

**FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
ENGLISHTOWN, NEW JERSEY**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2010**

**Prepared by: Sean Boyce CPA
Business Office**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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FREEHOLD REGIONAL HIGH SCHOOL DISTRICT

Dr. Suzanne M. Koegler

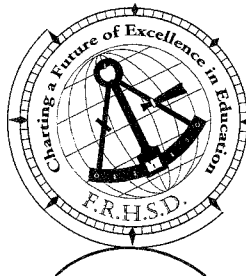
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November 16, 2010

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, 2010. 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 the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the independent auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

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.

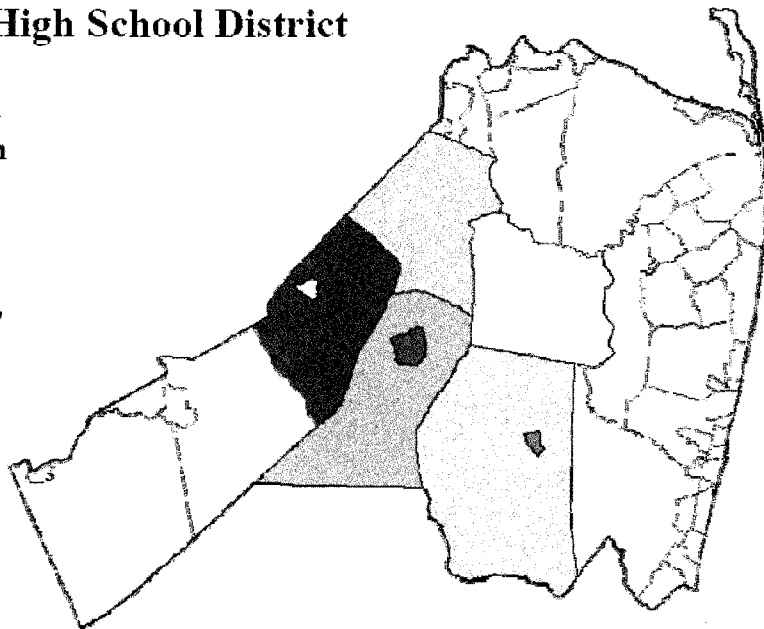
The Superintendent is the chief executive officer of the School District, responsible to the Board for total educational and support operations. The Assistant Superintendent for Business/Board Secretary is the chief financial officer of the School District, responsible to the Board for maintaining all 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 11,817.5 resident students, 11,652.5 students are enrolled in one of the Freehold Regional High School District's six high schools.

Freehold Regional High School District

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

**Monmouth County
New Jersey**



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.

Economic Condition

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

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

The District's resident student per the October 15, 2010 ASSA was 11,817.5, which is 30.5 students above the previous year's ASSA. The following details the changes in the average daily enrollment of the District over the last five years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2009-10	11,573.8	.19
2008-09	11,552.1	-1.13
2007-08	11,684.2	1.16
2006-07	11,549.9	1.04
2005-06	11,432.1	2.41

Outlook for the Future: Fiscal Year 2010-2011 and Beyond

New Jersey school districts enter the 2010-2011 fiscal year with significantly less resources available to deliver programs and services to the students of this state. With the prospect of additional revenue via state aid or property taxes remaining bleak, Freehold Regional High School District is working to refine the focus of public education in order to concentrate our scarce resources on the highest priority programs and services. Subsequent budgets will reflect a commitment to sustainable programs that support the core mission of the district.

Educational Program

"The mission of the Freehold Regional High School District is to develop global lifelong learners through a comprehensive educational program of diverse and enriching opportunities within a supportive environment. The district's educational community fosters the development of character, initiative, creativity and excellence while maximizing the unique potential of each individual."

The District meets advanced academic needs through a wide assortment of accelerated and Advanced Placement classes at each high school. The District also hosts six unique specialized learning centers for highly motivated and gifted students in particular subject disciplines. All students from the region may apply for competitive admission. Specialized learning centers operate in the areas of Business Administration, Contemporary Global Issues, Humanities, Law and Public Services, Medical Sciences, and Science and Engineering.

The District also operates several academies designed to provide students with career exploration, employment skills, and college readiness. Academy programs include, Animal and Botanical Sciences, Computer Science, Culinary Arts/Hospitality Management (with its own licensed and student-operated restaurant), Fine and Performing Arts, Law Enforcement and Public Safety, and Navy Junior ROTC.

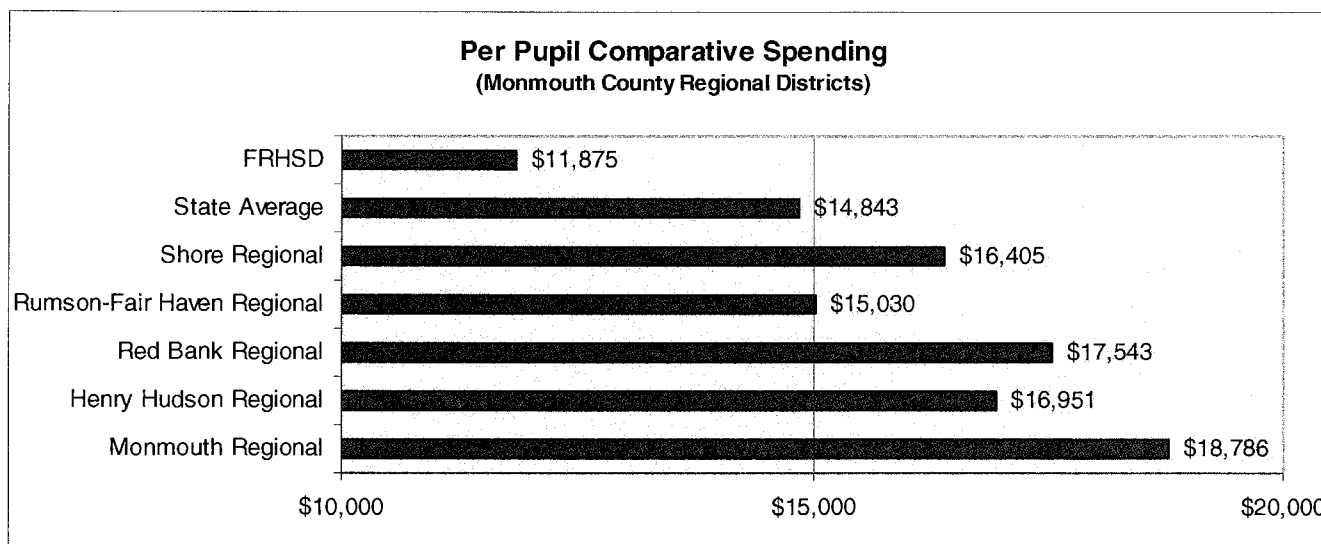
In addition to these specialized magnet programs, the District also participates in cooperative dual education programs and articulation agreements with colleges, universities and trade schools across the country. District students also have the opportunity to receive credit for independent study and other specialized opportunities in areas in which they harbor unique talents and skills.

We have much to be proud of at the Freehold Regional High School District. Our staff works diligently to meet all expectations and continue to raise the bar of academic excellence for all students. We are also very fortunate to have so many talented and enthusiastic students. FRHSD students excel in both academics and extra-curricular

activities. High school proficiency tests and PSAT, SAT scores consistently exceed state averages. The number of students taking Advanced Placement exams is almost twice the state average. Over 90 percent of FRHSD graduating seniors go on to some form of post-secondary education. In addition to balancing rigorous academic programs and extensive involvement in sports and/or extra-curricular activities, our students demonstrate a strong commitment to volunteerism and community service.

In March 2010, the New Jersey Department of Education released its Comparative Spending Guide for all school districts in the State. The guide compares districts of like size and grade structure. The Freehold Regional High School District was compared with 47 other 9-12 and 7-12 grade districts within the State. For the past decade the District has fared well in this independent and objective analysis. The report showed that the District budgeted \$11,875 per pupil in 2009-10, or 19.9% lower than the average cost for similar districts at \$14,843.

The Freehold Regional High School District has consistently spent significantly less per student than similar districts while maintaining higher than average standardized test scores and offering numerous co-curricular and athletic opportunities.



Major Initiatives

Freehold Regional High School District is addressing the redesign of public education in New Jersey through the following initiatives:

- Staffing assessment to ensure the appropriate balance between quality and cost
- Long term facility funding anchored by solar energy
- Implementing a pay-to-participate program for athletics and activities
- Aggressively seeking partnerships with private industry

Additionally, the district continues to assess our investment in academic programs to ensure the highest return on the community's investment in education.

Financial Information

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

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

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

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at fiscal year end.

Cash Management

The investment policy of the District is guided in large part by state statutes as detailed in "Notes to Basic Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Risk Management

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds. The Assistant Superintendent for Business Administration oversees risk management for the District. A schedule of insurance coverage is found in the Statistical Section as Schedule J-20.

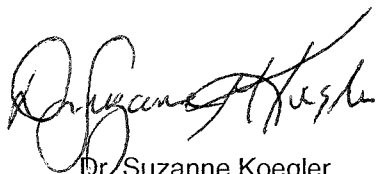
Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of Suplee, Clooney & Company was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996, and the related U.S. Office of Management and Budget Circular, "Audits of State, Local Governments and Non-Profit Organizations" A-133 and the State Treasury Circular Letter 04-04 OMB "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

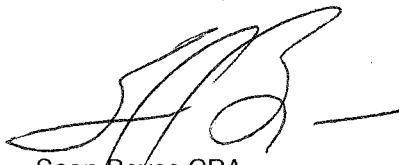
Acknowledgements

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,



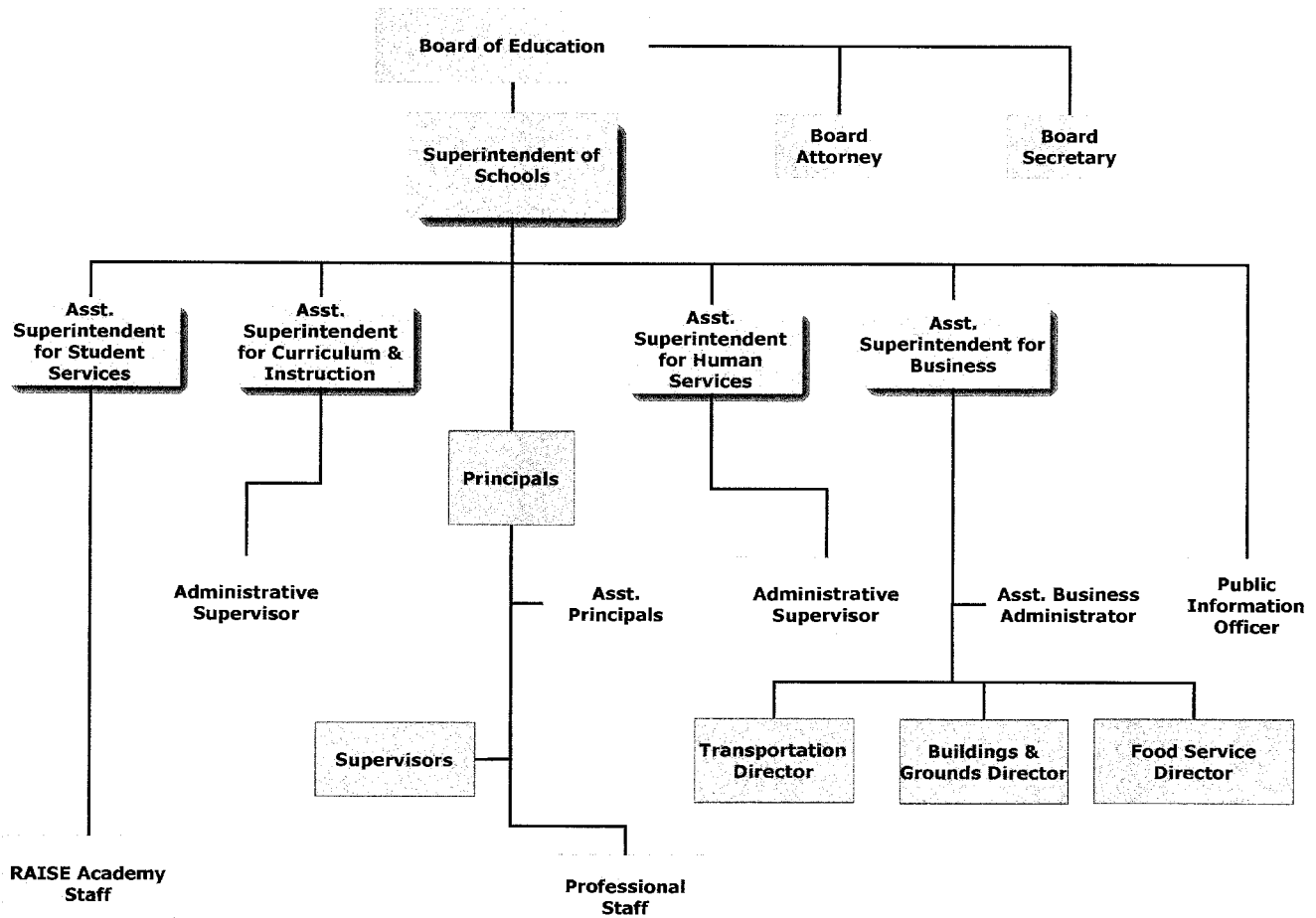
Dr. Suzanne Koegler
Acting Superintendent



Sean Boyce CPA
Assistant Superintendent for Business
Administration/Board Secretary

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

TABLE OF ORGANIZATION
JUNE 30, 2010



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

**ROSTER OF OFFICIALS
JUNE 30, 2010**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Ronald G. Lawson, President	2013
Harold Moses, Vice President	2012
William Bruno	2012
Thomas Caiazza	2011
Elizabeth Canario	2013
Barry Hochberg	2011
Kathie Lavin	2013
Christopher Placitella	2011
Jennifer Sutera	2012

Other Officials

Dr. Suzanne Koegler, Acting Superintendent

Sean Boyce, Assistant Superintendent for Business Administration/Board Secretary

Lawrence Schwartz, Esq., Solicitor

**FREEHOLD REGIONAL HIGH SCHOOL BOARD OF EDUCATION
CONSULTANTS AND ADVISORS
JUNE 30, 2010**

Audit Firm

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

Attorney

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Schwartz, Simon, Edelstein, Celso & Zitomer LLP
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Morristown, New Jersey 07962

Official Depository

Bank of America
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Freehold, New Jersey 07728



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

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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 07726

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, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. The financial statements of the Freehold Regional High School District as of June 30, 2009 were audited by other auditors whose report dated October 30, 2009 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

SUPLEE, CLOONEY & COMPANY

In accordance with Government Auditing Standards, we have also issued our report dated November 16, 2010 on our consideration of the Freehold Regional High School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the required supplementary information, as listed in the foregoing table of contents, respectively, are not a required part of the basic financial statements but are supplementary information required by the U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 introductory section, combining and individual fund schedules and statements, other schedules, statistical tables and the schedules of expenditures of federal awards and state financial assistance as listed in the table of contents are presented for purposes of additional analysis as required by the State of New Jersey, Department of Education, Division of Finance and are not a required part of the basic financial statements of the Freehold Regional High School District, County of Monmouth, New Jersey. Such information, except for the introductory section and that portion marked unaudited on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


CERTIFIED PUBLIC ACCOUNTANTS

November 16, 2010


PUBLIC SCHOOL ACCOUNTANT NO. 93

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REQUIRED SUPPLEMENTARY INFORMATION – PART I

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
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, 2010. 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 (2009-2010) and the prior fiscal year (2008-2009) is presented in the MD&A.

Financial Highlights

Key financial highlights for 2010 are as follows:

- In total, net assets of governmental activities increased \$3,847,463, which represents a 5.3 percent increase from 2009. The change was primarily due to the payment of debt principle. Net assets of business-type activities increased \$13,345, which represents a 1.5 percent increase from 2009.
- General revenues accounted for \$184,985,363 in revenue, or 99.4 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,151,417, or .6 percent of total revenues of \$186,136,780.
- Total assets increased by \$1,576,482 as cash and cash equivalents decreased by \$1,640,203, receivables increased by \$4,365,525, net capital assets decreased by \$1,053,265 and other assets decreased by \$95,575. The receivable balance is comprised of federal, state and property tax due from municipal governments. The reason for the decrease in net capital assets is that depreciation of assets exceeded the cost of putting new assets into service.
- The School District had \$182,289,317 in governmental activity expenses; only \$1,151,417 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$184,985,363 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$175,844,688 in revenues and \$174,553,600 in expenditures. The General Fund's fund balance increased \$1,089,400 from 2009.

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.

The *Statement of Net Assets* 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED (CONTINUED)**

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

This document looks at all financial transactions and asks the question, "How did we do financially during 2010?" The Statement of Net Assets 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 assets and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position of 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 Assets 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, 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 Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED (CONTINUED)**

Enterprise Fund

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found on pages 32 to 49 of this report.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Net assets 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 assets for 2010 and 2009.

**Table 1
Net Assets**

	Governmental Activities		Business-type Activities	
	<u>FY 2010</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2009</u>
Assets				
Current and Other Assets	\$ 15,288,017	\$ 12,885,986	\$ 1,115,566	\$ 1,007,898
Capital Assets, Net	108,074,435	109,016,335	126,753	118,069
Total Assets	\$ 123,362,452	\$ 121,902,321	\$ 1,242,319	\$ 1,125,967
Liabilities				
Long-term Liabilities	\$ 39,513,281	\$ 43,435,760	\$ -	\$ -
Other Liabilities	7,562,847	6,027,701	364,040	261,033
Total Liabilities	\$ 47,076,128	\$ 49,463,461	\$ 364,040	\$ 261,033
Net Assets				
Invested in Capital Assets, Net of				
Related Debt	\$ 66,304,436	\$ 64,266,384	\$ 126,753	\$ 118,069
Restricted	6,513,220	8,567,707	-	-
Unrestricted (Deficit)	3,468,668	(395,231)	751,526	746,865
Total Net Assets	\$ 76,286,324	\$ 72,438,860	\$ 878,279	\$ 864,934

The District's combined net assets were \$77,164,603 on June 30, 2010. This was an increase of 5.27 percent from the prior year.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED (CONTINUED)**

Table 2 shows changes in net assets for fiscal year 2010 and 2009.

**Table 2
Changes in Net Assets**

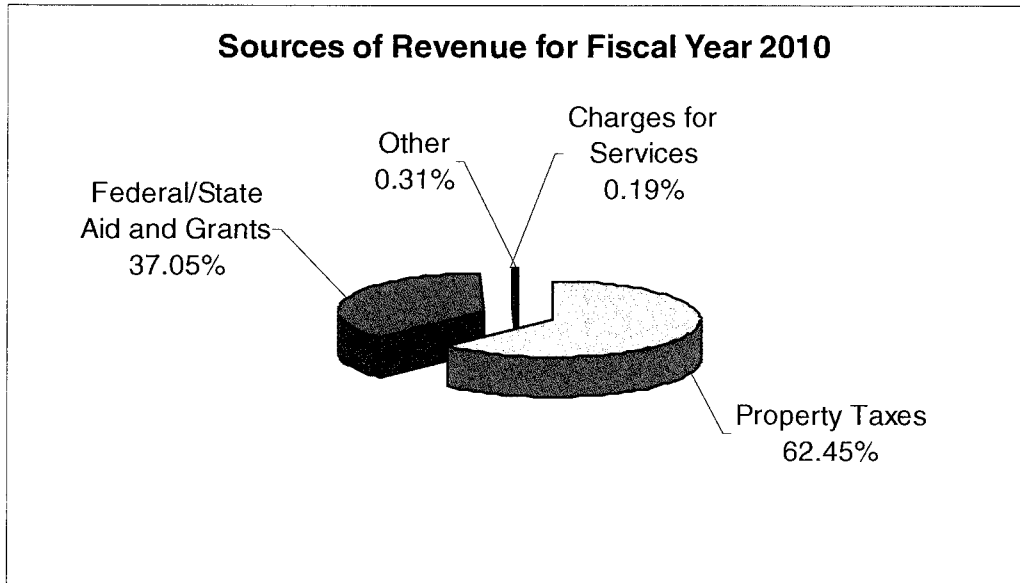
	Governmental Activities		Business-type Activities	
	<u>FY 2010</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2009</u>
Revenues				
Program Revenues:				
Charges for Services	\$ 352,974	\$ 107,441	\$ 3,167,523	\$ 3,461,930
Operating Grants and Contributions	798,443	855,928	495,107	553,582
General Revenues:				
Property Taxes	116,245,957	114,357,196	-	-
Grants and Entitlements	68,153,544	62,811,715	-	-
Other	585,862	781,588	-	-
Total Revenues	<u>\$ 186,136,780</u>	<u>\$ 178,913,868</u>	<u>\$ 3,662,630</u>	<u>\$ 4,015,512</u>
Program Expenses				
Instruction	\$ 98,463,595	\$ 91,693,593	\$ -	\$ -
Support Services:				
Pupils and Instructional Staff	30,689,617	30,415,101	-	-
General Administration, School Administration, Central Services, and Maintenance of Facilities	32,320,283	32,201,919	-	-
Student Transportation Services	18,190,193	18,485,087	-	-
Interest on Debt	2,201,017	2,364,710	-	-
Food Service	-	-	3,649,285	3,919,325
Other	424,612	382,298	-	-
Total Expenses	<u>182,289,317</u>	<u>175,542,708</u>	<u>3,649,285</u>	<u>3,919,325</u>
Transfers	-	-	-	-
Increase (Decrease) in Net Assets	<u>\$ 3,847,463</u>	<u>\$ 3,371,160</u>	<u>\$ 13,345</u>	<u>\$ 96,187</u>

Governmental Activities

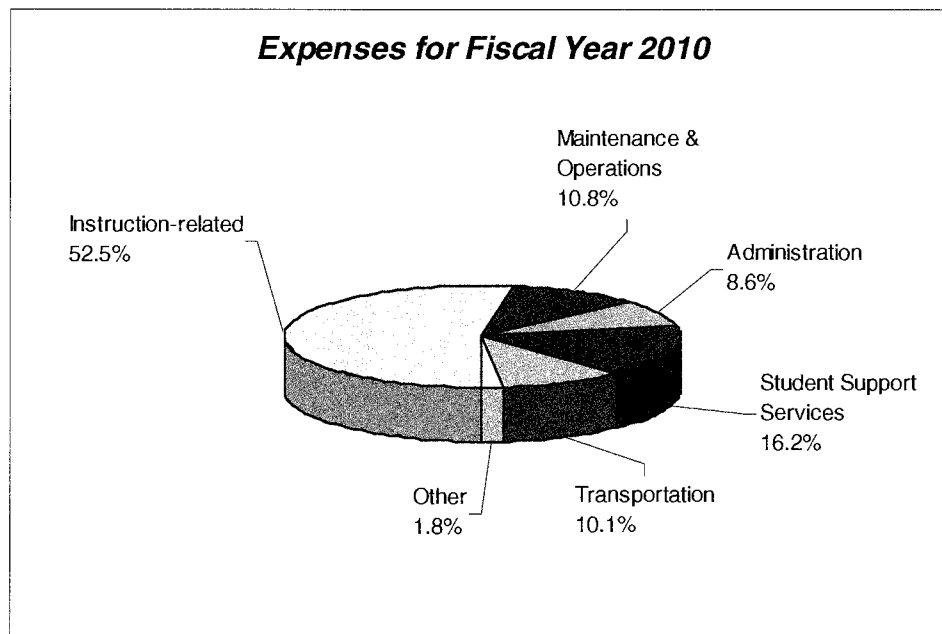
The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 62.45 percent of revenues for fiscal year 2010 and 63.92 percent for fiscal year 2009. Property tax revenues increased by \$1,888,761 which is a 1.7 percent increase over the prior year; while grants and entitlements grew by 8.5 percent primarily from an infusion of federal ARRA funds.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED (CONTINUED)**



The total cost of all programs and services was \$182,289,317. Instruction comprised 52.5 percent of District expenses.



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED (CONTINUED)**

Business-Type Activities

Revenues for the District's business-type activities (food service and extra curricular programs) were comprised of charges for services and federal and state reimbursements.

- Food service revenues exceeded expenditures by \$13,345. This result was consistent with the expectations of the program.
- Charges for services represent \$3,167,523 of revenue. This represents \$2,944,677 paid by patrons for daily food service, and \$222,845 paid by users of the extra curricular program. Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfasts, and donated commodities was \$495,107.

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

	<u>Total Cost of Services 2010</u>	<u>Net Cost of Services 2010</u>	<u>Total Cost of Services 2009</u>	<u>Net Cost of Services 2009</u>
Instruction	\$ 98,463,595	\$ 98,227,545	\$ 91,693,593	\$ 91,658,066
Support Services:				
Pupils and Instructional Staff	30,689,617	30,689,617	30,415,101	30,415,101
General Administration, School Administration, Central Services	14,855,244	14,855,244	14,156,483	14,156,483
Operations and Maintenance of Facilities	17,465,039	17,348,115	18,045,436	17,973,522
Pupil Transportation	18,190,193	18,190,193	18,485,087	18,485,087
Interest and Fiscal Charges	2,235,320	1,436,877	2,399,013	1,543,085
Other	390,309	390,309	347,995	347,995
Total Expenses	<u>\$ 182,289,317</u>	<u>\$ 181,137,900</u>	<u>\$ 175,542,708</u>	<u>\$ 174,579,339</u>

- Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.
- Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.
- General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.
- Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.
- Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.
- Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

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

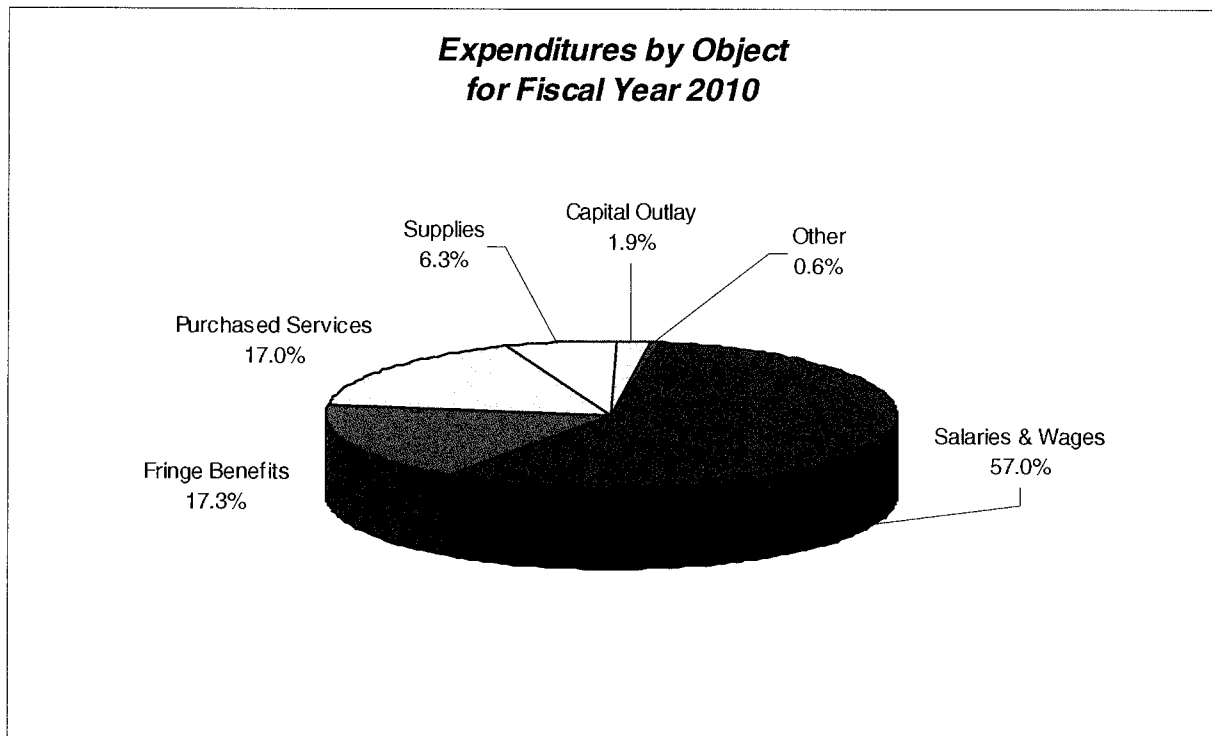
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED (CONTINUED)**

- "Other" includes special schools and transfer to charter school.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$186,136,779 and expenditures were \$185,047,379. The net change in fund balance was \$1,089,400. 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.

As the graph below illustrates, the largest portion of General Fund expenditures is for salaries. The District is a service entity and as such is labor intensive.



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED (CONTINUED)**

**Table 4
Expenditures by Object for the Fiscal Year Ended June 30,**

	FY 2010	FY 2009	Percentage Change
Salaries & Wages \$	96,595,633	\$ 93,462,004	3.35%
Fringe Benefits	29,363,485	25,945,043	13.18%
Purchased Services	28,778,668	27,660,674	4.04%
Supplies	10,609,493	11,565,863	-8.27%
Capital Outlay	3,298,358	2,902,082	13.65%
Other	948,998	758,565	25.10%
Total \$	169,594,635	\$ 162,294,231	4.50%

Expenditures are up \$7.3 million or 4.5% over the prior year primarily due to the cost of health benefits.

General Fund Budgeting Highlights

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

Capital Assets

At the end of the fiscal year 2010, the School District had \$108,201,188 invested in land, buildings, and machinery and equipment. Table 5 shows fiscal year 2010 balances compared to 2009.

**Table 5
Capital Assets (Net of Depreciation) at June 30,**

	<u>FY 2010</u>	<u>FY 2009</u>
Governmental activities:		
Land	\$ 446,488	\$ 446,488
Site improvements	1,421,842	1,496,174
Building and Building Improvements	98,021,250	100,798,761
Machinery and Equipment	8,184,855	6,394,961
Government activities capital assets, net	<u>\$ 108,074,435</u>	<u>\$ 109,136,384</u>
 Business-type activities:		
Food Service Equipment	126,753	118,069
Total	<u>\$ 108,201,188</u>	<u>\$ 109,254,453</u>

Overall capital assets decreased \$1,053,265 from fiscal year 2009 to fiscal year 2010. The reason for the decrease in net capital assets is that depreciation of assets exceeded the cost of putting new assets into service. For more detailed information, please refer to Note 7 to the Basic Financial Statements.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED (CONCLUDED)**

Debt Administration

Among the district's outstanding liabilities at June 30, 2010, \$1,023,281 is for compensated absences and \$41,770,000 of serial bonds for school construction.

**Table 6
Outstanding Debt at June 30,**

	<u>FY 2010</u>	<u>FY 2009</u>
2000 General obligation bonds	\$ -	\$ 2,985,000
2001 General obligation bonds	41,770,000	41,885,000
Total	<u>\$ 41,770,000</u>	<u>\$ 44,870,000</u>

For more detailed information, please refer to Note 8 to the Basic Financial Statements.

For the Future

- Ⓐ The Freehold Regional High School District is presently in good financial condition. However, many challenges face public education with regard to adequacy of funding. The District is actively collaborating with the community to continue focusing on programs and services that provide the greatest value to the students.
- Ⓐ It is important that the District continues to support expenditures for capital maintenance of our schools and support facilities.

Contacting the School District's Financial Management

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.frhds.com.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 3,286,181	\$ 718,628	\$ 4,004,809
Receivables, net	11,682,299	379,472	12,061,771
Inventory	-	17,466	17,466
Deferred Bond Issuance Costs, Net	319,537	-	319,537
Capital Assets			
Land	446,488	-	446,488
Other Capital Assets net of depreciation	107,627,947	126,753	107,754,700
Total Assets	<u>123,362,452</u>	<u>1,242,319</u>	<u>124,604,771</u>
LIABILITIES			
Accounts Payable	951,359	323,707	1,275,066
Accrued Expenses	696,167	-	696,167
Other Liabilities	136,851	40,333	177,184
Deferred Revenue	27,278	-	27,278
Accrued Liability for Insurance Claims	2,363,192	-	2,363,192
Deposits Payable	108,000	-	108,000
Noncurrent Liabilities:			
Due Within One Year	3,280,000	-	3,280,000
Due Beyond One Year	39,513,281	-	39,513,281
Total Liabilities	<u>47,076,128</u>	<u>364,040</u>	<u>47,440,168</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	66,304,436	126,753	66,431,189
Restricted for:			
Other Purposes	6,513,220	-	6,513,220
Unrestricted	3,468,668	751,526	4,220,194
Total Net Assets	<u>\$ 76,286,324</u>	<u>\$ 878,279</u>	<u>\$ 77,164,603</u>

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Programs Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental Activities:			
Instruction:			
Regular	\$ 79,855,943	\$ 236,050	\$ -
Special	9,471,600	-	-
Other Instruction	9,136,052	-	-
Support services:			
Tuition	12,197,151	-	-
Student & instruction related services	18,477,174	-	-
School administrative services	9,288,344	-	-
General administrative services	2,267,175	-	-
Central service/Admin information technology	3,299,725	-	-
Plant operations and maintenance	17,465,039	116,924	-
Pupil transportation	18,190,193	-	-
Special Schools	390,309	-	-
Transfer to Charter School	15,292	-	-
Interest on Long-Term Debt	2,201,017	-	798,443
Unallocated amortization	34,303	-	-
Total governmental activities	<u>182,289,317</u>	<u>352,974</u>	<u>798,443</u>
Business-type activities			
Food Service Fund	3,426,440	2,944,677	495,107
Extra Curricular Fund	222,845	222,845	-
Total business-type activities	<u>3,649,285</u>	<u>3,167,523</u>	<u>495,107</u>
Total primary government	\$ <u>185,938,602</u>	\$ <u>3,520,497</u>	\$ <u>1,293,550</u>

General Revenues:

Taxes:

Property taxes, levied for general purposes, net

Taxes levied for debt service

Federal and state aid not restricted

Federal and state aid restricted

Miscellaneous income

Total general revenues and special items

Change in net Assets

Net Assets - beginning

Net Assets ending

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

Net (Expense) Revenue and Changes in Net Assets			
Governmental Activities	Business-type Activities		Total
(79,619,893) \$	- \$		(79,619,893)
(9,471,600)	-		(9,471,600)
(9,136,052)	-		(9,136,052)
			-
(12,197,151)	-		(12,197,151)
(18,477,174)	-		(18,477,174)
(9,288,344)	-		(9,288,344)
(2,267,175)	-		(2,267,175)
(3,299,725)	-		(3,299,725)
(17,348,115)	-		(17,348,115)
(18,190,193)	-		(18,190,193)
(390,309)	-		(390,309)
(15,292)	-		(15,292)
(1,402,574)	-		(1,402,574)
(34,303)	-		(34,303)
<u>(181,137,900)</u>	<u>-</u>		<u>(181,137,900)</u>
-	13,344		13,344
-	-		-
<u>-</u>	<u>13,344</u>		<u>13,344</u>
<u>(181,137,900) \$</u>	<u>13,344 \$</u>		<u>(181,124,556)</u>
			-
112,783,657 \$	- \$		112,783,657
3,462,300	-		3,462,300
62,218,157	-		62,218,157
5,935,387	-		5,935,387
585,862	-		585,862
<u>184,985,363</u>	<u>-</u>		<u>184,985,363</u>
3,847,463	13,344		3,860,807
72,438,861 \$	864,934		73,303,795
<u>76,286,324 \$</u>	<u>878,278 \$</u>		<u>77,164,602</u>

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

FUND FINANCIAL STATEMENTS

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	MAJOR FUNDS				
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 2,712,997	\$ -	\$ -	\$ -	\$ 2,712,997
Cash with Fiscal Agents	573,184	-	-	-	573,184
Other Receivables	277,949	704	-	-	278,653
Due From Other Funds	935,032	15,988	-	-	951,020
Receivables From Other Governments	10,181,349	904,157	134,458	144,734	11,364,698
Total Assets	<u>\$ 14,680,511</u>	<u>\$ 920,849</u>	<u>\$ 134,458</u>	<u>\$ 144,734</u>	<u>\$ 15,880,552</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 669,735	\$ 281,624	\$ -	\$ -	\$ 951,359
Due to Other Funds	152,145	616,894	134,458	144,734	1,048,231
Payable to Other Governments	-	693	-	-	693
Deferred Revenue	5,640	21,638	-	-	27,278
Accrued Liability for Insurance Claims	2,363,192	-	-	-	2,363,192
Deposits Payable	108,000	-	-	-	108,000
Total Liabilities	<u>\$ 3,298,712</u>	<u>\$ 920,849</u>	<u>\$ 134,458</u>	<u>\$ 144,734</u>	<u>\$ 4,498,753</u>
Fund Balances:					
Reserved for:					
Encumbrances	\$ 578,053	\$ -	\$ -	\$ -	\$ 578,053
Capital Reserve	1,834,487	-	-	-	1,834,487
Maintenance Reserve	905,000	-	-	-	905,000
Excess Surplus - Current Year	1,979,705	-	-	-	1,979,705
Excess Surplus - Designated for Subsequent Year's Expenditures	1,794,828	-	-	-	1,794,828
Unreserved:					
Designated for Subsequent Year's Expenditures	4,772,672	-	-	-	4,772,672
Unreserved, Undesignated, Reported in:					
General Fund (Deficit)	(482,946)	-	-	-	(482,946)
Total Fund Balances	<u>11,381,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,381,799</u>
Total Liabilities and Fund Balances	<u>\$ 14,680,511</u>	<u>\$ 920,849</u>	<u>\$ 134,458</u>	<u>\$ 144,734</u>	

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

The costs associated with the issues of the various bonds are expensed in the governmental funds in the year the bonds are issued but are capitalized on the statement of net assets. The bond issuance costs are \$639,077 and the accumulated amortization is \$319,541

319,537

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$174,841,972 and the accumulated depreciation is \$66,767,536.

108,074,436

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds payable	(41,770,000)
Accrued interest on bonds	(696,167)
Compensated absences (sick pay and vacations)	(1,023,281)

Net Assets of Governmental Activities

\$ 76,286,324

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	MAJOR FUNDS				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
REVENUES					
Local Sources:					
Local Tax Levy	\$ 112,783,657	\$ -	\$ -	\$ 3,462,300	\$ 116,245,957
Tuition Charges	236,050	-	-	-	236,050
Interest Earned on Investments	60,443	-	-	-	60,443
Rental Fees	116,924	-	-	-	116,924
Refund of Prior Year Expenditures	197,482	-	-	-	197,482
Athletic Admission Fees	97,112	-	-	-	97,112
Miscellaneous	134,864	95,961	-	-	230,825
Total - Local Sources	113,626,532	95,961	-	3,462,300	117,184,793
State Sources	54,858,110	18,284	134,458	1,894,975	56,905,827
Federal Sources	7,360,046	4,686,113	-	-	12,046,159
Total Revenues	175,844,688	4,800,358	134,458	5,357,275	186,136,779
EXPENDITURES					
Current:					
Regular Instruction	51,823,625	3,935,952	-	-	55,759,577
Special Education Instruction	6,768,646	-	-	-	6,768,646
Other Instruction	6,879,582	-	-	-	6,879,582
Support Services and Undistributed Costs:					
Instruction	12,197,151	-	-	-	12,197,151
Student & Instruction Related Services	13,293,922	315,078	-	-	13,609,000
School Administrative Services	6,641,945	-	-	-	6,641,945
General Administration	2,108,923	-	-	-	2,108,923
Central Services & Admin. Technology	2,404,433	-	-	-	2,404,433
Operating Maintenance of Plant Services	14,546,194	-	-	-	14,546,194
Student Transportation Services	15,718,142	-	-	-	15,718,142
Employee Benefits	38,803,481	324,734	-	-	39,128,215
Special Schools	278,502	-	-	-	278,502
Transfer to Charter School	15,292	-	-	-	15,292
Debt Service:					
Principal	-	-	-	3,100,000	3,100,000
Interest and Other Charges	-	-	-	2,257,275	2,257,275
Capital Outlay	3,073,764	224,594	336,146	-	3,634,504
Total Expenditures	174,553,600	4,800,358	336,146	5,357,275	185,047,379
OTHER FINANCING SOURCES (USES)					
Capital Reserve - Transfer to Capital Projects	(201,688)	-	201,688	-	-
Total Other Financing Sources	(201,688)	-	201,688	-	-
Net Change in Fund Balances	1,089,400	-	-	-	1,089,400
Fund Balance, July 1	10,292,399	-	-	-	10,292,399
Fund Balance, June 30	\$ 11,381,799	\$ -	\$ -	\$ -	\$ 11,381,799

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Total net change in fund balances - governmental funds (from B-2) \$ 1,089,400

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, on 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 depreciation exceeded capital outlays in the current fiscal year.

Depreciation Expense	\$ (4,696,451)	
Capital Outlay	<u>3,634,504</u>	(1,061,947)

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

3,100,000

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

56,258

Bond issuance 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)

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

698,056

Change in net assets of governmental activities

\$ 3,847,463

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUND
JUNE 30, 2010

	Food Service Fund	Extra Curricular Fund	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents (deficit)	\$ 721,724	\$ (3,096)	\$ 718,628
Intergovernmental Receivables	29,592	-	29,592
Other Receivable	346,784	3,096	349,880
Inventories	17,466	-	17,466
Total Current Assets	<u>1,115,566</u>	<u>-</u>	<u>1,115,566</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	503,385	-	503,385
Less Accumulated Depreciation	<u>(376,632)</u>	<u>-</u>	<u>(376,632)</u>
Total Noncurrent Assets	<u>126,753</u>	<u>-</u>	<u>126,753</u>
Total Assets	<u>\$ 1,242,319</u>	<u>-</u>	<u>\$ 1,242,319</u>
LIABILITIES			
Current liabilities:			
Accounts Payable	\$ 323,707	\$ -	\$ 323,707
Interfund Payable	38,947	-	38,947
Deferred Revenue	<u>1,386</u>	<u>-</u>	<u>1,386</u>
Total Current Liabilities	<u>\$ 364,040</u>	<u>\$ -</u>	<u>\$ 364,040</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	\$ 126,753	\$ -	\$ 126,753
Unrestricted	<u>751,526</u>	<u>-</u>	<u>751,526</u>
Total Net Assets	<u>\$ 878,279</u>	<u>\$ -</u>	<u>\$ 878,279</u>

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Food Service Fund</u>	<u>Extra Curricular Fund</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for Services:			
Daily Sales - Non-reimbursable Programs	\$ 2,944,677	\$ -	\$ 2,944,677
Fees for Services	-	222,845	222,845
	<u>2,944,677</u>	<u>222,845</u>	<u>3,167,522</u>
OPERATING EXPENSES			
Cost of Sales	1,269,798	-	1,269,798
Salaries	1,383,712	91,732	1,475,444
Employee Benefits	369,394	-	369,394
Management Fees	-	-	-
Supplies and Materials	121,553	1,440	122,993
Equipment Repair and Maintenance	37,157	-	37,157
Insurance	163,892	-	163,892
Laundry and Uniforms	9,408	-	9,408
Travel	9,718	13,348	23,066
Depreciation	29,298	-	29,298
Licenses	9,259	-	9,259
Miscellaneous	23,250	-	23,250
Facility Rental	-	103,125	103,125
League Fees	-	13,200	13,200
Total Operating Expenses	<u>3,426,440</u>	<u>222,845</u>	<u>3,649,285</u>
Operating Loss	<u>(481,763)</u>	<u>-</u>	<u>(481,763)</u>
NONOPERATING REVENUES			
State Sources:			
State School Lunch Program	22,450	-	22,450
State School Breakfast Program	2,805	-	2,805
Federal Sources:			
National School Lunch Program	308,020	-	308,020
National School Breakfast Program	31,085	-	31,085
Food Distribution Program	<u>130,747</u>	<u>-</u>	<u>130,747</u>
Total Nonoperating Revenues	<u>495,107</u>	<u>-</u>	<u>495,107</u>
Change in Net Assets	13,345	-	13,345
Total Net Assets - Beginning	<u>864,934</u>	<u>-</u>	<u>864,934</u>
Total Net Assets - Ending	<u>\$ 878,279</u>	<u>\$ -</u>	<u>\$ 878,279</u>

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Food Service Fund</u>	<u>Extra Curricular Fund</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 2,944,677	\$ 222,620	\$ 3,167,297
Payments to Employees	(1,383,712)	(91,732)	(1,475,444)
Payments for Employee Benefits	(369,394)	-	(369,394)
Payments to Suppliers	(1,591,505)	(137,545)	(1,729,050)
Net Cash Provided by (Used in) Operating Activities	<u>(399,934)</u>	<u>(6,657)</u>	<u>(406,591)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
State Sources	28,697	-	28,697
Federal Sources	375,815	-	375,815
Operating transfer	(20,454)	-	(20,454)
Net Cash Provided by Non-Capital Financing Activities	<u>384,059</u>	<u>-</u>	<u>384,059</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(28,875)	-	(28,875)
Net Cash Used for Capital and Related Financing Activities	<u>(28,875)</u>	<u>-</u>	<u>(28,875)</u>
Net Decrease in Cash and Cash Equivalents	(44,750)	(6,657)	(51,407)
Balance - Beginning of Year	<u>766,472</u>	<u>3,561</u>	<u>770,033</u>
Balance - End of Year	<u>\$ 721,722</u>	<u>\$ (3,096)</u>	<u>\$ 718,626</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:			
Operating Loss	\$ (481,763)	\$ -	(481,763)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	20,191	-	20,191
Donated Commodities Received During the Year	130,747	-	130,747
(Increase) in Accounts Receivable, Net	(200,874)	(225)	(201,099)
Decrease in Inventories	61,273	-	61,273
Increase in Deferred Revenue	1,386	-	1,386
(Increase)Decrease in Accounts Payable	69,106	(6,432)	62,674
Total Adjustments	<u>81,829</u>	<u>(6,657)</u>	<u>75,172</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (399,934)</u>	<u>\$ (6,657)</u>	<u>\$ (406,591)</u>

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

	Unemployment Compensation Insurance Trust	Private Purpose Trust	Agency Funds
ASSETS			
Cash and Cash Equivalents	258,486	1,024,760	1,532,907
Interfund Receivable	-	-	136,157
Loans Receivable	-	21,740	-
Total Assets	<u>\$ 258,486</u>	<u>\$ 1,046,500</u>	<u>\$ 1,669,064</u>
LIABILITIES			
Accounts Payable	\$ 50,236	\$ -	\$ -
Payable to Student Groups			822,545
Payroll Deductions and Withholdings	-	-	846,519
Total Liabilities	<u>50,236</u>	<u>-</u>	<u>\$ 1,669,064</u>
NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 208,250</u>		
Reserved for Scholarships		<u>\$ 1,046,500</u>	

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Unemployment Compensation Insurance Trust	Private Purpose Trust
ADDITIONS		
Contributions:		
Plan Member	\$ 246,307	\$ -
District	100,000	-
Donations	-	31,886
Total Contributions	<u>346,307</u>	<u>31,886</u>
Investment Earnings:		
Interest	413	1,992
Net Investment Earnings	<u>413</u>	<u>1,992</u>
Total Additions	<u>346,720</u>	<u>33,878</u>
DEDUCTIONS		
Quarterly Contribution Reports	160,090	-
Unemployment Claims	241,382	-
Scholarships Awarded	-	33,630
Total Deductions	<u>401,472</u>	<u>33,630</u>
Change in Net Assets	(54,752)	248
Net Assets - Beginning of the Year	<u>263,002</u>	<u>1,046,252</u>
Net Assets - End of the Year	<u>\$ 208,250</u>	<u>\$ 1,046,500</u>

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Description of the District and Reporting Entity

The Freehold Regional High School District is a Type II District located in Monmouth County, New Jersey. The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a nine (9) member board elected to three-year staggered terms and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, 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 that 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 units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

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.

B. Basis of Presentation, Basis of Accounting

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Basis of Presentation

District-wide Statements: The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other 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 activity of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

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

The District reports the following governmental funds:

General Fund: The general fund is the general operating fund of the District and is used to account for all 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 NJDOE, the District includes budgeted capital outlay in this fund. GAAP as it pertains to governmental entities states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

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

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

The District reports the following proprietary fund:

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

Enterprise (Extra Curricular) Fund: The Extra Curricular fund accounts for all revenues and expenses pertaining to the Board's ice hockey program. The Extra Curricular fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. direct and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, Payroll Agency Fund, Unemployment Compensation Insurance Trust Fund, and Private Purpose Trust Fund.

Basis of Accounting

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

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

C. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/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).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and GAAP with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as presented in the Notes to Required Supplementary Information. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at year-end.

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

D. Assets, Liabilities, and Equity

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey Statue 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. 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 their deposits to the Governmental Units.

Encumbrance Accounting

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

Open encumbrances in the special revenue fund and capital projects fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

Interfund Transactions

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as due from/to other funds. These amounts are eliminated in the statement of net assets, except for amounts due between governmental and business-type activities or governmental and fiduciary funds, which are presented other receivables and payables.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Allowance for Uncollectible Accounts

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Inventories

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

Capital Assets

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

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

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

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

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2010 operations, have been recorded as deferred revenue. Grants and entitlement received before the eligibility requirements are met are also recorded as deferred revenue.

Compensated Absences

The liability for compensated absences reported in the District-wide statements consists of unpaid, accumulated annual vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The entire compensated absence liability is reported on the District-wide financial statements.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

Fund Equity

Fund balance reserves 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. Designations of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unreserved fund balances represent the amount available for future budgetary operations.

Unrestricted retained earnings represent the remains of the District's equity in the cumulative earnings of the food service and summer enrichment fund.

Net Assets

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

Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances and excess surplus as defined by State law.

Revenues - Exchange and Nonexchange 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.

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

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

Proprietary Funds Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise funds are charges to customers for sales of food service and charges for the summer enrichment program. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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 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 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.

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.

Operating Revenues and Expenses

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

Management Estimates

The preparation of financial statements in conformity with GAAP 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.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

Operating cash, in the form of Negotiable Order of Withdrawal ("NOW") accounts, is held in the District's name by a commercial banking institution. At June 30, 2010, the carrying amount of the District's deposits was \$6,247,774 and the bank balance was \$9,016,620. Of the bank balance, \$500,000 was insured with Federal Deposit Insurance and \$8,514,240 was insured through the Governmental Unit Deposit Protection Act.

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.

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, 2010, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk.

Investments

Pursuant to the Enabling Act, the funds of the District may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the District may approve.

In order to maximize liquidity, the District utilizes the New Jersey Cash Management Fund ("NJCMF") as its sole investment. The NJCMF is administered by the New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty.

Custodial Credit Risk: Pursuant to GASB 40, the NJCMF, which is a pooled investment, is exempt from custodial credit risk disclosure. The District does not have a policy for custodial credit risk.

Credit Risk: The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

obligations of the U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

Interest Rate Risk: The District does not have a policy to limit interest rate risk. The average maturity of the District's sole investment, the NJCMF, is less than one year.

3. RECEIVABLES

Receivables at June 30, 2010 are listed below. All receivables are considered collectible in full. A summary of the principal items of governmental receivables follows:

	Governmental Fund Financial Statements	District-Wide Financial Statements
Property Taxes.....	6,411,512	6,411,512
State Aid.....	2,652,922	2,654,928
Federal Aid.....	1,885,489	1,913,075
Interfunds.....	951,020	38,947
Other.....	693,428	1,043,309
Gross Receivables.....	<u>12,594,371</u>	<u>12,061,771</u>
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net.....	<u><u>12,594,371</u></u>	<u><u>12,061,771</u></u>

4. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at June 30, 2010, consist of the following:

616,893	Due to the General Fund from the Special Revenue Fund
134,458	Due to the General Fund from the Capital Projects Fund
144,734	Due to the General Fund from the Debt Service Fund
38,947	Due to the General Fund from the Food Service Fund
<u>15,988</u>	Due to the Special Revenue Fund from the General Fund
<u><u>951,020</u></u>	Total Interfunds Receivable

The delay in federal and state funds payments necessitated the above noted interfund loans.

5. INVENTORY

Inventory in the Food Service Fund at June 30, 2010, consisted of the following:

11,385	Food
<u>6,081</u>	Supplies
<u><u>17,466</u></u>	Total Inventory

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act of 1996, as revised) 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.

6. DEFERRED BOND ISSUANCE COSTS

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 amortization expense for the fiscal year ended June 30, 2010 amounted to \$34,303, and the total accumulated amortization is \$319,537.

7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	Beginning Balance	Transfers or Additions	Transfers or Retirements	Ending Balance
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	446,488			446,488
Total capital assets not being depreciated	446,488	-	-	446,488
<i>Capital assets being depreciated:</i>				
Site improvements	2,182,977	35,246		2,218,223
Building and improvements	147,697,833	511,757		148,209,590
Equipment	20,922,171	3,087,500	(42,000)	23,967,671
Total capital assets being depreciated	170,802,981	3,634,503	(42,000)	174,395,484
Less accumulated depreciation for:				
Site improvements	(686,803)	(109,578)		(796,381)
Building and improvements	(46,899,072)	(3,289,268)		(50,188,340)
Equipment	(14,527,210)	(1,297,605)	42,000	(15,782,815)
Total accumulated depreciation	(62,113,085)	(4,696,451)	42,000	(66,767,536)
Total capital assets being depreciated, net	108,689,896	(1,061,948)	-	107,627,948
Government activities capital assets, net	109,136,384	(1,061,948)	-	108,074,436
Business-type activities:				
<i>Capital assets being depreciated:</i>				
Equipment	474,510	28,875		503,385
Less accumulated depreciation	(356,441)	(20,191)		(376,632)
Enterprise fund capital assets, net	118,069	8,684	-	126,753

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Site & Bldg</u>	<u>Equipment</u>	<u>Total</u>
Instruction	3,058,961	1,167,845	4,226,806
Support Services – Students and Staff	67,977	25,952	93,929
Support Services – Administration	67,977	25,952	93,929
Operation and Maintenance of Plant Services	67,977	25,952	93,929
Student Transportation Services	67,977	25,952	93,929
General Administration Services	22,659	8,651	31,310
Central and Technology Administration Services	45,318	17,301	62,619
Total	<u>3,398,846</u>	<u>1,297,605</u>	<u>4,696,451</u>

8. LONG-TERM OBLIGATIONS

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

Long-term Obligation Activity

Changes in long-term obligations for the year ended June 30, 2010, are as follows:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2010</u>	<u>Amounts</u> <u>Due within</u> <u>One Year</u>
Governmental Activities:					
General obligation debt	\$ 44,870,000	\$ -	\$ (3,100,000)	\$ 41,770,000	\$ 3,280,000
Compensated absences payable	1,721,337	-	(698,056)	1,023,281	-
Total other liabilities	<u>\$ 46,591,337</u>	<u>\$ -</u>	<u>\$ (3,798,056)</u>	<u>\$ 42,793,281</u>	<u>\$ 3,280,000</u>

Compensated absences have been paid in the General Fund for the year ended June 30, 2010 in the amount of \$529,244.

General Obligation Debt

	<u>Government Activities</u>			<u>Principal</u> <u>Balance</u> <u>June 30, 2010</u>
	<u>Issue</u> <u>Dates</u>	<u>Issue</u> <u>Rates</u>	<u>Date of</u> <u>Maturity</u>	
Bonds Payable	11/16/2001	5%	3/1/2020	<u>41,770,000</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Debt Service Requirements

Debt service requirements on serial bonds payable at June 30, 2010 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	3,280,000	2,088,500	5,368,500
2012	3,455,000	1,924,500	5,379,500
2013-2018	24,890,000	7,584,250	32,474,250
2019-2020	10,145,000	767,500	10,912,500
	<u>\$ 41,770,000</u>	<u>\$ 12,364,750</u>	<u>\$ 54,134,750</u>

9. 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 right to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreement with the various employee unions. The liability for vested compensated absences is recorded in the District-Wide Statement of Net Assets.

10. OPERATING LEASES

The District has a commitment to lease building space and a parking lot under an operating lease that expires on October 31, 2014. The District also has operating leases for copiers which expire on various dates over the next three years. The total operating lease payments made during the year ended June 30, 2010 were \$199,609. Future minimum lease payments are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>
2011	445,468
2012	446,142
2013	172,967
2014	172,769
2015	<u>58,338</u>
Total minimum lease payments	<u>\$ 1,295,684</u>

Not included above is a provision in the building space and parking lot lease that requires the district to pay its proportionate share of real estate taxes.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

11. PENSION PLANS

Description of Plans

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

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 noncontributing 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 was established as of January 1, 1955, under the provisions 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.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for two percent 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.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Significant Legislation

Chapter 89- P.L. 2008- Members of either system who became members before July 1, 2007 may retire at age 55 years with 25 years of service or at age 60 with any number of years of service without a reduction in the amount of retirement allowance the members' receive. There is a reduction in such an allowance if the member is under 55 with 25 years of service. There is also a reduction in an allowance for members of either system who became members on or after July 1, 2007 and who retire between age 55 and 60 years with 25 or more years of service.

Contribution Requirements

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

Three-Year Trend Information for PERS			
Year Funding	Annual Pension	Percentage of	Net Pension
June 30,	Cost (APC)	APC Contributed	Obligation
2010	\$1,486,928	100%	\$1,486,928
2009	1,233,856	100%	1,233,856
2008	1,097,926	80%	878,341

Three-Year Trend Information for TPAF (Paid on-behalf of the District)			
Year Funding	Annual Pension	Percentage of	Net Pension
June 30,	Cost (APC)	APC Contributed	Obligation
2010	-0-	0%	-0-
2009	-0-	0%	-0-
2008	4,426,100	0%	-0-

During the fiscal year ended June 30, 2009 and 2010, the State of New Jersey did not contribute to the TPAF for normal and post-retirement benefits on behalf of the District. In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$5,272,336 during the fiscal year ended June 30, 2010, for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the District-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24.

12. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

employees. As of June 30, 2009 there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The state made post-retirement (PRM) contributions of \$1.38 billion for fiscal year 2009 and 3.22 million for fiscal year 2008.

The state is also responsible for the cost attributable to P.L. 1992 c. 126, 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 \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

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 District for the years ended June 30, 2010, 2009 and 2008 were, \$4,265,292, \$4,125,423 and \$3,387,565 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 District was not determined or made available by the State of New Jersey.

13. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

VALIC
MetLife
Thomas Seely Agency, Inc.
Equitable

14. RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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:

Fiscal Year	District Contributions	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2009-2010	\$ 100,000	\$ 246,307	\$ 413	\$ 401,472	\$ 208,250
2008-2009	100,000	225,671	1,294	193,388	263,002
2007-2008	80,000	175,789	2,060	154,835	129,425

Workers' Compensation Insurance - The Board participates in the New Jersey School Board's Association Insurance Group (NJSBIG) for its workers' compensation insurance. The Board is in its own pool since it exceeds the number of employees; however, risk has been transferred to the pool. An estimated liability for incurred, but not reported, claims was calculated by the NJSBIG's actuary and recorded by the Board. At June 30, 2010, the amount was \$2,363,192.

15. **CONTINGENT LIABILITIES**

Grant Programs

The school district participates in federal awards and state financial assistance grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation

The District is involved in several pending lawsuits. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial statements of the District.

16. **FUND BALANCE APPROPRIATED**

General Fund

Of the \$11,381,799 General Fund fund balance in the fund financial statements at June 30, 2010, \$578,053 is reserved for encumbrances; \$3,774,533 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$1,794,828 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2011); \$1,834,487 is for Capital Reserve; \$905,000 is for Maintenance Reserve; \$4,772,672 has been appropriated and included as anticipated revenue for the year ended June 30, 2011, and the balance of (\$482,946) is unreserved and undesignated.

17. **CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved 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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget.

18. CAPITAL AND MAINTENANCE RESERVES

Capital and maintenance reserve accounts were established by the District via the 2008-2009 budget for the accumulation of funds for use as capital outlay and maintenance expenditures in subsequent fiscal years. The capital and maintenance reserve accounts are maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Maintenance reserve accounts may be established by a district pursuant to N.J.S.A. 18A:7G-13 into which a district deposits monies to be used exclusively for required maintenance of school facilities.

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REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2010

C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 112,783,657	\$ -	\$ 112,783,657	\$ 112,783,657	\$ -
Tuition	40,000	-	40,000	236,050	196,050
Interest Earned on Investments	260,000	-	260,000	60,443	(199,557)
Rental Fees	150,000	-	150,000	116,924	(33,076)
Athletic Admission Fees	100,000	-	100,000	97,112	(2,888)
Refund of Prior Year Expenditures	-	-	-	197,482	197,482
Miscellaneous	-	-	-	134,864	134,864
Total - Local Sources	<u>113,333,657</u>	<u>-</u>	<u>113,333,657</u>	<u>113,626,532</u>	<u>292,875</u>
State Sources					
Extraordinary Aid	759,244	-	759,244	2,134,993	1,375,749
Categorical Special Education Aid	6,707,906	-	6,707,906	6,707,906	-
Equalization Aid	40,563,273	(7,360,046)	33,203,227	32,625,381	(577,846)
Categorical Security Aid	923,135	-	923,135	600,038	(323,097)
Categorical Transportation Aid	5,018,313	-	5,018,313	3,261,903	(1,756,410)
Non-Public Transportation Costs Aid	-	-	-	111,918	111,918
Adult Education Aid	-	-	-	25,826	25,826
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	4,492,394	4,492,394
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	5,272,336	5,272,336
Total State Sources	<u>53,971,871</u>	<u>(7,360,046)</u>	<u>46,611,825</u>	<u>55,232,695</u>	<u>8,620,870</u>
Federal Sources					
ARRA - ESF	-	7,085,746	7,085,746	7,085,746	-
ARRA - GSF	-	274,300	274,300	274,300	-
Total Federal Sources	<u>-</u>	<u>7,360,046</u>	<u>7,360,046</u>	<u>7,360,046</u>	<u>-</u>
Total Revenues	<u>167,305,528</u>	<u>-</u>	<u>167,305,528</u>	<u>176,219,273</u>	<u>8,913,745</u>
EXPENDITURES					
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction					
Grades 9-12 - Salaries of Teachers	49,035,500	(478,467)	48,557,033	48,057,829	499,203
Regular Programs - Home Instruction					
Salaries of Teachers	180,000	70,552	250,552	250,552	-
Purchased Professional-Educational Services	50,000	70,000	120,000	103,971	16,029
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	9,700	6,375	16,075	8,313	7,762
Purchased Technical Services	86,375	(9,040)	77,335	47,102	30,233
Other Purchased Services (400-500 series)	434,552	56,684	491,236	409,921	81,315
General Supplies	2,666,152	(66,221)	2,599,931	2,459,600	140,331
Textbooks	616,522	(101,116)	515,406	480,923	34,483
Other Objects	29,665	(12,300)	17,365	5,414	11,951
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>53,108,466</u>	<u>(463,534)</u>	<u>52,644,932</u>	<u>51,823,625</u>	<u>821,307</u>
SPECIAL EDUCATION - INSTRUCTION					
Cognitive - Mild					
Salaries of Teachers	234,720	-	234,720	99,627	135,093
Other Salaries for Instruction	34,210	90,000	124,210	114,116	10,094
General Supplies	-	500	500	439	61
Textbooks	-	700	700	664	36
Other Objects	-	300	300	152	148
Total Cognitive - Mild	<u>268,930</u>	<u>91,500</u>	<u>360,430</u>	<u>214,998</u>	<u>145,432</u>
Special Education - Cognitive Moderate					
Salaries of Teachers	179,189	61,000	240,189	233,850	6,339
Other Salaries for Instruction	211,056	-	211,056	189,243	21,813
General Supplies	2,500	-	2,500	2,220	280
Total Special Education - Cognitive Moderate	<u>392,745</u>	<u>61,000</u>	<u>453,745</u>	<u>425,314</u>	<u>28,431</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2010

C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education - Learning and/or Language Disabilities					
Salaries of Teachers	708,323	(16,710)	691,613	453,874	237,739
Other Salaries for Instruction	42,873	7,000	49,873	48,988	885
General Supplies	28,870	1,550	30,420	27,671	2,749
Textbooks	7,800	(50)	7,750	7,501	249
Other Objects	-	300	300	155	145
Total Special Education - Learning and/or Language Disabilities	<u>787,866</u>	<u>(7,910)</u>	<u>779,956</u>	<u>538,189</u>	<u>241,767</u>
Special Education - Visual Impairments					
Purchased Professional-Educational Services	10,000	-	10,000	-	10,000
Total Special Education - Visual Impairments	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Special Education - Resource Room/Resource Center					
Salaries of Teachers	6,618,504	(821,000)	5,797,504	5,391,337	406,167
General Supplies	50,820	1,393	52,213	47,715	4,498
Textbooks	9,800	(1,750)	8,050	7,643	407
Total Special Education - Resource Room/Resource Center	<u>6,679,124</u>	<u>(821,357)</u>	<u>5,857,767</u>	<u>5,446,695</u>	<u>411,072</u>
Special Education - Autism					
Salaries of Teachers	97,444	41,000	138,444	136,849	1,595
Purchased Prof.-Ed. Services	20,000	-	20,000	-	20,000
General Supplies	15,000	-	15,000	6,601	8,399
Total Special Education - Autism	<u>132,444</u>	<u>41,000</u>	<u>173,444</u>	<u>143,450</u>	<u>29,994</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>8,271,109</u>	<u>(635,767)</u>	<u>7,635,342</u>	<u>6,768,646</u>	<u>866,696</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	946,154	-	946,154	777,410	168,744
Total Basic Skills/Remedial - Instruction	<u>946,154</u>	<u>-</u>	<u>946,154</u>	<u>777,410</u>	<u>168,744</u>
Bilingual Education - Instruction					
Salaries of Teachers	133,045	-	133,045	132,045	1,000
General Supplies	10,000	3,000	13,000	2,964	10,036
Textbooks	5,000	499	5,499	-	5,499
Total Bilingual Education - Instruction	<u>148,045</u>	<u>3,499</u>	<u>151,544</u>	<u>135,009</u>	<u>16,535</u>
School Sponsored Co-curricular and Extra-Curricular Activities					
Salaries	985,400	34,902	1,020,302	1,017,705	2,597
Purchased Services (300-500 series)	94,000	(16,502)	77,498	61,209	16,289
Supplies and Materials	63,500	(5,800)	57,700	39,734	17,966
Other Objects	72,321	(17,160)	55,161	44,750	10,411
Total School Sponsored Co-curricular & Extra-Curricular Activities	<u>1,215,221</u>	<u>(4,560)</u>	<u>1,210,661</u>	<u>1,163,397</u>	<u>47,264</u>
School Sponsored Athletics					
Salaries	3,507,140	(292,018)	3,215,123	3,173,597	41,526
Purchased Services (300-500 series)	265,325	369,963	635,288	469,278	166,010
Supplies and Materials	503,395	77	503,472	457,765	45,707
Other Objects	168,800	57,317	226,117	202,321	23,795
Total School Sponsored Athletics	<u>4,444,660</u>	<u>135,339</u>	<u>4,579,999</u>	<u>4,302,960</u>	<u>277,039</u>
Other Instructional Programs					
Salaries of Teachers	259,687	222,747	482,434	482,434	-
Purchased Services (300-500 series)	-	2,500	2,500	1,235	1,265
Supplies and Materials	16,000	1,479	17,479	17,136	343
Total Other Instructional Programs	<u>275,687</u>	<u>226,726</u>	<u>502,413</u>	<u>500,805</u>	<u>1,608</u>
Total Instruction	<u>68,409,342</u>	<u>(738,297)</u>	<u>67,671,045</u>	<u>65,471,853</u>	<u>2,199,193</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2010

C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Regular	-	2,067	2,067	2,066	1
Tuition to Other LEAs Within the State - Special	77,894	19,152	97,046	97,044	2
Tuition to County Voc. School Districts - Regular	2,555,844	36,000	2,591,844	2,565,328	26,517
Tuition to County Voc. School Districts - Special	813,750	(36,000)	777,750	713,250	64,500
Tuition to CSSD & Regional Day Schools	646,379	261,814	908,193	892,376	15,817
Tuition to Private Schools for the Handicapped Within State	9,123,262	(1,526,715)	7,596,547	7,143,959	452,587
Tuition to Priv. Sch. for the Handicapped - Special, Out-State	367,610	312,623	680,233	549,370	130,863
Tuition - State Facilities	300,000	-	300,000	111,485	188,515
Tuition - Other	169,231	-	169,231	122,274	46,958
Total Undistributed Expenditures - Instruction	14,053,970	(931,059)	13,122,911	12,197,151	925,760
Undistributed Expenditures - Attendance & Social Work					
Salaries	483,617	22,000	505,617	505,312	305
Other Purchased Services (400-500 series)	900	(500)	400	-	400
Supplies and Materials	5,500	689	6,189	5,785	404
Total Undistributed Expenditures - Attendance & Social Work	490,017	22,189	512,206	511,098	1,108
Undistributed Expenditures - Health Services					
Salaries	1,184,541	(21,165)	1,163,376	1,148,943	14,433
Purchased Professional and Technical Services	22,500	-	22,500	3,178	19,322
Other Purchased Services (400-500 series)	1,400	2,250	3,650	3,036	614
Supplies and Materials	19,258	(470)	18,788	15,819	2,970
Other Objects	50	85	135	30	105
Total Undistributed Expenditures - Health Services	1,227,749	(19,300)	1,208,449	1,171,006	37,443
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries	294,405	1,000	295,405	292,264	3,141
Purchased Professional - Educational Services	-	20,880	20,880	19,595	1,285
Supplies and Materials	3,480	-	3,480	2,492	988
Total Undist. Expend. - Speech, OT, PT & Related Services	297,885	21,880	319,765	314,350	5,415
Undist. Expend. - Other Supp. Serv. - Extraordinary Svcs.					
Salaries	1,289,726	307,000	1,596,726	1,593,830	2,896
Total Undist. Expend. - Other Supp. Serv. - Extraordinary Svcs.	1,289,726	307,000	1,596,726	1,593,830	2,896
Undist. Expenditures - Guidance					
Salaries of Other Professional Staff	3,629,020	(200,835)	3,428,185	3,418,594	9,591
Salaries of Secretarial and Clerical Assistants	565,993	200,000	765,993	760,240	5,753
Other Purchased Prof. and Tech. Services	2,000	(2,000)	-	-	-
Other Purchased Services (400-500 series)	200,090	12,080	212,170	85,562	126,608
Supplies and Materials	62,775	(9,544)	53,231	48,221	5,010
Other Objects	1,015	(50)	965	600	365
Total Undist. Expenditures - Other Supp. Serv. - Students - Reg.	4,460,893	(349)	4,460,544	4,313,216	147,328
Undist. Expenditures - Child Study Teams					
Salaries of Other Professional Staff	2,139,888	-	2,139,888	2,099,869	40,019
Salaries of Secretarial and Clerical Assistants	327,235	-	327,235	311,122	16,113
Other Purchased Professional and Technical Services	450,000	(5,170)	444,830	308,437	136,393
Residential Costs	250,000	187,264	437,264	435,971	1,293
Miscellaneous Purchased Services (400-500 series)	1,300	-	1,300	1,140	160
Supplies and Materials	31,280	(338)	30,942	23,887	7,055
Total Undist. Expend. - Other Supp. Serv. - Students - Special	3,199,703	181,756	3,381,459	3,180,426	201,033
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	397,638	(9,529)	388,109	388,109	-
Salaries of Secretarial and Clerical Assistants	238,145	(2,471)	235,674	217,362	18,312
Other Salaries	125,000	-	125,000	80,772	44,228
Other Purch Services (400-500)	47,500	(3,029)	44,471	17,302	27,169
Supplies and Materials	22,000	1,851	23,851	19,416	4,435
Other Objects	12,500	-	12,500	10,937	1,563
Total Undist. Expend. - Improvement of Instruction Services	842,783	(13,178)	829,605	733,898	95,707
Undist. Expend. - Educational Media Serv./School Library					
Salaries	878,268	-	878,268	816,817	61,451
Purchased Professional and Technical Services	79,750	11,176	90,926	80,250	10,676
Other Purchased Services (400-500 series)	14,150	15,897	30,047	24,167	5,880
Supplies and Materials	260,650	(15,102)	245,548	234,294	11,254
Other Objects	250	-	250	250	-
Total Undist. Expend. - Educational Media/Library Services	1,233,068	11,971	1,245,039	1,155,778	89,261

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2010

C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instructional Staff Training Services					
Salaries of Supervisors of Instruction	233,453	13,518	246,971	246,971	-
Purchased Professional - Educational Serv	64,500	(13,818)	50,682	27,625	23,057
Other Purchased Services (400-500 series)	73,650	15,959	89,609	33,446	56,163
Supplies and Materials	10,000	-	10,000	10,000	-
Other Objects	14,775	(8,482)	6,293	2,278	4,015
Total Undist. Expend. - Instructional Staff Training Services	396,378	7,177	403,555	320,320	83,235
Undist. Expend. - Support Services - General Administration					
Salaries	435,236	(47,000)	388,236	370,267	17,969
Legal Services	360,000	200,000	560,000	474,529	85,471
Audit Fees	60,000	-	60,000	56,645	3,355
Architectural/Engineering Services	20,000	-	20,000	10,600	9,400
Other Purchased Professional Services	29,200	45,000	74,200	50,162	24,038
Purchased Technical Services	15,000	(8,500)	6,500	557	5,943
Communications/Telephone	452,000	(1,891)	450,109	434,306	15,803
BOE Other Purchased Services	11,000	-	11,000	2,884	8,116
Other Purchased Services (400-500 series)	422,832	96,038	518,870	513,327	5,543
General Supplies	35,000	502	35,502	22,786	12,716
BOE In-House Training/Meeting Supplies	4,000	-	4,000	3,675	325
Judgments Against the School District	-	135,000	135,000	135,000	-
Miscellaneous Expenditures	5,000	-	5,000	3,569	1,431
BOE Membership Dues and Fees	33,000	-	33,000	30,616	2,384
Total Undist. Expend. - Support Services - General Administration	1,882,268	419,149	2,301,417	2,108,923	192,494
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	3,080,950	-	3,080,950	3,069,716	11,234
Salaries of Other Professional Staff	2,243,722	-	2,243,722	2,154,927	88,795
Salaries of Secretarial and Clerical Assistants	1,133,823	-	1,133,823	1,075,424	58,399
Purchased Professional and Technical Services	-	4,200	4,200	3,419	781
Other Purchased Services (400-500 series)	118,289	17,254	135,543	102,408	33,135
Supplies and Materials	173,196	1,257	174,453	148,501	25,952
Other Objects	91,982	8,380	100,362	87,549	12,813
Total Undist. Expend. - Support Serv. - School Administration	6,841,962	31,091	6,873,053	6,641,945	231,109
Undist. Expend. - Central Services					
Salaries	1,413,124	7,014	1,420,138	1,420,138	-
Purchased Professional Services	5,000	(14)	4,986	-	4,986
Purchased Technical Services	20,000	-	20,000	19,643	357
Misc Purchased Services (400-500 series)	64,900	253	65,153	47,505	17,648
Supplies and Materials	60,250	-	60,250	39,590	20,660
Interest on Lease Purchase Agreements	32,000	(18,650)	13,350	-	13,350
Other Objects	16,735	-	16,735	10,182	6,553
Total Undist. Expend. - Central Services	1,612,009	(11,397)	1,600,612	1,537,058	63,554
Undist. Expend. - Administrative Information Technology					
Salaries	600,515	5,072	605,587	605,587	-
Purchased Technical Services	150,000	19,478	169,478	169,218	260
Other Purchased Services (400-500 series)	-	2,275	2,275	2,275	-
Supplies and Materials	50,000	41,500	91,500	90,295	1,205
Total Undist. Expend. - Administrative Information Technology	800,515	68,325	868,840	867,375	1,465

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2010

C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Required Maintenance for School Facilities					
Maintenance Reserve Interest - Transfer to	25,000	-	25,000		25,000
Salaries	1,029,167	15,000	1,044,167	1,005,456	38,711
Cleaning, Repair and Maintenance Services	2,023,000	390,530	2,413,530	1,554,696	858,834
General Supplies	605,000	(2,717)	602,283	463,477	138,806
Other Objects	40,500	-	40,500	16,062	24,438
Total Undist. Expend. - Required Maintenance for Sch. Facilities	3,722,667	402,813	4,125,480	3,039,691	1,085,789
Undist. Expend. - Custodial Services					
Salaries	4,756,632	(15,000)	4,741,632	4,586,867	154,765
Cleaning, Repair and Maintenance Services	285,000	-	285,000	120,902	164,098
Rental of Land and Buildings - Oth than Lease Purch Agrmt	184,000	12,000	196,000	195,797	203
Other Purchased Property Services	283,000	-	283,000	260,097	22,903
Insurance	112,300	(10,000)	102,300	102,086	214
Miscellaneous Purchased Services	82,600	262	82,862	13,402	69,460
General Supplies	315,000	78,980	393,980	390,923	3,057
Energy (Electricity)	3,115,500	323,052	3,438,552	2,630,230	808,322
Energy (Natural Gas)	1,600,000	(12,000)	1,588,000	1,295,569	292,431
Total Undist. Expend. - Custodial Services	10,734,032	377,293	11,111,325	9,595,872	1,515,454
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	725,937	16,280	742,217	736,483	5,734
Purchased Professional & Technical Services	5,000	-	5,000	40	4,960
Cleaning, Repair, and Maintenance Services	105,000	133,090	238,090	235,193	2,897
General Supplies	375,000	(140,000)	235,000	170,644	64,356
Total Undist. Expend. - Care & Upkeep of Grounds	1,210,937	9,370	1,220,307	1,142,361	77,946
Undist. Expend. - Security					
Salaries	746,969	-	746,969	742,011	4,958
Purchased Professional & Technical Services	12,000	-	12,000	11,800	200
Cleaning, Repair, and Maintenance Services	10,000	-	10,000	1,334	8,666
General Supplies	34,500	-	34,500	13,126	21,374
Total Undist. Expend. - Security	803,469	-	803,469	768,271	35,198
Total Undist. Expend. - Operation & Maint. Of Plant Services	16,471,105	789,476	17,260,581	14,546,194	2,714,387
Undist. Expend. - Student Transportation Services					
Salaries of Non-Instructional Aides	304,277	22,113	326,390	305,818	20,572
Salaries for Pupil Transp. (Bet. Home & School) - Regular	4,064,745	316,887	4,381,632	4,371,647	9,984
Salaries for Pupil Transp. (Bet. Home & School) - Spec. Ed.	578,061	41,000	619,061	612,757	6,304
Salaries for Pupil Transp. (Other than bet. Home & School)	950,000	(130,000)	820,000	709,247	110,753
Management Fees - ESC & CTSA Transportation Programs	164,000	4,347	168,347	168,346	1
Other Purchased Professional and Technical Services	47,060	69,000	116,060	101,974	14,086
Cleaning, Repair, and Maintenance Services	766,000	29,021	795,021	636,096	158,925
Rental Payments - School Buses	15,000	4,435	19,435	19,433	2
Lease Purchase Payments - School Buses	178,000	(112,963)	65,037	-	65,037
Contracted Services (Between Home and School) - Vendors	4,722,640	(100,000)	4,622,640	4,509,289	113,351
Contracted Svcs. (Other than Bet. Home & School) - Vendors	251,500	28,920	280,420	117,485	162,935
Contracted Svcs. (Bet. Home & School) - Joint Agreements	10,000	-	10,000	-	10,000
Contracted Services (Special Education Students) - Vendors	57,510	-	57,510	31,419	26,091
Contracted Svcs. (Special Ed. Students) - Joint Agreements	63,000	-	63,000	16,162	46,838
Contracted Services (Regular Students) - ESC & CTSA	888,000	23,011	911,011	911,011	0
Contracted Services (Special Ed. Students) - ESC & CTSA	1,580,000	59,018	1,639,018	1,639,017	1
Contracted Services - Aid In Lieu of Payment for Non-public	160,000	-	160,000	107,313	52,687
Miscellaneous Purchased Services - Transportation	160,200	(1,000)	159,200	155,685	3,515
General Supplies	3,000	41,789	44,789	24,814	19,976
Transportation Supplies	1,861,350	(243,776)	1,617,574	1,278,861	338,713
Other Objects	16,250	(7,000)	9,250	1,770	7,480
Total Undist. Expend. - Student Transportation Services	16,840,593	44,802	16,885,395	15,718,142	1,167,253

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2010

C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated Benefits - Employee Benefits					
Social Security Contributions	2,000,000	79,791	2,079,791	2,079,791	-
Other Retirement Contributions - Regular	1,425,000	61,928	1,486,928	1,486,928	-
Unemployment Compensation	104,500	-	104,500	103,672	828
Workmen's Compensation	878,600	(77,000)	801,600	763,539	38,061
Health Benefits	24,000,000	220,209	24,220,209	24,077,158	143,051
Tuition Reimbursement	100,000	-	100,000	74,976	25,024
Other Employee Benefits	65,000	387,688	452,688	452,686	2
TOTAL UNALLOCATED BENEFITS	28,573,100	672,616	29,245,716	29,038,751	206,965
On-behalf TPAF pension Contributions (non-budgeted)	-	-	-	4,492,394	(4,492,394)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	5,272,336	(5,272,336)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	9,764,730	(9,764,730)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	28,573,100	672,616	29,245,716	38,803,481	(9,557,765)
TOTAL UNDISTRIBUTED EXPENDITURES	100,513,724	1,602,149	102,115,873	105,714,190	(3,598,317)
TOTAL GENERAL CURRENT EXPENSE	168,923,066	863,853	169,786,919	171,186,042	(1,399,124)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction					
Grades 9-12	110,678	140,515	251,193	210,509	40,684
School-Sponsored and Other Instructional Program	71,400	33,942	105,342	84,161	21,181
Undistributed Expenditures					
Admin Info Tech.	1,644,919	69,178	1,714,097	1,707,743	6,354
Maint of School Facility	-	34,936	34,936	34,936	-
Custodial Services	48,500	-	48,500	33,111	15,389
Care & Upkeep of Grounds	-	2,958	2,958	2,958	-
Security	75,000	(2,958)	72,042	54,695	17,347
School Buses - Regular	-	561,860	561,860	561,860	-
School Buses - Special	-	271,880	271,880	271,880	-
Total Equipment	1,950,497	1,112,311	3,062,808	2,961,854	100,955
Facilities Acquisition and Construction Services					
Construction Services	-	117,478	117,478	111,910	5,568
Total Facilities Acquisition and Construction Services	-	117,478	117,478	111,910	5,568
Capital Reserve Interest - Transfer to	15,000	-	15,000	-	15,000
TOTAL CAPITAL OUTLAY	1,965,497	1,229,789	3,195,286	3,073,764	121,523
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	147,461	19,236	166,697	165,971	726
General Supplies	3,000	(3,000)	-	-	-
Total Summer School - Instruction	150,461	16,236	166,697	165,971	726
Accredited Evening School - Instruction					
Salaries of Teachers	132,461	(4,500)	127,961	109,822	18,139
General Supplies	3,500	-	3,500	2,236	1,264
Other Objects	1,500	-	1,500	474	1,026
Total Accredited Evening School - Instruction	137,461	(4,500)	132,961	112,532	20,429
TOTAL SPECIAL SCHOOLS	287,922	11,736	299,658	278,502	21,156
Transfer of Funds to Charter School	-	15,292	15,292	15,292	-
TOTAL EXPENDITURES	171,176,485	2,120,670	173,297,155	174,553,600	(1,256,445)

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2010

C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,870,957)</u>	<u>(2,120,670)</u>	<u>(5,991,627)</u>	<u>1,665,673</u>	<u>7,657,300</u>
Other Financing Sources(Uses)					
Capital Reserve - Transfer to Capital Projects	<u>609,518</u>	<u>-</u>	<u>609,518</u>	<u>201,688</u>	<u>407,830</u>
Total Other Financing Sources	<u>609,518</u>	<u>-</u>	<u>609,518</u>	<u>201,688</u>	<u>407,830</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(4,480,475)</u>	<u>(2,120,670)</u>	<u>(6,601,145)</u>	<u>1,463,985</u>	<u>7,249,470</u>
Fund Balance, July 1	<u>15,188,238</u>	<u>-</u>	<u>15,188,238</u>	<u>15,188,238</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 10,707,763</u>	<u>\$ (2,120,670)</u>	<u>\$ 8,587,093</u>	<u>\$ 16,652,223</u>	<u>\$ 7,249,470</u>
Recapitulation:					
Reserve for Encumbrances				\$ 578,053	
Reserved for Capital Reserve				1,834,487	
Reserved for Maintenance Reserve				905,000	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				1,794,828	
Reserved for Excess Surplus				1,979,705	
Unreserved - Designated for Subsequent Year's Expenditures				4,772,672	
Unrestricted Fund Balance				<u>4,787,478</u>	
				16,652,223	
Reconciliation to Governmental Funds Statements (GAAP)					
Last State Aid Payment not recognized on GAAP basis				<u>(5,270,424)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 11,381,799</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - ARRA ESF
FOR FISCAL YEARS ENDED JUNE 30, 2010

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
Federal sources		\$ 7,085,746	\$ 7,085,746	\$ 7,085,746	\$ -
Total revenues		7,085,746	7,085,746	7,085,746	-
EXPENDITURES:					
Regular programs - instruction:					
Grades 9-12 - salaries of teachers		7,085,746	7,085,746	7,085,746	-
Total regular programs - instruction		7,085,746	7,085,746	7,085,746	-
Total expenditures		\$ 7,085,746	\$ 7,085,746	\$ 7,085,746	\$ -

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - ARRA GSE
FOR FISCAL YEARS ENDED JUNE 30, 2010

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
Federal sources		\$ 274,300	\$ 274,300	\$ 274,300	\$ -
Total revenues		274,300	274,300	274,300	-
EXPENDITURES:					
Regular programs - instruction:					
Grades 9-12 - salaries of teachers		274,300	274,300	274,300	-
Total regular programs - instruction		274,300	274,300	274,300	
Total expenditures		\$ 274,300	\$ 274,300	\$ 274,300	-

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 116,349	(7,895)	\$ 108,454	\$ 98,674	\$ (9,780)
State Sources	20,848	(2,138)	18,710	18,284	(426)
Federal Sources	<u>2,871,175</u>	<u>2,855,672</u>	<u>5,726,847</u>	<u>4,688,807</u>	<u>(1,038,040)</u>
Total Revenues	<u>3,008,372</u>	<u>2,845,639</u>	<u>5,854,011</u>	<u>4,805,765</u>	<u>(1,048,246)</u>
EXPENDITURES:					
Instruction					
Salaries of Teachers	2,523,330	(603,072)	1,920,258	1,919,987	271
Other Salaries for Instruction	49,654	296,637	346,291	272,932	73,359
Purchased Professional-Technical Services	-	3,225	3,225	3,225	-
Other Purchased Services	-	7,293	7,293	6,463	830
Tuition - Private School Disabled	-	1,211,846	1,211,846	1,211,846	-
General Supplies	310,532	413,850	724,382	489,719	234,663
Other Objects	-	31,873	31,873	31,873	-
Textbooks	-	3,285	3,285	3,285	-
Total Instruction	<u>2,883,516</u>	<u>1,364,937</u>	<u>4,248,453</u>	<u>3,939,330</u>	<u>309,123</u>
Support Services					
Other Salaries	-	550,000	550,000	1,686	548,314
Personal Services - Employee Benefits	43,542	424,871	468,413	324,734	143,679
Purchased Professional - Educational Services	20,848	272,245	293,093	260,333	32,760
Other Purchased Services (400-500 series)	-	12,567	12,567	12,568	(1)
Supplies & Materials	3,385	46,321	49,706	42,520	7,186
Other Objects	<u>57,081</u>	<u>(57,081)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Support Services	<u>124,856</u>	<u>1,248,923</u>	<u>1,373,779</u>	<u>641,841</u>	<u>731,938</u>
Equipment					
Instructional Equipment	-	231,779	231,779	224,594	7,185
Total Equipment	<u>-</u>	<u>231,779</u>	<u>231,779</u>	<u>224,594</u>	<u>7,185</u>
Total Expenditures	<u>3,008,372</u>	<u>2,845,639</u>	<u>5,854,011</u>	<u>4,805,765</u>	<u>1,048,246</u>
Total Outflows	<u>3,008,372</u>	<u>2,845,639</u>	<u>5,854,011</u>	<u>4,805,765</u>	<u>1,048,246</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
FISCAL YEAR ENDED JUNE 30, 2010

Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 176,219,273	\$ 4,805,765
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(5,407)
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	4,895,839	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(5,270,424)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 175,844,688</u>	<u>\$ 4,800,358</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	174,553,600	4,805,765
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	(5,407)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to capital projects fund	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 174,553,600</u>	<u>\$ 4,800,358</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>NONPUBLIC AID</u>					
	<u>Textbooks</u>	<u>Nursing</u>	<u>Suppl. Instr.</u>	<u>Exam. and Classif.</u>	<u>Madison</u>	<u>Perkins</u>
REVENUES:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	3,285	2,162	960	11,877	-	-
Federal Sources	-	-	-	-	239,363	159,761
Total Revenues	<u>3,285</u>	<u>2,162</u>	<u>960</u>	<u>11,877</u>	<u>239,363</u>	<u>159,761</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	-	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-	-
Purchased Prof. & Technical Svcs	-	-	-	-	-	3,225
Other Purchased Services	-	-	-	-	-	-
Tuition - Private School Disabled	-	-	-	-	-	-
General Supplies	-	-	-	-	-	87,959
Other	-	-	-	-	-	31,873
Textbooks	<u>3,285</u>	-	-	-	-	-
Total Instruction	<u>3,285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,057</u>
Support Services:						
Salaries - Support	-	-	-	-	-	-
Personal Svcs. - Emp. Benefits	-	-	-	-	-	-
Purchased Prof.-Educational Svcs	-	2,162	960	11,877	239,363	-
Other Purchased Services	-	-	-	-	-	-
Supplies & Materials	-	-	-	-	-	-
Total Support Services	<u>-</u>	<u>2,162</u>	<u>960</u>	<u>11,877</u>	<u>239,363</u>	<u>-</u>
Equipment:						
Instructional Equipment	-	-	-	-	-	36,704
Total Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,704</u>
Total Expenditures	<u>3,285</u>	<u>2,162</u>	<u>960</u>	<u>11,877</u>	<u>239,363</u>	<u>159,761</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Title I		Title IIA		Title IID	
	Current	Run-Out	Current	Run-out	Current	Run-out
REVENUES:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-	-
Federal Sources	<u>208,993</u>	<u>62,120</u>	<u>154,396</u>	<u>13,095</u>	<u>2,980</u>	<u>2,018</u>
Total Revenues	<u>208,993</u>	<u>62,120</u>	<u>154,396</u>	<u>13,095</u>	<u>2,980</u>	<u>2,018</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	69,885	-	20,000	-	-	-
Other Salaries for Instruction	90,816	42,523	76,109	5,463	2,041	1,874
Purchased Prof. & Technical Svcs	-	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	-
Tuition - Private School Disabled	-	-	-	-	-	-
General Supplies	26,602	879	-	-	-	-
Other	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-
Total Instruction	<u>187,303</u>	<u>43,402</u>	<u>96,109</u>	<u>5,463</u>	<u>2,041</u>	<u>1,874</u>
Support Services:						
Salaries - Support	-	-	-	-	-	-
Personal Svcs. - Emp. Benefits	20,410	17,689	9,162	7,055	156	144
Purchased Prof.-Educational Svcs	295	-	2,250	-	-	-
Other Purchased Services	-	1,029	7,630	-	-	-
Supplies & Materials	<u>985</u>	<u>-</u>	<u>39,245</u>	<u>577</u>	<u>783</u>	<u>-</u>
Total Support Services	<u>21,690</u>	<u>18,718</u>	<u>58,287</u>	<u>7,632</u>	<u>939</u>	<u>144</u>
Equipment:						
Instructional Equipment	-	-	-	-	-	-
Total Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>208,993</u>	<u>62,120</u>	<u>154,396</u>	<u>13,095</u>	<u>2,980</u>	<u>2,018</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Title III			Title IV	Post Secondary
	Current	Run-out	Immigrant		
REVENUES:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ 89,898
State Sources	-	-	-	-	-
Federal Sources	<u>18,065</u>	<u>5,466</u>	<u>27,352</u>	<u>19,632</u>	<u>-</u>
Total Revenues	<u>18,065</u>	<u>5,466</u>	<u>27,352</u>	<u>19,632</u>	<u>89,898</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	9,764	5,059	-	13,983	25,300
Purchased Prof. & Technical Svcs	-	-	-	-	-
Other Purchased Services	-	-	-	-	6,463
Tuition - Private School Disabled	-	-	-	-	-
General Supplies	3,928	-	27,352	979	58,135
Other	-	-	-	-	-
Textbooks	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Instruction	<u>13,692</u>	<u>5,059</u>	<u>27,352</u>	<u>14,962</u>	<u>89,898</u>
Support Services:					
Salaries - Support	-	-	-	-	-
Personal Svcs. - Emp. Benefits	1,134	407	-	1,070	-
Purchased Prof.-Educational Svcs	2,000	-	-	-	-
Other Purchased Services	1,239	-	-	2,670	-
Supplies & Materials	<u>-</u>	<u>-</u>	<u>-</u>	<u>930</u>	<u>-</u>
Total Support Services	<u>4,373</u>	<u>407</u>	<u>-</u>	<u>4,670</u>	<u>-</u>
Equipment:					
Instructional Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>18,065</u>	<u>5,466</u>	<u>27,352</u>	<u>19,632</u>	<u>89,898</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	I.D.E.A.			A.F.C.E.A.	Totals
	Current	Run-Out	ARRA		
REVENUES:					
Local Sources	\$ -	\$ -	\$ -	\$ 8,776	\$ 98,674
State Sources	-	-	-	-	18,284
Federal Sources	<u>1,953,537</u>	<u>159,797</u>	<u>1,662,232</u>	<u>-</u>	<u>4,688,807</u>
Total Revenues	<u>1,953,537</u>	<u>159,797</u>	<u>1,662,232</u>	<u>8,776</u>	<u>4,805,765</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,690,675	139,427	-	-	\$ 1,919,987
Other Salaries for Instruction	-	-	-	-	272,932
Purchased Prof. & Technical Svcs	-	-	-	-	3,225
Other Purchased Services	-	-	-	-	6,463
Tuition - Private School Disabled	-	-	1,211,846	-	1,211,846
General Supplies	11,541	-	263,568	8,776	489,719
Other	-	-	-	-	31,873
Textbooks	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,285</u>
Total Instruction	<u>1,702,216</u>	<u>139,427</u>	<u>1,475,414</u>	<u>8,776</u>	<u>3,939,330</u>
Support Services:					
Salaries - Support	-	-	1,686	-	\$ 1,686
Personal Svcs. - Emp. Benefits	247,008	20,370	129	-	324,734
Purchased Prof.-Educational Svcs	1,238	-	188	-	260,333
Other Purchased Services	-	-	-	-	12,568
Supplies & Materials	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,520</u>
Total Support Services	<u>248,246</u>	<u>20,370</u>	<u>2,003</u>	<u>-</u>	<u>641,841</u>
Equipment:					
Instructional Equipment	<u>3,075</u>	<u>-</u>	<u>184,815</u>	<u>-</u>	<u>\$ 224,594</u>
Total Equipment	<u>3,075</u>	<u>-</u>	<u>184,815</u>	<u>-</u>	<u>224,594</u>
Total Expenditures	<u>1,953,537</u>	<u>159,797</u>	<u>1,662,232</u>	<u>8,776</u>	<u>4,805,765</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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, as well as grants authorized by the New Jersey School Development Authority.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2010
			Prior Years	Current Year	
Freehold Boro High School - Corridor Roof Repair	5/1/2009	\$ 102,249	\$ -	\$ 102,249	\$ -
Howell High School - Water Main Replacement	5/1/2009	73,651	-	73,651	-
Manalapan High School - Partial Roof Replacement	5/1/2009	160,246		160,246	-
Totals		<u>\$ 336,146</u>	<u>\$ -</u>	<u>\$ 336,146</u>	<u>\$ -</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Revenues and Other Financing Sources:

State sources - SDA grant	\$ 134,458
Transfer from capital reserve	201,688
Total Revenues	<u>336,146</u>

Expenditures and Other Financing Uses:

Purchased professional and technical services	45,748
Construction services	290,398
Total Expenditures	<u>336,146</u>

Excess (Deficiency) of revenues over (under) expenditures	<u>\$ -</u>
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FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS

FREEHOLD BORO HIGH SCHOOL - CORRIDOR ROOF REPAIR
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Funding Sources:				
State sources - SDA grant	\$ -	\$ 40,900	\$ 40,900	\$ 40,900
Transfer from capital reserve	-	61,349	61,349	61,349
Total Revenues	<u>-</u>	<u>102,249</u>	<u>102,249</u>	<u>102,249</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	-	8,424	8,424	8,424
Construction services	-	93,825	93,825	93,825
Total Expenditures	<u>-</u>	<u>102,249</u>	<u>102,249</u>	<u>102,249</u>
Excess (Deficiency) of revenues over (under) expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information:

Project Number	1650-050-09-1001
Grant Date/Letter of Notification	5/1/2009
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$93,753
Additional Authorized Cost	\$8,496
Revised Authorized Cost	\$102,249
Percentage Increase Over Original Authorized Cost	9%
Percentage Completion	100%
Original Target Completion Date	8/28/2009
Actual Completion Date	9/1/2010

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS

HOWELL HIGH SCHOOL - WATER MAIN REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Funding Sources:				
State sources - SDA grant	\$ -	\$ 29,460	\$ 29,460	\$ 29,460
Transfer from capital reserve	-	44,191	44,191	44,191
Total Revenues	-	73,651	73,651	73,651
Expenditures and Other Financing Uses:				
Purchased professional and technical services	-	18,197	18,197	18,197
Construction services	-	55,454	55,454	55,454
Total Expenditures	-	73,651	73,651	73,651
Excess (Deficiency) of revenues over (under) expenses	\$ -	\$ -	\$ -	\$ -

Additional Project Information:

Project Number	1650-050-09-1003
Grant Date/Letter of Notification	5/1/2009
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$218,750
Additional Authorized Cost	(\$145,099)
Revised Authorized Cost	\$73,651
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	8/28/2009
Actual Completion Date	9/1/2010
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	9/1/2010
Actual Completion Date	6/15/2010

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS

MANALAPAN HIGH SCHOOL - PARTIAL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Funding Sources:				
State sources - SDA grant	\$ -	\$ 64,098	\$ 64,098	\$ 64,098
Transfer from capital reserve	-	96,148	96,148	96,148
Total Revenues	<u>-</u>	<u>160,246</u>	<u>160,246</u>	<u>160,246</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	-	19,127	19,127	19,127
Construction services	-	141,119	141,119	141,119
Total Expenditures	<u>-</u>	<u>160,246</u>	<u>160,246</u>	<u>160,246</u>
Excess (Deficiency) of revenues over (under) expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information:

Project Number	1650-050-09-1004
Grant Date/Letter of Notification	5/1/2009
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$297,015
Additional Authorized Cost	(\$136,769)
Revised Authorized Cost	\$160,246
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	8/28/2009
Actual Completion Date	9/1/2010
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	9/1/2010
Actual Completion Date	6/15/2010

FIDUCIARY FUNDS DETAIL STATEMENTS
--

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

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

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

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

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.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2010

	Unemployment Compensation Insurance Trust	Private Purpose Trust	Agency Funds	Totals
ASSETS				
Cash and Cash Equivalents	\$ 258,486	\$ 1,024,760	\$ 1,532,907	\$ 2,816,153
Interfund Receivable	-	-	136,157	136,157
Loans Receivable	-	21,740	-	21,740
Total Assets	<u>\$ 258,486</u>	<u>\$ 1,046,500</u>	<u>\$ 1,669,064</u>	<u>\$ 2,974,050</u>
LIABILITIES				
Accounts Payable	\$ 50,236	\$ -	\$ -	\$ 50,236
Interfund Payable	-	-	-	-
Payable to Student Groups	-	-	822,545	822,545
Payroll Deductions and Withholdings	-	-	846,519	846,519
Total Liabilities	<u>\$ 50,236</u>	<u>\$ -</u>	<u>\$ 1,669,064</u>	<u>\$ 1,719,300</u>
NET ASSETS				
Held in Trust for Unemployment Claims and Other Purposes	\$ 208,250	\$ -	\$ -	\$ 208,250
Reserved for Scholarships	-	1,046,500	-	1,046,500
Total Net Assets	<u>208,250</u>	<u>1,046,500</u>	<u>-</u>	<u>1,254,750</u>
Total Liabilities and Net Assets	<u>\$ 258,486</u>	<u>\$ 1,046,500</u>	<u>\$ 1,669,064</u>	<u>\$ 2,974,050</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Unemployment Compensation Insurance Trust	Private Purpose Trust	Totals
ADDITIONS			
Contributions:			
Plan Members	\$ 246,307	\$ -	\$ 246,307
District	100,000	-	100,000
Donations	-	31,886	31,886
Total Contributions	<u>346,307</u>	<u>31,886</u>	<u>378,193</u>
Investment Earnings:			
Interest	413	1,992	2,405
Net Investment Earnings	<u>413</u>	<u>1,992</u>	<u>2,405</u>
Total Additions	<u>346,720</u>	<u>33,878</u>	<u>380,598</u>
DEDUCTIONS			
Quarterly Contribution Reports	160,090	-	160,090
Unemployment Claims	241,382	-	241,382
Scholarships Awarded	-	33,630	33,630
Total Deductions	<u>401,472</u>	<u>33,630</u>	<u>435,102</u>
Change in Net Assets	(54,752)	248	(54,504)
Net Assets - Beginning of the Year	<u>263,002</u>	<u>1,046,252</u>	<u>1,309,254</u>
Net Assets - End of the Year	<u>\$ 208,250</u>	<u>\$ 1,046,500</u>	<u>\$ 1,254,750</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2010</u>
HIGH SCHOOLS:				
Colts Neck	\$ 101,654	\$ 416,338	\$ 388,772	\$ 129,220
Freehold Borough	92,856	275,959	263,977	\$ 104,838
Freehold Township	126,602	469,724	423,485	\$ 172,841
Howell	143,660	348,735	376,902	\$ 115,493
Manalapan	108,612	385,372	389,002	\$ 104,982
Marlboro	<u>157,080</u>	<u>338,778</u>	<u>300,687</u>	<u>\$ 195,171</u>
 TOTAL ASSETS	 <u>\$ 730,464</u>	 <u>\$ 2,234,906</u>	 <u>\$ 2,142,825</u>	 <u>\$ 822,545</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2010</u>
ASSETS:				
Cash and Cash Equivalents	\$ 1,563,803	\$ 68,680,871	\$ 69,534,312	\$ 710,362
Interfund Receivable	<u>-</u>	<u>136,157</u>	<u>-</u>	<u>136,157</u>
 TOTAL ASSETS	 <u>\$ 1,563,803</u>	 <u>\$ 68,817,028</u>	 <u>\$ 69,534,312</u>	 <u>\$ 846,519</u>
 LIABILITIES:				
Payroll Deductions and Withholding	\$ 1,300,083	\$ 68,650,724	\$ 69,104,288	\$ 846,519
Interfund Payable	<u>263,720</u>	<u>794</u>	<u>264,514</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>\$ 1,563,803</u>	 <u>\$ 68,651,518</u>	 <u>\$ 69,368,802</u>	 <u>\$ 846,519</u>

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LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF SERIAL BONDS
AS OF JUNE 30, 2010

	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2009	Issued Current Year	Retired Current Year	Balance June 30, 2010
			Date	Amount					
Additions and renovations of Colts Neck, Freehold, Freehold Township, Howell, Manalapan, and Marlboro High Schools	3/9/2000	\$ 68,920,000	3/1/2010	2,985,000	5.50%	2,985,000	-	2,985,000	-
Refunded - Additions and renovations of Colts Neck, Freehold, Freehold Twp, Howell, Manalapan, and Marlboro High Schools	11/16/2001	\$ 42,690,000	3/1/2011	3,280,000	5.00%	41,885,000	-	115,000	41,770,000
			3/1/2012	3,455,000	5.00%				
			3/1/2013	3,635,000	5.00%				
			3/1/2014	3,830,000	5.00%				
			3/1/2015	4,030,000	5.00%				
			3/1/2016	4,240,000	5.00%				
			3/1/2017	4,460,000	5.00%				
			3/1/2018	4,695,000	5.00%				
			3/1/2019	4,940,000	5.00%				
			3/1/2020	5,205,000	5.00%				
						-	-	-	-
						\$44,870,000	\$ -	\$3,100,000	\$41,770,000

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,462,300	\$ -	\$ 3,462,300	\$ 3,462,300	\$ -
State Sources:					
Debt Service Aid	1,894,975	-	1,894,975	1,894,975	-
Total - State Sources	1,894,975	-	1,894,975	1,894,975	-
Total Revenues	5,357,275	-	5,357,275	5,357,275	-
EXPENDITURES:					
Regular Debt Service:					
Interest	2,257,275	-	2,257,275	2,257,275	-
Redemption of Principal	3,100,000	-	3,100,000	3,100,000	-
Total Regular Debt Service	5,357,275	-	5,357,275	5,357,275	-
Total Expenditures	5,357,275	-	5,357,275	5,357,275	-
Deficiency of Revenues Under Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -
Recapitulation of Deficiency of Revenues Under Expenditures					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -

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STATISTICAL SECTION (UNAUDITED)

<u>Contents</u>	<u>Pages</u>
Financial Trends	74-83
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	
Revenue Capacity	84-91
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity	92-94
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	95-100
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	101-117
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.	

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in the fiscal year ending June 30, 2002; schedules presenting district-wide information include information beginning in that year.*

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ended June 30,			
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 66,304,436	\$ 64,266,384	\$ 62,547,581	\$ 60,099,328
Restricted	6,513,220	8,567,707	7,261,951	5,619,907
Unrestricted	<u>3,468,668</u>	<u>(395,231)</u>	<u>(741,832)</u>	<u>1,620,498</u>
Total governmental activities net assets	<u>\$ 76,286,324</u>	<u>\$ 72,438,860</u>	<u>\$ 69,067,700</u>	<u>\$ 67,339,733</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 126,753	\$ 118,069	\$ 136,825	\$ 116,619
Unrestricted	<u>751,526</u>	<u>746,865</u>	<u>631,922</u>	<u>765,204</u>
Total business-type activities net assets	<u>\$ 878,279</u>	<u>\$ 864,934</u>	<u>\$ 768,747</u>	<u>\$ 881,823</u>
District-wide				
Invested in capital assets, net of related debt	\$ 66,431,189	\$ 64,384,453	\$ 62,684,406	\$ 60,215,947
Restricted	6,513,220	8,567,707	7,261,951	5,619,907
Unrestricted	<u>4,220,194</u>	<u>351,634</u>	<u>(109,910)</u>	<u>2,385,702</u>
Total district net assets	<u>\$ 77,164,603</u>	<u>\$ 73,303,794</u>	<u>\$ 69,836,447</u>	<u>\$ 68,221,556</u>

Source: CAFR Schedule A-1

Fiscal Year Ended June 30,				
<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 57,132,033	\$ 53,718,752	\$ 50,450,216	\$ 41,528,879	\$ 24,428,283
5,619,979	8,133,035	6,393,712	9,355,508	24,006,311
<u>2,532,519</u>	<u>1,360,260</u>	<u>2,731,986</u>	<u>1,302,815</u>	<u>2,327,692</u>
<u>\$ 65,284,531</u>	<u>\$ 63,212,047</u>	<u>\$ 59,575,914</u>	<u>\$ 52,187,202</u>	<u>\$ 50,762,286</u>
\$ 68,813	\$ 62,639	\$ 46,755	\$ 40,118	\$ -
<u>727,740</u>	<u>454,205</u>	<u>556,151</u>	<u>481,454</u>	<u>543,857</u>
<u>\$ 796,553</u>	<u>\$ 516,844</u>	<u>\$ 602,906</u>	<u>\$ 521,572</u>	<u>\$ 543,857</u>
\$ 57,200,846	\$ 53,781,391	\$ 50,496,971	\$ 41,568,997	\$ 24,428,283
5,619,979	8,133,035	6,393,712	9,355,508	24,006,311
<u>3,260,259</u>	<u>1,814,465</u>	<u>3,288,137</u>	<u>1,784,269</u>	<u>2,871,549</u>
<u>\$ 66,081,084</u>	<u>\$ 63,728,891</u>	<u>\$ 60,178,820</u>	<u>\$ 52,708,774</u>	<u>\$ 51,306,143</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET ASSETS,
LAST NINE FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses			
Governmental Activities			
Instruction:			
Regular	\$ 79,855,943	\$ 72,166,199	\$ 70,640,599
Special Education	9,471,600	10,412,993	8,983,892
Other Instruction	9,136,052	9,114,401	8,612,612
Support Services:			
Tuition	12,197,151	13,015,812	15,013,306
Student & Instruction Related Services	18,477,174	17,399,289	15,462,451
School Administrative Services	9,288,344	8,678,752	8,517,200
General Administrative Services	2,267,175	5,477,731	5,547,284
Central Service/Admin Information Technology	3,299,725	-	-
Plant Operations and Maintenance	17,465,039	18,045,436	19,505,838
Pupil Transportation	18,190,193	18,485,087	16,490,332
Special Schools	390,309	347,995	235,386
Capital Outlay	-	-	83,796
Transfer to Charter School	15,292	-	-
Interest on Long-Term Debt	2,201,017	2,364,710	3,382,765
Unallocated Depreciation and Amortization	34,303	34,303	34,303
Total Governmental Activities	<u>182,289,317</u>	<u>175,542,708</u>	<u>172,509,764</u>
Business-Type Activities			
Food Service	\$ 3,426,440	\$ 3,919,325	\$ 3,663,544
Extra Curricular Fund	222,845	-	-
Total Business-Type Activities	<u>3,649,285</u>	<u>3,919,325</u>	<u>3,663,544</u>
Total District Expenses	<u>\$ 185,938,602</u>	<u>\$ 179,462,033</u>	<u>\$ 176,173,308</u>
Program Revenues			
Governmental Activities			
Charges for services	\$ 352,974	\$ 107,441	\$ 214,292
Operating Grants and Contributions	798,443	855,928	1,471,379
Capital Grants and Contributions	-	-	-
Total Governmental Activities Program Revenues	<u>1,151,417</u>	<u>963,369</u>	<u>1,685,671</u>
Business-Type Activities			
Charges for services			
Food Service	2,944,677	3,461,930	3,128,462
Extra Curricular Fund	222,845	-	-
Operating grants and contributions	495,107	553,582	422,006
Total Business-Type Activities Program Revenues	<u>3,662,630</u>	<u>4,015,512</u>	<u>3,550,468</u>
Total District Program Revenue	<u>\$ 4,814,047</u>	<u>\$ 4,978,881</u>	<u>\$ 5,236,139</u>
Net (Expense)/Revenue			
Governmental Activities	\$ (181,137,900)	\$ (174,579,339)	\$ (170,824,093)
Business-Type Activities	13,345	96,187	(113,076)
Total District-Wide Net Expense	<u>\$ (181,124,555)</u>	<u>\$ (174,483,152)</u>	<u>\$ (170,937,169)</u>

Fiscal Year Ended June 30,

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 65,596,742	\$ 61,929,493	\$ 59,266,285	\$ 56,192,631	\$ 49,968,948	\$ 41,984,804
11,840,343	8,672,561	5,079,128	4,224,671	3,552,779	2,185,775
8,751,303	7,879,500	6,172,818	5,480,418	5,193,339	4,775,483
10,952,382	10,652,056	10,205,890	9,272,579	8,380,774	7,670,080
15,742,207	14,558,601	16,927,159	16,076,923	16,141,063	14,905,077
9,288,997	8,272,250	7,761,954	7,188,001	6,880,733	6,079,719
4,932,793	4,472,690	4,337,969	4,086,259	3,725,835	3,666,508
-	-	-	-	-	-
17,834,928	17,045,818	15,944,586	14,574,434	13,966,341	12,481,181
16,617,218	15,520,978	13,971,301	13,174,106	12,493,949	11,349,403
285,750	262,183	214,950	192,363	184,966	162,265
-	-	-	-	-	-
2,062	9,220	8,950	-	-	-
2,874,208	3,171,408	3,466,983	3,762,081	4,054,102	4,830,284
34,303	41,323	41,327	41,327	41,327	2,492,095
<u>164,753,236</u>	<u>152,488,081</u>	<u>143,399,300</u>	<u>134,265,793</u>	<u>124,584,156</u>	<u>112,582,674</u>
\$ 3,606,359	\$ 3,300,482	\$ 3,413,177	\$ 2,889,955	\$ 2,701,197	\$ 2,497,364
-	-	-	-	-	-
<u>3,606,359</u>	<u>3,300,482</u>	<u>3,413,177</u>	<u>2,889,955</u>	<u>2,701,197</u>	<u>2,497,364</u>
<u>\$ 168,359,595</u>	<u>\$ 155,788,563</u>	<u>\$ 146,812,477</u>	<u>\$ 137,155,748</u>	<u>\$ 127,285,353</u>	<u>\$ 115,080,038</u>
\$ 174,415	\$ 147,684	\$ 143,591	\$ 191,252	\$ 244,917	\$ 151,297
1,006,820	1,109,485	1,211,572	1,313,658	1,046,486	2,518,460
17,060	40,901	-	15,012	7,500	-
<u>1,198,295</u>	<u>1,298,070</u>	<u>1,355,163</u>	<u>1,519,922</u>	<u>1,298,903</u>	<u>2,669,757</u>
3,316,227	3,226,904	3,017,514	2,739,477	2,495,923	2,412,675
-	-	-	-	-	-
<u>375,402</u>	<u>353,287</u>	<u>309,601</u>	<u>231,812</u>	<u>182,989</u>	<u>153,481</u>
<u>3,691,629</u>	<u>3,580,191</u>	<u>3,327,115</u>	<u>2,971,289</u>	<u>2,678,912</u>	<u>2,566,156</u>
<u>\$ 4,889,924</u>	<u>\$ 4,878,261</u>	<u>\$ 4,682,278</u>	<u>\$ 4,491,211</u>	<u>\$ 3,977,815</u>	<u>\$ 5,235,913</u>
\$ (163,554,941)	\$ (151,190,011)	\$ (142,044,137)	\$ (132,745,871)	\$ (123,285,253)	\$ (109,912,917)
85,270	279,709	(86,062)	81,334	(22,285)	68,792
<u>\$ (163,469,671)</u>	<u>\$ (150,910,302)</u>	<u>\$ (142,130,199)</u>	<u>\$ (132,664,537)</u>	<u>\$ (123,307,538)</u>	<u>\$ (109,844,125)</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET ASSETS,
LAST NINE FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental Revenues			
Governmental Activities			
Property Taxes Levied for General Purposes	112,783,657	110,882,300	106,617,596
Property Taxes Levied for Debt Service	3,462,300	3,474,896	5,025,434
Unrestricted Grants and Contributions	62,218,157	62,811,715	60,138,111
Restricted Grants and Contributions	5,935,387		
Interest and Investment Earnings	-	194,536	603,643
Miscellaneous Income	585,862	587,052	167,276
Transfers	-	-	-
Gain (Loss) on Sale of Equipment	-	-	-
Total Governmental Activities	<u>184,985,363</u>	<u>177,950,499</u>	<u>172,552,060</u>
Change in Net Assets			
Governmental Activities	\$ 3,847,463	\$ 3,371,160	\$ 1,727,967
Business-Type Activities	<u>13,345</u>	<u>96,187</u>	<u>(113,076)</u>
Total District	<u>\$ 3,860,808</u>	<u>\$ 3,467,347</u>	<u>\$ 1,614,891</u>

Source: CAFR Schedule A-2

Fiscal Year Ended June 30,					
<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
100,847,680	93,500,842	87,604,595	83,109,154	75,620,227	59,851,861
5,216,532	5,374,658	5,010,198	5,539,983	4,425,931	2,747,941
58,446,860	53,489,295	52,341,174	51,033,636	45,359,447	44,414,301
856,768	653,451	442,853	205,439	328,729	2,353,594
271,500	239,549	270,320	246,371	192,563	161,404
(28,875)	-	-	-	-	(30,149)
(322)	4,700	11,130	-	-	-
<u>165,610,143</u>	<u>153,262,495</u>	<u>145,680,270</u>	<u>140,134,583</u>	<u>125,926,897</u>	<u>109,498,952</u>
\$ 2,055,202	\$ 2,072,484	\$ 3,636,133	\$ 7,388,712	\$ 2,641,644	\$ (413,965)
85,270	279,709	(86,062)	81,334	(22,285)	98,941
<u>\$ 2,140,472</u>	<u>\$ 2,352,193</u>	<u>\$ 3,550,071</u>	<u>\$ 7,470,046</u>	<u>\$ 2,619,359</u>	<u>\$ (315,024)</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	As of June 30,				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund					
Reserved	\$ 7,092,073	\$ 9,550,771	\$ 7,019,262	\$ 3,795,928	\$ 5,619,907
Unreserved	<u>4,289,726</u>	<u>741,628</u>	<u>1,487,631</u>	<u>5,556,140</u>	<u>4,054,842</u>
Total general fund	<u>\$ 11,381,799</u>	<u>\$ 10,292,399</u>	<u>\$ 8,506,893</u>	<u>\$ 9,352,068</u>	<u>\$ 9,674,749</u>
All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Debt service fund	-	-	-	-	72
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72</u>

Source: CAFR Schedule B-1

As of June 30,				
<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 8,117,877	\$ 6,940,735	\$ 2,280,398	\$ 60,804	\$ 270,518
<u>2,853,669</u>	<u>3,562,866</u>	<u>3,201,032</u>	<u>2,965,728</u>	<u>6,679,304</u>
<u>\$ 10,971,546</u>	<u>\$ 10,503,601</u>	<u>\$ 5,481,430</u>	<u>\$ 3,026,532</u>	<u>\$ 6,949,822</u>
\$ -	\$ -	\$ -	\$ -	\$ 26,271,224
-	-	(21,581)	-	-
-	406,911	6,877,686	21,622,560	29,404,353
<u>15,158</u>	<u>570,338</u>	<u>197,424</u>	<u>2,322,947</u>	<u>1,568,342</u>
<u>\$ 15,158</u>	<u>\$ 977,249</u>	<u>\$ 7,053,529</u>	<u>\$ 23,945,507</u>	<u>\$ 57,243,919</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED

	As of June 30,			
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues				
Tax levy	\$ 116,245,957	\$ 114,357,196	\$ 111,643,030	\$ 106,064,212
Tuition charges	236,050	35,527	108,800	174,415
Interest Earned on Investments	60,443	194,536	603,643	856,768
Miscellaneous	642,344	658,966	272,768	271,500
State sources	56,905,827	60,739,212	58,666,732	56,864,580
Federal sources	12,046,159	2,928,431	2,942,758	2,589,099
Total Revenue	<u>186,136,779</u>	<u>178,913,868</u>	<u>174,237,731</u>	<u>166,820,574</u>
Expenditures				
Instruction				
Regular Instruction	\$ 55,759,577	\$ 51,645,808	\$ 50,031,689	\$ 44,767,309
Special Education Instruction	6,768,646	7,286,673	6,965,827	8,503,189
Other Instruction	6,879,582	6,633,811	6,649,245	6,525,571
Support Services				
Instruction	12,197,151	13,015,812	11,494,308	10,952,382
Student & Instruction Related Services	13,609,000	12,976,196	11,952,401	11,631,945
School Administrative Services	6,641,945	6,322,266	6,516,811	6,427,288
General Administration	2,108,923			
General and Central Services	-	4,577,957	4,353,463	3,961,467
Central Services & Admin. Technology	2,404,433			
Plant Operations and Maintenance	14,546,194	15,210,424	14,803,886	14,919,095
Pupil Transportation	15,718,142	15,526,401	14,984,584	13,890,500
Employee Benefits	39,128,215	35,400,749	37,266,935	35,107,074
Special Schools	278,502	251,758	235,386	202,322
Charter Schools	15,292	-	-	2,062
Capital Outlay	3,634,504	2,902,082	2,196,026	2,298,640
Debt Service :				
Principal	3,100,000	2,960,000	4,985,000	4,980,000
Interest and Other Charges	2,257,275	2,418,425	2,647,345	2,945,608
Total Expenditures	<u>185,047,379</u>	<u>177,128,362</u>	<u>175,082,906</u>	<u>167,114,452</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,089,400	1,785,506	(845,175)	(293,878)
Other Financing Sources (Uses)				
Capital Leases (Non-budgeted)	-	-	-	-
Proceeds from Sale of Fixed Assets	-	-	-	-
Proceeds from Borrowing	-	-	-	-
Proceeds from Refunding	-	-	-	-
Payments to Escrow Agent	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	(28,875)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,875)</u>
Net Change in Fund Balances	<u>\$ 1,089,400</u>	<u>\$ 1,785,506</u>	<u>\$ (845,175)</u>	<u>\$ (322,753)</u>
Debt service as a percentage of noncapital expenditures	2.95%	3.09%	4.41%	4.81%

Source: CAFR Schedule B-2

As of June 30,					
<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 98,875,500	\$ 92,614,793	\$ 88,649,137	\$ 80,046,158	\$ 62,599,802	\$ 52,010,983
147,684	143,591	191,252	244,917	151,297	148,100
653,451	442,853	205,439	328,729	2,353,594	4,471,213
239,549	270,320	246,371	192,563	161,404	191,860
52,184,257	51,201,486	50,054,618	44,466,564	45,343,865	45,604,649
<u>2,414,523</u>	<u>2,351,260</u>	<u>2,292,676</u>	<u>1,939,369</u>	<u>1,588,896</u>	<u>1,507,413</u>
<u>154,514,964</u>	<u>147,024,303</u>	<u>141,639,493</u>	<u>127,218,300</u>	<u>112,198,858</u>	<u>103,934,218</u>
\$ 44,619,339	\$ 43,305,122	\$ 40,894,540	\$ 37,147,043	\$ 34,186,073	\$ 29,100,296
5,983,465	3,330,368	2,751,555	2,628,740	1,760,512	3,366,860
6,106,800	5,074,464	4,446,557	4,338,919	3,968,074	3,851,460
10,652,056	10,205,890	9,272,579	8,380,774	7,670,080	6,346,910
11,122,006	13,068,619	12,408,491	12,484,251	11,997,194	10,074,041
6,148,834	5,877,922	5,445,479	5,329,021	4,907,105	4,504,881
3,671,247	3,639,488	3,477,389	3,322,445	2,910,148	2,535,065
14,602,429	13,733,038	12,450,365	12,038,601	11,105,213	10,115,917
13,166,507	11,814,953	11,051,896	10,556,823	9,683,125	8,539,621
28,694,578	26,254,248	23,371,727	19,944,260	15,935,065	14,692,330
193,217	161,244	144,805	142,244	129,566	153,984
9,220	8,950	-	-	-	-
2,664,341	2,580,760	8,249,737	15,562,749	35,885,692	14,403,182
4,950,000	4,925,000	4,895,000	4,865,000	4,850,000	4,740,000
<u>3,242,808</u>	<u>3,538,383</u>	<u>3,833,482</u>	<u>4,125,502</u>	<u>4,402,564</u>	<u>4,805,202</u>
<u>155,826,847</u>	<u>147,518,449</u>	<u>142,693,602</u>	<u>140,866,372</u>	<u>149,390,411</u>	<u>117,229,749</u>
(1,311,883)	(494,146)	(1,054,109)	(13,648,072)	(37,191,553)	(13,295,531)
-	-	-	-	-	46,380
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	45,092,201	-
-	-	-	-	(45,092,201)	-
288,216	594,953	582,127	947,502	2,212,030	4,043,279
<u>(288,216)</u>	<u>(594,953)</u>	<u>(582,127)</u>	<u>(947,502)</u>	<u>(2,242,179)</u>	<u>(4,043,279)</u>
-	-	-	-	(30,149)	46,380
<u>\$ (1,311,883)</u>	<u>\$ (494,146)</u>	<u>\$ (1,054,109)</u>	<u>\$ (13,648,072)</u>	<u>\$ (37,221,702)</u>	<u>\$ (13,249,151)</u>
5.35%	5.84%	6.49%	7.17%	8.15%	9.28%

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

	As of June 30,				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Athletic Fees	\$ 97,112	\$ 113,391	\$ 122,378	\$ 114,218	\$ 119,080
Facility Rental	116,924	71,914	105,492	84,675	91,783
Refund of Prior Year Expenditures	197,482	280,321	722	17,959	2,447
Miscellaneous	<u>134,864</u>	<u>87,665</u>	<u>6,042</u>	<u>8,926</u>	<u>7,944</u>
Total	<u>\$ 546,383</u>	<u>\$ 553,291</u>	<u>\$ 234,634</u>	<u>\$ 225,778</u>	<u>\$ 221,254</u>

Source: District records

As of June 30,				
<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 104,494	\$ 103,734	\$ 104,751	\$ 67,666	\$ 62,180
105,048	108,411	67,876	60,348	97,016
-	5,816	-	-	-
<u>23,803</u>	<u>7,910</u>	<u>1,110</u>	<u>11,520</u>	<u>8,854</u>
<u>\$ 233,345</u>	<u>\$ 225,871</u>	<u>\$ 173,737</u>	<u>\$ 139,534</u>	<u>\$ 168,050</u>

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

	Vacant <u>Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>
Colts Neck					
2010	47,351,200	2,590,014,000	269,599,800	4,158,600	196,701,900
2009	20,075,000	1,230,598,800	116,469,200	3,595,050	81,269,400
2008	23,323,500	1,223,359,000	112,221,650	4,585,550	78,003,100
2007	24,759,000	1,206,627,700	106,773,400	3,712,550	71,775,300
2006	23,410,900	1,175,807,800	114,839,800	3,826,700	73,643,900
2005	22,918,500	1,150,175,800	114,367,600	3,846,100	72,887,300
2004	26,471,300	1,121,359,100	124,968,700	3,808,900	57,503,400
2003	29,206,700	1,100,424,200	123,749,200	3,793,700	58,150,600
2002	32,500,100	1,064,573,100	122,523,600	4,091,050	50,907,800
2001	38,558,500	1,013,600,100	123,681,300	4,586,950	49,763,800
Englishtown					
2010	3,892,300	198,206,200	0	0	42,019,600
2009	3,978,000	198,110,000	0	0	42,080,100
2008	3,353,400	198,838,400	0	0	42,425,900
2007	1,454,000	80,771,800	0	0	14,729,700
2006	2,781,400	75,336,000	0	0	13,585,100
2005	1,576,400	74,384,600	164,000	2,500	13,476,100
2004	1,444,600	74,025,200	164,000	2,500	13,026,100
2003	1,486,200	73,641,200	164,000	2,500	14,516,500
2002	1,496,100	72,832,900	164,000	2,500	14,991,500
2001	2,785,500	66,615,800	296,000	3,000	15,009,800
Farmingdale					
2010	1,918,800	112,002,400	721,700	14,200	20,480,300
2009	2,179,300	110,849,000	721,700	14,200	19,871,300
2008	2,129,800	110,554,200	721,700	14,200	19,871,300
2007	2,192,700	110,413,000	721,700	14,200	19,617,700
2006	2,393,100	109,439,200	721,700	14,200	19,613,700
2005	2,312,300	109,362,000	721,700	14,200	19,613,700
2004	1,132,400	43,655,600	416,900	10,200	12,721,300
2003	1,133,900	43,538,800	416,900	10,200	12,716,800
2002	1,133,000	43,325,000	416,900	10,200	12,721,300
2001	1,112,100	43,404,000	416,900	10,200	10,120,200

<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less: Tax- Exempt Property</u>	<u>Public Utilities (1)</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate (2)</u>	<u>Estimated Actual (County Equalized) Value</u>
0	0	3,107,825,500	0	5,087,706	3,112,913,206	0.383	3,342,807,536
0	0	1,452,007,450	0	1,787,172	1,453,794,622	0.822	3,445,743,076
0	0	1,441,492,800	0	1,315,836	1,442,808,636	0.831	3,388,417,905
0	0	1,413,647,950	0	1,280,728	1,414,928,678	0.812	3,263,252,356
0	0	1,391,529,100	0	1,346,355	1,392,875,455	0.765	2,929,709,638
0	0	1,364,195,300	0	1,623,568	1,365,818,868	0.755	2,607,555,477
0	0	1,334,111,400	0	1,869,149	1,335,980,549	0.715	2,317,921,254
0	0	1,315,324,400	0	2,209,282	1,317,533,682	0.684	2,038,843,051
0	0	1,274,595,650	0	2,422,457	1,277,018,107	0.624	1,776,546,329
0	0	1,230,190,650	0	2,659,307	1,232,849,957	0.464	1,527,721,269
9,879,300	1,262,100	255,259,500	0	4,454,063	259,713,563	0.320	250,970,511
9,879,300	1,262,100	255,309,500	0	5,904,759	261,214,259	0.303	246,645,548
10,229,600	1,262,100	256,109,400	0	3,772,717	259,882,117	0.268	237,664,306
2,975,900	743,200	100,674,600	0	1,170,831	101,845,431	0.646	218,018,531
3,275,900	743,200	95,721,600	0	1,551,774	97,273,374	0.683	189,388,163
3,275,900	633,000	93,512,500	0	1,725,109	95,237,609	0.595	169,651,537
3,275,900	633,000	92,571,300	0	1,980,282	94,551,582	0.631	151,953,225
3,259,800	633,000	93,703,200	0	2,363,187	96,066,387	0.525	129,907,273
3,259,800	633,000	93,379,800	0	2,234,590	95,614,390	0.466	109,374,056
3,259,800	633,000	88,602,900	0	2,275,180	90,878,080	0.367	100,397,890
2,742,800	13,947,400	151,827,600	0	2,815,873	154,643,473	0.277	153,164,638
2,742,800	13,947,400	150,325,700	0	2,462,182	152,787,882	0.316	158,529,010
2,742,800	13,947,400	149,981,400	0	2,330,926	152,312,326	0.335	153,839,777
2,742,800	13,507,100	149,209,200	0	1,971,969	151,181,169	0.372	150,439,213
2,742,800	13,507,100	148,431,800	0	2,288,899	150,720,699	0.419	150,166,193
2,742,800	13,507,100	148,273,800	0	2,321,144	150,594,944	0.403	143,425,224
1,757,400	4,959,400	64,653,200	0	1,299,042	65,952,242	0.827	116,403,768
1,757,400	4,959,400	64,533,400	0	1,636,918	66,170,318	0.743	94,518,967
1,757,400	4,959,400	64,323,200	0	1,820,884	66,144,084	0.498	79,630,399
4,457,400	4,959,400	64,480,200	0	1,887,211	66,367,411	0.446	71,449,944

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

	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>
Freehold Borough					
2010	11,375,600	766,577,000	0	0	242,880,100
2009	11,552,000	765,785,300	0	0	236,440,200
2008	11,815,100	763,101,500	0	0	237,093,900
2007	13,574,000	761,011,000	0	0	238,891,500
2006	16,481,600	756,389,400	0	0	243,545,100
2005	16,243,200	756,435,500	0	0	243,404,500
2004	4,440,800	333,950,200	0	0	103,596,400
2003	4,580,700	331,257,600	0	0	102,940,501
2002	5,421,900	330,156,100	0	0	101,088,100
2001	5,508,000	328,864,900	0	0	100,425,100
Freehold Township					
2010	79,832,500	4,549,534,600	30,233,300	1,654,900	1,291,205,600
2009	95,225,000	4,529,646,900	30,709,200	1,670,000	1,341,345,700
2008	43,886,000	2,245,621,400	14,932,600	1,700,500	644,466,200
2007	49,811,400	2,205,318,600	14,730,600	1,764,500	633,230,100
2006	65,790,600	2,146,671,100	15,123,200	1,726,900	642,767,600
2005	66,615,000	2,096,875,500	15,635,600	1,779,600	636,922,000
2004	51,833,800	2,021,577,700	15,765,400	2,077,500	634,523,200
2003	55,110,200	1,971,411,100	15,538,500	2,200,600	636,091,100
2002	51,326,200	1,920,317,900	15,480,700	2,400,000	626,546,000
2001	57,280,200	1,854,020,600	15,336,200	2,091,000	626,693,100
Howell					
2010	237,133,360	5,747,380,000	107,553,000	2,707,600	662,086,020
2009	253,365,700	5,735,865,900	104,001,400	2,426,100	662,057,600
2008	264,011,700	5,707,045,800	107,499,400	2,543,100	667,961,100
2007	249,995,100	5,667,270,700	108,077,700	2,510,100	703,025,300
2006	101,993,950	2,438,894,540	43,202,800	2,265,300	297,604,900
2005	120,597,750	2,375,496,640	43,161,300	2,551,300	296,105,200
2004	117,997,150	2,324,256,240	51,243,300	2,666,300	259,498,000
2003	116,491,150	2,276,816,540	38,719,400	2,814,319	255,402,100
2002	92,838,850	2,257,106,240	36,076,300	2,784,919	246,563,100
2001	102,415,150	2,185,309,240	35,640,800	2,878,119	225,699,100

<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less: Tax- Exempt Property</u>	<u>Public Utilities (1)</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate (2)</u>	<u>Estimated Actual (County Equalized) Value</u>
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
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
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
34,727,100	22,941,400	1,071,145,000	1,430,600	9,846,278	1,080,991,278	0.368	1,172,895,348
34,727,100	23,720,400	1,074,863,600	1,586,600	10,503,653	1,085,367,253	0.372	1,075,024,072
35,266,400	23,720,400	1,075,070,000	1,467,400	10,492,930	1,085,562,930	0.339	904,115,361
28,234,100	11,341,900	481,563,400	1,315,600	6,011,295	487,574,695	0.629	731,505,470
28,234,100	11,094,100	478,107,001	1,559,800	6,441,774	484,548,775	0.619	632,658,418
28,194,100	11,088,100	475,948,300	1,735,400	7,726,301	483,674,601	0.595	555,456,472
15,394,100	11,074,100	461,266,200	2,086,400	8,024,476	469,290,676	0.522	506,650,893
154,573,100	61,500,000	6,168,534,000	0	49,220,887	6,217,754,887	0.394	6,647,432,225
154,573,100	64,320,400	6,217,490,300	0	68,077,410	6,285,567,710	0.373	6,734,691,283
74,628,300	30,165,900	3,055,400,900	0	32,780,996	3,088,181,896	0.707	6,390,779,856
71,697,200	30,948,600	3,007,501,000	0	36,970,360	3,044,471,360	0.700	6,037,954,660
79,946,600	30,948,600	2,982,974,600	0	42,025,816	3,025,000,416	0.662	5,391,727,021
78,428,200	30,958,400	2,927,214,300	0	48,144,874	2,975,359,174	0.597	4,663,434,469
75,334,300	30,958,400	2,832,070,300	0	57,693,210	2,889,763,510	0.587	4,177,454,308
71,633,200	31,258,400	2,783,243,100	0	62,057,147	2,845,300,247	0.582	3,701,205,541
71,895,300	10,177,700	2,698,143,800	0	63,422,340	2,761,566,140	0.550	3,288,107,808
62,699,500	6,182,700	2,624,303,300	0	82,656,116	2,706,959,416	0.443	2,876,432,413
134,095,700	0	6,890,955,680	0	13,114,350	6,904,070,030	0.385	6,954,660,611
109,299,300	0	6,867,016,000	0	10,565,151	6,877,581,151	0.370	7,070,767,733
111,543,900	0	6,860,605,000	0	9,626,317	6,870,231,317	0.371	7,044,038,272
115,926,300	0	6,846,805,200	0	8,875,863	6,855,681,063	0.353	6,558,866,149
55,716,850	0	2,939,678,340	0	4,399,393	2,944,077,733	0.786	5,787,205,601
57,612,450	0	2,895,524,640	0	5,407,198	2,900,931,838	0.724	4,892,925,316
57,078,250	0	2,812,739,240	0	6,303,982	2,819,043,222	0.681	4,232,410,832
57,578,250	0	2,747,821,759	0	7,592,629	2,755,414,388	0.652	3,620,786,101
58,033,850	0	2,693,403,259	0	7,904,466	2,701,307,725	0.616	3,154,151,095
56,817,850	0	2,608,760,259	0	8,413,414	2,617,173,673	0.493	2,819,281,228

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

	<u>Vacant</u>				
	<u>Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>
Manalapan					
2010	102,803,800	5,111,395,600	32,933,900	2,253,000	380,040,400
2009	160,219,400	5,732,755,500	36,725,800	2,314,400	425,667,300
2008	200,478,700	5,658,484,200	36,779,500	2,315,700	403,109,300
2007	200,229,100	5,485,094,000	36,588,500	2,296,200	402,831,900
2006	85,683,900	2,214,784,300	17,355,100	2,183,400	182,740,300
2005	79,348,800	2,154,592,600	16,211,800	2,126,100	181,799,700
2004	47,746,800	2,116,801,900	16,905,600	2,828,900	178,727,000
2003	51,469,900	2,074,986,500	17,829,900	2,940,700	179,219,000
2002	59,236,700	2,013,660,600	17,722,500	3,025,900	171,351,300
2001	59,364,000	1,920,271,200	17,664,300	3,226,300	156,124,300
Marlboro					
2010	103,816,500	6,236,324,400	38,815,400	1,051,500	425,388,900
2009	43,870,600	2,899,810,000	16,268,600	765,050	179,521,700
2008	49,225,500	2,869,073,200	16,223,300	770,350	176,080,600
2007	53,984,300	2,839,037,100	16,367,200	786,550	173,463,400
2006	59,314,400	2,776,197,500	16,205,900	783,750	179,117,800
2005	57,950,900	2,720,795,700	14,787,100	783,950	172,691,600
2004	61,221,900	2,647,082,900	15,421,200	835,750	166,547,200
2003	75,760,600	2,562,720,000	15,807,300	849,250	155,266,800
2002	94,333,300	2,457,327,800	16,125,100	872,950	143,184,400
2001	106,667,800	2,358,831,900	16,514,700	963,250	133,256,900

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.

<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less: Tax- Exempt Property</u>	<u>Public Utilities (1)</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate (2)</u>	<u>Estimated Actual (County Equalized) Value</u>
22,667,200	0	5,652,093,900	0	9,382,496	5,661,476,396	0.432	6,459,604,048
24,603,500	0	6,382,285,900	0	7,636,903	6,389,922,803	0.364	6,480,948,402
24,603,500	0	6,325,770,900	0	6,259,661	6,332,030,561	0.360	6,261,851,792
24,603,500	0	6,151,643,200	0	5,707,918	6,157,351,118	0.363	5,837,550,667
11,519,100	0	2,514,266,100	0	2,632,821	2,516,898,921	0.825	5,056,910,192
11,519,100	0	2,445,598,100	0	2,977,355	2,448,575,455	0.812	4,480,195,412
11,519,100	0	2,374,529,300	0	3,330,216	2,377,859,516	0.798	3,977,921,781
11,519,100	0	2,337,965,100	0	3,818,262	2,341,783,362	0.795	3,483,837,544
11,142,600	0	2,276,139,600	0	4,033,844	2,280,173,444	0.710	3,028,017,290
11,142,600	0	2,167,792,700	0	4,174,774	2,171,967,474	0.596	2,705,978,422
94,454,200	23,225,300	6,923,076,200	0	10,332,044	6,933,408,244	0.388	7,588,204,970
40,955,700	3,343,100	3,184,534,750	0	4,173,653	3,188,708,403	0.827	7,698,068,929
39,136,700	3,343,100	3,153,852,750	0	3,868,514	3,157,721,264	0.843	7,588,651,622
40,301,700	3,343,100	3,127,283,350	0	4,230,659	3,131,514,009	0.851	7,209,924,440
42,131,400	2,965,200	3,076,715,950	0	4,500,670	3,081,216,620	0.834	6,365,196,819
42,131,400	2,965,200	3,012,105,850	0	5,176,020	3,017,281,870	0.817	5,696,176,531
43,347,300	2,965,200	2,937,421,450	0	5,704,911	2,943,126,361	0.790	5,044,169,053
45,389,900	2,965,200	2,858,759,050	0	6,708,171	2,865,467,221	0.769	4,335,738,675
44,479,200	2,965,200	2,759,287,950	0	6,764,797	2,766,052,747	0.722	3,850,326,029
44,479,200	2,965,200	2,663,678,950	0	7,742,431	2,671,421,381	0.583	3,330,568,639

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				Total Direct & Overlapping Tax Rate
	Basic Rate a	Debt Service b	Total Direct	Elementary School	Local Purpose	Library/ Other	Monmouth County	
Colts Neck								
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
2007	0.775	0.037	0.812	1.378	0.305	0.025	0.631	3.151
2006	0.728	0.037	0.765	1.348	0.295	0.091	0.571	3.070
2005	0.714	0.041	0.755	1.313	0.272	0.092	0.585	3.017
2004	0.676	0.039	0.715	1.270	0.250	0.093	0.587	2.915
2003	0.642	0.042	0.684	1.211	0.241	0.094	0.593	2.823
2002	0.590	0.034	0.624	1.166	0.241	0.080	0.579	2.690
2001	0.444	0.020	0.464	1.063	0.230	0.079	0.544	2.380
Englishtown								
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
2007	0.616	0.030	0.646	1.912	0.785	-	0.617	3.960
2006	0.650	0.033	0.683	1.789	0.785	0.071	0.533	3.861
2005	0.563	0.032	0.595	1.758	0.725	0.072	0.541	3.691
2004	0.597	0.034	0.631	1.711	0.668	0.070	0.524	3.604
2003	0.492	0.033	0.525	1.615	0.645	0.069	0.509	3.363
2002	0.440	0.026	0.466	1.408	0.607	0.055	0.486	3.022
2001	0.351	0.016	0.367	1.456	0.537	0.055	0.478	2.893
Farmingdale								
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
2007	0.355	0.017	0.372	0.928	0.140	-	0.276	1.716
2006	0.398	0.021	0.419	0.913	0.124	0.036	0.268	1.760
2005	0.381	0.022	0.403	0.882	0.109	0.039	0.292	1.725
2004	0.782	0.045	0.827	1.921	0.238	0.079	0.594	3.659
2003	0.697	0.046	0.743	1.873	0.236	0.072	0.537	3.461
2002	0.471	0.027	0.498	1.815	0.216	0.055	0.486	3.070
2001	0.426	0.020	0.446	1.815	0.213	0.053	0.460	2.987

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				Total Direct & Overlapping Tax Rate
	Basic Rate a	General Obligation Debt Service b	Total Direct	Elementary School	Local Purpose	Library/ Other	Monmouth County	
Freehold Boro								
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
2007	0.351	0.017	0.368	0.736	0.659	-	0.277	2.040
2006	0.354	0.018	0.372	0.667	0.630	0.015	0.265	1.949
2005	0.321	0.018	0.339	0.609	0.598	0.015	0.254	1.815
2004	0.595	0.034	0.629	1.272	1.110	0.031	0.510	3.552
2003	0.581	0.038	0.619	1.147	1.090	0.032	0.492	3.380
2002	0.562	0.033	0.595	1.074	1.047	0.021	0.484	3.221
2001	0.499	0.023	0.522	0.985	1.028	0.021	0.467	3.023
Freehold Twp.								
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
2007	0.669	0.032	0.700	1.791	0.409	0.030	0.541	3.471
2006	0.630	0.032	0.662	1.722	0.389	0.086	0.484	3.343
2005	0.565	0.032	0.597	1.634	0.359	0.086	0.485	3.161
2004	0.555	0.032	0.587	1.546	0.308	0.086	0.492	3.019
2003	0.546	0.036	0.582	1.427	0.285	0.078	0.500	2.872
2002	0.520	0.030	0.550	1.349	0.255	0.066	0.489	2.709
2001	0.424	0.019	0.443	1.220	0.216	0.056	0.466	2.401
Howell								
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
2007	0.337	0.016	0.353	0.977	0.266	0.020	0.267	1.883
2006	0.747	0.039	0.786	2.123	0.533	0.090	0.530	4.062
2005	0.685	0.039	0.724	1.990	0.457	0.088	0.519	3.778
2004	0.644	0.037	0.681	1.933	0.410	0.089	0.514	3.627
2003	0.612	0.040	0.652	1.795	0.365	0.077	0.499	3.388
2002	0.582	0.034	0.616	1.664	0.345	0.065	0.484	3.174
2001	0.471	0.022	0.493	1.572	0.261	0.064	0.468	2.858

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				Total Direct & Overlapping Tax Rate
	General Obligation			Elementary	Local	Library/	Monmouth	
	Basic Rate a	Debt Service b	Total Direct	School	Purpose	Other	County	
Manalapan								
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
2007	0.347	0.016	0.363	0.748	0.248	0.020	0.266	1.645
2006	0.785	0.040	0.825	1.675	0.474	0.083	0.550	3.607
2005	0.768	0.044	0.812	1.592	0.474	0.085	0.565	3.528
2004	0.755	0.043	0.798	1.660	0.479	0.086	0.568	3.591
2003	0.746	0.049	0.795	1.535	0.470	0.086	0.570	3.456
2002	0.671	0.039	0.710	1.469	0.460	0.073	0.560	3.272
2001	0.570	0.026	0.596	1.394	0.445	0.073	0.543	3.051
Marlboro								
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
2007	0.813	0.038	0.851	2.043	0.544	0.020	0.641	4.099
2006	0.793	0.041	0.834	2.013	0.533	0.095	0.562	4.037
2005	0.773	0.044	0.817	1.832	0.513	0.098	0.580	3.840
2004	0.747	0.043	0.790	1.725	0.433	0.099	0.588	3.635
2003	0.721	0.048	0.769	1.660	0.419	0.099	0.584	3.531
2002	0.682	0.040	0.722	1.570	0.419	0.084	0.579	3.374
2001	0.557	0.026	0.583	1.471	0.419	0.074	0.557	3.104

Source: County Board of Taxation

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 TEN YEARS AGO
UNAUDITED

Community/Taxpayer	2010	
	Taxable Assessed Value	As a % of Community's Net Assessed Valuation
Colts Neck		
Trump National Golf Club	\$ 32,006,800	2.20%
Due Process Gold & Horse Stables, LLC	22,941,700	1.58%
Individual Taxpayer 1	11,964,700	0.82%
Wellspring Stables Florida, LLC	10,934,700	0.75%
Laird & Co. Inc.	10,654,500	0.73%
Individual Taxpayer 2	9,017,400	0.62%
24 Realty, LLC	8,507,400	0.59%
Bal Colt's Neck LLC	8,006,100	0.55%
Pegasus Properties LLC	7,542,200	0.52%
Colts Neck Shopping Center Assoc	6,820,600	0.47%
Total	<u>\$ 128,396,100</u>	<u>8.84%</u>
Englishtown		
BTR Englishtown LLC	\$ 10,229,300	4.01%
BAL Governor's Crossing LLC	7,425,200	2.91%
Verizon New Jersey	5,160,863	2.02%
Dorothy Leo, Inc.	3,495,400	1.37%
Wemacs, LLC	3,366,700	1.32%
Village Center Associates LLC	3,312,700	1.30%
Durling Realty, LLC	2,150,300	0.84%
Brooklawn Gardens Inc	2,139,400	0.84%
K&K Englishtown, Inc.	1,782,800	0.70%
Moskowitz, K Trust & Berger, V Trust	1,374,700	0.54%
Total	<u>\$ 40,437,363</u>	<u>15.84%</u>
Farmingdale		
Farmingdale Garden Apartments, LLC	\$ 11,500,000	7.65%
30 Southard Ave, Farmingdale LLC	3,795,400	2.52%
Verizon Communications	2,815,873	1.87%
Farmingdale Shopping Center, LLC	2,442,200	1.62%
R.T. Equities LLC	2,107,200	1.40%
Farmingdale Train Station, LLC	1,590,600	1.06%
Individual Taxpayer 1	1,476,600	0.98%
Individual Taxpayer 2	1,400,000	0.93%
Individual Taxpayer 3	1,297,000	0.86%
Bell Atlantic	992,800	0.66%
Total	<u>\$ 29,417,673</u>	<u>19.57%</u>

Source: Municipal Tax Assessors

Community/Taxpayer	2000	
	Taxable Assessed Value	As a % of Community's Net Assessed Valuation
Colts Neck		
Pirates Association	\$ 9,800,000	0.87%
Laird & Co. Inc.	4,788,100	0.43%
Rojen Inc.	3,184,800	0.28%
Pebble Creek at Colts Neck	3,095,000	0.28%
NJ Bell	2,789,332	0.25%
Orchard Associates	2,795,700	0.25%
Colts Neck Shopping Center Assoc.	2,595,400	0.23%
Individual Taxpayer 1	2,375,600	0.21%
New Jersey American Water Co	2,340,700	0.21%
Individual Taxpayer 2	1,565,800	0.14%
Total	<u>\$ 35,330,432</u>	<u>3.15%</u>
Englishtown		
Ruck/Di Rubbio	\$ 8,500,000	11.02%
Individual Taxpayer 1	1,203,100	1.56%
Bell Atlantic	600,000	0.78%
NJ Carpet Mills	598,000	0.78%
Agway, Inc.	550,000	0.71%
Englishtown Industrial Park	462,500	0.60%
Jolor Realty	422,800	0.55%
Individual Taxpayer 2	406,300	0.53%
Individual Taxpayer 3	399,400	0.52%
Exxon Corporation	372,400	0.48%
Total	<u>\$ 13,514,500</u>	<u>17.53%</u>
Farmingdale		
Individual Taxpayer 1	\$ 3,993,400	5.89%
Individual Taxpayer 2	2,700,000	3.98%
E.T. Equities, LLC	1,509,900	2.23%
Farmingdale Shopping Center	1,450,000	2.14%
Bell Atlantic	693,400	1.02%
Individual Taxpayer 3	651,000	0.96%
Shauer Medical Group	635,700	0.94%
Penn Federal	524,500	0.77%
Roadside Tavern Assoc	440,800	0.65%
Individual Taxpayer 4	416,900	0.61%
Total	<u>\$ 13,015,600</u>	<u>19.19%</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS (CONTINUED)
CURRENT YEAR AND TEN YEARS AGO

Community/Taxpayer	2010	
	Taxable Assessed Value	As a % of Community's Net Assessed Valuation
Freehold Borough		
Freehold Racing Association	\$ 29,225,300	2.75%
Nestle USA	23,674,400	2.23%
AEW Brookside	14,269,000	1.34%
NJ Bell Tel.	10,281,773	0.97%
East Coach Post & Coach	6,495,700	0.61%
Park Plaza Shopping	5,560,900	0.52%
Freefern Associates	4,565,000	0.43%
Chiu's Property Inc.	3,300,000	0.31%
Individual Taxpayer	3,000,000	0.28%
Bell Atlantic	3,000,000	0.28%
Total	<u>\$ 103,372,073</u>	<u>9.73%</u>
Freehold Twp.		
Freemall Associates, LLC	\$ 329,103,900	5.29%
Avalaonbay Communities	51,500,000	0.83%
Center for Aging dba/Appplewood	48,694,400	0.78%
Iron Mountain, Inc.	44,818,200	0.72%
Verizon	38,123,310	0.61%
Verizon	29,954,100	0.48%
Macy's East, Inc.	29,312,700	0.47%
Raintreetowne Center Associates, LP	28,116,800	0.45%
New Jersey Bell Tel. Co.	25,858,700	0.42%
Freehold Shopping Assoc.	24,108,000	0.39%
Total	<u>\$ 649,590,110</u>	<u>10.45%</u>
Howell		
Buffalo-Parkton & Feuerstein & Wain Co.	\$ 45,138,000	0.66%
Howell Friendship Real Estate	24,973,300	0.36%
Lanes Mill Assoc.	20,767,600	0.30%
Wal-Mart Stores, Inc.	17,641,000	0.26%
Home Depot USA	17,160,000	0.25%
Lowe's Home Centers Inc.	16,530,000	0.24%
Target Corp	14,800,000	0.22%
Zee Jay Realty, LLC	14,348,200	0.21%
Howell Associates	13,705,500	0.20%
Eagle Golf Enterprises	11,340,500	0.17%
Total	<u>\$ 196,404,100</u>	<u>2.86%</u>

Source: Municipal Tax Assessors

Community/Taxpayer	2000	
	Taxable Assessed Value	As a % of Community's Net Assessed Valuation
Freehold Borough		
Freehold Racing Association	\$ 14,612,500	3.12%
Nestle U.S.A.	14,500,000	3.09%
Bell Atlantic	3,000,000	0.64%
WNY Properties	2,925,000	0.62%
Freefern Associates	2,600,000	0.55%
Park Plaza Shopping Center	2,500,000	0.53%
Rug Mill, LLC	1,850,000	0.39%
Delli Santi Apartments	1,750,000	0.37%
CSB Building Corp	1,696,000	0.36%
Chiu's Property Inc.	1,540,100	0.33%
Total	<u>\$ 46,973,600</u>	<u>10.00%</u>
Freehold Twp.		
Freemall Associates	\$ 154,401,000	6.00%
Macy's	24,897,800	0.97%
New Jersey Bell	23,220,000	0.90%
Applewood Estates	19,489,500	0.76%
Raintree Associates	15,614,900	0.61%
Nordstrom	14,257,000	0.55%
Loews Theater	12,557,600	0.49%
The May Department Store	12,204,600	0.47%
JC Penney	12,050,600	0.47%
Asbury Park Press	11,986,500	0.47%
Total	<u>\$ 300,679,500</u>	<u>11.69%</u>
Howell		
Howell Friendship Real Estate Co.	\$ 14,599,000	0.58%
Individual Taxpayer 1	12,785,000	0.51%
Walmart	8,488,700	0.34%
Crestwood	7,015,300	0.28%
Individual Taxpayer 2	6,533,600	0.28%
Shore Oaks	6,466,500	0.26%
Individual Taxpayer 3	5,800,000	0.23%
Individual Taxpayer 4	5,423,800	0.22%
Tormee Co.	4,007,300	0.16%
Carey Chemical	3,931,600	0.16%
Total	<u>\$ 75,050,800</u>	<u>3.02%</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS (CONTINUED)
CURRENT YEAR AND TEN YEARS AGO

Community/Taxpayer	2010	
	Taxable Assessed Value	As a % of Community's Net Assessed Valuation
Manalapan		
Manalapan Realty	\$ 47,858,000	0.75%
K Hovnanian at Manalapan II, LLC	38,761,200	0.61%
Manalapan VF	33,696,300	0.53%
198 & 200 Manalapan, LLC	14,384,600	0.23%
Towne Pointe Associates	13,334,300	0.21%
Hearthstone Multi-Asset Equity	11,490,500	0.18%
Monmouth Investors, LLC	11,442,400	0.18%
Trans Equity Realty, LLC	10,892,800	0.17%
Taylor 9 South Assoc., LLC	8,531,900	0.13%
TC Braha, LLC	8,434,900	0.13%
Total	<u>\$ 198,826,900</u>	<u>3.12%</u>
Marlboro		
Marlboro Plaza	\$ 36,642,400	1.15%
Union Hill Nine	30,549,100	0.96%
TMC Marlboro	26,618,200	0.84%
Marlboro Lowe's	15,147,900	0.48%
Royal Pines	15,041,100	0.47%
Brooks Edge	14,952,400	0.47%
Dave Marion Corp.	9,568,300	0.30%
Marlboro Plaza	9,522,200	0.30%
Sunrise Assisted Living	9,300,000	0.29%
Samuel Associates	8,801,000	0.28%
Total	<u>\$ 176,142,600</u>	<u>5.53%</u>

Source: Municipal Tax Assessors

Community/Taxpayer	2000	
	Taxable Assessed Value	As a % of Community's Net Assessed Valuation
Manalapan		
Manalapan Industries	\$ 11,400,000	0.56%
Manalapan Realty	10,099,500	0.49%
Westmon Corp.	9,114,300	0.45%
Towne Pointe Associates	7,216,900	0.35%
Bell Atlantic - New Jersey	4,758,861	0.23%
Trans Equity Realty	4,450,000	0.22%
Pension Road Realty	4,192,000	0.21%
Bedminster Capital Funding	4,100,000	0.20%
Lenine LLC	3,850,000	0.19%
Reiss Corp.	<u>3,820,800</u>	<u>0.19%</u>
Total	<u>\$ 63,002,361</u>	<u>3.09%</u>
Marlboro		
Marlboro Plaza Associates	\$ 19,119,900	0.80%
Union Hill Nine	16,704,700	0.70%
TMC Marlboro	13,624,200	0.57%
Bell Atlantic - New Jersey	8,646,806	0.36%
K-Land	7,778,900	0.32%
U.H.M.	4,008,900	0.17%
Individual Taxpayer 1	3,884,900	0.16%
Marlboro Industrial Park	3,751,900	0.16%
Samuel Estates	3,556,000	0.15%
Dadekian Marlboro Partnership	<u>3,367,300</u>	<u>0.14%</u>
Total	<u>\$ 84,443,506</u>	<u>3.53%</u>

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	
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%	-
2007	106,064,212	106,064,212	100.00%	-
2006	98,875,500	98,875,500	100.00%	-
2005	92,614,793	92,614,793	100.00%	-
2004	88,649,137	88,649,137	100.00%	-
2003	80,046,158	80,046,158	100.00%	-
2002	62,599,802	62,599,802	100.00%	-
2001	52,010,983	52,010,983	100.00%	-

Source: District records

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2010	\$ 41,770,000	-	-	-	-	\$ 41,770,000	N/A	N/A
2009	44,870,000	-	-	-	-	44,870,000	N/A	235
2008	47,830,000	-	-	-	-	47,830,000	0.12%	251
2007	52,815,000	-	-	-	-	52,815,000	0.11%	278
2006	57,795,000	-	-	-	-	57,795,000	0.09%	307
2005	62,745,000	-	-	-	-	62,745,000	0.08%	334
2004	67,670,000	-	5	-	-	67,670,005	0.07%	362
2003	72,565,000	-	65,160	-	-	72,630,160	0.06%	391
2002	77,430,000	-	245,439	-	-	77,675,439	0.06%	424
2001	80,960,000	-	389,733	-	-	81,349,733	0.05%	455

N/A - Information not currently available.

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

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2010	\$ 41,770,000	0.14%	N/A
2009	44,870,000	0.17%	235
2008	47,830,000	0.21%	252
2007	52,815,000	0.24%	278
2006	57,795,000	0.40%	307
2005	62,745,000	0.45%	335
2004	67,670,000	0.52%	362
2003	72,565,000	0.57%	391
2002	77,430,000	0.62%	423
2001	80,960,000	0.67%	453

N/A - Information not currently available.

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

a See J-6 for property tax data.

b Population data can be found in J-14.

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2010
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Colts Neck Township	\$ 8,492,223	100.000%	\$ 8,492,223
Englishtown Borough	649,993	100.000%	649,993
Borough of Farmingdale	318,971	100.000%	318,971
Borough of Freehold	7,342,736	100.000%	7,342,736
Freehold Township	52,176,133	100.000%	52,176,133
Howell Township	55,264,836	100.000%	55,264,836
Manalapan Township	17,377,271	100.000%	17,377,271
Marlboro Township	28,034,858	100.000%	28,034,858
Other debt			
Monmouth County	467,533,612	<u>Net Valuation</u>	
Colts Neck Township		3,107,825,500	2.881% 13,468,506
Englishtown Borough		255,259,500	0.237% 1,106,228
Borough of Farmingdale		151,827,600	0.141% 657,981
Borough of Freehold		1,068,553,500	0.990% 4,630,832
Freehold Township		6,168,534,000	5.718% 26,732,819
Howell Township		6,890,955,680	6.387% 29,863,606
Manalapan Township		5,652,093,900	5.239% 24,494,702
Marlboro Township		6,923,076,200	6.417% 30,002,808
Subtotal, overlapping debt			300,614,506
Freehold Regional High School District Direct Debt		<u>County total</u>	<u>41,770,000</u>
		107,882,261,590	
Total Direct and Overlapping Debt			<u>\$ 342,384,506</u>

Sources: Debt outstanding provided by each governmental unit.

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

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ended June 30,				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt Limit	\$ 978,159,048	\$ 955,264,285	\$ 895,449,731	\$ 780,200,630	\$ 712,525,468
Total Net Debt Applicable to Limit	<u>41,770,000</u>	<u>44,870,000</u>	<u>47,830,000</u>	<u>52,815,000</u>	<u>57,795,000</u>
Legal Debt Margin	<u>\$ 936,389,048</u>	<u>\$ 910,394,285</u>	<u>\$ 847,619,731</u>	<u>\$ 727,385,630</u>	<u>\$ 654,730,468</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.46%	4.93%	5.64%	7.26%	8.83%

	<u>Year</u>
	2007
	2008
	2009
	[A]
Average Equalized Valuation of Taxable Property	[A/3]
Debt limit (3% of average)	[B]
Net bonded school debt as of June 30, 2010	[C]
Legal debt margin	[B-C]

Source: Abstract of Ratables and District Records.

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

Fiscal Year Ended June 30,				
<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 546,288,447	\$ 623,447,146	\$ 467,194,862	\$ 416,677,618	\$ 377,352,861
<u>67,670,000</u>	<u>62,745,000</u>	<u>72,565,000</u>	<u>77,430,000</u>	<u>80,960,000</u>
<u>\$ 478,618,447</u>	<u>\$ 560,702,146</u>	<u>\$ 394,629,862</u>	<u>\$ 339,247,618</u>	<u>\$ 296,392,861</u>
14.14%	11.19%	18.39%	22.82%	27.32%

Equalized
Valuation Basis

\$ 32,297,861,522
33,039,984,469
<u>32,478,058,738</u>
<u>\$ 97,815,904,729</u>
<u>\$ 32,605,301,577</u>

\$ 978,159,048	(a)
<u>41,770,000</u>	
<u>\$ 936,389,048</u>	

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
2009	Colts Neck	10,065	N/A	N/A	7.2%
	Englishtown	1,916	N/A	N/A	6.7%
	Farmingdale	1,572	N/A	N/A	4.7%
	Freehold Borough	11,432	N/A	N/A	11.9%
	Freehold Twp.	34,589	N/A	N/A	7.5%
	Howell	51,551	N/A	N/A	8.8%
	Manalapan	39,390	N/A	N/A	7.8%
	Marlboro	40,546	N/A	N/A	6.6%
2008	Colts Neck	10,055	\$ 570,671,525	\$ 56,755	4.3%
	Englishtown	1,915	108,685,825	56,755	4.0%
	Farmingdale	1,569	89,048,595	56,755	2.8%
	Freehold Borough	11,413	647,744,815	56,755	7.3%
	Freehold Twp.	34,674	1,967,922,870	56,755	4.2%
	Howell	51,297	2,911,361,235	56,755	4.7%
	Manalapan	38,912	2,208,450,560	56,755	4.2%
	Marlboro	40,503	2,298,747,765	56,755	3.6%
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%
2006	Colts Neck	10,150	\$ 532,864,850	\$ 52,499	3.7%
	Englishtown	1,863	97,805,637	52,499	3.4%
	Farmingdale	1,581	83,000,919	52,499	2.4%
	Freehold Borough	11,515	604,525,985	52,499	6.3%
	Freehold Twp.	34,282	1,799,770,718	52,499	3.5%
	Howell	51,135	2,684,536,365	52,499	3.8%
	Manalapan	37,617	1,974,854,883	52,499	3.5%
	Marlboro	40,279	2,114,607,221	52,499	3.0%

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

Fiscal Year Ended June 30,	Community	School District Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2005	Colts Neck	10,181	\$ 489,421,032	\$ 48,072	3.6%
	Englishtown	1,819	87,442,968	48,072	3.4%
	Farmingdale	1,593	76,578,696	48,072	3.5%
	Freehold Borough	11,589	557,106,408	48,072	6.2%
	Freehold Twp.	34,145	1,641,418,440	48,072	3.2%
	Howell	51,017	2,452,489,224	48,072	3.6%
	Manalapan	37,260	1,791,162,720	48,072	3.0%
	Marlboro	40,012	1,923,456,864	48,072	2.7%
2004	Colts Neck	10,166	\$ 473,176,470	\$ 46,545	2.4%
	Englishtown	1,831	85,223,895	46,545	4.8%
	Farmingdale	1,602	74,565,090	46,545	3.9%
	Freehold Borough	11,639	541,737,255	46,545	5.6%
	Freehold Twp.	34,033	1,584,065,985	46,545	2.8%
	Howell	50,807	2,364,811,815	46,545	4.6%
	Manalapan	37,178	1,730,450,010	46,545	3.7%
	Marlboro	39,803	1,852,630,635	46,545	3.3%
2003	Colts Neck	10,078	\$ 439,743,452	\$ 43,634	2.8%
	Englishtown	1,829	79,806,586	43,634	5.7%
	Farmingdale	1,602	69,901,668	43,634	4.6%
	Freehold Borough	11,649	508,292,466	43,634	6.7%
	Freehold Twp.	33,809	1,475,221,906	43,634	3.3%
	Howell	50,450	2,201,335,300	43,634	5.4%
	Manalapan	36,962	1,612,799,908	43,634	4.4%
	Marlboro	39,292	1,714,467,128	43,634	3.9%
2002	Colts Neck	9,966	\$ 432,394,842	\$ 43,387	2.8%
	Englishtown	1,831	79,441,597	43,387	5.7%
	Farmingdale	1,599	69,375,813	43,387	4.6%
	Freehold Borough	11,629	504,547,423	43,387	6.7%
	Freehold Twp.	33,320	1,445,654,840	43,387	3.3%
	Howell	50,165	2,176,508,855	43,387	5.4%
	Manalapan	36,265	1,573,429,555	43,387	4.4%
	Marlboro	38,464	1,668,837,568	43,387	3.9%

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
2001	Colts Neck	9,751	\$ 427,708,113	\$ 43,863	2.0%
	Englishtown	1,792	78,602,496	43,863	3.9%
	Farmingdale	1,597	70,049,211	43,863	3.2%
	Freehold Borough	11,606	509,073,978	43,863	4.7%
	Freehold Twp.	32,023	1,404,624,849	43,863	2.3%
	Howell	49,873	2,187,579,399	43,863	3.8%
	Manalapan	34,741	1,523,844,483	43,863	3.1%
	Marlboro	37,528	1,646,090,664	43,863	2.7%
2000	Colts Neck	9,572	\$ 413,137,092	\$ 43,161	1.7%
	Englishtown	1,770	76,394,970	43,161	3.6%
	Farmingdale	1,592	68,712,312	43,161	2.8%
	Freehold Borough	11,003	474,900,483	43,161	4.1%
	Freehold Twp.	31,610	1,364,319,210	43,161	2.0%
	Howell	49,050	2,117,047,050	43,161	3.4%
	Manalapan	33,532	1,447,274,652	43,161	2.7%
	Marlboro	36,502	1,575,462,822	43,161	2.4%

N/A - Information not currently available.

^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 estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TWO YEARS AGO

<u>Employer</u>	<u>2010</u>		<u>2008</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Meridian Health System, Neptune	9,700	3.86%	8,300	3.86%
U. S. Army Communications, Fort Monmouth	5,572	2.22%	5,300	2.46%
County of Monmouth, Freehold	3,319	1.32%	3,338	1.55%
Centra State Healthcare, Freehold	2,524	1.01%	2,407	1.12%
Monmouth Medical Center, Long Branch	1,800	0.72%	2,050	0.95%
Bayshore Community Health Services, Holmdel	1,500	0.60%	1,600	0.74%
Naval Weapons Stations Earle, Colts Neck	1,333	0.53%	N/A	N/A
Monmouth University, W. Long Branch	1,325	0.53%	1,241	0.58%
Visiting Nurse Assoc. of Central Jersey	1,200	0.48%	N/A	N/A
	<u>28,273</u>	<u>13.15%</u>		

N/A - Information not currently available.

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Instruction										
Regular	753.5	794.2	756.1	783.0	772.0	761.0	745.0	732.0	629.0	567.0
Special education	43.0	44.8	35.3	37.0	38.5	42.0	62.0	56.0	27.0	25.0
Other instruction	19.0	15.6	12.2	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Support Services:										
Student & Instruction Rel. Svcs	177.7	185.1	187.5	176.0	186.0	180.0	138.0	138.0	191.0	186.0
School Administrative Services	59.0	65.5	61.4	65.0	61.0	78.0	63.0	85.0	85.0	60.0
General and Central Services	31.3	36.3	35.5	38.0	55.0	34.0	33.0	31.0	31.0	26.0
Plant Operations & Maintenance	137.0	158.0	149.0	150.0	151.0	151.0	151.0	147.0	135.0	137.0
Pupil Transportation	<u>148.0</u>	<u>158.0</u>	<u>159.0</u>	<u>136.0</u>	<u>159.0</u>	<u>165.0</u>	<u>158.0</u>	<u>158.0</u>	<u>157.0</u>	<u>156.0</u>
Total	<u>1,368.5</u>	<u>1,457.5</u>	<u>1,396.0</u>	<u>1,397.0</u>	<u>1,434.5</u>	<u>1,423.0</u>	<u>1,362.0</u>	<u>1,359.0</u>	<u>1,267.0</u>	<u>1,169.0</u>

Source: District Records

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

J-17

Fiscal Year Ended June 30,	Average										
	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	
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	
2007	11,669.0	156,890,204	13,445	7.90%	799	1:14.7	11,549.9	10,889.6	1.03	94.3	
2006	11,634.5	144,969,698	12,460	7.17%	800	1:14.6	11,432.1	10,737.2	2.41	93.9	
2005	11,737.5	136,474,306	11,627	5.03%	791	1:14.8	11,163.2	10,454.0	5.06	93.6	
2004	11,356.0	125,715,383	11,070	2.89%	776	1:14.6	10,625.4	9,957.7	4.89	93.7	
2003	10,810.5	116,313,121	10,759	6.28%	760	1:14.2	10,130.4	9,429.5	6.32	93.1	
2002	10,298.5	104,252,155	10,123	5.12%	634	1:16.2	9,528.5	8,879.9	4.74	93.2	
2001	9,686.5	93,281,365	9,630	0.00%	584	1:16.6	9,097.4	8,456.2	6.02	93.0	

Source: District records

Note: Enrollment based on annual October district count.

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

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>District Building</u>					
<u>High Schools</u>					
Colts Neck High School (1998)					
Square Feet	219,490	219,490	219,490	219,490	219,490
Capacity (students)	1,748	1,748	1,748	1,748	1,748
Enrollment ^a	1481	1,550	1,721	1,780	1,773
Freehold Borough High School (1954)					
Square Feet	187,256	187,256	187,256	187,256	187,256
Capacity (students)	1,564	1,564	1,564	1,564	1,564
Enrollment	1433	1,395	1,416	1,402	1,387
Freehold Township High School (1968)					
Square Feet	256,293	256,293	256,293	256,293	256,293
Capacity (students)	2,224	2,224	2,224	2,224	2,224
Enrollment	2208	2,191	2,240	2,190	2,151
Howell High School (1962)					
Square Feet	249,497	249,497	249,497	249,497	249,497
Capacity (students)	2,274	2,274	2,274	2,274	2,274
Enrollment	2475	2,351	2,317	2,115	1,948
Manalapan High School (1968)					
Square Feet	256,293	256,293	256,293	256,293	256,293
Capacity (students)	2,341	2,341	2,341	2,341	2,341
Enrollment	2065	2,018	2,029	1,952	1,974
Marlboro High School (1966)					
Square Feet	264,142	264,142	264,142	264,142	264,142
Capacity (students)	2,450	2,450	2,450	2,450	2,450
Enrollment	2015	2,052	2,155	2,160	2,246
<u>Other</u>					
Administration Building (1982) ^b					
Square Feet	22,000	22,000	22,000	22,000	22,000
Transportation ^c					
Square Feet	9,600	9,600	9,600	9,600	9,600
Maintenance Offices					
Square Feet	400	400	400	400	400
Number of Schools at June 30, 2010					
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.

a Colts Neck High School opened in September 1998 with a total of 383 freshman and sophomore students.

b The Administration building was purchased in 1982 but was originally built in 1954 as an elementary school operated by the Manalapan-Englishtown Regional School District. The building was converted to office space housing the Superintendent of Schools, Curriculum, Student Services, Human Resources, Information Technology, and Business Administration Departments. In 2005, the former gymnasium was converted into a board meeting room and record storage area.

c The transportation building and site are leased. The transportation building is comprised of office space, drivers' area, storage, mechanical bays, and bus wash system.

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
219,490	219,490	219,490	141,190	141,190
1,748	1,748	1,748	750	750
1,604	1,388	1,085	980	844
187,256	187,256	142,581	142,581	142,581
1,564	1,564	1,250	1,250	1,250
1,268	1,194	1,089	1,001	935
256,293	256,293	256,293	203,530	203,530
2,224	2,224	2,224	1,620	1,620
2,011	1,961	1,876	1,886	1,846
249,497	249,497	249,497	211,997	211,997
2,274	2,274	2,274	1,650	1,650
1,853	1,730	1,654	1,579	1,522
256,293	256,293	256,293	256,293	256,293
2,341	2,341	2,341	2,341	2,341
2,222	2,218	2,190	1,981	2,067
264,142	264,142	218,142	218,142	218,142
2,450	2,450	1,790	1,790	1,790
2,222	2,218	2,190	1,981	1,901
22,000	22,000	22,000	22,000	22,000
9,600	9,600	9,600	9,600	9,600
400	400	400	400	400

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF ALLOWABLE MAINTENANCE FOR SCHOOL FACILITIES
LAST EIGHT FISCAL YEARS ENDING JUNE 30, 2010
UNAUDITED

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

<u>School Facilities</u>	<u>Project (#)s</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Colts Neck High School	NA	\$ 465,593	\$ 510,603	\$ 370,897	\$ 444,859
Freehold Borough High School	NA	397,217	442,524	347,255	560,535
Freehold Township High School	NA	543,662	612,725	454,676	602,446
Howell High School	NA	529,246	612,725	454,676	896,564
Manalapan-Englishtown High School	NA	543,662	612,725	454,676	799,762
Marlboro High School	NA	560,311	612,725	454,676	902,624
Total School Facilities		<u>3,039,691</u>	<u>3,404,027</u>	<u>2,536,856</u>	<u>4,206,790</u>
Other Facilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Grand Total		<u>\$ 3,039,691</u>	<u>\$ 3,404,027</u>	<u>\$ 2,536,856</u>	<u>\$ 4,206,790</u>

Source: District Records

Required maintenance, defined in N.J.A.C. 6:24, The Educational Facilities Construction and Financing Act, includes expenditures for systems warranty purposes that are approved for repairs and replacements for the purpose of keeping a school facility open, comfortable and safe for use or in its original condition, including repairs and replacements to a school facility's heating, lighting, ventilation, security and other fixtures to keep the facility or fixtures in effective working condition. Required maintenance includes periodic or occasional inspection; adjustment, lubrication, and cleaning (non-janitorial) of buildings or fixtures; replacement of parts; and other actions to assure continuing service and to prevent breakdown.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>Total</u>
\$ 338,483	\$ 486,325	\$ 461,507	\$ 330,061	\$ 3,408,329
515,354	559,857	352,353	251,996	3,427,091
281,188	526,825	444,063	317,585	3,783,170
421,414	502,941	432,288	309,164	4,159,018
396,202	526,825	444,063	317,585	4,095,500
690,887	506,825	457,663	327,311	4,513,022
<u>2,643,528</u>	<u>3,109,598</u>	<u>2,591,937</u>	<u>1,853,702</u>	<u>23,386,129</u>
-	-	-	-	-
<u>\$ 2,643,528</u>	<u>\$ 3,109,598</u>	<u>\$ 2,591,937</u>	<u>\$ 1,853,702</u>	<u>\$ 23,386,129</u>

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2010
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Wachovia Insurance Services		
Property	\$ 205,524,445	\$ 5,000
Boiler/Machinery	50,000,000	1,000
Liability		
General	1,000,000	1,000
Excess Liability	10,000,000	-
Automobile	1,000,000	1,000
Employee Dishonesty	500,000	5,000
Board Legal	1,000,000	5,000
 New Jersey School Boards Insurance Group		
Workers Compensation	Statutory	350,000
Crime:		
Treasurer	572,000	1,000
Board Secretary	300,000	1,000

Source: District Records

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SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-1"

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E-mail info@scnco.com

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

Honorable President and Members
of the Board of Education
Freehold Regional High School District
County of Monmouth
Englishtown, New Jersey 07726

We have audited the basic financial statements of the Freehold Regional High School District, County of Monmouth, New Jersey as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated November 16, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards, audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Freehold Regional High School District, County of Monmouth, New Jersey internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements but not for the purpose of expressing an opinion on the effectiveness of the Freehold Regional High School District, County of Monmouth internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Freehold Regional High School District, County of Monmouth's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Freehold Regional High School District, County of Monmouth's financial statements will not be prevented, or detected and corrected on a timely basis.

SUPLEE, CLOONEY & COMPANY

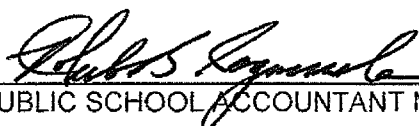
Our consideration of the internal control over financial reporting was limited for the purposed described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However we noted immaterial matters involving the internal control over financial reporting that we have reported to the Board of Education of the Freehold Regional High School District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated November 16, 2010.

Compliance and Other Matters

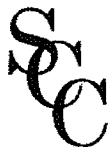
As part of obtaining reasonable assurance about whether the Freehold Regional High School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of basic 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. However we noted immaterial instances of noncompliance that we have reported to the Board of Education of the Freehold Regional High School District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated November 16, 2010.

This report is intended for the information of the Freehold Regional High School District, County of Monmouth, New Jersey, the New Jersey State Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

November 16, 2010



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-2"

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A -133 AND NEW JERSEY OMB CIRCULAR 04-04

Honorable President and Members
of the Board of Education
Freehold Regional High School District
County of Monmouth
Englishtown, New Jersey 07726

Compliance

We have audited the compliance of the Freehold Regional High School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the New Jersey State Grant Compliance Supplement that are applicable to each of its major federal and state programs for the year ended June 30, 2010. Freehold Regional High School 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of Freehold Regional High School District's management. Our responsibility is to express an opinion on Freehold Regional High School District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; 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 and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "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 noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about 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. Our audit does not provide a legal determination on the Freehold Regional High School District's compliance with those requirements.

respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133, and which is described in the accompanying Schedule of Findings and Questioned Costs as item number #FY 2010-1.

Internal Control Over Compliance

The management of the Freehold Regional High School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Freehold Regional High School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on the effectiveness of internal control over compliance, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal and state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal and state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented or detected by the entity's internal control.

Our consideration of the 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 controls over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting described in the accompanying schedule of findings and questioned costs as item #FY2010-01 and reported to the Freehold Regional High School District in a separate Auditor's Management Report on Administrative Findings - Financial and Compliance dated November 16, 2010 as a finding and recommendation, that we considered to be a significant deficiency in internal control over financial reporting.. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The Board of Education's response to the finding reported in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Board of Education's response and accordingly, express no opinion on the response.

SUPLEE, CLOONEY & COMPANY

This report is intended solely for the information of the Freehold Regional High School District, County of Monmouth, New Jersey, the New Jersey State Department of Education, and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS

November 16, 2010


PUBLIC SCHOOL ACCOUNTANT NO. 93

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Award Amount	Grant Period From To	
U.S. Department of Education Passed-Through State Department of Education:					
General Fund					
ARRA - GSF	84.394	N/A	\$ 7,085,746	7/1/2009	6/30/2010
ARRA - ESF	84.397	N/A	274,300	7/1/2009	6/30/2010
Total General Fund					
Special Revenue Fund:					
Title I, Part A Basic	84.010	NCLB_10	295,359	9/1/2009	8/31/2010
Title I, Part A Carryover	84.010	NCLB_09	323,111	9/1/2008	8/31/2009
Title II, Part A Teacher & Principal Training	84.281	NCLB_10	182,107	9/1/2009	8/31/2010
Title II, Part A Carryover	84.281	NCLB_09	183,889	9/1/2008	8/31/2009
Title II, Part D	84.168	NCLB_10	2,980	9/1/2009	8/31/2010
Title II, Part D Carryover	84.168	NCLB_09	2,684	9/1/2008	8/31/2009
Title III	84.365	NCLB_10	23,362	9/1/2009	8/31/2010
Title III Carryover	84.365	NCLB_09	25,918	9/1/2008	8/31/2009
Title III Supplemental	84.365	NCLB_10	27,352	9/1/2009	8/31/2010
Title III Supplemental Carryover	84.365	NCLB_09	22,486	9/1/2008	8/31/2009
Title IV	84.186	NCLB_10	19,632	9/1/2009	8/31/2010
Title IV - Carryover	84.186	NCLB_09	21,144	9/1/2008	8/31/2009
I.D.E.A. Part B Basic Regular	84.027	FT_10	2,070,311	9/1/2009	8/31/2010
I.D.E.A. Part B Basic Carryover	84.027	FT_09	2,090,999	9/1/2008	8/31/2009
I.D.E.A. ARRA	84.391	N/A	2,444,379	7/1/2009	6/30/2011
Teacher American History (Madison)	84.215X	N/A	997,380	7/1/2006	6/30/2009
Vocational Education - Perkins	84.048	PERK165007	159,779	7/1/2009	6/30/2010
Vocational Education - Perkins	84.048	PERK165007	145,969	7/1/2008	6/30/2009
Total Special Revenue Fund					
U.S. Department of Agriculture Passed-Through State Department of Education:					
Food Distribution Program	10.550	N/A	130,747	7/1/2009	6/30/2010
School Breakfast Program	10.553	N/A	31,636	7/1/2008	6/30/2009
School Breakfast Program	10.553	N/A	31,085	7/1/2009	6/30/2010
National School Lunch Program	10.555	N/A	305,747	7/1/2008	6/30/2009
National School Lunch Program	10.555	N/A	308,020	7/1/2009	6/30/2010
Total Enterprise Fund					
Total Federal Financial Awards					

Balance at June 30, 2009	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Balances	Balance at June 30, 2010		
				Accounts Receivable	Deferred Revenue	Due to Grantor
\$ -	\$ 6,140,967	\$ (7,085,746)	\$ -	\$ (944,779)	\$ -	\$ -
-	237,746	(274,300)	-	(36,554)	-	-
-	6,378,713	(7,360,046)	-	(981,333)	-	-
-	162,287	(208,993)	-	(46,706)	-	-
(96,268)	157,824	(62,120)	-	(564)	-	-
-	103,631	(154,396)	-	(50,765)	-	-
(36,682)	49,777	(13,095)	-	-	-	-
-	2,042	(2,980)	-	(938)	-	-
-	2,018	(2,018)	-	-	-	-
-	11,277	(18,065)	-	(6,788)	-	-
(389)	6,122	(5,466)	-	-	-	267
-	26,458	(27,352)	-	(894)	-	-
(12,869)	12,458	-	411	-	-	-
-	7,897	(19,632)	-	(11,735)	-	-
(7,969)	7,969	-	-	-	-	-
-	1,390,420	(1,953,537)	-	(563,117)	-	-
(605,164)	764,961	(159,797)	-	-	-	-
-	1,494,535	(1,662,232)	-	(167,697)	-	-
(145,112)	343,470	(239,363)	-	(41,005)	-	-
-	145,814	(159,761)	-	(13,947)	-	-
(145,811)	145,811	-	-	-	-	-
(1,050,264)	4,834,771	(4,688,807)	411	(904,156)	-	267
		116,958				
-	132,133	(130,747)	-	-	1,386	-
(6,666)	6,666	-	-	-	-	-
-	28,255	(31,085)	-	(2,830)	-	-
(57,631)	57,631	-	-	-	-	-
-	283,264	(308,020)	-	(24,756)	-	-
(64,297)	507,949	(469,852)	-	(27,586)	1,386	-
\$ (1,114,561)	\$ 11,721,433	\$ (12,518,705)	\$ 411	\$ (1,913,075)	\$ 1,386	\$ 267

FREEHOLD REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Deferred Revenue (Accts Receivable) June 30, 2009
			From	To	
State Department of Education:					
General Fund:					
Non-Public Transportation Costs Aid	10-100-034-5120-068	111,918	7/1/2009	6/30/2010	\$ -
Extraordinary Special Education Costs Aid	10-100-034-5120-473	2,134,993	7/1/2009	6/30/2010	-
Adult Education Aid	10-495-034-5120-008	25,826	7/1/2009	6/30/2010	-
Special Education Aid	10-495-034-5120-011	6,707,906	7/1/2009	6/30/2010	-
Transportation Aid	10-495-034-5120-014	3,261,903	7/1/2009	6/30/2010	-
Equalization Aid	10-495-034-5120-078	32,625,381	7/1/2009	6/30/2010	-
Security Aid	10-495-034-5120-084	600,038	7/1/2009	6/30/2010	-
Reimbursed TPAF Social Security	10-495-034-5095-051	5,272,336	7/1/2009	6/30/2010	-
Non-Public Transportation Costs Aid	09-100-034-5120-068	130,196	7/1/2008	6/30/2009	(130,196)
Extraordinary Special Education Costs Aid	09-100-034-5120-473	1,884,634	7/1/2008	6/30/2009	(1,884,634)
Transportation Aid	09-495-034-5120-014	4,107,484	7/1/2008	6/30/2009	(410,750)
Adult Education Aid	09-495-034-5120-077	39,060	7/1/2008	6/30/2009	(3,906)
Equalization Aid	09-495-034-5120-078	39,013,223	7/1/2008	6/30/2009	(3,725,383)
Security Aid	09-495-034-5120-084	911,021	7/1/2008	6/30/2009	(91,102)
Special Education Aid	09-495-034-5120-089	6,646,964	7/1/2008	6/30/2009	(664,698)
Total General Fund					(6,910,669)
Special Revenue Fund:					
N.J. Nonpublic Aid:					
Textbook Aid	09-100-034-5120-064	4,460	7/1/2008	6/30/2009	-
Textbook Aid	10-100-034-5120-064	3,711	7/1/2009	6/30/2010	-
Nursing Services	10-100-034-5120-070	2,162	7/1/2009	6/30/2010	-
Compensatory Education	10-100-034-5120-067	960	7/1/2009	6/30/2010	-
Handicapped Services:					
Supplemental Instruction	10-100-034-5120-066	2,389	7/1/2009	6/30/2010	-
Speech	10-100-034-5120-066	897	7/1/2009	6/30/2010	-
Exam and Classification	10-100-034-5120-066	8,591	7/1/2009	6/30/2010	-
Total Special Revenue Fund					-
Debt Service Fund:					
Debt Service Aid Type II	09-100-034-5120-017	1,894,975	7/1/2009	6/30/2010	-
Total Debt Service Fund					-
Enterprise Fund:					
National School Lunch Program (State Share)	09-100-010-3360-067	25,613	7/1/2008	6/30/2009	(4,764)
National School Lunch Program (State Share)	10-100-010-3360-067	22,450	7/1/2009	6/30/2010	-
School Breakfast Program (State Share)	09-100-010-3360-096	3,269	7/1/2008	6/30/2009	(685)
School Breakfast Program (State Share)	10-100-010-3360-096	2,805	7/1/2009	6/30/2010	-
Total Enterprise Fund					(5,449)
New Jersey Economic Development Authority					
Capital Projects Fund					
Freehold Boro High School - Corridor Roof Repai	1650-050-09-1001	40,900	7/1/2009	6/30/2010	-
Howell High School - Water Main Replacement	1650-050-09-1003	29,460	7/1/2009	6/30/2010	-
Manalapan High School - Partial Roof Replaceme	1650-050-09-1004	64,098	7/1/2009	6/30/2010	-
Total Capital Projects Fund					-
Total State Financial Assistance Subject to OMB 04-04					\$ (6,916,118)
On Behalf TPAF Contributions Not Subject to OMB 04-04:					
On-behalf TPAF Pension/Medical	10-495-034-5095-050	4,492,394	7/1/2009	6/30/2010	
Total Indirect State Financial Assistance					
Total State Financial Assistance					

Due to Grantor June 30, 2009	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Balances	Balance at June 30, 2010			MEMO	
				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
\$ -	\$ -	\$ (111,918)	\$ -	\$ (111,918)	\$ -	\$ -	\$ 111,918	\$ 111,918
-	-	(2,134,993)	-	(2,134,993)	-	-	2,134,993	2,134,993
-	25,826	(25,826)	-	-	-	-	-	25,826
-	6,037,115	(6,707,906)	-	-	-	-	670,791	6,707,906
-	2,935,713	(3,261,903)	-	-	-	-	326,190	3,261,903
-	28,411,942	(32,625,381)	-	-	-	-	4,213,439	32,625,381
-	540,034	(600,038)	-	-	-	-	60,004	600,038
-	5,000,783	(5,272,336)	-	(271,553)	-	-	271,553	5,272,336
-	130,196	-	-	-	-	-	-	130,196
-	1,884,634	-	-	-	-	-	-	1,884,634
-	410,750	-	-	-	-	-	-	4,107,484
-	3,906	-	-	-	-	-	-	39,060
-	3,725,383	-	-	-	-	-	-	39,013,223
-	91,102	-	-	-	-	-	-	911,021
-	664,698	-	-	-	-	-	-	6,646,964
-	49,862,082	(50,740,301)	-	(2,518,464)	-	-	7,788,888	103,472,883
2,095	-	-	(2,095)	-	-	-	-	-
-	3,711	(3,285)	-	-	-	426	-	3,285
-	2,162	(2,162)	-	-	-	-	-	2,162
-	960	(960)	-	-	-	-	-	960
-	2,389	(2,389)	-	-	-	-	-	2,389
-	897	(897)	-	-	-	-	-	897
-	8,591	(8,591)	-	-	-	-	-	8,591
2,095	18,710	(18,284)	(2,095)	-	-	426	-	18,284
-	1,894,975	(1,894,975)	-	-	-	-	-	1,894,975
-	1,894,975	(1,894,975)	-	-	-	-	-	1,894,975
-	4,764	-	-	-	-	-	-	25,613
-	20,687	(22,450)	-	(1,763)	-	-	-	22,450
-	685	-	-	-	-	-	-	3,269
-	2,562	(2,805)	-	(243)	-	-	-	2,805
-	28,698	(25,255)	-	(2,006)	-	-	-	54,137
-	-	(40,900)	-	(40,900)	-	-	-	40,900
-	-	(29,460)	-	(29,460)	-	-	-	29,460
-	-	(64,098)	-	(64,098)	-	-	-	64,098
-	-	(134,458)	-	(134,458)	-	-	-	134,458
\$ 2,095	51,804,465	(52,813,273)	\$ (2,095)	\$ (2,654,928)	\$ -	\$ 426	\$ 7,788,888	105,574,737
	4,492,394	(4,492,394)						4,492,394
	4,492,394	(4,492,394)						4,492,394
\$ 56,296,859	\$ (57,305,667)							\$ 110,067,131

Freehold Regional High School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2010

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and 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 Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, 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.

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

Freehold Regional High School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2010

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$374,585.00) for the general fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$7,360,046.00	\$54,858,110.00	\$62,218,156.00
Special Revenue Fund	4,686,113.00	18,284.00	4,704,397.00
Capital Projects Fund		134,458.00	134,458.00
Debt Service Fund		1,894,975.00	1,894,975.00
Food Service Fund	469,852.00	25,255.00	495,107.00
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$12,516,011.00</u>	<u>\$56,931,082.00</u>	<u>\$69,447,093.00</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. 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, 2010. The amount reported as TPAF pension contributions reported in the financial statements represents the amount paid by the state on behalf of the district for the year ended June 30, 2010.

Freehold Regional High School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

Section I – Summary of Auditor's Results

Financial Statements

- | | | |
|-----|--|-------------|
| (1) | Type of Auditor's Report Issued: | Unqualified |
| (2) | Internal Control Over Financial Reporting: | |
| | (a) Material weakness identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | N/A |
| (3) | Noncompliance material to basic financial statements noted? | No |

Federal Program(s)

- | | | |
|-----|--|---------------|
| (1) | Internal Control Over Major Federal Programs: | |
| | (a) Material weakness identified? | None Reported |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | Yes |
| (2) | Type of Auditor's Report issued on compliance for major federal program(s)? | Unqualified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with Section.510(a) of Circular OMB A-133? | Yes |

Freehold Regional High School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

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

Federal Program(s) (Continued)

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

<u>Program</u>	<u>Grant Number</u>	<u>Grant Period</u>		<u>Type</u>	<u>Award Amount</u>	<u>Expended FY2010</u>
		<u>From</u>	<u>To</u>			
ARRA - ESF	84.394	9/1/09	8/31/10	A	\$7,085,746	\$7,085,746
ARRA - GSF	84.397	9/1/09	8/31/10	A	274,300	274,300
IDEA Part B	84.027	9/1/08	8/31/09	A	2,070,311	1,953,537
IDEA Part B	84.027	9/1/09	8/31/10	A	2,090,999	159,797
IDEA Part B - ARRA	84.391	9/1/09	8/31/10	A	2,444,379	1,662,232

(5) Program Threshold Determination:

Type A Federal Program Threshold > \$375,561.00

Type B Federal Program Threshold <= \$375,561.00

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

Freehold Regional High School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

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

State Program(s)

- (1) Internal Control Over Major State Programs:
- (a) Material weakness identified? None Reported
- (b) Significant deficiencies identified that are not considered to be material weaknesses? N/A
- (2) Type of Auditor's Report issued on compliance for major state program(s)? Unqualified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? None Reported
- (4) Identification of Major State Program(s):

<u>Program</u>	<u>Grant Number</u>	<u>Grant Period</u>		<u>Type</u>	<u>Award Amount</u>	<u>Expended FY '10</u>
		<u>From</u>	<u>To</u>			
Equalization Aid	10-495-034-5120-078	7/1/09	6/30/10	A	32,625,381.00	32,625,381.00
Extraordinary Aid	09-100-034-5120-473	7/1/09	6/30/10	A	1,884,634.00	1,884,634.00

Freehold Regional High School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

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

State Program(s) Continued)

- (5) Program Threshold Determination:
Type A State Program Threshold > \$1,584,398.00
Type B State Program Threshold <= \$1,584,398.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

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

Finding #FY 2010-01:

We were unable to test the ARRA Section 1512 Reporting for ARRA ESF, ARRA GSF and IDEA Part B ARRA because the District did not maintain hard copies of these reports and they are no longer accessible on the State Department of Education’s (the pass-through entity) Homeroom website. The District did not have in place a control, such as a formal policy for records retention, for on-line financial reports.

Federal Program Information

ARRA Government Service Fund (GSF) 84.394
ARRA Education Stabilization Fund (ESF) 84.397
IDEA PART B ARRA 84.391

Criteria or Specific Requirement

Reporting

Freehold Regional High School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

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

Federal Programs (Continued)

Condition:

Hard copies of the required ARRA Section 1512 reports were not retained for audit after electronic submission.

Context

The District has asserted that the required ARRA reporting was completed and filed using the State Department of Education's web-based Homeroom reporting system. The District however did not print the reports when filed electronically and have been unsuccessful in accessing the reports for audit.

Questioned costs

Since the reports cannot be provided for audit the accuracy and or completeness of the reports submitted cannot be determined, questioned costs, if any, are unknown.

Effect

The District is unable to document compliance with reporting requirements for the above listed grants.

Cause

Absence of a formal policy for retention of grant reports filed electronically.

Recommendation

That a policy on records retention relating to Federal and State Grant reporting be established so that all reports required to be filed electronically are maintained for audit.

Management's Response

Management has reviewed this finding and will prepare a detailed response as part of its corrective action plan to be submitted to the Board of Education.

State Programs – None Reported

Freehold Regional High School District

Schedule of Prior Year Audit Findings

Not Applicable