2
Support Services:										
Student & Instruction Rel. Svcs	191.2	207.0	208.5	223.0	223.0	205.8	202.8	177.7	185.1	187.5
School Administrative Services	60.0	44.0	44.0	44.0	44.0	61.0	61.0	59.0	65.5	61.4
General and Central Services	31.3	36.0	36.0	36.0	36.0	31.5	31.5	31.3	36.3	35.5
Plant Operations & Maintenance	127.0	118.0	119.0	118.0	117.0	128.5	128.5	137.0	158.0	149.0
Pupil Transportation	142.0	143.0	146.0	145.0	145.0	148.0	148.0	148.0	158.0	159.0
Total	1,355.2	1,348.0	1,353.3	1,356.8	1,354.6	1,359.0	1,341.0	1,368.5	1,457.5	1,396.0

Source: District Records

Exhibit J-17

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures a	Cost Per Pupil	Percentage Change	Teaching Staff b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) c	Average Daily Attendance (ADA) c	% Change in Average Daily Enrollment	Student Attendance Percentage
2017	10,813.0	208,222,156	19,257	12.13%	750	1.14.4	10,792.7	10,135.7	(2.47)	93.9%
2016	10,966.0	200,651,681	18,298	11.84%	770	1:14.2	10,908.0	10,268.4	(3.07)	94.1%
2015	11,302.5	194,111,975	17,174	4.97%	771	1:14.8	11,066.5	10,412.0	(1.66)	94.1%
2014	11,352.0	185,727,106	16,361	2.87%	776	1:15.2	11,253.9	10,558.1	0.06	93.8%
2013	11,445.0	182,030,689	15,905	4.59%	768	1:15.8	11,247.1	10,573.5	1.64	94.0%
2012	11,573.0	175,985,090	15,207	4.12%	749	1:14.8	11,065.3	10,457.2	(4.56)	94.5%
2011	11,737.0	176,004,757	14,996	-0.12%	737	1:15.9	11,594.5	10,912.9	0.18	94.1%
2010	11,726.0	176,055,601	15,014	2.76%	796	1:14.7	11,573.8	10,919.7	0.19	94.3%
2009	11,556.5	168,847,855	14,611	3.47%	818	1:14.1	11,552.1	10,908.2	(1.13)	94.4%
2008	11,703.0	165,254,535	14,121	5.03%	813	1:14.4	11,684.2	11,036.7	2.21	94.5%

Source: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.
b Teaching staff includes only full-time equivalents of certificated staff.
c Average daily enrollment & average daily attendance are obtained from the School Registers.

Exhibit J-18

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

District Building	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
High Schools										
Colts Neck High School (1998)										
Square Feet	219,490	219,490	219,490	219,490	219,490	219,490	219,490	219,490	219,490	219,490
Capacity (students)	1,748	1,748	1,748	1,748	1,748	1,748	1,748	1,748	1,748	1,748
Enrollment	1,430	1,457	1,450	1,493	1,513	1,478	1,523	1,481	1,550	1,721
Freehold Borough High School (1954)										
Square Feet	187,256	187,256	187,256	187,256	187,256	187,256	187,256	187,256	187,256	187,256
Capacity (students)	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564	1,564
Enrollment	1,422	1,451	1,478	1,551	1,580	1,566	1,534	1,433	1,395	1,416
Freehold Township High School (1968)										
Square Feet	256,293	256,293	256,293	256,293	256,293	256,293	256,293	256,293	256,293	256,293
Capacity (students)	2,224	2,224	2,224	2,224	2,224	2,224	2,224	2,224	2,224	2,224
Enrollment	2,041	2,062	2,102	2,091	2,127	2,162	2,193	2,208	2,191	2,240
Howell High School (1962)										
Square Feet	249,497	249,497	249,497	249,497	249,497	249,497	249,497	249,497	249,497	249,497
Capacity (students)	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274
Enrollment	2,112	2,154	2,217	2,252	2,299	2,456	2,488	2,475	2,351	2,317
Manalapan High School (1968)										
Square Feet	256,293	256,293	256,293	256,293	256,293	256,293	256,293	256,293	256,293	256,293
Capacity (students)	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341	2,341
Enrollment	1,890	1,908	1,934	1,917	1,948	1,991	2,038	2,065	2,018	2,029
Marlboro High School (1966)										
Square Feet	264,142	264,142	264,142	264,142	264,142	264,142	264,142	264,142	264,142	264,142
Capacity (students)	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450
Enrollment	1,919	1,937	1,956	1,950	1,971	1,920	1,961	2,015	2,052	2,155
Other										
Administration Building (1982)										
Square Feet	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Transportation										
Square Feet	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600
Maintenance Offices										
Square Feet	400	400	400	400	400	400	400	400	400	400

Number of Schools at June 30, 2017

High School = 6

Other = 3

Source: District records, ASSA

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

Exhibit J-19

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

GENERAL FUND

SCHEDULE OF ALLOWABLE MAINTENANCE FOR SCHOOL FACILITIES

LAST NINE FISCAL YEARS ENDING JUNE 30
UNAUDITED

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

School Facilities	Project (#)s	2017	2016	2015	2014	2013	2012	2011	2010	2009	Total
Colts Neck High School	NA	$ 583,941	$ 584,921	$ 553,134	$ 513,687	$ 491,650	$ 394,641	$ 494,294	$ 455,955	$ 510,603	$ 4,582,826
Freehold Borough High School	NA	317,779	311,401	313,838	316,229	388,514	342,022	345,303	395,160	442,524	3,172,770
Freehold Township High School	NA	435,215	374,632	390,224	446,244	413,928	473,569	392,440	547,144	612,725	4,086,121
Howell High School	NA	387,883	325,001	375,371	380,272	356,269	473,569	344,248	547,144	612,725	3,802,482
Manalapan-Englishtown High School	NA	366,303	326,996	345,078	401,235	453,715	473,569	333,065	547,144	612,725	3,859,830
Marlboro High School	NA	343,664	335,728	335,985	357,148	508,045	473,569	356,815	547,144	612,725	3,870,823
Total School Facilities		2,434,785	2,258,679	2,313,630	2,414,815	2,612,121	2,630,939	2,266,165	3,039,691	3,404,027	23,374,852
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		$ 2,434,785	$ 2,258,679	$ 2,313,630	$ 2,414,815	$ 2,612,121	$ 2,630,939	$ 2,266,165	$ 3,039,691	$ 3,404,027	$ 23,374,852

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

Source: District records

Exhibit J-20

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

INSURANCE SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2017
UNAUDITED

	Coverage	Deductible
Wells Fargo Insurance Services		
Property	$ 356,841,272	$ 5,000
Boiler/Machinery	75,000,000	1,000
Liability		
General	1,000,000	-
Excess Liability	10,000,000	1,000,000
Automobile	1,000,000	1,000
Employee Dishonesty	500,000	5,000
Board Legal	1,000,000	5,000
Environmental Impairment Liability	1,000,000	15,000 or 50,000 depending on condition
New Jersey School Boards Insurance Group		
Workers Compensation	Statutory	N/A
Crime:		
Board Secretary	500,000	1,000

Source: District Records

SINGLE AUDIT SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Freehold Regional High School District (the "District") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 2, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

Suplee Clooney & Company
CERTIFIED PUBLIC ACCOUNTANTS

Robert W. Suplee
PUBLIC SCHOOL ACCOUNTANT NO. 948

December 2, 2017

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

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

Report on Compliance for Each Major Federal and State Program

We have audited the Freehold Regional High School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the New Jersey *OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Jackson School District's major federal and state programs for the year ended June 30, 2017. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of the Freehold Regional High School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jackson School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *the Uniform Guidance* and New Jersey *OMB 15-08*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Freehold Regional High School District's internal control over compliance.

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

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

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

Suplee Clooney & Company
CERTIFIED PUBLIC ACCOUNTANTS

Robert W. Suplee
PUBLIC SCHOOL ACCOUNTANT NO. 948

December 2, 2017

SCHEDULE A
EXHIBIT K-3

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD FROM	GRANT PERIOD TO	BALANCE AT JUNE 30, 2016	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF P/Y'S BALANCE	BALANCE JUNE 30, 2017 (ACCOUNTS RECEIVABLE)	BALANCE JUNE 30, 2017 UNEARNED REVENUE	BALANCE JUNE 30, 2017 DUE GRANTOR
General Fund:													
U.S. Department of Education													
Passed-through State Department of Education:													
Medical Assistance Program (SEMI)	93.778	1605NJ5MAP	N/A	147,204	7/1/2016	6/30/2017		147,204	(147,204)				
Medical Assistance Program (SEMI)	93.778	1605NJ5MAP	N/A	155,496	7/1/2015	6/30/2016	(5,910)	5,910					
Total General Fund							(5,910)	153,114	(147,204)				
Special Revenue Fund:													
U.S. Department of Education													
Passed-through State Department of Education:													
Special Education Cluster													
I.D.E.A. Part B Basic	84.027	S027A151100	IDEA165016	2,102,279	7/1/16	6/30/17		1,516,189	(2,102,279)		(586,090)		
I.D.E.A. Part B Basic	84.027	S027A151100	IDEA165016	2,198,985	7/1/15	6/30/16	(411,669)	411,669					
Total Special Education Cluster							(411,669)	1,927,858	(2,102,279)		(586,090)		
Title I, Part A Basic	84.010	S010A150030	NCLB165015	767,960	7/1/16	6/30/17		489,047	(724,126)		(235,079)		
Title I, Part A Basic	84.010	S010A160030	NCLB165016	695,598	7/1/15	6/30/16	(116,872)	116,872					
Title II, Part A Teacher & Principal Training	84.367	S367A150029	NCLB165015	162,237	7/1/16	6/30/17		90,767	(154,829)		(64,062)		
Title II, Part A Teacher & Principal Training	84.367	S367A160029	NCLB165016	166,036	7/1/15	6/30/16	(13,711)	13,711					
Title III	84.365	S365A150030	NCLB165015	20,843	7/1/16	6/30/17		11,104	(15,827)		(4,723)		
Title III	84.365	S365A160030	NCLB165016	12,005	7/1/15	6/30/16	(2,550)	2,550					
Title III, Immigrant	84.365	S365A150030	NCLB165015	6,050	7/1/16	6/30/17		5,986	(5,987)		(1)		
Vocational Education - Perkins	84.048	V048A150030	N/A	26,010	7/1/16	6/30/17		25,433	(26,008)		(575)		
JROTC	84.000	N/A	N/A	36,100	7/1/16	6/30/17		36,100	(36,100)				
Total U.S. Department of Education							(544,802)	2,719,428	(3,065,157)		(890,531)		
Total Special Revenue Fund							(544,802)	2,719,428	(3,065,157)		(890,531)		
Enterprise Fund:													
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Child Nutrition Cluster													
School Breakfast Program	10.553	16161NJ304N1099	N/A	37,836	7/1/16	6/30/17		35,352	(37,836)		(2,484)		
School Breakfast Program	10.553	16161NJ304N1099	N/A	43,518	7/1/15	6/30/16	(8,987)	8,987					
National School Lunch Program	10.555	16161NJ304N1099	N/A	444,939	7/1/16	6/30/17		417,011	(444,939)		(27,928)		
National School Lunch Program	10.555	16161NJ304N1099	N/A	441,918	7/1/15	6/30/16	(81,457)	81,457					
Total Child Nutrition Cluster							(90,444)	542,807	(482,775)		(30,412)		
Healthy Hunger Free Kids Act	10.551	16161NJ304N1099	N/A	23,448	7/1/16	6/30/17		21,996	(23,448)		(1,452)		
Healthy Hunger Free Kids Act	10.551	16161NJ304N1099	N/A	24,046	7/1/15	6/30/16	(4,296)	4,296					
Commodity Supplemental Food Program	10.565	16161NJ304N1099	N/A	143,113	7/1/16	6/30/17		143,113	(139,596)			3,517	
Commodity Supplemental Food Program	10.565	16161NJ304N1099	N/A	111,194	7/1/15	6/30/16	3,079		(3,079)				
Total Enterprise Fund							(91,661)	712,212	(648,898)		(31,864)	3,517	
Total Federal Financial Assistance							(642,373)	3,584,754	(3,861,259)		(922,395)	3,517	

See accompanying notes to schedules of financial assistance.

EXHIBIT "K-4"
SCHEDULE "B"

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2016 DUE STATE/ (ACCTS REC)	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE JUNE 30, 2017 (ACCOUNTS RECEIVABLE)	BALANCE JUNE 30, 2017 UNEARNED REVENUE	BALANCE JUNE 30, 2017 DUE GRANTOR	MEMO BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
State Department of Education												
General Funds:												
State Aid Public Cluster												
Categorical Special Education Aid	16-495-034-5120-011	$ 7,030,185	07/01/15 6/30/16	$	$ 696,632	$	$ (696,632)	$	$	$	$	$ 7,030,185
Equalization Aid	16-495-034-5120-078	40,713,982	07/01/15 6/30/16		4,034,409		(4,034,409)					40,713,982
Categorical Security Aid	16-495-034-5120-084	735,594	07/01/15 6/30/16		72,891		(72,891)					735,594
Adjustment Aid	16-495-034-5120-085	1,636,230	07/01/15 6/30/16		162,136		(162,136)					1,636,230
PARCC Readiness Aid	16-495-034-5120-098	113,720	07/01/15 6/30/16		11,269		(11,269)					113,720
Per Pupil Growth Aid	16-495-034-5120-097	113,720	07/01/15 6/30/16		11,269		(11,269)					113,720
Categorical Special Education Aid	17-495-034-5120-011	7,030,185	07/01/16 6/30/17		6,331,179	(7,030,185)	699,006				699,006	7,030,185
Equalization Aid	17-495-034-5120-078	40,713,982	07/01/16 6/30/17		36,665,819	(40,713,982)	4,048,163		0		4,048,163	40,713,982
Categorical Security Aid	17-495-034-5120-084	735,594	07/01/16 6/30/17		662,454	(735,594)	73,140		0		73,140	735,594
Adjustment Aid	17-495-034-5120-085	1,636,230	07/01/16 6/30/17		1,473,541	(1,636,230)	162,689				162,689	1,636,230
PARCC Readiness Aid	17-495-034-5120-098	113,720	07/01/16 6/30/17		102,413	(113,720)	11,307				11,307	113,720
Per Pupil Growth Aid	17-495-034-5120-097	113,720	07/01/16 6/30/17		102,413	(113,720)	11,307				11,307	113,720
Professional Learning Community Aid	17-495-034-5120-101	110,130	07/01/16 6/30/17		99,180	(110,130)	10,950				10,950	110,130
Total State Aid Public Cluster		100,796,992			50,425,604	(50,453,561)	27,956		0		5,016,562	100,796,992
Categorical Transportation Aid	17-495-034-5120-014	1,110,522	07/01/16 6/30/17		1,000,104	(1,110,522)	110,418				110,418	
Categorical Transportation Aid	16-495-034-5120-014	1,110,522	07/01/15 6/30/16		110,043		(110,043)					1,110,522
Extraordinary Special Education Costs Aid	16-100-034-5120-473	2,535,765	07/01/15 6/30/16	(2,535,765)	2,535,765							2,535,765
Extraordinary Special Education Costs Aid	17-100-034-5120-473	2,928,002	07/01/16 6/30/17			(2,928,002)		(2,928,002)			2,928,002	2,928,002
Non-Public Transportation Costs Aid	16-100-034-5120-068	81,217	07/01/15 6/30/16	(81,217)	81,217							81,217
Non-Public Transportation Costs Aid	17-100-034-5120-068	98,512	07/01/16 6/30/17			(98,512)		(98,512)			98,512	98,512
On-behalf Long-term Disability Insurance	17-495-034-5094-004	15,316	07/01/16 6/30/17		15,316	(15,316)						15,316
On-behalf TPAF Pension	17-495-034-5094-002	8,422,087	07/01/16 6/30/17		8,422,087	(8,422,087)						8,422,087
On-behalf TPAF Post Retirement Medical	17-495-034-5094-001	7,017,514	07/01/16 6/30/17		7,017,514	(7,017,514)						7,017,514
Reimbursed TPAF Social Security	16-495-034-5095-051	5,503,498	07/01/15 6/30/16	(270,088)	270,088							5,503,498
Reimbursed TPAF Social Security	17-495-034-5095-051	5,566,615	07/01/16 6/30/17		5,291,488	(5,566,615)		(275,127)			275,127	5,566,615
Total General Funds				(2,887,070)	75,169,226	(75,612,129)	28,331	(3,301,641)	0		8,428,622	134,076,040
Special Revenue Fund:												
N.J. Nonpublic Aid:												
Textbook Aid	16-100-034-5120-064	12,162	07/01/15 6/30/16	3,646			(3,646)					8,516
Textbook Aid	17-100-034-5120-064	14,987	07/01/16 6/30/17		14,987	(10,176)				4,811		10,176
Nursing Services	16-100-034-5120-070	20,340	07/01/15 6/30/16	8,305			(8,305)					12,035
Nursing Services	17-100-034-5120-070	24,930	07/01/16 6/30/17		24,930	(9,201)				15,729		9,201
Technology Aid	16-100-034-5120-373	5,538	07/01/15 6/30/16	1,024			(1,024)					4,514
Technology Aid	17-100-034-5120-373	6,760	07/01/16 6/30/17		6,760	(6,101)				659		6,101
Security Aid	16-100-034-5120-509	5,075	07/01/15 6/30/16	996			(996)					4,079
Security Aid	16-100-034-5120-509	13,850	07/01/16 6/30/17		13,850	(13,592)				258		13,592
Handicapped Services:												
Supplemental Instruction	16-100-034-5120-066	743	07/01/15 6/30/16	743			(743)					
Exam and Classification	16-100-034-5120-066	1,534	07/01/15 6/30/16	1,534			(1,534)					
Career Pathways - Vocational Aid	17-100-034-5062-032	91,424	3/1/17 2/28/18			(4,501)		(4,501)				4,501
Career Pathways - Vocational Aid	17-100-034-5062-032	80,575	4/1/16 2/28/17		80,428	(80,428)						80,428
Total Special Revenue Fund				16,248	140,955	(123,998)	(16,248)	(4,501)		21,458		153,142
Debt Service Fund:												
Debt Service Aid Type II	17-100-034-5120-125	1,319,302	07/01/16 6/30/17		1,319,302	(1,319,302)						1,319,302
Total Debt Service Fund					1,319,302	(1,319,302)						1,319,302
Enterprise Fund:												
National School Lunch Program (State Share)	16-100-034-5120-122	18,676	07/01/15 6/30/16	(3,199)	3,199							18,676
National School Lunch Program (State Share)	17-100-034-5120-122	17,392	07/01/16 6/30/17		16,313	(17,392)		(1,079)			1,079	17,392
Total Enterprise Fund				(3,199)	19,512	(17,392)		(1,079)			1,079	36,068
New Jersey Economic Development Authority												
Capital Projects Fund:												
Freehold Boro High School - Roof	1650-080-14-G2AF	479,758	Ongoing	(496,423)			49,735	(446,688)			446,688	446,688
Marlboro High School - Roof	1650-080-14-G2AJ	336,764	Ongoing	(319,926)		(16,838)		(336,764)			336,764	336,764
Freehold Boro High School - Boiler/HVAC	1650-080-14-G2AE	668,136	Ongoing	(634,702)		(27)		(634,729)			634,729	634,729
Colts Neck High School - Roof	1650-010-14-G2WA	249,373	Ongoing	(237,027)		(12,346)		(249,373)			249,373	249,373
Freehold Township High School - Roof	1650-055-14-G2AG	389,125	Ongoing	(323,734)		(45,935)		(369,669)			369,669	369,669
Howell High School - Roof	1650-060-14-G2AH	631,819	Ongoing	(593,808)		(38,011)		(631,819)			631,819	631,819
Manalapan High School - Roof	1650-070-14-G2AI	408,419	Ongoing	(387,998)				(387,998)			387,998	387,998
Total Capital Projects Fund				(2,993,618)		(113,157)	49,735	(3,057,039)			3,057,039	3,057,039
Total State Financial Assistance				$ (5,867,639)	$ 76,648,995	$ (77,185,977)	$ 61,818	$ (6,364,261)	$ 0	$ 21,458	$ 11,486,740	$ 138,641,591
Less: On-Behalf amounts not utilized for determination of Major Programs:												
On-behalf TPAF non-contributory insurance												
On-behalf Long-term Disability Insurance					(15,316)	15,316						
On-behalf TPAF Pension					(8,422,087)	8,422,087						
On-behalf TPAF post retirement medical					(7,017,514)	7,017,514						
Total State Financial Assistance Subject to Single Audit					61,194,078	(61,731,060)						

See accompanying notes to schedules of financial assistance.

EXHIBIT "K-5"

Freehold Regional High School District
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2017

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Freehold Regional High School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2017

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $28,332 for the general fund, $2,385 for the special revenue fund and 49,735 for the capital projects fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2017. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2017.

EXHIBIT "K-6"

Freehold Regional High School District
Monmouth County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

Section I – Summary of Auditor's Results

Financial Statements

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

Federal Program(s)

(1)	Internal Control Over Major Federal Programs:	
	(a) Material weaknesses identified?	No
	(b) Significant deficiencies identified that are not considered to be material weaknesses?	No
(2)	Type of Auditor's Report issued on compliance for major federal program(s)?	Unmodified
(3)	Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular OMB Uniform Guidance?	No

(4) Identification of Major Federal Program(s):

Program	CFDA
Title I	84.010
Child Nutrition Cluster	10.553/10.555

(5) Program Threshold Determination:
Type A Federal Program Threshold > $750,000.00
Type B Federal Program Threshold <= $750,000.00

(6) Auditee qualified as a low-risk auditee under OMB Circular Uniform Guidance? Yes

EXHIBIT "K-6"

Freehold Regional High School District
Monmouth County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

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

State Program(s)

(1) Internal Control Over Major State Programs:

(a)	Material weakness(es) identified?	No
(b)	Significant deficiencies identified that are not considered to be material weaknesses?	No

(2) Type of Auditor's Report issued on compliance for major state program(s)? Unmodified

(3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? No

(4) Identification of Major State Program(s):

Program Title	Project Number
Equalization Aid	495-034-5120-078
Categorical Special Education Aid	495-034-5120-089
Categorical Security Aid	495-034-5120-084
Adjustment Aid	495-034-5120-085
Per Pupil Growth Aid	495-034-5120-097
PARCC Readiness	495-034-5120-098
Professional Learning Community Aid	495-034-5120-101
Transportation Aid	495-034-5120-014
Debt Service Aid	100-034-5120-125

(5) Program Threshold Determination:
Type A State Program Threshold > $1,851.932.00
Type B State Program Threshold <= $1,851,932.00

(6) Auditee qualified as a low-risk auditee under OMB Circular 15-08? Yes

EXHIBIT "K-6"

Freehold Regional High School District
Monmouth County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

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

Internal Control Findings – None Reported

Compliance Findings – None Reported

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

Federal Programs – None Reported

State Programs – None Reported

EXHIBIT “K-7”

Freehold Regional High School District
Monmouth County, New Jersey

Schedule of Prior Year Audit Findings

Not Applicable