

**HIGH POINT REGIONAL  
HIGH SCHOOL DISTRICT**

**High Point Regional High School District  
Sussex, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013**

**Comprehensive Annual  
Financial Report**

**of the**

**High Point Regional  
High School District**

**Sussex, New Jersey**

**For the Fiscal Year Ended June 30, 2013**

**Prepared by**

**High Point Regional High School  
For the Fiscal Year Ended June 30, 2013**

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INTRODUCTORY SECTION

BOARD OF EDUCATION  
***HIGH POINT REGIONAL HIGH SCHOOL***

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 Superintendent  
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October 7, 2013

The Honorable President and Members of  
 The Board of Education  
 High Point Regional High School District  
 Sussex, New Jersey

Dear Board Members:

The comprehensive annual financial report of the High Point Regional High School District (the "District") for the fiscal year ended June 30, 2013, 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 Board of Education (the "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 and a list of principal officials. The financial section includes the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, financial trends and fiscal capacity, 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 Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The High Point Regional High School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The High Point Regional High School District constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 9 through 12 for the students residing in the Borough of Branchville, Township of Frankford, Township of Lafayette, Borough of Sussex and Township of Wantage. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2012-13 fiscal year with an average daily enrollment of 1,011 students, which is a decrease of 88 students from the previous year's average daily enrollment.

2) ECONOMIC CONDITION AND OUTLOOK: The communities comprising the High Point Regional High School district continue to reflect the economic condition experienced by the country over the past several years. Our student population is reflective of a community in which population numbers have steadily declined over the past decade.

The High Point Regional High School district currently covers 123.45 square miles and occupies 23.4% of northern Sussex County New Jersey. The grade 9-12 high school and adjacent administrative offices are housed

*Working Together for Excellence*

The Honorable President and Members of  
the Board of Education  
High Point Regional High School District  
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in Wantage Township. The regional district is rural and is comprised of five municipalities which include: Branchville, Frankford Township, Lafayette Township, Sussex Borough and Wantage Township.

The District is governed by a nine member Board of Education which was formed in December 1963; members are elected to serve three year terms. The school building opened for students in grades 9-12 in September 1966. High Point Regional High School has completed two building additions in 1975 and 1991.

3) MAJOR INITIATIVES: All initiatives are evaluated through our stated goals of high expectations and raising student achievement. We have aligned our entire curriculum to the Common Core State Standards (CCSS), and we are transitioning the platform for those curriculum to curriculum maps. This has also required significant focus on professional development training for teaching staff members and administration so as to align our practices to the CCSS, the Danielson Framework for Teaching, the state mandated Student Growth Objectives (SGO's) and curriculum mapping. Our professional development action plan is developed in conjunction with staff stakeholder representatives and the professional development committee: we have attempted to align our initiatives by integrating standards, instruction, curriculum, assessments, and professional development. We have organized our professional development opportunities through the utilization of professional learning communities (PLC's), or teams of teachers within each discipline. We have contracted with a virtual vendor so as to align our entire curriculum through maps; we have provided significant professional development training on the most effective manner to create and implement curriculum maps so as to meet the needs and requirements of the CCSS and our students. We have retained and extended our Virtual Academy which serves to supplement our in-house curricular offerings.

Our facilities have received significant upgrades to the science labs, a new elevator, softball field dugouts, a major commitment to overhaul our technology infrastructure for PARCC administration, a significant increase in the number of PC's and computer lab space, an illuminated automatic sign for the front lawn of the building, a ticket booth for the sports facilities and other buildings and grounds commitments.

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 is 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 awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's 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 award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

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 municipality. 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.

The Honorable President and Members of  
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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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2013.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the 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.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found on J-20.

9) OTHER INFORMATION:

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board's finance committee and approved 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 Amendments of 1996 and the related Federal 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*. The independent auditors' report on basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

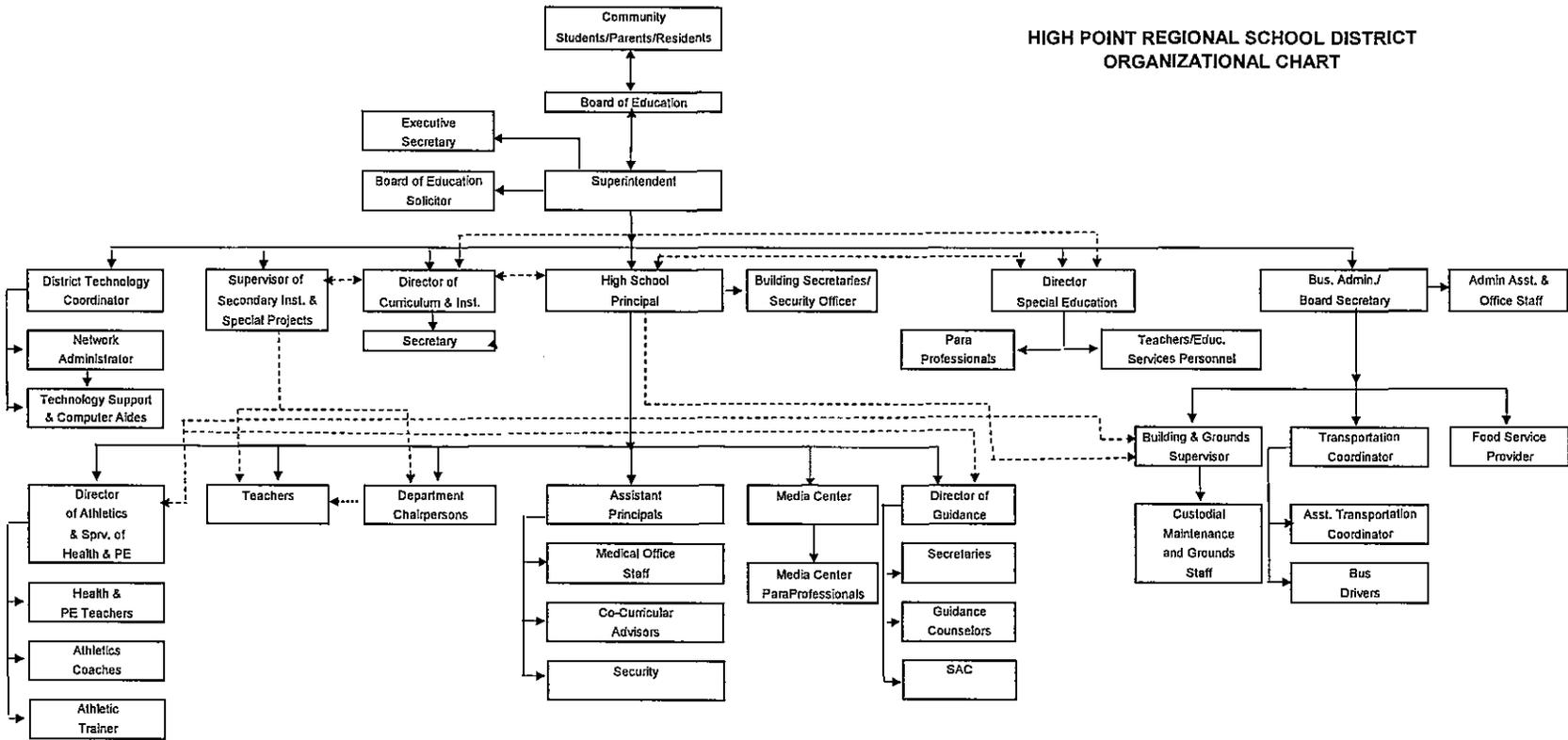
10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the High Point Regional High School District Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development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

Respectfully submitted,

  
\_\_\_\_\_  
Scott D. Ripley  
Superintendent and Chief School Administrator

  
\_\_\_\_\_  
Alice E. Bresett  
Business Administrator/Board Secretary

**HIGH POINT REGIONAL SCHOOL DISTRICT  
ORGANIZATIONAL CHART**



Revised: June 25, 2013

Personnel/OrgChart3.xls

**HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2013**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Paul Derin, President	Wantage Township	2014
Kenneth Nelson, Vice-President	Wantage Township	2013
Robert Genetelli	Wantage Township	2013
Kyle Vealey	Wantage Township	2013
Barbara Miller, Ed. D.	Lafayette Township	2013
Pamela Flynn	Borough of Sussex	2014
Charlie Rolon, Jr.	Frankford Township	2014
Edwin Risdon, Jr.	Frankford Township	2015
Deborah Anderson	Borough of Branchville	2015

Other Officers

Terrence R. Brennen, Ed.D.	Superintendent and Chief School Administrator
Alice E. Bresett	Business Administrator/Board Secretary
Michelle LaStarza	Treasurer

**BOARD OF EDUCATION  
HIGH POINT REGIONAL HIGH SCHOOL  
Sussex, New Jersey**

**CONSULTANTS AND ADVISORS  
June 30, 2013**

**Legal Counsel**

**Schwartz Simon Edelstein Ceslo and Zitomer, LLC**  
100 South Jefferson Road, Suite 200  
Whippany, NJ 07981

**Adam Stern Gutierrez & Lattiboudere, LLC**  
The Legal Center  
1037 Raymond Blvd., Suite 710  
Newark, NJ 07102

**Wilentz Goldman & Spitzer**  
Attorney at law  
90 Woodbridge Center Drive, Suite 900, Box 10  
Woodbridge, NJ 07095-0958

**Audit Firm**

Nisivoccia LLP, CPA's  
Mount Arlington Corporate Center  
200 Valley Road, Suite 300  
Mount Arlington, NJ 07856  
and  
Lawrence Business Park  
11 Lawrence Road  
Newton, NJ 07860

**Official Depositories**

**The Sussex Bank**  
399 Route 23  
Franklin, NJ 07416

**Architect**

**HQW Architects, LLC**  
124 Main Street  
Newton, NJ

**Engineer**

**CP Engineers and Architects, Inc.**  
35 Sparta Avenue  
Sparta, NJ 07871

FINANCIAL SECTION



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Park  
 11 Lawrence Road  
 Newton, NJ 07860  
 973-383-6699 | 973-383-6555 Fax

## Independent Auditors' Report

The Honorable President and Members  
 of the Board of Education  
 High Point Regional School District  
 County of Sussex, NJ

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the High Point Regional High School District (the "District") in the County of Sussex, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. Our responsibility is to express opinions on these basic financial statements based on our audit. The financial statements of the High Point Regional High School District as of June 30, 2012 were audited by another auditor whose report dated November 20, 2012 expressed an unqualified opinion on those statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

The Honorable President and Members  
of the Board of Education  
High Point Regional School District  
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the High Point Regional High School District, in the County of Sussex, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The Honorable President and Members  
of the Board of Education  
High Point Regional School District  
Page 3

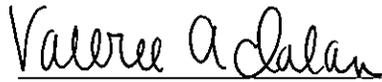
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

October 7, 2013  
Mount Arlington, New Jersey

NISIVOCCIA LLP



Valerie A. Dolan  
Licensed Public School Accountant #2526  
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013  
Unaudited**

This section of High Point Regional High School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2013. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

**Financial Highlights**

- The District's financial status remains strong. At the close of 2012-13 school year, the governmental-type activities net position increased \$1,206,454 over the prior year.
- Net position of the District's business-type activity – food service program and other enterprise funds – increased by \$38,755 over the previous year.
- The overall revenue of the District totaled \$27,388,294 which was an increase of \$340,827 compared to the prior year. This was primarily due to increased property taxes and state and federal aid.
- The overall expenses of the District totaled \$26,143,085 which was an increase of \$854,405 compared to the prior year.
- The District's long term debt increased due to the District entering into a capital lease for energy savings equipment. In 2012-13 the District also paid down \$165,000 of serial bond debt.

**Overview of the Financial Statements**

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 such as 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 a business, 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 shows how the various parts of this annual report are arranged and relate to one another.

**Figure A-1**  
**Organization of High Point Regional High School Financial Report**

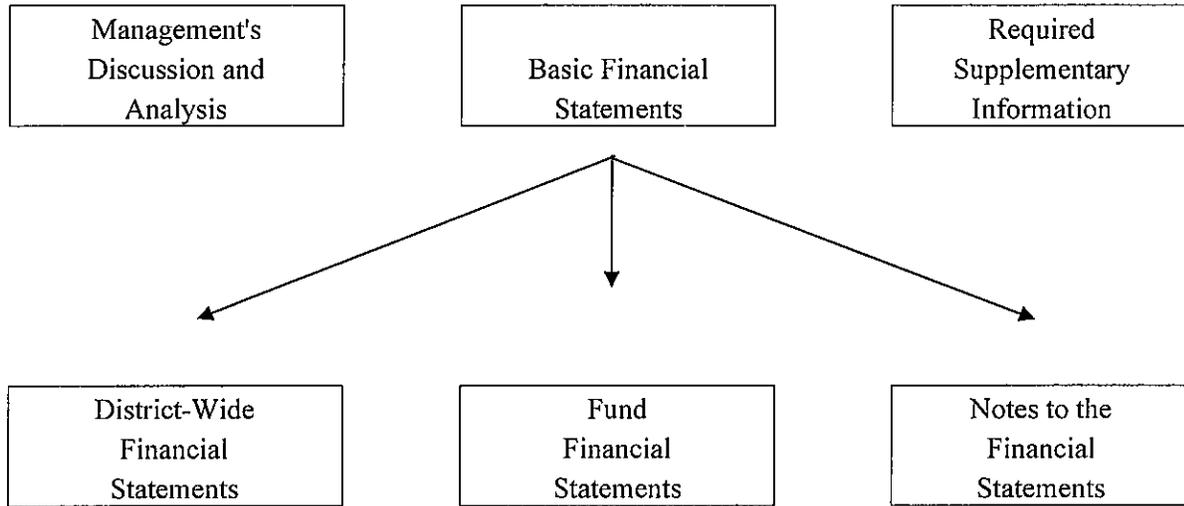


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

*Major Features of the 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, adult school, school store and transportation 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"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/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, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue 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 revenue 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

### *District-wide Statements*

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets and liabilities – are one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service, adult school, school store and transportation services are included here.

### *Fund Financial Statements*

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for its other programs and activities. The District does not utilize internal service funds.

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.
- *Notes to the Basic Financial Statements:* The notes provide information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

### Financial Analysis of the District as a Whole

*Net Position.* The Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a school's financial position.

The District's financial position is the product of 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.

**Figure A-3**  
**Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Change
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	
Current and							
Other Assets	\$ 4,220,817	\$ 5,141,171	\$ 583,997	\$ 616,967	\$ 4,804,814	\$ 5,758,138	19.84%
Capital Assets, Net	4,470,813	6,406,123	9,928	9,599	4,480,741	6,415,722	43.18%
Total Assets	8,691,630	11,547,294	593,925	626,566	9,285,555	12,173,860	31.11%
Long-term							
Debt Out-							
standing	1,590,688	2,637,128			1,590,688	2,637,128	65.79%
Other Liabilities	401,298	1,004,068	13,624	7,510	414,922	1,011,578	143.80%
Total							
Liabilities	1,991,986	3,641,196	13,624	7,510	2,005,610	3,648,706	81.93%
Net Investment							
in Capital							
Assets	3,765,813	4,538,503	9,928	9,599	3,775,741	4,548,102	20.46%
Restricted	3,676,073	3,349,049			3,676,073	3,349,049	-8.90%
Unrestricted/							
(Deficit)	(742,242)	18,546	570,373	609,457	(171,869)	628,003	465.40%
Total Net							
Position	\$ 6,699,644	\$ 7,906,098	\$ 580,301	\$ 619,056	\$ 7,279,945	\$ 8,525,154	17.10%

*Changes in Net Position.* The District's *combined* net position was \$8,525,154 on June 30, 2013, \$1,245,209 or 17.10% more than it was the year before. (See Figure A-3). The depreciation factored into the net position of the District as a decrease is \$534,381. The net position of the business-type activities increased \$38,755 (See Figure A-4).

Figure A-4

## Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		%
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	Change
Revenue:							
Program Revenue:							
Charges for Services	\$ 121,196	\$ 251,295	\$ 1,278,876	\$ 1,048,367	\$ 1,400,072	\$ 1,299,662	-7.17%
Operating Grants & Contributions	3,643,043	9,180,093	64,749	60,536	3,707,792	9,240,629	149.22%
General Revenue:							
Property Taxes	16,007,270	16,250,873			16,007,270	16,250,873	1.52%
Unrestricted State Aid	5,544,997	336,971			5,544,997	336,971	-93.92%
Other	386,937	259,986	399	173	387,336	260,159	-32.83%
Total Revenue	<u>25,703,443</u>	<u>26,279,218</u>	<u>1,344,024</u>	<u>1,109,076</u>	<u>27,047,467</u>	<u>27,388,294</u>	1.26%
Expenses:							
Instruction	13,644,658	14,249,439			13,644,658	14,249,439	4.43%
Pupil and Instruction Services	3,913,238	4,185,606			3,913,238	4,185,606	6.96%
Administrative and Business	2,091,298	2,281,017			2,091,298	2,281,017	9.07%
Maintenance and Operations	2,545,109	2,587,116			2,545,109	2,587,116	1.65%
Transportation	1,900,940	1,742,693			1,900,940	1,742,693	-8.32%
Other	34,497	26,893	1,158,940	1,070,321	1,193,437	1,097,214	-8.06%
Total Expenses	<u>24,129,740</u>	<u>25,072,764</u>	<u>1,158,940</u>	<u>1,070,321</u>	<u>25,288,680</u>	<u>26,143,085</u>	3.38%
Increase/(Decrease) in Net Position	<u>\$ 1,573,703</u>	<u>\$ 1,206,454</u>	<u>\$ 185,084</u>	<u>\$ 38,755</u>	<u>\$ 1,758,787</u>	<u>\$ 1,245,209</u>	29.20%

*Revenue Sources.* The District's total revenue for the 2012/13 school year was \$27,388,294. (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$16,250,873 of the total, or 59.34 percent. (See Figure A-5). Another 34.97 percent came from state and federal aid for specific programs and the remainder from miscellaneous sources, and charges for services. High Point Regional High School District basically conducts its operations from the revenue it receives from its local taxpayers and state sources. It is important to note that of the categorical grants amount, \$1,417,683 is included in funds that are not paid to the District, but are included in funding for pension payments and post retirement contributions that the State of New Jersey is paying on behalf of the District.

Figure A-5

## Sources of Revenue for Fiscal Year 2013

	Amount	Percentage
Sources of Income:		
Property Taxes	\$ 16,250,873	59.34%
Federal and State Categorical Grants	9,240,629	33.74%
Charges for Services	1,299,662	4.75%
Unrestricted State Aid	336,971	1.23%
Other	260,159	0.94%
Total Revenue	<u>\$ 27,388,294</u>	<u>100.00%</u>

The total cost of all programs and services was \$26,143,085. The District's expenses are predominantly related to instructing, caring for (pupil services) and transporting students (77.19 percent). (See Figure A-6). The District's administrative and business activities accounted for 8.73 percent of total costs. It is important to note that expenses include \$534,381 and \$329 of depreciation related to governmental and business-type capital assets, respectively.

**Figure A-6**  
**Expenses for Fiscal Year 2013**

Expense Category:	<u>Amount</u>	<u>Percentage</u>
Instruction	\$ 14,249,439	54.51%
Pupil and Instruction Services	4,185,606	16.01%
Administrative and Business	2,281,017	8.73%
Maintenance and Operations	2,587,116	9.90%
Transportation	1,742,693	6.66%
Other	1,097,214	4.19%
 Total Expenses	 <u>\$ 26,143,085</u>	 <u>100.00%</u>

***Governmental Activities***

As discussed elsewhere in this commentary, the financial position of the District is strong. Maintaining existing programs with increased regular pupil enrollment and the provision of a multitude of special programs and services for disabled pupils place great demands on the District's resources.

Careful management of expenses remains essential for the District to sustain its financial health. The significant cost savings action implemented during the year was:

- Increased use of federal funds for tuition and related service costs.

Figure A-7 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

**Figure A-7**  
**Net Cost of Governmental Activities**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2011/12</u>	<u>2012/13</u>	<u>2011/12</u>	<u>2012/13</u>
Instruction	\$ 13,644,657	\$14,249,439	\$ 11,346,444	\$ 6,723,293
Pupil and Instruction Services	3,913,238	4,185,606	3,564,965	3,530,834
Administrative and Business	2,091,299	2,281,017	1,931,475	2,067,066
Maintenance and Operations	2,545,109	2,587,116	2,429,645	2,320,798
Transportation	1,900,940	1,742,693	1,093,001	972,492
Other	34,497	26,893		26,893
	 <u>\$ 24,129,740</u>	 <u>\$ 25,072,764</u>	 <u>\$ 20,365,530</u>	 <u>\$15,641,376</u>

- The cost of all governmental activities this year was \$25.07 million.
- The federal and state governments subsidized certain programs with grants and contributions (\$9.18 million).
- Most of the District's costs (\$16.25 million), however, were financed by District taxpayers.

### *Business-Type Activities*

Net position from the District's business-type activity increased by \$38,755. (Refer to Figure A-4). Factors contributing to these results included:

- Food services revenue exceeded expenses by \$9,686, accounting for part of the increase in the net position of the business-type activities.
- Other enterprise funds revenue exceeded expenses by \$28,896 accounting for part of the increase in the net position of the business-type activities.

### **Financial Analysis of the District's Funds**

The District's financial position remains relatively stable despite significant changes in the student clientele and difficult economic conditions. Expenditures related to special needs children have increased significantly due to additional students, requiring related services and material needs, as well as transportation to special schools. Salaries of staff have been increased by prior year negotiated agreements. Health costs have been contained for several years, however, significantly increased premiums are anticipated in the next few years. The Board has been able to save health premium costs by offering a program to staff whereby they can waive certain benefits under certain conditions. While a small increase in state aid will be realized in 2011-12, it is not guaranteed that this will continue. A referendum was passed for a solar panel installation project at the school which will reduce energy costs upon installation.

### **General Fund Budgetary Highlights**

The District did not increase its original budget other than for encumbrances carried over from the previous year. Changes were made within budgetary line items for changes in school based needs in programs, supplies and equipment but these changes did not increase the budget.

### **Capital Asset and Debt Administration**

Figure A-8

#### Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Percentage
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	Change 2012/13
Land	\$ 50,000	\$ 50,000			\$ 50,000	\$ 50,000	
Land, Building and Site Improvements	3,701,883	5,113,988			3,701,883	5,113,988	38.15%
Machinery and Equipment	718,930	1,242,135	\$ 9,928	\$ 9,599	728,858	1,251,734	71.74%
Total Capital Assets - (Net of Depreciation)	<u>\$ 4,470,813</u>	<u>\$ 6,406,123</u>	<u>\$ 9,928</u>	<u>\$ 9,599</u>	<u>\$ 4,480,741</u>	<u>\$ 6,415,722</u>	43.18%

The District's overall capital assets increased from the prior year due to the District entering into 15 year capital energy savings lease of \$1,327,620. During the year the District purchased equipment for maintenance and grounds, athletic equipment, security equipment and transportation vehicles amounting to \$1,000,839. Additionally there was \$418,700 spent on building improvements and site improvements. The depreciation factored in to the governmental-type activities totaled \$534,381 and the business-type activities totaled \$329. (More detailed information about the District's capital assets is presented in Note 6 to the financial statements.)

**Long-term Debt**

At year-end, the District had \$540,000 in general obligation bonds outstanding – a decrease of \$165,000 from last year -- as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 8 to the financial statements.)

**Figure A-9**

	<b>Outstanding Long-Term Debt</b>		Percentage Change
	Total School District 2011/12	2012/13	
General Obligation Bonds (Financed with Property Taxes)	\$ 705,000	\$ 540,000	-23.40%
Capital Lease		1,327,620	100.00%
	<u>705,000</u>	<u>1,867,620</u>	
Other Long Term Liabilities	885,688	769,508	-13.12%
	<u>\$ 1,590,688</u>	<u>\$ 2,637,128</u>	65.79%

- The District continued to pay down its debt, retiring \$165,000 of outstanding bonds.
- The District entered into a capital lease for energy savings equipment in the amount of \$1,327,620.

**Factors Bearing on the District's Future Revenue/Expense Changes**

- The High Point Regional High School District is presently in good financial condition. The District is proud of its community support of the public school and the pride that the students take in their building. A major concern is that the school building is getting older and will require more repairs and upgrades in the future.
- High Point Regional High School District's budget for 2012-13 remained under the 2% cap.
- The District routinely monitors the rules and regulations of the No Child Left Behind federal legislation to assess and ensure financial compliance.
- It is important that the District continues to be able to complete capital improvement projects and to maintain the physical plant of the District.
- The District has entered into a send-receive relationship with Montague that will add revenue to the District budget, helping to reduce the tax impact on constituents, offset the decrease in enrollments and reduce pupil costs.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, High Point Regional High School District, 299 Pidgeon Hill Road, Sussex, New Jersey.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2013

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 387,308	\$ 437,356	\$ 824,664
Receivables from State Government	568,736	443	569,179
Receivables from Federal Government	96,308	8,281	104,589
Receivables from Other Governments	1,130,876	150,857	1,281,733
Internal Balances	(9,890)	9,890	
Interfund Receivable	18,977		18,977
Inventory		10,140	10,140
Restricted Assets:			
Capital Reserve Account - Cash	2,141,094		2,141,094
Maintenance Reserve Account - Cash	807,762		807,762
Capital Assets:			
Land	50,000		50,000
Depreciable Buildings and Building Improvements, Site and Land Improvements, Machinery and Equipment	<u>6,356,123</u>	<u>9,599</u>	<u>6,365,722</u>
Total Assets	<u>11,547,294</u>	<u>626,566</u>	<u>12,173,860</u>
<b>LIABILITIES</b>			
Accounts Payable	988,728	5,386	994,114
Unearned Revenue	3,159	2,124	5,283
Accrued Interest Payable	12,181		12,181
Noncurrent Liabilities:			
Due Within One Year	256,543		256,543
Due Beyond One Year	<u>2,380,585</u>		<u>2,380,585</u>
Total Liabilities	<u>3,641,196</u>	<u>7,510</u>	<u>3,648,706</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,538,503	9,599	4,548,102
Restricted for:			
Capital Projects	2,141,094		2,141,094
Debt Service Fund	2		2
Other Purposes	1,207,953		1,207,953
Unrestricted/(Deficit)	<u>18,546</u>	<u>609,457</u>	<u>628,003</u>
Total Net Position	<u>\$ 7,906,098</u>	<u>\$ 619,056</u>	<u>\$ 8,525,154</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular	\$ 10,509,989		\$ 5,428,978		\$ (5,081,011)	\$ (5,081,011)
Special Education	2,250,799	\$ 244,795	1,971,787		(34,217)	(34,217)
Other Special Instruction	1,221,996		104,662		(1,117,334)	(1,117,334)
Other Instruction	266,655		27,219		(239,436)	(239,436)
<b>Support services:</b>						
Tuition	943,288				(943,288)	(943,288)
Student & Instruction Related Services	3,242,318		403,477		(2,838,841)	(2,838,841)
General Administrative Services	627,069		41,427		(585,642)	(585,642)
School Administrative Services	1,185,882		130,268		(1,055,614)	(1,055,614)
Central Services	433,361		42,256		(391,105)	(391,105)
Administrative Technology Information	34,705				(34,705)	(34,705)
Plant Operations and Maintenance	2,587,116		266,318		(2,320,798)	(2,320,798)
Pupil Transportation	1,742,693		770,201		(972,492)	(972,492)
Interest on Long-Term Debt	26,893				(26,893)	(26,893)
<b>Total Governmental Activities</b>	<b>25,072,764</b>	<b>\$ 244,795</b>	<b>9,186,593</b>	<b>\$ -0-</b>	<b>(15,641,376)</b>	<b>\$ -0-</b>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Positions		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Business Type Activities:						
Food Service	\$ 354,256	\$ 303,406	\$ 60,536		\$ 9,686	\$ 9,686
Other Enterprise Funds	716,065	744,961			28,896	28,896
Total Business-Type Activities	1,070,321	1,048,367	60,536		38,582	38,582
Total Primary Government	\$ 26,143,085	\$ 1,293,162	\$ 9,247,129	\$ (15,641,376)	\$ 38,582	\$ (15,602,794)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 16,055,482		\$ 16,055,482
Taxes Levied for Debt Service				195,391		195,391
Unrestricted State Aid				336,971		336,971
Interest Earnings					\$ 173	173
Interest Earned in Capital Reserve				1,487		1,487
Miscellaneous Income				258,499		258,499
Total General Revenue				16,847,830	173	16,848,003
Change in Net Position				1,206,454	38,755	1,245,209
Net Position - Beginning				6,699,644	580,301	7,279,945
Net Position - Ending				\$ 7,906,098	\$ 619,056	\$ 8,525,154

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

Exhibit B-1

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 387,306		\$ 2	\$ 387,308
Receivables From State Government	568,736			568,736
Receivables From Federal Government		\$ 96,308		96,308
Receivables From Other Governments	1,130,876			1,130,876
Interfund Receivable	112,126			112,126
Restricted Cash and Cash Equivalents	2,948,856			2,948,856
<b>Total Assets</b>	<u>\$ 5,147,900</u>	<u>\$ 96,308</u>	<u>\$ 2</u>	<u>\$ 5,244,210</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 988,728			\$ 988,728
Interfund Payable	9,890	\$ 93,149		103,039
Unearned Revenue		3,159		3,159
<b>Total Liabilities</b>	<u>998,618</u>	<u>96,308</u>		<u>1,094,926</u>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Capital Reserve Account	2,141,094			2,141,094
Maintenance Reserve Account	807,762			807,762
Excess Surplus - For Subsequent Year's Expenditures	400,191			400,191
Debt Service Fund			\$ 2	2
<b>Assigned to:</b>				
Year-end Encumbrances	550,032			550,032
Unassigned	250,203			250,203
<b>Total Fund Balances</b>	<u>4,149,282</u>		<u>2</u>	<u>4,149,284</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 5,147,900</u>	<u>\$ 96,308</u>	<u>\$ 2</u>	

Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are Different Because:

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$19,111,959 and the accumulated depreciation is \$12,705,836.	6,406,123
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.	(2,637,128)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as expenditure when due.	(12,181)
<b>Net Position of Governmental Activities</b>	<u>\$ 7,906,098</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUE:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 16,055,482			\$ 195,391	\$ 16,250,873
Tuition	244,795				244,795
Interest Earned on Capital Reserve Funds	1,487				1,487
Unrestricted Miscellaneous	258,499	\$ 7			258,506
<b>Total - Local Sources</b>	<b>16,560,263</b>	<b>7</b>		<b>195,391</b>	<b>16,755,661</b>
State Sources	8,797,223		\$ 336,971		9,134,194
Federal Sources	613	388,751			389,364
<b>Total Revenue</b>	<b>25,358,099</b>	<b>388,758</b>	<b>336,971</b>	<b>195,391</b>	<b>26,279,219</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
Regular Instruction	7,049,381	261,724			7,311,105
Special Education Instruction	1,597,565				1,597,565
Other Special Instruction	818,387				818,387
Other Instruction	187,956				187,956
<b>Support Services and Undistributed Costs:</b>					
Tuition	936,788	6,500			943,288
Student & Instruction Related Services	2,272,136	99,539			2,371,675
General Administrative Services	505,865				505,865
School Administrative Services	813,807				813,807

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd):					
Support Services and Undistributed Costs (Cont'd):					
Central Services	\$ 311,186				\$ 311,186
Administrative Information Technology	34,705				34,705
Plant Operations and Maintenance	2,003,759				2,003,759
Pupil Transportation	1,661,839				1,661,839
Benefits - Allocated and Unallocated	6,066,534				6,066,534
Debt Service:					
Principal				\$ 165,000	165,000
Interest and Other Charges				30,391	30,391
Capital Outlay	2,448,696	\$ 20,995			2,469,691
Total Expenditures	<u>26,708,604</u>	<u>388,758</u>		<u>195,391</u>	<u>27,292,753</u>
Excess/(Deficiency) of Revenue over/(under) Expenditures	<u>(1,350,505)</u>		<u>\$ 336,971</u>		<u>(1,013,534)</u>
OTHER FINANCING SOURCES/(USES):					
Capital Leases (Non-budgeted)	1,327,620				1,327,620
Transfers In	59,819				59,819
Transfers Out			(59,819)		(59,819)
Total Other Financing Sources/(Uses)	<u>1,387,439</u>		<u>(59,819)</u>		<u>1,327,620</u>
Net Change in Fund Balances	36,934		277,152		314,086
Fund Balance—July 1 / (Deficit)	<u>4,112,348</u>		<u>(277,152)</u>	<u>2</u>	<u>3,835,198</u>
Fund Balance—June 30	<u>\$ 4,149,282</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 2</u>	<u>\$ 4,149,284</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ 314,086
<p>Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:</p>		
<p>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 differs from depreciation and adjustments to fixed assets report in the period.</p>		
	Depreciation expense	\$ (534,381)
	Capital outlays	<u>2,469,691</u>
		1,935,310
Repayment of serial bonds is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.		165,000
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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		116,180
In the Statement of Activities, interest on long-term debt in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due.		3,498
Lease obligations are other financing sources in the Governmental Funds, but the obligations increase Long-term Liabilities in the Statement of Net Position and are not reported in the Statement of Activities.		<u>(1,327,620)</u>
Change in Net Position of Governmental Activities		<u>\$ 1,206,454</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-4

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 437,356
Accounts Receivable:	
State	443
Federal	8,281
Other	150,857
Interfund Receivable	9,890
Inventories	<u>10,140</u>
Total Current Assets	<u>616,967</u>
Non-Current Assets:	
Capital Assets	21,034
Less: Accumulated Depreciation	<u>(11,435)</u>
Total Non-Current Assets	<u>9,599</u>
Total Assets	<u>626,566</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	5,386
Unearned Revenue	<u>2,124</u>
Total Current Liabilities	<u>7,510</u>
<u>NET POSITION:</u>	
Net Investment in Capital Assets	9,599
Unrestricted	<u>609,457</u>
Total Net Position	<u>\$ 619,056</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-5

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 91,730
Daily Sales - Non-Reimbursable Programs	211,676
Program Fees	744,961
Total Operating Revenue	<u>1,048,367</u>
Operating Expenses:	
Cost of Sales	203,004
Salaries & Payroll Taxes	141,899
Employee Benefits	10,704
Management Fee	15,836
Professional and Technical Services	1,470
Other Purchased Services	689,430
Depreciation Expense	329
Other Miscellaneous Expenses	7,649
Total Operating Expenses	<u>1,070,321</u>
Operating (Loss)	(21,954)
Non-Operating Revenue:	
Local Sources:	
Interest on Investments	173
State Sources:	
State School Lunch Program	2,291
Federal Sources:	
National School Lunch Program	43,490
Food Distribution Program	14,755
Total Non-Operating Revenue	<u>60,709</u>
Change in Net Position	38,755
Net Position - Beginning of Year	<u>580,301</u>
Net Position - End of Year	<u>\$ 619,056</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-6

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Governmental Activities - Internal Service Fund</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 1,045,269
Payments to Employees	(141,899)
Payments for Benefits	(10,704)
Payments to Food Service Vendor	(15,836)
Payments to Suppliers	(898,907)
Net Cash Provided by/(Used for) Operating Activities	<u>(22,077)</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received from Federal and State Sources	<u>44,039</u>
Net Cash Provided by Noncapital Financing Activities	<u>44,039</u>
Cash Flows from Investing Activities:	
Investment Income	<u>173</u>
Net Cash Flows Provided by Investing Activities	<u>173</u>
Net Increase in Cash and Cash Equivalents	22,135
Cash and Cash Equivalents, July 1	<u>415,221</u>
Cash and Cash Equivalents, June 30	<u>\$ 437,356</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating (Loss)	\$ (21,954)
Adjustment to Reconcile Operating (Loss) to Cash used for Operating Activities:	
Federal Food Distribution Program	14,755
Depreciation	329
Changes in Assets and Liabilities:	
(Increase)/Decrease in Interfund Accounts Receivable	(3,098)
(Increase)/Decrease in Inventory	3,894
(Increase)/Decrease in Interfund Receivable	(9,890)
Increase/(Decrease) in Accounts Payable	(8,237)
Increase/(Decrease) in Unearned Revenue	2,124
Net Cash Used for Operating Activities	<u>\$ (22,077)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. donated commodities through the Food Distribution Program valued at \$14,803 and utilized commodities valued at \$14,755.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-7

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2013

	<u>Agency</u>	<u>Private Purpose Scholarship Trust</u>	<u>Unemployment Compensation Trust</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 244,869	\$ 45,913	\$ 34,831
Total Assets	<u>244,869</u>	<u>45,913</u>	<u>34,831</u>
<u>LIABILITIES:</u>			
Net Salaries and Wages	4,683		
Payroll Deductions and Withholdings	9,541		
Interfund Payable - General Fund	18,977		
Due to Student Groups	<u>211,668</u>		
Total Liabilities	<u>211,668</u>		
<u>NET POSITION:</u>			
Held in Trust for Unemployment Claims			34,831
Restricted For Scholarships		<u>45,913</u>	
Total Net Position	<u>\$ -0-</u>	<u>\$ 45,913</u>	<u>\$ 34,831</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-8

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Unemployment Compensation Trust	Scholarship Trust	Totals
ADDITIONS:			
Contributions:			
Donations	\$ 65,228	\$ 12,565	\$ 12,565
Total Contributions	65,228	12,565	12,565
Investment Earnings:			
Interest	76	49	125
Net Investment Earnings	76	49	125
Total Additions	65,304	12,614	12,690
DEDUCTIONS:			
Unemployment Compensation Claims	65,228		
Scholarships Awarded		10,175	10,175
Total Deductions	65,228	10,175	10,175
Change in Net Position	76	2,439	2,515
Net Position - Beginning of the Year	34,755	43,474	78,229
Net Position - End of the Year	\$ 34,831	\$ 45,913	\$ 80,744

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include a senior high school located in Wantage Township. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenue identifies the extent to which each government function or business segment is self-financing or draws from the general revenue of the District.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

The District reports the following proprietary fund:

Enterprise Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's cafeteria program, school store, adult school and transportation program. The enterprise funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

The District's Enterprise Fund is comprised of the Food Service Fund, Adult School, Transportation Services and School Store operations.

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 budget for the fiscal year ended June 30, 2013 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Budget amendments/transfers are made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 25,333,873	\$ 355,116
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures, and Revenue while the GAAP Basis does not.		33,642
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	641,514	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(617,288)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 25,358,099</u>	<u>\$ 388,758</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 26,708,604	\$ 355,116
Differences - 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.		33,642
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 26,708,604	\$ 388,758

E. Cash and Cash Equivalents and Investments:

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

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 public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

F. Interfund Transactions:

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

G. Allowance for Uncollectible Amounts:

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

H. 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 restricted, committed, and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as unearned revenue 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.

I. Short-Term Interfund Receivable/Payable:

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.

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories 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, 2013.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets: (Cont'd)

	<u>Estimated Useful Life</u>
Buildings	50 years
Land and Site Improvements	20 years
Furniture and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

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

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond issuance costs, as well as applicable bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, governmental fund types recognize bond discounts, as well as bond issuance costs, as expenditures in 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 expenditures.

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2013.

N. 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. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service.

In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

O. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Fund Balance Appropriated:

General Fund: Of the \$4,149,282 General Fund fund balance at June 30, 2013, \$550,032 is assigned for year-end encumbrances; \$2,141,094 is restricted for the capital reserve account; \$807,762 is restricted for the maintenance reserve account; \$400,191 is the prior year excess surplus and has been restricted for and included as anticipated revenue for the year ending June 30, 2014; \$250,203 is unassigned which is \$617,288 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2014.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2013 of \$2 is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701) the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict 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 year's budget. The District has excess surplus at June 30, 2013 as noted above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$617,288 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 two 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 two state aid payments in the subsequent fiscal year, the school district cannot recognize these last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Deficit Net Position/Fund Balance

The District did not have any deficit fund balance or net position at June 30, 2013.

R. Net Position:

The District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, during the current fiscal year. This statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District did not have any deferred inflows or outflows of resources at June 30, 2013.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

R. Net Position: (Cont'd)

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

S. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned. Fund balance restrictions have been established for excess surplus, a capital reserve, a maintenance reserve and the Debt Service Fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2013.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances, in the General Fund at June 30, 2013.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Revenue - Exchange and Non-exchange Transactions:

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the respective Enterprise Fund. For the School District, these revenues are sales for food service and program fees for other Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the respective Enterprise Fund.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in statute; and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2013, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Capital and Maintenance Reserve Accounts</u>	<u>Total</u>
Checking and Savings Accounts	\$ 1,150,277	\$ 2,948,856	\$ 4,099,133
	<u>\$ 1,150,277</u>	<u>\$ 2,948,856</u>	<u>\$ 4,099,133</u>

During the period ended June 30, 2013, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2013, was \$4,099,133 and the bank balance was \$5,763,848.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution on October 9, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$ 1,379,788
Add:	
Increase per Board Resolution June 11, 2013	700,000
Unexpended Project Balance from Capital Projects Fu	59,819
Interest Earnings	<u>1,487</u>
Ending Balance, June 30, 2013	<u><u>\$2,141,094</u></u>

The June 30, 2013 LRFP balance of local support costs of uncompleted capital projects at June 30, 2013 is equal to or greater than \$2,141,094.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by Board resolution for the accumulation of funds for use as maintenance expenditures for subsequent fiscal years. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to *N.J.A.C. 6A:26A-4.2* funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn for the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$ 340,000
Add:	
Increase per Board Resolution June 11, 2013	<u>467,762</u>
Ending Balance, June 30, 2013	<u><u>\$ 807,762</u></u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2013 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 50,000			\$ 50,000
Total Capital Assets Not Being Depreciated	<u>50,000</u>			<u>50,000</u>
Capital Assets Being Depreciated:				
Land Improvements	536,917			536,917
Buildings, Building Improvements and Site Improvements	11,620,388	\$ 1,731,420		13,351,808
Machinery and Equipment	4,434,963	738,271		5,173,234
Total Capital Assets Being Depreciated	<u>16,592,268</u>	<u>2,469,691</u>		<u>19,061,959</u>
Governmental Activities Capital Assets	<u>16,642,268</u>	<u>2,469,691</u>		<u>19,111,959</u>
Less Accumulated Depreciation for:				
Land Improvements	(468,288)	(20,364)		(488,652)
Buildings, Building Improvements and Site Improvements	(7,987,134)	(298,951)		(8,286,085)
Machinery and Equipment	(3,716,033)	(215,066)		(3,931,099)
	<u>(12,171,455)</u>	<u>(534,381)</u>		<u>(12,705,836)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 4,470,813</u>	<u>\$ 1,935,310</u>	<u>\$ -0-</u>	<u>\$ 6,406,123</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	21,034			21,034
Less Accumulated Depreciation	(11,106)	(329)		(11,435)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 9,928</u>	<u>\$ (329)</u>	<u>\$ -0-</u>	<u>\$ 9,599</u>

The District had did not have any uncompleted construction projects as of June 30, 2013.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 228,715
Special Education Instruction	29,925
Student Instruction and Related Services	100,998
General Administrative Services	12,825
School Administrative Services	16,566
Plant Operation and Maintenance	56,110
Pupil Transportation	89,242
	<u>\$ 534,381</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 7. TRANSFER TO CAPITAL OUTLAY

During the year ended June 30, 2013, the District made transfers to capital outlay accounts in the amount of \$452,208 for equipment which did not require county superintendent approval. There was a transfer of \$158,700 for facilities acquisition and construction services, which received county superintendent approval.

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2013, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2012</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2013</u>	<u>Due Within</u> <u>One Year</u>
Bond Payable	\$ 705,000		\$ 165,000	\$ 540,000	\$ 170,000
Capital Leases Payable		\$1,327,620		1,327,620	65,053
Compensated Absences Payable	885,688	17,613	133,793	769,508	21,490
	<u>\$ 1,590,688</u>	<u>\$1,345,233</u>	<u>\$ 298,793</u>	<u>\$ 2,637,128</u>	<u>\$ 256,543</u>

A. Bonds Payable:

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

The District had bonds and loans outstanding as of June 30, 2013 as follows:

<u>Maturity</u> <u>Date</u>	<u>Serial Bonds</u> <u>Interest</u> <u>Rate</u>	<u>Amount</u>
7/15/2015	4.625%-4.750%	<u>\$ 540,000</u>

Principal and interest due on serial bonds and loans outstanding are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2014	\$ 170,000	\$ 22,538	\$ 192,538
2015	180,000	14,000	194,000
2016	190,000	4,750	194,750
	<u>\$ 540,000</u>	<u>\$ 41,288</u>	<u>\$ 581,288</u>

B. Capital Leases Payable:

The District is leasing energy savings improvement program totaling \$1,327,620 under capital leases. The capital lease is for a term of fourteen years. The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at June 30, 2013.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

B. Capital Leases Payable: (Cont'd)

Year	Amount
2014	\$ 108,715
2015	108,715
2016	108,715
2017	108,715
2018	108,715
2019-2023	543,575
2024-2028	489,218
	1,576,368
Less: Amount representing interest	(248,748)
Present value of net minimum lease payments	\$ 1,327,620

The General Fund will be used to liquidate the capital leases.

C. Bonds and Notes Authorized but not Issued

The District had no bonds and notes authorized but not issued at June 30, 2013.

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$21,490 and is separated from the long-term liability balance of compensated absences of \$748,018. Compensated absences will be liquidated through the General Fund.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2013, no liability existed for compensated absences in the Enterprise Funds.

NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP). PERS and TPAF are sponsored and administered by the State of New Jersey. The TPAF 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 Board and the system's other non-contribution employers. The PERS is also considered a cost-sharing, multiple-employer plan. Prudential Financial jointly administers the DCRP investments with the NJ Division of Pension and Benefits. As a general rule, all full-time employees are eligible to join the TPAF and PERS. However, if an employee is ineligible to enroll in the TPAF or PERS, the employee may be eligible to enroll in the DCRP.

Employees who are members of TPAF or PERS and retire at a specified age or after 55 according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of credible service. Vesting occurs after 8 to 10 years of service. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. For PERS and TPAF, the contribution rate was 6.5% of base salary from October 1, 2011 thru June 30, 2012 and increased to 6.64% effective July 1, 2012. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions of 5.5% of employees' annual compensation for DCRP are matched by a 3% employer contribution.

District contributions to PERS amounted to \$225,471, \$255,526 and \$253,898 for the fiscal years ended June 30, 2013, 2012 and 2011 respectively.

During the fiscal years ended June 30, 2013, 2012 and 2011 the State of New Jersey contributed \$665,346, \$332,891 and \$0-, respectively, to the TPAF for pension benefits on-behalf of the District.

Employer contributions to DCRP for the fiscal year ended June 30, 2013 were \$2,505.

NOTE 10. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers Pensions and Annuity Fund (T.P.A.F.) and the Public Employees' Retirement System (P.E.R.S.), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 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 pre-funding basis to a pay-as-you go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributed 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 \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2012.

The State's on behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$752,337, \$669,196, and \$698,808 for 2013, 2012, and 2011, respectively.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 11. 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. Health benefits are provided by Amerihealth.

Property and Liability

The High Point Regional High School District is a member of the School Alliance Insurance Fund (the "Fund"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Fund is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected.

As a member of this Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body. In accordance with Statement No. 10 of the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution is declared.

The June 30, 2013 audit report for the Fund is not available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2012 is as follows:

	<u>School Alliance</u> <u>Insurance Fund</u> <u>2012</u>
Total Assets	\$ 36,551,011
Net Position	\$ 12,224,220
Total Revenue	\$ 28,022,109
Total Expenses	\$ 28,300,068
Change in Net Position	\$ (277,959)
Member Dividends	\$ -0-

Financial statements for the Fund are available at the Fund's Executive Director's Office:

Public Entity Group Administrative Services  
51 Everett Drive  
Suite B-40  
West Windsor, NJ 08550

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the District is required to remit the entire amount of employee deductions to the Commissioner of Labor. The following is a summary of interest earned and reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous year.

<u>Fiscal Year</u>	<u>District Contribution</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012-2013	\$ 40,586	\$ 76	\$ 24,642	\$ 65,228	\$ 34,831
2011-2012	56,917		27,466	84,383	34,755
2010-2011	38,681		27,616	66,297	34,428

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the fund financial statements at June 30, 2013:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 112,126	\$ 9,890
Special Revenue Fund		93,149
Enterprise Fund - Food Service	9,890	
Payroll Agency Fund		18,977
	<u>\$ 122,016</u>	<u>\$ 122,016</u>

At the end of the year there was \$9,890 due from the General Fund to the Enterprise Fund for Federal and State Lunch reimbursements. The interfund payable in the Special Revenue Fund due to the General Fund is the amount of the cash deficit in the Special Revenue Fund due to a timing lag in the reimbursement of federal grant funds from the state. The interfund due from Payroll Agency to the General Fund is employee healthcare contributions due back to General Fund.

NOTE 13. ACCOUNTS PAYABLE

Payables as of June 30, 2013, were:

	<u>General Fund</u>	<u>Total Governmental Type-Activities</u>	<u>Transportation Fund</u>	<u>Total Enterprise Fund</u>
Vendors	\$ 988,728	\$ 988,728	\$ 5,386	\$ 5,386
	<u>\$ 988,728</u>	<u>\$ 988,728</u>	<u>\$ 5,386</u>	<u>\$ 5,386</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 14. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 15. DEFERRED COMPENSATION

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

VALIC	Lincoln National
Equitable Financial Companies	Siracusa Benefits
Metropolitan Life	

NOTE 16. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the regional school district on predetermined, agreed-upon schedules.

NOTE 17. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 17. CONTINGENT LIABILITIES (Cont'd)

Encumbrances

At June 30, 2013, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Total Governmental Type-Activities
\$ 550,032	\$ 7,605	\$ 557,637
\$ 550,032	\$ 7,605	\$ 557,637

On the District's Governmental Fund Balance Sheet as of July 30, 2013, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$7,605 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

BUDGETARY COMPARISON SCHEDULES

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 16,055,482		\$ 16,055,482	\$ 16,055,482	
Tuition	100,000		100,000	244,795	\$ 144,795
Interest Earned on Capital Reserve Funds	2,500		2,500	1,487	(1,013)
Unrestricted Miscellaneous	100,000		100,000	258,499	158,499
<b>Total - Local Sources</b>	<b>16,257,982</b>		<b>16,257,982</b>	<b>16,560,263</b>	<b>302,281</b>
State Sources:					
Transportation Aid	753,337		753,337	753,337	
Special Education Aid	600,562		600,562	600,562	
Equalization Aid	4,111,755		4,111,755	4,111,755	
Security Aid	83,358		83,358	83,358	
Adjustment Aid	623,958		623,958	623,958	
Extraordinary Aid	100,000		100,000	485,255	385,255
Non-public Transportation Aid				16,580	16,580
On-Behalf TPAF Pension Payments (Non-Budgeted)				665,346	665,346
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				752,337	752,337
TPAF Social Security (Reimbursed - Non-Budgeted)				680,509	680,509
<b>Total State Sources</b>	<b>6,272,970</b>		<b>6,272,970</b>	<b>8,772,997</b>	<b>2,500,027</b>
Federal Sources:					
Education Jobs Grant		\$ 613	613	613	
<b>Total Federal Sources</b>		<b>613</b>	<b>613</b>	<b>613</b>	
<b>TOTAL REVENUES</b>	<b>22,530,952</b>	<b>613</b>	<b>22,531,565</b>	<b>25,333,873</b>	<b>2,802,308</b>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 6,381,409	\$ (85,726)	\$ 6,295,683	\$ 6,273,992	\$ 21,691
Regular Programs - Home Instruction:					
Salaries of Teachers	85,000	(27,655)	57,345	44,817	12,528
Purchased Professional/Educational Services	26,500	(13,690)	12,810	11,955	855
Regular Programs - Undistributed Instruction:					
Purchased Professional/Educational Services	3,500	(3,000)	500		500
Other Purchased Services (400-500 series)	84,750	(21,374)	63,376	62,072	1,304
General Supplies	301,183	371,259	672,442	635,469	36,973
Textbooks	14,528	9,639	24,167	21,076	3,091
<b>Total Regular Programs - Instruction</b>	<b>6,896,870</b>	<b>229,453</b>	<b>7,126,323</b>	<b>7,049,381</b>	<b>76,942</b>
Special Education - Instruction:					
Cognitive - Mild:					
Salaries of Teachers	80,305	(4,499)	75,806	74,560	1,246
Other Salaries for Instruction	78,994	(57,641)	21,353	21,065	288
General Supplies	3,023		3,023	2,823	200
<b>Total Cognitive- Mild</b>	<b>162,322</b>	<b>(62,140)</b>	<b>100,182</b>	<b>98,448</b>	<b>1,734</b>
Learning and/or Language Disabilities:					
Salaries of Teachers	122,429	(43,931)	78,498	78,498	
Other Salaries for Instruction	25,768	(25,000)	768	49	719
General Supplies	3,000		3,000	250	2,750
Textbooks	1,000		1,000		1,000
<b>Total Learning and/or Language Disabilities</b>	<b>152,197</b>	<b>(68,931)</b>	<b>83,266</b>	<b>78,797</b>	<b>4,469</b>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Multiple Disabilities:					
Salaries of Teachers	\$ 112,614	\$ (12,871)	\$ 99,743	\$ 93,371	\$ 6,372
Other Salaries for Instruction	302,202	(80,877)	221,325	199,921	21,404
General Supplies	5,250	1,297	6,547	6,503	44
Total Multiple Disabilities	<u>420,066</u>	<u>(92,451)</u>	<u>327,615</u>	<u>299,795</u>	<u>27,820</u>
Resource Room/Resource Center:					
Salaries of Teachers	738,235	165,476	903,711	869,945	33,766
Other Purchased Services (400-500 Series)	218,468	36,000	254,468	233,736	20,732
General Supplies	24,895	68	24,963	16,844	8,119
Total Resource Room/Resource Center	<u>981,598</u>	<u>201,544</u>	<u>1,183,142</u>	<u>1,120,525</u>	<u>62,617</u>
Total Special Education Instruction	<u>1,716,183</u>	<u>(21,978)</u>	<u>1,694,205</u>	<u>1,597,565</u>	<u>96,640</u>
School-Sponsored Co curricular Activities - Instruction:					
Salaries	191,486		191,486	187,116	4,370
Supplies and Materials	86,078		86,078	53,033	33,045
Total School-Sponsored Co curricular Activities - Instruction	<u>277,564</u>		<u>277,564</u>	<u>240,149</u>	<u>37,415</u>
School-Sponsored Co curricular Athletics - Instruction:					
Salaries	525,868	(75,932)	449,936	446,029	3,907
Supplies and Materials	128,187	5,010	133,197	132,209	988
Total School-Sponsored Co curricular Athletics - Instruction	<u>654,055</u>	<u>(70,922)</u>	<u>583,133</u>	<u>578,238</u>	<u>4,895</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Instructional Alternative Educational Program- Instruction:					
Salaries	\$ 165,654	\$ 2,346	\$ 168,000	\$ 164,661	\$ 3,339
Other Purchased Services	12,689	5,911	18,600	18,249	351
Purchased Professional & Technical Services	750		750		750
Supplies and Materials	7,603		7,603	5,046	2,557
Textbooks	500		500		500
<b>Total Instructional Alternative Educational Program-Instruction</b>	<u>187,196</u>	<u>8,257</u>	<u>195,453</u>	<u>187,956</u>	<u>7,497</u>
<b>Total Instruction</b>	<u>9,731,868</u>	<u>144,810</u>	<u>9,876,678</u>	<u>9,653,289</u>	<u>223,389</u>
<b>Undistributed Expenditures:</b>					
Instruction:					
Tuition to Other LEA's Within the State - Special	220,175	(122,543)	97,632	80,978	16,654
Tuition to County Vocational School District - Regular	204,050	46,375	250,425	247,861	2,564
Tuition to Private Schools for the Disabled Within State	615,522	10,074	625,596	607,949	17,647
<b>Total Undistributed Expenditures - Instruction</b>	<u>1,039,747</u>	<u>(66,094)</u>	<u>973,653</u>	<u>936,788</u>	<u>36,865</u>
<b>Health Services:</b>					
Salaries	156,755	(6,715)	150,040	148,302	1,738
Purchased Professional/Technical Services	10,950	6,277	17,227	16,609	618
Supplies and Materials	5,000	10,100	15,100	15,001	99
<b>Total Health Services</b>	<u>172,705</u>	<u>9,662</u>	<u>182,367</u>	<u>179,912</u>	<u>2,455</u>
<b>Speech, OT, PT and Related Services:</b>					
Salaries	110,407	(95,500)	14,907	14,875	32
Purchased Professional/Educational Services	77,500	89,428	166,928	136,890	30,038
Supplies and Materials	2,200		2,200	1,861	339
<b>Total Speech, OT, PT and Related Services</b>	<u>190,107</u>	<u>(6,072)</u>	<u>184,035</u>	<u>153,626</u>	<u>30,409</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Other Support Services - Students - Extra Services:					
Salaries		\$ 173,827	\$ 173,827	\$ 167,381	\$ 6,446
Total Other Support Services - Students - Extra Services		173,827	173,827	167,381	6,446
Guidance:					
Salaries of Other Professional Staff	\$ 595,152	(139,267)	455,885	455,885	
Salaries of Secretaries and Clerical Assistants	89,706	705	90,411	90,411	
Supplies and Materials	16,959	(476)	16,483	11,470	5,013
Other Objects		102	102	102	
Total Guidance	701,817	(138,936)	562,881	557,868	5,013
Child Study Teams:					
Salaries of Other Professional Staff	277,037	5,732	282,769	282,769	
Salaries of Secretarial and Clerical Assistants	46,305	(4,166)	42,139	40,603	1,536
Purchased Professional/Educational Services	7,500	6,184	13,684	12,134	1,550
Supplies and Materials	4,925		4,925	3,745	1,180
Other Objects		100	100	80	20
Total Child Study Teams	335,767	7,850	343,617	339,331	4,286
Improvement of Instructional Services:					
Salary of Supervisor of Instruction	132,800	230,747	363,547	350,760	12,787
Supplies and Materials	1,060	1,525	2,585	2,278	307
Other Objects	4,900	1,500	6,400	5,700	700
Total Improvement of Instructional Services	138,760	233,772	372,532	358,738	13,794

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Educational Media Services/School Library:					
Salaries	\$ 281,070	\$ 10,640	\$ 291,710	\$ 287,663	\$ 4,047
Other Purchased Services (400-500 series)	125,993	76,158	202,151	138,073	64,078
Supplies and Materials	10,000		10,000	8,395	1,605
<b>Total Educational Media Services/School Library</b>	<b>417,063</b>	<b>86,798</b>	<b>503,861</b>	<b>434,131</b>	<b>69,730</b>
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	109,212	(109,212)			
Salaries of Secretarial and Clerical Assistants	52,382	(52,382)			
Purchased Professional/Educational Services	2,500		2,500		2,500
Other Purchased Services	36,502		36,502	30,432	6,070
Supplies and Materials	51,317		51,317	50,717	600
<b>Total Instructional Staff Training Services</b>	<b>251,913</b>	<b>(161,594)</b>	<b>90,319</b>	<b>81,149</b>	<b>9,170</b>
Support Services - General Administration:					
Salaries	265,969	(15,186)	250,783	250,611	172
Legal Services	40,000	50,011	90,011	90,011	
Audit Fees	26,000	(1,650)	24,350	24,350	
Architectural/Engineering Services	24,590	(2,994)	21,596	21,596	
Other Purchased Professional Services	10,380	1,215	11,595	11,595	
Communications/Telephones	80,116	(13,887)	66,229	61,821	4,408
Board of Education Other Purchased Services	8,050	(3,020)	5,030	4,956	74
Other Purchased Services (400-500 series)	16,100	(8,158)	7,942	6,873	1,069
General Supplies	6,999	100	7,099	6,629	470
BOE In-House Training/Meeting Supplies	3,900		3,900	2,587	1,313
Miscellaneous Expenditures	10,275	2,657	12,932	12,582	350
BOE Membership Dues and Fees	12,850		12,850	12,254	596
<b>Total Support Services - General Administration</b>	<b>505,229</b>	<b>9,088</b>	<b>514,317</b>	<b>505,865</b>	<b>8,452</b>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 324,563	\$ (15,382)	\$ 309,181	\$ 309,181	
Salaries of Other Professional Staff	209,893	120,121	330,014	330,014	
Salaries of Secretarial and Clerical Assistants	160,101	(11,246)	148,855	148,855	
Other Purchased Services (400-500 Services)	10,000	(838)	9,162	4,000	\$ 5,162
Supplies and Materials	17,475	(3,479)	13,996	13,801	195
Other Objects	4,558	3,398	7,956	7,956	
<b>Total Support Services - School Administration</b>	<b>726,590</b>	<b>92,574</b>	<b>819,164</b>	<b>813,807</b>	<b>5,357</b>
Central Services:					
Salaries	256,629	9,995	266,624	266,624	
Purchased Professional Services	36,660		36,660	29,048	7,612
Purchased Technical Services	6,000		6,000	5,962	38
Other Purchased Services (400-500 Services)	2,000		2,000	1,240	760
Supplies and Materials	8,986		8,986	6,236	2,750
Miscellaneous Expenditures	3,100		3,100	2,076	1,024
<b>Total Central Services</b>	<b>313,375</b>	<b>9,995</b>	<b>323,370</b>	<b>311,186</b>	<b>12,184</b>
Administrative Information Technology:					
Purchased Technical Services	10,800		10,800	8,663	2,137
Other Purchased Services (400-500 Services)	4,500	21,061	25,561	3,220	22,341
Supplies and Materials	22,776	1,000	23,776	22,822	954
<b>Total Administrative Information Technology</b>	<b>38,076</b>	<b>22,061</b>	<b>60,137</b>	<b>34,705</b>	<b>25,432</b>
Required Maintenance of School Facilities:					
Salaries	133,372	76,515	209,887	204,045	5,842
Cleaning, Repair and Maintenance Services	255,658	(4,843)	250,815	145,448	105,367
General Supplies	77,497	14,893	92,390	80,170	12,220
<b>Total Required Maintenance of School Facilities</b>	<b>466,527</b>	<b>86,565</b>	<b>553,092</b>	<b>429,663</b>	<b>123,429</b>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Custodial Services:					
Salaries	\$ 613,004	\$ (145,769)	\$ 467,235	\$ 453,999	\$ 13,236
Purchased Professional/Technical Services	25,950	(14,862)	11,088	8,408	2,680
Cleaning, Repair and Maintenance Services	147,396		147,396	91,368	56,028
Other Purchased Property Services (400-500 series)	74,550	(20,181)	54,369	50,997	3,372
Insurance	116,600	12,823	129,423	122,924	6,499
General Supplies	202,925	(12,823)	190,102	128,466	61,636
Energy (Electricity)	350,000	(97,129)	252,871	209,225	43,646
Energy (Natural Gas)	4,000		4,000	1,577	2,423
Energy (Oil)	240,000	10,129	250,129	250,128	1
Other Objects	13,000	(10,050)	2,950	2,150	800
<b>Total Custodial Services</b>	<u>1,787,425</u>	<u>(277,862)</u>	<u>1,509,563</u>	<u>1,319,242</u>	<u>190,321</u>
Care & Upkeep of Grounds:					
Salaries	89,342	32,652	121,994	114,494	7,500
Purchased Professional Services		10,865	10,865	5,555	5,310
General Supplies	69,100	(16,653)	52,447	52,310	137
<b>Total Care &amp; Upkeep of Grounds</b>	<u>158,442</u>	<u>26,864</u>	<u>185,306</u>	<u>172,359</u>	<u>12,947</u>
Security:					
Salaries	73,080		73,080	64,699	8,381
Purchased Professional and Technical Services	6,000		6,000	5,959	41
General Supplies	8,700	4,353	13,053	11,837	1,216
<b>Total Security</b>	<u>87,780</u>	<u>4,353</u>	<u>92,133</u>	<u>82,495</u>	<u>9,638</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Student Transportation Services					
Salaries of Non-Instructional Aides	\$ 250,760	\$ 25,000	\$ 275,760	\$ 268,671	\$ 7,089
Cleaning, Repair & Maintenance Services	50,000	12,759	62,759	62,759	
Rental Payments - School Buses	2,500		2,500	1,100	1,400
Contracted Services (Between Home & School)- Vendors	800,000	(185,359)	614,641	606,734	7,907
Contracted Services (Other than Between Home & School)- Vendors	165,542	(2)	165,540	137,045	28,495
Contracted Services (Between Home & School)- Joint Agreements	160,000	331	160,331	160,331	
Contracted Services (Special Education Students)- Joint Agreements	350,000	(15,000)	335,000	312,509	22,491
Contracted Services- Aid in Lieu Payments- Non-Public Schools	15,000		15,000	14,144	856
Miscellaneous Purchased Services	4,000		4,000	1,299	2,701
General Supplies	65,103	22,964	88,067	88,067	
Other Objects	9,500		9,500	9,180	320
<b>Total Transportation Services</b>	<u>1,872,405</u>	<u>(139,307)</u>	<u>1,733,098</u>	<u>1,661,839</u>	<u>71,259</u>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	325,741		325,741	300,078	25,663
T.P.A.F. Contributions- ERIP	15,659		15,659	10,659	5,000
Other Retirement Contributions- PERS	260,000	(6,925)	253,075	225,471	27,604
Unemployment Compensation	50,000		50,000	30,818	19,182
Workmen's Compensation	149,200		149,200	144,678	4,522
Health Benefits	3,629,598	(373,968)	3,255,630	3,085,747	169,883
Tuition Reimbursement	101,220		101,220	82,994	18,226
Other Employee Benefits	86,050	6,925	92,975	87,897	5,078
<b>Total Unallocated Benefits - Employee Benefits</b>	<u>4,617,468</u>	<u>(373,968)</u>	<u>4,243,500</u>	<u>3,968,342</u>	<u>275,158</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
On-Behalf Contributions:					
On-Behalf TPAF Pension Payments (Non-Budgeted)				\$ 665,346	\$ (665,346)
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				752,337	(752,337)
TPAF Social Security (Reimbursed - Non-Budgeted)				680,509	(680,509)
Total On-Behalf Contributions				<u>2,098,192</u>	<u>(2,098,192)</u>
 Total Personal Services - Employee Benefits	 <u>\$ 4,617,468</u>	 <u>\$ (373,968)</u>	 <u>\$ 4,243,500</u>	 <u>6,066,534</u>	 <u>(1,823,034)</u>
 Total Undistributed Expenses	 <u>13,821,196</u>	 <u>(400,424)</u>	 <u>13,420,772</u>	 <u>14,606,619</u>	 <u>(1,185,847)</u>
<b>TOTAL CURRENT EXPENSE</b>	<u>23,553,064</u>	<u>(255,614)</u>	<u>23,297,450</u>	<u>24,259,908</u>	<u>(962,458)</u>
<b>CAPITAL OUTLAY</b>					
Equipment:					
Grades 9-12	71,746	327,373	399,119	177,469	221,650
Undistributed Expenditures - Custodial	300,960	127,557	428,517	381,057	47,460
Undistributed Expenditures - Security		11,650	11,650		11,650
School Buses - Regular	175,925	(14,372)	161,553	158,750	2,803
Total Equipment	<u>548,631</u>	<u>452,208</u>	<u>1,000,839</u>	<u>717,276</u>	<u>283,563</u>
Facilities Acquisition and Construction Services:					
Other Purchased Professional and Technical Services		40,200	40,200	35,400	4,800
Construction Services	260,000	118,500	378,500	368,400	10,100
Total Facilities Acquisition and Construction Services	<u>260,000</u>	<u>158,700</u>	<u>418,700</u>	<u>403,800</u>	<u>14,900</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CAPITAL OUTLAY					
Assets Acquired Under Capital Leases (Non-budgeted):				\$ 1,327,620	\$ (1,327,620)
TOTAL CAPITAL OUTLAY	\$ 808,631	\$ 610,908	\$ 1,419,539	2,448,696	(1,029,157)
TOTAL EXPENDITURES	24,361,695	355,294	24,716,989	26,708,604	(1,991,615)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,830,743)	(354,681)	(2,185,424)	(1,374,731)	810,693
Other Financing Sources:					
Transfer from Capital Projects Fund - To Capital Reserve				59,819	59,819
Capital Leases (Non-budgeted)				1,327,620	1,327,620
Total Other Financing Sources				1,387,439	1,387,439
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1,830,743)	(354,681)	(2,185,424)	12,708	2,198,132
Fund Balance, July 1	4,753,862		4,753,862	4,753,862	
Fund Balance, June 30	<u>\$ 2,923,119</u>	<u>\$ (354,681)</u>	<u>\$ 2,568,438</u>	<u>\$ 4,766,570</u>	<u>\$ 2,198,132</u>
Recapitulation:					
Restricted:					
Capital Reserve				\$ 2,141,094	
Maintenance Reserve				807,762	
Excess Surplus - For Subsequent Year's Expenditures				400,191	
Assigned:					
Year-end Encumbrances				550,032	
Unassigned				867,491	
				<u>4,766,570</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments not recognized on GAAP basis				(617,288)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 4,149,282</u>	

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources		\$ 7	\$ 7	\$ 7	
Federal Sources	\$ 280,000	123,140	403,140	355,109	\$ (48,031)
Total Revenues	<u>280,000</u>	<u>123,147</u>	<u>403,147</u>	<u>355,116</u>	<u>(48,031)</u>
EXPENDITURES:					
Instruction:					
Salaries	70,000	(70,000)			
Purchased Professional/Educational Services		1,205	1,205	1,205	
Purchased Professional/Technical Services		18,966	18,966	18,800	166
Other Purchased Services	210,000	1,800	211,800	218,300	(6,500)
General Supplies		51,017	51,017	30,628	20,389
Total Instruction	<u>280,000</u>	<u>2,988</u>	<u>282,988</u>	<u>268,933</u>	<u>14,055</u>
Support Services:					
Purchased Professional/Educational Services		18,262	18,262	18,262	
Purchased Professional/Technical Services		6,335	6,335	4,575	1,760
Other Purchased Services		13,913	13,913	10,365	3,548
Supplies and Materials		55,945	55,945	27,277	28,668
Miscellaneous Expenditures		4,709	4,709	4,709	
Total Support Services		<u>99,164</u>	<u>99,164</u>	<u>65,188</u>	<u>33,976</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		20,995	20,995	20,995	
Total Facilities Acquisition and Construction Services		<u>20,995</u>	<u>20,995</u>	<u>20,995</u>	
Total Expenditures	<u>\$ 280,000</u>	<u>\$ 123,147</u>	<u>\$ 403,147</u>	<u>\$ 355,116</u>	<u>\$ 48,031</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 25,333,873	\$ 355,116
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Revenue and Expenditures, whereas the GAAP Basis does not		33,642
Prior Year State Aid Payments Not Recognized for Budgetary Purposes, Recognized for GAAP Statements	641,514	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(617,288)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 25,358,099	\$ 388,758
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 26,708,604	\$ 355,116
Differences - 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.		33,642
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 26,708,604	\$ 388,758

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2013 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C.6:20-2A.2(m). Transfers of appropriations may be made by school board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of 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.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED

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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from the GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording these state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)

SPECIAL REVENUE FUND

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	No Child Left Behind				
	Title I	Title I Carryover	Title II A	Title IIA Carryover	Title IIA Carryover
REVENUE:					
Local Sources					
Federal Sources	\$ 71,596	\$ 5,074	\$ 21,977	\$ 3,079	\$ 645
Total Revenue	<u>\$ 71,596</u>	<u>\$ 5,074</u>	<u>\$ 21,977</u>	<u>\$ 3,079</u>	<u>\$ 645</u>
EXPENDITURES:					
Instruction:					
Purchased Professional/Educational Services	870	335			
Purchased Professional/Technical Services			2,600		
Other Purchased Services	7,500		6,500		
General Supplies	26,086	42			
Total Instruction	<u>34,456</u>	<u>377</u>	<u>9,100</u>		
Support Services:					
Purchased Professional - Educational Services	8,585	4,677	5,000		
Purchased Professional/Technical Services					
Other Purchased Services	1,453	20	3,000	3,079	645
Supplies and Materials	22,400		4,877		
Miscellaneous Expenditures	4,702				
Total Support Services	<u>37,140</u>	<u>4,697</u>	<u>12,877</u>	<u>3,079</u>	<u>645</u>
Facilities Acquisition:					
Instructional Equipment					
Total Facilities Acquisition					
Total Expenditures	<u>\$ 71,596</u>	<u>\$ 5,074</u>	<u>\$ 21,977</u>	<u>\$ 3,079</u>	<u>\$ 645</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	IDEA Part B Basic -	Perkins Vocational Education	Race to the Top	Local Grants	Total
REVENUE:					
Local Sources				\$ 7	\$ 7
Federal Sources	\$ 225,000	\$ 23,163	\$ 4,575		355,109
Total Revenue	<u>\$ 225,000</u>	<u>\$ 23,163</u>	<u>\$ 4,575</u>	<u>\$ 7</u>	<u>\$ 355,116</u>
EXPENDITURES:					
Instruction:					
Purchased Professional/Educational Services					1,205
Purchased Professional/Technical Services	16,200				18,800
Other Purchased Services	204,300				218,300
General Supplies	4,500				30,628
Total Instruction	<u>225,000</u>				<u>268,933</u>
Support Services:					
Purchased Professional/Educational Services					18,262
Purchased Professional/Technical Services			4,575		4,575
Other Purchased Services		2,168			10,365
Supplies and Materials					27,277
Miscellaneous Expenditures				7	4,709
Total Support Services		<u>2,168</u>	<u>4,575</u>	<u>7</u>	<u>65,188</u>
Facilities Acquisition:					
Instructional Equipment		20,995			20,995
Total Facilities Acquisition		<u>20,995</u>			<u>20,995</u>
Total Expenditures	<u>\$ 225,000</u>	<u>\$ 23,163</u>	<u>\$ 4,575</u>	<u>\$ 7</u>	<u>\$ 355,116</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOT APPLICABLE

CAPITAL PROJECTS FUND

F-1

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE- BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Revenue and Other Financing Sources:	
State Sources - SDA Grant	\$ 336,971
Transfer from Capital Reserve	(59,819)
	<u>277,152</u>
Total Revenue and Other Financing Sources	<u>277,152</u>
Excess/(Deficit) of Revenue and Other Financing Sources	
Over/(Under) Expenditures	277,152
Fund Balance - Beginning of Year	<u>(277,152)</u>
Fund Balance - End of Year	<u><u>\$ -0-</u></u>

F-1a

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
WINDOW AND DOOR REPLACEMENT - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 336,971	\$ 336,971	\$ 336,971
Transfer From Capital Reserve	\$ 560,929	(59,819)	501,110	501,110
Total Revenue and Other Financing Sources	<u>560,929</u>	<u>277,152</u>	<u>838,081</u>	<u>838,081</u>
Expenditures:				
Other Purchased Professional and Technical Services	34,500		34,500	34,500
Facilities Acquisition and Construction Services	803,581		803,581	803,581
Total Expenditures	<u>838,081</u>		<u>838,081</u>	<u>838,081</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ (277,152)</u>	<u>\$ 277,152</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

## Additional Project Information:

Project Number:	2165-030-09-1001
Window and Door Replacement	
Grant Date	7/1/2009
Original Authorized Cost	\$ 934,882
Reduced Authorization - Capital Reserve	<u>(59,819)</u>
Revised Authorized Cost	<u>\$ 838,081</u>

## Percentage Increase over Original

Authorized Cost	0%
Percentage Completion	100.00%
Original Target Completion Date	9/1/2011
Revised Target Completion Date	9/1/2011

PROPRIETARY FUNDS

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
ENTERPRISE FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2013

	Food Service Fund	Adult School	School Store	Transportation Services	Totals
<u>ASSETS:</u>					
Current Assets:					
Cash and Cash Equivalents	\$ 89,109	\$ 39,641	\$ 15,803	\$ 292,803	\$ 437,356
Accounts Receivable:					
State	443				443
Federal	8,281				8,281
Intergovernmental - Other				150,857	150,857
Interfund Receivable	9,890				9,890
Inventories	4,011		6,129		10,140
Total Current Assets	111,734	39,641	21,932	443,660	616,967
Non-Current Assets:					
Capital Assets	21,034				21,034
Less: Accumulated Depreciation	(11,435)				(11,435)
Total Non-Current Assets	9,599				9,599
Total Assets	121,333	39,641	21,932	443,660	626,566
<u>LIABILITIES:</u>					
Current Liabilities:					
Accounts Payable				5,386	5,386
Unearned Revenue	2,124				2,124
Total Current Liabilities	2,124			5,386	7,510
<u>NET POSITION:</u>					
Net Investment in Capital Assets	9,599				9,599
Unrestricted	109,610	39,641	21,932	438,274	609,457
Total Net Position	\$ 119,209	\$ 39,641	\$ 21,932	\$ 438,274	\$ 619,056

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Food Service Fund</u>	<u>Adult School</u>	<u>School Store</u>	<u>Transportation Services</u>	<u>Totals</u>
Operating Revenue:					
Local Sources:					
Daily Sales - Reimbursable Programs	\$ 91,730				\$ 91,730
Daily Sales - Non Reimbursable Programs	211,676				211,676
Program Fees		\$ 9,466	\$ 16,732	\$ 718,763	744,961
<b>Total Operating Revenue</b>	<b>303,406</b>	<b>9,466</b>	<b>16,732</b>	<b>718,763</b>	<b>1,048,367</b>
Operating Expenses:					
Cost of Sales	176,369	6,490	17,047	3,098	203,004
Salaries & Payroll Taxes	141,899				141,899
Employee Benefits	10,704				10,704
Other Purchased Services				689,430	689,430
Management Fee	15,836				15,836
Professional and Technical Services	1,470				1,470
Depreciation Expense	329				329
Other Miscellaneous Expenses	7,649				7,649
<b>Total Operating Expenses</b>	<b>354,256</b>	<b>6,490</b>	<b>17,047</b>	<b>692,528</b>	<b>1,070,321</b>
<b>Operating (Loss)</b>	<b>(50,850)</b>	<b>2,976</b>	<b>(315)</b>	<b>26,235</b>	<b>(21,954)</b>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Food Service Fund</u>	<u>Adult School</u>	<u>School Store</u>	<u>Transportation Services</u>	<u>Totals</u>
Non-Operating Revenue:					
State Sources:					
State School Lunch Program	\$ 2,291				\$ 2,291
Federal Sources:					
National School Lunch Program	43,490				43,490
Food Distribution Program	14,755				14,755
Local Sources:					
Interest Income	116	\$ 41	\$ 16		173
<b>Total Non-Operating Revenue</b>	<b>60,652</b>	<b>41</b>	<b>16</b>		<b>60,709</b>
<b>Change in Net Position</b>	<b>9,802</b>	<b>3,017</b>	<b>(299)</b>	<b>26,235</b>	<b>38,755</b>
<b>Net Position - Beginning of Year</b>	<b>109,407</b>	<b>36,624</b>	<b>22,231</b>	<b>412,039</b>	<b>580,301</b>
<b>Net Position - End of Year</b>	<b>\$ 119,209</b>	<b>\$ 39,641</b>	<b>\$ 21,932</b>	<b>\$ 438,274</b>	<b>\$ 619,056</b>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Food Service Fund	Adult School	School Store	Transportation Services	Totals
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 303,406	\$ 9,466	\$ 16,732	\$ 715,665	\$ 1,045,269
Payments to Employees	(141,899)				(141,899)
Payments for Benefits	(10,704)				(10,704)
Payments to Food Service Vendor	(15,836)				(15,836)
Payments to Suppliers	(177,290)	(8,890)	(14,584)	(698,143)	(898,907)
Net Cash Used for Operating Activities	(42,323)	576	2,148	17,522	(22,077)
Cash Flows from Noncapital Financing Activities:					
Cash Received from Federal and State Sources	44,039				44,039
Net Cash Provided by Noncapital Financing Activities	44,039				44,039
Cash Flows from Investing Activities:					
Investment Income	116	41	16		173
Net Cash Flows Provided by Investing Activities:	116	41	16		173
Net Increase in Cash and Cash Equivalents	1,832	617	2,164	17,522	22,135
Cash and Cash Equivalents, July 1	87,277	39,024	13,639	275,281	327,944
Cash and Cash Equivalents, June 30	\$ 89,109	\$ 39,641	\$ 15,803	\$ 292,803	\$ 350,079

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Food Service Fund</u>	<u>Adult School</u>	<u>School Store</u>	<u>Transportation Services</u>	<u>Totals</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:					
Operating (Loss)	\$ (50,850)	\$ 2,976	\$ (315)	\$ 26,235	\$ (21,954)
Adjustment to Reconcile Operating Loss to Cash used for Operating Activities:					
Federal Food Distribution Program	14,755				14,755
Depreciation	329				329
Changes in Assets and Liabilities:					
(Increase)Decrease in Accounts Receivable				(3,098)	(3,098)
(Increase)Decrease in Inventory	1,209		2,685		3,894
(Increase)Decrease in Interfund Receivable	(9,890)				(9,890)
Increase/(Decrease) in Accounts Payable		(2,400)	(222)	(5,615)	(8,237)
Increase(Decrease) in Unearned Revenue	2,124				2,124
Net Cash Used for Operating Activities	<u>\$ (42,323)</u>	<u>\$ 576</u>	<u>\$ 2,148</u>	<u>\$ 17,522</u>	<u>\$ (22,077)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. donated commodities through the Food Distribution Program valued at \$14,803 and utilized commodities valued at \$14,755.

FIDUCIARY FUNDS

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2013

	<u>Payroll</u>	<u>Agency Student Activity</u>	<u>Total</u>	<u>Scholarship Trust</u>	<u>Unemployment Compensation Trust</u>
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 33,201	\$ 211,668	\$ 244,869	#REF!	\$ 34,831
Total Assets	<u>33,201</u>	<u>211,668</u>	<u>244,869</u>	<u>#REF!</u>	<u>34,831</u>
<u>LIABILITIES:</u>					
Net Salaries and Wages	4,683		4,683		
Payroll Deductions and Withholdings	9,541		9,541		
Interfund Payable - General Fund	18,977		18,977		
Due to Student Groups		211,668	211,668		
Total Liabilities	<u>33,201</u>	<u>211,668</u>	<u>244,869</u>		
<u>NET POSITION:</u>					
Held in Trust for Unemployment Claims					34,831
Restricted For Scholarships				#REF!	
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>#REF!</u>	<u>\$ 34,831</u>

Exhibit H-2

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Unemployment Compensation Trust	Scholarship Trust	Totals
ADDITIONS:			
Contributions:			
Plan Member	\$ 65,228		\$ 65,228
Donations		\$ 12,565	12,565
Total Contributions	65,228	12,565	77,793
Investment Earnings:			
Interest	76	49	125
Net Investment Earnings	76	49	125
Total Additions	65,304	12,614	77,918
DEDUCTIONS:			
Unemployment Compensation Claims	65,228		65,228
Scholarships Awarded		10,175	10,175
Total Deductions	65,228	10,175	75,403
Change in Net Position	76	2,439	2,515
Net Position - Beginning of the Year	34,755	43,474	78,229
Net Position - End of the Year	\$ 34,831	\$ 45,913	\$ 80,744

Exhibit H-3

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 225,735	\$ 418,092	\$ 432,159	\$ 211,668
Total Assets	<u>\$ 225,735</u>	<u>\$ 418,092</u>	<u>\$ 432,159</u>	<u>\$ 211,668</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 225,735	\$ 418,092	\$ 432,159	\$ 211,668
Total Liabilities	<u>\$ 225,735</u>	<u>\$ 418,092</u>	<u>\$ 432,159</u>	<u>\$ 211,668</u>

Exhibit H-4

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>June 30, 2012</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2013</u>
High School Activities Fund	\$ 222,192	\$ 349,254	\$ 361,944	\$ 209,502
Vending Machine Account	996	998	1,874	120
Wildcat Discovery Fund	118		118	
High School Athletic Fund	2,429	67,840	68,223	2,046
	<u>2,429</u>	<u>67,840</u>	<u>68,223</u>	<u>2,046</u>
Total	<u>\$ 225,735</u>	<u>\$ 418,092</u>	<u>\$ 432,159</u>	<u>\$ 211,668</u>

Exhibit H-5

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 6,667	\$ 14,137,820	\$ 14,111,286	\$ 33,201
Total Assets	<u>\$ 6,667</u>	<u>\$ 14,137,820</u>	<u>\$ 14,111,286</u>	<u>\$ 33,201</u>
 <u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 22,535	\$ 6,134,908	\$ 6,147,902	\$ 9,541
Net Salaries and Wages	(15,868)	7,983,935	7,963,384	4,683
Interfund Payable - General Fund		18,977		18,977
Total Liabilities	<u>\$ 6,667</u>	<u>\$ 14,137,820</u>	<u>\$ 14,111,286</u>	<u>\$ 33,201</u>

LONG-TERM DEBT

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2013		Interest Rate	Balance June 30, 2012	Matured	Balance June 30, 2013
			Date	Amount				
Refunding Bonds - Series 2003	3/15/2003	\$ 1,945,000	7/15/2013	\$ 170,000	4.625%	\$ 705,000	\$ 165,000	\$ 540,000
			7/15/2014	180,000	4.750%			
			7/15/2015	190,000	4.750%			
						<u>\$ 705,000</u>	<u>\$ 165,000</u>	<u>\$ 540,000</u>

Exhibit I-2

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
YEAR ENDED JUNE 30, 2013

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Issued</u>	<u>Balance June 30, 2013</u>
Energy Savings Equipment Lease	1.075%	\$ 1,327,620	<u>\$ 1,327,620</u>	<u>\$ 1,327,620</u>
			<u>\$ 1,327,620</u>	<u>\$ 1,327,620</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	<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	\$ 195,391		\$ 195,391	\$ 195,391	
Total Revenue	<u>195,391</u>		<u>195,391</u>	<u>195,391</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	30,391		30,391	30,391	
Redemption of Principal	165,000		165,000	165,000	
Total Regular Debt Service	<u>195,391</u>		<u>195,391</u>	<u>195,391</u>	
Total Expenditures	<u>195,391</u>		<u>195,391</u>	<u>195,391</u>	
Fund Balance, July 1	<u>2</u>		<u>2</u>	<u>2</u>	
Fund Balance, June 30	<u>\$ 2</u>	<u>\$ -0-</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -0-</u>
Recapitulation:					
Restricted - For Subsequent Year's Expenditures				<u>\$ 2</u>	

STATISTICAL SECTION

**STATISTICAL SECTION**  
**(UNAUDITED)**

This part of the School's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School's overall financial health.

**Contents**

	<b><u>Exhibit</u></b>
<p><b>Financial Trends</b></p> <p>These schedules contain trend information to help the reader understand how the School's financial performance and well-being have changed over time.</p>	J-1 thru J-5
<p><b>Revenue Capacity</b></p> <p>These schedules contain information to help the reader assess the factors affecting the School's ability to generate its property taxes.</p>	J-6 thru J-9
<p><b>Debt Capacity</b></p> <p>These schedules present information to help the reader assess the affordability of the School's current levels of outstanding debt and the School's ability to issue additional debt in the future.</p>	J-10 thru J-13
<p><b>Demographic and Economic Information</b></p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the School's financial activities take place and to help make comparisons over time and with other governments.</p>	J-14 thru J-15
<p><b>Operating Information</b></p> <p>These schedules contain information about the School's operations and resources to help the reader understand how the School's financial information relates to the services the School provides and the activities it performs.</p>	J-16 thru J-20

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The School implemented GASB Statement 34 in a previous fiscal year. Schedules presenting government-wide information include information beginning in the fiscal year ended June 30, 2005.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities</b>										
Net Investment in Capital Assets/(Deficit)	\$ (1,613,554)	\$ (949,628)	\$ (167,987)	\$ 526,163	\$ 1,305,021	\$ 2,240,718	\$ 3,132,986	\$ 3,083,158	\$ 3,765,813	\$ 4,538,503
Restricted	1,749,581	1,548,311	1,271,851	2,201,872	1,930,537	1,333,204	1,506,827	2,927,342	3,676,073	3,349,049
Unrestricted/(Deficit)	(253,305)	(713,345)	(518,169)	(357,193)	(634,020)	(799,567)	(493,281)	(942,067)	(799,750)	18,546
<b>Total Governmental Activities Net Position</b>	<b>\$ (117,278)</b>	<b>\$ (114,662)</b>	<b>\$ 585,695</b>	<b>\$ 2,370,841</b>	<b>\$ 2,601,537</b>	<b>\$ 2,774,355</b>	<b>\$ 4,146,531</b>	<b>\$ 5,068,433</b>	<b>\$ 6,642,136</b>	<b>\$ 7,906,098</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 327	\$ 294	\$ 3,760	\$ 3,431	\$ 3,102	\$ 2,773	\$ 2,444	\$ 2,115	\$ 9,928	\$ 9,599
Unrestricted	63,204	71,968	187,685	287,662	349,496	446,863	203,492	393,104	570,374	609,457
<b>Total Business-Type Activities Net Position</b>	<b>\$ 63,531</b>	<b>\$ 72,262</b>	<b>\$ 191,446</b>	<b>\$ 291,093</b>	<b>\$ 352,598</b>	<b>\$ 449,637</b>	<b>\$ 205,936</b>	<b>\$ 395,219</b>	<b>\$ 580,302</b>	<b>\$ 619,056</b>
<b>District-Wide</b>										
Net Investment in Capital Assets/(Deficit)	\$ (1,613,227)	\$ (949,334)	\$ (164,226)	\$ 529,594	\$ 1,308,123	\$ 2,243,491	\$ 3,135,430	\$ 3,085,273	\$ 3,775,742	\$ 4,548,102
Restricted	1,749,581	1,548,311	1,271,851	2,201,872	1,930,537	1,333,204	1,506,827	2,927,342	3,676,073	3,349,049
Unrestricted/(Deficit)	(190,102)	(641,377)	(330,483)	(69,531)	(284,524)	(352,704)	(289,789)	(548,963)	(229,376)	628,003
<b>Total District Net Position</b>	<b>\$ (53,748)</b>	<b>\$ (42,401)</b>	<b>\$ 777,141</b>	<b>\$ 2,661,935</b>	<b>\$ 2,954,135</b>	<b>\$ 3,223,992</b>	<b>\$ 4,352,468</b>	<b>\$ 5,463,652</b>	<b>\$ 7,222,438</b>	<b>\$ 8,525,154</b>

Source: School District Financial Reports

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
CHANGES IN NET POSITION LAST TEN FISCAL YEARS  
UNAUDITED  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
<b>Governmental activities</b>										
<b>Instruction</b>										
Regular	\$ 9,152,211	\$ 8,856,989	\$ 8,841,823	\$ 9,835,875	\$ 10,602,330	\$ 10,002,953	\$ 10,228,209	\$ 9,962,143	\$ 9,757,739	\$ 10,509,989
Special Education	1,892,614	1,822,503	1,790,448	2,183,633	2,675,870	2,639,808	2,836,455	2,807,547	2,584,545	2,250,799
Other Special Education	627,602	965,026	942,597	992,786	1,089,539	1,029,344	1,211,036	1,022,488	1,302,373	1,221,996
Other Instruction										266,655
<b>Support Services:</b>										
Tuition	390,096	657,414	626,818	693,473	941,129	1,028,915	1,142,185	802,083	993,890	943,288
Student & Instruction Related Services	3,052,188	2,480,044	2,153,621	2,262,624	2,553,014	2,740,300	2,924,563	3,070,090	2,919,348	3,242,318
School Administrative Services	845,816	769,965	1,840,925	1,615,876	1,687,942	1,457,388	1,224,505	1,003,071	997,092	627,069
General Administrative Services	785,048	1,531,122	925,044	863,348	861,766	1,052,939	991,431	965,708	1,094,206	1,185,882
Central Services										433,361
Administrative Technology										34,705
Plant Operations And Maintenance	2,068,795	2,037,029	2,154,063	2,034,756	2,391,713	2,393,655	2,205,602	2,313,752	2,545,109	2,587,116
Pupil Transportation	2,617,361	1,887,943	1,945,128	1,512,203	1,716,166	1,838,793	1,811,235	1,758,682	1,900,940	1,742,693
Interest On Long-Term Debt	441,109	390,970	338,779	284,438	227,453	166,236	99,806	41,447	34,497	26,893
<b>Total Governmental Activities Expenses</b>	<b>\$ 21,872,841</b>	<b>\$ 21,399,004</b>	<b>\$ 21,559,245</b>	<b>\$ 22,279,011</b>	<b>\$ 24,746,922</b>	<b>\$ 24,350,331</b>	<b>\$ 24,675,026</b>	<b>\$ 23,747,011</b>	<b>\$ 24,129,740</b>	<b>\$ 25,072,764</b>
<b>Business-type activities:</b>										
Food Service	503,047	679,468	524,075	642,309	668,040	676,182	661,866	435,747	414,208	354,256
Transportation Services	-	1,084,720	907,770	1,026,078	1,137,385	1,247,102	1,284,756	848,346	710,089	692,528
Adult School	37,224	8,019	20,230	18,857	18,589	19,361	14,625	13,579	14,422	6,490
School Store	21,517	32,056	14,916	17,844	9,223	17,673	18,187	9,577	20,220	17,047
<b>Total Business-Type Activities Expense</b>	<b>561,788</b>	<b>1,804,263</b>	<b>1,466,990</b>	<b>1,705,088</b>	<b>1,833,237</b>	<b>1,960,318</b>	<b>1,979,434</b>	<b>1,307,250</b>	<b>1,158,940</b>	<b>1,070,321</b>
<b>Total District Expenses</b>	<b>\$ 22,434,629</b>	<b>\$ 23,203,267</b>	<b>\$ 23,026,235</b>	<b>\$ 23,984,098</b>	<b>\$ 26,580,159</b>	<b>\$ 26,310,649</b>	<b>\$ 26,654,460</b>	<b>\$ 25,054,261</b>	<b>\$ 25,288,681</b>	<b>\$ 26,143,085</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges For Services:</b>										
Tuition	78,449	69,254	20,659	106,952	122,384	181,664	257,246	391,128	121,196	251,295
Pupil Transportation	1,030,325									
Operating Grants and Contributions	3,124,814	3,264,659	3,442,035	4,173,362	4,371,432	3,189,797	3,983,715	3,664,876	3,643,043	9,180,093
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 4,233,588</b>	<b>\$ 3,333,914</b>	<b>\$ 3,462,694</b>	<b>\$ 4,280,314</b>	<b>\$ 4,493,816</b>	<b>\$ 3,371,461</b>	<b>\$ 4,240,961</b>	<b>\$ 4,056,004</b>	<b>\$ 3,764,239</b>	<b>\$ 9,431,388</b>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
CHANGES IN NET POSITION LAST TEN FISCAL YEARS  
UNAUDITED  
*(accrual basis of accounting)*  
(Continued)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Business-Type Activities:</b>										
Charges for services										
Food Service	\$ 404,255	\$ 427,079	\$ 492,615	\$ 498,035	\$ 520,851	\$ 490,480	\$ 453,503	\$ 398,427	\$ 380,396	\$ 303,406
Transportation Services		1,084,720	1,007,047	1,131,230	1,200,040	1,324,032	1,039,439	1,008,974	862,803	718,763
Adult School	29,448	23,135	15,294	18,200	22,707	24,206	12,908	13,839	14,358	9,466
School Store	23,288	28,321	20,348	15,470	11,905	24,919	20,454	13,868	21,319	16,732
Operating Grants and Contributions										
Food Service	38,264	43,240	49,984	52,073	48,134	59,486	64,103	60,873	64,749	60,536
<b>Total Business Type Activities Program Revenues</b>	<u>495,254</u>	<u>1,606,495</u>	<u>1,585,288</u>	<u>1,715,008</u>	<u>1,803,637</u>	<u>1,923,123</u>	<u>1,590,407</u>	<u>1,495,980</u>	<u>1,343,625</u>	<u>1,108,903</u>
<b>Total District Program Revenues</b>	<u>\$ 4,728,842</u>	<u>\$ 4,940,408</u>	<u>\$ 5,047,983</u>	<u>\$ 5,995,322</u>	<u>\$ 6,297,453</u>	<u>\$ 5,294,584</u>	<u>\$ 5,831,368</u>	<u>\$ 5,551,984</u>	<u>\$ 5,107,864</u>	<u>\$ 10,540,291</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(17,639,253)	(18,065,091)	(18,096,551)	(17,998,697)	(20,253,106)	(20,978,870)	(20,434,065)	(19,691,007)	(20,365,501)	(15,641,376)
Business-Type Activities	(66,533)	(197,768)	118,298	9,921	(29,600)	(37,195)	(389,027)	188,731	184,684	38,582
<b>Total District-Wide Net Expense</b>	<u>\$ (17,705,787)</u>	<u>\$ (18,262,859)</u>	<u>\$ (17,978,253)</u>	<u>\$ (17,988,776)</u>	<u>\$ (20,282,706)</u>	<u>\$ (21,016,065)</u>	<u>\$ (20,823,092)</u>	<u>\$ (19,502,276)</u>	<u>\$ (20,180,816)</u>	<u>\$ (15,602,794)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	11,369,043	12,362,651	12,649,200	13,554,595	14,096,779	14,370,733	14,891,072	15,566,621	15,849,073	16,055,482
Property Taxes Levied for Debt Service, Net	851,719	844,817	819,423	811,728	1,008,199	653,042	707,266	152,922	158,197	195,391
Federal and State Aid not Restricted	5,003,318	5,325,144	5,234,171	5,327,122	5,385,930	6,222,790	6,282,192	4,789,978	5,544,997	336,971
Investment Earnings	7,427	31,986	91,231	162,819	70,214	10,363	5,054	14,583	11,309	1,487
Miscellaneous Income	126,134	17,818	79,067	15,770	10,545	61,495	66,796	88,804	375,628	258,499
Disposal of Capital Assets, net			(76,184)							
Adjustment to Fixed Asset Report from Prior Year	2,221,402									
Transfers	(50,570)	(206,317)		(88,192)	(87,865)	(133,869)	(146,139)			
<b>Total Governmental Activities</b>	<u>\$ 19,528,474</u>	<u>\$ 18,376,099</u>	<u>\$ 18,796,908</u>	<u>\$ 19,783,843</u>	<u>\$ 20,483,802</u>	<u>\$ 21,184,553</u>	<u>\$ 21,806,242</u>	<u>\$ 20,612,908</u>	<u>\$ 21,939,204</u>	<u>\$ 16,847,830</u>
Business-Type Activities:										
Investment Earnings	329	182	294	2,127	3,240	364	148	552	399	173
Transfers	50,570	206,317		88,192	87,865	133,869	145,179			
<b>Total Business-Type Activities</b>	<u>50,899</u>	<u>206,499</u>	<u>294</u>	<u>90,319</u>	<u>91,105</u>	<u>134,233</u>	<u>145,327</u>	<u>552</u>	<u>399</u>	<u>173</u>
<b>Total District-Wide</b>	<u>\$ 19,579,373</u>	<u>\$ 18,582,598</u>	<u>\$ 18,797,202</u>	<u>\$ 19,874,162</u>	<u>\$ 20,574,907</u>	<u>\$ 21,318,787</u>	<u>\$ 21,951,569</u>	<u>\$ 20,613,460</u>	<u>\$ 21,939,603</u>	<u>\$ 16,848,003</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,889,220	\$ 311,008	\$ 700,357	\$ 1,785,146	\$ 230,696	\$ 205,683	\$ 1,372,176	\$ 921,901	\$ 1,573,703	\$ 1,206,454
Business-Type Activities	(15,635)	8,731	118,592	100,240	61,505	97,038	(243,700)	189,282	185,084	38,755
<b>Total District</b>	<u>\$ 1,873,586</u>	<u>\$ 319,739</u>	<u>\$ 818,949</u>	<u>\$ 1,885,386</u>	<u>\$ 292,201</u>	<u>\$ 302,722</u>	<u>\$ 1,128,476</u>	<u>\$ 1,111,184</u>	<u>\$ 1,758,787</u>	<u>\$ 1,245,209</u>

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

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Restricted	\$ 1,730,699	\$ 1,425,081	\$ 1,286,132	\$ 2,249,218	\$ 1,969,620	\$ 1,455,796	\$ 1,528,622	\$ 2,962,466	\$ 3,562,871	\$ 3,349,047
Assigned	540,294	237,767	237,251	500,918	210,562	(46,296)	368,669	5,816	549,477	800,235
Total General Fund	<u>\$ 2,270,993</u>	<u>\$ 1,662,848</u>	<u>\$ 1,523,383</u>	<u>\$ 2,750,136</u>	<u>\$ 2,180,181</u>	<u>\$ 1,409,500</u>	<u>\$ 1,897,291</u>	<u>\$ 2,968,283</u>	<u>\$ 4,112,348</u>	<u>\$ 4,149,282</u>
All Other Governmental Funds										
Restricted	\$ 84,675	\$ 40,740	\$ 40,740					\$ (35,126)	\$ (277,152)	
Restricted for:										
Debt Service Fund	(575)	(574)	1	\$ 536	\$ 746	\$ 210	\$ 1	2	2	\$ 2
Total All Other Governmental Funds	<u>\$ 84,100</u>	<u>\$ 40,165</u>	<u>\$ 40,741</u>	<u>\$ 536</u>	<u>\$ 746</u>	<u>\$ 210</u>	<u>\$ 1</u>	<u>\$ (35,124)</u>	<u>\$ (277,150)</u>	<u>\$ 2</u>
Total Fund Balances	<u>\$ 2,355,093</u>	<u>\$ 1,703,013</u>	<u>\$ 1,564,123</u>	<u>\$ 2,750,672</u>	<u>\$ 2,180,927</u>	<u>\$ 1,409,710</u>	<u>\$ 1,897,292</u>	<u>\$ 2,933,158</u>	<u>\$ 3,835,198</u>	<u>\$ 4,149,284</u>

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Tax Levy	\$ 12,220,762	\$ 13,207,468	\$ 13,468,623	\$ 14,366,323	\$ 14,910,973	\$ 15,190,011	\$ 15,698,144	\$ 15,760,990	\$ 16,041,767	\$ 16,250,873
Tuition Charges	78,449	69,254	20,659	106,952	122,384	181,664	257,246	391,128	121,196	244,795
Transportation Fees	1,030,325			7,847						
Interest Earnings	7,427	31,986	91,231	162,819	70,214	10,363	5,054	14,583	11,309	1,487
Miscellaneous	128,806	17,818	79,067	15,770	10,545	61,495	66,796	88,804	375,628	258,506
State Sources	7,787,630	8,187,054	8,354,981	9,102,315	9,493,409	8,902,768	8,811,725	7,742,169	8,630,774	9,138,769
Federal Sources	335,099	402,750	321,225	390,322	457,958	343,584	1,354,376	671,239	522,770	384,789
<b>Total Revenue</b>	<b>21,588,498</b>	<b>21,916,330</b>	<b>22,335,787</b>	<b>24,152,349</b>	<b>25,065,483</b>	<b>24,689,883</b>	<b>26,193,341</b>	<b>24,668,912</b>	<b>25,703,443</b>	<b>26,279,219</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	6,327,861	7,201,148	7,060,376	6,784,491	7,577,393	7,397,730	7,491,466	7,112,746	6,817,954	7,311,105
Special Education Instruction	1,258,440	1,494,699	1,440,518	1,545,766	1,965,227	1,989,827	2,163,466	2,101,949	1,908,798	1,597,565
Other Special Instruction	627,602	702,457	648,739	791,330	875,108	844,295	935,778	768,774	1,075,835	818,387
Other Instruction										187,956
<b>Support Services:</b>										
Tuition	390,096	657,414	626,818	693,473	941,129	1,028,915	1,142,185	802,083	993,890	943,288
Student & Instruction Related Services	1,744,186	2,006,527	1,655,234	1,584,459	1,842,978	2,037,174	2,168,259	2,219,622	2,130,560	2,371,675
School Administrative Services	585,684	615,935	996,915	1,050,901	1,148,388	1,103,429	1,004,472	768,124	698,819	505,865
General Administrative Services	654,165	775,946	776,876	746,741	768,926	830,762	807,010	734,328	869,775	813,807
Central Services										311,186
Administrative Information Technology										34,705
Plant Operations And Maintenance	1,519,139	1,654,573	1,751,926	1,653,274	2,033,228	2,053,621	1,847,831	1,930,891	2,148,725	2,003,759
Pupil Transportation	2,182,493	1,345,662	1,353,881	1,390,941	1,588,424	1,696,158	1,681,199	1,639,920	1,703,444	1,661,839
Employee Benefits	3,964,598	4,070,836	4,555,945	5,219,505	5,320,316	4,710,551	4,811,209	5,025,687	5,198,872	6,066,534
Capital Outlay	83,824	241,230	362,071	185,086	250,804	347,060	282,603	334,553	1,062,037	2,469,691
<b>Debt Service:</b>										
Principal	865,000	890,000	900,000	940,000	1,000,000	1,070,000	1,115,000	150,000	155,000	165,000
Interest And Other Charges	434,822	397,274	345,378	291,641	235,442	174,930	109,144	44,369	37,694	30,391
<b>Total Expenditures</b>	<b>20,637,912</b>	<b>22,053,700</b>	<b>22,474,676</b>	<b>22,877,608</b>	<b>25,547,363</b>	<b>25,284,451</b>	<b>25,559,621</b>	<b>23,633,046</b>	<b>24,801,404</b>	<b>27,292,753</b>
<b>Excess (Deficiency) Of Revenues Over (Under) Expenditures</b>	<b>950,586</b>	<b>(137,371)</b>	<b>(138,890)</b>	<b>1,274,741</b>	<b>(481,880)</b>	<b>(594,567)</b>	<b>633,720</b>	<b>1,035,866</b>	<b>902,039</b>	<b>(1,013,534)</b>

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

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Other Financing Sources (Uses)										
Capital Leases (non-budgeted)	\$ 68,365									\$ 1,327,620
Transfers In	901	\$ 1,720	\$ 2,241	\$ 375	\$ 15,203	\$ 48				59,819
Transfers Out	(51,471)	(208,037)	(2,241)	(88,567)	(103,068)	(133,917)	\$ (146,139)			(59,819)
Total Other Financing Sources (Uses)	17,795	(206,317)	-0-	(88,192)	(87,865)	(133,869)	(146,139)	\$ -0-	\$ -0-	1,327,620
Net Change In Fund Balances	<u>\$ 968,382</u>	<u>\$ (343,688)</u>	<u>\$ (138,890)</u>	<u>\$ 1,186,549</u>	<u>\$ (569,745)</u>	<u>\$ (728,436)</u>	<u>\$ 487,582</u>	<u>\$ 1,035,866</u>	<u>\$ 902,039</u>	<u>\$ 314,086</u>
Debt Service As A Percentage Of Noncapital Expenditures	6.32%	5.90%	5.63%	5.43%	4.88%	4.99%	4.84%	0.83%	0.81%	0.79%

Source: School District Financial Reports

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	Tuition	Interest	Refunds	Transportation Fees	Building Use	Student Operated Cafeteria	Miscellaneous	Total
2004	\$ 78,449	\$ 6,526		\$ 1,030,325			\$ 126,134	\$ 1,241,435
2005	69,254	30,266					17,085	116,605
2006	20,659	88,990					79,067	188,717
2007	106,952	162,444		7,847			15,770	293,014
2008	70,214	70,011					10,545	150,770
2009	181,664	10,363					61,495	253,521
2010	257,246	5,054		4,547			63,250	330,096
2011	391,128	14,583		2,331			86,473	494,514
2012	121,196	11,309	\$ 352,693	1,126	\$ 10,910	\$ 6,675	4,224	508,133
2013	244,795	6,043	134,930	5,618	34,119	8,159	71,117	504,781

Source: High Point Regional High School District District Records

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
LAST TEN YEARS  
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
<u>Branchville Borough</u>											
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 100,568,401	\$ 1.061	\$ 122,732,141
2005	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100,787,356	0.953	145,718,918
2006	* N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	189,383,662	0.484	163,137,894
2007	\$ 2,693,750	\$ 80,641,600	\$ 474,700	\$ 75,629,900		\$ 1,567,000	\$ 161,006,950	\$ 250,108	161,257,085	0.615	155,711,525
2008	2,736,650	81,104,500	474,700	68,381,100		1,567,000	154,263,950	218,943	154,482,893	0.600	158,522,054
2009	2,771,550	81,422,200	468,800	68,178,100		1,567,000	154,407,650	165,069	154,575,719	0.588	160,616,325
2010	2,832,750	82,015,300	468,800	60,247,800		1,567,000	147,131,650	206,011	147,337,661	0.629	147,618,315
2011	2,689,450	82,141,100	468,800	58,240,000		1,567,000	145,106,350	225,527	145,331,877	0.607	142,014,026
2012	* 2,254,350	71,399,200	423,800	57,496,700		1,388,000	132,962,050	237,409	133,199,459	0.636	142,761,211
2013	2,254,350	71,576,400	423,800	57,609,100		1,388,000	133,251,650	206,820	133,458,470	0.606	146,317,446
<u>Frankford Township</u>											
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 423,539,160	\$ 0.908	\$ 552,908,499
2005	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	424,539,664	0.926	636,216,528
2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	432,066,976	0.987	738,127,337
2007	\$ 17,333,700	\$ 329,339,764	\$ 47,994,300	\$ 36,519,500	\$ 2,989,600	\$ 485,500	\$ 434,662,364	\$ 1,608,552	436,270,916	1.014	824,933,148
2008	* 42,074,100	735,232,100	98,902,900	71,902,900	6,335,800	1,075,900	955,523,700	3,202,525	958,726,225	0.470	970,821,462
2009	39,020,900	731,711,400	101,823,000	71,526,000	6,335,800	1,075,900	951,493,000	2,746,065	954,239,065	0.485	969,749,412
2010	36,262,400	733,731,900	100,591,000	70,748,400	6,458,400	1,075,900	948,868,000	2,440,197	951,598,197	0.483	925,655,838
2011	34,353,400	734,220,600	102,117,600	69,990,600	6,548,400	1,075,900	948,306,500	2,337,821	950,644,321	0.501	882,845,249
2012	32,015,200	734,356,000	101,398,600	63,242,500	6,414,300	1,075,900	938,507,500	2,230,757	940,738,257	0.532	862,469,699
2013	18,976,800	559,837,200	76,247,700	60,275,700	5,529,600	880,200	721,747,200	2,033,198	723,780,398	0.706	850,637,465
<u>Lafayette Township</u>											
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 205,277,691	\$ 0.759	\$ 303,589,939
2005	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	206,450,276	0.829	343,372,401
2006	* N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	467,582,386	0.393	367,721,787
2007	\$ 17,732,000	\$ 298,542,000	\$ 65,028,600	\$ 45,127,600	\$ 44,689,900		\$ 471,120,100	\$ 1,187,891	472,307,991	0.434	462,152,371
2008	11,772,000	302,383,600	65,031,900	45,464,100	44,689,900		469,341,500	1,127,240	470,468,740	0.467	484,735,174
2009	11,041,800	303,856,900	67,184,400	46,931,400	44,494,400		473,508,900	909,083	474,417,983	0.453	491,230,796
2010	10,195,400	302,586,600	66,281,100	49,056,600	44,494,400		472,614,100	548,807	473,162,907	0.457	448,864,212
2011	9,160,300	294,938,000	65,672,600	46,242,100	26,731,100		442,744,100	560,912	443,305,012	0.540	427,493,775
2012	8,661,800	292,547,500	67,325,300	45,772,600	23,929,500		438,236,700	596,007	438,832,307	0.560	414,089,316
2013	6,574,300	219,343,500	51,068,200	41,217,100	15,337,800		333,540,900	539,095	334,079,995	0.701	372,330,107

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
LAST TEN YEARS  
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
<u>Sussex Borough</u>											
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 79,308,748	\$ 0.830	\$ 101,069,592
2005	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	79,198,800	0.803	107,786,079
2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	79,505,066	0.849	128,259,150
2007	\$ 1,015,800	\$ 52,863,000	\$ 395,000	\$ 16,975,900	\$ 464,900	\$ 6,896,000	\$ 78,610,600	\$ 1,270,985	79,881,585	0.924	139,788,875
2008	1,021,300	53,019,900	395,000	16,578,200	464,900	6,896,000	78,375,300	1,300,612	79,675,912	0.931	147,169,400
2009	1,069,900	52,983,900	394,300	16,578,200	474,100	6,896,000	78,396,400	1,341,249	79,737,649	0.855	149,022,809
2010	994,800	53,417,900	394,300	16,600,200	494,100	6,896,000	78,797,300	857,595	79,634,895	0.830	159,714,824
2011	960,900	53,446,500	394,300	16,533,600	474,100	6,896,000	78,705,400	717,621	79,423,021	0.869	140,439,616
2012	963,700	53,339,500	394,300	16,533,600	474,100	6,896,000	78,601,200	505,353	79,106,553	0.918	144,178,764
2013	* 1,732,400	81,631,500	661,600	25,708,300	721,600	16,707,400	127,162,800	662,927	127,825,727	0.592	133,344,968
<u>Wantage Township</u>											
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 613,612,824	\$ 0.931	\$ 870,914,574
2005	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	630,602,585	0.964	1,009,610,287
2006	* N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,425,394,453	0.437	1,135,882,633
2007	\$ 67,330,400	\$ 1,091,602,300	\$ 152,635,449	\$ 105,338,862	\$ 1,157,200	\$ 5,978,200	\$ 1,424,042,411	\$ 3,190,770	1,427,233,181	0.451	1,303,479,680
2008	60,436,760	1,110,616,200	154,194,796	113,178,362	1,157,200	5,822,300	1,445,405,618	3,113,175	1,448,518,793	0.460	1,442,853,168
2009	59,181,060	1,119,347,900	157,618,456	113,353,662	761,300	5,822,300	1,456,084,678	2,298,850	1,458,383,528	0.485	1,549,245,517
2010	55,259,940	1,122,400,900	156,474,776	115,230,735	761,300	5,822,300	1,455,949,951	3,118,073	1,459,063,024	0.505	1,455,072,239
2011	51,572,340	1,119,230,400	159,407,276	114,954,935	961,300	5,822,300	1,451,948,551	3,405,033	1,455,353,584	0.492	1,390,716,975
2012	45,769,389	1,065,045,000	159,642,587	114,754,935	961,300	5,822,300	1,391,995,511	3,587,726	1,395,583,237	0.512	1,276,603,496
2013	42,071,360	1,057,651,000	158,355,693	114,525,205	961,300	5,822,300	1,379,386,858	3,447,661	1,382,834,519	0.514	1,219,516,719

\* Revaluation Year  
N/A Not Available

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
(rate per \$100 of assessed value)

Branchville Borough							
Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Municipality	Local School District	County	
2004	\$ 0.978	\$ 0.083	\$ 1.061		\$ 0.616	\$ 0.633	\$ 2.310
2005	0.870	0.083	0.953		0.689	0.648	2.290
2006	* 0.384	0.100	0.484		0.395	0.321	1.200
2007	0.581	0.034	0.615		0.413	0.352	1.380
2008	0.567	0.033	0.600		0.746	0.414	1.760
2009	0.557	0.031	0.588		0.766	0.396	1.750
2010	0.608	0.021	0.629		0.790	0.397	1.816
2011	0.601	0.006	0.607		0.806	0.429	1.842
2012	* 0.628	0.008	0.636		0.894	0.499	2.029
2013	0.599	0.007	0.606		0.941	0.500	2.047

Frankford Township							
Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Municipality	Local School District	County	
2004	\$ 0.820	\$ 0.088	\$ 0.908	\$ 0.270	\$ 1.318	\$ 0.654	\$ 3.150
2005	0.838	0.088	0.926	0.311	1.352	0.691	3.280
2006	0.887	0.100	0.987	0.340	1.362	0.751	3.440
2007	0.957	0.057	1.014	0.378	1.419	0.769	3.580
2008	* 0.445	0.025	0.470	0.195	0.662	0.369	1.696
2009	0.460	0.025	0.485	0.195	0.693	0.388	1.761
2010	0.467	0.016	0.483	0.214	0.712	0.395	1.804
2011	0.496	0.005	0.501	0.214	0.739	0.405	1.859
2012	0.525	0.007	0.532	0.224	0.740	0.424	1.920
2013	0.697	0.009	0.706	0.306	0.976	0.489	2.477

\* Revaluation Year

Source: Municipal Tax Collector and School Business Administrator

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
(rate per \$100 of assessed value)  
(Continued)

Lafayette Township								
Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Municipality	Local School District	County		
2004	\$ 0.745	\$ 0.014	\$ 0.759	\$ 0.095	\$ 1.615	\$ 0.731	\$ 3.200	
2005	0.815	0.014	0.829	0.122	1.654	0.765	3.370	
2006	* 0.293	0.100	0.393	0.093	0.750	0.364	1.600	
2007	0.410	0.024	0.434	0.117	0.768	0.401	1.720	
2008	0.442	0.025	0.467	0.135	0.810	0.389	1.801	
2009	0.431	0.022	0.453	0.145	0.829	0.395	1.822	
2010	0.442	0.015	0.457	0.175	0.838	0.387	1.857	
2011	0.534	0.006	0.540	0.191	0.902	0.428	2.061	
2012	0.553	0.007	0.560	0.196	0.912	0.439	2.107	
2013	0.693	0.008	0.701	0.253	1.189	0.476	2.619	

Sussex Borough								
Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Municipality	Local School District	County		
2004	\$ 0.784	\$ 0.046	\$ 0.830	\$ 0.556	\$ 1.625	\$ 0.639	\$ 3.650	
2005	0.758	0.045	0.803	0.567	1.571	0.638	3.579	
2006	0.749	0.100	0.849	0.596	1.686	0.709	3.840	
2007	0.873	0.051	0.924	0.664	1.679	0.713	3.980	
2008	* 0.881	0.050	0.931	0.753	1.665	0.736	4.085	
2009	0.833	0.022	0.855	0.770	1.674	0.711	4.010	
2010	0.804	0.026	0.830	0.910	1.790	0.820	4.350	
2011	0.859	0.010	0.869	0.981	1.837	0.777	4.464	
2012	0.907	0.011	0.918	1.005	1.814	0.849	4.586	
2013	* 0.585	0.007	0.592	0.668	1.159	0.464	2.883	

Source: Municipal Tax Collector and School Business Administrator

\* Revaluation Year

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
(rate per \$100 of assessed value)  
(Continued)

Wantage Township								
Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Municipality	Local School District	County		
2004	\$ 0.891	\$ 0.040	\$ 0.931	\$ 0.319	\$ 1.705	\$ 0.715	\$ 3.670	
2005	0.925	0.039	0.964	0.333	1.667	0.736	3.700	
2006	* 0.337	0.100	0.437	0.144	0.809	0.350	1.740	
2007	0.426	0.025	0.451	0.180	0.860	0.369	1.860	
2008	0.435	0.025	0.460	0.195	0.870	0.377	1.902	
2009	0.460	0.025	0.485	0.209	0.874	0.405	1.973	
2010	0.488	0.017	0.505	0.237	0.889	0.405	2.036	
2011	0.487	0.005	0.492	0.245	0.906	0.409	2.052	
2012	0.506	0.007	0.513	0.240	0.962	0.428	2.143	
2013	0.508	0.006	0.514	0.240	0.977	0.392	2.123	

Source: Municipal Tax Collector and School Business Administrator

\* Revaluation Year

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS.  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Branchville Borough

Frankford Township

Taxpayer	2013	
	Taxable Assessed Value	% of Total District Net Assessed Value
Wantage Avenue Holding Company Inc	\$ 35,006,000	26.23%
Franklin Mutual Insurance Company	5,723,600	4.29%
National Bank of Sussex County	1,765,800	1.32%
Emmans, Robert S.	1,470,200	0.88%
Harris, Richard	1,173,800	0.88%
Haubrich Enterprises, LLC	1,071,500	0.81%
Mill Manor, LLC	1,021,100	0.77%
REMK Company	974,600	0.73%
LAC Realty Corp.	925,500	0.70%
Thomas Meyer	896,500	0.68%
<b>Total</b>	<b>\$ 50,028,600</b>	<b>37.29%</b>

Taxpayer	2013	
	Taxable Assessed Value	% of Total District Net Assessed Value
129 Morris Turnpike Realty, Inc.	\$ 8,175,200	1.13%
Sussex County Farm & Horse Show	2,713,000	0.38%
Tri-Co-Federal Credit Union	2,419,600	0.34%
Branchville Manor c/o Kaplan Dev	2,362,900	0.33%
United Telephone Co of NJ	2,033,198	0.28%
Willand, Steven, Jr.	1,987,500	0.28%
Ballpark Management	1,600,000	0.23%
Ham Ambrose & Lillian	1,364,300	0.19%
One to One LLC	1,352,400	0.19%
Kymers Campground	1,346,900	0.19%
<b>Total</b>	<b>\$ 25,354,998</b>	<b>3.54%</b>

Taxpayer	2004	
	Taxable Assessed Value	% of Total District Net Assessed Value
N/A	N/A	N/A
<b>Total</b>	<b>\$ -</b>	<b>0.00%</b>

Taxpayer	2004	
	Taxable Assessed Value	% of Total District Net Assessed Value
N/A	N/A	N/A
<b>Total</b>	<b>\$ -</b>	<b>0.00%</b>

N/A - Not Available

Source: Municipal Tax Assessor

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED  
(Continued)

Lafayette Township

Sussex Borough

Taxpayer	2013		Taxpayer	2013	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Olde Lafayette Village	\$ 5,055,300	1.52%	Alpine Village Apt LLC	\$ 9,266,800	7.25%
205 Route 94 LLC	3,966,900	1.19%	Wilson Manor Associates	3,969,500	3.11%
Durling Realty	3,423,900	1.03%	Franklin Sussex Realty LLC	1,929,500	1.51%
Carwood Land Development	2,950,000	0.89%	Coulson, Randy	1,852,400	1.45%
United Telephone Co of NJ	2,279,600	0.69%	RBDN LLC C/O NASP	1,600,700	1.26%
34-38 Route 15, Lafayette LLC	1,785,600	0.54%	David B Simmons	1,209,100	0.95%
Lafayette Management Inc	1,756,200	0.53%	Sussex Plaza Realty LLC	1,170,000	0.92%
94 Associates c/o Carson & Roberts	1,686,800	0.51%	Sussex Creamery LLC	1,046,800	0.82%
WWBD Associates, LLC	1,534,500	0.46%	Munson Street Dev. LLC	894,200	0.70%
One Main Street Sparta	1,533,100	0.46%	JP Morgan Chase	859,300	0.68%
<b>Total</b>	<b>\$ 25,971,900</b>	<b>7.82%</b>	<b>Total</b>	<b>\$ 23,798,300</b>	<b>18.65%</b>

Taxpayer	2004		Taxpayer	2004	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
N/A	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>\$ -</b>	<b>N/A</b>	<b>Total</b>	<b>\$ -</b>	<b>0.00%</b>

N/A - Not Available

Source: Municipal Tax Assessor

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED  
(Continued)

Wantage Township

<u>Taxpayer</u>	<u>2013</u>		<u>Taxpayer</u>	<u>2004</u>	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>		<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Wantage 2002 LLC	\$ 11,661,300	0.85%	N/A	N/A	N/A
Tenneco Inc/Tennessee Gas	9,871,200	0.72%			
Mainland Sussex Co	9,297,300	0.68%			
Regency at Sussex	5,539,000	0.40%			
Town Center At Wantage	5,045,400	0.37%			
Space Farms	4,676,112	0.34%			
PS LLC	3,400,900	0.25%			
Ames Rubber	3,393,100	0.25%			
Sussex Rural Electric Corp	3,132,700	0.25%			
Majestic Hills, Inc.	3,124,500	0.23%			
<b>Total</b>	<b>\$ 59,141,512</b>	<b>4.34%</b>	<b>Total</b>		

N/A - Not Available

Source: Municipal Tax Assessor

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

Branchville Borough

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal		Collections in Subsequent Years	Total Collections to Date	
		Year of the Levy <sup>a</sup>			Amount	Percentage of Levy
		Amount	Percentage of Levy			
2003	\$ 2,208,029	\$ 2,173,753	98.45%	-0-	\$ 2,173,753	98.45%
2004	2,164,397	2,121,115	98.00%	-0-	2,121,115	98.00%
2005	2,312,566	2,283,720	98.75%	-0-	2,283,720	98.75%
2006	2,370,750	2,334,228	98.46%	-0-	2,334,228	98.46%
2007	2,232,136	2,196,555	98.41%	-0-	2,196,555	98.41%
2008	2,732,059	2,688,648	98.41%	-0-	2,688,648	98.41%
2009	2,710,186	2,669,458	98.50%	-0-	2,669,458	98.50%
2010	2,679,595	2,655,031	99.08%	-0-	2,655,031	99.08%
2011	2,677,131	2,646,046	98.84%	-0-	2,646,046	98.84%
2012	2,707,789	2,685,495	99.18%	-0-	2,685,495	99.18%

Frankford Township

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal		Collections in Subsequent Years	Total Collections to Date	
		Year of the Levy <sup>a</sup>			Amount	Percentage of Levy
		Amount	Percentage of Levy			
2003	\$ 12,881,260	\$ 12,684,618	98.47%	-0-	\$ 12,684,618	98.47%
2004	13,437,596	13,256,282	98.65%	-0-	13,256,282	98.65%
2005	14,004,300	13,824,613	98.72%	-0-	13,824,613	98.72%
2006	15,007,754	14,868,558	99.07%	-0-	14,868,558	99.07%
2007	15,736,626	15,564,635	98.91%	-0-	15,564,635	98.91%
2008	16,330,964	16,099,765	98.58%	-0-	16,099,765	98.58%
2009	16,841,853	16,565,441	98.36%	-0-	16,565,441	98.36%
2010	17,242,334	16,903,863	98.04%	-0-	16,903,863	98.04%
2011	17,691,034	17,234,517	97.42%	-0-	17,234,517	97.42%
2012	18,152,136	17,788,160	97.99%	-0-	17,788,160	97.99%

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

Lafayette Township						
Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 6,196,067	\$ 5,994,267	96.74%	-0-	\$ 5,994,267	96.74%
2004	6,678,423	6,442,593	96.47%	-0-	6,442,593	96.47%
2005	7,155,177	6,884,437	96.22%	-0-	6,884,437	96.22%
2006	7,579,598	7,409,524	97.76%	-0-	7,409,524	97.76%
2007	8,221,965	7,984,015	97.11%	-0-	7,984,015	97.11%
2008	8,518,064	8,162,192	95.82%	-0-	8,162,192	95.82%
2009	8,687,978	8,427,154	97.00%	-0-	8,427,154	97.00%
2010	8,814,291	8,579,847	97.34%	-0-	8,579,847	97.34%
2011	9,143,560	8,716,792	95.33%	-0-	8,716,792	95.33%
2012	9,287,800	8,952,791	96.39%	-0-	8,952,791	96.39%

Sussex Borough						
Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 2,762,497	\$ 2,662,919	96.40%	-0-	\$ 2,662,919	96.40%
2004	2,908,192	2,795,085	96.11%	-0-	2,795,085	96.11%
2005	2,847,697	2,762,894	97.02%	-0-	2,762,894	97.02%
2006	3,070,454	2,983,183	97.16%	-0-	2,983,183	97.16%
2007	3,185,150	3,095,385	97.18%	-0-	3,095,385	97.18%
2008	3,255,452	3,175,118	97.53%	-0-	3,175,118	97.53%
2009	3,204,110	3,313,291	103.41%	-0-	3,313,291	103.41%
2010	3,466,628	3,322,640	95.85%	-0-	3,322,640	95.85%
2011	3,546,021	3,446,770	97.20%	-0-	3,446,770	97.20%
2012	3,627,826	3,496,634	96.38%	-0-	3,496,634	96.38%

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

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

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

Wantage Township							
Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>			Collections in Subsequent Years	Total Collections to Date	
		Amount		Percentage of Levy		Amount	Percentage of Levy
		\$	\$	%		\$	%
2003	\$ 20,923,535	\$ 20,172,747	96.41%	-0-	\$ 20,172,747	96.41%	
2004	22,957,169	22,300,784	97.14%	-0-	22,300,784	97.14%	
2005	23,974,158	23,199,243	96.77%	-0-	23,199,243	96.77%	
2006	24,946,904	24,062,742	96.46%	-0-	24,062,742	96.46%	
2007	26,960,438	26,036,907	96.57%	-0-	26,036,907	96.57%	
2008	27,731,066	26,743,672	96.44%	-0-	26,743,672	96.44%	
2009	28,827,545	27,651,623	95.92%	-0-	27,651,623	95.92%	
2010	29,745,789	28,547,617	95.97%	-0-	28,547,617	95.97%	
2011	29,955,929	28,851,684	96.31%	-0-	28,851,684	96.31%	
2012	29,990,589	28,833,927	96.14%	-0-	28,833,927	96.14%	

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2004	\$ 5,315,000	-0-	-0-	-0-	-0-	\$ 5,315,000	0.59%	\$ 239	
2005	4,660,000	-0-	-0-	-0-	-0-	4,660,000	0.49%	209	
2006	4,005,000	-0-	-0-	-0-	-0-	4,005,000	0.39%	178	
2007	3,325,000	-0-	-0-	-0-	-0-	3,325,000	0.31%	147	
2008	2,600,000	-0-	-0-	-0-	-0-	2,600,000	0.23%	115	
2009	1,820,000	-0-	-0-	-0-	-0-	1,820,000	0.17%	81	
2010	1,675,000	-0-	-0-	-0-	-0-	1,675,000	0.15%	74	
2011	860,000	-0-	-0-	-0-	-0-	860,000	0.08%	38	
2012	705,000	-0-	-0-	-0-	-0-	705,000	0.06%	32	
2013	540,000	-0-	\$ 1,327,620	-0-	-0-	1,867,620	0.17%	85	

Source: School District Financial Reports

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

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

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2004	\$ 5,315,000	\$ -0-	\$ 5,315,000	0.27%	\$ 239
2005	4,660,000	-0-	4,660,000	0.21%	209
2006	4,005,000	-0-	4,005,000	0.16%	178
2007	3,325,000	-0-	3,325,000	0.12%	147
2008	2,600,000	-0-	2,600,000	0.08%	115
2009	1,820,000	-0-	1,820,000	0.05%	81
2010	1,675,000	-0-	1,675,000	0.05%	74
2011	860,000	-0-	860,000	0.03%	38
2012	705,000	-0-	705,000	0.02%	32
2013	540,000	-0-	540,000	0.02%	25

Source: School District Financial Reports

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

a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2012  
UNAUDITED

	<u>Borough of Branchville</u>	<u>Township of Frankford</u>	<u>Township of Lafayette</u>	<u>Borough of Sussex</u>	<u>Township of Wantage</u>	<u>High Point Regional High School District</u>
Net Direct Debt of School District as of December 31, 2012						\$ 540,000
Net Overlapping Debt of School District						
Municipal (100%)		\$ 623,614		\$ 555,238	\$ 5,724,744	6,903,596
Local School (100%)	\$ 105,215	602,583	\$ 3,035,000			3,742,798
Sussex County MUA	473,140	2,845,068	1,363,391	473,140	4,208,459	9,363,199
County of Sussex Share (1)	592,168	3,577,492	1,717,627	598,048	5,295,304	11,780,640
Total Direct and Overlapping Bonded Debt as of December 31, 2012						<u>\$ 32,330,234</u>

(1) Borough of Branchville - 0.72%	Borough of Sussex - 0.72%
Township of Frankford - 4.46%	Township of Wantage - 6.92%
Township of Lafayette - 2.21%	

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

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

Sources: Assessed value data used to estimate applicable percentages provided by the Sussex County Board of Taxation; debt outstanding data provided by each governmental unit.

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

Legal Debt Margin Calculation for Fiscal Year 2013

	Borough of Branchville	Township of Frankford	Township of Lafayette	Borough of Sussex	Township of Wantage	Equalized Valuation Basis
2010	\$ 152,267,395	\$ 924,801,269	\$ 466,394,373	\$ 147,935,695	\$ 1,451,103,584	\$ 3,142,502,316
2011	149,129,247	890,965,767	443,752,974	146,762,974	1,381,963,364	3,012,574,326
2012	146,255,399	865,272,396	417,953,021	138,346,468	1,303,363,198	2,871,190,482
	<u>\$ 447,652,041</u>	<u>\$ 2,681,039,432</u>	<u>\$ 1,328,100,368</u>	<u>\$ 433,045,137</u>	<u>\$ 4,136,430,146</u>	<u>\$ 9,026,267,124</u>
Average Equalized Valuation of Taxable Property						\$ 3,008,755,708
Debt Limit (3% of average equalization value)						90,262,671 <sup>a</sup>
Total Net Debt Applicable to Limit						540,000
Legal Debt Margin						<u>\$ 89,722,671</u>

	Fiscal Year				
	2004	2005	2006	2007	2008
Debt Limit	\$ 46,751,294	\$ 51,305,595	\$ 57,981,905	\$ 65,648,541	\$ 84,347,999
Total Net Debt Applicable to Limit	5,960,000	5,315,000	4,660,000	3,325,000	3,920,000
Legal Debt Margin	<u>\$ 40,791,294</u>	<u>\$ 45,990,595</u>	<u>\$ 53,321,905</u>	<u>\$ 62,323,541</u>	<u>\$ 80,427,999</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	12.75%	10.36%	8.04%	5.06%	4.65%

	Fiscal Year				
	2009	2010	2011	2012	2013
Debt Limit	\$ 90,505,496	\$ 95,169,182	\$ 95,202,494	\$ 94,410,069	\$ 90,262,671
Total Net Debt Applicable to Limit	21,555,000	15,708,909	860,000	705,000	540,000
Legal Debt Margin	<u>\$ 68,950,496</u>	<u>\$ 79,460,273</u>	<u>\$ 94,342,494</u>	<u>\$ 93,705,069</u>	<u>\$ 89,722,671</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	23.82%	16.51%	0.90%	0.75% #	0.60%

<sup>a</sup> Limit set by NJSA 18A:24-19 for a 9 through 12 district; other % limits would be applicable for other districts

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

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

Year	Population <sup>a</sup>	Personal Income	Sussex County Per Capita Personal Income <sup>b</sup>	Unemployment Rate <sup>c</sup>
<u>Branchville Borough</u>				
2004	840	\$ 34,218,240	\$ 40,736	4.8%
2005	833	35,326,697	42,409	5.5%
2006	831	37,757,316	45,436	6.1%
2007	827	39,862,227	48,201	5.8%
2008	821	40,701,896	49,576	5.5%
2009	815	38,695,385	47,479	8.2%
2010	840	41,333,880	49,207	12.1%
2011	836	41,617,752	49,782	9.6%
2012	825	41,070,150	49,782 *	12.6%
2013	825 **	41,070,150	49,782 *	12.5%
<u>Frankford Township</u>				
2004	5,593	\$ 227,836,448	\$ 40,736	3.8%
2005	5,603	237,617,627	42,409	3.5%
2006	5,605	254,668,780	45,436	3.8%
2007	5,609	270,359,409	48,201	3.6%
2008	5,612	278,220,512	49,576	5.5%
2009	5,595	265,645,005	47,479	8.2%
2010	5,563	273,738,541	49,207	7.8%
2011	5,539	275,742,498	49,782	9.6%
2012	5,532	275,394,024	49,782 *	8.1%
2013	5,532 **	275,394,024	49,782 *	8.0%

Source:

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>c</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

\* - Latest Sussex County per capita personal income available (2011) was used for calculation purposes.

\*\* - Latest population data available (2012) was used for calculation purposes.

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

UNAUDITED

(Continued)

<u>Year</u>	<u>Population<sup>a</sup></u>	<u>Personal Income</u>	<u>Sussex County Per Capita Personal Income<sup>b</sup></u>	<u>Unemployment Rate<sup>c</sup></u>
<u>Lafayette Township</u>				
2004	2,449	\$ 99,762,464	\$ 40,736	2.60%
2005	2,466	104,580,594	42,409	4.90%
2006	2,487	112,999,332	45,436	5.20%
2007	2,477	119,393,877	48,201	5.00%
2008	2,478	122,849,328	49,576	5.50%
2009	2,400	113,949,600	47,479	8.20%
2010	2,463	121,196,841	49,207	10.60%
2011	2,538	126,346,716	49,782	9.60%
2012	2,525	125,699,550	49,782 *	10.90%
2013	2,418	120,372,876 *	49,782 *	10.90%
<u>Sussex Borough</u>				
2004	2,161	\$ 88,030,496	\$ 40,736	6.70%
2005	2,156	91,433,804	42,409	4.50%
2006	2,138	97,142,168	45,436	4.80%
2007	2,144	103,342,944	48,201	4.60%
2008	2,124	105,299,424	49,576	5.50%
2009	2,120	100,655,480	47,479	8.20%
2010	2,139	105,253,773	49,207	9.80%
2011	2,130	106,035,660	49,782	9.60%
2012	2,119	105,488,058	49,782 *	10.20%
2013	2,162	107,628,684 *	49,782 *	10.10%

Source:

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>c</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

\* - Latest Sussex County per capita personal income available (2012) was used for calculation purposes.

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

UNAUDITED

(Continued)

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income</u>	<u>Sussex County Per Capita Personal Income <sup>b</sup></u>	<u>Unemployment Rate <sup>c</sup></u>
<u>Wantage Township</u>				
2004	11,182	\$ 455,509,952	\$ 40,736	3.40%
2005	11,276	478,203,884	42,409	5.30%
2006	11,397	517,834,092	45,436	5.70%
2007	11,532	555,853,932	48,201	5.50%
2008	11,557	572,949,832	49,576	8.20%
2009	11,533	547,575,307	47,479	8.20%
2010	11,601	570,850,407	49,207	11.50%
2011	11,353	565,175,046	49,782	9.60%
2012	11,301	562,586,382	49,782 *	11.50%
2013	10,984	546,805,488 *	49,782 *	11.80%

Source:

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>c</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

\* - Latest Sussex County per capita personal income available (2012) was used for calculation purposes.

\*\* - Latest population data available (2012) was used for calculation purposes.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS - SUSSEX COUNTY  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

2012			2003		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Crystal Springs Gold & Spa Resort	2,000	N/A	Selective Insurance	954	N/A
Newton Memorial Hospital	1,200	N/A	Andover Subacute & Rehab Center	900	N/A
Selective Insurance	900	N/A	County of Sussex	825	N/A
County of Sussex	830	N/A	Mountain Creek Resort	800	N/A
Mountain Creek Resort	800	N/A	Newton Memorial Hospital	757	N/A
Ames Rubber Corp.	445	N/A	Ronetco Supermarkets	711	N/A
Shop Rite Supermarkets	301	N/A	Vernon Township Board of Education	629	N/A
Andover Subacute & Rehab Center	300	N/A	F.O. Phoenix, Inc.	600	N/A
Sussex County Community College	300	N/A	Hopatcong Board of Education	450	N/A
SCARC, Inc.	287	N/A	Wal-Mart	380	N/A
<b>Total</b>	<b>7,363</b>	<b>N/A</b>		<b>7,006</b>	<b>N/A</b>

N/A - Information is not available

Source: County of Sussex

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Instruction										
Regular	91.0	95.0	95.0	95.0	95.0	94.0	93.0	82.0	91.5	79.0
Special Education	28.0	30.5	30.5	30.5	30.5	30.5	29.5	16.0	13.0	19.5
Support Services:										
Tuition										
Student and Instruction Related Services	28.5	28.5	28.5	28.5	29.5	25.0	25.0	25.0	21.0	29.0
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0
School Administrative Services	10.5	10.5	10.5	10.5	10.5	10.5	9.5	9.5	9.0	9.5
Business and Other Support Services	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	3.5	4.0
Plant Operations and Maintenance	15.3	15.3	15.3	15.3	15.3	15.5	15.5	15.5	15.5	16.0
Pupil Transportation	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.5	6.0
Food Service	11.0	11.0	11.0	11.0	11.0	11.0	11.0			
<b>Total</b>	<b>197</b>	<b>203</b>	<b>203</b>	<b>203</b>	<b>204</b>	<b>199</b>	<b>196</b>	<b>162</b>	<b>162</b>	<b>166</b>

Source: District Personnel Records

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
OPERATING STATISTICS,  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio High School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2004	1,327	\$ 19,254,266	\$ 14,510	-2.74%	105	1:13	1,308	1,253	-12.00%	94.45%
2005	1,345	20,525,197	15,260	5.17%	111	1:12	1,357	1,297	3.77%	96.40%
2006	1,387	20,867,228	15,045	-1.41%	111	1:12	1,377	1,318	1.50%	95.05%
2007	1,349	21,460,881	15,909	5.74%	111	1:12	1,357	1,293	-1.51%	95.84%
2008	1,280	24,061,117	18,798	18.16%	111	1:12	1,316	1,269	-3.00%	99.16%
2009	1,270	23,692,461	18,655	-0.76%	109	1:12	1,268	1,226	-3.64%	96.51%
2010	1,205	25,052,875	20,791	11.45%	103	1:12	1,198	1,155	-5.50%	95.86%
2011	1,148	23,104,124	20,126	-3.20%	100	1:11	1,136	1,087	-5.22%	94.72%
2012	1,101	23,546,673	21,387	6.27%	100	1:11	1,099	1,054	-3.22%	95.77%
2013	1,014	24,627,671	24,288	13.56%	104	1:10	1,011	973	-7.75%	95.93%

Source: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d The cost per pupil calculated above is the sum of the operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>District Building</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
High Point Regional High School										
Square Feet	219,283	219,283	219,283	219,283	219,283	219,283	219,283	219,283	219,283	219,283
Capacity (students)	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227
Enrollment	1,327	1,345	1,387	1,349	1,280	1,270	1,204	1,148	1,101	1,014

Source: High Point Regional High School District records

Note: Enrollment is based on the annual October district count.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Undistributed Expenditures - Required  
Maintenance For School Facilities  
11-000-261-xxx

Fiscal Year Ended June 30,	High School	*	Total
2004	\$ 169,708	\$	169,708
2005	180,084		180,084
2006	192,182		192,182
2007	145,787		145,787
2008	211,731		211,731
2009	305,586		305,586
2010	207,962		207,962
2011	215,713		215,713
2012	382,393		382,393
2013	429,663		429,663

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

Source: High Point Regional High School District records

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2013  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy: School Alliance Insurance Fund	\$ 250,000,000	
Insurance Fund		
Building & Personal Property		\$ 1,000
Inland Marine - Auto Physical Damage		1,000
General Liability Including Auto, Employee Benefits Each Occurrence	5,000,000	
General Aggregate	50,000,000	Fund Aggregate
Product / Completed Ops		
Personal Injury		
Fire Damage	2,500,000	
Medical Expenses (excluding students taking part in athletics)	10,000	
Automobile Coverage		
Combined Single Limit		
Hired / Non-owned		
Environmental Impairment Liability	1,000,000/25,000,000 Fund Agg.	5,000
Crime Coverage	50,000 Inside/ Out	1,000
Blanket Dishonesty Bond	500,000	1,000
Boiler & Machinery	100,000,000	1,000
Excess Liability (AL/GL)	5,000,000	
School Board Legal	5,000,000/5,000,000	5,000
Workers Compensation	Statutory	
Empolyer's Liability	5,000,000	
Supplemental Indemnity	Statutory	
Bond for School Administrator	290,000	Selective Insurance
Bond for Treasurer of School Monies	290,000	Selective Insurance
Student Accident	5,000,000	Bollinger

Source: District records

SINGLE AUDIT SECTION



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

Independent Auditors' Report

The Honorable President and Members  
 of the Board of Education  
 High Point Regional School District  
 County of Sussex, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the High Point Regional High School District, in the County of Sussex (the "District") as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 7, 2013.

**Internal Control Over Financial Reporting**

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

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

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

The Honorable President and Members  
of the Board of Education  
High Point Regional School District  
Page 2

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

October 7, 2013  
Mount Arlington, New Jersey

NISIVOCCIA LLP



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Valerie A. Dolan  
Licensed Public School Accountant #2526  
Certified Public Accountant



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Report on Compliance For Each Major State Program;  
 Report on Internal Control Over Compliance Required by OMB Circular A-133  
 and New Jersey OMB's Circular 04-04

Independent Auditors' Report

The Honorable President and Members  
 of the Board of Education  
 High Point Regional School District  
 County of Sussex, New Jersey

**Report on Compliance for Each Major State Program**

We have audited the Board of Education of High Point Regional School (the "District's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2013. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major State Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2013.

The Honorable President and Members  
of the Board of Education  
High Point Regional School District  
Page 2

### Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJOMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results that the testing based on the requirements of OMB Circular A-133 or NJOMB 04-04. Accordingly, this report is not suitable for any other purpose.

October 7, 2013  
Mount Arlington, New Jersey

NISIVOCIA LLP



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Valerie A. Dolan  
Licensed Public School Accountant #2526  
Certified Public Accountant

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance (Accounts Receivable) 6/30/12	Due to Grantor 6/30/12	Cash Received	Budgetary Expenditures	Cancellation of Prior Year Payable and Encumbrances	Balance 6/30/13		Due to Grantor 6/30/13
										Accounts Receivable	Unearned Revenue	
U.S. Department of Education Passed-through State Department of Education:												
General Fund:												
Education Jobs Fund	84.410A	N/A	7/1/10-9/30/12	\$ 237,942	\$ (33,693)		\$ 34,306	\$ (613)				
Total General Fund					(33,693)		34,306	(613)				
U.S. Department of Agriculture												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
Federal Food Distribution Program	10.555	N/A	7/1/12-6/30/13	14,803		14,803	(14,345)				\$ 458	
Federal Food Distribution Program	10.555	N/A	7/1/11-6/30/12	20,061	410		(410)					
National School Lunch Program	10.555	N/A	7/1/12-6/30/13	43,490		35,209	(43,490)			\$ (8,281)		
National School Lunch Program	10.555	N/A	7/1/11-6/30/12	46,952	(6,593)	6,593						
Total U.S. Department of Agriculture/Child Nutrition Cluster					(6,183)	56,605	(58,245)			(8,281)	458	
U.S. Department of Education												
Passed-through State Department of Education:												
No Child Left Behind Consolidated Grant:												
Title I	84-010A	NCLB-2165-13	9/1/12-8/31/13	73,137		37,982	(71,596)			(33,614)		
Title I	84-010A	NCLB-2165-12	9/1/11-8/31/12	70,004	(44,870)	51,704	(5,074)	\$ 1,760			1,760	
Title IIA	84.278A	NCLB-2165-13	9/1/12-8/31/13	22,180		11,828	(21,977)			(10,149)		
Title IIA	84.278A	NCLB-2165-12	9/1/11-8/31/12	24,145	(17,483)	20,562	(3,079)	75			75	
Title IIA	84.278A	NCLB-2165-11	9/1/10-8/31/12	25,820		645	(645)					
Special Education Cluster:												
I.D.E.A. Part B, Basic	84.027	FT-2165-13	9/1/12-8/31/13	226,548		167,017	(225,000)			(57,983)		
I.D.E.A. Part B, Basic	84.027	FT-2165-12	9/1/11-8/31/12	229,510	(47,169)	47,169						
State Fiscal Stabilization Fund (SFSF)												
ARRA Race to the Top	84.395	N/A	9/1/11-11/30/15	5,575		4,575	(4,575)					
Perkins Vocational Education - Basic Grants	84.048A	PERK 13-2165	9/1/12-8/31/13	24,329		20,995	(23,163)			(2,168)		
Total U.S. Department of Education					(109,522)	303,500	(355,109)	1,835		(103,914)	1,835	
Total Federal Financial Awards					\$ (149,398)	\$ -0-	\$ 394,411	\$ (413,967)	\$ 1,835	\$ (112,195)	\$ 2,293	\$ -0-

N/A - Not Available

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance (Accounts Receivable) 6/30/12	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance 6/30/13		MEMO	
								GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
NJ Department of Education:											
Equalization Aid	13-495-034-5120-078	7/1/12 - 6/30/13	\$ 4,111,755		\$ 3,700,586	\$ (4,111,755)				\$ 411,169	\$ 4,111,755
Transportation Aid	13-495-034-5120-014	7/1/12 - 6/30/13	753,337		678,004	(753,337)				75,333	753,337
Special Education Aid	13-495-034-5120-089	7/1/12 - 6/30/13	600,562		540,507	(600,562)				60,055	600,562
Security Aid	13-495-034-5120-084	7/1/12 - 6/30/13	83,358		75,022	(83,358)				8,336	83,358
Adjustment Aid	13-495-034-5120-085	7/1/12 - 6/30/13	623,958		561,563	(623,958)				62,395	623,958
Extraordinary Aid	13-100-034-5120-473	7/1/12 - 6/30/13	485,255			(485,255)		\$ (485,255)		485,255	485,255
Non-Public Transportation	13-495-034-5120-014	7/1/12 - 6/30/13	16,580			(16,580)		(16,580)		16,580	16,580
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	7/1/12 - 6/30/13	680,509		613,608	(680,509)		(66,901)		66,901	680,509
Equalization Aid	12-495-034-5120-078	7/1/11 - 6/30/12	4,298,960	\$ (421,525)	421,525						4,298,960
Transportation Aid	12-495-034-5120-014	7/1/11 - 6/30/12	756,176	(75,618)	75,618						756,176
Special Education Aid	12-495-034-5120-011	7/1/11 - 6/30/12	578,924	(57,892)	57,892						578,924
Security Aid	12-495-034-5120-084	7/1/11 - 6/30/12	84,837	(8,484)	8,484						84,837
Adjustment Aid	12-495-034-5120-085	7/1/11 - 6/30/12	779,948	(77,995)	77,995						779,948
Extraordinary Aid	12-100-034-5120-473	7/1/11 - 6/30/12	435,683	(435,683)	435,683						435,683
Non-Public Transportation	12-495-034-5120-014	7/1/11 - 6/30/12	18,998	(18,998)	18,998						18,998
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/1/11 - 6/30/12	716,198	(37,708)	37,708						716,198
<b>Total General Fund State Aid</b>				<b>(1,133,903)</b>	<b>7,303,193</b>	<b>(7,355,314)</b>		<b>(568,736)</b>		<b>1,186,024</b>	<b>15,025,038</b>
<b>Total NJ Department of Education</b>				<b>(1,133,903)</b>	<b>7,303,193</b>	<b>(7,355,314)</b>		<b>(568,736)</b>		<b>1,186,024</b>	<b>15,025,038</b>
Capital Projects Fund:											
SDA Grant	2165-030-09-1001	7/1/09-6/30/13	336,971	(336,971)	336,971						336,971
<b>Total Capital Projects Fund</b>				<b>(336,971)</b>	<b>336,971</b>						<b>336,971</b>
Enterprise Fund:											
State School Lunch Program	13-100-034-5120-122	7/1/12 - 6/30/13	2,291		1,848	(2,291)		(443)			2,291
State School Lunch Program	12-100-034-5120-122	7/1/11 - 6/30/12	2,835	(389)	389						2,835
<b>Total Enterprise Fund</b>				<b>(389)</b>	<b>2,237</b>	<b>(2,291)</b>		<b>(443)</b>			<b>5,126</b>
<b>Total State Awards</b>				<b>\$ (1,471,263)</b>	<b>\$ 7,642,401</b>	<b>\$ (7,357,605)</b>	<b>\$ -0-</b>	<b>\$ (569,179)</b>	<b>\$ -0-</b>	<b>\$ 1,186,024</b>	<b>\$ 15,367,135</b>

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards include federal and state grant activity of the Board of Education, High Point Regional High School District under programs of the federal and state governments for the fiscal year ended June 30, 2013. The information in these schedules is presented in accordance with the Federal Office of Management and Budget (OMB), *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*. Because these schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the accompanying schedules of expenditures of federal and state awards are reported 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. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following cost principles contained in Federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$24,226 for the general fund, \$33,642 for the special revenue fund. See exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Pension Payments and Post Retirement Medical Benefits revenue of \$665,345 and \$752,337 respectively. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 613	\$ 8,797,223	\$ 8,797,836
Special Revenue Fund	388,751		388,751
Capital Projects Fund		336,971	336,971
Enterprise Fund - Food Service	58,245	2,291	60,536
	<u>\$ 446,996</u>	<u>\$ 9,136,485</u>	<u>\$ 9,584,094</u>

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

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

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2013. Revenues and expenditures reported under the Food Distribution program represent current year value received and current year distributions, respectively.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey OMB's Circular 04-04*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey OMB's Circular 04-04 or Section 510(a) of Federal OMB Circular A-133.
- The District's programs tested as major state programs for the current fiscal year consisted of the following state aid:

- The District's major state programs for the current fiscal year consisted of the following:

<u>State:</u>	<u>State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Equalization Aid	13-495-034-5120-078	7/1/12-6/30/13	\$ 4,111,755	\$ 4,111,755
Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	600,562	600,562
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	83,358	83,358
Adjustment Aid	13-495-034-5120-085	7/1/12-6/30/13	623,958	623,958

- The threshold for distinguishing between State Type A and Type B programs was \$300,000.
- The single audit threshold identified in Federal OMB Circular A-133 and New Jersey OMB's Circular 04-04 was \$500,000.
- The District was determined to be a "low-risk" auditee for state programs under the provisions of section 530 of the federal Circular.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in section 510(a) of the federal Circular or New Jersey OMB's Circular 04-04.

HIGH POINT REGIONAL HIGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2013

Status of Prior Year Findings:

There were no findings in the prior year.