

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2004**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
BOARD OF EDUCATION**

TINTON FALLS, NEW JERSEY

For the Fiscal Year Ended June 30, 2004

Prepared by

**Monmouth Regional High School District
Board of Education
Business Office**

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INTRODUCTORY SECTION

September 16, 2004

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Monmouth Regional High School District (District) for the fiscal year ended June 30, 2004, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Monmouth Regional High School Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a list of principal officials, and a list of consultants and advisors. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on compliance and internal control over financial reporting and findings and questioned costs are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Monmouth Regional High School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The Monmouth Regional High School Board of Education constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 9 through 12. These include regular and vocational as well as special education for handicapped youngsters. The District completed the 2003-2004 fiscal year with an enrollment of 1,181.3 students. Enrollment is defined as students on roll and students placed out of district. The following details the changes in the student enrollment of the District over the last five years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2003-04	1,181.3	6.5%
2002-03	1,108.8	2.5%
2001-02	1,081.5	6.5%
2000-01	1,015.8	-3.8%
1999-00	1,056.5	3.5%

2. **ECONOMIC CONDITION AND OUTLOOK:** In Tinton Falls the student population should gradually increase for the 2004 thru 2006 school years. Our research indicates a residential housing construction increase for the next several years. Enrollment in Tinton Falls will continue to increase but at a slowed rate in later years.

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

Future enrollment at Monmouth Regional High School will show increases from the Tinton Falls community that will be slightly offset by declining enrollments from Eatontown.

Continued

3. **MAJOR INITIATIVES:**

Pupil Performance/Behavior Objectives

GOAL 1 2004-2005 TARGET GOAL

By June 2005, 85% of eleventh grade students and 80% of the senior students in the aggregate will score proficient or advanced proficient range on the language arts literacy and mathematics section of the HSPA. Additionally, all subgroups measured under NCLB legislation will make adequate yearly progress or safe harbor in both Language Arts Literacy and Mathematics sections of the HSPA. This will be accomplished through:

- i.) Early identification of students requiring remediation by using an in house test, GEPA scores, and teacher recommendation,
- ii.) Strengthening our Math Lab II curricula by providing more prescriptive instruction,
- iii.) Providing teachers with more material and resources that address HSPA skills, and
- iv.) Moving Basic Skill Math for ninth and tenth grade students from a pullout program to an immersion model.

This goal addresses District Goal #2 (To equip students with literacy and skills to function in a rapidly changing technological society by incorporating problem solving skills, the ability to think critically and perform critical analysis.) and Core Curriculum Content Standards Mathematics 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 4.10, 4.11, 4.12, 4.13, 4.14.

Descriptive Statement

Students in the 11th Grade will develop the skills necessary to pass the HSPA that will be administered in April 2005.

Cumulative Progress Indicators

Students in the remedial math sections will have teacher assessments through prescriptive instruction during each marking period as well as formal evaluation at each marking period. Successful grades in the mathematics courses and in-house assessments will indicate a high potential for success on HSPA.

GOAL 2 2004-05

By June 30, 2005, the number of student hits on the Class-Link website will increase 5% over the number during the 2003-2004 school year. This will be accomplished through:

- i.) Continued Class-Link training workshops presented by a core of in house "turn key experts" who will also serve as support for our staff,
- ii.) Supervisors will encourage staff to develop websites and post homework assignments on Class-Link, and
- iii.) Improved record keeping

Continued

3. **MAJOR INITIATIVES:** (Continued)

Pupil Performance/Behavior Objectives (Continued)

GOAL 2 2004-05 (Continued)

This goal addresses Cross-Content Readiness Standards 1, 2, 3, 4. This goal also addresses District Goals I C, II B, III A, and V C.

Descriptive Statement

Teachers and students will be trained, during the beginning months of the 2003-2004 school year, on how to use the Class-Link Program. Parents will be invited to a K-12 Planet training session which was held after school hours. Emphasis through department supervisors will be made to encourage the use of Class Link with K12 planet for parent contact, assignments and progress reporting.

Cumulative Progress Indicators

A counter on the site will be kept. Supervisors will report quarterly on the progress that the teachers are making on utilizing Class-Link.

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

As a recipient of federal and state financial assistance, the District also is responsible for ensuring effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to those programs. This internal control system is also subject to periodic evaluation by the District management.

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

Continued

5. **BUDGETARY CONTROLS:** 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. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2004.

6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.
7. **DEBT ADMINISTRATION:** As of June 30, 2004 the District has \$4,850,000 in outstanding general obligation bonds.
8. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the 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.
9. **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.
10. **OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of O'Neill and Lang, was selected by the Board. 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 of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Continued

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

Respectfully submitted,



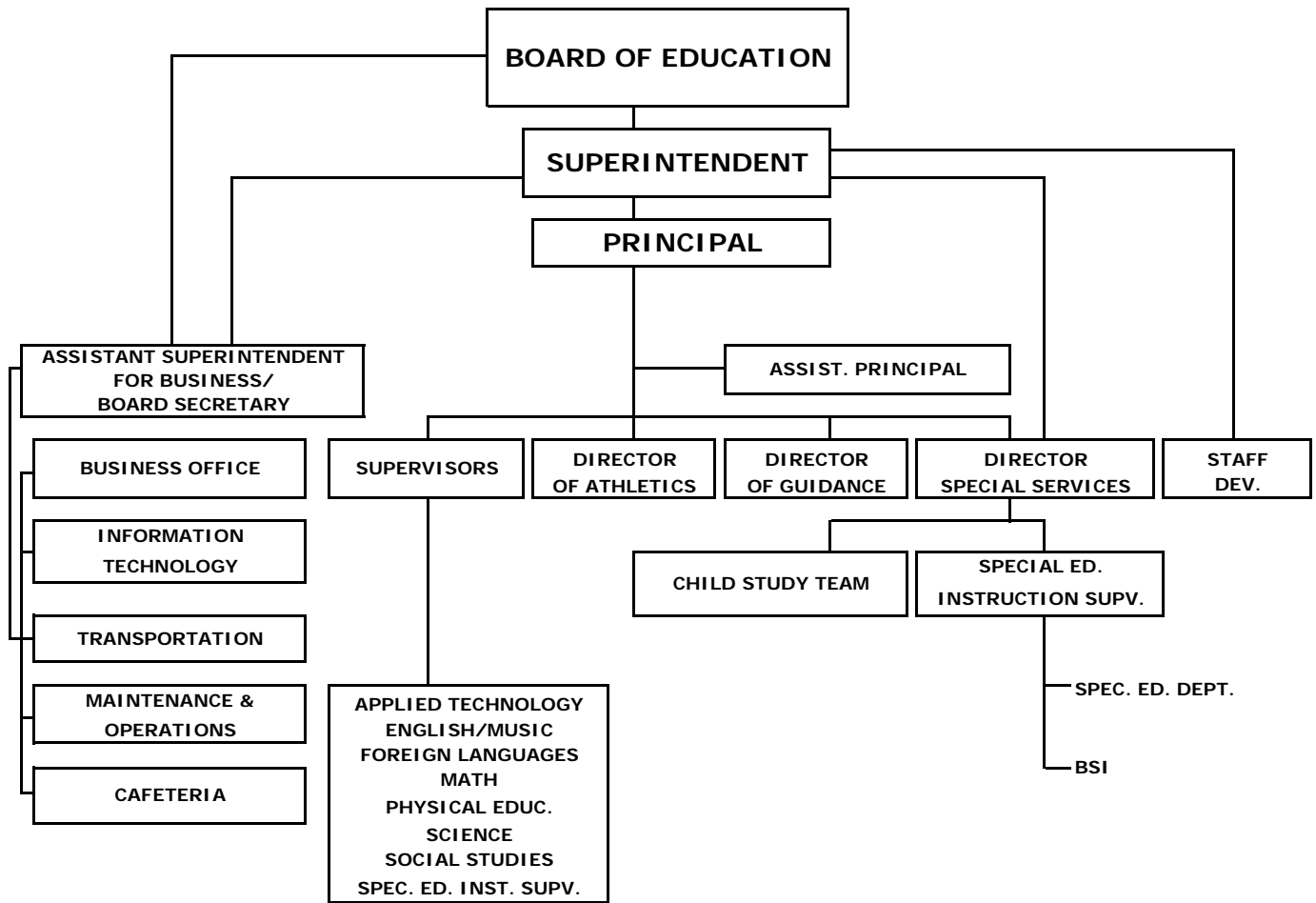
PATRICK R. COLLUM
SUPERINTENDENT



JAMES W. CLEARY
BOARD SECRETARY/ASSISTANT
SUPERINTENDENT FOR BUSINESS

Concluded

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
ORGANIZATIONAL CHART**



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

ROSTER OF OFFICIALS
JUNE 30, 2004

Members of the Board of Education	Term Expires
Anthony Schaible, President	2007
Diane N. Vega, Vice President	2005
Jonathan Cohen	2006
Joseph P. Gaetano	2005
Paul L. Hicks, Sr.	2006
Thomas C. Neff	2007
Carl E. Sohl	2007
Linda Thatcher	2006
JoEllen L. Wernikowski	2005

Other Officials

Patrick R. Collum, Superintendent

James W. Cleary, Board Secretary/Assistant Superintendent for Business

Jean W. Foulke, Treasurer

Martin M. Barger, Esq., Solicitor

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Consultants and Advisors**

Attorney

Martin M. Barger, Esq.
Reussille, Mausner, Carotenuto, Barger & Steel
365 Broad Street
P. O. Box 580
Red Bank, NJ 07701

Audit Firm

O'Neill and Lang
Certified Public Accountants
528 Rahway Avenue
Woodbridge, NJ 07095

Official Depositories

Fleet Bank/Bank of America
Eatontown, NJ 07724

Bank of New York/National Community Division
Shrewsbury, NJ 07702

United Counties Trust Company
Tinton Falls, NJ 07724

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

Commerce Bank
656 Shrewsbury Avenue
Tinton Falls, NJ 07701

First Union
P. O. Box 396
New Brunswick, NJ 08903

First Savings Bank
Monmouth Mall
Eatontown, NJ 07724

FINANCIAL SECTION

O'NEILL AND LANG
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

528 RAHWAY AVENUE
WOODBIDGE, NEW JERSEY 07095
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TERANCE O'NEILL, CPA, RMA, PSA
GEORGE J. LANG, CPA, RMA, PSA

MEMBERS OF:
AMERICAN INSTITUTE OF CPAs
NEW JERSEY SOCIETY OF CPAs

**UNQUALIFIED OPINION ON BASIC FINANCIAL
STATEMENTS ACCOMPANIED BY REQUIRED SUPPLEMENTARY
INFORMATION AND SUPPLEMENTARY SCHEDULE OF FEDERAL AWARDS AND
OTHER SUPPLEMENTARY INFORMATION**

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Monmouth Regional High School District
County of Monmouth
Tinton Falls, New Jersey 07724

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Monmouth Regional High School District, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Monmouth Regional High School Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund, of the Monmouth Regional High School Board of Education, in the County of Monmouth, State of New Jersey, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2004 on our consideration of the Monmouth Regional High School Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 12 through 21 and 59 through 82 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 Monmouth Regional High School Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are not a required part of the basic financial statements. Such information 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.



GEORGE J. LANG
LICENSED PUBLIC SCHOOL ACCOUNTANT
NO. 1096
O'NEILL AND LANG

September 9, 2004

REQUIRED SUPPLEMENTARY INFORMATION

PART 1

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of Monmouth 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, 2004. 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.

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

Financial Highlights

Key financial highlights for 2004 are as follows:

In total, net assets decreased \$726,669, which represents a 14.53 percent decrease from 2003.

General revenues accounted for \$19,335,825 in revenue or 88.12 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2,605,883 or 11.88 percent of total revenues of \$21,941,708.

Total assets of governmental activities decreased by \$1,393,127 as cash and cash equivalents decreased by \$876,667, receivables increased by \$111,007, and capital assets decreased by \$627,467.

The School District had \$22,668,377 in expenses; only \$2,605,883 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$19,335,825 and fund balance were adequate to provide for these programs.

Among governmental funds, the General Fund had \$20,376,937 in revenues and \$20,962,834 in expenditures. The General Fund's fund balance decreased \$585,897 over 2003. This decrease was anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

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

Using this Comprehensive Annual Financial Report (CAFR) (Continued)

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

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year.

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

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

Continued

Using this Comprehensive Annual Financial Report (CAFR) (Continued)

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

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

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

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District, as a whole looks at all financial transactions and asks the question, "How did we do financially during 2004?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. 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 School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the 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 district kinds of activities:

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

Business-Type Activity – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Continued

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 transaction. 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 in and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of 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.

Enterprise Fund

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 35 to 58 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 2004 with comparative amounts for 2003.

Continued

The School District as a Whole (Continued)

Table A-1
Monmouth Regional's Net Assets

	Governmental Activities 2004	Business- type Activities 2004	School District Total 2004	School District Total 2003	Total Percentage Change 2003-2004
Current and Other Assets	\$ 3,235,468	\$ 78,580	\$ 3,314,048	\$ 4,112,854	(19.42)%
Capital Assets	7,048,191	520	7,048,711	7,677,639	(8.19)%
Total Assets	<u>\$ 10,283,659</u>	<u>\$ 79,100</u>	<u>\$ 10,362,759</u>	<u>\$ 11,790,493</u>	<u>(12.11)%</u>
Long-Term Debt Outstanding	\$ 6,005,304	\$ -	\$ 6,005,304	\$ 6,485,504	(7.40)%
Other Liabilities	80,297	2,987	83,284	304,149	(72.62)%
Total Liabilities	<u>\$ 6,085,601</u>	<u>\$ 2,987</u>	<u>\$ 6,088,588</u>	<u>\$ 6,789,653</u>	<u>(10.33)%</u>
Net Assets:					
Invested in capital assets, net of related debt	\$ 2,137,027	\$ 520	\$ 2,137,547	\$ 2,362,639	(9.53)%
Restricted	643,669	-	643,669	1,321,253	(51.28)%
Unrestricted	<u>1,417,362</u>	<u>75,593</u>	<u>1,492,955</u>	<u>1,316,948</u>	<u>13.36%</u>
Total Net Assets	<u>\$ 4,198,058</u>	<u>\$ 76,113</u>	<u>\$ 4,274,171</u>	<u>\$ 5,000,840</u>	<u>(14.53)%</u>

Table 2 shows changes in net assets for fiscal year 2004 with comparative amounts for 2003.

Table A-2
Changes in Monmouth Regional's Net Assets

	Governmental Activities 2004	Business- type Activities 2004	School District Total 2004	School District Total 2003
REVENUES				
Program Revenues:				
Charges for Services	\$ 356,207	\$ 253,367	\$ 609,574	\$ 669,472
Federal and State Categorical Grants	1,931,985	64,324	1,996,309	1,501,437
General Revenues:				
Property Taxes	14,149,396		14,149,396	13,491,180
State Formula Aid	4,005,162	-	4,005,162	3,940,621
Other	<u>1,181,267</u>	<u>-</u>	<u>1,181,267</u>	<u>714,515</u>
Total Revenues	<u>\$ 21,624,017</u>	<u>\$ 317,691</u>	<u>\$ 21,941,708</u>	<u>\$ 20,317,225</u>
EXPENSES				
Instruction	\$ 11,151,097	\$ -	\$ 11,151,097	\$ 10,484,044
Student Support Services	10,996,517	-	10,996,517	9,986,568
Other	<u>210,303</u>	<u>310,460</u>	<u>520,763</u>	<u>618,342</u>
Total Liabilities	<u>\$ 22,357,917</u>	<u>\$ 310,460</u>	<u>\$ 22,668,377</u>	<u>\$ 21,088,954</u>
Increase (Decrease) in Net Assets	<u>\$ (733,900)</u>	<u>\$ 7,231</u>	<u>\$ (726,669)</u>	<u>\$ (771,729)</u>

Continued

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek over approval for the School District operations. Property taxes made up 65.43 percent of revenues for governmental activities for the Monmouth Regional High School District for fiscal year 2004. The District's total revenues were \$21,624,017 for the year ended June 30, 2004. Federal, state, and local grants and state aid accounted for another 32.45 percent of revenue.

Business-Type Activities

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

Food service revenues exceeded expenses by \$7,231.

Charges for services represent \$253,367 of revenue. This represents amounts paid by patrons for daily food service.

Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$64,324.

Governmental Activities

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

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

	<u>Total Cost of Services 2004</u>	<u>Net Cost of Services 2004</u>	<u>Total Cost of Services 2003</u>	<u>Net Cost of Services 2003</u>
Instruction	\$ 11,151,097	\$ 10,014,958	\$ 10,484,044	\$ 9,704,398
Support Services:				
Pupil and Instructional Staff	5,517,601	4,988,082	5,010,242	4,566,964
Administration	1,910,795	1,784,834	1,587,906	1,496,114
Operation and Maintenance of Facilities	1,719,225	1,648,846	1,656,857	1,596,250
Pupil Transportation	1,848,896	1,493,213	1,731,563	1,319,407
Interest on Long Term Debt	210,303	139,792	243,651	170,217
Other	-	-	82,321	82,321
Total Expenses	<u>\$ 22,357,917</u>	<u>\$ 20,069,725</u>	<u>\$ 20,796,584</u>	<u>\$ 18,935,671</u>

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

Continued

Governmental Activities (Continued)

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.

"Other" includes unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$21,624,017 and expenditures were \$22,210,650. The net negative change in fund balance for the year was most significant in the General Fund, a decrease of \$585,897. This reflects the District's use of fund balance to offset spending increases.

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. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2004, and the amount and percentage of increases and decreases in relation to prior year revenues.

Table A-4
Summary of Revenues-Governmental Funds

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2003</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 14,607,257	67.55%	\$ 594,829	4.25%
State Sources	5,782,461	26.74%	793,685	15.91%
Federal Sources	1,234,299	5.71%	313,157	34.00%
Other	-	0.00%	(603)	(100.00)%
Total	<u>\$ 21,624,017</u>	<u>100.00%</u>	<u>\$ 1,701,068</u>	<u>8.54%</u>

The increase in Local Sources is attributed to an increase in the Local Tax Levy of \$658,216, an increase in Tuition of \$5,306, a decrease in Miscellaneous Revenues of \$5,388 and a decrease in Transportation Fees of \$63,305.

Continued

The School District's Funds (Continued)

The increase in State Sources is attributed to increases in state aid totaling \$732,482 and decreases in various restricted state grants totaling \$61,203.

The decrease in Federal Sources is due to a decrease in P.L. 81-874 (Impact Aid) of \$144,955 and net decreases in grant awards of \$168,202.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2004 and the percentage of increases and decreases in relation to prior year amounts.

Table A-5
Summary of Expenditures-Governmental Funds

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2003</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$ 7,868,750	35.43%	\$ 437,868	5.89%
Undistributed Expenditures	13,517,939	60.86%	1,347,355	11.07%
Capital Outlay	148,658	0.67%	(121,632)	(45.00)%
Debt Service	<u>675,303</u>	<u>3.04%</u>	<u>11,652</u>	<u>1.76%</u>
Total	<u>\$ 22,210,650</u>	<u>100.00%</u>	<u>\$ 1,675,243</u>	<u>8.16%</u>

Changes in expenditures were the results of varying factors. Current expense increased due to additional staff and students, and increased health benefits and utility costs.

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.

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

- Interest income was significantly over estimated during budget preparation. Interest rates fell to very low levels during the past year which was attributed to unanticipated economic events.
- Extraordinary aid, which is state aid for special education students whose individual program cost exceeds \$40,000 per year, was not anticipated as there is no guarantee from the Department of Education that these funds would be available.
- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.

Continued

General Fund Budgeting Highlights (Continued)

- Tuition for special education students is budgeted based on the existing and known incoming students at the time the budget is submitted. Students move into and out of the District during the summer as well as the school year which necessitates transferring funds to the appropriate account to pay these special education costs.
- Student transportation is provided using a blend of in-house and vendor services. Depending on the type of service, transfers to various accounts were needed to pay these costs.

Capital Assets

At the end of the fiscal year 2004 the School District had \$7,048,711 invested in land, building, furniture and equipment, and vehicles. Table A-6 shows fiscal year 2004 balances compared to 2003.

Table A-6
Monmouth Regional's Capital Assets
(Net of Depreciation)

	Governmental Activities 2004	Business- type Activities 2004	School District Total 2004	School District Total 2003	Total Percentage Change 2003-2004
Land	\$ 120,340	\$ -	\$ 120,340	\$ 120,340	0.00%
Site Improvements	286,833	-	286,833	294,156	(2.49)%
Buildings	5,911,381	-	5,911,381	6,350,065	(6.91)%
Machinery and Equipment	729,637	520	730,157	913,078	(20.03)%
Total	<u>\$ 7,048,191</u>	<u>\$ 520</u>	<u>\$ 7,048,711</u>	<u>\$ 7,677,639</u>	<u>(8.19)%</u>

Debt Administration

At June 30, 2004, the School District had \$6,005,304 of outstanding debt. Of this amount \$1,094,140 is for compensated absences; \$61,164 for various capital leases; and \$4,850,000 of serial bonds for school construction.

Table A-7
Monmouth Regional's Outstanding Long-Term Debt

	School District 2004	School District 2003	Total Percentage Change 2003-2004
General Obligation Bonds (Financed with Property Taxes)	\$ 4,850,000	\$ 5,315,000	(8.75)%
Other	<u>1,155,304</u>	<u>1,170,504</u>	(1.30)%
Total	<u>\$ 6,005,304</u>	<u>\$ 6,485,504</u>	<u>(7.40)%</u>

Continued

For the Future

The Monmouth Regional High School District is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is the continued enrollment growth of the District with the increased reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and State funding is decreased.

In conclusion, the Monmouth Regional High School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plants to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Statement of Net Assets
June 30, 2004

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,016,254	\$ 66,228	\$ 3,082,482
Receivables, Net	204,400	2,741	207,141
Inventory	-	9,611	9,611
Restricted Assets:			
Cash and Cash Equivalents	14,814	-	14,814
Capital Assets, Net (Note 4)	<u>7,048,191</u>	<u>520</u>	<u>7,048,711</u>
Total Assets	<u>\$ 10,283,659</u>	<u>\$ 79,100</u>	<u>\$ 10,362,759</u>
LIABILITIES			
Accounts Payable	\$ 28,051	\$ 2,987	\$ 31,038
Payable to Federal Government	247	-	247
Payable to State Government	11,280	-	11,280
Deferred Revenue	40,719	-	40,719
Noncurrent Liabilities (Note 5):			
Due Within One Year	487,847	-	487,847
Due Beyond One Year	<u>5,517,457</u>	<u>-</u>	<u>5,517,457</u>
Total Liabilities	<u>\$ 6,085,601</u>	<u>\$ 2,987</u>	<u>\$ 6,088,588</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	\$ 2,137,027	\$ 520	\$ 2,137,547
Restricted For:			
Debt Service	25,218	-	25,218
Special Revenue Fund	(1,341)	-	(1,341)
Other Purposes	624,623	-	624,623
Unrestricted	<u>1,412,531</u>	<u>75,593</u>	<u>1,488,124</u>
Total Net Assets	<u>\$ 4,198,058</u>	<u>\$ 76,113</u>	<u>\$ 4,274,171</u>

See accompanying Notes to the Basic Financial Statements.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2004

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 7,619,856	\$ 34,105	\$ 848,439	\$ -	\$ (6,737,312)	\$ -	\$ (6,737,312)
Special Education	1,670,930	-	126,476	-	(1,544,454)	-	(1,544,454)
Other Instruction	1,860,311	-	127,119	-	(1,733,192)	-	(1,733,192)
Support Services:							
Tuition	1,631,432	-	-	-	(1,631,432)	-	(1,631,432)
Student and Instruction Related Services	3,886,169	-	529,519	-	(3,356,650)	-	(3,356,650)
School Administrative Services	924,244	-	67,677	-	(856,567)	-	(856,567)
Other Administrative Services	986,551	-	58,284	-	(928,267)	-	(928,267)
Plant Operations and Maintenance	1,719,225	-	70,379	-	(1,648,846)	-	(1,648,846)
Pupil Transportation	1,848,896	322,102	33,581	-	(1,493,213)	-	(1,493,213)
Interest on Long-Term Debt	210,303	-	70,511	-	(139,792)	-	(139,792)
Total Governmental Activities	<u>\$ 22,357,917</u>	<u>\$ 356,207</u>	<u>\$ 1,931,985</u>	<u>\$ -</u>	<u>\$ (20,069,725)</u>	<u>\$ -</u>	<u>\$ (20,069,725)</u>
Business-type Activities:							
Food Service	<u>\$ 310,460</u>	<u>\$ 253,367</u>	<u>\$ 64,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,231</u>	<u>\$ 7,231</u>
Total Business-type Activities	<u>\$ 310,460</u>	<u>\$ 253,367</u>	<u>\$ 64,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,231</u>	<u>\$ 7,231</u>
Total Primary Government	<u>\$ 22,668,377</u>	<u>\$ 609,574</u>	<u>\$ 1,996,309</u>	<u>\$ -</u>	<u>\$ (20,069,725)</u>	<u>\$ 7,231</u>	<u>\$ (20,062,494)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 13,547,671	\$ -	\$ 13,547,671
Taxes Levied for Debt Service					601,725	-	601,725
Federal and State Aid Not Restricted					5,084,775	-	5,084,775
Miscellaneous					101,654	-	101,654
Total General Revenues, Special Items, Extraordinary Items and Transfers					<u>\$ 19,335,825</u>	<u>\$ -</u>	<u>\$ 19,335,825</u>
Changes in Net Assets					\$ (733,900)	\$ 7,231	\$ (726,669)
Net Assets - Beginning					4,931,958	68,882	5,000,840
Net Assets - Ending					<u>\$ 4,198,058</u>	<u>\$ 76,113</u>	<u>\$ 4,274,171</u>

See accompanying Notes to the Basic Financial Statements.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2004

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 2,925,919	\$ 65,117	\$ -	\$ 25,218	\$ 3,016,254
Receivables, Net	-	11,280	-	-	11,280
Receivables from Other Governments	190,561	2,559	-	-	193,120
Restricted Cash and Cash Equivalents	14,814	-	-	-	14,814
Total Assets	\$ 3,131,294	\$ 78,956	\$ -	\$ 25,218	\$ 3,235,468
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ 28,051	\$ -	\$ -	\$ 28,051
Payable to Federal Government	-	247	-	-	247
Payable to State Government	-	11,280	-	-	11,280
Deferred Revenue	-	40,719	-	-	40,719
Total Liabilities	\$ -	\$ 80,297	\$ -	\$ -	\$ 80,297
Fund Balances:					
Reserved for:					
Encumbrances	\$ 217,199	\$ -	\$ -	\$ -	\$ 217,199
Capital Reserve Account	14,814	-	-	-	14,814
Excess Surplus	376,801	-	-	-	376,801
Excess Surplus - Designated for Subsequent Year's Expenditures	15,809	-	-	-	15,809
Unreserved, Reported In:					
General Fund	2,506,671	-	-	-	2,506,671
Special Revenue Fund	-	(1,341)	-	-	(1,341)
Debt Service Fund	-	-	-	25,218	25,218
Total Fund Balances	\$ 3,131,294	\$ (1,341)	\$ -	\$ 25,218	\$ 3,155,171
Total Liabilities and Fund Balances	\$ 3,131,294	\$ 78,956	\$ -	\$ 25,218	

Amounts reported for *governmental activities* in the Statement of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the net assets is \$13,486,213 and the accumulated depreciation is \$6,438,022 (See Note 4).

7,048,191

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 5).

(6,005,304)

Net Assets of Governmental Activities

\$ 4,198,058

See accompanying Notes to the Basic Financial Statements.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2004

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 13,547,671	\$ -	\$ -	\$ 601,725	\$ 14,149,396
Transportation Fees from Other LEA's	322,102	-	-	-	322,102
Interest Earned on Capital Reserve Funds	115	-	-	-	115
Miscellaneous	135,644	-	-	-	135,644
Total - Local Sources	\$ 14,005,532	\$ -	\$ -	\$ 601,725	\$ 14,607,257
State Sources	5,557,258	154,692	-	70,511	5,782,461
Federal Sources	814,147	420,152	-	-	1,234,299
Total Revenues	<u>\$ 20,376,937</u>	<u>\$ 574,844</u>	<u>\$ -</u>	<u>\$ 672,236</u>	<u>\$ 21,624,017</u>
EXPENDITURES					
Current:					
Regular Instruction	\$ 5,078,074	\$ 308,827	\$ -	\$ -	\$ 5,386,901
Special Education Instruction	1,147,565	-	-	-	1,147,565
Other Instruction	1,334,284	-	-	-	1,334,284
Support Services and Undistributed Costs:					
Tuition	1,631,432	-	-	-	1,631,432
Student and Instruction Related Services	2,549,697	246,083	-	-	2,795,780
School Administrative Services	644,193	-	-	-	644,193
Other Administrative Services	745,367	-	-	-	745,367
Plant Operations and Maintenance	1,427,993	-	-	-	1,427,993
Pupil Transportation	1,709,935	-	-	-	1,709,935
Unallocated Benefits	4,563,239	-	-	-	4,563,239
Debt Service:					
Principal	-	-	-	465,000	465,000
Interest and Other Charges	-	-	-	210,303	210,303
Capital Outlay	131,055	17,603	-	-	148,658
Total Expenditures	<u>\$ 20,962,834</u>	<u>\$ 572,513</u>	<u>\$ -</u>	<u>\$ 675,303</u>	<u>\$ 22,210,650</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (585,897)</u>	<u>\$ 2,331</u>	<u>\$ -</u>	<u>\$ (3,067)</u>	<u>\$ (586,633)</u>
Net Change in Fund Balances	\$ (585,897)	\$ 2,331	\$ -	\$ (3,067)	\$ (586,633)
Fund Balance - July 1	3,717,191	(3,672)	-	28,285	3,741,804
Fund Balance - June 30	<u>\$ 3,131,294</u>	<u>\$ (1,341)</u>	<u>\$ -</u>	<u>\$ 25,218</u>	<u>\$ 3,155,171</u>

See accompanying Notes to the Basic Financial Statements.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2004

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ (586,633)
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Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

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

	Depreciation Expense	\$ (406,209)
	Capital Outlays	149,591
	Disposition of Assets	(370,849)
		(627,467)

Repayments of bond principal, capital lease principal and early retirement incentive are expenditures 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	494,663
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In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the	(14,463)
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Change in Net Assets of Governmental Activities	\$ (733,900)
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See accompanying Notes to the Basic Financial Statements.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2004

	Business-type Activities - Enterprise Funds	
	<u>Food Service</u>	<u>Totals</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 66,228	\$ 66,228
Accounts Receivable:		
State	612	612
Federal	2,129	2,129
Inventories:		
Commodities	5,504	5,504
Regular	4,107	4,107
Total Current Assets	<u>\$ 78,580</u>	<u>\$ 78,580</u>
Noncurrent Assets:		
Furniture, Machinery and Equipment	\$ 36,242	\$ 36,242
Less Accumulated Depreciation	<u>(35,722)</u>	<u>(35,722)</u>
Total Noncurrent Assets	<u>\$ 520</u>	<u>\$ 520</u>
Total Assets	<u>\$ 79,100</u>	<u>\$ 79,100</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	<u>\$ 2,987</u>	<u>\$ 2,987</u>
Total Current Liabilities	<u>\$ 2,987</u>	<u>\$ 2,987</u>
Total Liabilities	<u>\$ 2,987</u>	<u>\$ 2,987</u>
NET ASSETS		
Invested in Capital Assets Net of Related Debt	\$ 520	\$ 520
Unrestricted	<u>75,593</u>	<u>75,593</u>
Total Net Assets	<u><u>\$ 76,113</u></u>	<u><u>\$ 76,113</u></u>

See accompanying Notes to the Basic Financial Statements.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
June 30, 2004

	Business-type Activities - Enterprise Funds	
	<u>Food Service</u>	<u>Totals</u>
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 92,550	\$ 92,550
Daily Sales - Non-reimbursable Programs	148,249	148,249
Miscellaneous	<u>12,568</u>	<u>12,568</u>
Total Operating Revenues	<u>\$253,367</u>	<u>\$253,367</u>
Operating Expenses:		
Salaries	\$110,500	\$110,500
Employee Benefits	15,808	15,808
Purchased Professional and Technical Services	8,160	8,160
Purchased Property Services	9,078	9,078
Supplies and Materials	3,105	3,105
Depreciation	1,461	1,461
Cost of Sales	156,366	156,366
Miscellaneous Expenditures	<u>5,982</u>	<u>5,982</u>
Total Operating Expenses	<u>\$310,460</u>	<u>\$310,460</u>
Operating Income (Loss)	<u>\$ (57,093)</u>	<u>\$ (57,093)</u>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	\$ 3,845	\$ 3,845
Federal Sources:		
National School Lunch Program	46,547	46,547
Food Distribution Program	<u>13,932</u>	<u>13,932</u>
Total Nonoperating Revenues (Expenses)	<u>\$ 64,324</u>	<u>\$ 64,324</u>
Income (Loss) Before Contributions and Transfers	<u>\$ 7,231</u>	<u>\$ 7,231</u>
Change in Net Assets	\$ 7,231	\$ 7,231
Total Net Assets - Beginning	<u>68,882</u>	<u>68,882</u>
Total Net Assets - Ending	<u><u>\$ 76,113</u></u>	<u><u>\$ 76,113</u></u>

See accompanying Notes to the Basic Financial Statements.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2004

	Business-type Activities - Enterprise Funds	
	<u>Food Service</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$253,367	\$253,367
Payments to Suppliers	<u>(339,289)</u>	<u>(339,289)</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (85,922)</u>	<u>\$ (85,922)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State Sources	\$ 3,406	\$ 3,406
Federal Sources	46,424	46,424
Local Sources-General Fund	<u>28,506</u>	<u>28,506</u>
Net Cash Provided By (Used For) Non-capital Financing Activities	<u>\$ 78,336</u>	<u>\$ 78,336</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (7,586)	\$ (7,586)
Balances - Beginning of Year	<u>73,814</u>	<u>73,814</u>
Balances - End of Year	<u><u>\$ 66,228</u></u>	<u><u>\$ 66,228</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:		
Operating Income (Loss)	<u>\$ (57,093)</u>	<u>\$ (57,093)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:		
Depreciation and Net Amortization	\$ 1,461	\$ 1,461
Food Distribution Program	13,932	13,932
(Increase) Decrease in Inventories	(2,384)	(2,384)
Increase (Decrease) in Accounts Payable	<u>(41,838)</u>	<u>(41,838)</u>
Total Adjustments	<u>\$ (28,829)</u>	<u>\$ (28,829)</u>
Net Cash Provided By (Used For) Operating Activities	<u><u>\$ (85,922)</u></u>	<u><u>\$ (85,922)</u></u>

See accompanying Notes to the Basic Financial Statements.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2004

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Other Trust	Agency Fund
ASSETS				
Cash and Cash Equivalents	\$ 285,185	\$ 80,585	\$ 100	\$ 113,270
Total Current Assets	<u>\$ 285,185</u>	<u>\$ 80,585</u>	<u>\$ 100</u>	<u>\$ 113,270</u>
LIABILITIES				
Payable to Student Groups	\$ -	\$ -	\$ -	\$ 108,634
Payroll Deductions and Withholdings	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,636</u>
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,270</u>
NET ASSETS				
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 285,185</u>			
Reserved for Scholarships		<u>\$ 80,585</u>		
Reserved for Other Trust			<u>\$ 100</u>	

See accompanying Notes to the Basic Financial Statements.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2004

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Other Trust
ADDITIONS			
Contributions:			
Plan Member	\$ 22,884	\$ -	\$ -
Other	<u>-</u>	<u>6,750</u>	<u>100</u>
Total Contributions	<u>\$ 22,884</u>	<u>\$ 6,750</u>	<u>\$ 100</u>
Investment Earnings:			
Interest	<u>\$ 2,646</u>	<u>\$ 664</u>	<u>\$ -</u>
Net Investment Earnings	<u>\$ 2,646</u>	<u>\$ 664</u>	<u>\$ -</u>
Total Additions	<u>\$ 25,530</u>	<u>\$ 7,414</u>	<u>\$ 100</u>
DEDUCTIONS			
Quarterly Contribution Reports	\$ 17,466	\$ -	\$ -
Unemployment Claims	3,748	-	-
Scholarships Awarded	<u>-</u>	<u>8,629</u>	<u>-</u>
Total Deductions	<u>\$ 21,214</u>	<u>\$ 8,629</u>	<u>\$ -</u>
Change in Net Assets	\$ 4,316	\$ (1,215)	\$ 100
Net Assets - Beginning of the Year	<u>280,869</u>	<u>81,800</u>	<u>-</u>
Net Assets - End of the Year	<u><u>\$ 285,185</u></u>	<u><u>\$ 80,585</u></u>	<u><u>\$ 100</u></u>

See accompanying Notes to the Basic Financial Statements.

NOTES TO FINANCIAL STATEMENTS

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of Monmouth Regional High School District (District) have been prepared in conformity with generally accepted accounting principles (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.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Significant changes in the Statement include the following:

A Management's Discussion and Analysis (MD&A) providing an analysis of the District's overall financial position and results of operations.

Financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting Entity:

The Monmouth Regional High School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades 9-12. The Monmouth Regional High School District had an approximate enrollment at June 30, 2004 of 1,183 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. Direct *expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

GOVERNMENTAL FUNDS

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment, which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of, or additions to, 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.

Continued

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements: (Continued)

GOVERNMENTAL FUNDS (Continued)

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.

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

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is based upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises—where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Continued

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements: (Continued)

PROPRIETARY FUNDS (Continued)

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method.

FIDUCIARY FUNDS

Trust Funds - The Trust Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Private Purpose Scholarship Fund – A Private Purpose Scholarship Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. A Private Purpose Scholarship Fund accounts for assets where both the principal and interest may be spent. The Private Purpose Scholarship Fund includes the following scholarship funds:

Creekman Scholarship Fund
Pratt Scholarship Fund
Virginia Hand Scholarship Fund
Fleishman Scholarship Fund

Cori Nicholson Scholarship Fund
Joseph Provanzano Scholarship Fund
Cohen Scholarship Fund

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Continued

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the District receives cash.

The District reports the following major governmental funds:

- General Fund
- Special Revenue Fund
- Capital Projects Fund
- Debt Service Fund

Additionally, the District reports the following fund types:

- Enterprise Fund
- Unemployment Compensation Trust Fund
- Private Purpose Scholarship Fund
- Other Trust Fund (Hall of Fame)
- Student Activities Agency Fund
- Payroll Agency Fund

Private-sector standards of accounting, and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Government's also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

Continued

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Amounts reported as *program revenues* include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office 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. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal 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 generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Continued

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control: (Continued)

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.

E. Encumbrances:

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

Open encumbrances in the special revenue 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.

F. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 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 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.

Continued

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash, Cash Equivalents and Investments: (Continued)

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 public 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 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.

G. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

H. Tuition Payable:

Tuition charges for the fiscal years 2003-2004 and 2002-2003 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

I. Inventories and Prepaid Expenses:

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2004.

J. Short-term Interfund Receivables/Payables:

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

Continued

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets:

Capital assets, which include land, water stock, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Site Improvements	10-25
Buildings	50
Outdoor Recreation Equipment	20
Athletic Equipment	10
Audio Visual Equipment	10
Communications Equipment	10
Multi Media Materials	5
Business Machines	10
Photocopiers	5
Data Processing Equipment	5
Computers	5
Printers	5
Machinery and Tools	15
Appliances/Food Service Equipment	15
Lab/Science/Engineering Equipment	10
Furniture and Accessories	20
Stage and Auditorium	20
Grounds/Agricultural Equipment	15
Licensed Vehicles	8
Construction Equipment	10
Roadways	30
Drainage System	50
Underground Sewer Lines	50
Hydrants	20

Continued

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

M. Deferred Revenue:

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

N. Long-term Obligations:

In the government-wide financial statements and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

The District has no arbitrage rebate liability as of June 30, 2004.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Continued

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

P. Memorandum Only - Total Columns:

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis and do not present information in conformity with generally accepted accounting principles and are not equivalent to a consolidated presentation. Interfund elimination's have not been made in the aggregation of this data.

Q. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits and investments at June 30, 2004 appear in the financial statements as summarized below:

	<u>Book Balance</u>	<u>Bank Balance</u>
Total Cash	<u>\$ 3,576,436</u>	<u>\$ 4,012,677</u>
Cash and Investments - Governmental Funds, Balance Sheet	\$ 3,031,068	\$ 3,413,348
Cash and Investments - Business-Type Activities, Statement of Net Assets	66,228	39,950
Cash and Investments - Fiduciary Funds	<u>479,140</u>	<u>559,379</u>
Total Cash and Investments	<u>\$ 3,576,436</u>	<u>\$ 4,012,677</u>

Continued

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

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

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following three categories described below:

Category 1

Insured, registered or collateralized with securities held by the District or by its agent in the District's name.

Category 2

Uninsured, unregistered or collateralized with securities held by the pledging public depository or by its trust department or agent in the District's name.

Category 3

Uninsured, unregistered or uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository or by its trust department or agent but not in the District's name.

As of June 30, 2004, the District's deposits and investments are summarized as follows:

<u>Category</u>	<u>Amount</u>
1	\$ 781,292
2	-
3	<u>2,795,144</u>
	<u><u>\$ 3,576,436</u></u>

New Jersey Cash Management Fund - All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2004, the District had \$2,795,144 on deposit with the New Jersey Cash Management Fund.

Continued

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 3. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Monmouth Regional Board of Education by inclusion of \$1.00 on October 3, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. 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.

During the fiscal year ended June 30, 2004, the District had actual interest earnings of \$115.

A summary of the activity in this account for the fiscal year ended June 30, 2004 is as follows:

Balance, June 30, 2003	\$ 14,699
Increased by:	
Interest Earned	<u>115</u>
	\$ 14,814
Decreased by:	
Budgeted Withdrawal	<u>-</u>
Balance, June 30, 2004	<u><u>\$ 14,814</u></u>

Continued

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 4. CAPITAL ASSETS

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Adjustments</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 120,340	\$ -	\$ -	\$ 120,340
Total Capital Assets, Not Being Depreciated	<u>\$ 120,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,340</u>
Capital Assets, Being Depreciated:				
Site Improvements	\$ 927,855	\$ -	\$ (176,420)	\$ 751,435
Buildings and Building Improvements	11,124,194	8,935	(1,418,724)	9,714,405
Machinery and Equipment	<u>2,480,002</u>	<u>140,656</u>	<u>279,375</u>	<u>2,900,033</u>
Total Capital Assets, Being Depreciated	<u>\$ 14,532,051</u>	<u>\$ 149,591</u>	<u>\$ (1,315,769)</u>	<u>\$ 13,365,873</u>
Accumulated Depreciation For:				
Site Improvements	\$ (633,699)	\$ (23,179)	\$ 192,276	\$ (464,602)
Buildings and Building Improvements	(4,774,129)	(194,333)	1,165,438	(3,803,024)
Machinery and Equipment	<u>(1,568,905)</u>	<u>(188,697)</u>	<u>(412,794)</u>	<u>(2,170,396)</u>
Total Accumulated Depreciation	<u>\$ (6,976,733)</u>	<u>\$ (406,209)</u>	<u>\$ 944,920</u>	<u>\$ (6,438,022)</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 7,555,318</u>	<u>\$ (256,618)</u>	<u>\$ (370,849)</u>	<u>\$ 6,927,851</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 7,675,658</u></u>	<u><u>\$ (256,618)</u></u>	<u><u>\$ (370,849)</u></u>	<u><u>\$ 7,048,191</u></u>

Continued

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 4. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions of the District as follows:

Governmental Activities:

Instruction:

Regular Instruction	\$ 170,364
Special Education Instruction	39,930
Other Instruction	40,133

Support Services:

Student and Instruction Related Services	83,192
School Administrative Related Services	21,367
Other Administrative Services	18,401
Plant Operations and Maintenance	22,220
Pupil Transportation	<u>10,602</u>

Total Depreciation Expense, Governmental Activities	<u><u>\$ 406,209</u></u>
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The following is a summary of proprietary fund type fixed assets at June 30, 2004:

Machinery and Equipment	\$ 36,242
Less: Accumulated Depreciation	<u>35,722</u>
Net Fixed Assets	<u><u>\$ 520</u></u>

NOTE 5. GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2004 is as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
General:					
Obligation Bonds	\$ 5,315,000	\$ -	\$ 465,000	\$ 4,850,000	\$ 470,000
Obligations Under Capital Leases	90,827	-	29,663	61,164	17,847
Compensated Absences Payable	<u>1,079,677</u>	<u>14,463</u>	<u>-</u>	<u>1,094,140</u>	<u>-</u>
Total Governmental Activity					
Long Term Liabilities	<u><u>\$ 6,485,504</u></u>	<u><u>\$ 14,463</u></u>	<u><u>\$ 494,663</u></u>	<u><u>\$ 6,005,304</u></u>	<u><u>\$ 487,847</u></u>

Continued

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE 5. GENERAL LONG-TERM DEBT (Continued)

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

Principal and interest due on bonds outstanding is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
2005	\$ 470,000	\$ 188,263	\$ 658,263
2006	485,000	176,512	661,512
2007	505,000	161,963	666,963
2008	520,000	146,812	666,812
2009	535,000	128,613	663,613
2010-2013	<u>2,335,000</u>	<u>269,550</u>	<u>2,604,550</u>
	<u><u>\$ 4,850,000</u></u>	<u><u>\$ 1,071,713</u></u>	<u><u>\$ 5,921,713</u></u>

B. Bonds Authorized But Not Issued -- As of June 30, 2004, the District had no authorized but not issued bonds.

C. Capital Leases – The District is leasing photo copiers and a phone system totaling \$166,290 under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2004.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
2005	\$ 17,847	\$ 2,331	\$ 20,178
2006	17,555	1,512	19,067
2007	17,148	808	17,956
2008	<u>8,614</u>	<u>186</u>	<u>8,800</u>
	<u><u>\$ 61,164</u></u>	<u><u>\$ 4,837</u></u>	<u><u>\$ 66,001</u></u>

Continued

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE 6. 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 which have been established by state statute and 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 non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide 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.

Continued

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE 6. PENSION PLANS (Continued)

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Continued

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 6. PENSION PLANS (Continued)

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

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2004	None	100%	\$ - 0 -
June 30, 2003	None	100%	\$ - 0 -
June 30, 2002	None	100%	\$ - 0 -

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2004	\$625,599	100%	\$ - 0 -
June 30, 2003	\$417,419	100%	\$ - 0 -
June 30, 2002	\$ None	100%	\$ - 0 -

Continued

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE 6. PENSION PLANS (Continued)

Contribution Requirements (Continued)

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$661,031 during the year ended June 30, 2004 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

Legislation enacted during 1991 (1993) provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1992 (1994) fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The District assumed the increased cost for the early retirement.

NOTE 7. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2003, there were 61,549 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve by one half of 1% of the active State payroll.

The State did not make a contribution to the PERS and TPAF in Fiscal Year 2003 toward the cost of post-retirement medical benefits in accordance with P.L. 2002, c.11 which allowed the State to use available reserves in the Post-Retirement Medical Reserve Funds to cover required pay-as-you-go medical premiums. This legislation also suspends in Fiscal Years 2002 and 2003 the additional post retirement medical contribution to increase the fund balance by one half of one percent of active member salaries for the valuation period. State law provides that post retirement medical contributions resume in Fiscal Year 2004.

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 \$57.9 million toward Chapter 126 benefits for 8,362 eligible retired members in Fiscal Year 2003.

Continued

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE 8. COMPENSATED ABSENCES

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

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

The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability balance of compensated absences.

NOTE 9. DEFERRED COMPENSATION

The Board offers its employees a choice of various 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:

Lincoln Investment Planning, Inc.
Valic
Equitable

NOTE 10. RISK MANAGEMENT

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

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

Continued

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 10. RISK MANAGEMENT (Continued)

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

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>Refund</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2003-2004	\$ 2,646	\$ -	\$ 22,884	\$ 21,214	\$285,185
2002-2003	\$ 4,294	\$ -	\$ 21,720	\$ 23,855	\$280,869
2001-2002	\$ 6,105	\$ -	\$ 20,482	\$ 16,022	\$278,710

NOTE 11. INVENTORY

Inventory in the Food Service Fund at June 30, 2004 consisted of the following:

Food-Commodities	\$ 5,504
Food-Regular	<u>4,107</u>
	<u><u>\$ 9,611</u></u>

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

Continued

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE 12. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$1,341 in the Special Revenue Fund as of June 30, 2004 as reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$1,341 is equal to the last state aid payment.

NOTE 13. FUND BALANCE APPROPRIATED

General Fund – Of the \$3,326,054 General Fund fund balance at June 30, 2004, \$217,199 is reserved for encumbrances; \$14,814 has been reserved in the Capital Reserve Account; \$376,801 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$15,809 was reserved as excess surplus at June 30, 2003 and has been appropriated and included as anticipated revenue for the year ending June 30, 2005; \$1,296,998 has been appropriated and also included as anticipated revenue for the year ending June 30, 2005 and \$1,404,433 is unreserved and undesignated.

Debt Service Fund – Of the \$25,218 Debt Service Fund fund balance at June 30, 2004, \$25,218 has been appropriated and included as anticipated revenue for the year ending June 30, 2005.

Continued

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE 14. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, 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 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. The excess fund balance at June 30, 2004 is \$376,801.

NOTE 15. CONTINGENCIES

In the opinion of the Board Attorney, there is no pending or threatened litigation which would have a material impact upon the Board.

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2003-2004 fiscal year were subject to the Single Audit Act of 1984 and New Jersey OMB Circular 04-04 which mandates that grant revenues and the expenditures be audited in conjunction with the Board's annual audit. Substantially, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The Board management does not believe such an audit would result in material amounts of disallowed costs.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 13,547,671	\$ -	\$ 13,547,671	\$ 13,547,671	\$ -
Transportation Fees from Other LEA's	416,587	-	416,587	322,102	(94,485)
Interest Earned on Capital Reserve Funds	100	-	100	115	15
Miscellaneous	100,000	-	100,000	135,644	35,644
Total - Local Sources	<u>\$ 14,064,358</u>	<u>\$ -</u>	<u>\$ 14,064,358</u>	<u>\$ 14,005,532</u>	<u>\$ (58,826)</u>
State Sources:					
Core Curriculum Standards Aid	\$ 914,959	\$ -	\$ 914,959	\$ 914,959	\$ -
Transportation Aid	558,167	-	558,167	558,167	-
Special Education Aid	674,233	-	674,233	674,233	-
Bilingual Education	9,380	-	9,380	9,380	-
Stabilization Aid	1,720,160	-	1,720,160	1,720,160	-
Consolidated Aid	128,263	-	128,263	128,263	-
On-Behalf TPAF Pension Contributions (Non-Budgeted)	-	-	-	625,599	625,599
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	661,031	661,031
Extraordinary Aid - 2004	-	-	-	151,496	151,496
Extraordinary Aid - 2003	-	-	-	112,357	112,357
Nonpublic Transportation Costs	-	-	-	4,831	4,831
Total - State Sources	<u>\$ 4,005,162</u>	<u>\$ -</u>	<u>\$ 4,005,162</u>	<u>\$ 5,560,476</u>	<u>\$ 1,555,314</u>
Federal Sources:					
Impact Aid	\$ 450,000	\$ -	\$ 450,000	\$ 814,147	\$ 364,147
Total - Federal Sources	<u>\$ 450,000</u>	<u>\$ -</u>	<u>\$ 450,000</u>	<u>\$ 814,147</u>	<u>\$ 364,147</u>
Total Revenues	<u>\$ 18,519,520</u>	<u>\$ -</u>	<u>\$ 18,519,520</u>	<u>\$ 20,380,155</u>	<u>\$ 1,860,635</u>

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2004
(Continued from prior page)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction					
Grades 9-12 - Salaries of Teachers	\$ 4,776,985	\$ (252,643)	\$ 4,524,342	\$ 4,495,800	\$ 28,542
Regular Programs - Home Instruction					
Salaries of Teachers	39,770	-	39,770	38,474	1,296
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	101,368	20,470	121,838	119,050	2,788
General Supplies	294,742	14,245	308,987	237,592	71,395
Textbooks	83,598	3,252	86,850	76,233	10,617
Other Objects	48,620	83,731	132,351	110,925	21,426
Total Regular Programs - Instruction	<u>\$ 5,345,083</u>	<u>\$ (130,945)</u>	<u>\$ 5,214,138</u>	<u>\$ 5,078,074</u>	<u>\$ 136,064</u>
SPECIAL EDUCATION - INSTRUCTION:					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 905,080	\$ 120,377	\$ 1,025,457	\$ 1,025,457	\$ -
Other Salaries for Instruction	18,254	25,871	44,125	29,494	14,631
Purchased Technical Services	1,000	-	1,000	176	824
Other Purchased Services (400-500 Series)	1,400	-	1,400	756	644
General Supplies	7,950	(571)	7,379	670	6,709
Textbooks	9,600	1,391	10,991	10,984	7
Other Objects	400	-	400	400	-
Total Learning and/or Language Disabilities	<u>\$ 943,684</u>	<u>\$ 147,068</u>	<u>\$ 1,090,752</u>	<u>\$ 1,067,937</u>	<u>\$ 22,815</u>
Behavioral Disabilities					
Salaries of Teachers	\$ 76,820	\$ (10,001)	\$ 66,819	\$ 62,550	\$ 4,269
Other Salaries for Instruction	16,333	-	16,333	15,725	608
General Supplies	1,200	-	1,200	920	280
Textbooks	500	-	500	433	67
Total Behavioral Disabilities	<u>\$ 94,853</u>	<u>\$ (10,001)</u>	<u>\$ 84,852</u>	<u>\$ 79,628</u>	<u>\$ 5,224</u>
Total Special Education - Instruction	<u>\$ 1,038,537</u>	<u>\$ 137,067</u>	<u>\$ 1,175,604</u>	<u>\$ 1,147,565</u>	<u>\$ 28,039</u>
Continued					

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2004
(Continued from prior page)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES: (Continued)					
CURRENT EXPENSE (Continued)					
Basic Skills/Remedial - Instruction					
Salaries of Teachers	\$ 320,250	\$ 65,052	\$ 385,302	\$ 385,302	\$ -
Total Basic Skills/Remedial - Instruction	\$ 320,250	\$ 65,052	\$ 385,302	\$ 385,302	\$ -
Bilingual Education - Instruction					
Salaries of Teachers	\$ 35,800	\$ -	\$ 35,800	\$ 35,800	\$ -
Purchased Technical Services	400	-	400	22	378
General Supplies	3,500	17	3,517	1,024	2,493
Total Bilingual Education - Instruction	\$ 39,700	\$ 17	\$ 39,717	\$ 36,846	\$ 2,871
School-Sponsored Cocurricular Activities - Instruction					
Salaries	\$ 142,781	\$ -	\$ 142,781	\$ 136,244	\$ 6,537
Purchased Services (300-500 Series)	10,700	5,946	16,646	15,856	790
Supplies and Materials	5,000	3,282	8,282	8,282	-
Other Objects	10,500	6,536	17,036	11,114	5,922
Total School-Sponsored Cocurricular Activities - Instruction	\$ 168,981	\$ 15,764	\$ 184,745	\$ 171,496	\$ 13,249
School-Sponsored Athletics - Instruction					
Salaries	\$ 500,987	\$ -	\$ 500,987	\$ 491,558	\$ 9,429
Purchased Services (300-500 Series)	61,000	(1,647)	59,353	48,609	10,744
Supplies and Materials	68,880	11,514	80,394	79,815	579
Other Objects	42,750	(6,396)	36,354	30,193	6,161
Total School-Sponsored Athletics - Instruction	\$ 673,617	\$ 3,471	\$ 677,088	\$ 650,175	\$ 26,913
Other Instructional Programs - Instruction					
Salaries	\$ 142,000	\$ (37,622)	\$ 104,378	\$ 89,766	\$ 14,612
Supplies and Materials	700	-	700	699	1
Total Other Instructional Programs - Instruction	\$ 142,700	\$ (37,622)	\$ 105,078	\$ 90,465	\$ 14,613
Total Instruction	\$ 7,728,868	\$ 52,804	\$ 7,781,672	\$ 7,559,923	\$ 221,749

Continued

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2004
(Continued from prior page)

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final To <u>Actual</u>
EXPENDITURES: (Continued)					
CURRENT EXPENSE (Continued)					
Undistributed Expenditures - Instruction					
Tuition To Other LEAs Within the State - Regular	\$ 210,000	\$ (54,600)	\$ 155,400	\$ 78,700	\$ 76,700
Tuition To Other LEAs Within the State - Special	106,000	44,829	150,829	125,752	25,077
Tuition To County Vocational School District-Regular	288,000	-	288,000	288,000	-
Tuition To County Vocational School District-Special	221,000	-	221,000	136,330	84,670
Tuition To Private Schools for the Disabled Within State	921,900	61,412	983,312	850,136	133,176
Tuition To Private Schools for the Disabled and Other LEAs - Spl. O/S ST	65,000	11,604	76,604	59,850	16,754
Tuition - State Facilities	53,563	37,031	90,594	90,594	-
Tuition - Other	-	2,070	2,070	2,070	-
	<u>\$ 1,865,463</u>	<u>\$ 102,346</u>	<u>\$ 1,967,809</u>	<u>\$ 1,631,432</u>	<u>\$ 336,377</u>
Total Undistributed Expenditures - Instruction					
	<u>\$ 1,865,463</u>	<u>\$ 102,346</u>	<u>\$ 1,967,809</u>	<u>\$ 1,631,432</u>	<u>\$ 336,377</u>
Undistributed Expenditures - Attendance and Social Work Services					
Salaries	\$ 63,750	\$ 10,000	\$ 73,750	\$ 68,506	\$ 5,244
Supplies and Materials	4,290	-	4,290	3,856	434
Other Objects	100	-	100	-	100
	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>100</u>
Total Undistributed Expenditures - Attendance and Social Work Services					
	<u>\$ 68,140</u>	<u>\$ 10,000</u>	<u>\$ 78,140</u>	<u>\$ 72,362</u>	<u>\$ 5,778</u>
Undistributed Expenditures - Health Services					
Salaries	\$ 134,900	\$ (1,989)	\$ 132,911	\$ 129,680	\$ 3,231
Other Purchased Services (400-500 Series)	2,000	(495)	1,505	548	957
Supplies and Materials	2,500	(107)	2,393	2,261	132
Other Objects	1,875	2,036	3,911	3,493	418
	<u>1,875</u>	<u>2,036</u>	<u>3,911</u>	<u>3,493</u>	<u>418</u>
Total Undistributed Expenditures - Health Services					
	<u>\$ 141,275</u>	<u>\$ (555)</u>	<u>\$ 140,720</u>	<u>\$ 135,982</u>	<u>\$ 4,738</u>
Undistributed Expenditures - Other Support Services Students - Related Services					
Salaries	\$ 33,816	\$ (33,288)	\$ 528	\$ -	\$ 528
	<u>\$ 33,816</u>	<u>\$ (33,288)</u>	<u>\$ 528</u>	<u>\$ -</u>	<u>\$ 528</u>
Total Undistributed Expenditures - Other Support Services Students - Related Services					
	<u>\$ 33,816</u>	<u>\$ (33,288)</u>	<u>\$ 528</u>	<u>\$ -</u>	<u>\$ 528</u>

Continued

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2004
(Continued from prior page)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES: (Continued)					
CURRENT EXPENSE (Continued)					
Undistributed Expenditures - Other Support Services Students - Regular					
Salaries of Other Professional Staff	\$ 406,140	\$ 917	\$ 407,057	\$ 407,056	\$ 1
Salaries of Sec. and Clerical Assistants	163,320	(17,042)	146,278	145,778	500
Other Purchased Prof. and Tech. Services	5,000	-	5,000	4,974	26
Other Purchased Services (400-500 Series)	5,990	(270)	5,720	2,058	3,662
Supplies and Materials	15,381	(627)	14,754	13,575	1,179
Other Objects	16,557	9,047	25,604	18,040	7,564
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Undistributed Expenditures - Other Support Services Students - Regular	<u>\$ 612,388</u>	<u>\$ (7,975)</u>	<u>\$ 604,413</u>	<u>\$ 591,481</u>	<u>\$ 12,932</u>
Undistributed Expenditures - Other Support Services Students - Special					
Salaries of Other Professional Staff	\$ 478,455	\$ -	\$ 478,455	\$ 478,454	\$ 1
Salaries of Sec. and Clerical Assistants	35,000	-	35,000	34,921	79
Purchased Professional-Educational Services	38,000	175	38,175	11,685	26,490
Residential Costs	162,000	5,852	167,852	167,852	-
Misc. Purch. Svcs. (400-500 series o/than Resid. Costs)	4,000	-	4,000	2,639	1,361
Supplies and Materials	12,000	291	12,291	8,433	3,858
Other Objects	5,050	200	5,250	2,067	3,183
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Undistributed Expenditures - Other Support Services Students - Special	<u>\$ 734,505</u>	<u>\$ 6,518</u>	<u>\$ 741,023</u>	<u>\$ 706,051</u>	<u>\$ 34,972</u>
Undistributed Expenditures - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	\$ 651,282	\$ 34,301	\$ 685,583	\$ 685,195	\$ 388
Salaries of Other Professional Staff	47,895	6,090	53,985	53,985	-
Salaries of Sec. and Clerical Assistants	500	-	500	-	500
Other Purchased Services (400-500)	20,850	(273)	20,577	9,305	11,272
Other Objects	50	-	50	-	50
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Undistributed Expenditures - Improvement of Instructional Services	<u>\$ 720,577</u>	<u>\$ 40,118</u>	<u>\$ 760,695</u>	<u>\$ 748,485</u>	<u>\$ 12,210</u>

Continued

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2004
(Continued from prior page)

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final To <u>Actual</u>
EXPENDITURES: (Continued)					
CURRENT EXPENSE (Continued)					
Undistributed Expenditures - Educational Media Serv./School Library					
Salaries	\$ 235,960	\$ 23,305	\$ 259,265	\$ 258,796	\$ 469
Other Purchased Services (400-500 Series)	1,000	-	1,000	472	528
Supplies and Materials	60,905	(9,087)	51,818	27,366	24,452
Other Objects	500	-	500	360	140
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Undistributed Expenditures - Educational Media Serv./School Library	<u>\$ 298,365</u>	<u>\$ 14,218</u>	<u>\$ 312,583</u>	<u>\$ 286,994</u>	<u>\$ 25,589</u>
Undistributed Expenditures - Instructional Staff Training Services					
Salaries of Supervisors of Instruction	\$ 4,100	\$ -	\$ 4,100	\$ 3,500	\$ 600
Other Purchased Services (400-500 Series)	9,000	-	9,000	4,409	4,591
Supplies and Materials	3,000	-	3,000	354	2,646
Other Objects	200	-	200	79	121
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Undistributed Expenditures - Instructional Staff Training Services	<u>\$ 16,300</u>	<u>\$ -</u>	<u>\$ 16,300</u>	<u>\$ 8,342</u>	<u>\$ 7,958</u>
Undistributed Expenditures - Support Services - General Administration					
Salaries	\$ 205,217	\$ 13,012	\$ 218,229	\$ 214,053	\$ 4,176
Legal Services	16,000	(1,320)	14,680	7,689	6,991
Other Purchased Professional Services	69,150	(8,584)	60,566	46,264	14,302
Communications/Telephone	37,000	6,000	43,000	33,682	9,318
Other Purchased Services (400-500)	11,750	2,660	14,410	14,072	338
Miscellaneous Expenditures	63,615	5,154	68,769	63,203	5,566
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Undistributed Expenditures - Support Services - General Administration	<u>\$ 402,732</u>	<u>\$ 16,922</u>	<u>\$ 419,654</u>	<u>\$ 378,963</u>	<u>\$ 40,691</u>

Continued

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2004
(Continued from prior page)

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final To <u>Actual</u>
EXPENDITURES: (Continued)					
CURRENT EXPENSE (Continued)					
Undistributed Expenditures - Support Services - School Administration					
Salaries of Principals/Asst. Principals	\$ 234,306	\$ 43,478	\$ 277,784	\$ 277,784	\$ -
Salaries of Other Professional Staff	221,415	-	221,415	221,200	215
Salaries of Sec. and Clerical Assistants	107,230	-	107,230	107,230	-
Other Purchased Services (400-500 Series)	1,830	-	1,830	1,164	666
Supplies and Materials	12,910	445	13,355	13,183	172
Other Objects	27,630	(184)	27,446	23,632	3,814
	<u>27,630</u>	<u>(184)</u>	<u>27,446</u>	<u>23,632</u>	<u>3,814</u>
Total Undistributed Expenditures - Support Services - School Administration	<u>\$ 605,321</u>	<u>\$ 43,739</u>	<u>\$ 649,060</u>	<u>\$ 644,193</u>	<u>\$ 4,867</u>
Undistributed Expenditures - Required Maint. For School Facilities					
Salaries	\$ 162,029	\$ (2,019)	\$ 160,010	\$ 152,293	\$ 7,717
Cleaning, Repair, and Maintenance Services	285,742	(31,352)	254,390	212,273	42,117
General Supplies	129,550	(36,628)	92,922	75,421	17,501
Other Objects	2,300	-	2,300	805	1,495
	<u>2,300</u>	<u>-</u>	<u>2,300</u>	<u>805</u>	<u>1,495</u>
Total Undistributed Expenditures - Required Maint. For School Facilities	<u>\$ 579,621</u>	<u>\$ (69,999)</u>	<u>\$ 509,622</u>	<u>\$ 440,792</u>	<u>\$ 68,830</u>
Undistributed Expenditures - Other Oper. and Maint. of Plant Services					
Salaries	\$ 459,320	\$ 25,780	\$ 485,100	\$ 478,347	\$ 6,753
Other Purchased Property Services	48,693	2,282	50,975	33,170	17,805
Insurance	77,000	4,500	81,500	81,493	7
Miscellaneous Purchased Services	5,000	-	5,000	3,503	1,497
General Supplies	73,000	(10,000)	63,000	46,349	16,651
Energy (Heat and Electricity)	305,000	29,356	334,356	329,909	4,447
Other Objects	17,000	-	17,000	14,430	2,570
	<u>17,000</u>	<u>-</u>	<u>17,000</u>	<u>14,430</u>	<u>2,570</u>
Total Undistributed Expenditures - Other Oper. and Maint. of Plant Services	<u>\$ 985,013</u>	<u>\$ 51,918</u>	<u>\$ 1,036,931</u>	<u>\$ 987,201</u>	<u>\$ 49,730</u>

Continued

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2004
(Continued from prior page)

EXPENDITURES: (Continued)	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final To <u>Actual</u>
CURRENT EXPENSE (Continued)					
Undistributed Expenditures - Student					
Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	\$ 269,799	\$ (33,097)	\$ 236,702	\$ 222,744	\$ 13,958
Salaries for Pupil Transportation (Between Home and School) - Special Ed.	77,918	-	77,918	77,918	-
Cleaning, Repair and Maint. Services	29,500	42,746	72,246	72,245	1
Contracted Services (Between Home and School) - Vendors	614,007	(2,925)	611,082	600,196	10,886
Contracted Services (Other Than Between Home and School) - Vendors	44,365	(385)	43,980	35,150	8,830
Contracted Services (Special Ed. Students) - Vendors	13,955	(1,460)	12,495	12,420	75
Contracted Services (Regular Students) - ESCs and CTSAs	215,935	70,038	285,973	285,971	2
Contracted Services (Special Ed. Students) - ESCs and CTSAs	124,127	43,007	167,134	155,894	11,240
Contracted Services-Aid in Lieu of Payments	151,181	(18,697)	132,484	125,200	7,284
Supplies and Materials	25,500	8,764	34,264	32,389	1,875
Miscellaneous Expenditures	87,500	7,320	94,820	89,808	5,012
Total Undistributed Expenditures - Student Transportation Services	<u>\$ 1,653,787</u>	<u>\$ 115,311</u>	<u>\$ 1,769,098</u>	<u>\$ 1,709,935</u>	<u>\$ 59,163</u>
Undistributed Expenditures - Business and Other Support Services					
Salaries	\$ 330,158	\$ (10,276)	\$ 319,882	\$ 308,541	\$ 11,341
Miscellaneous Purchased Services (400-500 Series O/Than Resid. Costs)	53,000	2,760	55,760	40,966	14,794
Supplies and Materials	6,000	1,213	7,213	6,996	217
Miscellaneous Expenditures	10,000	150	10,150	9,901	249
Total Undistributed Expenditures - Business and Other Support Services	<u>\$ 399,158</u>	<u>\$ (6,153)</u>	<u>\$ 393,005</u>	<u>\$ 366,404</u>	<u>\$ 26,601</u>

Continued

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2004
(Continued from prior page)

EXPENDITURES: (Continued)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 263,725	\$ -	\$ 263,725	\$ 225,270	\$ 38,455
Workmen's Compensation	110,000	-	110,000	105,726	4,274
Health Benefits	2,954,917	(54,041)	2,900,876	2,864,099	36,777
Tuition Reimbursement	18,000	3,000	21,000	20,110	890
Other Employee Benefits	43,000	20,605	63,605	61,404	2,201
Total Unallocated Benefits	<u>\$ 3,389,642</u>	<u>\$ (30,436)</u>	<u>\$ 3,359,206</u>	<u>\$ 3,276,609</u>	<u>\$ 82,597</u>
On-Behalf TPAF Pension Contributions (Non-Budgeted)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 625,599</u>	<u>\$ (625,599)</u>
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 661,031</u>	<u>\$ (661,031)</u>
Total On-Behalf Contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,286,630</u>	<u>\$ (1,286,630)</u>
Total Personal Services - Employee Benefits	<u>\$ 3,389,642</u>	<u>\$ (30,436)</u>	<u>\$ 3,359,206</u>	<u>\$ 4,563,239</u>	<u>\$ (1,204,033)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>\$ 12,506,103</u>	<u>\$ 252,684</u>	<u>\$ 12,758,787</u>	<u>\$ 13,271,856</u>	<u>\$ (513,069)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>\$ 20,234,971</u>	<u>\$ 305,488</u>	<u>\$ 20,540,459</u>	<u>\$ 20,831,779</u>	<u>\$ (291,320)</u>
 CAPITAL OUTLAY					
Equipment					
Undistributed					
Undistributed Expenditures - Operation and Maintenance of Plant Services	\$ 25,000	\$ (17,230)	\$ 7,770	\$ 7,340	\$ 430
School Buses - Regular	-	50,000	50,000	47,028	2,972
TOTAL EQUIPMENT	<u>\$ 25,000</u>	<u>\$ 32,770</u>	<u>\$ 57,770</u>	<u>\$ 54,368</u>	<u>\$ 3,402</u>

Continued

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2004
(Continued from prior page)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES: (Continued)					
Facilities Acquisition and Construction Services					
Construction Services	\$ 70,000	\$ 54,194	\$ 124,194	\$ 76,687	\$ 47,507
Total Facilities Acquisition and Construction Services	\$ 70,000	\$ 54,194	\$ 124,194	\$ 76,687	\$ 47,507
 TOTAL CAPITAL OUTLAY	 \$ 95,000	 \$ 86,964	 \$ 181,964	 \$ 131,055	 \$ 50,909
 TOTAL EXPENDITURES	 \$ 20,329,971	 \$ 392,452	 \$ 20,722,423	 \$ 20,962,834	 \$ (240,411)
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 \$ (1,810,451)	 \$ (392,452)	 \$ (2,202,903)	 \$ (582,679)	 \$ 1,620,224
Other Financing Sources:					
Operating Transfer Out:					
Transfer to Cover Deficit (Enterprise Fund)	\$ (1,000)	\$ -	\$ (1,000)	\$ -	\$ 1,000
Total Other Financing Sources	\$ (1,000)	\$ -	\$ (1,000)	\$ -	\$ 1,000
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	 \$ (1,811,451)	 \$ (392,452)	 \$ (2,203,903)	 \$ (582,679)	 \$ 1,621,224
Fund Balances, July 1	3,908,733	-	3,908,733	3,908,733	-
Fund Balances, June 30	\$ 2,097,282	\$ (392,452)	\$ 1,704,830	\$ 3,326,054	\$ 1,621,224
 <u>Recapitulation:</u>					
Reserve for Encumbrances				\$ 217,199	
Excess Surplus				376,801	
Excess Surplus Designated for Subsequent Year's Expenditures				15,809	
Capital Reserve				14,814	
Unreserved-Designated for Subsequent Year's Expenditures				1,296,998	
Unreserved-Undesignated				1,404,433	
				\$ 3,326,054	
Reconciliation to Governmental Fund Statements (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				(194,760)	
Fund Balance per Governmental Funds (GAAP)				\$ 3,131,294	
Concluded					

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES:					
State Sources	\$ 61,056	\$ 102,585	\$ 163,641	\$ 152,361	\$ (11,280)
Federal Sources	<u>287,979</u>	<u>171,473</u>	<u>459,452</u>	<u>420,152</u>	<u>(39,300)</u>
Total Revenues	<u>\$ 349,035</u>	<u>\$ 274,058</u>	<u>\$ 623,093</u>	<u>\$ 572,513</u>	<u>\$ (50,580)</u>
EXPENDITURES					
Instruction:					
Salaries of Teachers	\$ 83,615	\$ 99,547	\$ 183,162	\$ 181,662	\$ 1,500
Other Salaries for Instruction	-	2,600	2,600	1,800	800
Other Purchased Services (400-500 Series)	-	4,925	4,925	4,925	-
General Supplies	16,230	101,786	118,016	112,422	5,594
Textbooks	9,656	9,447	19,103	4,529	14,574
Other Objects	<u>-</u>	<u>4,600</u>	<u>4,600</u>	<u>3,489</u>	<u>1,111</u>
Total Instruction	<u>\$ 109,501</u>	<u>\$ 222,905</u>	<u>\$ 332,406</u>	<u>\$ 308,827</u>	<u>\$ 23,579</u>
Support Services:					
Salaries of Other Professional Staff	\$ 163,959	\$ (76,023)	\$ 87,936	\$ 70,884	\$ 17,052
Salaries of Secretaries and Clerical Assistants	-	26,125	26,125	23,913	2,212
Other Salaries	-	500	500	500	-
Personal Services - Employee Benefits	-	50,373	50,373	43,871	6,502
Purchased Professional and Ed. Services	-	10,250	10,250	9,500	750
Other Purchased Professional Services	-	2,233	2,233	2,233	-
Rentals	-	4,748	4,748	4,748	-
Travel	-	2,739	2,739	2,739	-
Other Purchased Services (400-500 Series)	44,520	7,056	51,576	51,259	317
Supplies and Materials	<u>31,055</u>	<u>5,549</u>	<u>36,604</u>	<u>36,436</u>	<u>168</u>
Total Support Services	<u>\$ 239,534</u>	<u>\$ 33,550</u>	<u>\$ 273,084</u>	<u>\$ 246,083</u>	<u>\$ 27,001</u>

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2004
(Continued from prior page)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES (Continued)					
Facilities Acquisition and Construction Services:					
Instructional Equipment	\$ -	\$ 17,603	\$ 17,603	\$ 17,603	\$ -
Total Facilities Acquisition and Construction Services	\$ -	\$ 17,603	\$ 17,603	\$ 17,603	\$ -
Total Expenditures	\$ 349,035	\$ 274,058	\$ 623,093	\$ 572,513	\$ 50,580
Total Outflows	\$ 349,035	\$ 274,058	\$ 623,093	\$ 572,513	\$ 50,580
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

Concluded

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison Schedule

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 20,380,155	\$ 572,513
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
State Aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	191,542	3,672
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(194,760)</u>	<u>(1,341)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>\$ 20,376,937</u></u>	<u><u>\$ 574,844</u></u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 20,962,834	\$ 572,513
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	-	-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	-	-
Net transfers (outflows) to general fund.	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 20,962,834</u></u>	<u><u>\$ 572,513</u></u>

OTHER SUPPLEMENTARY INFORMATION

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2004

	<u>State</u> (Exh. E-1 (a))	<u>Federal</u> (Exh. E-1 (b))	<u>Total</u>
REVENUES:			
State Sources	\$ 152,361	\$ -	\$152,361
Federal Sources	-	420,152	420,152
	<u>\$ 152,361</u>	<u>\$ 420,152</u>	<u>\$572,513</u>
Total Revenues			
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ -	\$ 181,662	\$181,662
Other Salaries for Instruction	-	1,800	1,800
Other Purchased Services	-	4,925	4,925
General Supplies	71,389	41,033	112,422
Textbooks	-	4,529	4,529
Other Objects	2,100	1,389	3,489
	<u>\$ 73,489</u>	<u>\$ 235,338</u>	<u>\$308,827</u>
Total Instruction			
Support Services:			
Salaries of Other Professional Staff	\$ -	\$ 70,884	\$ 70,884
Salaries of Secretarial and Clerical Assists.	-	23,913	23,913
Other Salaries	-	500	500
Personal Services-Employee Benefits	-	43,871	43,871
Purchased Professional - Ed Services	-	9,500	9,500
Other Purchased Professional Services	-	2,233	2,233
Rentals	-	4,748	4,748
Travel	-	2,739	2,739
Other Purchased Services	43,333	7,926	51,259
Supplies and Materials	35,539	897	36,436
	<u>\$ 78,872</u>	<u>\$ 167,211</u>	<u>\$246,083</u>
Total Support Services			
Facilities Acquisition and Construction Services:			
Instructional Equipment	\$ -	\$ 17,603	\$ 17,603
	<u>\$ -</u>	<u>\$ 17,603</u>	<u>\$ 17,603</u>
Total Facilities Acquisition and Construction Services			
Total Expenditures	<u>\$ 152,361</u>	<u>\$ 420,152</u>	<u>\$572,513</u>

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2004

	Instructional Supplement Aid	Distance Learning Network Aid	Non-Public (Exh. E-1(c))	Character Education	Total State
REVENUES:					
State Sources	\$ 89,457	\$ 35,539	\$ 23,865	\$ 3,500	\$ 152,361
Federal Sources	-	-	-	-	-
Total Revenues	<u>\$ 89,457</u>	<u>\$ 35,539</u>	<u>\$ 23,865</u>	<u>\$ 3,500</u>	<u>\$ 152,361</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -
Other Salaries for Instruction	-	-	-	-	-
Other Purchased Services	-	-	-	-	-
General Supplies	62,635	-	7,354	1,400	71,389
Textbooks	-	-	-	-	-
Other Objects	-	-	-	2,100	2,100
Total Instruction	<u>\$ 62,635</u>	<u>\$ -</u>	<u>\$ 7,354</u>	<u>\$ 3,500</u>	<u>\$ 73,489</u>
Support Services:					
Salaries of Other Professional Staff	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries of Secretarial and Clerical Assists.	-	-	-	-	-
Other Salaries	-	-	-	-	-
Personal Services-Employee Benefits	-	-	-	-	-
Purchased Professional - Ed Services	-	-	-	-	-
Other Purchased Professional Services	-	-	-	-	-
Rentals	-	-	-	-	-
Travel	-	-	-	-	-
Other Purchased Services	26,822	-	16,511	-	43,333
Supplies and Materials	-	35,539	-	-	35,539
Total Support Services	<u>\$ 26,822</u>	<u>\$ 35,539</u>	<u>\$ 16,511</u>	<u>\$ -</u>	<u>\$ 78,872</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	-	-	-	-	\$ -
Total Facilities Acquisition and Construction Services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 89,457</u>	<u>\$ 35,539</u>	<u>\$ 23,865</u>	<u>\$ 3,500</u>	<u>\$ 152,361</u>

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2004

	Title I	Title I Summer	Title II-A	Title II-A Summer	Title II-D	Title II-D Summer	Title III	Title III Summer	Title IV	Title IV Summer	Title V	Title V Summer	I.D.E.A. - Part B		Carl D. Perkins Secondary	Total Federal
	Title I	Summer	Title II-A	Summer	Title II-D	Summer	Title III	Summer	Title IV	Summer	Title V	Summer	Basic	Basic Summer		
REVENUES:																
State Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	93,872	4,441	32,529	12,386	2,200	141	2,442	2,087	2,678	1,712	4,470	4,173	164,050	79,034	13,937	420,152
Total Revenues	\$ 93,872	\$ 4,441	\$ 32,529	\$ 12,386	\$ 2,200	\$ 141	\$ 2,442	\$ 2,087	\$ 2,678	\$ 1,712	\$ 4,470	\$ 4,173	\$ 164,050	\$ 79,034	\$ 13,937	\$ 420,152
EXPENDITURES:																
Instruction:																
Salaries of Teachers	\$ 67,970	\$ -	\$ 23,557	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,475	\$ 43,660	\$ -	\$ 181,662
Other Salaries for Instruction	1,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,800
Other Purchased Services	-	-	-	-	-	-	-	-	-	-	-	-	2,000	2,925	-	4,925
General Supplies	-	3,651	-	-	-	-	-	-	1,578	936	4,470	4,173	4,672	13,137	8,416	41,033
Textbooks	-	-	-	-	-	-	2,442	2,087	-	-	-	-	-	-	-	4,529
Other Objects	-	-	-	-	-	-	-	-	-	-	-	-	1,389	-	-	1,389
Total Instruction	\$ 69,770	\$ 3,651	\$ 23,557	\$ -	\$ -	\$ -	\$ 2,442	\$ 2,087	\$ 1,578	\$ 936	\$ 4,470	\$ 4,173	\$ 54,536	\$ 59,722	\$ 8,416	\$ 235,338
Support Services:																
Salaries of Other Professional Staff	\$ -	\$ -	\$ 3,000	\$ -	\$ 2,200	\$ -	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ -	\$ 62,016	\$ 3,368	\$ -	\$ 70,884
Salaries of Secretarial and Clerical Assists.	-	-	-	-	-	-	-	-	-	-	-	-	23,913	-	-	23,913
Other Salaries	-	500	-	-	-	-	-	-	-	-	-	-	-	-	-	500
Personal Services-Employee Benefits	16,818	-	5,972	-	-	141	-	-	-	55	-	-	17,915	2,970	-	43,871
Purchased Professional - Ed Services	-	-	-	-	-	-	-	-	-	-	-	-	1,500	8,000	-	9,500
Other Purchased Professional Services	2,233	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,233
Rentals	4,748	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,748
Travel	-	-	-	-	-	-	-	-	300	21	-	-	1,670	748	-	2,739
Other Purchased Services	-	-	-	-	-	-	-	-	500	700	-	-	2,500	4,226	-	7,926
Supplies and Materials	303	290	-	304	-	-	-	-	-	-	-	-	-	-	-	897
Total Support Services	\$ 24,102	\$ 790	\$ 8,972	\$ 304	\$ 2,200	\$ 141	\$ -	\$ -	\$ 1,100	\$ 776	\$ -	\$ -	\$ 109,514	\$ 19,312	\$ -	\$ 167,211
Facilities Acquisition and Construction Services:																
Instructional Equipment	\$ -	\$ -	\$ -	\$ 12,082	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,521	\$ 17,603
Total Facilities Acquisition and Construction Services	\$ -	\$ -	\$ -	\$ 12,082	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,521	\$ 17,603
Total Expenditures	\$ 93,872	\$ 4,441	\$ 32,529	\$ 12,386	\$ 2,200	\$ 141	\$ 2,442	\$ 2,087	\$ 2,678	\$ 1,712	\$ 4,470	\$ 4,173	\$ 164,050	\$ 79,034	\$ 13,937	\$ 420,152

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis - Non-Public Aid
For the Fiscal Year Ended June 30, 2004

	Handicapped Services Chapter 193		Technology Initiative	Nursing	Total Non-Public
	Exam and Classification	Supplementary Instruction			
REVENUES:					
State Sources	\$ 2,252	\$ 1,572	\$ 7,354	\$ 12,687	\$ 23,865
Federal Sources	-	-	-	-	-
Total Revenues	<u>\$ 2,252</u>	<u>\$ 1,572</u>	<u>\$ 7,354</u>	<u>\$ 12,687</u>	<u>\$ 23,865</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -
Other Salaries for Instruction	-	-	-	-	-
General Supplies	-	-	7,354	-	7,354
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Instruction	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,354</u>	<u>\$ -</u>	<u>\$ 7,354</u>
Support Services:					
Salaries of Other Professional Staff	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries of Secretarial and Clerical Assists.	-	-	-	-	-
Other Salaries	-	-	-	-	-
Personal Services-Employee Benefits	-	-	-	-	-
Purchased Professional - Ed Services	-	-	-	-	-
Other Purchased Professional Services	-	-	-	-	-
Equipment Rental - Transportation	-	-	-	-	-
Travel	-	-	-	-	-
Other Purchased Services	2,252	1,572	-	12,687	16,511
Supplies and Materials	-	-	-	-	-
Total Support Services	<u>\$ 2,252</u>	<u>\$ 1,572</u>	<u>\$ -</u>	<u>\$ 12,687</u>	<u>\$ 16,511</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	\$ -	\$ -	\$ -	\$ -	\$ -
Total Facilities Acquisition and Construction Services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 2,252</u>	<u>\$ 1,572</u>	<u>\$ 7,354</u>	<u>\$ 12,687</u>	<u>\$ 23,865</u>

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Special Revenue Fund
Statement of Distance Learning Network Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Support Services:			
Supplies and Materials	<u>\$ 35,539</u>	<u>\$ 35,539</u>	<u>\$ -</u>
Total Support Services	<u>\$ 35,539</u>	<u>\$ 35,539</u>	<u>\$ -</u>
 Total Expenditures	 <u><u>\$ 35,539</u></u>	 <u><u>\$ 35,539</u></u>	 <u><u>\$ -</u></u>

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2003-04 Distance Learning Network Aid Allocation	\$ -
Actual Distance Learning Network Aid Carryover (June 30, 2003)	<u>35,539</u>
Total Distance Learning Network Aid Available for 2003-04 Budget	\$ 35,539
Less: 2003-04 Budgeted Distance Learning Network Aid (Including Prior Year Budgeted Carryover)	<u>(35,539)</u>
Available and Unbudgeted DLNA Funds as of June 30, 2004	\$ -
Add: 2003-04 Unexpended DLNA	<u>-</u>
2003-04 Actual Carryover - DLNA	<u><u>\$ -</u></u>
2003-04 DLNA Carryover Budgeted in 2004-2005	<u><u>\$ -</u></u>

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Special Revenue Fund
Statement of Instructional Supplement Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
General Supplies	\$ 62,635	\$ 62,635	\$ -
Total Instruction	<u>\$ 62,635</u>	<u>\$ 62,635</u>	<u>\$ -</u>
Support Services:			
Other Purchased Services (400-500 Series)	\$ 26,822	\$ 26,822	\$ -
Total Support Services	<u>\$ 26,822</u>	<u>\$ 26,822</u>	<u>\$ -</u>
Total Expenditures	<u><u>\$ 89,457</u></u>	<u><u>\$ 89,457</u></u>	<u><u>\$ -</u></u>

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2003-04 Instructional Supplement Aid Allocation	\$ 26,822
Actual Instructional Supplement Carryover (June 30, 2003)	<u>62,635</u>
Total Instructional Supplement Aid Available for 2003-04 Budget	\$ 89,457
Less: 2003-04 Budgeted Instructional Supplement Aid (Including Prior Year Budgeted Carryover)	<u>89,457</u>
Available and Unbudgeted DLNA Funds as of June 30, 2004	\$ -
Add: 2003-04 Unexpended ISA	<u>-</u>
2003-04 Actual Carryover - ISA	<u><u>\$ -</u></u>
2003-04 ISA Carryover Budgeted in 2004-2005	<u><u>\$ -</u></u>

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Combining Statement of Net Assets
Proprietary Funds
Enterprise Fund
June 30, 2004

	Business-type Activities - Enterprise Funds	
	<u>Food Service</u>	<u>Totals</u>
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$ 66,228	\$ 66,228
Accounts Receivable:		
State	612	612
Federal	2,129	2,129
Inventories:		
Commodities	5,504	5,504
Regular	4,107	4,107
Total Current Assets	<u>\$ 78,580</u>	<u>\$ 78,580</u>
Noncurrent Assets:		
Furniture, Machinery and Equipment	\$ 36,242	\$ 36,242
Less: Accumulated Depreciation	<u>(35,722)</u>	<u>(35,722)</u>
Total Noncurrent Assets	<u>\$ 520</u>	<u>\$ 520</u>
Total Assets	<u><u>\$ 79,100</u></u>	<u><u>\$ 79,100</u></u>
LIABILITIES AND FUND EQUITY:		
Current Liabilities:		
Accounts Payable	<u>\$ 2,987</u>	<u>\$ 2,987</u>
Total Liabilities	<u>\$ 2,987</u>	<u>\$ 2,987</u>
NET ASSETS		
Invested in Capital Assets Net of Related Debt	\$ 520	\$ 520
Unrestricted	<u>75,593</u>	<u>75,593</u>
Total Net Assets	<u><u>\$ 76,113</u></u>	<u><u>\$ 76,113</u></u>

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Enterprise Fund
For the Year Ended June 30, 2004

	Business-type Activities - Enterprise Funds	
	<u>Food Service</u>	<u>Total Enterprise</u>
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 92,550	\$ 92,550
Daily Sales - Non-Reimbursable Programs	148,249	148,249
Miscellaneous	12,568	12,568
	<u> </u>	<u> </u>
Total Operating Revenues	<u>\$ 253,367</u>	<u>\$ 253,367</u>
Operating Expenses:		
Salaries	\$ 110,500	\$ 110,500
Employee Benefits	15,808	15,808
Purchased Professional/Technical Services	8,160	8,160
Purchased Property Services	9,078	9,078
Supplies and Materials	3,105	3,105
Depreciation	1,461	1,461
Cost of Sales	156,366	156,366
Miscellaneous Expenditures	5,982	5,982
	<u> </u>	<u> </u>
Total Operating Expenses	<u>\$ 310,460</u>	<u>\$ 310,460</u>
Operating (Loss)	<u>\$ (57,093)</u>	<u>\$ (57,093)</u>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	\$ 3,845	\$ 3,845
Federal Sources:		
National School Lunch Program	46,547	46,547
Food Distribution Program	13,932	13,932
	<u> </u>	<u> </u>
Total Nonoperating Revenues (Expenses)	<u>\$ 64,324</u>	<u>\$ 64,324</u>
Income (Loss) Before Contributions and Transfers	<u>\$ 7,231</u>	<u>\$ 7,231</u>
Change in Net Assets	\$ 7,231	\$ 7,231
Total Net Assets - Beginning	<u>68,882</u>	<u>68,882</u>
Total Net Assets - Ending	<u><u>\$ 76,113</u></u>	<u><u>\$ 76,113</u></u>

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Combining Statement of Cash Flows
Proprietary Funds
Enterprise Fund
For the Year Ended June 30, 2004

	Business-type Activities - Enterprise Funds	
	<u>Food Service</u>	<u>Total Enterprise</u>
Cash Flows Provided From Operating Activities:		
Receipts from Customers	\$253,367	\$253,367
Payments to Suppliers	<u>(339,289)</u>	<u>(339,289)</u>
Net Cash Provided by (Used For) Operating Activities	<u>\$ (85,922)</u>	<u>\$ (85,922)</u>
Cash Flows From Noncapital Financing Activities:		
State Sources	\$ 3,406	\$ 3,406
Federal Sources	46,424	46,424
Local Sources - General Fund	<u>28,506</u>	<u>28,506</u>
Net Cash Provided By (Used For) Non-Capital Financing Activities	<u>\$ 78,336</u>	<u>\$ 78,336</u>
Net Increase (Decrease) in Cash and Cash	\$ (7,586)	\$ (7,586)
Balances - Beginning of Year	<u>73,814</u>	<u>73,814</u>
Balances - End of Year	<u>\$ 66,228</u>	<u>\$ 66,228</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:		
Operating Income (Loss)	<u>\$ (57,093)</u>	<u>\$ (57,093)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:		
Depreciation and Net Amortization	\$ 1,461	\$ 1,461
Food Distribution Program	13,932	13,932
(Increase) Decrease in Inventories	(2,384)	(2,384)
Increase (Decrease) in Accounts Payable	<u>(41,838)</u>	<u>(41,838)</u>
Total Adjustments	<u>\$ (28,829)</u>	<u>\$ (28,829)</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (85,922)</u>	<u>\$ (85,922)</u>

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2004

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>	<u>Other Trust</u>	<u>Agency Fund</u>	<u>Total</u>
ASSETS					
Cash and Cash Equivalents	\$ 285,185	\$ 80,585	\$ 100	\$113,270	\$479,140
Total Assets	<u>\$ 285,185</u>	<u>\$ 80,585</u>	<u>\$ 100</u>	<u>\$113,270</u>	<u>\$479,140</u>
LIABILITIES					
Payable to Student Groups	\$ -	\$ -	\$ -	\$108,634	\$108,634
Payroll Deductions and Withholdings	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,636</u>	<u>4,636</u>
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$113,270</u>	<u>\$113,270</u>
NET ASSETS					
Held in Trust for Unemployment Claims and Other Purposes	\$ 285,185	\$ -	\$ -		\$285,185
Reserved for Scholarships	-	80,585	-		80,585
Reserved for Other Trust	<u>-</u>	<u>-</u>	<u>100</u>		<u>100</u>
Total Net Assets	<u>\$ 285,185</u>	<u>\$ 80,585</u>	<u>\$ 100</u>		<u>\$365,870</u>

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2004

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Other Trust	Total
ADDITIONS:				
Contributions:				
Plan Member	\$ 22,884	\$ -	\$ -	\$ 22,884
Other	-	6,750	100	6,850
Total Contributions	<u>\$ 22,884</u>	<u>\$ 6,750</u>	<u>\$ 100</u>	<u>\$ 29,734</u>
Investment Earnings:				
Interest	<u>\$ 2,646</u>	<u>\$ 664</u>	<u>\$ -</u>	<u>\$ 3,310</u>
Net Investment Earnings	<u>\$ 2,646</u>	<u>\$ 664</u>	<u>\$ -</u>	<u>\$ 3,310</u>
Total Additions	<u>\$ 25,530</u>	<u>\$ 7,414</u>	<u>\$ 100</u>	<u>\$ 33,044</u>
DEDUCTIONS:				
Quarterly Contribution Reports	\$ 17,466	\$ -	\$ -	\$ 17,466
Unemployment Claims	3,748	-	-	3,748
Scholarships Awarded	<u>-</u>	<u>8,629</u>	<u>-</u>	<u>8,629</u>
Total Deductions	<u>\$ 21,214</u>	<u>\$ 8,629</u>	<u>\$ -</u>	<u>\$ 29,843</u>
Change in Net Assets	\$ 4,316	\$ (1,215)	\$ 100	\$ 3,201
Net Assets - Beginning of Year	<u>280,869</u>	<u>81,800</u>	<u>-</u>	<u>362,669</u>
Net Assets - End of Year	<u><u>\$ 285,185</u></u>	<u><u>\$ 80,585</u></u>	<u><u>\$ 100</u></u>	<u><u>\$ 365,870</u></u>

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2004

	<u>Balance</u> <u>July 1, 2003</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2004</u>
ASSETS:				
Cash and Cash Equivalents	<u>\$108,633</u>	<u>\$309,891</u>	<u>\$ 309,890</u>	<u>\$ 108,634</u>
Total Assets	<u><u>\$108,633</u></u>	<u><u>\$309,891</u></u>	<u><u>\$ 309,890</u></u>	<u><u>\$ 108,634</u></u>
LIABILITIES:				
Due to Student Groups	<u>\$108,633</u>	<u>\$309,891</u>	<u>\$ 309,890</u>	<u>\$ 108,634</u>
Total Liabilities	<u><u>\$108,633</u></u>	<u><u>\$309,891</u></u>	<u><u>\$ 309,890</u></u>	<u><u>\$ 108,634</u></u>

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2004

	<u>Balance</u> <u>July 1, 2003</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2004</u>
High School	<u>\$ 108,633</u>	<u>\$ 309,891</u>	<u>\$ 309,890</u>	<u>\$ 108,634</u>
Total All Schools	<u><u>\$ 108,633</u></u>	<u><u>\$ 309,891</u></u>	<u><u>\$ 309,890</u></u>	<u><u>\$ 108,634</u></u>

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2004

	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2004</u>
ASSETS:				
Cash and Cash Equivalents	<u>\$ 5,107</u>	<u>\$12,363,488</u>	<u>\$12,363,959</u>	<u>\$ 4,636</u>
Total Assets	<u><u>\$ 5,107</u></u>	<u><u>\$12,363,488</u></u>	<u><u>\$12,363,959</u></u>	<u><u>\$ 4,636</u></u>
LIABILITIES:				
Net Payroll	\$ -	\$ 7,111,693	\$ 7,111,693	\$ -
Payroll Deductions and Withholdings	<u>5,107</u>	<u>5,251,795</u>	<u>5,252,266</u>	<u>4,636</u>
Total Liabilities	<u><u>\$ 5,107</u></u>	<u><u>\$12,363,488</u></u>	<u><u>\$12,363,959</u></u>	<u><u>\$ 4,636</u></u>

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2004

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2003</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2004</u>
			<u>Date</u>	<u>Amount</u>					
School Bonds	02/01/97	\$6,995,000			5.100%	\$ 415,000	\$ -	\$ 415,000	\$ -
School Refunding Bonds	09/01/02	4,925,000	02/01/05	\$ 470,000	2.500%	4,900,000	-	50,000	4,850,000
			02/01/06	485,000	3.000%				
			02/01/07	505,000	3.000%				
			02/01/08	520,000	3.500%				
			02/01/09	535,000	3.500%				
			02/01/10	550,000	5.000%				
			02/01/11	575,000	5.000%				
			02/01/12	600,000	5.000%				
			02/01/13	610,000	3.875%				
						<u>\$5,315,000</u>	<u>\$ -</u>	<u>\$ 465,000</u>	<u>\$ 4,850,000</u>

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Capital Leases
June 30, 2004

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2003</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2004</u>
1999 Phone System	3.00%	\$ 78,949	\$ 12,609	\$ -	\$ 12,609	\$ -
2000 Savin Digital Copier	9.675%	8,865	4,942	-	1,841	3,101
2002 Xerox Copier	3.196%	60,712	55,512	-	12,138	43,374
2003 Savin Digital Copier	7.00%	<u>17,764</u>	<u>17,764</u>	<u>-</u>	<u>3,075</u>	<u>14,689</u>
Total		<u>\$166,290</u>	<u>\$ 90,827</u>	<u>\$ -</u>	<u>\$ 29,663</u>	<u>\$ 61,164</u>

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 601,725	\$ -	\$ 601,725	\$ 601,725	\$ -
State Sources:					
Debt Service Aid Type II	<u>70,511</u>	<u>-</u>	<u>70,511</u>	<u>70,511</u>	<u>-</u>
Total Revenues	<u>\$ 672,236</u>	<u>\$ -</u>	<u>\$ 672,236</u>	<u>\$ 672,236</u>	<u>\$ -</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	\$ 210,303	\$ -	\$ 210,303	\$ 210,303	\$ -
Redemption of Principal	<u>465,000</u>	<u>-</u>	<u>465,000</u>	<u>465,000</u>	<u>-</u>
Total Expenditures	<u>\$ 675,303</u>	<u>\$ -</u>	<u>\$ 675,303</u>	<u>\$ 675,303</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (3,067)	\$ -	\$ (3,067)	\$ (3,067)	\$ -
Fund Balance, July 1	<u>28,285</u>	<u>-</u>	<u>28,285</u>	<u>28,285</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 25,218</u>	<u>\$ -</u>	<u>\$ 25,218</u>	<u>\$ 25,218</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ (3,067)</u>	<u>\$ -</u>	<u>\$ (3,067)</u>	<u>\$ (3,067)</u>	<u>\$ -</u>

STATISTICAL SECTION

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Governmental Fund Expenditures by Function
Last Ten Fiscal Years
Unaudited

<u>Function</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Instruction:										
Regular	\$ 5,078,074	\$ 5,147,056	\$ 4,915,343	\$ 4,804,185	\$ 4,732,708	\$ 4,708,388	\$ 4,448,711	\$ 4,178,683	\$ 4,311,670	\$ 4,336,697
Special	1,147,565	972,470	809,470	734,255	672,437	722,546	757,243	797,168	767,069	740,856
Other	422,148	290,448	362,448	363,264	393,566	366,969	407,090	361,070	315,997	243,523
School-Sponsored/Other Instructional	912,136	928,036	876,663	816,652	797,484	654,771	651,948	634,333	602,116	582,592
Total Instruction	\$ 7,559,923	\$ 7,338,010	\$ 6,963,924	\$ 6,718,356	\$ 6,596,195	\$ 6,452,674	\$ 6,264,992	\$ 5,971,254	\$ 5,996,852	\$ 5,903,668
Undistributed:										
Instruction	\$ 1,631,432	\$ 1,757,710	\$ 1,597,994	\$ 1,454,927	\$ 1,613,255	\$ 1,547,316	\$ 1,389,243	\$ 1,135,470	\$ 1,017,260	\$ 869,989
Support Services - Students	1,505,876	1,499,617	1,373,068	1,340,294	1,339,676	1,192,176	1,059,636	992,778	913,651	910,795
Support Services - Instructional Staff	1,043,821	739,589	847,229	785,784	732,939	701,456	660,814	683,894	578,964	603,352
General Administration	378,963	372,205	347,435	321,935	325,826	277,892	291,797	295,370	287,056	468,695
School Administration	644,193	557,219	529,967	493,122	491,432	457,964	532,549	439,642	332,486	249,843
Operations and Maintenance	1,427,993	1,364,045	1,247,908	1,129,624	1,086,080	1,002,551	913,370	919,045	971,994	886,478
Student Transportation	1,709,935	1,523,710	1,425,078	1,345,166	1,338,147	1,206,511	1,133,044	1,112,018	1,021,712	703,155
Business and Other Support Services:										
Employee Benefits	3,276,609	2,798,438	2,341,060	2,100,549	1,807,563	1,667,275	1,534,645	1,298,444	1,529,050	2,100,531
Other	366,404	292,281	278,628	269,141	258,473	235,918	221,842	746,214	430,844	305,261
Food Services	-	-	-	-	-	-	-	-	25,474	-
On-behalf TPAF Pension Contributions	625,599	417,419	-	195,388	147,420	445,157	136,995	209,117	61,653	-
Reimbursed TPAF Social Security Contributions	661,031	609,812	579,278	555,547	546,483	529,766	554,290	485,106	470,297	-
Total Undistributed	\$13,271,856	\$11,932,045	\$10,567,645	\$ 9,991,477	\$ 9,687,294	\$ 9,263,982	\$ 8,428,225	\$ 8,317,098	\$ 7,640,441	\$ 7,098,099
Capital Outlay:										
Equipment	\$ 54,368	\$ 64,434	\$ 50,963	\$ 152,643	\$ 381,558	\$ 543,818	\$ 415,580	\$ 243,061	\$ 253,944	\$ 256,550
Facilities Acq. and Construction Services:										
Other	76,687	109,077	228,443	168,333	247,440	473,442	177,127	468,426	642,628	366,183
Capital Lease	-	78,476	-	8,865	-	78,949	-	52,646	-	-
Total Capital Outlay	\$ 131,055	\$ 251,987	\$ 279,406	\$ 329,841	\$ 628,998	\$ 1,096,209	\$ 592,707	\$ 764,133	\$ 896,572	\$ 622,733
Total General Fund Expenditures	\$20,962,834	\$19,522,042	\$17,810,975	\$17,039,674	\$16,912,487	\$16,812,865	\$15,285,924	\$15,052,485	\$14,533,865	\$13,624,500

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Governmental Fund Expenditures by Function
Last Ten Fiscal Years
Unaudited
(Continued from prior page)

<u>Function</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Special Revenue:										
Federal	\$ 420,152	\$ 251,950	\$ 277,071	\$ 261,074	\$ 306,569	\$ 318,969	\$ 276,454	\$ 175,401	\$ 124,598	\$ 129,237
State	152,361	97,161	144,319	73,406	71,708	56,305	16,977	20,204	14,872	-
Other	-	603	4,397	-	2,000	-	4,000	2,967	59,766	69,482
Total Special Revenue	<u>\$ 572,513</u>	<u>\$ 349,714</u>	<u>\$ 425,787</u>	<u>\$ 334,480</u>	<u>\$ 380,277</u>	<u>\$ 375,274</u>	<u>\$ 297,431</u>	<u>\$ 198,572</u>	<u>\$ 199,236</u>	<u>\$ 198,719</u>
Debt Service Expenditures	<u>\$ 675,303</u>	<u>\$ 663,651</u>	<u>\$ 682,190</u>	<u>\$ 685,550</u>	<u>\$ 682,890</u>	<u>\$ 668,700</u>	<u>\$ 358,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Governmental Fund Expenditures	<u><u>\$22,210,650</u></u>	<u><u>\$20,535,407</u></u>	<u><u>\$18,918,952</u></u>	<u><u>\$18,059,704</u></u>	<u><u>\$17,975,654</u></u>	<u><u>\$17,856,839</u></u>	<u><u>\$15,942,055</u></u>	<u><u>\$15,251,057</u></u>	<u><u>\$14,733,101</u></u>	<u><u>\$13,823,219</u></u>

Note: Excludes the Capital Projects Fund as these expenditures vary substantially from year to year. The financial data presented would not be as meaningful for comparative purposes if these were included.

1996 - 2004 State Revenue includes on-behalf TPAF Pension Contributions and Reimbursed TPAF Social Security Contributions.

Due to a change in accounting from OCBOA to GAAP, the District is unable to present comparative data for years prior to 1994.

Source: District Records.

Concluded

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance For School Facilities
Last Four Fiscal Years

UNDISTRIBUTED EXPENDITURES -
 REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-XXX

<u>School Facilities</u>	<u>Project No.</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Monmouth Regional High School	N/A	<u>\$ 440,792</u>	<u>\$ 408,060</u>	<u>\$ 353,653</u>	<u>\$ 192,239</u>
Grand Total		<u><u>\$ 440,792</u></u>	<u><u>\$ 408,060</u></u>	<u><u>\$ 353,653</u></u>	<u><u>\$ 192,239</u></u>

Source: District Records.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Governmental Fund Revenues by Source
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Local Tax</u> <u>Levy</u>	<u>Other</u> <u>Local</u> <u>Revenue</u>	<u>State</u> <u>Revenue</u>	<u>Federal</u> <u>Revenue</u>	<u>Other</u> <u>Sources</u>	<u>Total</u>
1995	\$ 8,774,643	\$ 588,270	\$ 3,794,911	\$ 709,918	\$ -	\$ 13,867,742
1996	9,198,611	616,191	4,522,632	1,658,128	-	15,995,562
1997	9,615,993	688,578	4,690,237	700,848	-	15,695,656
1998	9,866,984	580,998	4,744,060	948,168	-	16,140,210
1999	10,079,804	542,435	5,285,414	916,441	-	16,824,094
2000	10,279,696	727,822	5,285,660	758,664	-	17,051,842
2001	12,083,032	719,692	4,658,591	715,371	-	18,176,686
2002	13,439,480	530,430	4,559,480	1,045,969	4,397	19,579,756
2003	13,491,180	521,248	4,988,776	921,142	603	19,922,949
2004	14,149,396	457,861	5,782,461	1,234,299	-	21,624,017

Note: Excludes the Capital Projects Fund as these revenues vary substantially from year to year. The financial data presented would not be as meaningful for comparative purposes if these were included.

1996 - 2004 State Revenue includes on-behalf TPAF Pension Contributions and Reimbursed TPAF Social Security Contributions.

Due to a change in accounting from OCBOA to GAAP, the District is unable to present comparative data for years prior to 1994.

Source: District Records.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Municipal Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

EATONTOWN BOROUGH

<u>Year Ended December 31,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Tax Levy Collected</u>
1994	\$22,323,268	\$21,597,281	96.75%
1995	22,203,244	21,144,149	95.23%
1996	22,542,248	21,902,072	97.16%
1997	24,220,408	23,806,239	98.29%
1998	25,215,191	24,835,687	98.49%
1999	27,226,287	26,728,982	98.17%
2000	29,085,030	28,643,512	98.48%
2001	30,625,129	30,092,633	98.26%
2002	31,339,558	30,364,579	96.88%
2003	32,287,634	31,645,227	98.01%

Source: Tax Collector.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Municipal Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

TINTON FALLS BOROUGH

<u>Year Ended December 31,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Tax Levy Collected</u>
1994	\$23,176,293	\$22,367,440	96.51%
1995	24,069,800	23,271,607	96.68%
1996	25,140,570	24,134,029	96.00%
1997	26,139,160	25,651,992	98.14%
1998	27,258,875	26,681,657	97.88%
1999	29,536,999	28,966,857	98.07%
2000	32,499,972	31,882,383	98.10%
2001	29,536,999	28,946,303	98.00%
2002	35,647,178	34,836,066	97.72%
2003	38,742,702	37,975,564	98.01%

Source: Tax Collector.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Municipal Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

SHREWSBURY TOWNSHIP

<u>Year Ended December 31,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Tax Levy Collected</u>
1994	\$ 1,024,975	\$ 1,019,385	99.45%
1995	1,007,459	1,003,342	99.59%
1996	1,023,671	(A)	(A)
1997	996,140	995,841	99.97%
1998	1,035,526	1,021,805	98.67%
1999	979,934	977,974	99.80%
2000	1,015,712	1,012,065	99.64%
2001	993,533	982,325	98.87%
2002	1,072,535	1,071,533	99.90%
2003	1,146,203	1,145,455	99.93%

(A) Information from Shrewsbury Township was unavailable.

Source: Tax Collector.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

EATONTOWN BOROUGH

<u>Year Ended December 31,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
1994	\$ 923,632,369	\$ 975,839,798	94.65%
1995	897,800,792	966,208,343	92.92%
1996	888,812,454	943,437,484	94.21%
1997	916,262,489	993,561,580	92.22%
1998	936,430,031	983,025,437	95.26%
1999	957,092,824	1,053,486,872	90.85%
2000	992,712,373	1,096,936,630	91.27%
2001	1,009,819,320	1,108,778,005	91.80%
2002	1,043,352,503	1,172,265,673	89.64%
2003	1,061,272,075	1,234,043,703	86.59%

Source: Abstract of Ratables, Monmouth County Board of Taxation.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

TINTON FALLS BOROUGH

<u>Year Ended December 31,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
1994	\$ 937,999,115	\$ 879,924,123	106.60%
1995	943,131,898	934,997,420	100.87%
1996	954,112,697	935,312,908	102.01%
1997	949,921,580	959,516,747	99.00%
1998	947,808,485	966,165,632	98.10%
1999	974,051,108	1,048,155,717	92.93%
2000	1,030,725,504	1,130,903,027	91.67%
2001	1,070,115,243	1,244,413,744	86.42%
2002	1,107,384,965	1,372,032,306	81.08%
2003	1,140,791,925	1,547,449,448	74.02%

Source: Abstract of Ratables, Monmouth County Board of Taxation.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

SHREWSBURY TOWNSHIP

<u>Year Ended December 31,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
1994	\$27,308,648	\$28,843,101	94.68%
1995	27,309,807	28,450,679	95.99%
1996	27,307,838	28,088,704	97.22%
1997	27,324,534	27,706,889	98.62%
1998	27,329,807	27,226,347	100.38%
1999	27,375,545	27,029,566	101.28%
2000	27,318,454	27,503,526	99.40%
2001	27,400,258	28,836,012	95.06%
2002	27,360,576	34,005,593	80.44%
2003	27,264,596	37,465,222	72.80%

Source: Abstract of Ratables, Monmouth County Board of Taxation.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Property Tax Rates - Direct and Overlapping Governments
Per \$100 of Assessed Valuation
Last Ten Fiscal Years
Unaudited

EATONTOWN BOROUGH

<u>Assessment Year</u>	<u>Eatontown School District</u>	<u>Monmouth Regional High School District</u>	<u>Eatontown Borough</u>	<u>Monmouth County</u>	<u>Total</u>
1994	\$ 0.753	\$ 0.526	\$ 0.705	\$ 0.472	\$ 2.456
1995	0.724	0.561	0.663	0.526	2.474
1996	0.707	0.569	0.734	0.504	2.514
1997	0.698	0.571	0.812	0.531	2.612
1998	0.713	0.569	0.872	0.521	2.675
1999	0.836	0.574	0.852	0.532	2.794
2000	0.930	0.649	0.832	0.520	2.931
2001	0.975	0.689	0.813	0.505	2.982
2002	0.984	0.648	0.813	0.492	2.937
2003	1.008	0.637	0.857	0.481	2.983

Source: Tax Collector.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Property Tax Rates - Direct and Overlapping Governments
Per \$100 of Assessed Valuation
Last Ten Fiscal Years
Unaudited

TINTON FALLS BOROUGH

<u>Assessment Year</u>	<u>Tinton Falls Regional School District</u>	<u>Monmouth Regional High School District</u>	<u>Tinton Falls Borough</u>	<u>Monmouth County</u>	<u>Total</u>
1994	\$ 1.137	\$ 0.373	\$ 0.326	\$ 0.406	\$ 2.242
1995	1.264	0.427	0.260	0.479	2.430
1996	1.262	0.463	0.344	0.474	2.543
1997	1.274	0.478	0.392	0.498	2.642
1998	1.294	0.484	0.501	0.451	2.730
1999	1.345	0.480	0.488	0.512	2.825
2000	1.380	0.533	0.525	0.516	2.954
2001	1.359	0.593	0.508	0.539	2.999
2002	1.376	0.596	0.537	0.543	3.052
2003	1.398	0.633	0.617	0.563	3.211

Source: Tax Collector.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Property Tax Rates - Direct and Overlapping Governments
Per \$100 of Assessed Valuation
Last Ten Fiscal Years
Unaudited

SHREWSBURY TOWNSHIP

<u>Assessment Year</u>	<u>Tinton Falls Regional School District</u>	<u>Monmouth Regional High School District</u>	<u>Shrewsbury Township</u>	<u>Monmouth County</u>	<u>Total</u>
1994	\$ 1.366	\$ 0.470	\$ 1.144	\$ 0.494	\$ 3.474
1995	1.346	0.481	1.353	0.510	3.690
1996	1.322	0.497	1.430	0.500	3.749
1997	1.353	0.367	1.428	0.498	3.646
1998	1.244	0.632	1.423	0.490	3.789
1999	1.298	0.413	1.393	0.476	3.580
2000	1.319	0.538	1.386	0.475	3.718
2001	1.249	0.502	1.388	0.487	3.626
2002	1.420	0.504	1.450	0.546	3.920
2003	1.520	0.610	1.500	0.570	4.200

Source: Tax Collector.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Ratio of Net General Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years
Unaudited

EATONTOWN BOROUGH

<u>Fiscal Year Ended June 30.</u>	<u>Population</u>	<u>Net Assessed Valuation Taxable</u>	<u>District Debt</u>	<u>Ratio of District Debt to Assessed Valuation</u>	<u>District Debt Per Capita</u>
1995	13,700	\$ 923,632,369	\$ -	Not Applicable	\$ -
1996	13,735	897,800,792	-	Not Applicable	-
1997	13,816	888,812,454	3,446,853	0.39%	249
1998	13,849	916,262,489	3,438,766	0.38%	248
1999	13,882	936,430,031	3,286,369	0.35%	237
2000	14,008	957,092,824	3,100,681	0.32%	221
2001	13,946	992,712,373	2,872,800	0.289%	206
2002	14,035	1,009,819,320	2,692,800	0.267%	192
2003	14,124	1,043,352,503	2,406,100	0.231%	170
2004	14,124*	1,061,272,075	2,123,330	0.200%	150

*Estimate

Source: Data regarding school district population was provided by United States Bureau of the Census, Population Division. Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Ratio of Net General Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years
Unaudited

TINTON FALLS BOROUGH

<u>Fiscal Year Ended June 30.</u>	<u>Population</u>	<u>Net Assessed Valuation Taxable</u>	<u>District Debt</u>	<u>Ratio of District Debt to Assessed Valuation</u>	<u>District Debt Per Capita</u>
1995	13,977	\$ 937,999,115	\$ -	Not Applicable	\$ -
1996	14,263	943,131,898	-	Not Applicable	-
1997	14,366	954,112,697	3,447,730	0.36%	240
1998	14,858	949,921,580	3,460,060	0.36%	233
1999	15,454	947,808,485	3,306,719	0.35%	214
2000	15,053	974,051,108	3,155,622	0.32%	210
2001	15,563	1,030,725,504	2,992,500	0.29%	192
2002	15,653	1,070,115,243	2,805,000	0.262%	179
2003	15,975	1,107,384,965	2,837,678	0.256%	178
2004	15,975*	1,140,791,925	2,662,165	0.233%	167

*Estimate

Source: Data regarding school district population was provided by United States Bureau of the Census, Population Division. Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Ratio of Net General Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years
Unaudited

SHREWSBURY TOWNSHIP

<u>Fiscal Year Ended June 30,</u>	<u>Population</u>	<u>Net Assessed Valuation Taxable</u>	<u>District Debt</u>	<u>Ratio of District Debt to Assessed Valuation</u>	<u>District Debt Per Capita</u>
1995	1,100	\$27,308,648	\$ -	Not Applicable	\$ -
1996	1,097	27,309,807	-	Not Applicable	-
1997	1,099	27,307,838	100,416	0.37%	91
1998	1,099	27,324,534	96,173	0.35%	88
1999	1,099	27,329,807	91,912	0.34%	84
2000	1,098	27,375,545	88,697	0.32%	81
2001	1,087	27,318,454	119,700	0.44%	110
2002	1,087	27,400,258	112,200	0.41%	103
2003	1,084	27,360,576	71,222	0.26%	65
2004	1,084*	27,264,596	64,505	0.237%	59

*Estimate

Source: Data regarding school district population was provided by United States Bureau of the Census, Population Division. Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Computation of Legal Debt Margin
For the Fiscal Year Ended June 30, 2004
Unaudited

<u>Year</u>	<u>Total</u>	<u>Eatontown Borough</u>	<u>Tinton Falls Borough</u>	<u>Shrewsbury Township</u>
2001	\$2,469,200,910	\$1,118,918,898	\$1,316,420,625	\$ 33,861,387
2002	2,726,563,367	1,196,736,690	1,492,411,704	37,414,973
2003	<u>3,356,395,963</u>	<u>1,550,030,584</u>	<u>1,761,514,235</u>	<u>44,851,144</u>
	<u><u>\$8,552,160,240</u></u>	<u><u>\$3,865,686,172</u></u>	<u><u>\$4,570,346,564</u></u>	<u><u>\$116,127,504</u></u>
Average equalized valuation of taxable property	<u><u>\$2,850,720,080</u></u>	<u><u>\$1,288,562,057</u></u>	<u><u>\$1,523,448,855</u></u>	<u><u>\$ 38,709,168</u></u>
School Borrowing Margin (3% of \$2,850,720,080)				\$ 85,521,602
Net Bonded School Debt as of June 30, 2004				<u>4,850,000</u>
School Borrowing Margin Available				<u><u>\$ 80,671,602</u></u>

Source: Equalized valuation basis was provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Computation of Direct and Overlapping Bonded Debt
June 30, 2004
Unaudited

Net Direct Debt of School District as of June 30, 2004		\$ 4,850,000
Net Overlapping Debt of School District:		
Eatontown Borough (100%)	\$ 2,402,448	
Tinton Falls Borough (100%)	17,067,714	
Shrewsbury Township (100%)	-	
County of Monmouth - Share	<u>16,026,869</u>	
		<u>35,497,031</u>
Total Direct and Overlapping Bonded Debt as of June 30, 2004		<u><u>\$40,347,031</u></u>

Source: Chief Financial Officers and Monmouth County Treasurer's Office.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total Governmental Fund Expenditures
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Governmental Fund Expenditures</u>	<u>Ratio of Debt Service to Governmental Expenditures</u>
1995	\$ None	\$ None	\$ None	\$13,823,219	0.00%
1996	None	None	None	14,733,101	0.00%
1997	None	None	None	15,251,057	0.00%
1998	None	358,700	358,700	15,942,055	2.25%
1999	310,000	358,700	668,700	17,856,839	3.74%
2000	340,000	342,890	682,890	17,975,654	3.80%
2001	360,000	325,550	685,550	18,059,704	3.80%
2002	375,000	307,190	682,190	18,918,952	3.61%
2003	420,000	243,651	663,651	20,535,407	3.23%
2004	465,000	210,303	675,303	22,210,650	3.04%

Source: District Records.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Demographic Statistics
Last Ten Fiscal Years
Unaudited

EATONTOWN BOROUGH

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income</u>	<u>School District Population</u>
1994	5.40%	\$ 29,201	13,629
1995	5.00%	30,734	13,700
1996	4.90%	32,513	13,735
1997	4.10%	34,583	13,816
1998	3.70%	37,190	13,849
1999	3.70%	38,651	13,882
2000	3.00%	42,646	14,008
2001	3.40%	43,470	13,946
2002	4.90%	43,684	14,035
2003	4.90%	43,684*	14,124

*Estimate

Source: Data regarding unemployment rates was given by the New Jersey Department of Labor, Bureau of Labor Statistics.

Data regarding per capital income was given by the United States Department of Commerce, Bureau of Economic Analysis.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Demographic Statistics
Last Ten Fiscal Years
Unaudited

TINTON FALLS BOROUGH

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income</u>	<u>School District Population</u>
1994	4.20%	\$ 29,201	13,685
1995	3.90%	30,734	13,977
1996	3.80%	32,513	14,263
1997	3.20%	34,583	14,366
1998	2.90%	37,190	14,858
1999	2.90%	38,651	14,454
2000	2.30%	42,646	15,053
2001	2.60%	43,470	15,563
2002	3.80%	43,684	15,653
2003	3.80%	43,684*	15,975

*Estimate

Source: Data regarding unemployment rates was given by the New Jersey Department of Labor, Bureau of Labor Statistics.

Data regarding per capital income was given by the United States Department of Commerce, Bureau of Economic Analysis.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Demographic Statistics
Last Ten Fiscal Years
Unaudited

SHREWSBURY TOWNSHIP

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income</u>	<u>School District Population</u>
1994	5.20%	\$ 29,201	1,100
1995	4.90%	30,734	1,100
1996	4.80%	32,513	1,097
1997	2.00%	34,583	1,099
1998	3.60%	37,190	1,099
1999	3.60%	38,651	1,099
2000	3.00%	42,646	1,098
2001	3.20%	43,470	1,087
2002	4.80%	43,684	1,087
2003	4.80%	43,684*	1,084

*Estimate

Source: Data regarding unemployment rates was given by the New Jersey Department of Labor, Bureau of Labor Statistics.

Data regarding per capital income was given by the United States Department of Commerce, Bureau of Economic Analysis.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Schedule of Principal Taxpayers
For the Year Ended December 31, 2004
Unaudited

EATONTOWN BOROUGH

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>% of District's Net Assessed Valuation</u>
Monmouth Mall	\$120,000,000	11.34%
IWW - TYCOM	24,017,500	2.27%
Eatonbrook Co-Ops	14,575,000	1.38%
Eatoncrest Apts.	13,200,000	1.25%
Macy's	13,026,000	1.23%
Eatontown 36 LLC	12,175,000	1.15%
J. C. Penney	11,672,000	1.10%
Industrial Way LLC	11,178,000	1.06%
Country Club Apts.	11,152,000	1.05%
Stony Hill Apts.	10,600,000	1.00%
	<u>\$241,595,500</u>	<u>22.83%</u>

Source: Municipal Tax Assessor.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Schedule of Principal Taxpayers
For the Year Ended December 31, 2004
Unaudited

TINTON FALLS BOROUGH

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>% of District's Net Assessed Valuation</u>
Tinton Falls Campus, L.L.C.	\$ 73,706,400	6.21%
Stavola	22,053,600	1.86%
Tinton Telecom Center, L.L.C.	12,000,000	1.01%
BT-NEWYO, L.L.C.	8,967,500	0.76%
Kapson Tinton Falls Corp.	7,905,600	0.67%
Hovson's Inc.	7,033,100	0.59%
Tinton Pines Construction	6,621,100	0.56%
Shrewsbury/35 Associates, L.L.C.	6,446,400	0.54%
HPTY Corporation (Marriott)	5,880,600	0.50%
Winn, Ltd. (Holiday Inn)	5,800,000	0.49%
	<u>\$ 156,414,300</u>	<u>13.19%</u>

Source: Municipal Tax Assessor.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Schedule of Principal Taxpayers
For the Year Ended December 31, 2004
Unaudited

SHREWSBURY TOWNSHIP

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>% of District's Net Assessed Valuation</u>
Alfred Vail Mutual	\$ 13,264,600	48.61%
Shrewsbury Township Urban Renewal Corp.	4,800,000	17.59%
Individual Taxpayer #1	77,900	0.29%
Individual Taxpayer #2	77,900	0.29%
Individual Taxpayer #3	77,900	0.29%
Individual Taxpayer #4	77,900	0.29%
Individual Taxpayer #5	77,900	0.29%
Individual Taxpayer #6	77,900	0.29%
Individual Taxpayer #7	77,900	0.29%
Individual Taxpayer #8	77,900	0.29%
	<u>77,900</u>	<u>0.29%</u>
	<u><u>\$ 18,687,800</u></u>	<u><u>68.52%</u></u>

Source: Municipal Tax Assessor.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Attendance Data
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>Average Daily Enrollment</u>	<u>Average Daily Attendance</u>	<u>% Change in Average Daily Enrollment</u>	<u>Attendance %</u>
1995	928.80	911.10	2.11%	98.09%
1996	1,055.34	1,036.80	1.76%	98.24%
1997	1,125.40	1,088.20	6.64%	96.70%
1998	1,154.30	1,125.10	2.57%	97.47%
1999	1,020.80	962.00	(11.50)%	94.24%
2000	1,056.50	1,018.00	3.49%	96.35%
2001	1,015.80	966.20	(3.85)%	95.10%
2002	986.9	938.4	(2.84)%	95.09%
2003	1,108.8	1,050.9	12.35%	94.78%
2004	1,181.3	1,123.6	6.5%	95.12%

Source: District Records.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Insurance Schedule
June 30, 2004
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Utica National Insurance Company		
Commercial Property	\$33,237,945	\$ 1,000
General Liability	3,000,000	-
Inland Marine Coverage	1,597,666	500
Crime Coverage	100,000	-
Employee Benefits Liability	3,000,000	1,000
Automobile - Utica National Insurance Company	1,000,000	250
School Leaders Errors and Omissions Policy - NJSBAIG	1,000,000	5,000
Excess School Leaders Errors and Omissions	5,000,000	-
Commercial Umbrella Liability - Utica National Insurance Company	10,000,000	10,000,000
Workers' Compensation Policy - MOCSSIF/NJSBAIG Fund	2,000,000	-
Public Officials Faithful Performance Bonds - Selective Insurance Business Administrator	300,000	-
Treasurer of School Monies	300,000	-

Source: District Records.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Miscellaneous Statistics
June 30, 2004
Unaudited

	<u>Date Established</u>	<u>Area Square Miles</u>
Eatontown Borough	1670	5.9
Tinton Falls	1975	15
Shrewsbury Township	1665	0.685

Monmouth Regional High School is the one high school for these communities.

Employees:	
Certified	119
Other	<u>74</u>
Total Employees	<u><u>193</u></u>
Student/Teacher Ratio	<u><u>11.27/1</u></u>
Student Count	<u><u>1,183</u></u>

Source: District Records.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Transportation Fees	\$ 322,102	\$ 385,407	\$ 315,787	\$ 375,488	\$ 352,829	\$ 245,975	\$ 320,842	\$ 303,777	\$ 268,762	\$ -
Interest on Investments	42,461	83,812	100,096	234,710	235,074	205,189	169,284	210,943	178,769	166,659
Tuition	34,105	28,799	85,595	95,445	107,608	63,894	63,202	142,941	81,497	90,796
Prior Years' Refunds	9,262	7,700	15,273	5,570	14,477	19,540	1,353	17,004	17,921	6,819
Rentals	400	3,217	3,743	1,812	9,002	2,205	2,202	390	230	445
Transcripts/Miscellaneous Other	49,527	12,271	9,806	6,503	6,618	581	14,411	5,172	5,001	4,468
New Jersey Bell Commissions	4	42	130	164	214	352	554	376	531	416
Special Revenue Fund - Other Sources	-	-	-	-	-	-	4,000	2,967	-	-
Athletic Receipts	-	-	-	-	-	-	-	1,822	-	-
Prior Years' Orders Cancelled	-	-	-	-	-	-	-	-	-	37,761
Accounts Receivable Cancelled	-	-	-	-	-	-	-	-	-	(1,269)
Miscellaneous	-	-	-	-	-	-	-	-	-	941
Phone/Fax Charges	-	-	-	-	-	-	-	-	527	151
Various Fines	-	-	-	-	-	4,699	5,150	3,186	3,187	1,780
N.J. State Health Benefits Rebate	-	-	-	-	-	-	-	-	-	209,821
	<u>\$ 457,861</u>	<u>\$ 521,248</u>	<u>\$ 530,430</u>	<u>\$ 719,692</u>	<u>\$ 725,822</u>	<u>\$ 542,435</u>	<u>\$ 580,998</u>	<u>\$ 688,578</u>	<u>\$ 556,425</u>	<u>\$ 518,788</u>

Source: District Records.

SINGLE AUDIT SECTION

O'NEILL AND LANG
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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TERANCE O'NEILL, CPA, RMA, PSA
GEORGE J. LANG, CPA, RMA, PSA

MEMBERS OF:
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NEW JERSEY SOCIETY OF CPAs

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Honorable President and
Members of the Board of Education
Monmouth Regional High School District
County of Monmouth
Tinton Falls, New Jersey 07724

We have audited the financial statements of the Board of Education of the Monmouth Regional High School District, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2004, and have issued our report thereon dated September 9, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.


Compliance

As part of obtaining reasonable assurance about whether the Monmouth Regional High School District's 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 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 that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. However, we noted certain immaterial instances of noncompliance that we have reported to the Board of Education of the Monmouth Regional High School District in the separate Auditors Management Report on Administrative Findings - Financial, Compliance and Performance dated September 9, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Monmouth Regional High School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving internal control that we have reported to the Board of Education of the Monmouth Regional High School District in a separate Auditors Management Report on Administrative Findings - Financial, Compliance and Performance dated September 9, 2004.

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



GEORGE J. LANG
LICENSED PUBLIC SCHOOL ACCOUNTANT
NO. 1096
O'NEILL AND LANG

September 9, 2004

O'NEILL AND LANG
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR 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
Monmouth Regional High School District
County of Monmouth
Tinton Falls, New Jersey 07704

Compliance

We have audited the compliance of the Board of Education of the Monmouth Regional High School District, in the County of Monmouth, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2004. Monmouth 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 the Monmouth Regional High School District's management. Our responsibility is to express an opinion on the Monmouth Regional High School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to

obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Monmouth Regional High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Monmouth Regional High School Board of Education's compliance with those requirements.


In our opinion, the Board of Education of the Monmouth Regional High School District, in the County of Monmouth, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2004.

Internal Control Over Compliance

The management of the Board of Education of the Monmouth Regional High School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Monmouth 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 compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of law, regulations, contracts and grants that would be material in relation to a major state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, of the Monmouth Regional High School Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



GEORGE J. LANG
LICENSED PUBLIC SCHOOL ACCOUNTANT
NO. 1096
O'NEILL AND LANG

September 9, 2004

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2004

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2003	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Accounts Receivable	Deferred Revenue June 30, 2004	Due to Grantor
				From	To									
U.S. Department of Education														
General Fund:														
Impact Aid P.L. 81-874	84.041		\$ 814,147	07/01/03	06/30/04	\$ -	\$ -	\$ 814,147	\$ (814,147)	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Department of Education														
Passed-Through State Department of Education														
Special Revenue Fund:														
Title I	84.010	NCLB327004	\$ 96,642	09/01/03	08/31/04	\$ -	\$ -	\$ 96,642	\$ (93,872)	\$ -	\$ -	\$ -	\$ 2,770	\$ -
Title I, Summer	84.010	NCLB327003	98,371	09/01/02	08/31/03	4,441	-	-	(4,441)	-	-	-	-	-
Title I, Summer	84.010	IASA32702	84,336	09/01/01	08/31/02	7	-	-	-	-	-	-	-	7
Title II, Part A	84.367	NCLB327004	32,676	09/01/03	08/31/04	-	-	32,676	(32,529)	-	-	-	147	-
Title II, Part A, Summer	84.367	NCLB327003	33,717	09/01/02	08/31/03	12,386	-	-	(12,386)	-	-	-	-	-
Title II, Part D	84.318	NCLB327004	2,440	09/01/03	08/31/04	-	-	2,440	(2,200)	-	-	-	240	-
Title II, Part D, Summer	84.318	NCLB327003	2,818	09/01/02	08/31/03	141	-	-	(141)	-	-	-	-	-
Title III	84.365	NCLB327004	2,559	09/01/03	08/31/04	-	-	-	(2,442)	-	(2,559)	-	117	-
Title III, Summer	84.365	NCLB327003	2,706	09/01/02	08/31/03	2,376	-	-	(2,087)	-	(289)	-	-	-
Title IV	84.287	NCLB327004	4,346	09/01/03	08/31/04	-	-	4,346	(2,678)	-	-	-	1,668	-
Title IV, Summer	84.287	NCLB327003	4,627	09/01/02	08/31/03	2,008	-	-	(1,712)	-	(296)	-	-	-
Title V	84.298	NCLB327004	4,470	09/01/03	08/31/04	-	-	4,470	(4,470)	-	-	-	-	-
Title V, Summer	84.298	NCLB327003	4,295	09/01/02	08/31/03	4,295	-	-	(4,173)	-	(122)	-	-	-
Carl D. Perkins	84.048	PERK327004	13,937	07/01/03	06/30/04	-	-	13,937	(13,937)	-	-	-	-	-
Carl Perkins Secondary	84.048	PERK327003	15,024	07/01/02	06/30/03	1	-	-	-	-	(1)	-	-	-
I.D.E.A. Part B, Basic	84.027	IDEA327004	195,827	09/01/03	08/31/04	-	-	195,827	(164,050)	-	-	-	31,777	-
I.D.E.A. Part B, Basic, Summer	84.027	IDEA327003	163,959	09/01/02	08/31/03	79,034	-	-	(79,034)	-	-	-	-	-
I.D.E.A. Part B, Basic, Summer	84.027	FT327002	152,108	09/01/01	08/31/02	241	-	-	-	-	-	-	-	241
Total Special Revenue Fund						\$ 104,930	\$ -	\$ 350,338	\$ (420,152)	\$ -	\$ (708)	\$ (2,559)	\$ 36,719	\$ 248
U.S. Department of Agriculture														
Passed-Through State Department of Education														
Enterprise Fund:														
National School Lunch Program	10.555		\$ 46,547	07/01/03	06/30/04	\$ -	\$ -	\$ 44,418	\$ (46,547)	\$ -	\$ -	\$ (2,129)	\$ -	\$ -
National School Lunch Program	10.555		40,697	07/01/02	06/30/03	(2,007)	-	2,007	-	-	-	-	-	-
Food Distribution Program	10.550		13,933	07/01/03	06/30/04	3,393	-	13,933	(11,822)	-	-	-	5,504	-
Total Enterprise Fund						\$ 1,386	\$ -	\$ 60,358	\$ (58,369)	\$ -	\$ -	\$ (2,129)	\$ 5,504	\$ -
Total Federal Financial Awards						\$ 106,316	\$ -	\$ 1,224,843	\$ (1,292,668)	\$ -	\$ (708)	\$ (4,688)	\$ 42,223	\$ 248

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2004

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2003		2003 Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2004			MEMO	
			From	To	Accounts Receivable	Deferred Revenue						(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education																
General Fund:																
Core Curriculum Standards Aid	04-495-034-5120-022	\$ 914,959	07/01/03	06/30/04	\$ -	\$ -	\$ -	\$ -	\$ 914,959	\$ (914,959)	\$ -	\$ -	\$ -	\$ -	\$ 44,503	\$ 914,959
Special Education Aid	04-495-034-5120-011	674,233	07/01/03	06/30/04	-	-	-	-	674,233	(674,233)	-	-	-	-	32,778	674,233
Bilingual Aid	04-495-034-5120-008	9,380	07/01/03	06/30/04	-	-	-	-	9,380	(9,380)	-	-	-	-	448	9,380
Transportation Aid	04-495-034-5120-014	558,167	07/01/03	06/30/04	-	-	-	-	558,167	(558,167)	-	-	-	-	27,150	558,167
Stabilization Aid	04-495-034-5120-030	1,720,160	07/01/03	06/30/04	-	-	-	-	1,720,160	(1,720,160)	-	-	-	-	83,649	1,720,160
Consolidated Aid	04-495-034-5120-057	128,263	07/01/03	06/30/04	-	-	-	-	128,263	(128,263)	-	-	-	-	6,232	128,263
Extraordinary Special Education Costs Aid	03-495-034-5120-044	157,900	07/01/02	06/30/03	(45,543)	-	-	-	157,900	(112,357)	-	-	-	-	-	157,900
Extraordinary Special Education Costs Aid	04-495-034-5120-044	151,496	07/01/03	06/30/04	-	-	-	-	-	(151,496)	-	(151,496)	-	-	-	151,496
Nonpublic Transportation Costs	04-100-034-5120-068	4,831	07/01/03	06/30/04	-	-	-	-	-	(4,831)	-	(4,831)	-	-	-	4,831
Reimbursed TPAF Social Sec. Contrib.	03-495-034-5095-002	609,812	07/01/02	06/30/03	(33,338)	-	-	-	33,338	-	-	-	-	-	-	-
Reimbursed TPAF Social Sec. Contrib.	04-100-034-5095-051	661,031	07/01/03	06/30/04	-	-	-	-	626,797	(661,031)	-	(34,234)	-	-	-	661,031
On-Behalf TPAF Pension Contributions	04-100-034-5095-050	625,599	07/01/03	06/30/04	-	-	-	-	625,599	(625,599)	-	-	-	-	-	625,599
Total General Fund					\$ (78,881)	\$ -	\$ -	\$ -	\$ 5,448,796	\$ (5,560,476)	\$ -	\$ (190,561)	\$ -	\$ -	\$ 194,760	\$ 5,606,019
Special Revenue Fund:																
NJ Nonpublic Aid:																
Handicapped Services:																
Supplemental Instruction	03-100-034-5120-066	\$ 1,572	07/01/02	06/30/03	\$ -	\$ -	\$ 787	\$ -	\$ -	\$ -	\$ (787)	\$ -	\$ -	\$ -	\$ -	\$ -
Supplemental Instruction	04-100-034-5120-066	1,572	07/01/03	06/30/04	-	-	-	-	1,572	(1,572)	-	-	-	-	-	1,572
Examination and Classification	03-100-034-5120-066	4,624	07/01/02	06/30/03	-	-	3,913	-	-	-	(3,913)	-	-	-	-	-
Examination and Classification	04-100-034-5120-066	2,253	07/01/03	06/30/04	-	-	-	-	2,253	(2,252)	-	-	-	1	-	2,252
Textbook Aid	03-100-034-5120-064	9,656	07/01/02	06/30/03	-	-	9,656	-	-	-	(9,656)	-	-	-	-	-
Textbook Aid	04-100-034-5120-064	10,957	07/01/03	06/30/04	-	-	-	-	10,957	-	-	-	-	10,957	-	-
Nursing Services	03-100-034-5120-070	11,502	07/01/02	06/30/03	-	-	144	-	-	-	(144)	-	-	-	-	-
Nursing Services	04-100-034-5120-070	13,003	07/01/03	06/30/04	-	-	-	-	13,003	(12,687)	-	-	-	316	-	12,687
Technology Aid	03-100-034-5120-373	6,880	07/01/02	06/30/03	-	-	12	-	-	-	(12)	-	-	-	-	-
Technology Aid	04-100-034-5120-373	7,360	07/01/03	06/30/04	-	-	-	-	7,360	(7,354)	-	-	-	6	-	7,354
Character Education	04-100-034-5120-418	4,000	07/01/03	06/30/04	-	-	-	3,500	4,000	(3,500)	-	-	4,000	-	-	3,500
Character Education	03-100-034-5120-418	4,000	07/01/02	06/30/03	-	3,500	-	(3,500)	-	-	-	-	-	-	-	-
Distance Learning Network	04-100-034-5120-348	46,617	07/01/03	06/30/04	-	-	-	35,539	-	(35,539)	-	-	-	-	-	35,539
Distance Learning Network	03-100-034-5120-348	46,617	07/01/02	06/30/03	-	35,539	-	(35,539)	-	-	-	-	-	-	-	-
Instructional Supplemental Aid	04-495-034-5120-029	26,822	07/01/03	06/30/04	-	-	-	62,635	26,822	(89,457)	-	-	-	-	1,341	89,457
Instructional Supplemental Aid	03-495-034-5120-029	26,822	07/01/02	06/30/03	-	62,635	-	(62,635)	-	-	-	-	-	-	-	-
Total Special Revenue Fund					\$ -	\$ 101,674	\$ 14,512	\$ -	\$ 65,967	\$ (152,361)	\$ (14,512)	\$ -	\$ 4,000	\$ 11,280	\$ 1,341	\$ 152,361
Debt Service Fund:																
Debt Service Type II Aid																
	04-495-034-5120-017	\$ 70,511	07/01/03	06/30/04	\$ -	\$ -	\$ -	\$ -	\$ 70,511	\$ (70,511)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,511
State Department of Agriculture																
Enterprise Fund:																
National School Lunch Program (State Share)	04-100-034-5120-122	\$ 3,845	07/01/03	06/30/04	\$ -	\$ -	\$ -	\$ -	\$ 3,233	\$ (3,845)	\$ -	\$ (612)	\$ -	\$ -	\$ -	\$ 3,845
National School Lunch Program (State Share)	03-100-010-3360-067	3,510	07/01/02	06/30/03	(173)	-	-	-	173	-	-	-	-	-	-	-
Total Enterprise Fund					\$ (173)	\$ -	\$ -	\$ -	\$ 3,406	\$ (3,845)	\$ -	\$ (612)	\$ -	\$ -	\$ -	\$ 3,845
Total State Financial Assistance					\$ (79,054)	\$ 101,674	\$ 14,512	\$ -	\$ 5,588,680	\$ (5,787,193)	\$ (14,512)	\$ (191,173)	\$ 4,000	\$ 11,280	\$ 196,101	\$ 5,832,736

See accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Notes for Schedules of Expenditures of Awards and
Financial Assistance
June 30, 2004

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Monmouth 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 federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception 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 to 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 schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related 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 revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Notes for Schedules of Expenditures of Awards and
Financial Assistance
June 30, 2004
(Continued from prior page)

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

(Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(3,218) for the general fund and \$2,331 for the special revenue fund. See the *Notes to Required Supplementary Information* for a reconciliation of the budgetary basis to the to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis presented as follows:

	Federal	State	Total
General Fund	\$ 814,147	\$ 5,557,258	\$ 6,371,405
Special Revenue Fund	420,152	154,692	574,844
Debt Service Fund	-	70,511	70,511
Food Service Fund	58,369	3,845	62,214
	<u>58,369</u>	<u>3,845</u>	<u>62,214</u>
Total Awards and Financial Assistance	<u>\$ 1,292,668</u>	<u>\$ 5,786,306</u>	<u>\$ 7,078,974</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 under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2004. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2004.

Concluded

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2004

Section I -- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

1. Material weakness(es) identified? No
2. Reportable condition(s) identified that are not considered to be material weaknesses? None reported

Noncompliance material to basic financial statements noted? No

Federal Awards

Internal Control over major programs:

1. Material weakness(es) identified? No
2. Reportable condition(s) identified that are not considered to be material weaknesses? None reported

Type of auditor's report issued on compliance for major programs: Unqualified

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

Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

84.041

Impact Aid

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

Auditee qualified as low-risk auditee? Yes

MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2004
(Continued from prior page)

Section I -- Summary of Auditor's Results

State Awards

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

Auditee qualified as low-risk auditee? Yes

Type of auditor's report issued on compliance for major programs: Unqualified

Internal control over major programs:

1. Material weakness(es) identified? No

2. Reportable condition(s) identified that are not considered to be material weaknesses? None reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 04-04? No

Identification of major programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
04-495-034-5120-014	Transportation Aid
04-495-034-5120-011	Special Education Aid
04-495-100-5095-051	Reimbursed TPAF Social Security Contributions
04-495-034-5120-030	Stabilization Aid
04-495-034-5120-022	Core Curriculum Standard Aid
04-495-100-5095-050	On-behalf TPAF Pension Contributions

Section II -- Financial Statement Findings

None.

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

None.

Concluded

**MONMOUTH REGIONAL HIGH SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings and
Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2004**

STATUS OF PRIOR YEAR FINDINGS

No matters were reported.